



Funds-Axis

UCITS- Core (all jurisdictions)

Rule UCITS05 Review and Testing

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## Contents

Testing Approach .....	3
UCITS05: Deposits must have a maturity of less than 12 months or be Repayable Upon Demand .....	4
Appendix A: Rule Construction in FundWare .....	8

## Testing Approach

1. Activate Dummy Sandbox Schemes in FundWare for testing purposes; SB0 – SB7
2. Upload test data to these schemes
3. Funds-Axis to apply UCITS regulatory rules to these test schemes;
  - a. Generate a minimum of 1 breach and 1 pass result per UCITS rule
  - b. To validate a minimum of 1 breach and 1 pass result per UCITS rule
4. Funds Axis will provide documentation providing explanation of regulatory rule results

## UCITS05: Deposits must have a maturity of less than 12 months or be Repayable Upon Demand

### Rule Setup Details

Rule Summary		
Rule Category	Rule Category	UCITS – CORE (ALL Jurisdictions)
Rule Sub-Category	Rule Sub-Category	1. Eligible Assets
Asset Selection	Asset Category	All Assets
Asset Selection	Asset Type Group	N/A
Asset Selection	Asset Type	N/A

Rule Custom Attributes		
RCA. Conditions	UCITS Asset Types	Deposits
RCA. Conditions	Repayable on demand	No

Rule Conditions		
Rule Conditions	Holding Level	All Holdings
Rule Conditions	Rule Level	In Scheme
Rule Conditions	Aggregator (Base Value in FW Rules Wizard)	Market Value*
Rule Conditions	Breach Condition	> 0
Rule Conditions	Pass Condition	> 0 OR = 0 with no Where condition
Rule Conditions	Denominator	No. of Securities in Scheme
Where Conditions	Pass Condition	<= 365
Where Conditions	Breach Condition	> 365
Where Conditions	Denominator	Days to Maturity

*\*The selection of denominator of “No. of Securities in Scheme” has the impact of causing the aggregator to be a “Count” of the instruments in the scheme, notwithstanding that the “Market Value” is in fact selected in the rules wizard.*

### UCITS05: Rule Results

#### **Results:**

7 of 8 sandbox schemes are passing UCITS05

#### **Cause:**

This rule considers the eligibility of deposits. Deposits must have a maturity of less than 1 year; if their maturity is greater than one year, then they must have the option of being “payable on demand” to be considered an eligible asset for UCITS purposes.

## Testing

Example 1: Breach Result

**Test Example 1:** Scheme: SB5 – Sandbox MMI Fund

**Rule Result:** Failed

### FundWare Investment Compliance Result:

#### SB5 - Sandbox MMI Fund

Date: 01 June 2018

Valuation Date: -

Scheme NAV in Base Currency: 11,137,506,461.12

[Click on rule to view rule details](#)

Breach ID	Rule	Status	Breach Days	Exposure
	UCITS - Core (All Jurisdictions) : 1. Eligible Assets			
10044-C ↑	UCITS05: Deposits must have a maturity of less than 12 months or be Repayable Upon Demand	Failed	1	1.0000
	1747320BNT4QVDZ200USD - NORDEA BANK AB PUBL NEW YORK BR			1 Securities

### FundWare Holding Export Report:

The Rule Result shown above matches the below extract taken from FundWare:

The security below is breaching rule UCITS05 as its days to maturity is greater than 365 and have not been flagged as 'Repayable on demand'.

