

# Listing Rules



**Investment policy**

15.2.7 **R** 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.

FCA

15.2.8 **G** The information in the investment policy, including quantitative information concerning the exposures mentioned in **LR 15.2.7 R**, should be sufficiently precise and clear as to enable an investor to:

FCA

- (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.

15.2.9 **R** [deleted]

15.2.10 **G** [deleted]

**Independence**

15.2.11 **R** The board of *directors* or equivalent body of the *applicant* must be able to act independently :

FCA

- (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.

15.2.11A **R** **LR 15.2.11 R (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*.

FCA

15.2.12 **G** [deleted]

15.2.12-A **R** For the purposes of **LR 15.2.11 R**:

FCA

- (1) the chairman 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 chairman may be included within that majority).

- 15.2.12A **R** For the purposes of ■ LR 15.2.11 R and ■ LR 15.2.12-A R, the following are not independent:  
**FCA**
- (1) *directors, employees*, partners, officers or professional advisers of or to:
    - (a) an *investment manager* of the *applicant*; or
    - (b) a master fund or *investment manager* referred to in ■ LR 15.2.11 R (2); or
    - (c) any other *company* in the same *group* as the *investment manager* of the *applicant*; or
  - (2) *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*.
- 15.2.13 **G** [deleted]
- 15.2.13A **R** A *person* referred to in ■ LR 15.2.12A R (1) or ■ (2) who is a *director* of the *applicant* must be subject to annual re-election by the *applicant's* shareholders.  
**FCA**
- 15.2.14 **R** [deleted]
- 15.2.15 **G** [deleted]
- 15.2.16 **R** [deleted]
- 15.2.17 **R** [deleted]
- 15.2.18 **G** [deleted]
- 15.2.19 **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*.  
**FCA**

**Cross-holdings**

15.4.5 **R** A *closed-ended investment fund* must, when making an acquisition of a constituent investment, observe the principles relating to cross-holdings in **LR 15.2.5 R**.  
**FCA**

**Feeder funds**

15.4.6 **R** If a *closed-ended investment fund* principally invests its funds in the manner set out in **LR 15.2.6 R**, the *closed-ended investment fund* must ensure that **LR 15.2.6 R** is complied with at all times.  
**FCA**

15.4.6A **G** **LR 15.2.6 R** and **LR 15.4.6 R** 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*.  
**FCA**

**Independence and effective management**

15.4.7 **R** **LR 15.2.11 R** to **LR 15.2.13A R** apply at all times to a *closed-ended investment fund*.  
**FCA**

15.4.7A **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 on-going basis.  
**FCA**

**Shareholder approval for material changes to investment policy**

15.4.8 **R** A *closed-ended investment fund* must obtain the prior approval of its shareholders to any material change to its published investment policy.  
**FCA**

15.4.9 **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*.  
**FCA**

**Conversion of an existing listed class of equity shares**

15.4.10 **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*.  
**FCA**

**Further issues**

15.4.11 **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.  
**FCA**

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

**Cancellation of premium listing**

15.4.11A G A *closed-ended investment fund* must comply with ■ LR 5.2.7A R  
FCA

15.4.12 R [deleted]

15.4.13 R [deleted]

15.4.14 R [deleted]

15.4.15 R [deleted]

15.4.16 R [deleted]

15.4.17 R [deleted]

15.4.18 R [deleted]

15.4.19 R [deleted]

15.4.20 R [deleted]

15.4.21 R [deleted]

15.4.22 G [deleted]

15.4.23 R [deleted]

15.4.24 R [deleted]

15.4.25 R [deleted]

**Externally managed companies**

15.4.26 R A *closed-ended investment fund* is not required to comply with ■ LR 9.2.20 R.  
FCA