

Chapter 11

Closed-ended investment funds: requirements for listing and continuing obligations



11.1 Application

- 11.1.1 **R** This chapter applies to a *closed-ended investment fund* with, or applying for a *listing of equity shares* in the *closed-ended investment funds* category.
- 11.1.2 **G** A *closed-ended investment fund* with *equity shares listed* under the *closed-ended investment funds* category may list further classes of *equity shares* under this category, provided the classes comply with **UKLR 5.4.3R** as modified by **UKLR 11.2.1R**. Further classes of *shares* may also be *listed* under the *non-equity shares and non-voting equity shares* category, provided they meet the conditions for that category.



11.2 Requirements for listing

- 11.2.1 **R** To be *listed*, an *applicant* must comply with:
- (1) the following provisions of **UKLR 5** (*Equity shares (commercial companies)*): requirements for admission to listing), modified so that references to the *equity shares (commercial companies)* category are to the *closed-ended investment funds* category:
 - UKLR 5.4.1R(1);
 - UKLR 5.4.2R to ■ UKLR 5.4.4G;
 - UKLR 5.4.7R;
 - UKLR 5.5.1R to ■ UKLR 5.5.4G; and
 - UKLR 5.6.1R; and
 - (2) ■ UKLR 11.2.3R to ■ UKLR 11.2.15R.

Shares of a third country applicant

- 11.2.2 **R** The *FCA* will not admit *shares* of an *applicant* incorporated in a *third country* that are not listed either in its country of incorporation or in the country in which a majority of its *shares* are held, unless the *FCA* is satisfied that the absence of the listing is not due to the need to protect investors.

Investment activity

- 11.2.3 **R** An *applicant* must invest and manage its assets in a way which is consistent with its object of spreading investment risk.
- 11.2.4 **R**
- (1) An *applicant* and its *subsidiary undertakings* must not conduct any trading activity which is significant in the context of its *group* as a whole.
 - (2) This *rule* does not prevent the businesses forming part of the investment portfolio of the *applicant* from conducting trading activities themselves.

- 11.2.5 **G** Although there is no restriction on an *applicant* taking a controlling stake in an investee company, to ensure a spread of investment risk an *applicant* should avoid:

- (1) cross-financing between the businesses forming part of its investment portfolio including, for example, through the provision of undertakings or security for borrowings by such businesses for the benefit of another; and
- (2) the operation of common treasury functions as between the *applicant* and investee companies.

Cross-holdings

11.2.6

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- (1) No more than 10%, in aggregate, of the value of the total assets of an *applicant* at admission may be invested in other *listed closed-ended investment funds*.
- (2) The restriction in (1) does not apply to investments in *closed-ended investment funds* which themselves have published investment policies to invest no more than 15% of their total assets in other *listed closed-ended investment funds*.

Feeder funds

11.2.7

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- (1) If an *applicant* principally invests its funds in another *company* or fund that invests in a portfolio of *investments* (a 'master fund'), the *applicant* must ensure that:
 - (a) the master fund's investment policies are consistent with the *applicant's* published investment policy and provide for spreading investment risk; and
 - (b) the master fund in fact invests and manages its investments in a way that is consistent with the *applicant's* published investment policy and spreads investment risk.
- (2) Paragraph (1) applies whether the *applicant* invests its funds in the master fund directly or indirectly through other intermediaries.
- (3) Where the *applicant* invests in the master fund through a chain of intermediaries between the *applicant* and the master fund, the *applicant* must ensure that each intermediary in the chain complies with paragraphs (1)(a) and (b).

Investment policy

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An *applicant* must have a published investment policy that contains information about the policies which the *closed-ended investment fund* will follow relating to asset allocation, risk diversification, and gearing, and that includes maximum exposures.

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The information in the investment policy, including quantitative information concerning the exposures mentioned in **UKLR 11.2.8R**, should be sufficiently precise and clear as to enable an investor to:

- (1) assess the investment opportunity;

- (2) identify how the objective of risk spreading is to be achieved; and
- (3) assess the significance of any proposed change of investment policy.

