



هيئة الأسواق المالية
CAPITAL MARKETS AUTHORITY

Decision Number 14

On Collective Investment Schemes

The Chairman of the Capital Markets Authority (hereinafter the “CMA”)/Governor of the Central Bank of Lebanon,

Pursuant to Law 161 of August 17, 2011 on Capital Markets,

Pursuant to Law 706 of December 9, 2005 on the Collective Investment Schemes in transferable securities and other financial instruments,

Pursuant to the decision of the Board of the CMA taken in its meeting of December 20, 2013, and pursuant to the decision No. 9/2/14 of the Board of the CMA taken in its meeting of March 31, 2014,

Declares the following,

Definitions

The terms hereunder shall have the meanings ascribed to them below

- “Scheme” The Collective Investment Scheme in transferable securities and other financial instruments, in whatever form, and which aim is limited to collective investment in transferable securities and other financial instruments, of funds received from the public, provided that such investment occurs according to the principle of risk-spreading. Collective Investment Schemes in transferable securities and other financial instruments may be represented by a collective investment fund or a joint investment company.
- “Fund” The collective investment fund in transferable securities and other financial instruments.
- “Company” The open ended investment company specialized in investment in transferable securities and other financial instruments.



“Administrator”	The managing company of the “Fund” or “Company”.
“Investment Manager”	The company in charge of establishing and following up on the investment strategy.
“Custodian”	The institution with which the assets of the “Fund” or “company” are deposited.
“Promoter”	The person who requests the license for the promotion or marketing of foreign collective investment schemes, or the person who offers or sells their bonds and shares in Lebanon.
“Foreign Entity”	The “Entity” whose main office and general management, of the “Director” or “Company”, are not located in Lebanon.

Part I: Establishment and Licensing Terms:

Article 1: Taking into account the laws in force, particularly Art.1 of the Organization of insurance companies Law, published in Decree No. 9812 of May 4, 1968, no person, natural or juridical, is allowed to attract or collect savings and funds in Lebanon, in an orderly or unorganized manner, and by any means, for the purpose of carrying on a collective investment, through Collective Investment schemes (collective investment funds or companies), from any given category, before prior license from CMA. It is also strictly forbidden to promote foreign or national investment schemes, and encourage any investor, by any means, to invest his/her funds in those schemes, unless he/she is well informed of the investment related risks, expenses and fees, and all the information that would affect his/her decisions and financial commitments.

Article 2: It is strictly forbidden to promote or market foreign collective investment schemes, offer or sell their shares or bonds, in Lebanon, before obtaining prior license from CMA.

The CMA Board’s decision to grant a license for the promotion or marketing of foreign collective investment schemes, as well as offering or selling their shares or bonds in Lebanon, depends on the following:

- a. Evidence that the “Scheme”, whose shares or bonds are to be offered or sold in Lebanon, complies with regulations and provisions similar to those applied to its counterparts in Lebanon.
- b. Evidence that the “Scheme” meets the following criteria:
 1. The tasks of the “Administrator” are performed independently from those of the “Custodian”, whereby none of them would hold both titles.



2. The “Administrator” shall be liable for the designated representatives he appoints, should the statute of the “Scheme” allow for such representation.
3. The “Administrator” manages the “Scheme” according to its statute, and acts based upon the sole interest of the stockholders or shareholders.
4. The “Scheme’s” assets remain independent from the “Administrator’s” funds, in the event of suspension of payment or bankruptcy, since the effects and provisions of the “Administrator’s” suspension of payment or bankruptcy do not apply in this case.
5. The “Custodian” performs his/her duties in accordance with the Statute of the “Scheme”, based on the sole interest of the stockholders or shareholders.
6. Submission of any proof of performance, by the “Custodian”, regarding:
 - All the procedures pertaining to the regular management of the “Scheme’s” assets.
 - Implementation of the instructions of the “Administrator”, as long as they do not violate the Statute of the “Scheme”.
- 7- Submission of any proof that the “Custodian” is checking the following:
 - The issuing, sales, re-purchase and cancellation of shares, carried out on behalf of the “Scheme” or the “Administrator”, are in conformity with the Statute of the “Scheme”.
 - The calculation of the value of shares is determined in conformity with the Statute of the “Scheme”.
 - The revenues of the “Scheme” are allotted according to its Statute.

