

Chapter 18

Specialist Regimes



18.5 Residual CIS operators and small authorised UK AIFMs

Application

18.5.1 **R** Subject to **■** COBS 18.5.1A R, this section applies to a *firm* which is:

- (1) [deleted]
- (2) [deleted]
- (3) a *small authorised UK AIFM*; or
- (4) a *residual CIS operator*.
- (5) [deleted]

18.5.1A **R** **■** COBS 18.5.3 R (2) and **■** COBS 18.5.5 R to **■** COBS 18.5.18 E do not apply to a *small authorised UK AIFM* of an *unauthorised AIF* which is not a *collective investment scheme*.

18.5.1B **R** [deleted]

Application or modification of general COBS rules

18.5.2 **R** A *firm* when it is carrying on *scheme management activity* or, for an *AIFM*, *AIFM investment management functions*:

- (1) must comply with the *COBS rules* specified in the table, as modified by this section; and
- (2) need not comply with any other *rule* in *COBS*.

Table: Application of conduct of business rules

Chapter, section, rule	Small authorised UK AIFM and a residual CIS operator
1 (Application)	Applies
2.1.1R (The client’s best interests rule)	Applies
2.3 (Inducements relating to business other than MiFID, equivalent third country or optional exemption business)	Applies

2.3B (Inducements and research)	Applies, as modified by COBS 18 Annex 1
2.4 (Agent as client and reliance on others)	Applies
4.2.1R, 4.2.2G and 4.2.3G (The fair, clear and not misleading rule)	Applies
5.2 (E-commerce)	Applies
11.2 (Best execution for AIFMs and residual CIS operators)	Applies to a <i>small authorised UK AIFM</i> of an <i>authorised AIF</i> . Applies (as modified by COBS 18.5.4R) to a <i>small authorised UK AIFM</i> of an <i>unauthorised AIF</i> or <i>residual CIS operator</i> .
11.3 (Client order handling)	Applies
16.3 (Periodic reporting)	Applies to a <i>small authorised UK AIFM</i> of an <i>unauthorised AIF</i> which is not a <i>collective investment scheme</i> , as modified by COBS 18.5.4BR. Otherwise does not apply.
18.5 (Residual CIS operators and small authorised UK AIFMs)	Applies
18 Annex 1 (Research and inducements for collective portfolio managers)	Applies (subject to COBS 18.5.3CR)
18 Annex 2 (Record keeping: client orders and transactions)	Applies

18.5.2-A **G** [deleted]

- 18.5.2-B **G**
- (1) For activities which are not *scheme management activity* or, for an *AIFM*, *AIFM investment management functions*, the COBS rules apply under the general application rule, as modified in ■ COBS 1 Annex 1.
 - (2) This may include, for example, activities relating to the administration of the *fund* and *marketing*.

18.5.2A **R** [deleted]

General modifications

18.5.3 **R** Where COBS rules specified in the table in ■ COBS 18.5.2 R apply to a *firm* carrying on *scheme management activity* or, for an *AIFM*, *AIFM investment management functions*, the following modifications apply:

- (1) subject to (2), references to *customer* or *client* are to be construed as references to any *fund* for which the *firm* is acting or intends to act;
- (2) in the case of a *small authorised UK AIFM* of an *unauthorised AIF* or a *residual CIS operator*, when a *firm* is required by the rules in COBS to provide information to, or obtain consent from, a *customer* or *client*, the *firm* must ensure that the information is provided to, or consent

obtained from, an investor or a potential investor in the *fund* as the case may be; and

(3) references to the service of *portfolio management* in ■ COBS 11.2 (Best execution for AIFMs and residual CIS operators) and ■ 11.3 (Client order handling) are to be read as references to the management by a *firm of financial instruments* held for or within the *fund*.

(4) [deleted]

18.5.3A G

(1) ■ COBS 1.2 (Markets in Financial Instruments Directive) contains modifications to the text of the *MiFID Org Regulation* where this is applied as *rules* to *firms* that are not subject to those provisions directly.

(2) These modifications apply to ■ COBS 11.3 (Client order handling), which is applied in the table at ■ COBS 18.5.2R.

Research and inducements

18.5.3B R

Subject to ■ COBS 18.5.3CR, a *firm* must comply with ■ COBS 18 Annex 1 (Research and inducements for collective portfolio managers) when executing orders, or placing orders with other entities for *execution*, that relate to *financial instruments* for, or on behalf of, the *fund*.