Independence

- 11.2.10** **R** The board of *directors* or equivalent body of the *applicant* must be able to act independently:
- (1) of any *investment manager* appointed to manage *investments* of the *applicant*; and
 - (2) if the *applicant* (either directly or through other intermediaries) has an investment policy of principally investing its funds in another *company* or fund that invests in a portfolio of investments (a 'master fund'), of the master fund and of any *investment manager* of the master fund.
- 11.2.11** **R** ■ UKLR 11.2.10R(2) does not apply if the *company* or fund which invests its funds in another *company* or fund is a *subsidiary undertaking* of the *applicant*.
- 11.2.12** **R** For the purposes of ■ UKLR 11.2.10R:
- (1) the chair of the board or equivalent body of the *applicant* must be independent; and
 - (2) a majority of the board or equivalent body of the *applicant* must be independent (the chair may be included within that majority).
- 11.2.13** **R** For the purposes of ■ UKLR 11.2.10R and ■ UKLR 11.2.12R, the following are not independent:
- (1) *directors, employees, partners, officers* or professional advisers of or to:
 - (a) an *investment manager* of the *applicant*;
 - (b) a master fund or *investment manager* referred to in ■ UKLR 11.2.10R(2); or
 - (c) any other *company* in the same *group* as the *investment manager* of the *applicant*; or
 - (2) (subject to ■ UKLR 11.2.14R) *directors, employees* or professional advisers of or to other investment *companies* or funds that are:
 - (a) managed by the same *investment manager* as the *investment manager* to the *applicant*; or
 - (b) managed by any other *company* in the same *group* as the *investment manager* to the *applicant*.
- 11.2.14** **R** (i) This *rule* applies where a *closed-ended investment fund* has an *external AIFM* which has delegated portfolio management to another

investment manager who is not in the same group as the external AIFM.

- (2) Where this rule applies, the fact that a *director* of the *closed-ended investment fund* is also the *director* of another investment company or fund that is managed by the same *external AIFM* (or another company in the same group as the *external AIFM*) does not prevent that *director* from being regarded as independent for the purposes of ■ UKLR 11.2.10R and ■ UKLR 11.2.12R.

11.2.15 **R** A person referred to in ■ UKLR 11.2.13R(1) or ■ (2) who is a *director* of the *applicant* must be subject to annual re-election by the *applicant's* shareholders, unless they are independent in accordance with ■ UKLR 11.2.14R.

11.2.16 **R** The board of *directors* or equivalent body of the *applicant* must be in a position to effectively monitor and manage the performance of its key service providers, including any *investment manager* of the *applicant*.



11.3 Listing applications and procedures

Sponsors

11.3.1 **G** An *applicant* that is seeking admission of its *equity shares* is required to retain a *sponsor* in accordance with ■ UKLR 4 (Sponsors: responsibilities of issuers) on each occasion that it is required to submit to the *FCA* any of the documents listed in ■ UKLR 4.2.1R(1).

Multi-class fund or umbrella fund

11.3.2 **R** An application for the *listing* of *securities* of a multi-class fund or umbrella fund must provide details of the various classes or designations of *securities* intended to be issued by the *applicant*.



11.4 Continuing obligations, further issuances, dealing in own securities and treasury shares

Compliance with ■ UKLR 6 and ■ UKLR 9

11.4.1 **R** A *closed-ended investment fund* must comply with all of the requirements of ■ UKLR 6 (Equity shares (commercial companies): continuing obligations) and ■ UKLR 9 (Equity shares (commercial companies): further issuances, dealing in own securities and treasury shares) subject to the modifications and additional requirements set out in this section.

11.4.2 **R** ■ UKLR 6 and ■ UKLR 9 are modified so that references to the *equity shares (commercial companies)* category are to the *closed-ended investment funds* category.

