Illustrative Annual Accounts for Management Companies and Alternative Investment Fund Managers in accordance with Luxembourg GAAP

January 2018
# Table of contents

1 - Foreword  2

2 - General Information  4

3 - Illustrative Annual Report  10

4 - Appendices  52

Your contacts  57
1 - Foreword
Dear Readers,

With around EUR 4.13 trillion of total net assets in Investment Funds as at 31 October 2017, Luxembourg continues to be Europe’s leading Investment Fund centre. Overall, the number of Management Companies authorized in Luxembourg continues to grow as evidenced by the evolution in the table below. This is particularly noticeable in relation to the evolution of authorised AIFMs approved by the CSSF since the transposition of the AIFMD into local law in 2013. Also noteworthy is the decline in self-managed SICAVs in Luxembourg in favour of appointing a Management Company.

<table>
<thead>
<tr>
<th>Chapter 15 (UCITS) Mancos</th>
<th>2017*</th>
<th>30/06/2016</th>
<th>30/06/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIFMs</td>
<td>239**</td>
<td>224</td>
<td>207</td>
</tr>
<tr>
<td>Self-managed SICAVs</td>
<td>24***</td>
<td>37</td>
<td>47</td>
</tr>
</tbody>
</table>

* Source: ALFI monthly statistical summary – October 2017

** Figures as of 30 November 2017 (ALFI)

*** Figures as of 30 September 2017 (ALFI)

With investors, policy makers and regulators demanding enhanced transparency and information quality, the scope and volume of regulatory and financial reporting has increased. Users of the annual accounts (e.g. regulators, finance providers, investors, tax authorities, etc.) require financial reporting that meets their respective needs in a clear and concise manner.

This illustrative brochure seeks to give guidance and provide practical examples to preparers and reviewers on how to present the financial position and results of a Luxembourg Management Company in compliance with local laws and generally accepted accounting principles. It further provides references to applicable Articles of relevant law and proposes a format of presenting information in a logical and easy-to-read manner. The proposed disclosures presented herein represent our view of current best practices. These should however not be considered as the only acceptable form of presentation. The form and content of the Management Company’s annual accounts are the responsibility of its management.

This version of the brochure incorporates the latest developments to the accounting and company law that occurred since the last issue.

We hope that you find these illustrative annual accounts helpful and encourage you to contact us for further discussions or additional information.

Benjamin Lam
Partner – FSI Leader

Justin Griffiths
Partner - Audit
2 - General Information
This brochure provides an illustrative template of the annual accounts of an unlisted Management Company under Luxembourg GAAP but excludes internally managed AIF. The template complies with the Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts (excluding the option to apply IFRS) and it also provides guidelines based on best practices.

This brochure is based on the laws applicable at the date of this guide and it does not anticipate any future amendment of the laws.

Legal framework in Luxembourg as used in this brochure

Law of 10 August 1915, on commercial companies, as amended

Law of 19 December 2002, on the register of commerce and companies and the accountings and annual accounts of undertakings, as amended

Law of 17 December 2010, as amended, on undertakings for collective investment ("UCI"), and especially:

- Chapter 15: UCITS Management companies governed by Directive 2009/65/EC
- Chapter 16: Other Management companies of Luxembourg UCIs

Grand-Ducal Regulation of 14 December 2011, amending the regime in relation to the filing of accounts by entities with the Luxembourg register of commerce and companies

Law of 12 July 2013, on Alternative Investment Fund Managers

Law of 1 August 2015, on “Code de Commerce”

Law of 18 December 2015, on annual and consolidated accounts transposing Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 relating to annual financial statements, consolidated financial statements and reports of certain types of companies

Grand-Ducal Regulation of 18 December 2015, in relation to annual accounts and consolidated accounts, determining the form and content of the layouts of the Balance Sheet and of the Profit and Loss account

Law of 10 August 2016, modernising the legislation on commercial companies

Grand-Ducal Regulation of 15 December 2016, introducing certain derogation from the standardised Balance Sheet and Profit and Loss Account layouts, as set out in Article 27 of the Accounting Law

Grand-Ducal Regulation of 5 December 2017 relating to the coordination of the amended law of 10 August 1915 on commercial companies
Illustrative Annual Accounts for Management Companies and Alternative Investment Fund Managers in accordance with Luxembourg GAAP | January 2018

Abbreviations

**Company Law**
Law of 10 August 1915, on commercial companies, as amended (reference to the applicable Articles is indicated in blue in the illustrative template)

**Accounting Law**
Law of 19 December 2002, on the register of commerce and companies and the accountings and annual accounts of undertakings, as amended, (reference to the applicable Articles is indicated in green in the illustrative template)

**AIFMD Law**
Law of 12 July 2013, on Alternative Investment Fund Managers

**AIFM**
Alternative Investment Fund Manager

**AIF**
Alternative Investment Fund

**Art.**
Article

**eCDF**
Platform for electronic gathering of financial data

**EU**
European Union

**GDR**
Grand-Ducal Regulation (reference to the applicable Articles is indicated in black in the illustrative template as "GDR Art. Reference")

**IFRS**
International Financial Reporting Standards

**Lux GAAP**
Luxembourg Generally Accepted Accounting Principles which are derived from Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts (excluding the option to apply IFRS) and market practices

**PSF**
Professionnels du secteur financier

**SIF**
Specialised Investment Funds

**UCI Law**
Law of 17 December 2010, as amended, on undertakings for collective investment

**UCI**
Undertakings for Collective Investment

**UCITS**
Undertakings for Collective Investment in Transferable Securities
Definitions

(1) Small-sized company:

A company that does not exceed two or more of the below criteria (as set out in Articles 35 and 36 of the Accounting Law) for two or more consecutive financial years:

- Total Balance Sheet (million €): 4.4
- Net turnover* (million €): 8.8
- Average number of full-time staff employed during the financial year: 50

The Grand-Ducal Regulation of 18 December 2015 additionally exempts small-sized companies from the following disclosure requirements:

<table>
<thead>
<tr>
<th>Accounting Law</th>
</tr>
</thead>
<tbody>
<tr>
<td>Movements in the number and nominal value/accounting par value of shares</td>
</tr>
<tr>
<td>Number and nominal value/accounting par value of each class</td>
</tr>
<tr>
<td>Name and registered office of the undertaking that draws up the consolidated accounts of the largest body of undertakings</td>
</tr>
<tr>
<td>Fair value of financial fixed assets subject to possible impairment, where valuation at fair value is not applied (exemption already exists for disclosure of the fair value of derivative financial instruments)</td>
</tr>
</tbody>
</table>

And imposes the following new disclosures for small-sized companies:

<table>
<thead>
<tr>
<th>Accounting Law</th>
</tr>
</thead>
<tbody>
<tr>
<td>Details on maturity of debts and debts secured by collateral on assets furnished by the entity</td>
</tr>
<tr>
<td>Financial commitments, commitments concerning pensions and commitments vis-à-vis affiliated undertakings</td>
</tr>
<tr>
<td>Average number of staff</td>
</tr>
<tr>
<td>Movements on deferred tax liabilities during the year</td>
</tr>
</tbody>
</table>

(2) Medium-sized company:

A company that does not exceed two or more of the below criteria (as set out in Article 47 of the Accounting Law) for two or more consecutive financial years:

- Total Balance Sheet (million €): 20
- Net turnover* (million €): 40
- Average number of full-time staff employed during the financial year: 250

* Net turnover as defined per Article 48 of the Accounting Law: "The net turnover shall comprise the amounts derived from the sale of products and the provision of services after deducting sales rebates and value added tax and other taxes directly linked to turnover."
(3) Grand-Ducal Regulation of 15 December 2016:

This regulation introduces flexibility in the layouts of the Balance Sheet and Profit and Loss accounts for certain companies.

This flexible regime covers mainly small- and medium-sized companies of the financial sector under CSSF supervision (except support PSFs, under Article 29 of the Law of 5 April 1993 on the financial sector, as amended).

These small-sized companies will have two options for the balance sheet layouts:

- Horizontal presentation as adopted by the Grand-Ducal Regulation of 18 December 2015 and presented in these illustrative annual accounts


Small-sized companies can prepare their abridged balance sheet with only those items in annex IV preceded by letters and roman numerals with specific disclosures (Article 14.1 of the Directive 2013/34/EU).

These small- and medium-sized companies will have two options for the Profit and Loss Account layouts:

- Profit and Loss Account by nature as adopted by the Grand-Ducal Regulation of 18 December 2015 and as presented in these illustrative annual accounts


Small- and medium-sized companies can prepare their abridged Profit and Loss Account by grouping net turnover, cost of sales, gross profit and loss, and other operation income under the caption “Gross profit and loss” (Article 14. 2. b of the Directive 2013/34/EU).