18.5.3C R

■ COBS 18 Annex 1 does not apply in relation to an *AIF* or *CIS* which in accordance with its core investment policy:

- (1) does not generally invest in *financial instruments* that can be:
 - (a) registered in a *financial instruments* account opened in the books of a *depository*; or
 - (b) physically delivered to the *depository*; or
- (2) generally invests in *issuers* or *non-listed companies* to potentially acquire *control* over such companies, either individually or jointly with other *funds*.

Modification of best execution

18.5.4 R

The best execution provisions in ■ COBS 11.2 (Best execution for AIFMs and residual CIS operators) do not apply to a *small authorised UK AIFM* of an *unauthorised AIF* or a *residual CIS operator* of a *fund* whose *fund* documents include a statement that best execution does not apply in relation to the *fund* and in which:

- (1) no investor is a *retail client*; or
- (2) no current investor in the *fund* was a *retail client* when it invested in the *fund*.

18.5.4A R

[deleted]

Modification of periodic reporting requirements

18.5.4B **R** A small authorised UK AIFM of an unauthorised AIF which is not a collective investment scheme must comply with **COBS 16.3** (Periodic reporting) with references to *managing investments* to be construed as providing AIFM investment management functions.

18.5.4C **R** [deleted]

18.5.4D **G** [deleted]

Scheme documents for an unauthorised fund

18.5.5 **R** A small authorised UK AIFM of an unauthorised AIF or a residual CIS operator must not accept a retail client as an investor in the fund unless it has taken reasonable steps to offer and, if requested, provide to the potential investor, fund documents which adequately describe how the fund is governed.

Prohibition on issue of bearer units

18.5.5-A **G** The effect of section 241A of the Act is that no bearer units in a collective investment scheme may be issued, converted or cancelled from 1 January 2021. However, the Bearer Certificates (Collective Investment Schemes) Regulations 2020 (SI 2020/1346) contain transitional provisions for the conversion of bearer units to registered units and the cancellation of bearer units on or before 1 January 2022.

Distance marketing

18.5.5A **G** Firms should also be aware that if they are carrying on distance marketing activity from an establishment in the UK, with or for a consumer in the UK, **COBS 5.1** applies specific requirements for that activity.

Format and content of fund documents

18.5.6 **G** The fund documents required under **COBS 18.5.5 R** may consist of any number of documents provided that it is clear that collectively they constitute the fund documents and provided the use of several documents in no way diminishes the significance of any of the statements which are required to be given to the potential investor.

18.5.6A **G** Where a small authorised UK AIFM of an unauthorised AIF or a residual CIS operator is required to publish a key information document, only information that is additional to that contained in the key information document needs be disclosed under **COBS 18.5.5R**.

18.5.7 **G** The fund documents of an unauthorised fund managed by a small authorised UK AIFM or a residual CIS operator (if those fund documents exist) should make it clear that if an investor is reclassified as a retail client, this reclassification will not affect certain activities of the firm. In particular, despite such a reclassification, the firm will not be required to comply with

the best execution provisions. It should be noted that there is no requirement that fund documents must be produced by a *small authorised UK AIFM* of an *unauthorised fund* or a *residual CIS operator* unless they are required to prepare a *key information document* under the *PRIPs Regulation*.

18.5.8 **R** Where the *fund* is an *unauthorised fund* managed by a *small authorised UK AIFM* or a *residual CIS operator* and no current investor in the *fund* was a *retail client* when it invested in the *fund*, the fund documents must include a statement that:

- (1) explains that if an investor is reclassified as a *retail client* subsequent to investing in the *fund*, then the *firm* may continue to treat all investors in the *fund* as though they were not *retail clients*;
- (2) explains that if an investor is reclassified as a *retail client* subsequent to investing in the *fund*, then the modification of best execution (see **COBS 18.5.4 R**) will continue to apply to that fund; and
- (3) explains that, in the event of such a reclassification, the *firm* will not be required to provide best execution in relation to the *fund*.

18.5.9 **G** A *small authorised UK AIFM* of an *unauthorised AIF* or a *residual CIS operator* will still have to comply with other *COBS* provisions as a result of the reclassification of an investor as a *retail client*. For example, the *firm* must provide *periodic statements* to investors who are *retail clients* in an *unauthorised fund* (see the rule on periodic statements for an unauthorised fund (**COBS 18.5.11 R**)).

