

MANDATORY PROVIDENT FUND SCHEMES AUTHORITY

II.4 Guidelines on Annual Statements of Registered Schemes

INTRODUCTION

Section 22A(1) of the Mandatory Provident Fund Schemes Ordinance (“the Ordinance”) provides that the approved trustee of a registered scheme must, by the end of the day that falls 6 months after the end of each financial period of the scheme, lodge with the Mandatory Provident Fund Schemes Authority (“the Authority”) an annual statement.

2. Section 81 of the Mandatory Provident Fund Schemes (General) Regulation (“the Regulation”) provides that the approved trustee of a registered scheme must prepare financial statements of the scheme for each of its financial period.

3. Section 87 of the Regulation provides that the approved trustee of a registered scheme must prepare an investment report of the scheme for each of its financial period.

4. The financial statements and the investment report form part of the consolidated report prescribed under section 89 of the Regulation. Section 110(3)(a) of the Regulation stipulates that the consolidated report must be included in the annual statement prescribed under section 22A(1) of the Ordinance.

5. Section 110(2)(a) to (c) of the Regulation specifies the information that must be included in the annual statement submitted under section 22A(1) of the Ordinance. Section 110(2)(d) of the Regulation further provides that the Authority may prescribe guidelines to specify such other information to be included in the annual statement.

6. Section 6H of the Ordinance provides that the Authority may issue guidelines for the guidance of approved trustees, service providers and other persons concerned with the Ordinance.

7. The Authority hereby issues guidelines to prescribe:

- (a) the statistical information in relation to a registered scheme under section 110(2)(d) of the Regulation; and
- (b) the information in relation to the constituent funds of a registered scheme which should be included in the financial statements and the investment report of the scheme under sections 81 and 87 of the Regulation respectively.

8. These guidelines also specify the format of submission and the means that the annual statement and its accompanying documents should be submitted to the Authority.

ANNUAL STATEMENTS

Prescribed Information and Format

9. The statistical information and format prescribed for the purpose of section 110(2)(d) of the Regulation are set out in:

- (a) Annex A (Form MPF(S)-AR/STAT) in respect of a registered employer sponsored scheme or master trust scheme; or
- (b) Annex B (Form MPF(S)-AR/STAT(IS)) in respect of a registered industry scheme.

10. The information in relation to the constituent funds of a registered scheme to be included in the financial statements and the investment report of the scheme is set out in Annex C (Form CS-AS).

11. The prescribed format of the forms in the Annexes can be downloaded from the Authority's website at:

(address to be inserted when available)

Definitions of Terms

12. Except where otherwise specified in the forms at Annexes A, B and C, the terms common to the forms in the Annexes, the Ordinance and the subsidiary legislation of the Ordinance carry the same meanings as defined in the Ordinance and the subsidiary legislation. Approved trustees of registered schemes should make appropriate reference to the Ordinance and the subsidiary legislation, where necessary.

Submission of Annual Statement and Accompanying Documents

13. When submitting the annual statement to the Authority, an approved trustee of a registered scheme is required to :

- (a) send the annual statement and the accompanying documents specified in section 110(3) of the Regulation, in hard copies, to :

The Mandatory Provident Fund Schemes Authority,
Suites 1407-09, One Pacific Place,
88 Queensway,
Hong Kong; and

- (b) in addition to the hard copies described in (a) above, send the statistical information prescribed in Annex A or B (as where applicable) in a diskette using the software of “Microsoft Excel”.

Warning

14. It is an offence under section 43E of the Ordinance if a person, in any document given to the Authority, makes a statement that he knows to be false or misleading in a material respect, or recklessly makes a statement which is false or misleading in a material respect.

