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**FEEDBACK STATEMENT**

**CESR's technical advice to the  
European Commission on the  
format and content of Key  
Information Document  
disclosures for UCITS**



## **Executive Summary**

In this document CESR gives feedback on the responses received to the consultations on its technical advice on the format and content of Key Information Document disclosures for UCITS (Ref. CESR/09-552), published on 8 July 2009, and the methodology for the calculation of the synthetic risk and reward indicator (Ref. CESR/09-716), published on 4 August 2009.

In general, respondents were broadly supportive of the approach proposed by CESR. The number of substantive changes to the draft advice was therefore relatively small. More detail on the amendments is set out in the relevant section below.

### Format and presentation of the KID

A large majority of respondents agreed with the proposed appearance, use of plain language and document length of the KID. Some respondents asked for more clarity on the expected format and language to be used. CESR committed itself to undertake further work at level 3 on the development of a common glossary for the use of terms and good-practice guides for UCITS providers.

### Objectives and investment policy

Concerning the information related to the objectives and investment policy to be provided to investors, a majority of respondents supported the CESR's proposals.

### Risk and reward disclosure

In light of the results of the consumer testing exercise and stakeholder feedback, CESR confirmed its preference for a synthetic risk and reward indicator accompanied by a narrative text. Detailed feedback is also given in relation to the proposed methodology for calculation of the indicator.

### Charges

CESR's proposal to require inclusion in the KID of a table setting out clearly the different elements of the charging structure (in percentage terms) was overwhelmingly welcomed by respondents. This approach was therefore confirmed in the advice. Detailed feedback is also given in relation to the methodology for calculation of the ongoing charges figure.

CESR had proposed the inclusion of a charges disclosure in cash terms on the basis of results of the consumer testing exercise, as well as feedback from retail investor representatives at earlier stages of the KID project. However, given the largely negative feedback received on the proposal made in the July consultation, CESR decided not to require any disclosure of charges using cash figures.

### Performance

Respondents expressed a range of views on CESR's proposals for the presentation of past performance. Taking particular account of the results of the consumer testing exercise, CESR decided to confirm its proposals for presentation of past performance using a bar chart displaying up to ten years' performance.

### Practical information

The main comments received from respondents on this section of the KID concerned the liability regime and the information regarding any potential impact of a fund's Home State taxation regime.

CESR slightly amended its advice to take into account both remarks. The sentence on the liability



regime was redrafted and CESR recommended that information on the possible impact of a fund's Home State taxation regime should be disclosed in the KID.

#### Structured funds, capital-protected funds and other comparable UCITS

In its initial advice to the Commission, CESR noted that past performance was not adapted to all types of funds, especially for structured funds such as formula funds, capital protected funds and comparable funds. CESR considered that for those funds, the objectives and investment policy disclosure should be supplemented by performance scenarios which illustrate the risk and reward trade-offs of the fund.

The work carried out by CESR in that respect envisaged two possible options for performance scenarios:

Option A: prospective scenarios showing the return of the fund under favourable, adverse and average market conditions;

Option B: tables showing the probability of certain defined events: achieving a negative return or achieving a positive return worse, equal to or better than the risk-free rate.

A large majority of respondents to the consultations expressed a preference for Option A, prospective scenarios. Many of the respondents that supported Option A expressed strong disagreement with Option B on the basis that it would be misinterpreted as a guarantee and that the reliance on risk-neutral probabilities in the methodology was flawed. Option A was retained by CESR in its final advice.



## INTRODUCTION

### Background

1. In March 2007, the European Commission set out its proposals for a series of targeted enhancements to the UCITS Directive. One of these proposals was to replace the Simplified Prospectus (SP) for UCITS with Key Investor Information (KII) disclosures. The KII is intended to be a concise and focused presentation of the information that it is important for a prospective investor in a UCITS fund to have, covering largely the same general areas as the SP.
2. The SP, the concept of which was introduced by the UCITS Management Directive (2001/107/EC) in 2002, is widely seen as having failed to achieve its objectives. In particular, there is considered to be a continuing lack of transparency about UCITS, especially their costs and risks; the information given in the SP is not easily understood and used by the average retail investor; the SP is too lengthy and technical; its production is costly and time-consuming; SPs often exceed the Directive requirements; their content is not consistent in all Member States; and they do not assist comparisons between funds, particularly when cross-border sales are involved.
3. Since the Commission published its proposals for enhancements to the UCITS Directive, the legislative process has progressed and the recast Directive (2009/65/EC) was formally adopted by the Council on 22 June 2009 and published in the Official Journal on 17 November 2009. Articles 78 to 82 of the Directive contain the provisions on KII. In particular, Article 78(2) states:

*Key investor information shall include appropriate information about the essential characteristics of the UCITS concerned, which is to be provided to investors so that they are reasonably able to understand the nature and the risks of the investment product that is being offered to them and, consequently, to take investment decisions on an informed basis.*

4. The Level 1 provisions will be supplemented by implementing measures at Level 2, the precise scope of which is set out in Article 78(7). The implementing measures are to cover the detailed and exhaustive content of the KII to be provided to investors and the specific details of the form and presentation of that information. The Commission first sought CESR's technical advice on the aforementioned implementing measures via a request for assistance in April 2007; this was followed by a further request for assistance received in February 2009. That request was split into three parts as set out below.