18.5.9A **G** A *small authorised UK AIFM* that uses a *sustainability label*, or one of the terms in **ESG 4.3.2R(2)** in accordance with **ESG 4.3.2R(1)**, in relation to a *UK AIF* is reminded of its obligations in **ESG 5.3** to **ESG 5.5** relating to the preparation of Part A of a *public product-level sustainability report*.

Adequate information

18.5.10 **E** (1) In order to provide adequate information to describe how the *fund* is governed, a *small authorised UK AIFM* of an *unauthorised AIF* or a *residual CIS operator* should include in the fund documents a provision about each of the items of relevant information set out in the following table (Content of fund documents).

(2) Compliance with (1) may be relied on as tending to establish compliance with **COBS 18.5.5 R**.

(3) Contravention of (1) may be relied on as tending to establish contravention of **COBS 18.5.5 R**.

Table: Content of fund documents

The <i>fund</i> documents should include provision about:	
(1)	Regulator The <i>firm</i> statutory status in accordance with GEN 4 Annex 1 R (Statutory status disclosure);

The fund documents should include provision about:

- (2) Services
the nature of the services that the *firm* will provide;
- (3) Payments for services
details of any payment for services payable by the *fund* or from the property of the fund or investors in the *fund* to the *firm*, including where appropriate:
 - (a) the basis of calculation;
 - (b) how it is to be paid and collected;
 - (c) how frequently it is to be paid; and
 - (d) whether or not any other payment is receivable by the *firm* (or to its knowledge by any of its *associates*) in connection with any transactions effected by the *firm* with or for the *fund*, in addition to or in lieu of any fees;
- (4) Commencement
when and how the *firm* is appointed;
- (5) Accounting
the arrangements for accounting to the *fund* or investors in the *fund* for any transaction effected;
- (6) Termination method
how the appointment of the *firm* may be terminated;
- (7) Complaints procedure
how to complain to the *firm* and a statement that the investors in the *fund* may subsequently complain direct to the *Financial Ombudsman Service*;
- (8) Compensation
whether or not compensation may be available from the *compensation scheme* should the *firm* be unable to meet its liabilities, and information about any other applicable compensation scheme; and, for each applicable compensation scheme, the extent and level of cover and how further information can be obtained;
- (9) Investment objectives
the investment objectives for the portfolio of the *fund*;
- (10) Restrictions
 - (a) any restrictions on:
 - (i) the types of *investments* or property which may be included in the portfolio of the *fund*;
 - (ii) the markets on which *investments* or property may be acquired for the portfolio of the *fund*;
 - (iii) the amount or value of any one *investment* or asset, or on the proportion of the portfolio of the *fund* which any one *investment* or asset or any particular kind of *investment* or asset may constitute; or
 - (b) that there are no such restrictions;

The *fund* documents should include provision about:

- (11) Holding fund assets
- (a) if it is the case, that the *firm* will:
- (i) hold *money* on behalf of the *fund* or be the *custodian* of *investments* or other property of the *fund*; or
 - (ii) arrange for some other *person* to act in either capacity and, if so, whether that *person* is an associate of the *firm* identifying that *person* and describing the nature of any association; and
- (b) in either case:
- (i) how any *money* is to be deposited;
 - (ii) the arrangements for recording and separately identifying registrable *investments* of the *fund* and, where the registered holder is the *firm's* own nominee, that the *firm* will be responsible for the acts and omissions of that *person*;
 - (iii) the extent to which the *firm* accepts liability for any loss of the *investment* of the *fund*;
 - (iv) the extent to which the *firm* or any other *person* mentioned in (11)(a)(ii), may hold a lien or security interest over *investments* of the *fund*;
 - (v) where *investments* of the *fund* will be registered collectively in the same name, a statement that the entitlements of the *fund* may not be identifiable by separate certificates or other physical documents of title, and that, should the *firm* default, any shortfall in *investments* of the *fund* registered in that name may be shared proportionately among all *fund* and any other *customers* of the *firm* whose *investments* are so registered;
 - (vi) whether or not *investments* or other property of the *fund* can be lent to, or deposited by way of collateral with, a third party and whether or not *money* can be borrowed on behalf of the *fund* against the security of those *investments* or property and, if so, the terms upon which they may be lent or deposited;
 - (vii) the arrangements for accounting to the *fund* for *investments* of the *fund*, for income received (including any interest on *money* and any income earned by lending *investments* or other property) of the *fund*, and for rights conferred in respect of *investments* or other property of the *fund*;

The *fund* documents should include provision about:

- (viii) the arrangements for determining the exercise of any voting rights conferred by *investments* of the *fund*; and
 - (ix) where *investments* of the *fund* may be held by an eligible *custodian* outside the *United Kingdom*, a general statement that different settlement, legal and regulatory requirements, and different practices relating to the segregation of those *investments*, may apply;
- (12) Clients' money outside the United Kingdom
if it is the case, that the *firm* may hold the *money* of the *fund* in a *client bank account* outside the *United Kingdom*;
- (13) Exchange rates
if a liability of the *fund* in one currency is to be matched by an asset in a different currency, or if the services to be provided to the *firm* for the *fund* may relate to an *investment* denominated in a currency other than the currency in which the *investments* of the *fund* are valued, a warning that a movement of exchange rates may have a separate effect, unfavourable or favourable, on the gain or loss otherwise made on the *investments* of the *fund*;
- (14) Stabilised investments
if it is the case, that the *firm* is to have the right under the *fund documents* to effect transactions in *investments* the prices of which may be the subject of stabilisation;
- (15) Conflict of interest and material interest
if it is the case, that the *firm* is to have the right under the agreement or *instrument constituting the fund* to effect transactions on behalf of the *fund* in which the *firm* has directly or indirectly a material interest (except for an interest arising solely from the investment of the *firm* as agent for the *fund*), or a relationship of any description with another party which may involve a conflict with the *firm* duty to the *fund*, together with a disclosure of the nature of the interest or relationship;
- (16) Research and inducements
how the *firm* intends to pay for research. For example, whether the *firm* proposes to pay for research directly or to use a research payment account;
- (17) Acting as principal
if it is the case, that the *firm* may act as *principal* in a transaction with the *fund*;
- (18) Stock lending
if it is the case, that the *firm* may undertake *stock lending activity* with or for the *fund* specifying the type of assets of the *fund* to be lent, the type and value of *relevant collateral* from the borrower and the method and amount of payment due to the *fund* in respect of the lending;
- (19) Transactions involving contingent liability investments

The *fund* documents should include provision about:

- (a) if it is the case, that the agreement or instrument constituting the *fund* allows the *firm* to effect transactions involving *contingent liability investments* for the account of the portfolio of the *fund*;
 - (b) if applicable, whether there are any limits on the amount to be committed by way of margin and, if so, what those limits are; and
 - (c) if applicable, that the *firm* has the authority to effect transactions involving *contingent liability investments* otherwise than under the rules of a *recognised investment exchange* and in a contract traded thereon;
- (20) Periodic statements
- (a) the frequency of any *periodic statement* (this should not be less than once every 12 months) except where a *periodic statement* is not required (see COBS 18.5.13R); and
 - (b) whether those statements will include some measure of performance, and, if so, what the basis of that measurement will be;
- (21) Valuation
- the bases on which assets comprised in the portfolio of the *fund* are to be valued;
- (22) Borrowings
- if it is the case, that the *firm* may supplement the funds in the portfolio of the *fund* and, if it may do so:
- (a) the circumstances in which the *firm* may do so;
 - (b) whether there are any limits on the extent to which the *firm* may do so and, if so, what those limits are; and
 - (c) any circumstances in which such limits may be exceeded;
- (23) Underwriting commitments
- if it is the case, that the *firm* may for the account of the portfolio of the *fund* underwrite or sub-underwrite any issue or offer for sale of *securities*, and:
- (a) whether there are any restrictions on the categories of *securities* which may be underwritten and, if so, what these restrictions are; and
 - (b) whether there are any financial limits on the extent of the underwriting and, if so, what these limits are;
- (24) Investments in other funds
- whether or not the portfolio may invest in *fund* either managed or advised by the *firm* or by an *associate* of the *firm* or in a *fund* which is not a *regulated collective investment scheme*;
- (25) Investments in securities underwritten by the firm
- whether or not the portfolio may contain *securities* of which any issue or offer for sale was underwritten, managed or arranged by the *firm* or by an *associate* of the *firm* during the preceding 12 months.

