AIMA comments	FRR form revision in green
USD 500 million benchmark - How this NAV threshold should be calculated: (i) how the threshold would be applied to managed accounts? (ii) whether there would be separate filing requirements for master and feeder funds. (iii) whether the NAV threshold applies only to the portion of the portfolio managed in Hong Kong or to the overall size of the fund?	Q(i): Managed accounts are included in the calculation to determine the number of qualifying hedge funds to be reported by the manager in Form 12. Annex A data are to be reported at the fund level. Added Note 14(c) in Form 12 – "When determining whether a hedge fund meets the US$500 million threshold to be classified as a qualifying hedge fund, please include the NAV of managed account(s) that operate(s) under the same strategy as the main hedge fund." Annex A instruction revised: "Complete questions in this ~~section~~ form on the basis of fund-only assets unless otherwise stated. Do not include any data in relation to managed accounts in this form."
	Q(ii): Note 14(a) in Form 12 revised – "If a master-feeder structure is in place, please count only the master funds toward the US$500 million reporting threshold. Complete Annex A at the master fund level only (i.e. no separate filing at feeder fund level is required)".
	Q(iii): Added Note 14(d) in Form 12 – "Please note that the overall NAV of the fund should be counted in determining whether the US$500 million reporting threshold is met, regardless of whether any portion of the fund is sub-delegated for management by another entity."
Form 12 Section C(ii) NAV – Is the term "net asset value (NAV)" the same as "aggregate net value of assets under management (AUM)" as mentioned in Section B? If so, we would suggest the terms to be consistent across all the sections within the form. If not, please clarify the difference.	Will use AUM when referring to firm level or strategy level amount in Form 12 section B. NAV will be used when referring to fund level amount in section C. Note 6: "Please report the ~~net asset value NAV~~ AUM of all virtual assets / virtual asset derivatives including the ~~net asset value NAV~~ AUM of passive index-tracking strategies in relation to virtual assets / virtual asset derivatives." Note 7: "For non-purely passive index tracking strategies (e.g., Smart Beta), the relevant AUM should be reported under "other strategies". Please note that the ~~net asset value~~

	~~NAV~~ AUM of passive index tracking strategies in relation to virtual assets / virtual asset derivatives (which shall be reported under row 12c) should not be included." Note 8(b): "For the purpose of section B, please note that the ~~NAV~~ AUM of hedge fund strategies in relation to virtual assets / virtual asset derivatives (which shall be reported under row 12c) should not be included."
Annex A Q19: Can they explain whether we should be taking into account ADTV and impact on market prices for a "stressed market scenario"? For example, would we assume full volume participation using a shorter period ADTV? E.g. 100% of 20BD ADTV.	Revised Notes to Annex A - Portfolio liquidity (Q 19): (b) Stressed market scenario *"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 only one period and such assignment should be based on the shortest period during which a position could reasonably be liquidated during a period of significant market stress (a liquidity shock scenario). The stress test scenario should assume that fund suspension will not be imposed, and it should take into account the interests of fund investors as well as the fair treatment between redeeming investors and remaining investors. Additionally, other reasonable assumptions may be used, and the stress testing should be conducted in compliance with paragraph 3.14.1 of Fund Manager Code of Conduct."*
Annex A Q22. 1. Do they really mean to have column (a) be "Normal market scenario" and (b) be "Fund redemption frequency"? Normally a "normal market scenario" would be paired with "stressed market scenario"; or "fund redemption frequency" would be paired with "notice period". Frankly I think (b) is more appropriate – and I don't see how the response to (a) would be any different from the response to (b). I also don't understand their instruction for "Normal market scenario" – if anything, expected redemption flow in	Q1: "Fund Redemption Frequency" data is to assess the fund's contractual liability profile. Data under the "Normal market scenario" is to assess the expected liability profile. Q2: Revised Notes to Annex A - "Investor liquidity (question 22)": (a) Normal market scenario Refers to the expected redemption flow of the reporting fund, which shall take into account the profile of fund investors, ~~and~~ their historical ~~and expected~~ redemption patterns ~~in~~ under normal ~~circumstances~~ market conditions, and any redemption notices already received and outstanding. (b) Fund redemption frequency "Refers to the period within which investors could receive their redemption payments ~~since~~ from the moment they

our industry should probably be 0% in "normal circumstances". 2. Assuming we stick with those two columns, the SFC should provide clarity in the notes about how managers should take into account the following: a. Notice periods and redemption frequency – for example, our terms are quarterly redemption with 45 days' notice, so would we put "100%" in C721? Or would it be "100%" in C723 because quarterly redemption means it's usually around 91/92 days between redemption days? And an investor could submit a redemption request well before a deadline, even 1 year or more in advance. Should we be assuming they put in the request on the deadline date? b. Investor level gates – for example, we have 25% investor level gates per quarter so would we need to layer that on top of the notice periods and redemption frequency? If yes, would we assume they submit a full redemption request so that all 4 gates run in a row? Because investors could request to submit just a certain amount in one quarter, then the gates would reset. c. Lock-up periods – would these also be layered on top of (a)?	place ~~order~~ a redemption order. Divide the funds NAV among the periods indicated ~~depending~~ based on the shortest period within which the invested funds could be withdrawn, or investors could receive redemption payments (i.e. including settlement period), as applicable. For example, the calculated period should assume that investors submit their redemption requests on the last permitted day of the required notice period, if applicable, up to the day investors could receive the redemption payment according to fund documents. Please also consider any redemption restrictions that may be triggered e.g. redemption gates or lock-up periods."
Annex A Q23: The SFC should provide clarity in the notes as to whether they mean fund level gates (which I think is what they usually mean when they ask about gates) or investor level gates. Most funds that have investor level gates apply them to all share classes so the answer to (ii) would be 100% at all times. But investor level gates operate automatically	Revised to gates "triggered", which can capture either fund level gate or investor level gate. - Revised Q23 in Annex A – "As at the data reporting date, the percentage of the fund's NAV for which each of ~~applicable to~~ the following arrangements was triggered is:" - Revised Notes to Annex A: "Arrangements for managing illiquid assets (Question 23)" – "Report the percentage of

and don't indicate any stress, concern or illiquidity for the fund.	NAV ~~that actually applied~~ for which each of side pockets, gates, suspension of dealings and other arrangements for managing illiquid assets was triggered as at data reporting date.