11.4.3 **R** ■ UKLR 6.2.31R to ■ UKLR 6.2.33G do not apply to a *close-ended investment fund*.

Investment policy

11.4.4 **R** A *closed-ended investment fund* must, at all times, have a published investment policy which complies with ■ UKLR 11.2.8R.

11.4.5 **G** A *closed-ended investment fund* should have regard to the *guidance* in ■ UKLR 11.2.9G at all times.

Investment activity and compliance with investment policy

11.4.6 **R** A *closed-ended investment fund* must, at all times, invest and manage its assets:

- (1) in a way which is consistent with its object of spreading investment risk; and
- (2) in accordance with its published investment policy.

11.4.7 **R** A *closed-ended investment fund* must comply with ■ UKLR 11.2.4R at all times.

11.4.8 **G** A *closed-ended investment fund* should have regard to the *guidance* in ■ UKLR 11.2.5G at all times.

Cross-holdings

- 11.4.9 **R** A *closed-ended investment fund* must, when making an acquisition of a constituent investment, observe the principles relating to cross-holdings in ■ UKLR 11.2.6R.

Feeder funds

- 11.4.10 **R** If a *closed-ended investment fund* principally invests its funds in the manner set out in ■ UKLR 11.2.7R, the *closed-ended investment fund* must ensure that ■ UKLR 11.2.7R is complied with at all times.

- 11.4.11 **G** ■ UKLR 11.2.7R and ■ UKLR 11.4.10R are not intended to require the *closed-ended investment fund* to be able to control or direct the master fund or intermediary (as the case may be). But if the *closed-ended investment fund* becomes aware that the master fund or intermediary (as the case may be) is not investing or managing its investments in accordance with that *rule*, it will need to immediately consider withdrawal of its funds from the master fund or intermediary (as the case may be) or other appropriate action so that it is no longer in breach of the *rules*.

Independence and effective management

- 11.4.12 **R** ■ UKLR 11.2.10R to ■ UKLR 11.2.15R apply at all times to a *closed-ended investment fund*.
- 11.4.13 **R** The board of *directors* or equivalent body of the *issuer* must effectively monitor and manage the performance of its key service providers, including any *investment manager* appointed by the *issuer*, on an ongoing basis.

Material changes to investment policy

- 11.4.14 **R** Unless ■ UKLR 11.4.15R applies, a *closed-ended investment fund* must:
- (1) submit any proposed material change to its published investment policy to the *FCA* for approval; and
 - (2) having obtained the *FCA*'s approval, obtain the prior approval of its shareholders to any material change to its published investment policy.
- 11.4.15 **R** A *closed-ended investment fund* is not required to seek the *FCA*'s approval for a material change to its published investment policy if:
- (1) the change is proposed to enable the winding up of the *closed-ended investment fund*; and
 - (2) the winding up:
 - (a) is in accordance with the constitution of the *closed-ended investment fund*; and
 - (b) will be submitted for approval by the shareholders of the *closed-ended investment fund* at the same time as the proposed material change to the investment policy.

11.4.16 **G** In considering what is a material change to the published investment policy, the *closed-ended investment fund* should have regard to the cumulative effect of all the changes since its shareholders last had the opportunity to vote on the investment policy or, if they have never voted, since the *admission to listing*.

Conversion of an existing listed class of equity shares

11.4.17 **R** An existing *listed class of equity shares* may not be converted into a new *class* or an *unlisted class* unless prior approval has been given by the shareholders of that existing *class*.

Further issues

11.4.18 **R** (1) Unless authorised by its shareholders, a *closed-ended investment fund* may not issue further *shares* of the same class as existing *shares* (including issues of *treasury shares*) for cash at a price below the net asset value per *share* of those *shares* unless they are first offered pro rata to existing holders of *shares* of that *class*.

(2) When calculating the net asset value per *share*, *treasury shares* held by the *closed-ended investment fund* should not be taken into account.