#### Part I – measures related to the management company passport

This part included obligatory implementing measures which in some cases must be adopted by the European Commission by 1 July 2010. The following topics are covered: requirements on organisational arrangements, conflicts of interest and rules of conduct for management companies; risk management; additional measures to be taken by depositaries; and issues related to supervisory co-operation. CESR delivered its advice on this part on 28 October 2009 (Ref. CESR/09-963).

#### Part II – measures related to key investor information

This part covered implementing measures on the form and content of key investor information (KII) disclosures for UCITS. The request took account of the earlier request on KII sent to CESR in April 2007, in response to which CESR submitted a first set of advice in February 2008. CESR delivered its advice on this part on 28 October (Ref. CESR/09-949) and 22 December 2009 (Ref. CESR 09-1026 and 09-1028 respectively).

#### Part III – measures related to fund mergers, master-feeder structures and the notification procedure



5. The Commission is not under a legal obligation to adopt implementing measures in these areas. As such, the Commission encouraged CESR to focus in a first stage on the advice on Parts I and II above. Regarding Part III, the Commission invited CESR to reflect on the best way to organise its work in such a way that all necessary level 2 measures are adopted in time for them to be implemented by Member States within the timeframe imposed by the level 1 Directive. CESR delivered its advice on this part on 22 December 2009 (Ref. CESR/09-1186).

### **Summary of CESR work and Impact Assessment approach**

6. Following the Commission's request to CESR for assistance on developing KII disclosures in April 2007, CESR worked intensively to prepare its response, in parallel with the finalisation of the revised UCITS Directive at Level 1. A sub-group of CESR's Standing Committee on Investment Management, which is chaired by Mr Lamberto Cardia, Chairman of the Italian securities regulator, the Commissione Nazionale per le Società e la Borsa (CONSOB), was formed to consider the detail of KII and to develop a recommendation on CESR's response. This sub-group is jointly chaired by the UK FSA and the French AMF and includes representatives of eight other Member States.
7. The first output of CESR's work was a set of advice that was submitted to the Commission in February 2008 (Ref. CESR/08-087). CESR received a significant amount of feedback to the consultation from external stakeholders, including retail investors' representatives. This included a preliminary impact assessment which specified the need for more detailed analysis on the benefits (i.e. a consumer testing exercise) and costs of the KID.
8. The Commission used CESR's advice as the basis for the investor testing exercise it carried out from March 2008 to May 2009. CESR was closely involved in both the design and roll-out of the testing process, as well as the analysis and interpretation of results.
9. In the February 2008 advice, CESR identified a number of technical issues arising from its work that merited further consideration. The issues identified fell under three of the broad disclosure headings which make up the KID: i) risk and reward; ii) past performance and iii) charges. The work was to cover a wide spectrum of issues, ranging from development of a harmonised calculation methodology for an SRRI to treatment of past performance information for years in which the fund did not exist.
10. CESR established three separate technical working groups to analyse these issues in more detail. A selection of external stakeholders agreed to join the groups in order to provide additional expertise and a broader perspective. As with the work on the advice delivered in February 2008, the drafting groups prepared a set of recommendations for CESR's Expert Group on Investment Management.
11. In light of the recommendations prepared by the groups, CESR published a consultation paper (Ref. CESR/ 09-047) in March 2009 in which views were sought on these technical issues. The consultation paper identified the options available for the KID in terms of risk and reward, past performance and performance scenarios, and charges. It provided a detailed description of the different policy options and described their potential positive and negative effects. CESR received 41 responses to the consultation<sup>1</sup>. The views expressed were taken into account in the preparation of the final advice and are referred to in the relevant sections of this document.
12. Taking into account the results of the consumer testing exercise and the responses to the technical consultation, CESR prepared its draft final advice and published it for consultation on 8 July 2009 (Ref. CESR/09-552). CESR received 50 responses<sup>2</sup> from a range of external stakeholders, including retail investors' representatives.

<sup>1</sup> The responses are available here: <http://www.cesr.eu/index.php?page=responses&id=134>

<sup>2</sup> The responses are available here : <http://www.cesr.eu/index.php?page=responses&id=143>



13. In an addendum to the July consultation paper (Ref. CESR/09-716), CESR consulted separately on the technical details of the methodology for calculation of the synthetic risk and reward indicator (SRRI). This further work was intended to ensure that the SRRI would deliver the desired benefit of providing clarity about risks, while allowing cost-effective implementation by the industry and easy supervision by competent authorities.
14. CESR published its final advice to the Commission on the format and content of Key Information Document disclosures for UCITS (Ref. CESR/09-949) on 28 October 2009. The methodologies for the SRRI and the calculation of the ongoing charges figure, meanwhile, were delivered to the Commission in December 2009 (Ref. CESR 09-1026 and 09-1028 respectively). This feedback statement should be read alongside those sets of advice.



