

**FORM CF-AS**

**MANDATORY PROVIDENT FUND SCHEMES ORDINANCE (CAP. 485)  
("the Ordinance")**

**DETAILS OF CONSTITUENT FUNDS TO BE INCLUDED  
IN THE ANNUAL STATEMENTS OF REGISTERED SCHEME**

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*NOTES:*

- (1) *The trustee of the registered scheme ("the Trustee") should refer to the "Guidelines on Annual Statements of Registered Schemes" for the purpose of submitting details of the constituent funds to be included in the annual statements of the registered scheme.*
  - (2) *The Trustee is not required to adopt the format as specified in this form and to disclose the items in the same order.*
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## **I Details of Constituent Fund to be Included in the Financial Statements of the Registered Scheme**

The financial statements of the registered scheme should cover the information specified below in respect of each of its constituent funds.

### (A) Statement of Assets and Liabilities

The following must be separately disclosed:

1. Total value of investments;
2. Bank balances;
3. Dividends and other receivables;
4. Amounts receivable on subscription;
5. Bank loans and overdrafts or other forms of borrowings;
6. Amounts payable on redemption;
7. Total value of all assets;
8. Total value of all liabilities;
9. Net asset value;
10. Number of units in issue for unitized fund;
11. Net asset value per unit for unitized fund;

### (B) Revenue Statement

1. Total investment income net of withholding tax, broken down by category;
2. Total other income, broken down by category including security lending;
3. Equalization on issue and cancellation of units for unitized fund;
4. An itemized list of various costs which have been debited from the constituent fund including:
  - (a) fees paid to the investment manager;
  - (b) remuneration of the trustee/custodian;
  - (c) compensation fund levy paid to the Mandatory Provident Fund Schemes Authority (“the Authority”);
  - (d) other amounts paid to any associates of the trustee, custodian, or investment manager;
  - (e) safe custody and bank charges;
  - (f) auditors’ remuneration;
  - (g) interest on borrowings;
  - (h) legal and other professional fees;

- (i) any other expenses borne by the constituent fund.
- 5. Taxes;
- 6. Amounts transferred to and from the capital account.

(C) Statement of Movement in Capital Account

- 1. Value of the fund as at the beginning of the year;
- 2. Number of units issued and the amounts received upon such issuance (after equalization if applicable) for unitized fund or amounts of subscriptions for non-unitized fund;
- 3. Number of units redeemed and the amount paid on redemption (after equalization if applicable) for unitized fund or amounts of redemptions for non-unitized fund;
- 4. Any items resulting in an increase/decrease in value of the constituent fund including:
  - (a) surplus/loss on sale of investments;
  - (b) exchange gain/loss;
  - (c) unrealized appreciation/diminution in value of investments.
- 5. Amounts transferred to and from the revenue account;
- 6. Value of the constituent fund as at the end of the year.

(D) Notes to the Accounts

The following matters should be set out in the notes to the accounts:

- 1. Principal accounting policies
  - (a) the basis of valuation of the assets of the constituent fund;
  - (b) the revenue recognition policy regarding dividend income and other income;
  - (c) foreign currency translation;
  - (d) the basis of valuation of financial futures and option contracts as well as currency forward contracts;
  - (e) taxation;
  - (f) any other accounting policy adopted to deal with items which are judged material or critical in determining the transactions and in stating the disposition of the constituent fund.

Any changes to the above accounting policies and their financial effects upon the accounts should also be disclosed.

- 2. Transactions with Associates

The following should be disclosed:

- (a) a description of the nature of any transactions entered into, during the financial year, between the constituent fund and the investment manager of the constituent fund (including any of its delegates) or any entity in which those parties or their associates have a material interest, together with a statement confirming that these transactions have been entered into in the ordinary course of business and on normal

