European Securities and Markets Authority

Guidelines

Guidelines on reporting obligations under Articles 3(3)(d) and 24(1), (2) and (4) of the AIFMD

8.08.2014 | ESMA/2014/869EN

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Date: 8.08.2014
ESMA/2014/869EN

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I. Scope

Who?

1. These guidelines apply to competent authorities.

What?

2. These guidelines apply in relation to Article 3(3)(d) and Article 24(1), (2) and (4) of Directive 2011/61/EU (the AIFMD) and Article 110 of Regulation 231/2013 (the Regulation) implementing the AIFMD.

When?

3. These guidelines apply from [2 months after publication of translations].

II. Definitions

Interim Entity Identifier	The interim code used to identify counterparties defined in Article 3 of Commission Regulation 1247/2012.
Legal Entity Identifier	The identifier referred to in the Financial Stability Board's (FSB) recommendations on "A Global Legal Entity Identifier for Financial Markets".
Acquisition Capital	Capital provided to operating companies intended for growth via acquisitions. This capital is normally provided for a specific, identified acquisition target.
Buyouts	The practice whereby a private equity firm typically acquires a majority stake (if not 100%) in an operating company and retains a control position.
Consolidation	The practice whereby private equity firms acquire multiple companies to consolidate into a larger entity.
Corporate Divestitures	Investment in a non-core division of a larger corporate entity. In this case, the corporation is spinning off a division to a private equity firm.
ESOP	Employee Stock Ownership Plans are mechanisms to transfer corporate ownership to its employees in whole or in part. Private equity firms sometimes contribute equity capital to finance this ownership transfer.
Growth Capital	The equity investment by a private equity firm specifically to facilitate specific growth initiatives.

Recapitalisation	A strategic change in a company's capital structure usually involving a partial transfer of ownership. A recapitalization often occurs when an owner wishes to cash out of a partial interest in the business (the proverbial "take some chips off the table"). In this case, a private equity firm would provide the equity to pay the owner in exchange for a percentage of ownership.
Shareholder Liquidity	Similar to a recapitalisation, in that it involves a strategic change in capital structure, but usually with a different intent. With this strategy, a private equity firm provides the company with enough equity to completely "cash out" an owner, typically for family succession planning purposes.
Turnarounds	Private equity firms may provide equity with the intent of turning a distressed or special situation company into a financially stable company. Often, distressed or special situation companies are in default (i.e. bankruptcy) or close to it.
Value of Instruments	Unless otherwise specified, this means valuation of instruments in accordance with Articles 2 and 10 of the Regulation.
Aggregated Value	Means the aggregated value of instruments without netting.
Net Asset Value	The net value of the assets of the AIF (as opposed to the Net Asset Value per unit or share of the AIF).
Net Equity Delta	The portfolio's sensitivity to movements in equity prices.
CS 01	The portfolio's sensitivity to a change in credit spreads.
DV 01	The portfolio's sensitivity to a change in the yield curve.

III. Purpose

4. The purpose of these guidelines is to ensure common, uniform and consistent application of the reporting obligations to national competent authorities (NCAs) stemming from Articles 3(3)(d) and 24(1), (2) and (4) of the AIFMD and Article 110 of the Regulation. These guidelines achieve this goal by providing clarifications on the information that alternative investment fund managers (AIFMs) must report to NCAs, the timing of such reporting together with the procedures to be followed when AIFMs move from one reporting obligation to another.

IV. Compliance and reporting obligations

Status of the guidelines

5. This document contains guidelines issued under Article 16 of the ESMA Regulation[1]. In accordance with Article 16(3) of the ESMA Regulation competent authorities must make every effort to comply with the guidelines.

6. Competent authorities to whom the guidelines apply should comply by incorporating them into their supervisory practices.

Reporting requirements

7. Competent authorities to which these guidelines apply must notify ESMA whether they comply or intend to comply with the guidelines, with reasons for non-compliance, within two months of the date of publication of these guidelines by ESMA. In the absence of a response by this deadline, competent authorities will be considered as non-compliant. A template for notifications is available from the ESMA website.

V. Reporting periods

8. The reporting periods are aligned with the Trans-European Automated Real-time gross settlement Express Transfer (TARGET) calendar and reporting periods end on the last business day of March, June, September and December of each year. This means that AIFMs subject to yearly reporting obligations will report once a year as of the last business day of December. AIFMs subject to half-yearly reporting obligations will report twice a year as of the last business day of June and December and AIFMs reporting on a quarterly basis as of the last business day of March, June, September and December.

9. If the last business day of a reporting period in a jurisdiction of a reporting AIFM is a bank holiday and no data is available for that date, the AIFM should use information from the immediately previous business day, but the reporting date should remain the last business day of the reporting period according to the TARGET calendar.

VI. Transitional arrangements (Article 61 of the AIFMD)

10. In order to determine the nature and timing of their reporting obligations for the period starting 22 July 2013, existing AIFMs should take into account: i) the transitional provisions of Article 61(1) of the AIFMD; ii) the European Commission's interpretation of Article 61(1) as set out in its Q&A[2]; and iii) their authorisation status. When existing AIFMs become subject to the reporting obligations, they should report the information required under Article 24 of the AIFMD in accordance with the procedure set out under paragraph 12 below. After the first cycle of reporting to NCAs, existing AIFMs should report according to the reporting frequency specified in paragraph 8 of the guidelines above.

[1] Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC.

[2] http://ec.europa.eu/yqol/index.cfm?fuseaction=legislation.show&lid=9

VII. Procedure for first reporting

11. There may be cases in which AIFMs do not have any information to report on AIFs, such as where there is a delay between the authorisation or registration being granted to a new AIFM and the actual start of activity or between the creation of an AIF and the first investments. In such a scenario, AIFMs should still provide a report to their NCAs by indicating that no information is available by using a specific field.

12. AIFMs should start reporting as from the first day of the following quarter after they have information to report until the end of the first reporting period. For example, an AIFM subject to half-yearly reporting obligations that has information to report as from 15 February would start reporting information as from 1 April to 30 June.

13. AIFMs should report information under Articles 3 and 24 to their national competent authorities only once per reporting period covering all the reporting period. For example, AIFMs subject to half-yearly reporting obligations should only provide one report to their NCAs for each half-year period.

VIII. Procedures when the AIFM of an AIF changes or an AIF is liquidated

- *Change of AIFM*

14. When the AIFM of an AIF changes between two reporting dates, the former AIFM should not report any information under Articles 3(3)(d) or 24 to its NCA at the end of the reporting period. Rather, the information under Articles 3(3)(d) or 24 should be reported by the new AIFM at the end of the reporting period covering the whole period based on information provided by the former AIFM. The same procedure should be followed when an AIFM is merged into another AIFM and no longer exists.

- *Liquidated or merged AIF*

15. AIFMs should provide the last report of the AIF to their NCA immediately after the AIF has been liquidated or merged.