## **Form and presentation of Key Investor Information**

### **Title of document, order of contents and headings (Box 1<sup>3</sup>)**

1. In Box 1 of the consultation paper, CESR proposed a list of sections that the KID should contain. Globally respondents agreed with CESR's proposals but some suggestions were made on the required information to be disclosed in these sections.
2. Some respondents suggested that when a code number identifying the UCITS exists (an ISIN code for example), it should be disclosed and not be left to the discretion of the management company as proposed in CESR's draft advice.
3. For the same section of the KID, it was also suggested that the full name of the UCITS should be disclosed (e.g. for an investment compartment the name should appear in the form '123 Fund, a sub-fund / compartment of XYZ Fund SICAV'. In its draft advice CESR required disclosure only of the name of the UCITS or the name of the investment compartment.
4. In the draft advice CESR indicated that branding should be allowed provided it was unobtrusive, such as a small corporate logo. Respondents asked for more flexibility as long as the branding did not prevent investors from understanding the nature and the risks of the investment.
5. CESR also asked whether the name of 'practical information' for one of the section of the KID was appropriate or should be replaced. Most of the respondents agreed with this denomination.

Regarding the use of an ISIN code, CESR agreed with suggestions from a number of stakeholders that the inclusion of such a code should be mandatory for all UCITS for which such a code exists. CESR has also taken on board the remarks made in relation to the name of the UCITS (as well as the name of the sub-fund or compartment).

Taking into account respondents' feedback, CESR inserted in the section 'Date of publication' a requirement to disclose the date of the last update of the KID, rather than its date of publication.

In light of the positive feedback from stakeholders, CESR decided to retain the title 'practical information' for the final section of the KID.

### **Appearance, use of plain language and document length (Box 2)**

6. Respondents broadly agreed with CESR's proposals but made some specific comments.
7. Two respondents asked for a flexible approach concerning the length of the document. They also believed that specific corporate design should be allowed. One trade association had reservations regarding the proposal for a glossary, suggesting that it should be prepared by a 'neutral' source such as CESR. Some of the association's members sought clarification on whether or not the management company can add other information to the KID voluntarily.
8. One trade association believed that a 3-page format was also needed for funds that wished to show similar share classes on the same document. The same respondent recommended the use of white space to make the KID readable.
9. Several respondents questioned whether the 2-page format would be feasible in practice.
10. One respondent feared that the requirement to use plain language would lead product providers to reword legal terms in an inconsistent way.

<sup>3</sup> References to boxes follow the numbering of the final advice rather than the consultation paper.



Regarding the length of the document, CESR is of the view that the extension to three pages for structured UCITS is a reasonable compromise given the additional complexity of these funds. Results from the consumer testing exercise highlighted the importance investors attach to a document being short and concise; therefore, CESR did not introduce any further flexibility on the maximum length requirement in its final advice.

In the light of respondents' comments and requests for clarification, it has been clarified in the explanatory text of the box that the use of colour is possible insofar as it is consistent with the company's brand or design preferences.

In response to comments from a number of respondents, CESR has committed itself to undertaking further work at level 3 to develop:

- a common glossary of terms which could be made available to the public. This would need to be available before the introduction of the KID in July 2011.
- templates or 'mock-ups' to provide guidance on how a KID might look. CESR would aim to complete this work in line with the Commission's deadline of 1 July 2010 for adoption of level 2 implementing measures.

### **Publication with other documents (Box 2)**

11. Respondents broadly agreed with CESR proposals in relation to publication of the KID with other documents. However, two respondents felt that the KID should always be a stand-alone document.

In light of the general support of stakeholders, CESR has maintained its view that the KID should be a stand-alone document but, provided it is given sufficient prominence, it would be acceptable to attach it to another document.

### **Objectives and Investment Policy (Box 3)**

12. Respondents made a number of specific comments on CESR's proposals in this area.

13. Some respondents felt that the minimum holding period should be disclosed in all cases and not left to the discretion of the management company, while several preferred its inclusion to be optional. There were also some suggestions made to formulate the phrase in a more positive way e.g. 'this fund is appropriate for investors with an investment horizon of [X] years', or to move the text to a different section of the KID.

14. One respondent felt that the list of items to be included was too prescriptive and that a more principles-based approach would be preferable i.e. listing a series of points the section 'may' include instead of 'shall' include.

15. Three respondents suggested moving the information on redemption to the 'practical information' section.

16. Two trade associations were of the view that the description of objectives and investment policy would inevitably be a verbatim copy of what is in the main prospectus, particularly as they saw the proposed civil liability statement as being very onerous. They also reiterated their concerns that the design constraints of the KID were likely to be incompatible with the quantity of information to be disclosed. One association sought clarification on how much detail would be acceptable when describing a financial instrument.





17. One respondent had concerns that it may not be possible to explain the expected performance drivers of a specific hedging, leveraging or arbitrage strategy in terms that were sufficiently concise and simple, and therefore recommended that CESR further consider the feasibility of such a requirement.
18. One respondent asked for clarification on the meaning of instruments which may have a 'potentially material effect'. The same respondent wondered whether the materiality should be based on a minimum percentage of the fund; if so, an indication of the threshold would be welcome.
19. One respondent suggested that any reference to minimum ratings requirements should be removed, while one trade association called for a 'reduced' reliance on ratings. One stakeholder asked for a complete deletion of point 1b)iii) from Box 4.

