

DISCLOSURE REQUIREMENTS FOR FMCS/ INSURERS

1. Disclosure Requirements For Prospectus For Offer In Singapore

Amended 1
Sept 2002

1.1 Prospectus disclosure should include the following:-

- a) a list of countries that the fund intends to invest in (unless the fund's focus is on global market). FMCs may provide in the prospectus allowing them to invest up to 5% of the deposited property of the fund in markets not stated in the prospectus;
- b) a list of categories of assets that the fund intends to invest in (such as equities, cash, bonds etc.);
- c) the fund manager's self-imposed investment limits or operating ranges (by market, asset class, issuer etc.);
- d) the benchmark which the fund's performance should be measured against (e.g. Morgan Stanley Capital International World Index, Citigroup World Government Bond Index etc.);
- e) the fund manager's intention to invest in derivatives and/or engage in securities lending; and
- f) procedures to resolve conflicts of interests.

2. Disclosure Requirements to CPF members

2.1 For Collective Investment Schemes (eg. Unit Trusts /Exchange Traded Funds):

FMCs should make disclosure to CPF members according to the guidelines for Semi-Annual Reports in the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.

Amended
Sept 2002.

FMCs are also required to disclose the trailer fees (range and median) payable to their distributors for each CPFIS-included fund. Such disclosure would be made in their CPFIS products' sales documents such as Funds' Product Highlight Sheet, and Funds' prospectus.

Effective from
1Oct 2022

2.2 For Investment-linked Insurance Product (ILP) Sub-Funds

Insurers should make disclosure to CPF members according to the applicable guidelines in the Insurance Act, Insurance Regulations and MAS Notices.

Insurers (as product providers and/or distributor) and insurance agents are required to disclose the trailer fees (range and median) payable to their distributors for each CPFIS-included fund. The disclosure would be made collectively based on fund asset classes e.g. Equity, Balanced/Mixed Assets, and Fixed Income. Such disclosure would be made in their CPFIS products' sales documents such as Policy Illustration for ILPs.

Effective from
1 Oct 2022

2.3 For Fund Management Accounts (FMAs)

FMCs should follow industry practice and provide CPF members with the same disclosures and statements as they do for their cash investors of FMAs.

3. Disclosure Requirements to CPF Board

3.1 The Board may request FMCs' latest disclosure reports on a case-by-case basis, from time to time. FMCs are to send the disclosure reports to the Board within one week of the request.

4. Disclosure Requirements for Performance and Risk Monitoring of Collective Investment Schemes (CIS), (excluding Exchange Traded Funds) and Investment-linked Insurance Products' (ILP) sub-funds (collectively known as "Funds")

Added to
take effect
from 2nd
quarter 2002

4.1 Background

4.1.1 In November 2001, the Board announced that CPFIS performance and risk monitoring guidelines would be set in consultation with Investment Management Association Singapore (IMAS), Life Insurance Association (LIA) and Securities Investors' Association Singapore (SIAS) [the "interested parties"] on performance information that should be made available to members by reputable and independent Funds Tracking Companies (FTCs). This would replace the formal monitoring done by the Board's Investment Consultant.

4.1.2 This consultative approach aims to:

- a. give interested parties the opportunity to improve the way performance monitoring of funds under CPFIS has been carried out as well as to make the system more transparent;

- b. bridge the gaps, if any, between what the industry (through IMAS and LIA) perceive as adequate performance information being made available versus what investors (through SIAS) believe is necessary for sound investment decision making;
- c. enable industry and investors' representatives to strike a balance on the type of performance information to be analyzed and tracked by the independent FTC(s) versus the cost for the provision of the information; and,
- d. give industry and investors the opportunity to select the independent FTC (selected FTC) which is to analyze and report the performance and risk monitoring information for all funds under CPFIS using a common methodology.

4.1.3 In connection with this, the *Funds Performance Tracking Committee* (FPTC), chaired by and comprising representatives of IMAS, LIA and SIAS was formed. The respective associations have full discretion to nominate or change their representatives

to the FPTC.

4.1.4 Besides selecting the independent FTC, and confirming the performance and risk monitoring information that is to be tracked and reported by the selected FTC, the FPTC has an ongoing role to ensure that information continues to be monitored for relevance. The FPTC may in consultation with the Board also make improvements or changes to the performance monitoring system when necessary, as well as help raise awareness on using performance information for investment decision-making.

4.1.5 Details on the FTC selected by the FPTC are available [here](#).

Added on 2
May 2002

4.1.6 Taking into account the recommendations of the FPTC, the Board has drawn up the following guidelines and standards for compliance by FMCs and Insurers to ensure members would continue to be provided with performance and risk monitoring information useful for investment decision-making purposes.