16. Liquidation processes may vary according to the type of AIFs managed and the jurisdiction of the AIF. Depending on the situations, the last report might not contain any information (where all the positions of the AIF have been unwound), or be limited to information on the turnover, or else the report might be complete. Indeed, in some cases, an AIF that enters into a liquidation procedure (administrative procedure) is no longer managed by the AIFM and the liquidation is instead carried out by a liquidator. In that case, the AIFM should provide a report to its NCAs for the AIF before the liquidator takes over the responsibility for the liquidation of the AIF.

IX. Procedures when AIFMs are subject to new reporting obligations

17. Tables 8, 9 and 10 in Annex IV set out all the different possible changes in reporting frequency and provide clarification on the scope of the information to be provided. These procedures are based on the assumption that when an AIFM is granted its authorisation under the AIFMD, all the procedures necessary to comply with the new reporting obligations are in place. When AIFMs report for the first time after a shift in a reporting frequency, they should indicate the change to their NCAs by using a specific field.

18. When AIFMs report for the first time after a change in reporting frequency and the report covers several reporting periods (see examples below), AIFMs should send only one report and not one report per reporting period.

Examples:

- *Table 8 – Case 1 - From registered AIFM to authorised AIFM with quarterly reporting obligations:*

19. When a registered AIFM is granted authorisation and immediately becomes subject to quarterly reporting obligations, the new reporting should start as of the end of the first full quarter covering the entire period since the last reporting to its NCA under the registration requirements of Article 3(3)(d). However, if the AIFM is granted authorisation during the last quarter of the year, the AIFM should report according to the frequency applicable to the AIFM before the authorisation (i.e. yearly reporting). Authorised AIFMs should report the information required under Article 24 of the AIFMD.

20. For example, if the AIFM is granted authorisation in Q1, it should not report at the end of Q1 but at the end of Q2 for the period covering Q1-Q2; thereafter the AIFM should report in Q3 and in Q4. If the authorisation is granted in Q2, the AIFM should report at the end of Q3 for the period covering Q1-Q3, following which the AIFM should report in Q4. If the authorisation is granted in Q3, the AIFM should report at the end of Q4 covering the period Q1-Q4. Finally, if it obtains authorisation in Q4, the AIFM should report at the end of Q4 for the period Q1-Q4.

- *Table 8 – Case 9 - From authorised AIFM with quarterly reporting obligations to authorised AIFM with half-yearly reporting obligations*

21. If the change occurs during Q1, the AIFM should report at the end of H1 for the period covering Q1-Q2, following which the AIFM should report at the end of H2 for the subsequent quarters Q3 and Q4. If the change occurs in Q2, the AIFM should report at the end of H1 only for Q2, following which it should report at the end of H2 for the period covering Q3-Q4. If the change takes place in Q3, the AIFM should report at the end of H2 for the period covering Q3-Q4. Finally, if the change is in Q4, the AIFM should report at the end of H2 only for Q4.

- *Table 8 – Case 10 - From authorised AIFM with quarterly reporting obligation to registered AIFM*

22. When an AIFM shifts from being an authorised AIFM with quarterly reporting obligations to a registered AIFM with annual reporting obligations, the AIFM should report at the end of the year for the full period since the last round of reporting to its NCA. The AIFM should report only the information required under Article 3(3)(d).

- *Table 8 – Case 17 - From authorised AIFM with half-yearly reporting obligation to authorised AIFM with quarterly reporting obligations*

23. Unlike the situation above, the scope of the information to be reported in this case is exactly the same and only the frequency of the calculation differs (from half yearly to quarterly).

24. If the change occurs in Q1, the AIFM should report at the end of Q2 for the period covering Q1-Q2, following which the AIFM should report in Q3 and Q4. If the change occurs in Q2, the AIFM should report at the end of H1 covering Q1-Q2 following which it should report in Q3 and Q4. If the change

takes place in Q3, the AIFM should report at the end of H2 covering Q3-Q4. Finally, if the change occurs in Q4, the AIFM should report at the end of H2 for Q3-Q4.

– Table 8 – Case 35 - From authorised AIFM with only unleveraged AIFs investing in non-listed companies and issuers in order to acquire control to authorised AIFM with quarterly reporting obligations

25. If the change occurs in Q1, the AIFM should report at the end of H1 for the period covering Q1-Q2, following which the AIFM should report at the end of Q3 and Q4. If the change occurs in Q2, the AIFM should report at the end of Q3 for the period covering Q1-Q3. If the change takes place in Q3, the AIFM should report at the end of Q4 for the period covering Q1-Q4. Finally, if the change is in Q4, the AIFM should report at the end of Q4 covering Q1-Q4.

- *Table 8 - Case 3 - From registered AIFM to authorised AIFM with annual reporting obligations*

26. Some registered AIFMs may decide to opt in under the AIFMD in order to benefit from the passport. This means that the frequency of reporting would not change (i.e. annual reporting) but that the scope of the information would be different because these AIFMs would become subject to the reporting obligations of Article 24.

27. Therefore, when AIFMs change from being registered AIFMs to authorised AIFMs subject to an annual reporting obligation, AIFMs should report at the end year information requested by Article 24 covering the full period since the last round of reporting to their NCA.

- *Table 9 – Case 1116 - From unleveraged EU AIF investing in non-listed companies and issuers in order to acquire control managed by an AIFM investing only in non-listed companies and issuers in order to acquire control to unleveraged EU AIF with AuM above the AIF threshold not investing in non-listed companies and issuers in order to acquire control managed by an authorised AIFM with half yearly reporting obligation*

28. The scope of the information to be reported in this case is exactly the same and only the frequency of the calculation differs (from yearly to quarterly).

29. If the change occurs in Q1, the AIFM should report that AIF at the end of H1 for the period covering Q1-Q2, following which the AIFM should report that AIF at the end of Q3 and Q4. If the change occurs in Q2, the AIFM should report at the end of Q3 for the period covering Q1-Q3. If the change takes place in Q3, the AIFM should report that AIF at the end of Q4 for the period covering Q1-Q4. Finally, if the change is in Q4, the AIFM should report that AIF at the end of Q4 covering Q1-Q4.

- *Table 9 – Code 200 - From unleveraged non-EU AIF with AuM below the threshold marketed in the Union and not investing in non-listed companies and issuers in order to acquire control managed by an authorised "opt-in" AIFM to unleveraged EU AIF with AuM below the AIF threshold marketed in the Union and not investing in non-listed companies and issuers in order to acquire control managed by an authorised AIFM with half yearly reporting obligation*

30. The scope of the information to be reported in this case is exactly the same and only the frequency of the calculation differs (from yearly to half yearly).

31. If the change occurs in Q1, the AIFM should report for that AIF at the end of H1 for the period covering Q1-Q2 and in H2 for the period covering Q3-Q4. If the change occurs in Q2, the AIFM should report at the end of H2 for the period covering H1-H2. If the change occurs in Q3, the AIFM should report for that AIF at the end of H2 for the period covering H1-H2. Finally, if the change occurs in Q4, the AIFM should report for that AIF according to the frequency applicable to the AIFM before the authorisation (annual reporting).