C. The following documents should be included in the license application file:

- 1- A summary, based on the template attached to this Decision (Attachment 7), submitted along with the required documents, mentioning specifically the pages containing the information required in the abovementioned Attachment 7.
- 2- An original copy of the marketing prospectus, signed by the collective investment scheme’s “Administrator”, “Custodian” and “Promoter” in Lebanon.
- 3- The Statute of the “Fund” and the “Company”, if the “Fund” was established as a collective investment company of any nature.
- 4- An original copy of a recent certificate issued by the supervisory authority in the country of origin, highlighting the “Scheme’s” granted license, and its constant supervision by the said authority.
- 5- The quarterly and annual financial statements.
- 6- The authorization granted by the “Scheme” for the purpose of marketing its stocks or shares, or a representation contract, if needed, duly signed by the “Administrator” and the “Promoter” in Lebanon.



Article 3: The CMA Board's decision to approve the establishment of a collective investment fund in Lebanon depends on the following terms and conditions:

1- The fund's managing company must be a Lebanese Stock Company, with a Statute including the following:

- a. Specializing in the management of collective investment funds, and being prohibited from carrying out any trade, industry or activity other than this one.
- b. The company's capital must not go below two billion Lebanese Pounds, paid in full and in cash at Banque Du Liban, at the time of the underwriting.
- c. The complete amount of the capital must be represented by nominal shares.
- d. The prior approval of the Board of CMA is a requirement for any shares transfers within the company, which might lead to the acquisition by any individual, directly, or indirectly, of more than 10% of the company's total shares, and before the introduction of any amendments to its Statute.

2- The fund's Statute must include the following:

- a. Special provisions pertaining to the establishment of a committee made of shareholders, and the substitution mechanism. The said committee would be in charge of protecting the shareholders' interests, and would have the power to take the right decisions, particularly those related to the termination of the fund administrator's task, in conformity with a special regulation related to all required procedures.
- b. The mechanism for any drastic amendment, by the fund's administrator, of the content of the fund's Statute or prospectus. Any such amendment shall require, at least: calling upon the shareholders for a vote on the amendment, by publishing the invitation in two local newspapers; majority that shall constitute a quorum in the first session held, of no less than 51% of both the fund's shareholders, and those present during the session. In the event of the absence of a quorum during the first session, the shareholders must be called upon for a second session. The required quorum and majority must be determined, in advance, in the fund's Statute. It should be noted that if the fund had several categories of shares, the abovementioned approval mechanism must be limited to the shareholders of the concerned category, and not all the fund's shareholders.

Drastic changes include, but are not limited to:

- Any change in the goals, standards and investment upper limit listed in the documents related to the fund.
- Loaning from the fund (if it occurred).
- Any change in the investments restrictions (mentioned in the prospectus).
- Any optional change, by the administrator, of the fees or costs borne by the fund, or any amendment in the way the said fees and costs are calculated, which might affect the net value of the fund's assets.
- Any amendment in the rights and obligations related to the fund's shares.



- c. The inclusion, as a requirement, of any contracts and underwriting documents related to the fund's shares, explicitly highlighting the authorization of the underwriter to the company to manage the fund, in conformity with the provisions of sub-paragraph (b).
- d. Issuing the fund's shares nominally and the possibility of listing them on regulated financial markets.
- e. Preparing a prospectus, on the ultimate and complete authority of the issuer, stating, clearly and explicitly, that the CMA has no relation, whatsoever, with its content, and amply describing the fund (its establishment, subject, strategy, management, location for the safe-keeping of its assets, remunerations, fees and costs, including the sales or redemption fees, if any, that the management has the right to receive, how to issue shares and the provisions related to their listing and pricing, provisions related to loaning from the fund, the fund's fiscal year and the risks it might be subject to, the distribution of profits and interests, and taxes, if any, liquidation and any other information allowed to be published, and would ensure the highest level of transparency...). The prospectus must not be distributed or handed to the concerned parties, before notifying the CMA and grating its approval on the establishment of the fund.

All the parties concerned by the management of the fund must update the content of the prospectus, on a regular basis, based on the main changes that might occur. They must not provide any information contradicting or exceeding the content of the said prospectus.

- f. The organization of the accounting, financial statements and the required evaluation statuses, based on the templates, and according to the deadlines set forth in the present Decision.
- g. Putting at the disposal of the fund's shareholders the annual and quarterly reports approved by the auditors, highlighting the fund's financial situation, in particular, the lending operations, details of the profits and losses, administrative expenses and paid or due interests.
- h. The observance of the general and special instructions that might be issued by the CMA in regards to the fund's management and operations.

3- The auditors shall prepare reports on the fund, other than the reports on the managing company, or the custodian.

4- The CMA must be informed of the identity of the "Custodian", that shall be entrusted with the fund's assets, and that must be a bank, financial institution or any institution approved by the CMA.