Instrument Security Code	Security	RCA.UCITS Asset Types	RCA.Repayable on demand	Days to Maturity
1747320BNT4QVDZ200USD	NORDEA BANK AB PUBL NEW YORK BR	Deposits	No	2406

Days to maturity is calculated by:

$$\text{Maturity date of the instrument} - \text{Today's date} = \text{Days to Maturity}$$

### High Level Holdings Overview:

The fund is made up of:

Rule Custom Attribute.UCITS Asset Types	Sum of Percentage Of Assets
Money Market Instruments	82.3911
Security - Standard Security	15.4088
Payable Receivables	0.929
Deposits	0.4848
FundAcc_Cash_Capital	0.0008
<b>Grand Total</b>	<b>99.2145</b>

Example 2: Pass Result

**Test Example 2:** Scheme: SB2 – Sandbox CDS Fund  
**Rule Result:** Pass

**FundWare Investment Compliance Result:**

**SB2 - Sandbox CDS Fund**

Date: 01 June 2018

Valuation Date: -

Scheme NAV in Base Currency: 34,087,657.79

[Click on rule to view rule details](#)

Breach ID	Rule	Status	Breach Days	Exposure
	UCITS - Core (All Jurisdictions) : 1. Eligible Assets			
<input type="checkbox"/>	UCITS05: Deposits must have a maturity of less than 12 months or be Repayable Upon Demand	Passed		1.0000
	1747320BNT4QUSW500USD - AUSTRALIA AND NEW ZEALAND BANKING			1 Securities

**FundWare Holding Export Report:**

The security below is passing rule UCITS05 as its days to maturity is less than 365.

Instrument Security Code	Security	RCA.UCITS Asset Types	RCA.Repayable on demand	Days to Maturity
1747320BNT4QUSW500USD	AUSTRALIA AND NEW ZEALAND BANKING	Deposits	No	214

**High Level Holdings Overview:**

The fund is made up of:

Row Labels	Sum of Percentage Of Assets
Security - Standard Security	72.9148
FundAcc_Cash_Capital	19.7068
Derivative Diversified Index Eligible Assets	10.1007
Deposits	0.6501
Derivative on Currency	0.1878
Derivative Index not diversified eligible assets	0.1477
Derivative on a Security	0.0995
Derivatives on Inflation rates	0.0653
Derivatives on Interest rates	0.0037
Payable Receivables	-0.2522
Forward FX	-0.8199
<b>Grand Total</b>	<b>102.8043</b>

UCITS05: Overview of Rule Results

**SB0 - Sandbox Equity Mutli Income Fund**

Date: 01 June 2018

Valuation Date: -

Scheme NAV in Base Currency: 82,368,872.99

[Click on rule to view rule details](#)

Breach ID	Rule	Status	Breach Days	Exposure
	UCITS - Core (All Jurisdictions) : 1. Eligible Assets			
⊕	UCITS05: Deposits must have a maturity of less than 12 months or be Repayable Upon Demand	Passed		0.0000

**SB2 - Sandbox CDS Fund**

Date: 01 June 2018

Valuation Date: -

Scheme NAV in Base Currency: 34,087,657.79

[Click on rule to view rule details](#)

Breach ID	Rule	Status	Breach Days	Exposure
	UCITS - Core (All Jurisdictions) : 1. Eligible Assets			
⊕	UCITS05: Deposits must have a maturity of less than 12 months or be Repayable Upon Demand	Passed		1.0000

**SB3 - Sandbox Fund of Fund**

Date: 01 June 2018

Valuation Date: -

Scheme NAV in Base Currency: 74,086,960.18

[Click on rule to view rule details](#)

Breach ID	Rule	Status	Breach Days	Exposure
	UCITS - Core (All Jurisdictions) : 1. Eligible Assets			
⊕	UCITS05: Deposits must have a maturity of less than 12 months or be Repayable Upon Demand	Passed		0.0000

**SB4 - Sandbox Futures and Options fund**

Date: 01 June 2018

Valuation Date: -

Scheme NAV in Base Currency: 22,216,808.24

[Click on rule to view rule details](#)

Breach ID	Rule	Status	Breach Days	Exposure
	UCITS - Core (All Jurisdictions) : 1. Eligible Assets			
⊕	UCITS05: Deposits must have a maturity of less than 12 months or be Repayable Upon Demand	Passed		0.0000