- *Table 9 – Case 1180 - From unleveraged non-EU AIF not marketed in the union not investing in non-listed companies and issuers in order to acquire control managed by an authorised AIFM with quarterly reporting obligations to leveraged non-EU AIF marketed in the Union managed by an authorised AIFM with quarterly reporting obligation*

32. When the AIF they manage become leveraged AIF marketed in the Union, AIFMs should also report information requested by Article 24(2) and 24(4). The reporting frequency remains quarterly.

X. Reporting of specific types of AIF

- *Feeder AIFs*

33. AIFMs should treat feeder AIFs of the same master fund individually. They should not aggregate all the information on feeder AIFs of the same master(s) in a single report. AIFMs should not aggregate master-feeder structures in a single report (i.e. one report gathering all the information on feeder AIFs and their master AIF(s)).

34. When reporting information on feeder AIFs, AIFMs should identify the master AIF in which each feeder invests but should not look through the master AIF(s) to its(their) holdings. If applicable, AIFMs should also report detailed information on investments that are made at feeder AIF level, such as investments in financial derivative instruments.

- *Funds of funds*

35. When reporting information on funds of funds, AIFMs should not look through the holdings of the underlying funds in which the AIF invests.

- *Umbrella AIFs*

36. If an AIF takes the form of an umbrella AIF with several compartments or sub-funds, AIF-specific information should be reported at the level of the compartments or sub-funds.

XI. AIFM data reporting under Article 3(3)(d) and 24(1)

Identification of the AIFM

37. For the name of the AIFM, AIFMs should use the legal name of the AIFM. AIFMs should also provide the following codes:

- The national identification code (code used by the NCAs of home Member States or the NCAs of the Member State of reference or the NCAs of the Member States where the AIFM markets its AIFs under Article 42 of the Directive); and

- The LEI or, if not available, the IEI or, if not available, the Bank Identifier Code (BIC).

38. If the national identification code changes, AIFMs should always (for the first reporting following the change of the national code and any subsequent reporting) indicate the former national identification code together with the current national code.

39. Finally, AIFMs should indicate the jurisdiction in which they are established.

Principal markets and instruments in which it trades on behalf of the AIFs it manages

- *Principal markets:*

40. AIFMs should group their instruments by market where the trades took place. Markets should be understood as trading venues where AIFMs trade. The ranking of the top 5 markets should be based on the aggregated value of the instruments composing each market. The value of the instruments should be calculated as of the last business day of the reporting period. Where possible, AIFMs should identify the market by reporting the relevant MIC.

41. Instruments that are not traded on a specific market should be grouped together under a specific 'market type' code XXX. These instruments include, for instance, collective investment undertakings.

42. OTC transactions should be grouped under the specific 'market type' code OTC. If an AIFM invests via an OTC transaction in an instrument that is also listed on a market, the 'market type' should be OTC.

43. In addition to the identification of the markets, AIFMs should report the corresponding aggregated value.

44. If AIFMs trade on fewer than five markets, NOT should be entered in the column 'market type' for the ranks for which there is no value.

Examples:

Example 1a:

	Market type	Market code	Aggregated Value
Most important Market	MIC	XEUR (EUREX)	65,450,000
Second most important market	MIC	XBRU (EURONEXT)	25,230,000
Third most important market	NOT		
Fourth most important market	NOT		
Fifth most important market	NOT		

45. The above example means that the 2 markets in which the AIFM trades on behalf of the AIFs it manages are EUREX for an aggregated value of €65,450,000 and EURONEXT for an aggregated value of €25,230,000. It also means that the AIFM trades only on two markets because the third, fourth and fifth aggregated values are NOT.

Example 1b:

	Market type	Market code	Aggregated Value
Most important Market	XXX		452,000,000
Second most important market	NOT		
Third most important market	NOT		
Fourth most important market	NOT		
Fifth most important market	NOT		

46. Example 1b corresponds to a situation where the AIFM only trades assets for which no market exists for an aggregated value of €452,000,000. For example, this could be an AIFM managing private equity funds or real estate funds.

Example 1c:

	Market type	Market code	Aggregated Value
Most important Market	XXX		452,000,000
Second most important market	MIC	XEUR (EUREX)	42,800,000
Third most important market	MIC	XNAS (NASDAQ)	22,782,456
Fourth most important market	MIC	XBRU (EURONEXT)	11,478,685
Fifth most important market	NOT		

47. Example 1c corresponds to a situation where the AIFM trades mostly off market for an aggregated value of €452,000,000 but also trades for smaller proportions on EUREX (€42,800,000), NASDAQ (€22,782,456) and EURONEXT (€11,478,685).

- *Principal instruments*

48. AIFMs should group their instruments according to the sub-asset types category displayed in **Error! Reference source not found.- Error! Reference source not found.** (i.e. highest level of detail available – for example certificates of deposits, ABS, single name financial CDS etc.) and then report the top five sub-asset types. The ranking should be based on the aggregated value of the instruments composing each sub-asset type. The value of the instruments should be calculated as of the last business day of the reporting period.

49. In addition to the identification of principal instruments, AIFMs should also report the corresponding aggregated value.

Example

	Sub-asset type code	Sub-asset type label	Aggregated Value
Most important instrument	SEQ_LEQ_OTHR	Other listed equities	248,478,000
Second most important instrument	DER_FIX_FIXI	Fixed income derivatives	145,786,532

Third most important instrument	PHY_TIM_PTIM	Timber	14,473,914
Fourth most important instrument	CIU_NAM_OTHR	CIU operated/managed by the AIFM/Other CIU	7,214,939
Fifth most important instrument	NTA_NTA_NOTA	N/A	

50. The example above corresponds to an AIFM that only invests in Other Listed Equities, Fixed Income Derivatives, Timber and other CIUs operated/managed by the AIFM.

Values of assets under management for all AIFs managed

51. AIFMs should report the value of assets under management for all AIFs managed using the method set out in Articles 2 and 10 of the Regulation. AIFMs should always indicate the value in Euro. In order to convert the total value of assets under management for all AIFs managed into Euro, AIFMs should use the conversion rate provided by the European Central Bank (ECB). If there is no ECB conversion rate, AIFMs should indicate the conversion rate used. Only when all AIFs of the AIFM are denominated in one single base currency that is not the Euro should this value be complemented by the value in the base currency of the AIFs. This information should be reported as of the last business day of the reporting period.

XII. AIF data reporting under Articles 3(3)(d) and 24(1)

Identification of the AIF

52. For the name of the AIF, AIFMs should use the legal name of the AIF. In the case of umbrella funds, the names of the umbrella and the sub-funds should be reported.

53. For the AIF identification code, AIFMs should provide:

    - the national identification code (code used by the NCAs of home Member States for the identification of AIFs or the NCAs of the Member State of reference or the NCAs of the Member States where the AIFM markets its AIFs under Article 42 of the Directive). If available, AIFMs should also provide the ISIN codes and other international codes the AIF may have. For AIFs with multiple share classes, AIFMs should report all the codes of all the share classes (ISIN codes and other international codes).

    - the LEI code of the AIF or the IEI of the AIF.