Externally managed companies

11.4.19 **R** A *closed-ended investment fund* is not required to comply with **■ UKLR 6.2.25R**.

Controlling shareholders

11.4.20 **R** A *closed-ended investment fund* is not required to comply with **■ UKLR 6.2.3R** to **■ UKLR 6.2.10R**.

Notifications to the FCA

11.4.21 **R** (1) A *closed-ended investment fund* is not required to comply with **■ UKLR 6.2.35R** in so far as it relates to **■ UKLR 6.2.8R** and **■ UKLR 6.2.9R**.

(2) A *closed-ended investment fund* is not required to comply with **■ UKLR 6.2.36R**.

Annual financial statement

11.4.22 **R** A *closed-ended investment fund* is not required to comply with **■ UKLR 6.6.1R(13)** or **■ UKLR 6.6.6R(8)**.

11.4.23 **R** When making a statement required by **■ UKLR 6.6.6R(9)** in its annual financial report, a *closed-ended investment fund* need not set out the following matters if they are inapplicable to the *closed-ended investment fund* and its statement sets out the reasons why those matters are inapplicable:

(1) whether the *closed-ended investment fund* has met the board diversity target in **■ UKLR 6.6.6R(9)(a)(ii)**; and

(2) matters set out in ■ UKLR 6.6.6R(9)(b) to the extent that they relate to the board diversity target in ■ UKLR 6.6.6R(9)(a)(ii).

11.4.24 **R** When including numerical data required by ■ UKLR 6.6.6R(10) in its annual financial report, a *closed-ended investment fund* need not include the fields in the first row of each of the tables in ■ UKLR 6 Annex 1, and the corresponding data for those fields, that are inapplicable to the *closed-ended investment fund*, if it sets out in a statement accompanying the numerical data the reasons why those fields are inapplicable.

Voting on matters relevant to listing

11.4.25 **R** Where the provisions of this chapter require a shareholder vote to be taken, that vote must be decided by a resolution of the holders of the *closed-ended investment fund's equity shares* that have been *admitted to the closed-ended investment funds* category.

Sponsor requirements for waivers and individual guidance

11.4.26 **G** As set out in ■ UKLR 4.2.3R and ■ UKLR 4.2.4R, a *closed-ended investment fund* must appoint a *sponsor* where it proposes to make a request to the *FCA* to modify, waive or substitute the operation of ■ UKLR 11, or proposes to make a request to the *FCA* for individual guidance.

11.5 Transactions

Significant transactions

- 11.5.1 **R** A *closed-ended investment fund* must comply with **■ UKLR 7** (Equity shares (commercial companies): significant transactions and reverse takeovers), except in relation to transactions that are executed in accordance with the scope of its published investment policy.

Transactions with related parties

- 11.5.2 **R** **■ UKLR 8** (Equity shares (commercial companies): related party transactions) applies to a *closed-ended investment fund*, subject to the modifications and additional requirements set out in this section.

- 11.5.3 **R** In addition to the definition in **■ UKLR 8.1.11R**, a *related party* includes any *investment manager* of the *closed-ended investment fund* and any member of such *investment manager's* group.

Relevant related party transactions

- 11.5.4 **R**
- (1) The requirements in **■ UKLR 8.2.1R(1)** to **■ (4)** and **■ UKLR 8.2.2R** to **■ UKLR 8.2.8R** apply where a *closed-ended investment fund* enters into a relevant related party transaction where any *percentage ratio* is greater than 0.25%.
 - (2) The requirements in **■ UKLR 8.2.7R(2)(a)** and **■ (b)** apply if any *percentage ratio* for aggregated relevant related party transactions is greater than 0.25%.
- 11.5.5 **R** If a *closed-ended investment fund* enters into a *relevant related party transaction* where any *percentage ratio* is 5% or more (or which is uncapped), the *closed-ended investment fund* must:
- (1) comply with the requirements of **■ UKLR 8.2.1R(1)** to **■ (4)** and **■ UKLR 8.2.2R** to **■ UKLR 8.2.3R** for the *relevant related party transaction*, except that the notification is not required to include the information required by:
 - (a) **■ UKLR 8.2.2R(4)**; or
 - (b) **■ UKLR 8.2.2R(5)**;
 - (2) send a *circular* to its shareholders and obtain their prior approval in a general meeting for the transaction; and