Article 4: The CMA Board decision to approve the establishment of a foreign company's branch in Lebanon, in charge of establishing and managing collective investment funds, depends on the following terms and conditions:

1- The foreign company must be specialized in the management of collective investment funds, and under the permanent supervision of a government or professional entity in its country of origin, or in the country where its main activities take place.

2- A fully paid sum, no less than two billion Lebanese Pounds, at all times, must be allocated to the work of its branch in Lebanon.



3- A written commitment to observe any or all obligations stated in article 3, sub-paragraphs (2), (3) and (4) of the present Decision, according to the terms and conditions of the CMA's Board.

Article 5: The CMA Board's decision to grant an approval on the establishment of a collective investment company with a closed end – capital fixed or an open end - capital variant depends on the following:

- 1- The company must be a joint stock company, with a Statute that includes the following:
 - a. The company's purpose must be limited to the investment of its funds, and generate profit for its stockholders through the management of its assets.
 - b. The company's capital must be, at all times, no less than ten billion Lebanese Pounds, paid in full.
 - c. In the event of an open end company, the company must force senior stockholders not to claim the seniority right following the issuing of new stocks or stocks repurchases.
 - d. The issuing of nominal shares, and, in the case of close end companies, and the possibility of listing them on regulated markets. In the case of open end companies, the publication of the stock price, at least once, on a monthly basis, in the media.
 - e. The stocks of open end companies must be re-purchasable, directly or indirectly, by the company, within a set deadline from the date of offering, in conformity with what is stipulated by its Statute, with the possibility of suspending the shares repurchase, under exceptional circumstances, in a temporary manner, and according to the terms and conditions set forth in its Statute.
 - f. The observance of the obligations stipulated in article 3, clause (1), sub-paragraph (d), and in clause 2, sub-paragraphs (b), in regards to the inclusion, in the company's Statute, of a mechanism for the drastic changes stipulated in this sub-paragraph, and sub-paragraphs (d), (e), (f) and (g), and clauses (3) and (4) of the present Decision.

Article 6: The approval on the establishment of a foreign collective investment company in Lebanon, by the CMA's Board is based on the following terms and conditions:

- 1- The foreign company working in Lebanon must be considered, in the eyes of the law it is governed by, as a collective investment company.
- 2- The foreign company must allocate for its branch in Lebanon the amount of ten billion Lebanese Pounds, at least, at all times, and paid in full.
- 3- The branch in Lebanon must abide by article 3, clauses 2, sub-paragraphs (d), (e), (f) and (g), (3) and (4) of the present Decision.



Article 7: Taking into consideration the provisions of the present Decision:

Financial intermediaries, financial institutions and banks carrying out securities business may establish, or contribute to the establishment and management of collective investment funds, or contribute in collective investment companies, only after prior approval of the CMA.

Financial intermediaries must establish, for the management of collective investment funds, or the management of their contribution in collective investment companies, an independent body governed by an internal statute and a specific administrative structure.

Part II: The Valuation of Collective Investment Schemes' Assets and Required Financial Statements:

Article 8: All those in charge of the management of the collective investment scheme must evaluate the sale value of the share or bond of the "Scheme" (Net Asset Value), if the said shares or bonds were unlisted on any regulated financial market, in the following manner:

a- At least monthly, in the case of a closed end "Scheme".

b- Daily, in the case of an open end "Scheme".

The above-mentioned evaluation shall be put at the disposal of the investors, to be referred to as needed.

Article 9: The sale value of the share or bond of the collective investment scheme (Net Asset Value) is estimated based upon the securities and rights it is made of. If those assets were listed on a regulated financial market, they shall be valued according to their last declared price. As for the unlisted securities and rights, or those whose price has been temporarily suspended in the regulated financial markets, their valuation is based on the potential sales value, which, in turn, must be valued cautiously.

Article 10: Those in charge of the management of a collective investment scheme must:

1- Organize the scheme's accounting, based on the chart of accounts attached to this Decision (Attachment 1).

2- Provide the Financial Control Unit of the CMA with the following data:

a- Monthly, and during the week following the end of each month:



- A statement of the distribution rates of the shares or bonds of the “Scheme”, according to the attached template (Attachment 2).

b- Semiannual, and before the end of February and August:

- A statement of the distribution rates of the shares or bonds of the “Scheme”, according to the attached template (Attachment 3).

- A statement of the distribution rates of the net assets of the “Scheme”, according to the attached template (Attachment 4).