54. If the national identification code changes, AIFMs should always (for the first reporting following the change of the national code and any subsequent reporting) indicate the former national identification code together with the current national code.

55. The inception date of the AIF is defined as the date the AIF started business.

56. For EU AIFs, the domicile of the AIF should be understood as the home Member State of the AIF as defined in Article 4(1)(p) of the AIFMD. For non-EU AIFs, the domicile of the AIF should be the country where the AIF is authorised or registered or where it has its registered office.

57. For each prime broker of the AIF, the legal name of the entity should be reported and, when available, the LEI code or the IEI or, if not available, the BIC.

58. For the base currency of the AIF, only one currency should be reported. This means that AIFs with several share classes denominated in different currencies should have only one base currency. This base currency is the currency to be used for reporting the information. AIFMs should report the principal base currency using the ISO 4217.

59. For the total assets under management of the AIF, AIFMs should report the value in the base currency of the AIF. AIFMs should also indicate the exchange rate between the base currency of the AIF and the Euro using the ECB conversion rate if relevant. This information should also be supplemented by the Net Asset Value (NAV) of the AIF. Both values should be given as of the last business day of the reporting period.

60. For the jurisdiction of the three main funding sources, AIFMs should identify the country of the counterparty of the liability. For example, if the funding source takes the form of a loan, in that case the jurisdiction should be the jurisdiction of the lender.

61. For the predominant AIF type, AIFMs should select only one AIF type from the following list:

- Hedge Fund;
- Private Equity Fund;
- Real Estate Fund;
- Fund of funds;
- Other; and
- None

62. The predominant AIF type should be based on the NAV of the AIF. AIFMs should select "None" as predominant AIF type where the investment strategy of the AIF does not permit a predominant AIF type to be identified.

Breakdown of investment strategies

63. After the predominant AIF type, AIFMs should provide information on the breakdown of investment strategies using the list of strategies provided in the reporting template (see strategy categories of **Error! Reference source not found. – Error! Reference source not found.**). Predominant AIF types are mutually exclusive, except when AIFMs select 'None'. Therefore, AIFMs should not allocate the strategies across the different group of strategies (hedge fund strategy, private equity strategy, real estate, fund of fund and other strategy). For instance, if an AIFM reports 'Hedge Fund' as a predominant AIF type, the investment strategies can only be those in the list of strategies corresponding to Hedge Funds.

64. If an AIFM reports 'None' as predominant AIF type, the investment strategies should be allocated across the different categories of AIF types.

65. AIFMs should first select one primary strategy of the AIF. This primary strategy should be the strategy that best describes the reporting fund's strategies. Primary strategy funds are likely to be consistently and predominantly focused on one strategy even though they may invest in other strategies. Multi-

strategy funds are likely to be diversified across multiple strategies on a regular basis, with this diversification being an explicit part of the investment strategy. When AIFMs select "other" as the strategy that best describes the reporting fund's strategies, they should provide a short explanation of the strategy.

66. For Hedge Fund, Private Equity, Real Estate, Fund of funds and Other Strategies, AIFMs should also report the percentage of NAV represented by all strategies of the AIF. The strategies listed are mutually exclusive (i.e. AIFMs should not report the same assets under multiple strategies) and the sum of the percentages should equal 100%. When reporting the breakdown by percentage of NAV, AIFMs should not indicate any share in NAV for multi-strategy but instead for the other strategies listed.

67. Money market AIFs should be classified in the investment strategy "fixed income".

- Hedge fund strategies

Example 3a:

	Strategy that best describes the AIF's strategy	Share in NAV (%)
Equity: Long Bias		
Equity: Long/Short		50%
Equity: Market neutral		
Equity: Short Bias		
Relative Value: Fixed Income Arbitrage		
Relative Value: Convertible Bond Arbitrage		
Relative Value: Volatility Arbitrage		
Event Driven: Distressed/Restructuring		
Event Driven: Risk Arbitrage/Merger Arbitrage		
Event Driven: Equity Special Situations		
Credit Long/Short		
Credit Asset Based Lending		
Macro		50%
Managed Futures/CTA: Fundamental		
Managed Futures/CTA: Quantitative		
Multi-strategy hedge fund	X	
Other hedge fund strategy		

68. The example above corresponds to a Hedge Fund AIF that has a multi-strategy involving ½ Macro and ½ Equity Long/Short. The AIFM should select "Multi-strategy hedge fund" as "the strategy that best describe the AIF's strategy" and then report 50% of NAV under "Equity Long / Short" and 50% under "Macro".

Example 3b:

	Strategy that best describes the AIF's strategy	Share in NAV (%)
Equity: Long Bias		
Equity: Long/Short	X	70%
Equity: Market neutral		
Equity: Short Bias		
Relative Value: Fixed Income Arbitrage		

Relative Value: Convertible Bond Arbitrage		
Relative Value: Volatility Arbitrage		
Event Driven: Distressed/Restructuring		
Event Driven: Risk Arbitrage/Merger Arbitrage		
Event Driven: Equity Special Situations		
Credit Long/Short		20%
Credit Asset Based Lending		
Macro		
Managed Futures/CTA: Fundamental		
Managed Futures/CTA: Quantitative		10%
Multi-strategy hedge fund		
Other hedge fund strategy		

69. The example above corresponds to a Hedge Fund AIF whose strategy is best described as Equity Long/Short for 70% of the NAV. It also means that 20% and 10% of the NAV of the AIF is respectively invested in Credit Long/Short Strategies and Managed Futures/CTA: Quantitative.

- Private equity strategies

Example 3c:

	Strategy that best describes the AIF's strategy	Share in NAV (%)
Venture Capital	X	100%
Growth Capital		
Mezzanine Capital		
Multi-strategy private equity fund		
Other private equity fund strategy		

70. The example above corresponds to a Private Equity AIF whose only strategy is Venture Capital.

Example 3d:

	Strategy that best describes the AIF's strategy	Share in NAV (%)
Venture Capital		50%
Growth Capital		
Mezzanine Capital		50%
Multi-strategy private equity fund	X	
Other private equity fund strategy		

71. The example above corresponds to a Private Equity AIF that has a multi-strategy involving ½ Venture Capital and ½ Mezzanine Capital.

- Real estate strategies

Example 3e:

	Strategy that best describes the AIF's strategy	Share in NAV (%)
Residential real estate		

Commercial real estate	X	100%
Industrial real estate		
Multi-strategy real estate fund		
Other real estate strategy		

72. The example above corresponds to a Real Estate AIF that only invests in Commercial Real Estate strategies.

Example 3f:

	Strategy that best describes the AIF's strategy	Share in NAV (%)
Residential real estate		30%
Commercial real estate		30%
Industrial real estate		40%
Multi-strategy real estate fund	X	
Other real estate strategy		

73. The example above corresponds to a Real Estate AIF that has a multi-strategy involving 40% Industrial Real Estate, 30% Commercial Real Estate and 30% Residential Real Estate.