18.5.10A **R** [deleted]

18.5.10B **G** [deleted]

Periodic statements for an unauthorised fund

18.5.11 **R** *A small authorised UK AIFM of an unauthorised AIF or a residual CIS operator must, subject to the exceptions from the requirement to provide a periodic statement, provide to investors in the fund, promptly and at suitable intervals, a statement in a durable medium which contains adequate information on the value and composition of the portfolio of the fund at the beginning and end of the period of the statement.*

Promptness, suitable intervals and adequate information

- 18.5.12 **E**
- (1) *A small authorised UK AIFM of an unauthorised AIF or a residual CIS operator should act in accordance with the provisions in the right hand column of the periodic statements table (see ■ COBS 18.5.15E) to fulfil the requirement to prepare and issue periodic statements indicated in the left hand column against these provisions.*
 - (2) *Compliance with (1) may be relied on as tending to establish compliance with the requirement to prepare and issue periodic statements.*
 - (3) *Contravention of (1) may be relied on as tending to establish contravention of the requirement to prepare and issue periodic statements.*

Exceptions from the requirement to provide a periodic statement

- 18.5.13 **R**
- (1) *A small authorised UK AIFM of an unauthorised AIF or a residual CIS operator need not provide a periodic statement:*
 - (a) (i) *to an investor in the fund who is a retail client ordinarily resident outside the United Kingdom; or*
 - (ii) *to an investor in the fund who is a professional client; if the investor has so requested or the firm has taken reasonable steps to establish that the investor does not wish to receive it; or*
 - (b) *if it would duplicate a statement to be provided by someone else.*
 - (2) [deleted]

Record keeping requirements

18.5.14 **R** *A small authorised UK AIFM of an unauthorised AIF or a residual CIS operator must make a copy of any periodic statement it has provided in accordance with the requirement to prepare and issue periodic statements to investors in the fund. The record must be retained for a minimum period of three years.*

18.5.15 **E** Table: Periodic statements

This table belongs to ■ COBS 18.5.12 E.

Periodic statements			
Suitable intervals	(1)	A <i>periodic statement</i> should be provided at least:	
		(a)	six-monthly; or
		(b)	once in any other period, not exceeding 12 months, which has been mutually agreed between the <i>firm</i> and the investor in the <i>fund</i> .
Adequate information	(2)	(a)	A <i>periodic statement</i> should contain:
		(i)	(A) The information set out in the table of general contents of a <i>periodic statement</i> ;
			(B) where the portfolio of the <i>fund</i> includes uncovered open positions in <i>contingent liability investments</i> , the additional information in the table listing the contents of a <i>periodic statement</i> (see COBS 18.5.18 E) in respect of contingent liability investments; or
		(ii)	such information as an investor who is a <i>retail client</i> ordinarily resident outside the <i>United Kingdom</i> , or a <i>professional client</i> , has on his own initiative agreed with the <i>firm</i> as adequate.
		(b)	[deleted]

18.5.16 **G** Examples of uncovered open positions include:

- (1) selling a call *option* on an *investment* not held in the portfolio;
- (2) unsettled sales of call *options* on currency in amounts greater than the portfolio's holding of that currency in cash or in *readily realisable investments* denominated in that currency; and
- (3) transactions having the effect of *selling* an index to an amount greater than the portfolio's holdings of *investments* included in that index.

18.5.17 **E** Table: General contents of a periodic statement

This table belongs to ■ COBS 18.5.15 E.

General contents of periodic statements	
1	Contents and value

General contents of periodic statements

(a)	As at the beginning of the account period, the total value of the portfolio of the <i>fund</i> , being either: <ul style="list-style-type: none"> (i) the value of the assets comprised in the portfolio on the date as at which the statement provided for the immediately preceding period of account is made up; or (ii) in the case of the first <i>periodic statement</i>, the value of the assets comprised in the portfolio on the date on which the <i>firm</i> assumed responsibility for the management of the portfolio.
(b)	As at the end of the account period: <ul style="list-style-type: none"> (i) the number, description and value of each <i>investment</i> held on behalf of the <i>fund</i>; (ii) the amount of cash held on behalf of the <i>fund</i>; and (iii) the total value of the portfolio of the <i>fund</i>.
2	<p>Basis of valuation</p> <p>A statement of the basis on which the value of each <i>investment</i> has been calculated and, if applicable, a statement that the basis for valuing a particular <i>investment</i> has changed since the previous <i>periodic statement</i>. Where any <i>investments</i> are shown in a currency other than the usual one used for valuation of the portfolio of the <i>fund</i>, the relevant currency exchange rates must be shown.</p>
3	<p>Details of any assets loaned or charged</p> <ul style="list-style-type: none"> (a) A summary of those <i>investments</i> (if any) which were, at the closing date, loaned to any third party and those <i>investments</i> (if any) that were at that date charged to secure borrowings made on behalf of the portfolio of the <i>fund</i>; and (b) the aggregate of any interest payments made and income received during the account period in respect of loans or borrowings made during the period.
4	<p>Transactions and changes in composition</p> <p>Except in the case of a portfolio which aims to track the performance of an external index:</p> <ul style="list-style-type: none"> (a) a statement that summarises the transactions entered into for the portfolio of the <i>fund</i> during the period; and (b) the aggregate of <i>money</i> and a summary of all investments transferred into and out of the portfolio of the <i>fund</i> during the period; and (c) the aggregate of any interest payments, dividends and other benefits received by the <i>firm</i> for the portfolio of the <i>fund</i> during that period.
5	<p>Charges and remuneration</p> <p>If not previously advised in writing, a statement for the account period:</p>