Although CESR recognises the potential value to investors of including a minimum holding period, CESR felt that this kind of information would not be appropriate for all UCITS. In particular, CESR took the view that it would be inappropriate (and potentially misleading to investors) if a UCITS was obliged 'artificially' to devise a minimum holding period simply to satisfy a regulatory requirement. CESR also felt that the phrase should not be formulated in such a way that investors would place too much reliance on it. Finally, CESR considered where best to locate this text in the KID. Taking into account the results of the consumer testing exercise, which suggested that investors are less likely to use the information in the 'practical information' section, CESR felt this element was better suited to the 'objectives and investment policy' section.

CESR is aware of the challenges that UCITS management companies will face in preparing KIDs that satisfy the two (or three) page limit. In order to facilitate the implementation of the new requirements, CESR intends to develop guidance on the use of plain language and 'mock-ups' to show how a KID might look. It should be stressed, however, that the aim of the KID requirements is to avoid material being simply copied from the prospectus as that would be unlikely to meet the needs of retail investors.

CESR agrees with the general need to reduce firms' and investors' reliance on the use of ratings. Nevertheless, CESR took the view that information on any minimum rating requirements on a UCITS' bond investments was still a relevant element to be disclosed to the investor.

Finally, in the draft advice published for consultation in July, there was a requirement in Box 6 ('Presentation of the charges') that information on the impact of transaction costs on the UCITS' performance be provided to the investors in the 'Objectives and investment policy' section of the KID. For the sake of clarity, this requirement has now been included within the provisions specifically related to the 'Objectives and investment policy'.

#### **Risk and reward profile (Box 4)**

20. Concerning risk and reward disclosure, CESR consulted on two options: i) a synthetic risk and reward indicator (SRRI) supplemented by a narrative description; and ii) an enhanced narrative approach. Approximately two-thirds of respondents were in favour of the SRRI supplemented by a narrative description. These respondents believed that the purely narrative approach would not allow proper comparison of UCITS and would be less likely to achieve harmonisation. Those in favour of the narrative approach questioned whether a methodology could be developed that would be appropriate for all UCITS and would cover all risks, and raised concerns that investors may place too much reliance on the indicator at the expense of other elements of the KID.

In light of the support from a large majority of respondents for the option of an SRRI accompanied by a narrative text, CESR has confirmed this approach in its final advice. Taking

into account respondents' comments, further clarification has been provided on the content of the narrative text that should accompany the indicator. The narrative should explain the main limitations of the SRRI and present the material risks relevant to the fund which are not fully captured by the SRRI methodology.

Within the normal boundaries of what can be achieved by such exercises, the consumer testing examined the effectiveness of the SRRI in the context of the document as a whole and whether the use of an SRRI would impair attention investors paid to other information. On the latter point, the report found no evidence of such behaviour. In any event, CESR decided to supplement the SRRI with a narrative explanation as set out above.

After further work to finalise the methodology for the calculation of the SRRI, which took into account the detailed feedback received from stakeholders, CESR submitted the final methodology to the Commission in December 2009.

#### Methodology for SRRI – feedback on addendum to KID consultation (Ref. CESR/09-716)

21. CESR published an Addendum to its consultation paper on level 2 technical advice concerning the format and content of Key Information Document disclosures for UCITS (Ref. CESR/09-552) on 4 August 2009 (Ref. CESR/09-716). The Addendum presented the possible methodological approaches to address the issues on the calculation of the synthetic indicator (SRRI) for funds' risk and reward disclosure in the KID, which were to be considered alongside the main consultation document.
22. Of the 50 responses that CESR received to its consultation, 14 focused specifically on the issues presented in the Addendum. CESR revised the detailed methodology in the Addendum in light of the responses to the consultation and submitted the final version to the Commission on 22 December 2009 (Ref. CESR/09-1028).

#### *General Methodological Approach*

23. Most respondents (with the exception of those who were against the SRRI in principle) generally agreed with CESR's proposal to base the computation of the SRRI on historical volatility of (weekly) returns. However, several comments and suggestions were made.
24. Two trade associations proposed to switch focus from the volatility of funds' returns to the volatility of their underlying assets, preferring a risk rating system whereby a fund's SRRI would generally reflect the returns of the asset classes in which it invests.
25. Furthermore, several respondents questioned the proposed length of the time series needed to compute volatility, recommending that the span of the data be increased to 10 years, in order to add to the robustness of the estimates.
26. Two respondents were in favour of a risk classification based on volatility as being only a minimum requirement at the European level, allowing Member States to adopt supplementary approaches regarding risk and reward disclosures. More specifically, such an approach could be a table of the potential returns of the fund over its recommended holding period, on the basis of stochastic (Monte Carlo) simulations. The same respondents proposed the use of qualitative statements to describe the risk levels of the funds (low, medium, high etc.) instead of a numerical scale.
27. One respondent favoured basing the risk classification of all UCITS solely on Value at Risk (VaR) measures, instead of volatility, computed through Monte Carlo simulations.
28. Finally, one respondent proposed to adjust the metrics (volatility) adopted for the risk classification of funds in the KID so as to reflect the general level of 'global' risk which characterizes financial markets at different times (via disclosure of a 'global risk benchmark', the



assessment of which should be left to the manager rather than be set through regulatory requirements).