- Fund of funds strategies

Example 3g:

	Strategy that best describes the AIF's strategy	Share in NAV (%)
Fund of hedge funds		
Fund of private equity	X	100%
Other fund of funds		

74. The example above corresponds to a Fund of funds AIF that only invests in Private Equity AIFs.

- Other Strategy

Example 3h:

	Strategy that best describes the AIF's strategy	Share in NAV (%)
Commodity fund		20%
Equity fund		10%
Fixed income fund	X	70%
Infrastructure fund		
Other fund		

75. The example above corresponds to an AIF whose strategy is best described as Fixed Income Fund strategy for 70% of the NAV. It also shows that 20% and 10% of the NAV of the AIF is allocated to Commodity funds and Equity funds.

Example 3i:

	Strategy that best describes the AIF's strategy	Share in NAV (%)
Commodity fund		10%
Equity fund		10%
Fixed income fund	X	30%
Infrastructure fund		
Other fund		

	Strategy that best describes the AIF's strategy	Share in NAV (%)
Equity: Long Bias		
Equity: Long/Short		15%
Equity: Market neutral		5%
Equity: Short Bias		
Relative Value: Fixed Income Arbitrage		
Relative Value: Convertible Bond Arbitrage		
Relative Value: Volatility Arbitrage		
Event Driven: Distressed/Restructuring		
Event Driven: Risk Arbitrage/Merger Arbitrage		
Event Driven: Equity Special Situations		
Credit Long/Short		
Credit Asset Based Lending		
Macro	X	30%
Managed Futures/CTA: Fundamental		
Managed Futures/CTA: Quantitative		
Multi-strategy hedge fund		
Other hedge fund strategy		

76. The example above corresponds to an AIF whose predominant AIF type is 'None' with 50% of the NAV allocated to 'Hedge Fund' strategies and 50% allocated to 'Other' strategies.

Principal exposures and most important concentration

- Main instruments in which the AIF is trading

77. This information should be provided for each AIF, or each compartment or sub-fund in the case of an umbrella AIF. AIFMs should identify the 5 most important individual instruments of an AIF. The ranking should be based on the value of individual instruments. The values of the instruments should be calculated as of the last business day of the reporting period.

78. For each position, the AIFM should identify the sub-asset type using the highest level of detail available in the typology of assets listed in **Error! Reference source not found.** – **Error! Reference source not found.**. AIFMs should also report the instrument code and, when available, the ISIN code and the AII code for derivatives. If AIFMs trade in assets that do not have any specific instru-

ment code, such as timber or vineyards, they should report NONE for the “instrument code type” and give details on the assets in the column “instrument name”.

79. AIFMs should also report the value of each position together with its type (long or short).

80. If an AIF has a very concentrated portfolio of investments and the AIFM reports fewer than five instruments, the AIFM should enter “NTA_NTA_NOTA” for the relevant ranks.

Example:

	Sub-asset type code	Instrument name	Instrument code type	Instrument code (ISIN or AII)	Value	Long/short position
Most important instrument	SEQ_LEQ_IFIN (Listed equity issued by financial institution)	BANK XYZ	ISIN	FRXXXXXXXXXX	10,000,000	Long
2nd most important instrument	SEC_LEQ_OTHR (Other Listed Equity)	XYZ SA	ISIN	FRXXXXXXXXXX	3,500,000	Short
3rd most important instrument	Vineyard		NONE			

81. The example above corresponds to an AIF for which the main individual positions are a long position in XYZ Bank shares to the value of € 10,000,000 and a short position in shares of XYZ SA to the value of €3,500,000.

- Geographical focus

82. When reporting information on the geographical focus, AIFMs should look at the domicile of the investments made. The geographical regions are mutually exclusive and the sum of the percentages should equal 100%. The information should be reported as of the last business day of the reporting period.

83. Investments that do not have a predominant geographical focus should be included in the category “supranational/multiple regions”. AIFMs may allocate investments in underlying collective investment schemes to a specific region if they have sufficient information on the portfolio of the collective investment scheme; if not, they should be allocated to the category supranational/multiple regions. For financial derivative instruments (OTC and listed derivatives), the domicile should be the domicile of the underlying assets of the financial derivative instrument. For cash-like bank deposits, the domicile should be based on the currency in which the deposit is denominated. For instance, the domicile of a cash deposit in Euro in a US bank should be Europe. The same approach should apply to cash borrowing (i.e. the domicile should be based on the currency of the cash borrowed and not on the domicile of the lender). AIFMs should refer to **Error! Reference source not found.** for the details on the geographical areas.

- 10 principal exposures of the AIF at the reporting date

84. Under this section of the reporting template, AIFMs should indicate the 10 principal exposures by sub-asset type and by type of position (long or short). AIFMs should group their instruments according to the sub-asset type categories displayed in **Error! Reference source not found. – Error! Reference source not found.**of the document (i.e. to the highest level of detail available, such as certificates of deposit, ABS, single name financial CDS etc.) and then report the top 10 principal exposures. The ranking should be based on the aggregated value of the instruments composing each sub-asset type. The value of the instruments should be calculated as of the last business day of the reporting period, and AIFMs should not net the positions between instruments that are part of the same sub-asset type.

85. For the first column, AIFMs should indicate the Macro Asset type using the first level of detail available in the typology of assets listed in **Error! Reference source not found. – Error! Reference source not found.** (i.e. securities, derivatives etc.).

86. For the second column, AIFMs should indicate the sub-asset type using the highest level of detail available in the typology of assets listed in **Error! Reference source not found. – Error! Reference source not found.** (i.e. certificates of deposits or other equity derivatives etc.).

87. Then, AIFMs should indicate the aggregated value of the sub-asset type as well as its percentage in terms of total value of assets under management of the AIF.

88. If AIFMs are aware of the counterparty to OTC transactions they should report its identity and its identification codes such as the LEI or the IEI. In this case, CCPs should not be considered as a counterparty. AIFMs should not indicate a counterparty if there is more than one counterparty for one sub-asset type.

Example:

	Macro Asset type code	Sub-asset type code	Aggregated Value	% of the total value of assets under management of the AIF	Long/short position	Counterparty (where relevant)
1	SEC (Securities)	SEC_CSH_CODP (Certificates of deposit)	120,000,000	4%	Long	
2	DER (Derivatives)	DER_CDS_INDX (Index CDS)	100,000,00	3.3%	Long	
3	DER (Derivatives)	DER_FEX_INVT (Foreign exchange for investment purposes)	85,000,000	2.83%	Short	
4	CIU (CIS)	CIU_OAM_AETF (Investment in CIU operated/managed by the AIFM-ETF)	84,500,000	2.82%	Long	
5	DER (Derivatives)	DER_EQD_OTHD (Other equity derivatives)	60,000,000	2%	Long	XYZ Bank
6	SEC (Secu-	SEC_CSH_CODP	45,000,00	1.5%	Short	

	rities)	(Certificates of deposit)	0			
7	DER (Derivatives)	DER_EQD_OTHD (Other equity derivatives)	32,000,000	1.1%	Short	
8	NTA	NTA_NTA_NOTA				
9	NTA	NTA_NTA_NOTA				
10	NTA	NTA_NTA_NOTA				

89. The example above illustrates that AIFMs may report similar information under different lines. For instance, both lines 1 and 6 provide for exposures to the same macro asset type (securities) and the same sub-asset type (certificates of deposit) but the difference is that under line 1 it is a long position whereas under line 6 it is a short position.

