

PART C

**APPENDICES
TO PENSION RULES FOR RETIREMENT FUNDS**

APPENDIX 4

(SLC 2.3.3 of Part B of the Pension Rules for Retirement Funds)

Half-Yearly Report

The contents of the Half-Yearly Report are primarily the responsibility of the Retirement Fund (“the Fund”) concerned.

A copy of the Half-Yearly Report should be produced within the stipulated time limits (laid down in SLC 2.3.4 of Part B of these Pension Rules for Retirement Funds). A copy of the Half-Yearly Report should be submitted to the MFSA, together with a Directors’ Confirmation in line with Schedule II to this Appendix.

The Fund should ensure that all the necessary checks have been carried out to ensure the accuracy and completeness of the Half-Yearly Report.

The Half-Yearly Report submitted to the MFSA should be accompanied by a Directors’ confirmation to the effect that to the best of their knowledge, the Report is complete and accurate in all material respects and conforms with MFSA’s requirements in terms of the Fund’s Standard Licence Conditions. A specimen of the wording of such a confirmation is included in Schedule II to this Appendix.

MFSA reserves the right to take whatever action it deems appropriate should it come across material misstatements and/or inaccurate or incomplete information therein. Such action may range from requests for clarifications, to the possible imposition of fines and where necessary, amendments to the Reports.

A Fund should produce a Half-Yearly Report after the financial year end, which is to be submitted to the MFSA within two months of the end of the period concerned.

Dates for the initial reports issued by the Fund should be agreed with the MFSA at the time of Licensing.

The Half-Yearly Report should contain the information outlined in Schedule I to this Appendix.

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Schedule I - Information to be contained in the Half-Yearly Report

- 4.1 The Half-Yearly Report should include the following as well as any additional information, which will enable the MFSA to make an informed judgement on the progress of the Retirement Fund and its results.
- 4.2 The Fund's Annual Report shall include:
- (a) A balance sheet or statement of assets and liabilities, including details of accounting and valuation policies. The statement of assets and liabilities should include:
 - i. Assets*
 - immovable property;
 - transferable securities;
 - debt instruments;
 - other securities;
 - bank balances;
 - other assets;
 - total assets;
 - ii. Liabilities*
 - borrowings;
 - other amounts payable;
 - total liabilities.
 - iii. Net Asset Value*
 - (b) Number of Units issued.
 - (c) Net asset value per Unit, at the beginning and the end of the period.
 - (d) Portfolio details, distinguishing between the different types of investments and categorising each investment in accordance with the most appropriate criteria in the light of the Investment Policy of the Retirement Fund (for example, in accordance with economic, geographical or currency criteria) as a percentage of net assets. For each of the investments the proportion it represents of the total net assets of the Retirement Fund should be stated. Details of the composition of the portfolio should distinguish at least between:
 - i. transferable securities listed on an official stock exchange;
 - ii. transferable securities transacted in on another organised market;

- iii. recently issued transferable securities;
- iv. other transferable securities;
- v. debt instruments.

Note: References in sub-paragraph (iii) to recently issued transferable securities are to securities the terms of issue of which include an undertaking that application will be made for admission to official stock exchange listing or to another organised market.

- (e) A statement of the principal developments which have occurred in the composition of the portfolio during the reference period.
- (f) Where a Fund holds more than 10 per cent of its assets in deposits or other accounts with credit institutions, details of the amounts and the names of the institutions should be provided. Funds holding less than 10 per cent of their assets in deposits or other accounts with credit institutions should submit the relevant details to the MFSA with the report.
- (g) A comparative table covering the last three financial years (where applicable) and including, for each financial year, at the end of the financial year:
 - i. the total net asset value;
 - ii. the net asset value per unit.
- (a) During its first, second and third financial years, a Fund should show the above information for all financial years since its inception.
- (b) A report by the Board of Directors and/or the Investment Manager, if appointed, on the activities during the period.
- (c) Names and addresses of all Services Providers.
- (d) In respect of Umbrella Funds, the Half-Yearly Report shall contain separate information on each of the Sub-funds, as well as consolidated information on all of those Sub-funds.

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Schedule II - Specimen Directors' Confirmation

(This confirmation is addressed by the Board of Directors responsible for the preparation of the Annual Report of the Fund to the MFSA).

We, the undersigned, are responsible for the preparation of the Half-Yearly Report of (name of Retirement Fund) for the year ended _____ and confirm that to the best of our knowledge it is complete and accurate in all material respects and conforms with the MFSA's requirements in terms of the Fund's Licensing Conditions.

We further confirm that the Fund has been administered in accordance with the requirements of the Retirement Pensions Act (Cap.514) and of any regulations made thereunder, and of any Pension Rules, and that the Fund's Licensing Conditions have been observed and complied with.

Director

Director