4.2 Responsibilities of Fund Managers and Insurers

4.2.1 Fund Managers and Insurers are required to provide the selected FTC with the analytical data necessary to enable proper disclosure of the performance of the funds they manage.

4.2.2 Fund Managers and Insurers have to ensure that members have at least one source from which they could access the Fund Managers'/Insurers' funds' performance and risk monitoring information, computed on the same basis as with all the other funds included under CPFIS.

4.2.3 Fund Managers and Insurers have to make available at least the basic analytical data as set out under Section 4.3, to at least one FTC, (the selected FTC) in a timely manner, in order for the FTC to provide members with regular and timely performance and risk information.

4.3 Basic Analytical Data To Be Provided By FMCs and Insurers

4.3.1 FMCs and Insurers have to provide the following analytical data in a timely manner to the selected FTC so that the performance and risk monitoring report is made available to members at least once every quarter:

- a. Total asset size of fund as at the end of the relevant reporting period;
- b. Net-Asset-Value (NAV) per unit in Singapore dollars for each month of the relevant reporting period;

- c. Benchmark Returns in Singapore dollars for each month of the relevant reporting period (FTC to independently verify the benchmark returns);
- d. Information on unit split or dividend during the reporting period (for adjustment to the NAV to derive returns); and,
- e. Half yearly expense ratios (to be computed according to IMAS guidelines) on an annualized basis for the past year.

4.3.2 FMCs/Insurers are required to provide the list of information to the Board's Investment Consultant (i.e. Morningstar Research Pte. Limited) for evaluation and monitoring purposes:

Amended on
7 March 2021

For Evaluation Purpose*

Item	Frequency	Email	Email Subject Line
DDQ Parent	At the time of application or re-evaluation	CPFIS@morningstar.com	DDQ Parent: <FMC/Insurer name>
DDQ Fund	At the time of application or re-evaluation	CPFIS@morningstar.com	DDQ Fund: <FMC/Insurer name> + <Fund Name>
Quarterly Portfolio holdings for the past five years or since inception, whichever is later	At the time of application	PortfolioAsia@morningstar.com	-

For Monitoring Purpose*

Item	Frequency	Email	Email Subject Line
Significant Events related to changes in: 1) Portfolio manager 2) Investment process (such as fund objective, benchmark, risk limits) 3) Organisation (C-suite changes, merger & acquisitions) 4) Regulatory violations	Within five business days. If there were no changes, FMC/Insurers are required to notify no later than five business days from June-end and December-end, stating "No Significant Event" in the email subject line.	CPFIS@morningstar.com	Event: <FMC/Insurer name>+<Fund Name>
Prospectus changes	Within ten business days	CPFIS@morningstar.com ; GlobalDocument@morningstar.com	Prospectus: <FMC/Insurer name>+<Fund Name>

Monthly Factsheet	Within one month after quarter end	CPFIS@morningstar.com ; GlobalDocument@morningstar.com	Factsheets for <#QYYYY>: <FMC/Insurer name>+<Fund Name>
Clients Letter	Adhoc	CPFIS@morningstar.com ;	Letters: <FMC/Insurer name>+<Fund Name>

* Please contact Wanyi.Kong@morningstar.com or Maggie.Xue@morningstar.com for any queries regarding preferred data formats if unfamiliar with Morningstar's reporting protocols.

4.4 Performance and Risk Monitoring Report by the Selected FTC

4.4.1 The selected FTC would be expected to provide the performance and risk monitoring service for 3 years before the next review. However, IMAS, LIA or SIAS representatives in consultation with the Board may initiate an earlier review should there be a need for it.

4.4.2 The selected FTC is expected to analyze and report at least the following basic information, at least once, every quarter, in a timely manner:

- a. 3-year Returns (Absolute & Relative to Benchmark);
- b. 3-year Risk Adjusted Ratio;
- c. 3-year Information Ratio;
- d. 1-year Returns (Absolute & Relative to Benchmark);
- e. Quarterly Returns (Absolute & Relative to Benchmark);
- f. Expense Ratio
- g. Size of Funds
- h. CPFIS Risk Classification (as provided by the Board's Investment Consultant);
- i. Rating for the fund

4.4.3 The selected FTC is expected to take the necessary steps to work with Fund Managers and Insurers to ensure the timeliness and accuracy of the information published in the reports.

4.4.4 The selected FTC may use any generally accepted computation basis or methodology that it sees fit to analyze and produce an objective report, including ratings for the funds, as long as the computation basis and methodology used is disclosed.

4.4.5 The selected FTC is expected to communicate the results to members regularly through the mass media eg. newspaper, web-site, etc. and to provide details of the information to the FPTC or Board on request, from time to time. The selected FTC is to revert to the FPTC or Board within one week of any such requests.