90. For the last column, the counterparty should be reported when all the instruments reported in a row have the same counterparty. For instance, in the example above, line 5 means that the fifth most important exposure of the AIFM is represented by equity derivatives that all have the same counterparty (e.g. XYZ Bank). Counterparties that are part of the same group should be treated as a single counterparty. Conversely, if not all the instruments have the same counterparty, the relevant cell should be empty as shown in line 7.

- <u>5 most important portfolio concentrations</u>

91. Under this section of the reporting template, AIFMs must report the five most important portfolio concentrations by asset type, market where the trade occurred and position (long or short). The ranking should be based on the aggregated value of each instrument composing each asset type. The value of the instruments should be calculated as of the last business day of the reporting period and AIFMs should not net the positions between instruments that are part of the same asset type.

92. For the first column, AIFMs should identify the asset type using the second level of detail in the typology of assets listed in **Error! Reference source not found. – Error! Reference source not found.**. For the third column, AIFMs should report the MIC of the market. They should then report the aggregated value of each group of asset type.

93. Finally, AIFMs should indicate whether the exposure of each group of asset type reported is a short or long position.

94. When a category of investment is not traded on a market, AIFMs should report “XXX” for ‘market type’. These instruments include for instance collective investment undertakings.

95. OTC instruments should also be grouped under the specific code OTC for ‘market type’. If an AIFM invests via an OTC transaction in an instrument that is also listed on a market, the ‘market type’ should be OTC.

<u>Examples:</u>

Example 1a:

	Asset type code	Market type	Market code	Aggregated value	% of the total value of assets under management of the AIF	Long/short position	Counterparty (where relevant)
1	DER_EQD (Equity derivatives)	MIC	XNYS (NYSE)	120,000,000	3%	Long	N/A
2	SEC_LEQ (Listed equities)	MIC	XPAR (Euronext Paris)	98,000,000	2.45%	Long	N/A
3	DER_EQD (Equity derivatives)	OTC		72,000,000	1.8%	Short	XYZ Bank
4	CIU_OAM (CIU managed by the AIFM)	XXX		21,000,000	0.5%	Long	N/A
5	Etc.						

96. The example above illustrates that the most important concentration of the AIF is made up of long positions in equity derivatives on NYSE for an aggregated value of € 120,000,000. It also means that the third most important concentration of the AIF is made up of short positions in OTC equity derivatives with XYZ Bank as counterparty for an aggregated value of €72,000,000.

Example 1b:

	Asset type code	Market type	Market code	Aggregated value	% of the total value of assets under management of the AIF	Long/short position	Counterparty (where relevant)
1	DER_EQD (Equity derivatives)	MIC	XNYS (NYSE)	330,000,000	4%	Long	N/A
2	DER_EQD (Equity derivatives)	MIC	XNYS (NYSE)	150,000,000	2%	Short	N/A
3	DER_EQD (Equity derivatives)	OTC		75,000,000	1%	Short	N/A
4	CIU_OAM (CIU managed by the AIFM)	XXX		25,000,000	0.33%	Long	N/A
5	Etc.						

97. The example above illustrates that the two most important concentrations of the AIF are made up of long positions in equity derivatives on NYSE for an aggregated value of €330,000,000 and of short positions in the same types of asset on NYSE for an aggregated value of €150,000,000. It also means that the third most important concentration of the AIF is made up of short positions in OTC equity derivatives for an aggregated value of €75,000,000 for which the counterparties are not all the same.

- Typical deal/position size for “private equity” AIFs

98. To report this information, AIFMs should select only one deal/position size. AIFMs should complete this question only if they have selected as a predominant AIF type “private equity fund”. AIFMs should select the deal/position size in which the AIF typically invests (see position size categories of **Error! Reference source not found. – Error! Reference source not found.**):

  - Very small < €5m
  - Small (€5m to < €25m)
  - Lower/mid-market (€25m to < €150m)
  - Upper mid-market (€150m to < €500m)
  - Large cap (€500m to < €1bn)
  - Mega cap (€1bn and greater).

- Principal markets in which the AIF trades

99. For this information, AIFMs should take the same approach as for the information at the level of the AIFM (see section XI.II above) but apply it to AIFs.

- Investor concentration

100. For AIFs with several unit or share classes, AIFMs should consider the percentage of these units or shares in relation to the NAV of the AIF in order to be able to aggregate the five beneficial owners that have the largest equity interests in the AIF. Investors that are part of the same group should be considered as a single investor.

101. When reporting the investor concentration between retail investors and professional clients, the total should equal 100%.

XIII. AIF data reporting under Article 24(2)

Instruments traded and individual exposures

102. For this section of the reporting template, AIFMs should report the information in the base currency of the AIF. AIFMs should report values to the highest level of detail available. The table below provides information on the exact meaning of each category of asset.

Cash and cash equivalents	Include exposures to cash and cash-equivalent asset classes, such as certificates of deposit, banker’s acceptances and similar instruments held for investment purposes that do not provide a return greater than a 3-month high credit quality government bond.
Listed equities	Include all physical exposure by the AIF to equities listed or traded on a regulated market. Do not include in this category exposures obtained

	synthetically or through derivatives (instead include these under the 'equity derivatives' category).
Unlisted equities	Include all physical exposure to unlisted equities. Unlisted equities are those that are not listed or traded on a regulated market. Do not include in this category exposures obtained synthetically or through derivatives (instead include these under the 'equity derivatives' category).
Corporate bonds	Include all physical exposure to all corporate bonds held by the AIF. Do not include in this category exposures obtained synthetically or through derivatives (instead include these under the 'fixed income derivatives' category).
Sovereign bonds	Include the exposure to all sovereign bonds held by the AIF. For the purposes of this question, a sovereign bond is a bond issued by a national government (including central governments, government agencies, other governments and central banks) denominated in a local or foreign currency. Also include any supranational bonds in the category of non-G10 sovereign bonds. Include EU supranational bonds in the category "EU bonds" for individual exposures and "EU Member State bonds" for the turnover.
Non-EU G10 sovereign bonds	Include the exposure to all non-EU G10 sovereign bonds.
Municipal bonds	Include all the exposure to municipal bonds that are not guaranteed by national governments.
Convertible bonds	Include the exposure to all convertible notes or debentures (not yet converted into shares or cash) held by the AIF.
Leveraged loans	Include the notional value of all leveraged loans held by the AIF. In practice, such loans generally form part of the financing structure of an LBO and may be of higher credit risk. Do not include any positions held via LCDS (these should be recorded in the CDS category).
Other loans	Include the notional value of all other loans, including bilateral or syndicated loans, factoring or forfeiting finance and invoice discounting. Do not include any positions held via LCDS (these should be recorded in the CDS category).
Structured/securities products - ABS	Include the notional value of any investments held by the AIF in structured products in asset-backed securities including (but not limited to) auto loans, credit card loans, consumer loans, student loans, equipment loans, CDOs (cash flow and synthetic) and whole business securitisa-