- 11.5.6 **R**
- (3) ensure that any agreement effecting the transaction is conditional on that approval being obtained.
 - (1) The requirement to aggregate transactions or arrangements in **■ UKLR 8.2.7R(1)** applies to *relevant related party transactions* for the purposes of **■ UKLR 11.5.5R**, except that any transactions or arrangements which have been approved by shareholders are not required to be aggregated.
 - (2) If under this *rule* aggregation of *relevant related party transactions* results in a requirement for shareholder approval, that approval is required only for the latest *relevant related party transaction*.

Additional exemption from related party requirements

- 11.5.7 **R**
- (1) **■ UKLR 8.2.1R** to **■ UKLR 8.2.8R** and **■ UKLR 11.5.4R** to **■ UKLR 11.5.6R** do not apply to an arrangement between a *closed-ended investment fund* and its *investment manager* or any member of that *investment manager's* group where the arrangement is such that each invests in or provides finance to an entity or asset and the investment or provision of finance is either:
 - (a) made at the same time and on substantially the same economic and financial terms;
 - (b) referred to in the *closed-ended investment fund's* published investment policy; or
 - (c) made in accordance with a pre-existing agreement between the *closed-ended investment fund* and its *investment manager*.
 - (2) For the purposes of paragraph (1)(c), a pre-existing agreement is an agreement which was entered into at the time the *investment manager* was appointed.

Material change to terms of a relevant related party transaction

- 11.5.8 **R**
- If, after obtaining shareholder approval but before completion, there is a material change to the terms of a transaction subject to **■ UKLR 11.5.5R**, the *closed-ended investment fund* must comply again separately with **■ UKLR 11.5.5R** in relation to the transaction.

- 11.5.9 **G**
- The *FCA* would (among other things) generally consider an increase of 10% or more in the consideration payable to be a material change to the terms of the transaction.

Supplementary circular for relevant related party transaction

- 11.5.10 **R**
- (1) If a *closed-ended investment fund* becomes aware of a matter described in (2) after the publication of a *circular* that seeks shareholder approval for a transaction expressly requiring a vote by **■ UKLR 11.5.5R**, but before the date of a general meeting, it must, as soon as practicable:
 - advise the *FCA* of the matters of which it has become aware; and

(b) send a supplementary *circular* to holders of its *listed equity shares*, providing an explanation of the matters referred to in (2).

(2) The matters referred to in (1) are:

(a) a material change affecting any matter the *closed-ended investment fund* is required to have disclosed in a *circular*; or

(b) a material new matter which the *closed-ended investment fund* would have been required to disclose in the *circular* if it had arisen at the time of its publication.

(3) The *closed-ended investment fund* must have regard to

■ UKLR 10.3.1R(3) when considering the materiality of any change or new matter under (2).

11.5.11

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The *circular* requirements in ■ UKLR 11.6 apply to a supplementary *circular* under ■ UKLR 11.5.10R. It may be necessary to adjourn a convened shareholder meeting if a supplementary *circular* cannot be sent to holders of *listed equity shares* at least 7 days prior to the convened shareholder meeting as required by ■ UKLR 10.1.9R as applied by ■ UKLR 11.6.

Sponsor requirements for transactions

11.5.12

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As set out in ■ UKLR 4.2.1R, a *closed-ended investment fund* must appoint a *sponsor* on each occasion it:

(1) is required to submit to the *FCA* a *reverse takeover circular* or a *relevant related party transaction circular* required by ■ UKLR 11.5.5R; or

(2) is required by ■ UKLR 8.2.1R(3), including as modified by ■ UKLR 11.5.4R, to provide a *listed issuer* with a confirmation that the terms of a proposed transaction or arrangement with a *related party* are fair and reasonable.