Such companies, which are effectively out of the scope of eCDF (platform for electronic gathering of data) platform requirements, can already apply the layouts of Directive 2013/34/EU in the 2016 financial period.
Scope of the illustrative annual report

This illustrative annual report is applicable to legal entities governed by Luxembourg law for which the regular business is to manage one or more Investment Funds:

<table>
<thead>
<tr>
<th>Reference to the Law</th>
<th>Chapter 15 of the UCI Law Management Company</th>
<th>Chapter 16 of the UCI Law (not authorized as an AIFM)</th>
<th>AIFM</th>
<th>Super Manco - AIFM and Chapter 15 of the UCI Law</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of Funds managed by the Company</td>
<td>UCITS</td>
<td>Investment vehicles other than UCITS and AIFs</td>
<td>AIFs</td>
<td>UCITS and AIFs</td>
</tr>
</tbody>
</table>

All captions and notes in the illustrative annual report which are not applicable to the activity of your Management Company should be deleted and others might need to be added based on the options offered by Articles 35, 46 and 65 of the Accounting Law.

If the financial period is less than or exceeds one year (for example in the first year) the annual report should refer to the period from “opening date” to “closing date”. This period should not exceed 18 months.

The AIFMD Law does not prescribe any specific requirements relating to disclosures in the annual accounts of the Alternative Investments Fund Managers. The AIFM Directive, however, details requirements of specific disclosures in the annual accounts of the AIFs which the AIFM manages (including internally managed AIFs).
3 - Illustrative Annual Report
ABC Management Company S.A. [S.à r.l.]
Société Anonyme [Société à responsabilité limitée]

ANNUAL ACCOUNTS
AND REPORT OF THE RÉVISEUR
D’ENTREPRISES AGRÉÉ

FOR THE YEAR [PERIOD FROM XX TO XX] ENDED
31 DECEMBER 20XX

[Address]
L-[XX] LUXEMBOURG
R.C.S. Luxembourg: [B XXX XXX]
(For "Société à responsabilité limitée": amount of share capital)
"Other legal forms are available. However, the S.A. and S.à r.l. are the most common legal forms used."

COMMENTARY:
These illustrative accounts are applicable to unlisted Management companies under Chapters 15 & 16
of the Law of 17 December 2010, as amended and AIFMs under the Law of 12 July 2013 (excluding
internally managed AIFs).
ABC Management Company S.A. [S.à r.l.]
Société Anonyme [Société à responsabilité limitée]

TABLE OF CONTENTS

MANAGEMENT REPORT 13 - 14

REPORT OF THE RÉVISEUR D’ENTREPRISES AGRÉÉ
(INDEPENDENT AUDITOR’S REPORT) 15 - 18

ANNUAL ACCOUNTS
- Balance Sheet 19 - 21
- Profit and Loss Account 22 - 23
- Notes to the annual accounts 24 - 51
COMMENTARY (based on Article 68 of the Accounting Law):

The Management Company or AIFM is required to present a management report, except if they are small-sized companies.

If there is no requirement to prepare a management report then the Management Company only needs to disclose the information regarding the acquisition of own shares in the notes to the annual accounts (Article 68 (3) of the Accounting Law).

The contents of the management report is detailed in Article 68 of the Accounting Law and should include:

- A fair review of the development and performance of the Company’s business;
- Its financial performance and position, together with a description of the principal risks and uncertainties that it faces;
- The Management Company shall report any such significant event which may have an impact on the reader of the annual accounts. Such events may, for example, include the creation of a new fund for which the Company will act as Management Company or a change of legal status of the Funds managed;
- Where appropriate, references to and additional explanations of the amounts reported in the annual accounts;
- To the extent necessary for an understanding of the Company’s development, performance or position, the analysis shall include both financial and, where appropriate, non-financial key performance indicators relevant to the particular business, including information relating to environmental or employee matters;

The Management Company or AIFM is exempt from the obligation of reporting non-financial key performance indicators relevant to their business if they are medium-sized companies, except if admitted to trading on a regulated market of any EU Member State.
The management report shall also indicate:

a) Any significant events that have occurred subsequent to year-end;

b) The Management Company’s likely future development:
   *The Management Company may, for example, describes the change in the distribution of its Funds, the foreseen launch of new products, etc.*

c) Activities in the field of research and development, as prescribed in Article 68 2(c) of the Accounting Law *;

d) In respect of the acquisitions of own shares, the information prescribed in Article 430-18(2) of the Company Law **;

e) The existence of any branches of the Management Company;

f) In relation to the Management Company’s use of financial instruments and where material for the assessment of its assets, liabilities, financial position and profit or loss:
   - the undertaking’s financial risk management objectives and policies, including its policy for hedging each major type of forecasted transaction for which hedge accounting is used, and
   - the undertaking's exposure to price risk, credit risk, liquidity risk and cash flow risk.

* if applicable: if the Company did not have any activities in research and development, disclose the following:
   "The Company had no activities in the field of research and development during the year ended 31 December 20XX."

** if applicable: if the Company did not acquire its own shares, disclose the following:
   "The Company did not acquire any of its own shares during the year ended 31 December 20XX."

The réviseur d’entreprises agréé shall indicate in their audit opinion whether the management report is consistent with the annual accounts and whether it has been prepared in accordance with applicable legal requirements for the same financial year (Article 69 (1) aa) of the Accounting Law). Refer to the last paragraph of the illustrative audit opinion on pages 15 and 16.

INDUSTRY GUIDANCE
Additionally, ALFI published a template Board Report for funds and management companies, which can be found at the link below:
REPORT OF THE RÉVISEUR D’ENTREPRISES AGRÉÉ
(Under Lux GAAP)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ABC Management Company S.A. [S.à r.l.] (the « Company »), which comprise the balance sheet as at 31 December 20XX, and the profit and loss account for the year then ended [for the period from (date) to (date)], and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, [or give a true and fair view of] the financial position of the Company as at 31 December 20XX, and of the results of its operations for the year then ended [for the period from (date) to (date)] in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under those Regulation, Law and standards are further described in the "Responsibilities of "Réviseur d’Entreprises Agréé" for the Audit of the Financial Statements” section of our report. We are also independent of the Company in accordance with International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
Other information

The Board of directors [Management/Board of Managers] is responsible for the other information. The other information comprises the information included in the management report [annual report] but does not include the financial statements and our report of "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we concluded that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regards.

Responsibilities of the Board of Directors [Management/Board of Managers] and Those Charged with Governance for the Financial Statements

The Board of Directors [Management/Board of Managers] is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors [Management/Board of Managers] determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors [Management/Board of Managers] is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors [Management/Board of Managers] either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the « Réviseur d’Entreprises Agréé » for the Audit of the Financial Statements

The objectives of our audit are to obtain a reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of "Réviseur d’Entreprises Agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can
arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors [Management/Board of Managers].
- Conclude on the appropriateness of Board of Directors’ [Management’s/Board of Managers’] use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of "Réviseur d’Entreprises Agréé“ to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of "Réviseur d’Entreprises Agréé“. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
Report on Other Legal and Regulatory Requirements

The management report is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

For Deloitte Audit, Cabinet de Révision Agrédé

[Name of the Partner], Réviseur d’Entreprises Agrédé
Partner

[Date of the report]
# ABC Management Company S.A. [S. à r.l.]