	tions. Do not include any positions held in MBS, RMBS, CMBS and CDS (these should be recorded in the MBS, RMBS, CMBS and CDS categories).
Structured/securities products – MBS/RMBS/CMBS	Include the notional value of all investments by the AIF in mortgage-backed securities, residential mortgage-backed securities and commercial mortgage-backed securities. Do not include any position held via CDS (these should be included in the CDS category).
Structured/securities products - ABCP	Include the notional value of all investments by the AIF in asset-backed commercial paper, including (but not limited to) Structured Investment Vehicles, Single-Seller Conduits and Multi-Seller Conduit programs. Do not include any position held via CDS (these should be included in the CDS category).
Structured/securities products – CDO/CLOs	Include the notional value of all investments by the AIF in collateralised debt obligations (cash flow and synthetic) or collateralised loan obligations. Do not include any position held via CDS (these should be included in the CDS category).
Structured/securities products - Other	Include the notional value of all investments by the AIF in other forms of structured investment which are not covered by another category. Do not include any position held via CDS (these should be included in the CDS category).
Equity derivatives	Include the value of all exposure by the AIF to equities held synthetically or through derivatives. Measure exposure as the total notional value of futures and delta-adjusted notional value of options. Include equity index futures as well as single stock derivatives. Dividend swaps and options should also be included in this category.
Fixed income derivatives	Include the value of all exposure by the AIF to fixed income held synthetically or through derivatives (total notional value for futures) but do not include any positions held via CDS (these should be recorded in the CDS category).
Credit default derivatives – Single name CDS	Include the notional value of CDS referencing a single entity. The long value should be the notional value of protection written or sold, and the short value should be the notional value of protection bought. Include any single name LCDS in this calculation. Provide a breakdown between single name credit protection on sovereign, financial sector and other entities.

Credit default derivatives – Index CDS	Include the notional value of CDS referencing a standardised basket of credit entities, for example the CDX and iTraxx indices. Include indices referencing leveraged loans (such as the iTraxx LevX Senior Index). The long value should be the notional of protection written or sold, and the short value should be the notional value of protection bought.
Credit default derivatives – Exotic (including credit default tranche) CDS	Include the notional value of CDS referencing bespoke baskets or tranches of CDOs, CLOs and other structured vehicles. The long value should be the notional value of protection written or sold, and the short value should be the notional value of protection bought.
Commodity derivatives – Crude oil	Include the value of all exposure by the AIF to crude oil, whether held synthetically or through derivatives (regardless of whether the derivatives are physically or cash settled). Include the total notional value of futures, delta-adjusted notional value of options. Other types of oil or energy product (aside from natural gas) such as ethanol, heating oil, propane and gasoline should be included in the "Other Commodities" category.
Commodity derivatives – Natural gas	Include the value of all exposure by the AIF to natural gas, whether held synthetically or through derivatives (regardless of whether the derivatives are physically or cash settled). Include the total notional value of futures, delta-adjusted notional value of options. Other types of oil or energy product (aside from natural gas) such as ethanol, heating oil, propane and gasoline should be included in the "Other Commodities" category.
Commodity derivatives – Gold	Include the value of all exposure by the AIF to gold, whether held synthetically or through derivatives (regardless of whether the derivatives are physically or cash settled). Include the total notional value of futures, delta-adjusted notional value of options.
Commodity derivatives – Power	Include the value of all exposure by the AIF to power (all regions), whether held synthetically or through derivatives (regardless of whether the derivatives are physically or cash settled). Include the total notional value of futures, delta-adjusted notional value of options.
Commodity derivatives – Other commodities	Include the value of all exposure by the AIF to other commodities (which are not covered by the above categories), whether held synthetically or through derivatives (regardless of whether the derivatives are physically or cash settled). Include the total notional value of futures, delta-adjusted notional value of options.
Foreign exchange	Give the total gross notional value of the AIF's outstanding contracts. Only one currency side of every transaction should be counted. Only include foreign exchange for investment purposes (i.e. not that done for currency hedging of different share classes).
Interest rate derivatives	Include the total gross notional value of the AIF's outstanding interest rate derivative contracts. Include the total notional value of futures and

	delta-adjusted notional value of options.
Other derivatives	Give the total gross notional value of the AIF's outstanding contracts regarding all exotic derivatives (for example weather or emission derivatives); include volatility, variance and correlation derivatives.
Real estate/tangible assets	For real estate include the value of real estate held physically. Do not include real estate exposures held through equity securities of companies, such as listed equity securities (or their related derivatives) or equity holdings of unlisted Real Estate Investment Trusts, unless the real estate company for which the equity security is held was created for the express purpose of holding the real estate investment for the AIF, and the principal assets and purpose of the company is to invest in that real estate and the AIF has the controlling interest in that company (otherwise include the exposure under "listed equities" or "unlisted equities" as deemed appropriate). Real estate refers to land, as well as any physical property or other features of the land that may be considered immovable including houses, buildings, landscaping, fencing etc. Include any mineral rights to any geophysical aspects of the real estate occurring thereon. Report the value for the real estate investment reported in the AIF's most recent financial accounts or, if this is not available, at fair value. AIFMs do not need to obtain a new estimate of the value of physical real estate for the purpose of the reporting.
Commodities	For commodities include the value of commodities held in physical or raw form. Do not include commodity exposures currently held via derivatives even if they are expected to be physically settled in the future. Include commodity exposures that were originally obtained via derivatives, providing settlement has occurred and the commodities are currently held in physical or raw form.
Investments in funds	For money market funds and investments in AIFs for cash management purposes include all investments by the fund in money market funds and cash management funds. Separate into those managed by the management company and those managed by external unrelated management companies. For other AIFs include all investments by the AIF in other AIFs (not including money market or cash management) including (but not limited to) hedge funds, private equity funds and retail funds (i.e. mutual funds and/or UCITS). Separate into those managed by the AIFM and those managed by external unrelated AIFMs.
Investment in other asset classes	When reporting information on individual exposures, AIFMs should include non-EU G10 sovereign bonds.

- Individual exposures in which it is trading and the main categories of asset in which the AIF invested as of the reporting date

103. AIFMs should report the information only at the sub-asset type level (see sub-asset type category in Annex II of the guidelines – **Error! Reference source not found.**) and should report long and short values and, where relevant, gross value. Values should be calculated according to Articles 2 and 10 of the Regulation.

- Value of turnover in each asset class over the reporting months

104. AIFMs should report the information only at the sub-asset type level (see sub-asset type category in Annex II of the guidelines – Table 2). The value of the turnover in the reporting period should be the sum of the absolute values of buys and sells that occur during the reporting period. For example, an AIF that has bought assets for €15,000,000 and sold assets for €10,000,000 over the reporting period would report a turnover of €25,000,000.

105. For derivatives, notional values should be calculated in accordance with Article 10 of the Regulation. For the purpose of this information, packages such as call-spreads, put spreads, straddles, strangles, butterfly, collar and synthetic forward may be treated as a single position (rather than as a long position and a short position).