Taking into account the feedback from stakeholders, CESR confirmed in the final advice its preference for a methodology based on volatility. Volatility should be based on the available returns of the funds, taking into account the frequency of computation of their NAV. This implies a time series spanning at least 3 years for weekly returns and 5 years for less frequent (at most monthly) returns.

#### *Definition of the Volatility 'Buckets'*

29. CESR considered a range of alternatives and factors in order to formulate its proposal concerning the upper and lower bounds of the volatility buckets needed for the classification of funds along the risk and reward scale. In particular, CESR considered carefully the issues relating to the stability of the risk classification over the normal cycles which characterise financial markets. Taking this into account, CESR proposed two options for the volatility buckets in the consultation. The first alternative (option A) was designed to provide a grid of volatility intervals suitable to reflect, in ascending order, the increasing level of actual risk of the fund, as well as to provide a high degree of stability in the risk classification. The second alternative (option B) aimed to provide a more uniform distribution of the different types of fund along the risk classes, entailing however the risk of a potentially higher number of migrations.
30. Respondents expressed mixed views in this area. In terms of general comments, respondents agreed on the overall objective of ensuring stability in the UCITS risk classification process, either at the structural level (i.e. at the point of definition of the volatility buckets corresponding to the various risk classes) or indirectly, through specific fine-tuning of the rules to identify (and, in some cases, reduce the frequency of) the relevant migrations that will trigger an update of the SRRI in the KID.
31. Nonetheless, it must be noted that many respondents also stressed the need to avoid excessive bunching of funds, particularly where such funds may be different in nature, in the same risk classes. This issue, which explains most of the slight preferences expressed for Option B, was deemed to be particularly relevant in the context of the Commission's initiative on Packaged Retail Investment Products, for which the current KID work on the SRRI is likely to serve as a precedent.
32. Respondents also made a number of specific comments.
33. One respondent, basing their comments on the results of a study of the migrations between volatility buckets for a sample of equity markets indices, expressed a preference for the table presented under Option B, while warning about the possible drawbacks relating to its lack of granularity at the low end of the volatility spectrum. The same respondent favoured a combination of rule 2 (based on a temporal criterion) and rule 3 (based on the adoption of specific migration margins) to identify the circumstances which should trigger a change of the risk category of the fund.
34. One respondent expressed a slight preference for Option B, while warning against the risks attached to the frequent migrations which could arise from such calibration of the relevant volatility intervals. The same respondent supported the choice of a combination of rules 2 and 3 for the identification of funds' migrations across risk classes.
35. A combination of rules 2 and 3 in order to assess migrations was also recommended by one trade association; the same respondent was in favour of Option A as regards the identification of the volatility intervals corresponding to the risk classes.



36. One respondent objected to the use of a system based on a fixed number of risk classes. However, of the two tables of volatility buckets presented in the consultation, the respondent supported Option A due to its superior stability in terms of funds' risk attribution.
37. One trade association favoured Option B for the definition of the volatility intervals and rule 3 for the identification of the migration events.
38. Two respondents, meanwhile, expressed strong support for Option A and rule 2, emphasising the appropriate level of consistency and stability that these two solutions could offer with regard to the risk classification of UCITS.
39. One firm believed that, with respect to the context of the consultation, Option B should be preferred to Option A for the definition of the volatility buckets, accompanied by the adoption of rule 3 for migrations across risk classes. However, they expressed strong concerns about CESR not having considered further the possibility of having seven instead of six risk classes, given the relevant improvement that this would allow in terms of the methodology's discriminatory power. The preference for a seven-point scale was shared by another respondent, who also shared the slight preference for Option B.
40. Two respondents expressed concerns about the potential instability of the risk classification. These respondents, while indicating a slight preference for Option B, felt it would be inappropriate to imposing any migration rules (i.e. rule 1).
41. Finally, two associations expressed reservations on both options because of the concerns linked to the instability of their corresponding risk classifications. Nevertheless, they appeared to be more inclined to support Option B in light of its assumed superior ability to discriminate between funds across the risk categories. While one of the associations preferred rule 3 for the assessment of migrations, on the basis that this would improve consistency in the approach across Member States, the other favoured rule 2 with a view to fostering consistency across products.

In light of the comments summarised above, CESR amended the SRRI methodology with the aim of striking a reasonable balance between the accuracy, in terms of funds' underlying risk, of the proposed volatility buckets and the stability of the overall risk classification system. An effort was made to ensure simplicity in the approach, since this is a key element in achieving effective harmonisation.

In particular, the volatility intervals were reformulated in line with comments made by a number of respondents by adding to the table illustrated in Option A an additional 7th category covering the volatility range between 10% and 15%, in order to improve its discriminatory power at the upper end of the risk spectrum. Regarding migrations, CESR decided to rely on a criterion of temporal persistency such that if the volatility of the UCITS has moved so as to correspond to more than one bucket during the 4-month period, the UCITS shall be attributed the new risk class corresponding to the bucket which its relevant volatility has matched for the majority of the weekly or monthly data reference point during the preceding 4 months. CESR is of the view that this approach is an appropriate balance between the desirability of avoiding too many migrations and a preference for simplicity.