**SB5 - Sandbox MMI Fund**

Date: 01 June 2018

Valuation Date: -

Scheme NAV in Base Currency: 11,137,506,461.12

[Click on rule to view rule details](#)

Breach ID	Rule	Status	Breach Days	Exposure
	UCITS - Core (All Jurisdictions) : 1. Eligible Assets			
⊕ 10044-C ↑	UCITS05: Deposits must have a maturity of less than 12 months or be Repayable Upon Demand	Failed	1	1.0000

**SB6 - Sandbox Fixed Income Fund**

Date: 01 June 2018

Valuation Date: -

Scheme NAV in Base Currency: 232,189,721.95

[Click on rule to view rule details](#)

Breach ID	Rule	Status	Breach Days	Exposure
	UCITS - Core (All Jurisdictions) : 1. Eligible Assets			
⊕	UCITS05: Deposits must have a maturity of less than 12 months or be Repayable Upon Demand	Passed		0.0000

**SB7 - Sandbox Feeder Fund**

Date: 01 June 2018

Valuation Date: -

Scheme NAV in Base Currency: 140,560,227.95

[Click on rule to view rule details](#)

Breach ID	Rule	Status	Breach Days	Exposure
	UCITS - Core (All Jurisdictions) : 1. Eligible Assets			
⊕	UCITS05: Deposits must have a maturity of less than 12 months or be Repayable Upon Demand	Passed		0.0000

## Appendix A: Rule Construction in FundWare

### UCITS05: Deposits must have a maturity of less than 12 months or be Repayable Upon Demand

**Rule Name \*** (Max 100 Chars)  
UCITS05: Deposits must have a maturity of less than 12 months

**Rule Reference No \*** (Max 50 Chars)  
UCITS05

**Rule Short Name \*** (Max 100 Chars)  
UCITS05: Deposits must have a maturity of less than 12 months

**Rule Commentary \*** (Max 5000 Chars)  
UCITS05: Deposits must have a maturity of less than 12 months or be Repayable Upon Demand

**Resolution / Tips \*** (Max 255 Chars)

**Resource** (Max 1000 Chars)

**Rule Validation Level \***

- Asset Type
- Issuer Group
- UL Issuer
- Counterparty Group
- None
- Company / Issuer
- Sector
- UL Issuer Group
- Counterparty Group
- Instrument / Security
- Country
- Currency
- Ultimate Issuer Group
- Counterparty
- Instrument Location
- UL Instrument / Security

**Asset Category**

- Derivatives
- Derivatives with Counterparties
- Securities
- Warrants

**Asset Type Group**

- Asset Backed Securities
- Borrowing
- Cash
- Commodities
- CPProxyHolding
- CPProxyHoldingOffset
- Currency
- Custody Cash
- Depository Receipt

**Asset Type**

- 1940Act
- ABS Auto
- ABS Card
- ABS Other
- Accrued Capital Expense
- Accrued charges
- Accrued Expense
- Accrued Interest
- ADR

**Rule Category** UCITS - Core (All Jurisdictions)

**Rule Type \*** 1. Eligible Assets

**Rule Action Type \*** Others

Copy this record Mandatory Fields

**LIST OF RULE CONDITIONS** Create New Rule Condition

RULE CONDITION	ACTIVE
If holding for "All Holdings" in "Scheme" (considering "Market Value") ( Repayable on demand includes 'No' AND UCITS Asset Types includes 'Deposits') is > 0.0000 of "No. of Securities in Scheme" Where Days to Maturity > 365.0000 <b>THEN Breach.</b>	🔴
If holding for "All Holdings" in "Scheme" (considering "Market Value") ( Repayable on demand includes 'No' AND UCITS Asset Types includes 'Deposits') is > 0.0000 of "No. of Securities in Scheme" Where Days to Maturity <= 365.0000 <b>THEN (Pass).</b>	🟡
If holding for "All Holdings" in "Scheme" (considering "Market Value") is = 0.0000 of "No. of Securities in Scheme" <b>THEN (Pass).</b>	🟢

**END**