3- Provide the CMA with two copies of the following reports and data, before the end of June:

- The annual financial statement audited by the auditors (balance sheet and income statement), and collected according to the attached templates (Attachments 5 and 6).
- The minutes of the investors’ annual general assembly meeting, or the annual shareholders’ committee meeting.
- The annual report submitted by those in charge of the “Scheme’s” management, to the annual general assembly of the stockholders, or the annual meeting of the shareholders’ committee.
- The special annual report, prepared according to the provisions of article 158 of the Code of Commerce, by the Board of Directors, for the investors’ committee of the collective investment company.
- The general and private annual reports submitted by the auditors to the investors’ general assemblies or shareholders’ committee meeting.
- The general report on the managing company of the “Scheme”, other than banks and financial institutions, if any, detailing its activities during the previous year, the yearly balance sheet and income statement, as audited.
- The annual bulletin issued by the main office of the foreign collective investment company with a branch in Lebanon.

Part III: Obligations of the Collective Investment Schemes Management Administrators:

Article 11: The administrators of the collective investment scheme must inform the CMA if any person, natural or juridical, or any economic group’s ownership of shares exceeds 5% of the collective investment fund’s total shares, or 5% of the total shares of the collective investment company’s capital.

For the purpose of the implementation of the provisions of this article, one natural person shall consist of his/her spouse, his/her assets and his/her offspring, of who he is in charge.



For the same purpose, one economic group shall consist of:

a- A group of companies, in which one natural person owns the majority of the voting rights, or any of these companies (the Parent Company) manages and supervises the others (Subsidiary Companies), which are, directly or indirectly, supervised, at all times, by the Parent Company.

The supervision right stems from the possession of the natural person or parent company of the majority of the subsidiary companies' capital; the possession of the majority of the voting rights; or the nomination right of more than half of the Board of Directors' members or the directors, pursuant to the provisions of article twenty one of Decree No. 4665 of December 26, 1981.

b- A group of two companies or more, not meeting the conditions of the above sub-paragraph, but each of which contributes with no less than twenty percent to the other company or companies.

Article 12: The administrators of the collective investment scheme's management must immediately inform the CMA in the following two situations:

1- If the listing of the collective investment scheme's shares or bonds was suspended, provided that it publishes the news in the regulated financial markets bulletin, or two widespread local newspapers.

2- If the market value of the collective investment scheme's shares or bonds went below 25%, at least, of their value at the beginning of the fiscal year.

Article 13: The administrators of the collective investment scheme's management must not:

1- Own more than 15% of the transferable securities issued by one issuer, and invest more than 15% of the fund's assets in one source, except for the Lebanese Treasury Bonds, and the bonds issued by major countries.

2- Mix the investments made on behalf of the "Scheme" with those of the company that established the fund, or is in charge of managing it.

3- Borrow money, for the purpose of investing the borrowed sum in the purchase of financial securities and instruments, including the re-purchase of open end capital company stocks, except under the following circumstances:

a- Up to 10% of the estimated value of the collective investment fund or company, if the financial securities and instruments scheduled for a purchase were unlisted on any of the regulated financial markets.



- b- Up to 20% of the estimated value of the collective investment fund or company, if the financial securities and instruments scheduled for a purchase were listed on one of the regulated financial markets.
- c- The percentages stated in sub-paragraphs (a) and (b) of this paragraph can be exceeded only after prior approval by the CMA's Board, based on a justified request in this regard.

Article 14: The administrators of the collective investment scheme's management may invest the "Scheme" funds in all the stocks, shares or instruments issued by the managing company, from any shareholder or stockholder in the "Scheme", or any natural or juridical person having common interest with the "Scheme", if the following two conditions were met:

- 1- The approval of the shareholders' committee or the regular general assembly of the "Scheme's" investors.
- 2- The investments to be made with the above-mentioned persons shall meet the same conditions that apply to the other similar investments.

Article 15: The administrators of the "Scheme" must, while investing its funds, take into account the following:

- 1- At least 65% of the said investments must reflect the declared investment policy adopted by the "Scheme", in terms of the quality of the bonds, their geographic distribution and their risk ratio.
- 2- 85% of the total investments of the open end capital company must be in highly liquid financial instruments.



Part IV: Miscellaneous Provisions:

Article 16: The “Custodian” must:

1- Provide the CMA with the following:

- The Control Plan of the administrators of the “Scheme’s” management, and any future amendment to it.
- A semiannual report including the following information:
 - a- A list of the “Scheme’s” assets it is entrusted with, detailing their number and values.
 - b- A list of the “Scheme’s” payable profits, which are not collected yet.