FORM MPF(S)-AR/STAT

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

**ANNUAL STATISTICAL INFORMATION ON REGISTERED
EMPLOYER SPONSORED SCHEMES/MASTER TRUST SCHEMES**

NOTES :

- (1) *The approved trustee ("the Trustee") of a registered employer sponsored scheme or master trust scheme ("the Scheme") should read the explanatory notes to this Form carefully before completing this Form.*
 - (2) *Unless otherwise specified, all the statistics required in this Form are to be taken as at the last day of the financial period of the Scheme.*
 - (3) *** means the requested information is not applicable to employer sponsored schemes.*
 - (4) *Please insert "N.A." if not applicable.*
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FOR OFFICIAL USE ONLY

Scheme registration no. : _____ **Date received :** _____

Subject officer : _____ **Input officer :** _____

SECTION I - THE SCHEME

- (1) Name of the Scheme : _____
- (2) Registration no. of the Scheme : _____
- (3) Type of the Scheme (tick where appropriate) : Employer sponsored scheme
 Master trust scheme
- (4) The financial period to which this Form relates (“the Financial Period”) :
- from

Day	Month	Year			
- to

Day	Month	Year			

SECTION II - GENERAL INFORMATION

- (1)
- Number of scheme members by age*

Age ^{Note 1}	No. of scheme members ^{Note 2}
<30	
≥30 but <50	
≥50 but <60	
≥60 but <65	
≥65	

- (2)
- Number of participating employers by size of employees who were members of the Scheme*

Employee size	No. of participating employers
1 - 4 employees	
5 - 9 employees	
10 - 19 employees	
20 - 49 employees	
50 - 199 employees	
200 - 999 employees	
≥1,000 employees	

(3) *Default contributions*

Number of written notices ^{Note 3} issued by the Trustee of the Scheme during the Financial Period to the participating employers who failed to pay mandatory contributions by the contribution day :

No. of written notices issued	No. of participating employers
1 - 3 notices	
4 - 6 notices	
> 6 notices	

(4) *Self-employed persons ***

No. of self-employed persons who lodged a statement of loss in accordance with section 130 of the Mandatory Provident Fund Schemes (General) Regulation during the Financial Period :

SECTION III - TRANSFER OF ACCRUED BENEFITS(1) *Number of transfers* ^{Note 4}

Type of scheme members ^{Note 5}	Accounts to which the accrued benefits were transferred	
	A new account ^{Note 6}	An existing account
Self-employed persons		
Employees		
Preserved account holders		

SECTION IV - PAYMENT OF ACCRUED BENEFITS DERIVED FROM MANDATORY CONTRIBUTIONS ^{Note 7}(1) *Number of payments by age*

Age on date of withdrawal ^{Note 8}	No. of payments
<30	
≥30 but <50	
≥50 but <60	
≥60	

(2) *Number of payments by type*

Grounds on which payments were made	No. of payments ^{Note 9}
Early retirement/retirement	
Death	
Total incapacity	
Offsetting of severance payment during portability of accrued benefits ^{Note 10}	
Offsetting of long service payment during portability of accrued benefits ^{Note 11}	
Permanent departure from Hong Kong	
Small balance ^{Note 12}	

(3) *Amount of payments by type*

Grounds on which payments were made	Amount of payments (HK\$) ^{Note 9}
Early retirement/retirement	
Death	
Total incapacity	
Offsetting of severance payment during portability of accrued benefits ^{Note 10}	
Offsetting of long service payment during portability of accrued benefits ^{Note 11}	
Permanent departure from HK	
Small balance ^{Note 12}	

SECTION V - UNCLAIMED BENEFITS AND RETAINED BENEFITS ^{NOTE 13}(1) *Unclaimed benefits*

Total number of accounts holding unclaimed benefits and the total amount of unclaimed benefits :

No. of years for which the benefits have become unclaimed ^{Note 14}	Total number of accounts which held unclaimed benefits	Total amount of unclaimed benefits held (HK\$)
≥ ½ but <1		
≥ 1 but <3		
≥ 3 but <5		
≥ 5		

(2) *Retained benefits*^{Note 15}

Number of scheme members who elected to retain their accrued benefits in the Scheme after attaining retirement age during the Financial Period : _____

SECTION VI - SMALL BALANCE ACCOUNTS

- (1) Number of accounts where opening balance^{Note 16} is larger than closing balance^{Note 17} (Only trustees who impose flat fees^{Note 18} or differential percentage fees^{Note 19} on small balance accounts are required to complete this table).