**Société Anonyme [Société à responsabilité limitée]**

**BALANCE SHEET**

As of 31 December 20XX

<table>
<thead>
<tr>
<th>Art. Reference</th>
<th>ASSETS</th>
<th>Notes</th>
<th>31 December 20XX</th>
<th>31 December 20XX-1</th>
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<td>GDR Art. Reference</td>
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<tr>
<td>1</td>
<td>A. SUBSCRIBED CAPITAL UNPAID</td>
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<tr>
<td></td>
<td>I. Subscribed capital not called</td>
<td>[XX]</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>II. Subscribed capital called but unpaid</td>
<td>[XX]</td>
<td>[XX]</td>
<td></td>
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<tr>
<td></td>
<td>B. FORMATION EXPENSES</td>
<td>2.3., 3</td>
<td>[XX]</td>
<td>[XX]</td>
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<tr>
<td></td>
<td>C. FIXED ASSETS</td>
<td>[XX]</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>I. Intangible fixed assets</td>
<td>[XX]</td>
<td>[XX]</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Concessions, patents, licenses, trademarks and similar rights and assets, if they were</td>
<td>[XX]</td>
<td>[XX]</td>
<td></td>
</tr>
<tr>
<td></td>
<td>a) acquired for valuable consideration</td>
<td>[XX]</td>
<td>[XX]</td>
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<tr>
<td></td>
<td>3. Goodwill, to the extent that it was acquired for valuable consideration</td>
<td>[XX]</td>
<td>[XX]</td>
<td></td>
</tr>
<tr>
<td></td>
<td>II. Tangible fixed assets</td>
<td>[XX]</td>
<td>[XX]</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. Other fixtures and fittings, tools and equipment</td>
<td>[XX]</td>
<td>[XX]</td>
<td></td>
</tr>
<tr>
<td></td>
<td>III. Financial fixed assets</td>
<td>[XX]</td>
<td>[XX]</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. Shares in affiliated undertakings</td>
<td>[XX]</td>
<td>[XX]</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. Investments held as fixed assets</td>
<td>[XX]</td>
<td>[XX]</td>
<td></td>
</tr>
<tr>
<td></td>
<td>D. CURRENT ASSETS</td>
<td>[XX]</td>
<td>[XX]</td>
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</tr>
<tr>
<td></td>
<td>II. Debtors*</td>
<td>[XX]</td>
<td>[XX]</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. Receivables resulting from sales and from the provision of services</td>
<td>[XX]</td>
<td>[XX]</td>
<td></td>
</tr>
<tr>
<td></td>
<td>a) becoming due and payable within one year</td>
<td>[XX]</td>
<td>[XX]</td>
<td></td>
</tr>
<tr>
<td></td>
<td>b) becoming due and payable after more than one year</td>
<td>[XX]</td>
<td>[XX]</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Amounts owed by affiliated undertakings</td>
<td>[XX]</td>
<td>[XX]</td>
<td></td>
</tr>
<tr>
<td></td>
<td>a) becoming due and payable within one year</td>
<td>[XX]</td>
<td>[XX]</td>
<td></td>
</tr>
<tr>
<td></td>
<td>b) becoming due and payable after more than one year</td>
<td>[XX]</td>
<td>[XX]</td>
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<tr>
<td></td>
<td>4. Other receivables</td>
<td>[XX]</td>
<td>[XX]</td>
<td></td>
</tr>
<tr>
<td></td>
<td>a) becoming due and payable within one year</td>
<td>[XX]</td>
<td>[XX]</td>
<td></td>
</tr>
<tr>
<td></td>
<td>b) becoming due and payable after more than one year</td>
<td>[XX]</td>
<td>[XX]</td>
<td></td>
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<tr>
<td></td>
<td>III. Investments</td>
<td>[XX]</td>
<td>[XX]</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. Shares in affiliated undertakings</td>
<td>[XX]</td>
<td>[XX]</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Own shares or corporate units</td>
<td>6.1.</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td></td>
<td>3. Other investments</td>
<td>6.2.</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td></td>
<td>IV. Cash at bank, postal cheque accounts, cheques and cash in hand</td>
<td>[XX]</td>
<td>[XX]</td>
<td></td>
</tr>
<tr>
<td></td>
<td>E. DEFERRED CHARGES</td>
<td>2.10.</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
</tbody>
</table>

## BALANCE SHEET TOTAL (ASSETS)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>[XX]</th>
<th>[XX]</th>
</tr>
</thead>
</table>

The accompanying notes are an integral part of these annual accounts.
**ABC Management Company S.A. [S.à r.l.]**

*Société Anonyme [Société à responsabilité limitée]*

**BALANCE SHEET**

As of 31 December 20XX

- continued -

<table>
<thead>
<tr>
<th>Art. Reference</th>
<th>CAPITAL, RESERVES AND LIABILITIES</th>
<th>Notes</th>
<th>31 December 20XX</th>
<th>31 December 20XX-1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td>[Currency]</td>
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</tr>
<tr>
<td>34</td>
<td>GDR Art. Reference</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>A. CAPITAL AND RESERVES</td>
<td>7, 8</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td></td>
<td>I. Subscribed capital</td>
<td></td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td></td>
<td>II. Share premium</td>
<td></td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td></td>
<td>IV. Reserves</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. Legal reserve</td>
<td>8.1.</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td></td>
<td>2. Reserve for own shares or corporate units</td>
<td>8.2.</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td></td>
<td>4. Other reserves, including the fair value reserve</td>
<td>8.3.</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td></td>
<td>a) Other available reserves</td>
<td></td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td></td>
<td>b) Other non-available reserves</td>
<td></td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td></td>
<td>V. Results brought forward</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>VI. Results for the financial year</td>
<td></td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td></td>
<td>VII. Interim dividends</td>
<td></td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
</tbody>
</table>

|                | B. PROVISIONS                    | 2.9., 9 | [XX] | [XX] |
|                | 1. Provisions for pensions and similar obligations | [XX] | [XX] |
|                | 2. Provisions for taxation        | [XX] | [XX] |
|                | 3. Other provisions               | [XX] | [XX] |

|                | C. CREDITORS**                   |       | [XX] | [XX] |
|                | 1. Bonds                         |       | [XX] | [XX] |
|                | a) Convertible bonds              |       | [XX] | [XX] |
|                | i) becoming due and payable within one year | [XX] | [XX] |
|                | ii) becoming due and payable after more than one year | [XX] | [XX] |
|                | b) Non-Convertible bonds         |       | [XX] | [XX] |
|                | i) becoming due and payable within one year | [XX] | [XX] |
|                | ii) becoming due and payable after more than one year | [XX] | [XX] |

The accompanying notes are an integral part of these annual accounts.
ABC Management Company S.A. [S.à r.l.]
Société Anonyme [Société à responsabilité limitée]

BALANCE SHEET
As of 31 December 20XX
- continued -

2. Amounts owed to credit institutions
   a) becoming due and payable within one year
   b) becoming due and payable after more than one year

4. Amounts due to trade creditors
   a) becoming due and payable within one year
   b) becoming due and payable after more than one year

6. Amounts owed to affiliated undertakings
   a) becoming due and payable within one year
   b) becoming due and payable after more than one year

8. Other creditors
   a) Tax debts
   b) Social security debts
   c) Others debts
      i) becoming due and payable within one year
      ii) becoming due and payable after more than one year

D. DEFERRED INCOME
2.11.

BALANCE SHEET TOTAL (CAPITAL, RESERVES AND LIABILITIES)

The accompanying notes are an integral part of these annual accounts.

The layout of the Balance Sheet and captions to be used are prescribed by the Accounting Law. Captions presented above are those that will most likely apply to medium or large-sized Management companies. Nevertheless captions used should be selected based on the circumstances of each Management Company under the responsibility of the Board of Directors / Management / Board of Managers of the Management Company and comply with the minimum legal disclosure requirements.

Small-sized companies may present an abridged Balance Sheet showing only those items preceded by upper case letters and Roman numerals in Article 34 of the Accounting Law. This option does however not apply to undertakings whose securities are admitted to trading on a regulated market of any EU Member States.

Additionally, the following abridged captions may be followed by small-sized companies:
* The caption II) Debtorst including the sub-captions may be replaced by:

II) Receivables
   a) becoming due and payable within one year
   b) becoming due and payable after more than one year

** The caption C. Creditors including the sub-captions may be replaced by:

C. Debts
   a) becoming due and payable within one year
   b) becoming due and payable after more than one year
**ABC Management Company S.A. [S.à r.l.]**

*Société Anonyme [Société à responsabilité limitée]*

**PROFIT AND LOSS ACCOUNT**

For the year [*period from XX*] ended 31 December 20XX

<table>
<thead>
<tr>
<th>Art. Reference</th>
<th>GDR Art. Reference</th>
<th>Notes</th>
<th>31 December 20XX</th>
<th>31 December 20XX-1</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td></td>
<td></td>
<td>[Currency]</td>
<td>[Currency]</td>
</tr>
<tr>
<td>1. Net turnover*</td>
<td>2.13.</td>
<td></td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td></td>
<td>- Subscription commissions</td>
<td>12</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td></td>
<td>- Investment management fee income</td>
<td>13</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td></td>
<td>- Distribution fee income</td>
<td>14</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td></td>
<td>- Performance fee income</td>
<td>15</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td>4. Other operating income*</td>
<td>16</td>
<td></td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
</tbody>
</table>

5. b) Other external charges*  
- Portfolio management fees | 17 | [-XX] | [-XX] |
- Risk management fees | - | [-XX] | [-XX] |
- Distribution and trailer fees | 18 | [-XX] | [-XX] |
- Marketing, advertising and other similar charges | 19 | [-XX] | [-XX] |
- Rebates on management and performance fees | - | [-XX] | [-XX] |

6. Staff costs  
- Wages and salaries | 20 | [-XX] | [-XX] |
- Social security costs | - | [-XX] | [-XX] |
  - i) Relating to pensions | - | [-XX] | [-XX] |
  - ii) Other social security costs | - | [-XX] | [-XX] |
- Other staff costs | - | [-XX] | [-XX] |

7. Value adjustments  
- in respect of formation expenses and of tangible and intangible fixed assets | 2.12. | [-XX] | [-XX] |
- in respect of current assets | - | [-XX] | [-XX] |

8. Other operating expenses | 16 | [-XX] | [-XX] |

9. Income from participating interests  
- from affiliated undertakings | [XX] | [XX] |

10. Income from other investments, other securities and loans forming part of the fixed assets  
- from affiliated undertakings | [XX] | [XX] |
- other income not shown under a) | [XX] | [XX] |

11. Other interest receivables and other financial income  
- from affiliated undertakings | [XX] | [XX] |
- other interest and financial income | [XX] | [XX] |

The accompanying notes are an integral part of these annual accounts.
ABC Management Company S.A. [S.à r.l.]
Société Anonyme [Société à responsabilité limitée]

PROFIT AND LOSS ACCOUNT
For the year [period] ended 31 December 20XX
- continued -

13. Value adjustments in respect of financial assets and investments held as current assets 2.12., 2.6., 4 [-XX] [-XX]

14. Interest payable and other financial expenses [-XX] [-XX]
   b) Other interest and financial expenses [-XX] [-XX]

15. Tax on results 21.1. [-XX] [-XX]

16. Results after taxation [XX] [XX]

17. Other taxes not shown under items 1. to 16. 21.2. [-XX] [-XX]

18. Results for the financial year [XX] [XX]

The accompanying notes are an integral part of these annual accounts.