2- Inform the CMA of any information or violations occurring under its watch.

Article 17: The managing company or non-resident “Custodian” must provide the CMA with the annual bulletin it issues, along with its auditors’ reports.

The said information must be sent before the end of June of the following year.

Article 18: The collective investment scheme must put at the disposal of the investors its prospectus, along with all the financial statements and reports pertaining to its investments; it should place them in its offices, at the managing company, as well as all the other institutions promoting or marketing its shares or bonds.

Furthermore, it must publish its annual financial statements in two widespread local newspapers, and in the regulated financial markets’ bulletin, within the deadline given to submit the said data to the CMA.

Article 19: All those promoting or marketing foreign collective investment entities, offering or selling their shares or bonds in Lebanon, must put at the disposal of the concerned investors the Scheme’s prospectuses, and place their financial data in their offices and management centers in Lebanon. In addition, they must provide the CMA, based on the template attached to this Decision (Attachment 8), every month, with a report on the size of the shares or bonds underwritings that occurred during the month, and which is related to the marketing of the “Scheme” in Lebanon.



Article 20: The collective investment schemes' auditors must prepare their reports in conformity with the instructions of the financial markets auditing unit of the CMA, in accordance with the international auditing procedures. They must also include their opinion about the various information submitted by the collective investment scheme's management, and inform the CMA of any information that might come up, and must be immediately shared.

Article 21: In the framework of the financial statement's audit, the collective investment schemes' auditors must evaluate the investment policies adopted by the "Schemes", and their related risks, while including in their reports, all the risks evaluation, as well as the risks of interests, exchange, country, operations on stocks and their derivatives, as well as bonds and their derivatives.

Article 22: Any person who commits a violation to the provisions of this Decision shall be subject to the administrative sanctions stipulated in the observed laws and regulations, particularly those listed in Law 161 of August 17, 2011 (on Capital Markets).

Article 23: The present decision shall be published in the Official Journal, and shall enter into force upon its issuance.

Beirut, February 10, 2014

Chairman of the CMA/ Governor of Banque du Liban

Riad Toufic Salameh

(Signature)



Annex 1

Charts of Accounts

Collective Investment Schemes

Category 1 Private Capital Accounts	Category 2 Fixed Assets Accounts	Category 3 Portfolio Accounts	Category 4 Accounts with others	Category 5 Financial Accounts	Category 6 Costs Accounts	Category 7 Revenues Accounts
- Capital <ul style="list-style-type: none"> • Capital at the beginning of the cycle • Issuance and re-purchases - Issuance - Re-purchases - Fees <ul style="list-style-type: none"> • Underwriting fees • Re-purchases fees • Redistribution fees • From underwriting operations • From re-purchase operations - Valuation variance fluctuations (*) <ul style="list-style-type: none"> • Exchange variance • Operations on bonds • Purchase expenses • Sales expenses • Value appreciation and 	-Physical fixed assets -Financial fixed assets - Fixed assets depreciation	-Debenture, similar stocks and securities listed on regulated markets (*) - Other listed financial securities (Treasury Bonds, deposit certificates...) -Collective investment schemes bonds (categorized into registered schemes in regulated markets and unregistered schemes)	-Creditors and associated accounts -Underwriting operations to be settled - Purchases with deferred settlement -Required cash margins -Insurance deposits - Loaned bonds - Debtors and associated accounts (divided by type of operations) - Employees and associated accounts	-Banks and financial institutions <ul style="list-style-type: none"> • Call accounts • Time deposit accounts - Time deposit accounts - Time credit accounts • On credit exchange operations - On credit purchases - On credit exchange sales • Stock exchange 	-Financial operations costs (*) -Operational costs <ul style="list-style-type: none"> • Taxes and fees • Employees costs • Other current operational costs • Exceptional costs • Costs stated in the balance sheet • Depreciation allocations 	-Financial operations revenues (*) -Other revenues -Cycle revenues -settlement -Advance payments of profit shares