#### *Specific issues regarding the computation of volatility*

42. Most respondents agreed with CESR's approach, although there were comments regarding:
- i) the conversion of VaR to a volatility measure, in particular regarding the identification of the appropriate average returns of the fund; and
  - ii) opposition to the use of benchmark data to 'backfill' the time series of the returns of the funds.



43. In addition, several respondents expressed general disagreement with the use of reverse engineering of VaR to compute the volatility needed to classify total return funds (and structured funds), supporting an alternative approach aimed at assessing directly the volatility of these funds (or, for two trade associations, their underlying assets).
44. Three respondents questioned the proposed classification of CPPI funds, emphasising their similarity with structured funds due to the adoption of formula-based trading strategies. In contrast, two respondents expressed support for the distinction proposed in the Addendum between: i) relative funds; ii) target return funds; and iii) target risk funds, and by sorting CPPI funds, along with both total return and structured funds, into the common class of target return funds (iii).

CESR considered carefully the comments made by respondents on the approach to computation of volatility. In light of the broad support among respondents for CESR's proposals, these were carried over into the final advice.

#### *Structured funds*

45. Most respondents agreed with the approach under which structured funds would be categorised according to the level of volatility corresponding to their VaR at maturity calculated through historical simulation.
46. Several respondents felt this would allow the characteristics of the investment strategies adopted by these funds to be appropriately reflected while also capturing the asymmetries (skewness) which affect their performances. Moreover, two respondents felt that considering VaR at maturity would recognise the fact that structured funds are normally purchased by investors who are willing to hold the shares until maturity.
47. In contrast, three respondents questioned the soundness of a historical approach to the computation of VaR, reiterating a clear preference for a forward-looking method based on stochastic (Monte Carlo) simulations of fund returns at maturity. In particular, two of these three respondents expressed support for stochastic simulations based on the assumption of risk neutrality.
48. The use of Monte Carlo simulations, albeit with no specific reference to the underlying assumptions, to compute VaR for structured funds was also supported by one trade association, which made some technical proposals in order to minimise the risk of significant divergences in the implementation of these methods and recommending that CESR run a pilot study based on such an approach.

In light of the comments set out above, which generally supported the idea of computing the SRRI of structured funds on the basis of the features of their return distributions at maturity, CESR's final advice retained the proposal of reverse engineering (assuming log-normal distribution of returns) of volatility from VaR measures at maturity.

In particular, VaR measures shall be computed on the basis of a historical simulation approach, that should prove to be consistent with the backward-looking nature which underlies the SRRI more generally, while avoiding the complexity, and the risk of divergent application, which most respondents highlighted with respect to the alternative use of Monte Carlo simulations.

CESR acknowledges that the decision to avoid the use of Monte Carlo simulations could lead to uncertainties in the computation of the relevant volatility, primarily as regards the setting of relevant parameters – in the first instance the average return of the funds – needed to reverse-engineer the formulas. CESR has therefore undertaken to address the issue of how to correct for



the past trends in the computation of the relevant parameters via the development of level 3 guidelines, which shall be provided in line with the timetable for adoption of the relevant level 2 implementing measures by the Commission.

### **Charges (Boxes 5 to 8)**

#### Presentation of the charges

49. The feedback from respondents on CESR's advice on the presentation of the charges was generally positive. However, a number of specific comments were made by one or more respondents.
50. Several respondents expressed reservations regarding the exclusion of transaction costs; one felt that such an exclusion would be misleading for investors since these costs can affect the performance of the fund, while another would have preferred to see inclusion of the portfolio turnover ratio.
51. One respondent, as well as some members of one trade association, felt that performance fees should be excluded from the table as they were misleading for investors.
52. Two respondents disagreed with the proposals on subscription plans as set out in the explanatory text.
53. One trade association recommended the use of audited data for the charges figures and believed it should be clarified that charges are expressed with all taxes included.
54. One trade association disagreed with the proposed design of the charges table; they found it to be overly simplistic and would prefer the investment management charge to be disclosed separately as it is the largest contributor to a fund's total expenses. The same respondent was not supportive of the reference to the most recent audited accounts.
55. One retail investor representative was in favour of an obligation on funds of funds to disclose the entry costs charged by the underlying funds, as is required for master-feeder structures.

In light of the general support from respondents for CESR's proposals on presentation of charges, CESR has confirmed this approach in the final advice. This also takes into account the results of the Commission's consumer testing exercise, which suggested that investors had a good level of understanding of the type of disclosure CESR has chosen.

CESR had proposed the inclusion of a charges disclosure in cash terms on the basis of results of the consumer testing exercise, as well as feedback from retail investor representatives at earlier stages of the KID project. However, given the largely negative feedback received for the proposal made in the July consultation, CESR has decided not to require any disclosure of charges using cash figures.

#### Circumstances in which ex-post figures might be inapplicable

56. With regard to the circumstances in which ex-post figures might be inapplicable, respondents expressed broad agreement with CESR's approach.

In light of the support from respondents for the proposals on circumstances in which ex-post



charges might be inapplicable, CESR made no changes to the advice on which it consulted.

