

Question 2.9.3.3: Is it permitted, in the context of the exceptions being made during the Corona crisis, to attach a letter to the Quarterly Report to the client that includes an account of the crisis and its implications, even though the regulations do not allow for attachments to the aforementioned report?

Answer: Yes. As a rule, the Regulation of Investment Advisors, Investment Marketers and Investment Portfolio Managers (reports), 5772 – 2012 (hereafter: the Regulations) indeed specify a uniform format for reports to clients. According to Regulation 6 of the Regulations, it is not possible to attach to the report a notification or supplementary letter (in this context, see also FAQ 2.9.3.2 published on September 2, 2012).

Notwithstanding the aforementioned, and in view of the unique circumstances due to the Coronavirus, there may arise a special need among clients for explanations, which may also increase the load on portfolio managers who are already under pressure to answer telephone inquiries from customers during this period. Therefore, and with the goal of helping clients arrive at a better understanding of the report, and if the portfolio manager wishes to do so, we will view a letter that is sent together with the next Quarterly Report to be sent to clients (the first quarter of 2020) and which will include explanations relating to the report that are to do with the crisis, as a notification that is separate from the report and on the condition that the letter is a separate document from the report, will be clearly separate from the report itself and will not claim to be a parallel report in a different format.