Balance size ^{Note 20} (HK\$)	Contribution Accounts		Preserved Accounts **	
	Total number of accounts	Number of accounts, of which opening balance exceeded closing balance	Total number of accounts	Number of accounts, of which opening balance exceeded closing balance
<2000				
≥2000 but <3500				
≥3500 but ≤5000				

***Explanatory notes for completion of Form MPF(S)-AR/STAT for
employer sponsored schemes and master trust schemes***

- (1) For the purpose of SECTION II(1), the age of a scheme member refers to the age of the member attained at his/her last birthday falling on or before the end of the reported Financial Period of the Scheme.
- (2) Scheme members in SECTION II(1) refer to the persons who were members of the Scheme (in the capacity of employees of a participating employer, self-employed persons and/or preserved account holders) as at the last day of the Financial Period of the Scheme. If a scheme member was participating in the Scheme with more than one capacity (e.g., he/she was an employee of a participating employer and was also having an account in the Scheme in respect of his/her capacity as a self-employed person), he/she would still be regarded as “one” member in the Scheme for the purpose of SECTION II(1).
- (3) The written notices in SECTION II(3) refer to the written notices issued by the Trustee in accordance with section 133 of the Mandatory Provident Fund Schemes (General) Regulation. If there were 100 participating employers to whom the Trustee had issued five written notices in the Financial Period to chase for payment of mandatory contributions that were in default in respect of different contribution periods involved, then the Trustee should fill in 100 in the column next to the “4-6” bracket in the first column of the table.
- (4) “Number of transfers” includes the transfer of accrued benefits among different accounts in the Scheme (e.g. from a contribution account to a preserved account of a scheme member), and the transfer of accrued benefits from the Scheme to another registered scheme which were handled by the trustee in the capacity of a **transferor trustee** during the Financial Period. The accrued benefits refer to the benefits derived from mandatory and voluntary contributions.
- (5) “Type of scheme members” refers to the statuses of the scheme members under the Scheme before they elected to transfer their accrued benefits.
- (6) A “new account”, in respect of an employee who was newly employed and enrolled in the Scheme by his employer who was already a participating employer in the Scheme, includes the contribution account of the employee under that employment.
- (7) The number/amount of payments asked in SECTION IV refers to the total number/amount of payments handled by the trustee during the Financial Period.
- (8) “Age on date of withdrawal”, in relation to a scheme member, refers to the age of the member attained at his/her last birthday falling on or before the date when his/her accrued benefits in the Scheme was paid to him/her by the trustee of the Scheme. In the case the accrued benefits of a member of the Scheme was paid on grounds of death of the member prior to his/her attainment of retirement age at 65, the “Age on date of withdrawal”, for the purpose of this section, refers to the age of the member attained at his/her last birthday falling on or before the date when the member died.

- (9) For the statistics on offsetting of accrued benefits in the Scheme against long service payment (LSP) or severance payment (SP), the statistic should only be counted when the withdrawal of accrued benefits was SOLELY made on the ground for offsetting of LSP or SP. In other words, if the withdrawal of accrued benefits in respect of a member in the Scheme was claimed on grounds such as death or total incapacity of the member and such circumstances involved the offsetting of LSP or SP, then only the grounds of death or total incapacity should be counted.
- (10) The number/amount refers to the number/amount of payments made SOLELY on grounds of offsetting of severance payment during portability of accrued benefits.
- (11) The number/amount refers to the number/amount of payments made SOLELY on grounds of offsetting of long service payment during portability of accrued benefits.
- (12) This item refers to the number/amount of payments of accrued benefits made in accordance with section 165 of the Mandatory Provident Fund Schemes (General) Regulation.
- (13) Unclaimed benefits and retained benefits should cover the accrued benefits derived from both mandatory and voluntary contributions, if any.
- (14) “No. of years for which the benefits have become unclaimed” refers to the number of years for which the accrued benefits were not claimed by a member or a person after the accrued benefits had been treated as unclaimed benefits.
- (15) Upon attaining the retirement age, a scheme member may elect to retain his/her accrued benefits in the scheme. These accrued benefits are treated as retained benefits.
- (16) “Opening balance” means the accrued benefits derived from mandatory and voluntary contributions as at the beginning of the Financial Period of the Scheme as indicated in Section I(4) of this Form.
- (17) “Closing balance” means the accrued benefits derived from mandatory and voluntary contributions as at the end of the Financial Period of the Scheme as indicated in Section I(4) of this Form.
- (18) “Flat fees” means the amount of fees charged on each scheme member under the same registered scheme is the same, regardless of the size of the scheme member’s accrued benefits.
- (19) “Differential percentage fees” means the fees charged on different classes of scheme members, regardless of how they are being classified (e.g. by size of participating employers, by size of accrued benefits, etc.), under the same registered scheme opting for the same constituent fund are calculated on the basis of different percentages of the scheme member’s accrued benefits.
- (20) “Balance size” means the accrued benefits derived from mandatory and voluntary contributions in the scheme member’s account in the Scheme as at the end of the Financial Period.