The layout of the Profit and Loss Account and the captions to be used are prescribed by the Accounting Law. Captions presented above are those that will most likely apply to medium or large-sized Management companies. Nevertheless captions used should be selected based on the circumstances of each Management Company under the responsibility of the Board of Directors / Management / Board of Managers of the Management Company and comply with the minimum legal disclosure requirements.

Small-sized companies may present an abridged Profit and Loss Account showing only those items preceded by upper case letters and Roman numerals in Article 34 of the Accounting Law. This option does however not apply to undertakings whose securities are admitted to trading on a regulated market of any EU Member States.

Additionally, the following abridged captions may be followed by small-sized companies:

* The captions from 1. Net turnover to 5.b) Other external charges may be combined into one caption: 1. to 5. Gross results
ABC Management Company S.A. [S.à r.l.]

Société Anonyme [Société à responsabilité limitée]

NOTES TO THE ANNUAL ACCOUNTS
Year [period] ended 31 December 20XX

NOTE 1 - GENERAL

ABC Management Company S.A. [S.à r.l.] (hereafter the "Company") was incorporated on [DD Month YYYY] as a "Société Anonyme" ["Société à responsabilité limitée"] in accordance with the Luxembourg Law of 10 August 1915, as amended, on Commercial Companies for an unlimited period of time (or: for a limited period of ...years).

The Company is registered with the Trade and Companies Register of Luxembourg with the number [B XXX XXX] and has its registered office at [address].

Guidance:
- Describe the broad objective of the Company as disclosed in its articles of association;
- Describe the significant events that took place during the year, which will assist the reader of the annual accounts to understand the evolution of the business of the Company during the year.

The main activity/ [activities] of the Company is/ [are]:

During the year ended 31 December 20XX, the Company managed the following Funds (the "Funds"):
- XXX ABC Funds, constituted as a “fonds commun de placement” under the Law of 17 December 2010;
- XXX XYZ Funds, (...).

The Company also manages the following third party Funds:
- XXX ABC Funds, constituted as a “fonds commun de placement” under the Law of 17 December 2010;
- XXX XYZ Funds, (...).

The financial year of the Company commences on 1 January and ends on 31 December of each year.
ABC Management Company S.A. [S.à r.l.]

Société Anonyme [Société à responsabilité limitée]

NOTES TO THE ANNUAL ACCOUNTS
Year [period] ended 31 December 20XX
- continued -

If applicable:
The first accounting period begins on the date of incorporation of the Company and terminates on the [31 December 20XX].

GUIDANCE:
If the annual accounts of the Company are included in the consolidated accounts of the parent company, disclose the following information as per Article 65 (1) 15° of the Accounting Law:

a) The name and registered office of the parent company that establishes consolidated accounts of the biggest group of which the Company is a subsidiary;

b) The name and registered office of the parent company that establishes consolidated accounts of the smallest group of which the Company is a subsidiary (if different from a) above);

c) The place where the copies of the consolidated accounts referred in points a) and b) above may be obtained.

Art. Reference
65(1) 15°

In this case, disclose:
The Company’s accounts are included in the consolidated accounts of [XYZ] Group and its ultimate parent [ABC] Group, respectively incorporated under the Laws of [legal reference]. These can be obtained from [e.g. name of the Company’s parent + its address].
NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

2.1. General principles

These annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts. The Company presents its annual accounts in the format similar to the layout of the law 18 December 2015.

GUIDANCE:
Indicate and substantiate departure from significant accounting policies, if justified, to present a true and fair view of the activity of the Company. The effects of the departure on the financial position and results of the Company must also be disclosed.

In this case, disclose:
Further to the application of Article 26 (5) of the Accounting Law, these annual accounts are presented with certain amendments to the legal provisions in order to give a true and fair view of the activities of the Company relating to (...). The effect on the financial position is XX and on the results of the Company is XX.

2.2. Foreign currency transactions

The Company maintains its accounting records in Currency ("CCY") and the annual accounts are expressed in this currency.

Transactions in foreign currencies are translated into CCY at the exchange rates prevailing at the date of the transactions / [payments]. Monetary assets and liabilities in foreign currencies are revalued at the exchange rate prevailing at the Balance Sheet date. Exchange gains and losses are recorded in the Profit and Loss account.
Non-monetary assets in foreign currencies are kept at historical exchange rates or revalued at exchange rates prevailing at the Balance Sheet date, if the latter rate is lower. Non-monetary liabilities in foreign currencies are kept at historical exchange rates or revalued at exchange rates prevailing at the Balance Sheet date, if the latter rate is higher. Accordingly, exchange losses on non-monetary assets and liabilities are recognized immediately in the Profit and Loss account. Exchange gains on non-monetary assets and liabilities are only recorded in the Profit and Loss account at the moment of their realization.

GUIDANCE:

Where the fair value option is selected as the accounting policy for investments and financial fixed assets, add the following:

Transferable securities and other financial instruments and financial fixed assets in foreign currencies which are measured at fair value are converted at the exchange rates effective at the Balance Sheet date. Foreign exchange differences on those fair valued assets are recognized in the Profit and Loss account (or revaluation reserves, if applicable) with the change in fair value.

2.3. Formation expenses

GUIDANCE:

Start-up costs such as professional fees relating to the incorporation of the Company can be expensed immediately or be capitalized and then amortized over a maximum period of 5 years. In the year the capitalized start-up costs have been fully amortized indicate: "Formation expenses capitalized have been fully amortized as at 31 December 20XX".
ABC Management Company S.A. [S.à r.l.]

Société Anonyme [Société à responsabilité limitée]

NOTES TO THE ANNUAL ACCOUNTS
Year [period] ended 31 December 20XX
- continued -

Formation expenses are capitalized and amortized over [number of years/months].

**OR**

Formation expenses are charged to the Profit and Loss account in the year in which they are incurred.

Art. Reference 55(1)

2.4. Intangible fixed assets

Intangible fixed assets are carried at purchase price including the expenses incidental thereto, less accumulated amortization. Amortization is recognized on a *straight-line* basis [or other method, such as declining method] over the estimated remaining useful life of the assets. The amortization rate and methods applied are as follows:

**Amortization Method**

**OR [Rate of amortization]**

| Patents, licenses, trademarks and similar rights and assets acquired | [XX] years | [..%] |

**GUIDANCE:**

1) In accordance with Article 59 of the Accounting Law, in exceptional cases where the useful life of goodwill and development costs cannot be reliably estimated, such assets shall be written off within a maximum period which shall not exceed 10 years. An explanation of the period over which goodwill is written off shall be provided within the notes to the annual accounts.
ABC Management Company S.A. [S.à r.l.]

Société Anonyme [Société à responsabilité limitée]

NOTES TO THE ANNUAL ACCOUNTS

Year [period] ended 31 December 20XX
- continued -

Where the Company considers that intangible fixed assets have suffered a durable decline in value in excess of the accumulated amortization recognized, an additional write-down is recorded to reflect this impairment. These value adjustments are reversed if the reasons for which the value adjustments were made have ceased to apply.

Art. Reference 55(1)

2.5. Tangible fixed assets

Tangible fixed assets are carried at purchase price including the expenses incidental to them [or at production cost], less accumulated depreciation. Depreciation is recognized on a straight line basis [or other method, such as declining method] over the estimated remaining useful life of the assets, as follows:

<table>
<thead>
<tr>
<th>Depreciation method</th>
<th>OR [Rate of depreciation]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture</td>
<td>[XX] years [..%]</td>
</tr>
<tr>
<td>Other fixtures</td>
<td>From [XX] to [XX] years [..%]</td>
</tr>
<tr>
<td>[Include all types of tangible fixed assets]</td>
<td></td>
</tr>
</tbody>
</table>

Where the Company considers that tangible fixed assets have suffered a durable decline in value in excess of the accumulated depreciation recognized, an additional write-down is recorded to reflect this impairment. These value adjustments are reversed if the reasons for which the value adjustments were made have ceased to apply.

GUIDANCE:

Where the Company selected the fair value option for tangible fixed assets, please consider the following as per Article 54 of the Accounting Law:

Tangible fixed assets are initially recorded at purchase price including the expenses incidental thereto or at production cost. They are subsequently measured at fair value determined on the following basis (description of valuation method used). The unrealized gains and losses for the year are recognized in the Profit and Loss account/revaluation reserve (select as appropriate).
ABC Management Company S.A. [S.à r.l.]