General contents of periodic statements	
(a)	of the aggregate charges of the <i>firm</i> and its <i>associates</i> ; and
(b)	of any <i>remuneration</i> received by the <i>firm</i> or its <i>associates</i> or both from a third party in respect of the transactions entered into, or any other services provided, for the portfolio of the <i>fund</i> .
6	<p>Movement in value of portfolio</p> <p>A statement of the difference between the value of the portfolio at the closing date and its value at the starting date of the account period, having regard at least, during the account period, to the following:</p> <p>(a) the aggregate of assets received from investors of the <i>fund</i> and added to the portfolio of the <i>fund</i>;</p> <p>(b) the aggregate of the value of assets transferred, or of amounts paid, to the <i>fund</i>;</p> <p>(c) the aggregate income received on behalf of the <i>fund</i> in respect of the portfolio; and</p> <p>(d) the aggregate of realised and unrealised profits or gains and losses attributable to the assets comprised in the portfolio of the <i>fund</i>.</p> <p>Notes:</p> <p>For the purposes of Item 1, where the <i>fund</i> is a <i>property enterprise trust</i>, it will be sufficient for the <i>periodic statement</i> to disclose the number of properties held in successive valuation bands where this is appropriate to the size and composition of the <i>fund</i>, rather than the value of each asset in the portfolio. The valuation bands of over £10m, £5-£10m, £2.5-£5m, £1-£2.5m and under £1m would be appropriate, unless a <i>firm</i> could show that different bands were justifiable in the circumstances.</p> <p>The statement to be provided under Item 6 is not intended to be an indicator of the performance of the portfolio of the <i>fund</i>.</p> <p>A <i>firm</i> may wish to distinguish capital and income, and thereby provide more information than referred to in this table. If the statement includes some measure of performance, the basis of measurement should be stated.</p>

18.5.18

E

Table: Contents of a periodic statement in respect of contingent liability investments

This table belongs to ■ COBS 18.5.15 E.

Contents of a periodic statement in respect of contingent liability investments	
(1)	<p>Changes in value</p> <p>The aggregate of <i>money</i> transferred into and out of the portfolio of the <i>fund</i> during the account period.</p>
(2)	<p>Open positions</p> <p>In relation to each open position in the portfolio of the <i>fund</i> at the end of the account period, the unrealised profit or loss to the portfolio of the <i>fund</i> (before deducting or adding any <i>commission</i> which would be payable on closing out).</p>

Contents of a periodic statement in respect of contingent liability investments

- (3) Closed positions
- In relation to each transaction effected during the account period to close out a position of the *fund*, the resulting profit or loss to the portfolio of the *fund* after deducting or adding any *commission*.
- (Instead of the specific detail required by Items 2 or 3, the statement may show the net profit or loss in respect of the overall position of the *fund* in each contract)
- (4) Aggregate of contents
- The aggregate of each of the following in, or relating to, the portfolio of the *fund* at the close of business on the valuation date:
- (a) cash;
 - (b) *collateral* value;
 - (c) management fees; and
 - (d) *commissions* attributable to transactions during the period or a statement that this information has been separately disclosed in writing on earlier statements or confirmations to the investor.
- (5) Option account valuations
- In respect of each open *option* comprising the portfolio of the *fund* on the valuation date:
- (a) the *share*, *future*, index or other *investment* or asset involved;
 - (b) (unless the valuation statement follows the statement for the period in which the *option* was opened) the trade price and date for the opening transaction;
 - (c) the market price of the contract; and
 - (d) the exercise price of the contract.
- Options* account valuations may show an average trade price and market price in respect of an *option* series where a number of contracts within the same series have been purchased on behalf of the *fund*.