- commercial terms;
- (b) (i) the total aggregate value of the transactions of the constituent fund effected through brokers who are associates of the trustee or investment manager of the constituent fund or of the investment manager's delegates;
  - (ii) the percentage of such transactions in value to the total transactions in value of the constituent fund during the year;
  - (iii) the total brokerage commission paid to such brokers in relation to transactions effected through them;
  - (iv) the total brokerage commission paid in respect of the constituent fund; and
  - (v) the average rate of commission effected through such broker;
- (c) details of all transactions which are outside the ordinary course of business or not on normal commercial terms entered into, during the year, between the constituent fund and the investment manager of the constituent fund (including any of its delegates) or any entity in which these parties or their associates have a material interest;
  - (d) name of the investment manager of the constituent fund (including any of its delegates) or any associates of such company if any of them becomes entitled to profits from management of the constituent fund and the amount of profits to which each of them becomes entitled;
  - (e) where the constituent fund does not have any transactions with associates of the investment manager or of its delegates during the year, a nil statement to that effect; and
  - (f) the basis of the fee charged for the investment management of the constituent fund and the name of the investment manager of the constituent fund (including any of its delegates). In addition, where a performance fee is charged to the constituent fund, the basis of calculation and amount of performance fee charged should be separately disclosed.
3. Details of any soft commission arrangements relating to dealings in the property of the constituent fund or a nil statement if no such arrangements exist during the year.
4. Borrowings
- State whether the borrowings entered into are secured or unsecured and the duration of the borrowings.
5. Contingent liabilities and commitments
- Details of any contingent liabilities and commitments of the constituent fund.
6. If the free negotiability of any asset is restricted by statutory or contractual requirements, this must be stated.
7. Marketing expenses
- State whether there are any advertising expenses, promotional expenses or commissions or brokerage fees payable to the MPF intermediaries of the registered scheme deducted from the constituent fund during the year.

## II Details of Constituent Fund to be Included in the Investment Report of the Registered Scheme

The investment report of the registered scheme should cover the information specified below in respect of each of its constituent funds.

### (A) Investment Portfolio

1. Number or quantity of each holding together with the description;
2. The market value of each holding:
  - (a) in the case of equities and warrants, categorize by country; and
  - (b) in the case of debt securities and convertible debt securities, categorize by currency denomination;
3. The value of each holding as a percentage of the total net asset value (please specify whether trade day or settlement day basis is adopted);
4. The total investment stated at cost;
5. Statement of movements in portfolio holdings since the end of the preceding year of the registered scheme.

*Note: For (5), the Trustee is expected to choose the most appropriate illustration of portfolio holdings taking into account the objective and nature of the constituent fund. Any one of the following methods may be considered acceptable to the Authority:*

- (a) detailed holdings in individual securities;*
- (b) holdings in different sectors of a particular market;*
- (c) holdings in different countries (in the case of, for example, a global equity fund);*  
*or*
- (d) holdings in various kinds of securities such as equities, bonds, warrants and options etc., (in the case of a diversified fund).*

*Except for (a) above, movements in portfolio holdings can be expressed in percentages.*

### (B) Performance Table

1. A comprehensive table covering the last 3 financial years and including, for each financial year, at the end of the financial year:
  - (a) the total net asset value; and
  - (b) the net asset value per unit for unitized fund.
2. A performance record over the last 10 financial years, or if the constituent fund has not been in existence during the whole of that period, over the whole period in which it has been in existence, showing:

- (a) the highest issue price and the lowest redemption price of the units during each of those years for unitized fund;
- (b) the net annualized investment return (percentage change in unit price for unitized fund and the declared investment return for non-unitized fund) during each of those years, except that for the first year, the actual net investment return for the relevant period should be shown without annualization but with the relevant period disclosed; and
- (c) the basis of calculation of the net investment return should be disclosed in a footnote.

### **III Information on Costs and Expenses of Constituent Fund**

The annual statement of the registered scheme should include the information specified below in respect of each of its constituent funds.

#### ***(A) Transaction Costs***

1. The dollar cost incurred in performing any investment transactions for the constituent fund, or a particular class of units of a constituent fund (including brokerage, commissions and taxes) should be disclosed.

#### ***(B) Fund Expense Ratio***

1. The fund expense ratio (“FER”) of each constituent fund, or a particular class of units of a constituent fund, for that financial period, calculated to two decimal places, should be disclosed.