Société Anonyme [Société à responsabilité limitée]

NOTES TO THE ANNUAL ACCOUNTS
Year [period] ended 31 December 20XX
- continued –

2.6. Financial fixed assets

Securities held as financial fixed assets are carried at cost less any impairment in value which in the opinion of management is considered as durable.

These value adjustments are reversed if the reasons for which the value adjustments were made have ceased to apply.

GUIDANCE:

The Company has the option to carry securities and other financial instruments held as financial fixed assets at fair value.

The fair value referred shall be determined by reference to:

- A market value, for those financial instruments for which a reliable market can readily be identified. Where a market value is not readily identifiable for an instrument but can be identified for its components or for a similar instrument, the market value may be derived from that of its components or from the similar instrument; or
- A value resulting from generally accepted valuation models and techniques, for those instruments for which a reliable market cannot be readily identified. Such valuation models and techniques shall ensure a reasonable approximation of the market value is achieved.

[In this case, disclosure shall be made on the valuation techniques used].

If this option is selected then, the following note should be disclosed:

“The change in unrealized gains or losses on investment held as financial fixed assets is recorded in the Profit and Loss account under the item “Value adjustments in respect of financial assets and investments held as current assets”.”

In case the Company applies hedge accounting, different principles apply as per Article 64bis. (5) and Article 64 quarter of the Accounting Law.
2.7. **Debtors**

Debtors are carried at their nominal value.

A value adjustment is recorded when the estimated realizable value is lower than the nominal value. The realizable value is estimated on the basis of the information available to the Board of Directors. These value adjustments are reversed if the reasons for which the value adjustments were made have ceased to apply.

2.8. **Other investments**

**COMMENTARY:**

“Other investments” means those classes of securities which are negotiable on the capital market, with the exception of instruments of payment, such as:

a) Shares in companies and other securities equivalent to shares in companies, partnerships or other entities, and depositary receipts in respect of shares;

b) Bonds or other forms of securitized debt, including depositary receipts in respect of such securities;

c) Any other securities giving the right to acquire or sell any such transferable securities or giving rise to a cash settlement determined by reference to transferable securities, currencies, interest rates or yields, commodities or other indices or measures.

Others investments are valued at the lower of cost or market value. The cost of purchase includes expenses incidental thereto. A value adjustment is recorded where the market value is lower than the cost of purchase. These value adjustments are reversed if the reasons for which the value adjustments were made to have ceased to apply.
GUIDANCE:

The Company has the option to carry other investments and other financial instruments at fair value.

The fair value referred shall be determined by reference to:

- A market value, for other financial instruments for which a reliable market can readily be identified. Where a market value is not readily identifiable for an instrument but can be identified for its components or for a similar instrument, the market value may be derived from that of its components or from the similar instrument; or

- A value resulting from generally accepted valuation models and techniques, for those instruments for which a reliable market cannot be readily identified. Such valuation models and techniques shall ensure a reasonable approximation of the market value is achieved.

[In this case, disclosure shall be made on the valuation models used].

If this option is selected then, the following note should be disclosed:

“The change in unrealized gains or losses on other financial instruments is recorded in the Profit and Loss account under the item "Value adjustments in respect of financial assets and investments held as current assets".”

If the Company applies hedge accounting, different principles apply in as per Article 64bis. (5) and Article 64quarter of the Accounting Law.

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which at the date of the Balance Sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise. Provisions may also be created to cover charges which have their origin in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the Balance Sheet date are either likely to be incurred, or certain to be incurred but uncertain as to their amount or as to the date on which they will arise. Provisions may not be used to adjust the values of assets.

COMMENTARY:

a) If the Company participates in a defined benefit plan, the provision for the related pension liability should be created.

b) Provision for taxation includes the tax liability estimated by the Company for the financial years for which the tax return has not yet been filed. The advance payments are shown in the assets of the Balance Sheet under the item “Other receivables”.

c) Other provisions may include deferred bonus obligations where the amount/timing is not certain.
ABC Management Company S.A. [S.à r.l.]

Société Anonyme [Société à responsabilité limitée]

NOTES TO THE ANNUAL ACCOUNTS
Year [period] ended 31 December 20XX
- continued -

2.10. Deferred charges
Deferred charges include expenditure paid during the financial year but relating to a subsequent financial year.

2.11. Deferred income
Deferred income includes income received during the financial year but relating to a subsequent financial year.

2.12. Value adjustments
Value adjustments are deducted directly from the related assets.

2.13. Net turnover
Net turnover comprises the amount of investment management fees, performance fees and other fund servicing fees after deduction of rebates and waiver fees directly linked to the turnover.

2.14. Comparative figures
The presentation of the annual accounts has been modified when compared to the presentation used in respect of the financial year ended 31 December 20XX-1. As a consequence and in order to ensure adequate comparability across both financial years, certain comparative figures in respect of the financial year ended 31 December 20XX-1 have been reclassified.

[To be tailored with the reclassification(s) made for the comparative figures]
# Art. Reference

<table>
<thead>
<tr>
<th>Formation expenses</th>
<th>Concessions, patents, licenses, trademarks and similar rights and assets</th>
<th>Goodwill to the extent that it was acquired for valuable consideration</th>
<th>Other Fixtures and fittings, tools and equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In CCY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost at the beginning of the year</td>
<td>[XX]</td>
<td>[XX]</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td>Additions</td>
<td>[XX]</td>
<td>[XX]</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td>Disposals/transfers</td>
<td>[XX]</td>
<td>[XX]</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td><strong>Cost at the end of the year</strong></td>
<td>[XX]</td>
<td>[XX]</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
</tbody>
</table>

Accumulated amortization/depreciation at the beginning of the year

| Amortization/depreciation for the year | [XX] | [XX] | [XX] | [XX] | [XX] |
| Reversals for the year                | [XX] | [XX] | [XX] | [XX] | [XX] |
| Amortization/depreciation related to disposals/transfers | [XX] | [XX] | [XX] | [XX] | [XX] |

Accumulated amortization/depreciation at the end of the year

Net book value:

| At 31 December 20XX | [XX] | [XX] | [XX] | [XX] | [XX] |
| At 31 December 20XX-1 | [XX] | [XX] | [XX] | [XX] | [XX] |
### ABC Management Company S.A. [S.à r.l.]

**Société Anonyme [Société à responsabilité limitée]**

NOTES TO THE ANNUAL ACCOUNTS
Year [period] ended 31 December 20XX
- continued -

#### NOTE 4 - FINANCIAL FIXED ASSETS

<table>
<thead>
<tr>
<th>Art. Reference</th>
<th>Shares in affiliated undertakings</th>
<th>Investments held as fixed assets</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>In CCY</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Cost at the beginning of the year: [XX] [XX] [XX]
- Additions: [XX] [XX] [XX]
- Disposals/transfers: [XX] [XX] [XX]
- Cost at the end of the year: [XX] [XX] [XX]

- Value adjustments at the beginning of the year: [XX] [XX] [XX]
- Value adjustments of the year: [XX] [XX] [XX]
- Reversals for the year: [XX] [XX] [XX]
- Disposals/transfers: [XX] [XX] [XX]
- Value adjustments at the end of the year: [XX] [XX] [XX]

**Net book value:**
- At 31 December 20XX: [XX] [XX] [XX]
- At 31 December 20XX-1: [XX] [XX] [XX]
### ABC Management Company S.A. [S.à r.l.]

**Société Anonyme [Société à responsabilité limitée]**

**NOTES TO THE ANNUAL ACCOUNTS**

Year [*period*] ended 31 December 20XX

- continued -

<table>
<thead>
<tr>
<th>Art. Reference</th>
<th>NOTE 5 - DEBTORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>65(1) 14°</td>
<td></td>
</tr>
</tbody>
</table>

**In CCY**

<table>
<thead>
<tr>
<th>Receivables resulting from sales and from the provision of services</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Investment management fee receivable</td>
</tr>
<tr>
<td>- Distribution and trailer fees receivable</td>
</tr>
<tr>
<td>- Subscription commissions receivable</td>
</tr>
<tr>
<td>- Performance fee receivable</td>
</tr>
</tbody>
</table>

**Amounts owed by affiliated undertakings**

| [XX] | [XX] |

**Other receivables**

| - Interest receivable - Bank | [XX] | [XX] |
| - VAT receivable | [XX] | [XX] |
| - Advance payments on income tax | [XX] | [XX] |

**Total debtors**

| [XX] | [XX] |

---

**COMMENTARY:**

Where a provision is raised for bad debts, disclose the following:

As at 31 December 20XX, the Company has booked a provision for an amount of EUR XX in relation to bad debts (20XX-1: EUR XX).
ART. REFERENCE 37(2)

6.1. **Own shares or corporate units**

As at 31 December 20XX, the Company acquired its own shares for a total amount of EUR XX.