11.6 Circular requirements

11.6.1 **R** A *closed-ended investment fund* must comply with ■ UKLR 10, subject to the modifications and additional requirements set out in this section.

11.6.2 **R** A *closed-ended investment fund* is not required to comply with ■ UKLR 10.6.16R (Election of independent directors).

Relevant related party transaction circulars

11.6.3 **R** A *closed-ended investment fund* must not circulate or publish a *circular* required by ■ UKLR 11.5.5R unless it has been approved by the FCA.

11.6.4 **R**

- (1) ■ UKLR 10.2.2R to ■ UKLR 10.2.7R apply to a *circular* required by ■ UKLR 11.5.5R, subject to the modification in (2).
- (2) ■ UKLR 10.2.2R(2) is modified so that the words 'for a *reverse takeover circular*,' are deleted.

11.6.5 **R** The requirements in ■ UKLR 10.4 (Reverse takeover circulars) apply to a *circular* required by ■ UKLR 11.5.5R in the same way as they apply to a *reverse takeover circular*, except that ■ UKLR 10.4.1R(5) does not apply.

Relevant related party transaction circulars

11.6.6 **R** A *relevant related party transaction circular* required by ■ UKLR 11.5.5R must also include (to the extent not already disclosed under ■ UKLR 10.4 as applied by ■ UKLR 11.6.5R):

(1) in all cases the following information referred to in the *PR Regulation* relating to the *closed-ended investment fund*:

Paragraph of Annex 1 of the *PR Regulation*:

Annex 1 item 4.1 – Issuer name;

Annex 1 item 4.4 – Issuer address;

Annex 1 item 16.1 – Major shareholders;

Annex 1 item 18.7.1 – Significant changes in the issuer's financial position;

Annex 1 item 20.1 – Material contracts (if it is information which shareholders of the *closed-ended investment fund* would

reasonably require to make a properly informed assessment of how to vote); and

Annex 1 item 21.1 – Documents available;

- (2) for a transaction or arrangement where the *related party* is (or was within the 12 months before the transaction or arrangement), a *director* or *shadow director*, or an associate of a *director* or *shadow director*, of the *closed-ended investment fund* (or of any other *company* which is its *subsidiary undertaking* or *parent undertaking* or a fellow *subsidiary undertaking*) the following information referred to in the *PR Regulation* relating to that *director*:

Paragraph of Annex 1 of the *PR Regulation*:

- (a) Annex 1 item 14.2 – Service contracts;
 - (b) Annex 1 item 15.2 – Shareholdings and stock options; and
 - (c) Annex 1 item 17.1 – Related party transactions;
- (3) full particulars of the transaction or arrangement, including the name of the *related party* concerned and of the nature and extent of the interest of the party in the transaction or arrangement, and also a statement that the reason the shareholders are being asked to vote on the transaction or arrangement is because it is with a *related party*;
- (4) a statement by the board that the transaction or arrangement is fair and reasonable as far as the shareholders of the *closed-ended investment fund* are concerned and that the *directors* have been so advised by a *sponsor*;
- (5) if applicable, a statement that the *related party* will not vote on the relevant resolution, and that the *related party* has undertaken to take all reasonable steps to ensure that its *associates* will not vote on the relevant resolution, at the meeting;
- (6) if ■ UKLR 11.5.6R applies, details of each of the transactions or arrangements being aggregated; and
- (7) if a statement or report attributed to a *person* as an expert is included in a *circular* (other than a statement or report incorporated by reference from a *prospectus* or *listing particulars*), a statement that it is included, in the form and context in which it is included, with the consent of that *person*.