#### Material changes to the charging structure

57. A number of respondents to the consultation suggested that it would be unreasonable to expect a UCITS operator to update the KID every time a change of 5% not within the operator's control takes place, and asked for a higher figure to be substituted.

The respondents making such comments did not supply CESR with sufficient evidence of their claims to demonstrate that the proposal should be modified; nevertheless, CESR notes that the Commission's impact assessment exercise has enquired specifically about this issue, so further evidence may be forthcoming to indicate whether or not the current proposal is proportionate.

#### Periodic review of charges information

58. In respect of the periodic review of charges information, many respondents pointed out that the impact of CESR's proposals on materiality of changes to charges and past performance would result in most KIDs having to be updated on at least two separate occasions in each calendar year. The difficulty arose from the proposal that the charges figure should be based on audited accounts, whose timing in turn depends on the accounting year-end date of the UCITS, whereas past performance updates are linked to the calendar year.

CESR took note of the representations referred to above and modified its advice such that audited figures are no longer required. The management company will be under an obligation to ensure the figures used are fair, clear and not misleading, so there should not be an increased risk to investors by not requiring the figures to be audited.

#### Methodology for calculation of the ongoing charges figure

59. CESR received a significant number of comments concerning the methodology of calculation of the ongoing charges figure set out in Annex 2 of the consultation paper. It was therefore agreed that further work should be carried out on the methodology.

60. One respondent asked CESR to amend the methodology so that all costs, deduction and disbursements borne by the fund would be included in the charges information.

61. One trade association disagreed with the methodology for target funds and asked CESR to make clear that the costs of all transactions pertaining to the UCITS' portfolio were excluded from the calculation of ongoing charges.

62. One respondent believed that a minimum threshold of the UCITS' assets invested in other CIUs should be prescribed in order to identify when a look-through approach is required for the ongoing charges. The same respondent was concerned about the inclusion of transaction-based payments in the ongoing charges that are currently excluded from the Total Expense Ratio.

63. One trade association found the provision concerning transaction-based payments unclear.

64. One trade association suggested adding the tax burden to the list of costs to be excluded from the calculation of the ongoing charges.



CESR felt it would be appropriate to take additional time to consider the detailed responses to the consultation regarding the methodology for calculation of the ongoing charges figure. Following further work towards the end of 2009, the final methodology was submitted to the Commission and published on 22 December 2009 (Ref. CESR/09-1028).

Taking into account the feedback received, and in light of further discussions among its members, CESR made a number of changes to the methodology. Paragraph 4 now refers to charges paid from 'assets', as CESR felt that the specific reference to the profit and loss account was potentially too narrow and could cause confusion depending on accounting practices in different Members. Paragraph 4(a), meanwhile, now refers explicitly to delegates of the management company, depositary and other key persons. Although it is unlikely that a delegate would be paid directly from the fund, CESR felt it was sensible to state this for the avoidance of doubt.

In the interests of clarity, paragraph 5(a) has additional wording to address the fact that entry and exit charges are normally deducted from the investor's payments rather than being paid by the investor as a separate sum.

In paragraph 6(a), the scope of the exclusion for transaction-based payments has been slightly expanded to make clear that any payment to anyone who is responsible for operating the fund must be disclosed as part of the ongoing charges figure. Part (b) reflects the relevant amendment elsewhere in the advice to treat the costs to the UCITS portfolio of buying and selling units in other CIUs as a discloseable amount, not a transaction cost.

Finally, CESR modified paragraph 11 such that the ex-post figure does not have to be based on audited fund accounts. Consequential changes have been made to paragraphs 13 and 15.

## **Past performance (Boxes 9 to 14)**

### General comments

65. Respondents made a number of general comments on the proposals on past performance. While one trade association expressed broad agreement, several others noted their concerns in relation to the use of bar charts. More specifically, one association felt it would be more helpful to investors to display the data in a table rather than a chart. One retail investor representative, meanwhile, expressed disagreement on setting a maximum of 10 years' duration for the track record; in their view, UCITS should be required to display track records going back further than 10 years (where possible).

The materials used in the Commission's consumer testing exercise displayed past performance information in the form of a bar chart. Results suggested that consumers had a good level of understanding of the information in the charts; CESR therefore decided to retain this format in the final advice.

CESR considered allowing funds with a track record of more than 10 years to display this longer track record in the KID. However, CESR took into account one of the key aims of the KID work, namely to achieve a significant level of harmonisation of the disclosure document. It was therefore felt more appropriate to set a maximum time period for which past performance information should be displayed. CESR also considered that a period of 10 years would capture the full track record for the vast majority of UCITS.

### Presentation of past performance for UCITS for which past performance exists or where simulated performances are permitted



66. Respondents expressed mixed views on the proposals for the presentation of the past performance. Several respondents explicitly supported the proposed approach while others disagreed, highlighting the prohibition on displaying performance of less than 12 months as the main reason. One respondent expressed a preference for the approach under MiFID, while another felt a minimum of six months would be more appropriate. One respondent took the view that providing no past performance information at all for certain funds would be misleading, as would the proposals on inclusion of empty slots to cover the period before the fund existed.