<p>depreciation</p> <ul style="list-style-type: none"> - Value appreciation (*) - Value depreciation (*) • Performance Guarantee Receivables • Costs of established or tied on credit operations <p>- Retained Earnings</p> <p>- Cycle incomes</p> <p>- Settlement accounts</p> <ul style="list-style-type: none"> • Retained Earnings settlement • Cycle revenues settlement (under distribution) 		<ul style="list-style-type: none"> -Temporary purchase and sale operations of bonds (*) - Other financial securities (*) -Portfolio valuation variances (divided according to the type of bonds and operations) -Valuation variances of bond sales operations with the right of redemption -Sales operations on transferable securities - Borrowed and re-sold securities -Consigned and re-sold securities - Redeemed and re-sold securities - Securities sold on credit 	<ul style="list-style-type: none"> - Social security and other social institutions - Public sector and other public entities - Stakeholders and other shareholders -Various debtors and creditors <ul style="list-style-type: none"> • Various debtors • Various creditors • Transitional accounts • Settlement accounts -Obligations reflection on established or tied on credit operations -Pre-calculated costs - Periodic cost distribution accounts 	<p>market and other mediators</p> <ul style="list-style-type: none"> • Other financial entities • Running interests 		
--	--	--	--	---	--	--



(*)Categorized by assets, types of bonds and operations on bonds.		(*) Categorized by type, while taking into account the running interests accounts, if applicable.			(*)Categorized by type of operations.	(*)Categorized by type of operations.
---	--	---	--	--	---------------------------------------	---------------------------------------

Cancelled



Annex 2

Name of the Collective Investment Scheme _____

Legal nature of the Scheme Fund/Company

Managing Company _____

Custodian _____

Auditor _____

Monthly Financial Statements

And Shares or Bonds Prices Development

As on ____/____/____

(Values are in Thousands of Lebanese Pounds or foreign currency units)

a) Financial information	Amounts
1- Share or bond price at the end of the previous month	
2- Share or bond price at the end of the current month	
3- Basic value of the Scheme	
4- Market value of the Scheme at the end of the month	



b) Share Price Development During the Month	
Date	Share price
1-	
2-	
3-	
4-	
5-	
6-	
7-	
8-	
9-	
10-	
11-	
12-	
13-	
14-	
15-	
16-	
17-	
18-	
19-	
20-	
21-	
22-	
23-	
24-	
25-	
26-	
27-	

Cancelled



28-	
29-	
30-	
31-	

Signature of the Managing Company

Cancelled



Annex 3

Name of the Collective Investment Scheme _____

Legal nature of the Scheme Fund/Company

Managing Company _____

Custodian _____

Auditor _____

Semiannual Statement

On the Distribution of Shares or Bonds

As on ___/___/___

(Values are in Thousands of Lebanese Pounds or foreign currency units)

	Current Period			Previous Period		
	Resident	Non-resident	Total	Resident	Non-resident	Total
1- Number of shares or bonds at the end of the period - Including those whose ownership by a natural or juridical person or one economic group exceeds 10% of the total shares or bonds of the Scheme						
2- Total underwriting amounts - Including those whose underwriting by any person or group exceeds 10% of the total shares or bonds of the Scheme						



3- Total value of the re-purchased shares or bonds						
4- Distributed shares of profits or advance payments						
5- Sales value of the share or bond at the end of the period						

Signature of the Managing Company

Signature of the Auditors

Cancelled



Annex 4

Name of the Collective Investment Scheme _____

Legal nature of the Scheme Fund/Company

Managing Company _____

Custodian _____

Auditor _____

Semiannual Statement

On the Distribution of the Net Assets

As on

(Values are in Thousands of Lebanese Pounds or Foreign Currency Units)

Category	Amounts (*)			Ratio of the total of each category to the total assets	Ratio at the end of the previous period
	Resident	Non-resident	Total		
<u>1- Similar shares and securities</u> - In banks and financial institutions including: those listed on regulated markets - In the non-financial private sector including: those listed on regulated markets					



<p>2- <u>Debenture bonds and similar securities</u> - In banks and financial institutions including: those listed on regulated markets - In the non-financial private sector including: those listed on regulated markets</p>					
<p>3- <u>Temporary purchases and sales of securities bonds or with redemption rights (**)</u> + or (-) - Borrowed, consigned or with redemption rights bonds and loans of loaned, consigned or given with redemption rights bonds - Debts of borrowed, consigned or with redemption rights bonds</p>	<p>(.....)</p>	<p>(.....) (.....)</p>	<p>(.....) (.....)</p>	<p>(.....)</p>	<p>(.....)</p>
<p>4- <u>Valuation variance of temporary purchases and sales or sales with redemption rights of securities bonds</u> + or (-)</p>					
<p>5- <u>Transferable securities sales (***)</u></p>					
<p>6- <u>Lebanese Treasury bonds</u></p>					
<p>7- <u>Major countries Treasury bonds</u></p>					
<p>8- <u>Deposit certificates</u> - Purchased from Banque du Liban - Purchased from international issuance institutions - Purchased from banks</p>					
<p>9- <u>Collective Investment Schemes shares or bonds</u> Including: those listed on regulated markets</p>					
<p>10- <u>Other transferable securities (**)</u></p>					