11.6.7

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For the purposes of the statement by the board referred to in

■ UKLR 11.6.6R(4):

- (1) any *director* who is, or an *associate* of whom is, the *related party*, or who is a *director* of the *related party*, should not have taken part in the board's consideration of the matter; and

- (2) the statement should specify that such *persons* have not taken part in the board's consideration of the matter.

11.6.8

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For the purpose of advising the *directors* under ■ UKLR 11.6.6R(4), a *sponsor* may take into account but not rely on commercial assessments of the *directors*.



11.7 Notifications and periodic financial information

Changes to tax status

11.7.1 **R** A closed-ended investment fund must notify any change in its taxation status to a RIS as soon as possible.

Annual financial report

11.7.2 **R** In addition to the requirements in ■ UKLR 6.6 (Annual financial report), a closed-ended investment fund must include in its annual financial report:

- (1) a statement (including a quantitative analysis) explaining how it has invested its assets with a view to spreading investment risk in accordance with its published investment policy;
- (2) a statement, set out in a prominent position, as to whether, in the opinion of the *directors*, the continuing appointment of the *investment manager* on the terms agreed is in the interests of its shareholders as a whole, together with a statement of the reasons for this view;
- (3) the names of the *fund's investment managers* and a summary of the principal contents of any agreements between the *closed-ended investment fund* and each of the *investment managers*, including but not limited to:
 - (a) an indication of the terms and duration of their appointment;
 - (b) the basis for their remuneration; and
 - (c) any arrangements relating to the termination of their appointment, including compensation payable in the event of termination;
- (4) the full text of its current published investment policy; and
- (5) a comprehensive and meaningful analysis of its portfolio.

Annual financial and half yearly report

11.7.3 **R** In addition to the requirements in ■ UKLR 6 (Equity shares (commercial companies): continuing obligations), half-yearly reports and, if applicable, preliminary statements of annual results must include information showing the split between:

- (1) dividend and interest received; and
- (2) other forms of income (including income of associated companies).

Annual financial report additional requirements for property investment entities

11.7.4 **R** A closed-ended investment fund that, as at the end of its financial year, has invested more than 20% of its assets in *property* must include in its annual financial report a summary of the valuation of its portfolio, carried out in accordance with **■ UKLR 11.7.5R**.

11.7.5 **R** A valuation required by **■ UKLR 11.7.4R** must:

- (1) either:
 - (a) be made in accordance with the Appraisal and Valuation Standards (6th edition) issued by the Royal Institution of Chartered Surveyors; or
 - (b) where the valuation does not comply in all applicable respects with the Appraisal and Valuation Standards (6th edition) issued by the Royal Institution of Chartered Surveyors, include a statement which sets out a full explanation of such non-compliance; and
- (2) be carried out by an external valuer as defined in the Appraisal and Valuation Standards (6th edition) issued by the Royal Institution of Chartered Surveyors.

11.7.6 **R** The summary described in **■ UKLR 11.7.4R** must include:

- (1) the total value of *properties* held at the year end;
- (2) totals of the cost of *properties* acquired;
- (3) the net book value of *properties* disposed of during the year; and
- (4) an indication of the geographical location and type of *properties* held at the year end.

Statement regarding compliance with UK Corporate Governance Code

11.7.7 **R**

- (1) This *rule* applies to a *closed-ended investment fund* that has no executive *directors*.
- (2) A *closed-ended investment fund's* statement required by **■ UKLR 6.6.6R(6)** need not include details about Principles P, Q and R and Provisions 32 to 41 of the *UK Corporate Governance Code*, except to the extent that those principles or provisions relate specifically to non-executive *directors*.

Notification of cross-holdings

11.7.8

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A *closed-ended investment fund* must notify to a *RIS* within 5 *business days* of the end of each quarter a list of all investments in other *listed closed-ended investment funds*, as at the last *business day* of that quarter, which themselves do not have stated investment policies to invest no more than 15% of their total assets in other *listed closed-ended investment funds*.