



# **SUPPLEMENTARY INFORMATION**

## **Appendix ARR- (iv)**

### **Admissible Assets and Limits**



**Admissible Assets and Limits**

| <b>Change Date</b> | <b>Description of Changes</b> |
|--------------------|-------------------------------|
| April 2012         | Initial Launch                |
|                    |                               |
|                    |                               |
|                    |                               |
|                    |                               |



**Appendix ARR-(iv): Admissible Assets and Limits**

**Retail CIUs**

| Admissible assets   | Limits and Descriptions  |
|---|--|
| Cash and cash equivalents   | Not more than 20% of total NAV of the <u>CIU</u> may be invested with a single party (or group of <u>connected parties</u> ). For the purpose of this limit, group of <u>connected parties</u> is where one party owns, directly or indirectly, more than 49% of the issued shares of the other party.   |
| Transferable securities including equity and debt securities.                           | <ul style="list-style-type: none"><li>• Not more than 10% of the total NAV of the <u>CIU</u> may be invested with a single party.</li><li>• Not more than 20% of the total NAV of the <u>CIU</u> may be invested with a single group of <u>connected parties</u> (defined above).</li><li>• Securities which are listed but not regularly traded on a recognised exchange are limited to 10% of the total NAV of the <u>CIU</u>.</li></ul> <p>Exception to the above: Where a stock represents more than 10% of a market index, and the <u>CIU's</u> investment objective is to replicate that market index, then the <u>CIU</u> can hold up to the market weight of the stock in the index.</p> |
| Government and public sector securities issued by <u>GCC</u> and <u>OECD</u> countries. | Not more than 20% of total NAV of the <u>CIU</u> may be invested with a single party.  |



**Appendix ARR-(iv): Admissible Assets and Limits (continued)**

**Retail CIUs**

| Admissible assets  | Limits and Descriptions   |
|--|---|
| Authorised and regulated <u>open-ended funds</u> .   | <ul style="list-style-type: none"> <li>• <u>Retail CIUs</u> with a ‘fund of funds’ investment strategy may invest up to 100% of their assets in authorised/regulated <u>open-ended funds</u>, provided that:               <ol style="list-style-type: none"> <li>(a) The investment objectives of these funds are consistent with the investment objective of the <u>CIU</u>; and</li> <li>(b) The exposure to any single fund (or group of connected funds) does not exceed 10% of its NAV.</li> </ol> </li> <li>• <u>Retail CIUs</u> may only invest in authorised/regulated <u>open-ended funds</u>, consistent with their investment objectives, and must not exceed the following limits:               <ol style="list-style-type: none"> <li>(a) 10% of its NAV of the <u>CIU</u> to any single fund (or group of connected funds); and</li> <li>(b) 20% of the total NAV of the <u>CIU</u>, in aggregate.</li> </ol> </li> </ul> |
| REITs listed on a recognised exchange  | Not more than 20% of total NAV of the <u>CIU</u> may be invested in this asset class. The single exposure limit is 10% of the <u>CIU's</u> total NAV.   |
| Physical commodities and commodity based investments traded on a recognised market   | Not more than 20% of total NAV of the <u>CIU</u> may be invested in this asset class. The single exposure limit is 10% of the <u>CIU's</u> total NAV.   |
| Approved financial derivatives and positions are:<br>(a) exchange traded options – long positions;<br>(b) long positions in forwards and futures; and<br>(c) sold positions in exchange traded options, forwards and financial futures if matching long positions exist or for hedging purposes. | Underlying assets of the derivatives are any of the above, subject to a maximum exposure of 10% of the <u>CIU's</u> NAV.  |



**Appendix ARR-(iv): Admissible Assets and Limits (continued)**

**Expert CIUs**

| Admissible assets   | Limits and Descriptions  |
|---|--|
| Cash and cash equivalents   | Not more than 20% of total NAV of the <u>CIU</u> may be invested with a single party (or group of <u>connected parties</u> ). For the purpose of this limit, group of <u>connected parties</u> is where one party owns, directly or indirectly, more than 49% of the issued shares of the other party.   |
| Transferable securities including equity and debt securities.                           | <ul style="list-style-type: none"><li>• Not more than 20% of the total NAV of the <u>CIU</u> may be invested with a single party.</li><li>• Not more than 30% of the total NAV of the <u>CIU</u> may be invested with a single group of <u>connected parties</u> (defined above).</li><li>• Securities which are listed but not regularly traded on a recognised exchange are limited to 10% of the total NAV of the <u>CIU</u>.</li></ul> <p>Exception to the above: Where a stock represents more than 20% of a market index, and the <u>CIU's</u> investment objective is to replicate that market index, then the <u>CIU</u> can hold up to the market weight of the stock in the index.</p> |
| Government and public sector securities issued by <u>GCC</u> and <u>OECD</u> countries. | Not more than 20% of total NAV of the <u>CIU</u> may be invested with a single party.  |



**Appendix ARR-(iv): Admissible Assets and Limits (continued)**

**Expert CIUs**

| Admissible assets   | Limits and Descriptions   |
|---|---|
| Authorised and regulated <u>open-ended funds</u>  | <ul style="list-style-type: none"><li>• <u>Expert CIUs</u> with a 'fund of funds' investment strategy may invest up to 100% of their assets in authorised/regulated <u>open-ended funds</u>, providing that:<ul style="list-style-type: none"><li>(a) The investment objectives of these funds are consistent with the investment objective of the <u>CIU</u>; and</li><li>(b) The exposure to any single fund (or group of connected funds) does not exceed 20% of its NAV.</li></ul></li><li>• <u>Expert CIUs</u> may only invest in authorised/regulated <u>open ended funds</u>, consistent with their investment objectives, and must not exceed the following limits:<ul style="list-style-type: none"><li>(a) 20% of the NAV of the <u>CIU</u> to any single fund (or group of connected funds); and</li><li>(b) 30% of the total NAV of the <u>CIU</u>, in aggregate.</li></ul></li></ul> |
| <u>REITs</u> listed on a recognised exchange  | Not more than 20% of total NAV of the <u>CIU</u> may be invested in this asset class. The single exposure limit is 10% of the <u>CIU's</u> total NAV.   |
| Physical commodities and commodity based investments traded on a recognised market  | Not more than 20% of total NAV of the <u>CIU</u> may be invested in this asset class. The single exposure limit is 10% of the <u>CIU's</u> total NAV.   |
| Approved financial derivatives and positions are: <ul style="list-style-type: none"><li>(a) exchange traded options – long positions;</li><li>(b) long positions in forwards and futures; and</li><li>(c) sold positions in exchange traded options, forwards and financial futures if matching long positions exist or for hedging purposes.</li></ul> | Underlying assets of the derivatives are any of the above, subject to a maximum exposure of 20% of the <u>CIU's</u> NAV.  |