FORM MPF(S)-AR/STAT(IS)

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

ANNUAL STATISTICAL INFORMATION ON REGISTERED INDUSTRY SCHEMES

NOTES :

- (1) *The approved trustee ("the Trustee") of a registered industry scheme ("the Scheme") should read the explanatory notes to this Form carefully before completing this Form.*
 - (2) *Unless otherwise specified, all the statistics required in this Form are to be taken as at the last day of the financial period of the Scheme.*
 - (3) *Please insert "N.A." if not applicable.*
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FOR OFFICIAL USE ONLY

Scheme registration no. : _____ **Date received :** _____

Subject officer : _____ **Input officer :** _____

SECTION I - THE SCHEME

- (1) Name of the Scheme : _____
- (2) Registration no. of the Scheme : _____
- (3) The financial period to which this Form relates (“the Financial Period”) : from

Day		Month		Year	

to

Day		Month		Year	

SECTION II - GENERAL INFORMATION

- (1) *Number of scheme members by age*

Age ^{Note 1}	No. of scheme members ^{Note 2}
<30	
≥30 but <50	
≥50 but <60	
≥60 but <65	
≥65	

- (2) *Number of participating employers by size of employees who were members of the Scheme*

No. of employees other than casual employees	No. of participating employers
1 - 4 employees	
5 - 9 employees	
10 - 19 employees	
20 - 49 employees	
50 - 199 employees	
200 - 999 employees	
≥1,000 employees	

- (3) Number of participating employers with casual employees only _____

(4) *Default contributions*

Number of written notices ^{Note 3} issued by the Trustee of the Scheme during the Financial Period to the participating employers who failed to pay mandatory contributions by the contribution day :

No. of written notices issued	No. of participating employers
1 - 3 notices	
4 - 6 notices	
> 6 notices	

(5) *Self-employed persons*

No. of self-employed persons who lodged a statement of loss in accordance with section 130 of the Mandatory Provident Fund Schemes (General) Regulation during the Financial Period :

SECTION III - TRANSFER OF ACCRUED BENEFITS(1) *Number of transfers* ^{Note 4}

	Accounts to which the accrued benefits were transferred	
	A new account ^{Note 5}	An existing account
No. of scheme members		

SECTION IV - PAYMENT OF ACCRUED BENEFITS DERIVED FROM MANDATORY CONTRIBUTIONS ^{Note 6}(1) *Number of payments by age*

Age on date of withdrawal ^{Note 7}	No. of payments
<30	
≥30 but <50	
≥50 but <60	
≥60	

(2) *Number of payments by type*

Grounds on which payments were made	No. of payments ^{Note 8}
Early retirement/retirement	
Death	
Total incapacity	
Offsetting of severance payment during portability of accrued benefits ^{Note 9}	
Offsetting of long service payment during portability of accrued benefits ^{Note 10}	
Permanent departure from Hong Kong	
Small balance ^{Note 11}	

(3) *Amount of payments by type*

Grounds on which payments were made	Amount of payments (HK\$) ^{Note 8}
Early retirement/retirement	
Death	
Total incapacity	
Offsetting of severance payment during portability of accrued benefits ^{Note 9}	
Offsetting of long service payment during portability of accrued benefits ^{Note 10}	
Permanent departure from HK	
Small balance ^{Note 11}	

SECTION V - UNCLAIMED BENEFITS AND RETAINED BENEFITS ^{NOTE 12}(1) *Unclaimed benefits*

Total number of accounts holding unclaimed benefits and the total amount of unclaimed benefits :