A legal reserve for own shares for an amount of EUR XX will be created at the next Annual General meeting on Date XX.

ART. REFERENCE 61(1) b

6.2. **Other Investments**

As at 31 December 20XX, the other investments are as follows:

<table>
<thead>
<tr>
<th>In CCY</th>
<th>20XX</th>
<th>20XX-1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lower of cost or market value*</td>
<td>Lower of cost or market value*</td>
</tr>
<tr>
<td>UCITS [XX]</td>
<td></td>
<td>[XX]</td>
</tr>
<tr>
<td>Money market funds [XX]</td>
<td></td>
<td>[XX]</td>
</tr>
<tr>
<td>Total</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
</tbody>
</table>

**COMMENTARY:**

* In accordance with Article 62(2) of the Accounting Law, when the value shown in the Balance Sheet differs materially from the market price at the Balance Sheet date, the amount of that difference should be disclosed.
ABC Management Company S.A. [S.à r.l.]

Société Anonyme [Société à responsabilité limitée]

NOTES TO THE ANNUAL ACCOUNTS
Year [period] ended 31 December 20XX
- continued -

NOTE 7 - CAPITAL

The authorized capital amounts to CCY [XX], divided into [[XX] class A shares / corporate units with a nominal value of CCY [XX] each / without par value] and into [[XX] class B shares / corporate units with a nominal value of CCY [XX] each / without par value].

As at 31 December 20XX, the subscribed capital of the Company amounts to CCY [XX] and is divided into [[XX] shares / corporate units fully paid-up / paid-up to CCY [XX] with a nominal value of CCY [XX] each / without par value].

The movement for the year on the subscribed capital is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Number of shares</th>
<th>Subscribed capital</th>
<th>Share premium and similar premiums</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the beginning of the year</td>
<td>[XX]</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td>New shares issued</td>
<td>[XX]</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td>Shares redeemed or cancelled</td>
<td>[XX]</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td>Balance at the end of the year</td>
<td>[XX]</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
</tbody>
</table>

NOTE 8 - RESERVES

<table>
<thead>
<tr>
<th>Description</th>
<th>Legal reserve</th>
<th>Reserve for own shares or corporate units</th>
<th>Other reserves</th>
<th>Profit or loss brought forward</th>
<th>Result for the financial year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the beginning of the year</td>
<td>[XX]</td>
<td>[XX]</td>
<td>[XX]</td>
<td>[XX]</td>
<td>-</td>
</tr>
<tr>
<td>Allocation of prior year results</td>
<td>[XX]</td>
<td>[XX]</td>
<td>[XX]</td>
<td>[XX]</td>
<td>-</td>
</tr>
<tr>
<td>Transfer to reserves</td>
<td>[XX]</td>
<td>[XX]</td>
<td>[XX]</td>
<td>[-XX]</td>
<td>[-XX]</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>[-XX]</td>
<td>[-XX]</td>
</tr>
<tr>
<td>Result for the financial year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>[XX]</td>
</tr>
<tr>
<td>Balance at the end of the year</td>
<td>[XX]</td>
<td>[XX]</td>
<td>[XX]</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
</tbody>
</table>
NOTES TO THE ANNUAL ACCOUNTS
Year [period] ended 31 December 20XX
- continued -

8.1. Legal reserve

In accordance with Article 710-23 of the Company Law, the Company must allocate a minimum of 5% of the net profit to the legal reserve, until such reserve reaches 10% of the share capital. Distribution of the legal reserve is restricted.

GUIDANCE:

- If the 10% limit has been reached, add the sentence below:
  No allocation was made to the legal reserve in the current year as the 10% maximum has already been reached.

- If the Company has incurred a loss for the financial year, add the sentence below:
  For the year ended 31 December 20XX, no allocation was made to the legal reserve as the Company has reported a loss for the financial year.

8.2. Reserve for own shares [own corporate units]

The Company holds own shares [own corporate units] for an amount of CCY [XX]. In accordance with Luxembourg law, the Company has created a non-distributable reserve for the same amount.

8.3. Other reserves

A special Net Wealth Tax reserve has been created in order to reduce the Net Wealth Tax of the Company. This special reserve amounts to five times the envisaged Net Wealth Tax credit. This special Net Wealth Tax reserve has to remain unavailable for distribution for five years, to take advantage of the reduction in Net Wealth Tax liability.
ABC Management Company S.A. [S.à r.l.]

Société Anonyme [Société à responsabilité limitée]

NOTES TO THE ANNUAL ACCOUNTS
Year [period] ended 31 December 20XX
- continued -

NOTE 9 - PROVISIONS

Provisions include the following:

(i) Provisions for pensions and similar obligations

The Company has set up a defined benefit pension plan for its employees. The reserve created at the end of the year amounts to CCY [XX] (20XX-1: CCY [XX]) (see note 23).

(ii) Provisions for taxation

Provision for taxation consists of a provision for Corporate Income Tax CCY [XX] (20XX-1: CCY [XX]) and for Municipal Business tax (CCY [XX] (20XX-1: CCY [XX]) and Net Wealth Tax if applicable (see note 21).

(iii) Others provisions

Other provisions may be broken down as follows:

<table>
<thead>
<tr>
<th>In</th>
<th>20XX</th>
<th>20XX-1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for subcontracting expenses</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td>Provision for emoluments</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td>Provision for employee related expenses</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td>Provision for professional fees</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td>Others</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
</tbody>
</table>
ABC Management Company S.A. [S.à r.l.]

Société Anonyme [Société à responsabilité limitée]

NOTES TO THE ANNUAL ACCOUNTS
Year [period] ended 31 December 20XX
- continued -

NOTE 10 - INTERIM DIVIDENDS

[If applicable to the Company]
The Board of Directors [Managers, if S.à r.l.] resolved to pay an interim dividend of CCY XXX at a meeting held on [date] on the basis of an interim financial position as at [date].

NOTE 11 - AMOUNTS DUE TO TRADE CREDITORS

COMMENTARY:
If any of the amounts due to trade creditors relate to material charges which are payable at year-end, provide details, for example:

<table>
<thead>
<tr>
<th>In CCY</th>
<th>20XX</th>
<th>20XX-1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund accounting and administration fees payable</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td>Investment management fees payable</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td>Total</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
</tbody>
</table>

NOTE 12 - SUBSCRIPTION COMMISSIONS

[If applicable to the Company]
The Company receives a maximum sales charge of X% levied as a percentage of the total subscription amount “X” and “X” of XX, XX (until XX 20XX – refer to note XX), XX and XX of the Fund XX.
ABC Management Company S.A. [S.à r.l.]

Société Anonyme [Société à responsabilité limitée]

NOTES TO THE ANNUAL ACCOUNTS

Year [period] ended 31 December 20XX

- continued -

NOTE 13 - INVESTMENT MANAGEMENT FEE INCOME

[To be tailored according to the Agreements concluded with the Funds]

The Company is entitled to receive an investment management fee expressed as a percentage of the net asset value of the Funds managed. It is generally calculated and accrued at each valuation day and is payable monthly in arrears on the basis of the average net asset value of the relevant Sub-Funds.

The percentage the Company is entitled to receive varies as follows:
- XX Funds: management fee which ranges from XX% p.a. to XX% p.a. of the net asset value of the relevant classes of units/shares.

NOTE 14 - DISTRIBUTION FEE INCOME

[To be tailored according to the Agreements concluded with the Funds]

The Company is entitled to receive a distribution fee expressed as a percentage of the net asset value of the Funds managed. It is calculated and accrued at each valuation day and is payable monthly in arrears on the basis of the average net asset value of the relevant Sub-Funds.

The percentage the Company is entitled to receive is as follows:
- XX Funds: distribution fee of a maximum of XX% p.a. of the net asset value of the relevant classes of units/shares.
ABC Management Company S.A. [S.à r.l.]

Société Anonyme [Société à responsabilité limitée]

NOTES TO THE ANNUAL ACCOUNTS
Year [period] ended 31 December 20XX
- continued –

NOTE 15 - PERFORMANCE FEE INCOME

The Company is entitled to receive a performance fee on some classes of units/shares of XX Funds as follows:
[To be tailored according to the Agreements concluded with the Funds]

NOTE 16 - OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

i) Other operating income consists of:

<table>
<thead>
<tr>
<th>In CCY</th>
<th>20XX</th>
<th>20XX-1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support services</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td>Reimbursement of expenses incurred on behalf of the Fund</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td>Others</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
</tbody>
</table>

ii) Other operating expenses consists of:

<table>
<thead>
<tr>
<th>In CCY</th>
<th>20XX</th>
<th>20XX-1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office rental</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td>Out of pocket expenses reimbursement</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td>Others</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
</tbody>
</table>

NOTE 17 - PORTFOLIO MANAGEMENT FEES

The Company has delegated Investment and/or Risk management to XX in accordance with the following agreements (provide description of terms).
ABC Management Company S.A. [S.à r.l.]

