



Annexure to the Collective Investment Schemes Checklist

Additional Disclosures for Special Collective Investment Schemes seeking to exceed investment limits provided by Regulation 78 of the Capital Markets (Collective Investment Schemes) Regulations, 2001

Additional Disclosures	Y/N	Comments
<p>Provide details of:-</p> <p>a) Types of investments and their attributes including risk, returns, maturities, security provided (<i>if applicable</i>), complexity and transferability;</p> <p>b) A comprehensive Risk Management framework developed identifying the risks associated with the scheme and the mitigation measures in place as part of the Information Memorandum;</p> <p>c) A draft risk disclosure document to be signed by the investors to confirm that they understand the risks of investing in the respective special collective investment schemes;</p> <p>d) Nature of analysis (e.g) credit analysis), due diligence and valuations undertaken by the fund manager of the Special Collective Investment Scheme that would be adopted to identify suitable investments;</p> <p>e) That the book value of the Special Collective Investment Scheme's holding of securities shall not exceed twenty five</p>		

<p>per cent of the Collective Investment Scheme's net asset value;</p> <p>f) That the book value of an investment in an interest bearing account, financial product or instrument of or issued by any single bank or financial institution or insurance company shall not in aggregate exceed 25% of the Collective Investment scheme portfolio and net asset value;</p> <p>g) That the Special Collective Investment Scheme shall be marketed to sophisticated investors only who are willing to invest a minimum of Ksh 1 million;</p> <p>h) Fund managers shall demonstrate that they have liquidity management tools specifically tailored to the features and nature of their funds particularly where investing in unlisted or otherwise non-tradeable securities; and</p> <p>i) State that they will submit quarterly reports of funds under management in the Special CIS. The quarterly reports shall be broken down to the level of individual investments i.e.</p> <ol style="list-style-type: none"> 1. where investments are made in different securities, a detailed breakdown per security and the percentage distribution shall be provided; 2. In regard to fixed deposits, a detailed breakdown of amounts held in each bank/financial institution shall be provided. The report will include the fees charged to investors and yield of the fund; and 3. A list of investors in the special CIS and their Investment amounts. 		
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