- Currency exposure

106. For the exposure by currency group, the long and short values should be given at the level of the AIF and denominated in the base currency of the AIF. For exposure in currencies that are not listed in the reporting template, AIFMs should indicate the currency code.

- Dominant influence (see Article 1 of Directive 83/349/EEC)

107. This paragraph should be filled in only if the predominant AIF type selected is "private equity fund". AIFMs should indicate the legal name and, if available, the LEI or the IEI of the companies in which the AIF has a dominant influence (as defined in Article 1 of Directive 83/349/EEC) together with the percentage of voting rights and the type of transaction. If the LEI and the IEI are not available, AIFMs should provide the BIC code (if available).

108. For the type of transaction, AIFMs should choose one type from the following list (see transaction types in **Error! Reference source not found. – Error! Reference source not found.**):

  - Acquisition capital;
  - Buyouts;
  - Consolidations (industry roll-ups)
  - Corporate Divestitures;
  - Employee Stock Ownership Plans;
  - Growth Capital;

- Recapitalisation
- Shareholder Liquidity;
- Turnarounds; and
- Others.

109. When AIFMs report “Others” for the type of transaction, they should explain the nature of the transaction.

Risk profile of the AIF

- Market risk profile

110. Under this section, AIFMs should report the following measures of risk:

- The Net DV01 in three buckets defined by maturity of the security <5yrs, 5-15yrs and >15yrs[3];
- The CS 01[4] in three buckets defined by maturity of the security <5yrs, 5-15yrs and >15yrs;
- The Net Equity Delta;

111. AIFMs should always use the same methodology. When AIFMs report a “0” value for any measures of risk they should explain the reasons for this value.

- Counterparty risk profile

    - Trading and clearing mechanisms

112. When reporting information on derivative transactions cleared pursuant to the obligations under the European Market Infrastructure Regulation (EMIR), AIFMs should not take into account listed derivatives.

113. When reporting details on repo trades, AIFMs should also include information on reverse repo transactions.

    - Value of collateral

114. AIFMs should include all collateral posted to the counterparties, including as collateral assets sold and pledged in connection with repos and collateral posted under an arrangement pursuant to which the secured party has borrowed the securities. Repos and reverse repos with the same counterparty may be netted to the extent that they are secured by the same type of collateral. AIFMs should use the

[3] As per ISDA definition
[4] As per ISDA definition

mark-to-market value of the collateral. Information should be given as of the last business day of the reporting period.

- Re-hypothecation rate

115. The percentage expressed should be the ratio between the total mark-to-market value of all collateral re-hypothecated by the counterparty and the mark-to-market value of all the collateral posted by the AIF over the reporting period. When the contract between the AIFM and the counterparty does not allow the counterparty to re-hypothecate collateral for a given AIF, AIFMs should indicate “No”.

- Top five counterparties

116. AIFMs should report any type of exposure to a counterparty net of any collateral posted to reduce the counterparty risk. Counterparty risk should be understood as market risk and therefore includes inter alia counterparties issuing bonds or shares or underlyings to financial derivative instruments as well as counterparties to financial derivative instruments. AIFMs should report the name, the BIC and the LEI or the IEI of the counterparty as well as the exposure expressed as a percentage of NAV. When counterparties are part of the same group they should be aggregated at the group level and not treated as separate entities.

- Direct clearing through central clearing counterparties

117. This question should be understood as covering AIFMs that have an account with clearing members. AIFMs should report the name, the LEI or the IEI and the BIC of the 3 CCPs for which the AIF has the greatest net credit exposures.

- Liquidity profile

- Portfolio liquidity profile

118. AIFMs should report the percentage of the fund’s portfolio that is capable of being liquidated within each of the liquidity periods specified. Each investment should be assigned to one period only and such assignment should be based on the shortest period during which such a position could reasonably be liquidated at or near its carrying value. The total should equal 100%.

119. If individual positions are important contingent parts of the same trade, AIFMs should group all of these positions under the liquidity period of the least liquid part. For example, in a convertible bond arbitrage trade, the liquidity of the short position should be the same as the convertible bond.

- Investor liquidity profile

120. AIFMs should divide the NAV of the AIF among the periods indicated depending on the shortest period within which the invested funds could be withdrawn or investors could receive redemption payments, as applicable. AIFMs should assume that they would impose gates where they have the power to do so but that they would not suspend withdrawals/redemptions and that there are no redemption fees. The total should equal 100%.

- Investor redemptions

121. AIFMs should choose between the following values for the investor redemption frequency (see the investor redemption frequencies in **Error! Reference source not found. – Error! Reference source not found.**):

- Daily
- Weekly
- Fortnightly
- Monthly
- Quarterly
- Half-yearly
- Yearly
- Other
- NONE

122. AIFMs would indicate NONE if, for instance, the AIF does not offer investors the opportunity to redeem. According to the Regulation, if an AIF is comprised of several share classes with different redemption frequencies, only information on the largest share class should be reported.

- Breakdown of ownership

123. To report this information, AIFMs should use the typology of investors below (see investor categories in **Error! Reference source not found. – Error! Reference source not found.**). The information should be expressed as a percentage of the NAV of the AIF.

- Non-financial corporations;
- Banks;
- Insurance corporations;
- Other financial institutions;
- Pension plans / funds;
- General government;
- Other collective investment undertakings (e.g. fund of funds or master);
- Households

- Unknown; and
- None.

- Borrowing and exposure risk

  - Value of borrowings

124. Collateralised borrowings should be classified according to the legal agreement governing the borrowing.

125. Borrowings embedded in financial instruments should represent the total gross notional exposure in relation to such instruments, less all margins. According to the reporting template, derivatives traded on exchanges and OTC should be separated.

126. The values should be reported in the base currency of the AIF.

  - Leverage of the AIF

127. For the calculation of the leverage under the Gross and the Commitment methods, AIFMs should report values expressed as a percentage of the NAV.

- Operational and other risk aspects

128. For the total number of open positions, AIFMs should calculate at the position level (and not the issuer level) as this question has an operational focus. The calculation should be done as of the last business day of the reporting period.

129. For gross investment returns, AIFMs should report the gross return for each month of the reporting period. The same approach should be taken for net investment returns. For AIFs with multiple share classes, the gross and net returns should be provided at the level of the AIF and not for each share class.

130. For the change in NAV, AIFMs should report the change in NAV for each month of the reporting period. This calculation should be net of fees and include the impact of subscriptions and redemptions.

131. For AIFs with private equity as a predominant AIF type, the number of subscriptions should be based on the actual amount paid by investors for each month of the reporting period and not the promised capital.

XIV. Information under Article 24(4)

132. For the five largest sources of borrowed cash or securities (short positions), AIFMs should report the name, the LEI or IEI and, if neither is available, the BIC of the entity as well as the corresponding amount in the base currency of the AIF.

European Securities and Markets Authority

ESMA • CS 60747 – 103 rue de Grenelle • 75345 Paris Cedex 07 • France • Tel. +33 (0) 1 58 36 43 21 • www.esma.europa.eu