*Société Anonyme [Société à responsabilité limitée]*

NOTES TO THE ANNUAL ACCOUNTS
Year [*period*] ended 31 December 20XX - continued -

NOTE 18 - DISTRIBUTION AND TRAILER FEES

*If applicable to the Company*

The Company pays distribution and trailer fees to the placement agents and distributors based on an average daily net asset value of the related Funds under management [or describe other basis of calculation].

NOTE 19 - MARKETING, ADVERTISING AND OTHER SIMILAR CHARGES

*If applicable to the Company*

The balance includes costs for various support services provided by other group entities relating to marketing and advertising as well as external expenses.

NOTE 20 - EMPLOYEE INFORMATION, REMUNERATION, ADVANCES AND LOANS GRANTED

The average number of staff employed by the Company during the year is as follows:

<table>
<thead>
<tr>
<th></th>
<th>20XX</th>
<th>20XX-1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td>Other staff [Please specify]</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td>Total</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
</tbody>
</table>

*Art. Reference 65(1) 9°*

Emoluments paid to members of the administrative, managerial and/or supervisory bodies in that capacity of the Company amounted to CCY [XX] for the year ended 31 December 20XX (20XX-1: CCY [XX]).
ABC Management Company S.A. [S.à r.l.]

Société Anonyme [Société à responsabilité limitée]

NOTES TO THE ANNUAL ACCOUNTS
Year [period] ended 31 December 20XX
- continued -

As at 31 December 20XX, the Company granted advances and loans amounting to CCY [XX] (20XX-1: CCY [XX]) to the members of the administrative, managerial and/or supervisory bodies.

These advances and loans are paid according to the following terms: [describe the principal terms and conditions and any amounts repaid, as well as the commitments given on their behalf by way of guarantees of any kind. This information must be disclosed in aggregate for each category].

OR

The Company did not grant any advances and loans to the members of the administrative, managerial and/or supervisory bodies during the years ended 31 December 20XX and 20XX-1.

NOTE 21 - TAXES

21.1. Income tax

The income tax charge for the year is as follows:

<table>
<thead>
<tr>
<th>In CCY</th>
<th>20XX</th>
<th>20XX-1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current income tax</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td>Municipal business tax</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td>Net wealth tax *</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td><strong>Total income tax charge</strong></td>
<td><strong>[XX]</strong></td>
<td><strong>[XX]</strong></td>
</tr>
</tbody>
</table>

GUIDANCE:

* Unless a special tax reserve on Net Wealth Tax has been created and approved at the AGM.
ABC Management Company S.A. [S.à r.l.]

Société Anonyme [Société à responsabilité limitée]

NOTES TO THE ANNUAL ACCOUNTS
Year [period] ended 31 December 20XX
- continued -

21.2. Other taxes
[If applicable to the Company]

<table>
<thead>
<tr>
<th>In CCY</th>
<th>20XX</th>
<th>20XX-1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-deductible VAT</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td>Registration and stamp duties</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td>Other taxes</td>
<td>[XX]</td>
<td>[XX]</td>
</tr>
<tr>
<td><strong>Total other taxes charge</strong></td>
<td><strong>[XX]</strong></td>
<td><strong>[XX]</strong></td>
</tr>
</tbody>
</table>

NOTE 22 - RELATED PARTIES

GUIDANCE:

As per Article 65(1) 7 ter of the Accounting Law:

(i) Small and medium-sized companies are allowed to limit the disclosure of transactions with related parties to transactions entered into with:
- Owners holding a participating interest in the undertaking;
- Undertaking in which the undertaking itself has a participating interest; and
- Members of the administrative, management or supervisory bodies of the undertaking.

(ii) Undertakings have the option to disclose in the notes to the annual accounts the transactions entered with related parties which have not been concluded under normal market conditions.

(iii) Transactions which have been entered into between one or more members of a group are exempted provided that the subsidiaries which are party to the transaction are wholly owned by such a member.
ABC Management Company S.A. [S.à r.l.]

Société Anonyme [Société à responsabilité limitée]

NOTES TO THE ANNUAL ACCOUNTS
Year [period] ended 31 December 20XX
- continued -

Art. Reference 65(1) 7 ter

The nature of the related party relationship is as follows (describe):

Transactions with related parties for the years ended 31 December 20XX and 20XX-1 are as follows (provide details of transactions during the year):

As at 31 December 20XX, amounts owed to affiliated undertakings and/or other group companies to CCY [XX] (20XX-1: CCY [XX]).

Art. Reference 65(1) 12°

NOTE 23 - COMMITMENTS IN RESPECT OF RETIREMENT PENSIONS

The obligations arising or entered into in respect of retirement pensions for former members of the administrative, managerial and/or supervisory bodies of the Company as of 31 December 20XX amounts to CCY [XX] (20XX-1: CCY [XX]).

OR

There were no pension commitments to former members of the administrative, managerial and/or supervisory bodies as of 31 December 20XX and 20XX-1.
ABC Management Company S.A. [S.à r.l.]

Société Anonyme [Société à responsabilité limitée]

NOTES TO THE ANNUAL ACCOUNTS
Year [period] ended 31 December 20XX
- continued -

NOTE 24 - AUDIT AND NON-AUDIT SERVICES

GUIDANCE:
As per Article 65(1) 16° of the Accounting Law, the notes to the accounts must include separately:

The total fees for the financial year received by the réviseur d'entreprises agréé, the total fees received for tax advisory services and the total fees received for other non-audit services.

This requirement shall not apply to small-sized companies or where the Company is included within the consolidated accounts required to be drawn up under Article 1 of Directive 83/349/EEC254, and such information is given in the notes to these consolidated accounts.

For the financial year, fees paid to the réviseur d'entreprises agréé were as follows:
− Audit: CCY XXX;
− Tax advisory services: CCY XXX;
− Non-audit services: CCY XXX.

NOTE 25 - FINANCIAL COMMITMENTS

Financial commitments as at 31 December 20XX amounts to CCY [XX] (20XX-1: CCY [XX]).

COMMENTARY:
[If applicable]: provide a description of all other material commitments such as:

• Guarantees;
• Leasing contracts;
• Discounts on bills of exchange.

Any commitments concerning pensions and commitments vis-a-vis such undertakings must be disclosed separately (Article 65(1) 7 Accounting Law).
NOTE 26 - GOING CONCERN

COMMENTARY:

[If applicable]: In the event of the loss of half the corporate capital and subsequently the loss of three quarters of the corporate capital certain legal formalities are required in accordance with Article 480-2 of the Company Law.

[If applicable to the Company]

The Company incurred a net loss of CCY [XX] during the year ended 31 December 20XX and as of that date, the Company has accumulated losses of CCY [XX].

These accounts have been prepared on a going concern assumption based on the forecasted [describe the forecast] profit that will be generated over the coming years by the Company.

OR

The Shareholder(s), however, has indicated its willingness and intent to provide continued financial support to the Company to ensure its financial viability for the next twelve months.
NOTE 27 - POST BALANCE SHEET EVENTS

GUIDANCE:

Provide a description of significant post Balance Sheet events that should require disclosure to the annual accounts such as:

- Liquidation of the Management Company or one of the Funds managed by the Management Company;
- Change of regulated status and/or name.

OR

There are no significant post Balance Sheet events.
4 - Appendices
## Appendix 4.1 - Initial Capital and own fund requirements for Chapter 15 management companies and AIFMs in Luxembourg