No. of years for which the benefits have become unclaimed ^{Note 13}	Total number of accounts which held unclaimed benefits	Total amount of unclaimed benefits held (HK\$)
≥ ½ but <1		
≥ 1 but <3		
≥ 3 but <5		
≥ 5		

(2) *Retained benefits* ^{Note 14}

Number of scheme members who elected to retain their accrued benefits in the Scheme after attaining retirement age during the Financial Period : _____

Explanatory notes for completion of Form MPF(S)-AR/STAT(IS) for industry schemes

- (1) For the purpose of SECTION II(1), the age of a scheme member refers to the age of the member attained at his/her last birthday falling on or before the end of the reported Financial Period of the Scheme.
- (2) Scheme members in SECTION II(1) refer to the persons who were members of the Scheme (in the capacity of employees of a participating employer, self-employed persons and/or preserved account holders) as at the last day of the Financial Period of the Scheme. If a scheme member was participating in the Scheme with more than one capacity (e.g., he/she was an employee of a participating employer and was also having an account in the Scheme in respect of his/her capacity as a self-employed person), he/she would still be regarded as “one” member in the Scheme for the purpose of SECTION II(1).
- (3) The written notices in SECTION II(4) refer to the written notices issued by the Trustee in accordance with section 133 of the Mandatory Provident Fund Schemes (General) Regulation. If there were 100 participating employers to whom the Trustee had issued five written notices in the Financial Period to chase for payment of mandatory contributions that were in default in respect of different contribution periods involved, then the Trustee should fill in 100 in the column next to the “4-6” bracket in the first column of the table.
- (4) “Number of transfers” refers to the total number of transfers of accrued benefits from the Scheme to another registered scheme which were handled by the trustee in the capacity of a **transferor trustee** during the Financial Period. This should not include any transfer within the same industry scheme e.g. from a contribution account to a preserved account or from a contribution account under a participating employer to that of another participating employer. The accrued benefits refer to the benefits derived from mandatory and voluntary contributions.
- (5) A “new account” refers to an account newly opened in another registered scheme to where the accrued benefits are transferred. This should not include any new account opened for transfer within the same industry scheme.
- (6) The number/amount of payments asked in SECTION IV refers to the total number/amount of payments handled by the trustee during the Financial Period.
- (7) “Age on date of withdrawal”, in relation to a scheme member, refers to the age of the member attained at his/her last birthday falling on or before the date when his/her accrued benefits in the Scheme was paid to him/her by the trustee of the Scheme. In the case the accrued benefits of a member of the Scheme was paid on grounds of death of the member prior to his/her attainment of retirement age at 65, the “Age on date of withdrawal”, for the purpose of this section, refers to the age of the member attained at his/her last birthday falling on or before the date when the member died.
- (8) For the statistics on offsetting of accrued benefits in the Scheme against long service payment (LSP) or severance payment (SP), the statistic should only be counted when the withdrawal of accrued benefits was SOLELY made on the ground of offsetting of LSP or SP. In other words, if the withdrawal of accrued benefits in respect of a member in the Scheme was claimed on grounds such as death or total incapacity of the member and such circumstances involved the offsetting of LSP or SP, then only the grounds of death or total incapacity should be counted.
- (9) The number/amount refers to the number/amount of payments made SOLELY on grounds of offsetting of severance payment during portability of accrued benefits.

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- (10) The number/amount refers to the number/amount of payments made SOLELY on grounds of offsetting of long service payment during portability of accrued benefits.
 - (11) This item refers to the number/amount of payments of accrued benefits made in accordance with section 165 of the Mandatory Provident Fund Schemes (General) Regulation.
 - (12) Unclaimed benefits and retained benefits should cover the accrued benefits derived from both mandatory and voluntary contributions, if any.
 - (13) “No. of years for which the benefits have become unclaimed” refers to the number of years for which the accrued benefits were not claimed by a member or a person after the accrued benefits had been treated as unclaimed benefits.
 - (14) Upon attaining the retirement age, a scheme member may elect to retain his/her accrued benefits in the scheme. These accrued benefits are treated as retained benefits.

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**

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 investment manager of the 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; and
 - (iv) 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 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.

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;
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; and
 - (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.