- Total purchased portfolio including: those with the custodian					
- Total sold portfolio including: those with the custodian	(..... ...)	(..... ...)	(..... ...)		
11- <u>Other loans</u>					
12- <u>Other debts</u>	(..... ...)	(..... ...)	(..... ...)		(.....)
13- <u>Operations with other banks and financial institutions</u> + or (-)				(..... ...)	
- Deposits and investments					
- Debts from purchases of securities and financial statements	(..... ...)	(..... ...)	(..... ...)		
- Other debts from banks and financial institutions	(..... ...)	(..... ...)	(..... ...)		
- Foreign currencies to be received	(..... ...)	(..... ...)	(..... ...)		
- Foreign currencies to be delivered	(..... ...)	(..... ...)	(..... ...)		
14- <u>Miscellaneous</u> + or (-)	(..... ...)	(..... ...)	(..... ...)		
15- <u>Net assets total</u>	(..... ...)	(..... ...)	(..... ...)		
16- <u>Instruments bought by funding from banks or financial institutions</u>					
- Listed on regulated markets					
- Not Listed on regulated markets					

(*) The amounts are listed according to their value in the balance sheet (market or national value), while taking into consideration the valuation variances (between the value on the listing date in the balance sheet and the current value), pre-calculated interests and running undue interests, where applicable.

(**) when applicable, their details shall be attached to the present statement.

(***) Taken temporarily or with redemption rights then sold, and securities sold on credit.

Signature of the Managing Company

Signature of the auditors



Annex 5

Name of the Collective Investment Scheme _____

Legal nature of the Scheme Fund/Company

Managing Company _____

Custodian _____

Auditor _____

Final Balance Sheet

As on

Assets	Last cycle			Previous cycle		
	Lebanese Pounds	Foreign	Total	Lebanese Pounds	Foreign	Total
<u>1- Net fixed physical assets</u>						
<u>2- Investments portfolio – Purchased</u>						
2-1 Lebanese or issued from major countries Treasury bonds						
- Received bonds						
- Bonds to be received						
2-2 Similar shares and securities listed on regulated markets						
- Received shares and securities						
- Shares and securities to be received						
2-3 Debenture bonds and similar securities listed on regulated markets						
- Received bonds and securities						
- Shares and bonds to be received						



2-4 Deposit certificates and similar securities listed on regulated markets - Received certificates and securities - Certificates and securities to be received 2-5 Collective investment schemes shares or bonds listed on regulated markets - Received shares or bonds - Shares or bonds to be received 2-6 Purchases and sales temporarily or with redemption rights of securities bonds (*) - Borrowed bonds - Bonds given with redemption rights - Consigned bonds - Loans of bonds with redemption rights - Loans of loaned bonds - Loans of consigned bonds 2-7 Other transferable assets - Received securities - Securities to be received 3- <u>Debtors and other loans</u> 4- <u>Cash funds</u>						
Total assets						

(*) Sub-items must be divided into “received” and “to be received”.



Payables	Last cycle			Previous cycle		
	Lebanese Pounds	Foreign	Total	Lebanese Pounds	Foreign	Total
<u>1- Private capitals</u> - Capital - Retained previous incomes (1) - Retained incomes settlement account (1) - Incomes (2) - Capitalizable (3) - Allocable (4) - Distributable (3) Total private capitals						
<u>2- Bonds portfolio – Sold</u> 2-1 Temporary sales or with redemption rights of securities bonds - Debts from borrowed bonds - Debts from consigned bonds - Debts from bonds with redemption rights 2-2 Sales operations of transferable securities (6)						
<u>3- Creditors and other debts</u>						
Total payables						



Off Balance sheet	Last cycle			Previous cycle		
1- Bonds to be delivered 2- Commitments to contracts on credit established on regulated markets (5) 3- Commitments to contracts on credit tied on regulated markets (5) 4- Commitments that are made by consent (5) 5- Other commitments						

(1) Directly included in capitalized entities' capitals.

(2) Following the settlement of the cycle's profits, and the inclusion of the advance distribution during the cycle, if it takes place.

(3) Only applies to the capitalized collective investment schemes, or those with distributable revenues.

(4) Based on the policy adopted within the Scheme.

(5) These operations can only take place upon the approval of the CMA.

(6) Loaned, consigned or with redemption rights values then re-sold, and securities sold on credit.