<table>
<thead>
<tr>
<th>UCITS</th>
<th>AIFM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Art 102 of Law of 17 December 2010: Requirement for an initial capital of at least EUR 125,000 and an additional amount of “own funds”</strong>&lt;br&gt;&lt;br&gt;The Management Company should have an initial capital of at least one hundred and twenty-five thousand euro (EUR 125,000).&lt;br&gt;&lt;br&gt;Where the value of the portfolios of the Management Company exceeds two hundred and fifty million euro (EUR 250,000,000), the Management Company shall provide an additional amount of own funds. This additional amount of own funds is equal to 0.02% of the amount by which the value of the portfolios of the Management Company exceeds two hundred and fifty million euro (EUR 250,000,000). The required total of the initial capital and the additional amount is capped at ten million euro (EUR 10,000,000). For the purposes of this paragraph, the following portfolios are deemed to be the portfolios of the Management Company:&lt;br&gt;&lt;br&gt;i) common funds managed by the Management Company, including portfolios for which it has delegated the management function but excluding portfolios that it is managing under delegation;&lt;br&gt;&lt;br&gt;ii) investment companies for which the Management Company is the designated Management Company;&lt;br&gt;&lt;br&gt;iii) other UCIs managed by the Management Company including portfolios for which it has delegated the management function but excluding portfolios that it is managing under delegation. Irrespective of the amount of these requirements, the own funds of the Management Company shall never be less than the amount prescribed in Article 21 of Directive 2006/49/EC (Investment firms shall be required to hold own funds equivalent to one quarter of their preceding year’s fixed overheads. The competent authorities may adjust that requirement in the event of a material change in a firm’s business since the preceding year. Where a firm has not completed a year’s business, starting from the day it starts up, the requirement shall be a quarter of the fixed overheads projected in its business plan, unless an adjustment to that plan is required by the competent authorities). Management companies need not provide up to 50% of the additional amount of own funds referred to above if they benefit from a guarantee of the same amount given by a credit institution or an insurance undertaking. The credit institution or insurance undertaking must have its registered office in a Member State or in a non-Member State provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law.</td>
<td><strong>Art 8 of Law 12 July 2013: Requirement for an initial capital of at least EUR 125,000 and an additional amount of “own funds”</strong>&lt;br&gt;&lt;br&gt;Where an AIFM is appointed as external manager of AIFs, the AIFM shall have an initial capital of at least EUR 125,000. Where the value of the portfolios of AIFs managed by the AIFM exceeds EUR 250 million, the AIFM shall provide an additional amount of own funds. This additional amount of own funds shall be equal to 0.02% of the amount by which the value of the portfolios of the AIFM exceeds EUR 250 million but the required total of the initial capital and the additional amount is capped at exceed EUR 10 million. For the purposes of this paragraph, AIFs managed by the AIFM, including AIFs for which the AIFM has delegated functions in accordance with Article 20 (of above law) but excluding AIF portfolios that the AIFM is managing under delegation, shall be deemed to be the portfolios of the AIFM. Irrespective of the amount of these requirements, the own funds of the Management Company shall never be less than the amount prescribed in Article 21 of Directive 2006/49/EC (Investment firms shall be required to hold own funds equivalent to one quarter of their preceding year’s fixed overheads. The competent authorities may adjust that requirement in the event of a material change in a firm’s business since the preceding year. Where a firm has not completed a year’s business, starting from the day it starts up, the requirement shall be a quarter of the fixed overheads projected in its business plan, unless an adjustment to that plan is required by the competent authorities).</td>
</tr>
</tbody>
</table>
### UCITS

<table>
<thead>
<tr>
<th>Professional liability - Additional own funds requirements</th>
<th>N/A for UCITS</th>
</tr>
</thead>
</table>

**Definitions of Law 17 December 2010:**

"Own funds" shall mean own funds as defined in Title V, chapter 2, section 1 of Directive 2006/48/EC. For the purposes of this definition, Articles 13 to 16 of Directive 2006/49/EC shall apply mutatis mutandis.

Own funds essentially compose the capital, reserves, and result brought forward of the Management Company.

**Definitions of Law 12 July 2013:**

"Own funds" means own funds as referred to in Articles 56 to 67 of Directive 2006/48/EC. For the purposes of this definition, Articles 13 to 16 of Directive 2006/49/EC shall apply mutatis mutandis

**"Value of the portfolios" defined**

The value of the portfolios of AIFs managed shall be the sum of the absolute value of all assets of all AIFs managed by the AIFM, including assets acquired through use of leverage, whereby derivative instruments shall be valued at their market value.

**Use of own funds**

CSSF 12/546 on Chapter 15 Management companies: Article 102(1) b) of the 2010 Law provides that own funds referred have to be available to the Management Company on a permanent basis and to be invested in its own interest. Taking into account the aforementioned, the CSSF requires that the own funds legally required have to be available to the Management Company on a permanent basis in order to ensure the continuity and the consistency of the activities and services provided by the Management Company. Consequently, own funds cannot be used for investment purposes with shareholders of the Management Company or to finance loans to this shareholder.

It is, however, acceptable for such own funds to be invested in liquid assets or assets easily convertible into short-term liquidities excluding speculative positions.

AIFMs need not provide up to 50% of the additional amount of own funds referred to above if they benefit from a guarantee of the same amount given by a credit institution or an insurance undertaking. The credit institution or insurance undertaking must have its registered office in a Member State or in a non-Member State provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law.

AIFMs are free to choose whether to cover potential risks of professional liability by additional own funds or by an appropriate professional indemnity insurance.

If the additional own funds option is elected: The AIFM shall provide additional own funds for covering liability risks arising from professional negligence at least equal to 0.01% of the value of the portfolios of AIFs managed.
Appendix 4.2 - Alternative Investment Fund Manager – Reporting to competent authorities

The AIFM shall provide the following information when reporting to competent authorities:

<table>
<thead>
<tr>
<th>REPORTING REQUIREMENTS (PER ARTICLE 110 OF THE AIFMD LEVEL II REGULATION DATED 19 DECEMBER 2012)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• the main instruments in which it is trading, including a break-down of financial instruments and other assets, including the AIF’s investment strategies and their geographical and sectorial investment focus;</td>
</tr>
<tr>
<td>• the markets of which it is a member or where it actively trades;</td>
</tr>
<tr>
<td>• the diversification of the AIF’s portfolio, including, but not limited to, its principal exposures and most important concentrations;</td>
</tr>
<tr>
<td>• (EU managed Funds) the percentage of the AIF’s assets which are subject to special arrangements as defined in Article 1(5) of this regulation arising from their illiquid nature as referred to in point (a) of Article 23(4) of Directive 2011/61/EU;</td>
</tr>
<tr>
<td>• (EU managed Funds) any new arrangements for managing the liquidity of the AIF;</td>
</tr>
<tr>
<td>• (EU managed Funds) the risk management systems employed by the AIFM to manage the market risk, liquidity risk, counterparty risk and other risks including operational risk;</td>
</tr>
<tr>
<td>• (EU managed Funds) current risk profile (market and liquidity risks);</td>
</tr>
<tr>
<td>• (EU managed Funds) information on the main categories of assets in which the AIF invested including the corresponding short market value and long market value, the turnover and performance during the reporting period;</td>
</tr>
<tr>
<td>• (EU managed Funds) the results of periodic stress tests, under normal and exceptional circumstances, performed in accordance with point (b) of Article 15(3) and the second subparagraph of Article 16(1) of Directive 2011/61/EU.</td>
</tr>
</tbody>
</table>

Special requirements of provisions of information to competent authorities apply with regards to derivatives (par. 12 & 13 of the AIFMD Level II Regulation dated 19 December 2012):

All AIFMs should calculate exposure using both the gross (gives overall exposure of the AIF) and commitment method (gives insight in the hedging and netting techniques used). Depending on the type of derivative according to the latter, derivatives should be converted into equivalent positions in the underlying asset.

When calculating the exposure, all positions of the AIF should initially be included, including short and long assets and liabilities, borrowings, derivative instruments and any other method increasing the exposure where the risks and rewards of assets or liabilities are with the AIF, and all other positions that make up the net asset value.
## Appendix 4.3 - Regulatory reporting requirements/frequency and deadlines

<table>
<thead>
<tr>
<th>Description of Entities</th>
<th>Requirements</th>
<th>Frequency</th>
<th>Deadlines for reporting to CSSF (not Fund of funds)</th>
<th>Deadlines for reporting to CSSF (Fund of funds)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets under management do not exceed EUR 1 billion</td>
<td>for each of the EU Half-year basis AIFS they manage and for each of the AIFs marketed in the EU</td>
<td></td>
<td>- 31/07/YY,</td>
<td>- 15/08/YY</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- 31/01/(YY+1)</td>
<td>- 15/02/(YY+1)</td>
</tr>
<tr>
<td>Assets under management exceed EUR 1 billion</td>
<td>for each of the EU Quarterly basis AIFS they manage and for each of the AIFs marketed in the EU</td>
<td></td>
<td>- 30/04/YY</td>
<td>- 15/05/YY</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- 31/07/YY</td>
<td>- 15/08/YY</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- 31/10/YY</td>
<td>- 15/11/YY</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- 31/01/(YY+1)</td>
<td>- 15/02/(YY+1)</td>
</tr>
<tr>
<td>Assets under management are lower than EUR 1 billion for each AIF whose assets under management including any assets acquired through use of leverage, in total exceed EUR 500 million</td>
<td>in respect of the AIF under the AIFM</td>
<td>Quarterly basis</td>
<td>- 31/01/(YY+1)</td>
<td>- 15/02/(YY+1)</td>
</tr>
<tr>
<td>For unleveraged AIFs investing in non-listed companies in order to acquire control</td>
<td>in respect of the AIF under the AIFM</td>
<td>Annual basis</td>
<td>- 31/01/(YY+1)</td>
<td>- 15/02/(YY+1)</td>
</tr>
</tbody>
</table>

1) ESMA Reporting Guidelines recommend that reporting periods of AIFMs be aligned with calendar years. As per paragraph 12 of chapter VII. of the ESMA Reporting Guidelines “AIFMs should start reporting as from the first day of the following quarter after they have information to report until the end of the first reporting period. For example, an AIFM subject to half-yearly reporting obligations that has information to report as from 15 February would start reporting information as from 1 April to 30 June.”

2) Certain CSSF requirements:
   - the only acceptable language – English; and
   - reporting only through channels accepted by CSSF, e.g. e-file and SOFIE.
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