Signature of the Managing Company

Signature of the auditors



Annex 6

Name of the Collective Investment Scheme _____

Legal nature of the Scheme Fund/Company

Managing Company _____

Custodian _____

Auditor _____

Annual income chart

And the development of the net assets

a) Income chart	Amounts	
	Last cycle	Previous cycle
1- <u>Financial operations revenues</u> (*)		
1-1 Debenture bonds and similar securities revenues		
1-2 Shares and similar securities revenues		
1-3 Pays and bonuses		
1-4 Revenues from purchases and temporary sales of securities bonds		
1-5 Revenues from Treasury bonds, deposit certificates and similar securities		
1-6 Interest exchange operations revenues		
1-7 Revenues from deposits		
1-8 Other financial revenues		
Total 1		
Including: Variance value of the uncollected due interests		
2- <u>Financial operations costs</u> (*)		
2-1 Purchases and temporary sales of securities bonds costs		
2-2 Interest exchange operations costs		



2-3 Debts costs		
2-4 Other financial costs		
Total 2		
Financial operations income (1-2)		
3- Other revenues		
4- Administration costs		
5- Depreciation allocations		
Net cycle income (1-2 + 3-4-5)		
6- Cycle earnings settlement		
7- Advance payables		
Income (1-2 + 3-4-5 ± 6-7)		
Capitalizable		
Allocable		
Distributable		

(*) Taking into consideration the undue running interests, where applicable.

b) Development of the net assets	Amounts	
	Last cycle	Previous cycle
1- Net asset at the beginning of the cycle		
2- Underwritings (including the fees collected from the scheme)		
3- Value of the re-purchased shares and bonds (except for the fees collected from the scheme)	()	()
4- Bonds value appreciation		
5- Bonds value depreciation	()	()
6- On credit and established instruments operations value appreciation		
7- On credit and established instruments operations value depreciation	()	()
8- Exchange variance + or (-)		
9- Bonds valuation variance changes + or (-)		



10- On credit and established instruments' operations in open centers valuation variance changes + or (-)		
11- Supply changes due to the decrease of the scheme's share value in companies under liquidation + or (-)		
12- Distribution of the last cycle's profits	()	()
13- Net cycle income prior to the settlement + or (-)		
14- Advance payables during the cycle	()	()
15- Other items (**)+ or (-)		
16- Net assets at the end of the cycle		

(**) When applicable, their details shall be attached to the present statement.

Signature of the Managing Company

Signature of the auditors

Cancelled



Annex 7

Template of the Collective Investment Scheme's summary

- 1- Name and SEDOL number of the “Scheme”
- 2- Nationality
- 3- Legal statute: (Investment Company, Trust...etc.)
- 4- Managing company of the investment scheme: activities and location (The possibility of appointing a third party to carry out its operations)
- 5- Company in charge of setting up an investment strategy and follow-up (if applicable): activities, location and date of licensing
- 6- Marketing company (if applicable): activities, location and date of licensing
- 7- Investment consultant (if applicable): activities and location
- 8- Custodian: activities, location, tasks and date of licensing
- 9- Auditing commission: activities and location
- 10- Collective Investment Scheme's nature: individual fund – umbrella fund...etc.
- 11- Establishment date
- 12- Licensing date by the competent authorities in the country of origin
- 13- Summary of the adopted investment policy (place, investment sector...etc.
- 14- Annual accounts closing date
- 15- Special risks (if applicable) – Special Risk Warning
- 16- Costs and fees stemming from the investment in the “Scheme”:
 - Subscription fee
 - Early subscription termination fee
 - Yearly subscription fee
 - Additional fee for the marketing operations in Lebanon (if applicable)
- 17- Currency of the “Scheme”
- 18- “Promoter” in Lebanon
- 19- Marketing method in Lebanon
- 20- Other remarks



Annex 8

Monthly Statement of the Performance and Price Development of the Shares or Bonds And the Size of Subscriptions

As on

Name of the Collective Investment Scheme _____

Legal nature of the Scheme Fund/Company

Managing Company _____

Custodian _____

Auditor _____

Curren cy	Price				Performance			Subscription			Profits and losses (half-yearly)	
	Share or bond price at the end of the previous month	Share or bond price at the end of the current month	Basic value	Market value at the end of the month	Monthly performance	Quarterly performance	Year-to-date performance	Primary marketing subscription	Subscription balance at the end of the month	Number of subscribers	Realized	Unrealiz ed

Note: Please send this attachment on a CD.

The above mentioned information is only required for the schemes and their subsidiary funds (if applicable), whose marketing is licensed in Lebanon.