In developing its initial proposals on the content of the KID in 2007, CESR considered whether it would be appropriate to allow past performance information to be included in the document. This was in light of a significant body of evidence suggesting that investors often over-rely on this information, despite prominent disclaimers and guidance to the contrary. As it was felt that investors would seek out the information from another source if it were not included in the KID, CESR decided to require its inclusion provided there was sufficient harmonisation of the presentation and calculation of the data. Against this background, CESR took the view that past performance data of less than 12 months would not be a useful piece of information for investors.

The approach that CESR has proposed on the use of empty slots for years in which the fund did not exist is designed to give some context to the information. The benefits of harmonisation in format and layout have also been taken into account, particularly with a view to fostering comparability of UCITS. However, in order to avoid the use of too much blank space and improve the readability of the chart, CESR has proposed a calibrated approach that makes a distinction between i) funds with less than five years of data and ii) funds with five or more years of data.

#### Calculation methodology

67. There was strong support among respondents for CESR's proposals on calculation of past performance although several respondents raised specific points. One firm, for example, felt that cumulative performance over longer periods (such as five or ten years) should also be required.

Taking into account the positive feedback received on its proposals from a large majority of respondents, CESR decided to confirm its proposed approach in the final advice.

#### Maintaining the past performance record

68. Concerning the obligation to maintain the past performance record, CESR recommended in its draft advice that a maximum of 25 business days should be allowed for the revision at the end of each calendar year. Feedback from the consultation showed that this time constraint was felt to be too tight and stakeholders asked for a longer time period.

CESR took note of the comments from stakeholders and decided to extend the period for revising the past performance record to 35 business days.

69. There were mixed views among respondents on CESR's proposed approach to material changes, which would require retention of performance that occurred prior to a material change. Several respondents agreed with the proposal. Of these, one felt there should be flexibility on the presentation of the labelling in the bar chart. Other respondents were also supportive provided that a harmonised approach to material changes was introduced. Respondents that disagreed with the proposal were split into two groups: those who felt that the management company should have the possibility to delete performance that occurred prior to a material change,



otherwise it would be misleading or difficult for investors to understand; and those that felt performance information prior to a material change should be deleted in every case.

Taking into account the wide range of views expressed, CESR decided to retain its proposal and to require retention of performance that occurred prior to a material change. In CESR's view, this reduces the risk of over-reliance by investors on performance information achieved in circumstances that no longer apply. CESR has also identified the possibility of working on more detailed level 3 guidelines on what constitutes a 'material change'.

#### Inclusion of a benchmark alongside the fund's past performance

70. The majority of respondents agreed with CESR's proposals in relation to benchmarks. A minority of respondents disagreed with CESR's proposal and argued that a benchmark should be required in all cases. One respondent felt that benchmarks should be made compulsory when a performance fee is applied in relation to a benchmark.

71. Of the respondents that commented on the specific point on prohibition of the use of a benchmark as a proxy for non-existent performance, two supported the proposal while one was against.

In light of the support expressed for CESR's proposals by a majority of respondents, CESR has confirmed this approach in its final advice.

#### Simulated performance

72. A broad majority of respondents agreed with CESR's proposals concerning the use of simulated performance. Other respondents were less supportive, in one case on the basis that it could be potentially misleading if the absorbed fund has poor performance. Two respondents set out specific guidelines of their own to determine which (if any) fund's performance history should be retained.

73. Several respondents identified other situations in which it would be appropriate to allow the use of simulated performance. One trade association, supported by the majority of its members, made reference to transfers of the fund domicile to another MS or for a new 'clone'. Two respondents felt that track record extension should also be allowed if additional fees (e.g. at feeder fund/share class level) are properly taken into account.

Taking into account the support for CESR's proposals among a majority of respondents, this approach has been confirmed in the final advice.

#### Practical information (Boxes 15 & 16)

74. The majority of respondents broadly agreed with CESR's proposals on practical information, while most comments focused on the proposed liability statement. Several respondents felt the statement should be deleted as it did not add any value. Others felt the text should be more consistent with the level 1 drafting i.e. there should be no 'inversion'. In contrast, one retail representative welcomed the drafting on the basis that it was a more positive statement of investors' rights. One respondent felt that it should be made clear that the prospectus is the legally binding document, while another saw merit in limiting the liability to statements made by the management company (i.e. not covering the prescribed wording or formats taken from legislation).



CESR notes as a first point that the liability statement is a requirement of the UCITS Directive at level 1. CESR gave careful consideration to the wording of the statement. Given the strong investor focus of the document, it was felt appropriate to use a wording that will give investors greater confidence in the content rather than potentially discouraging them from relying on it. As such, the formulation proposed for consultation has been largely retained in the final advice (the only amendment being the deletion of the word ‘materially’ in order to ensure consistency with the level 1 text).

#### Use of signposting

75. There was broad support for CESR’s proposals on signposting. One trade association emphasised, however, that it was not feasible for the KID to contain every element that was fundamental to investor understanding. On a similar note, a trade association felt that the referenced material should not be fundamental to investors’ understanding of the ‘essential elements’ of the investment. One respondent saw merit in developing a central education resource that could be signposted in the KID.

In light of the broad support for CESR’s proposals, this approach has been confirmed in the final advice. In addition, the term ‘essential elements’ was added to paragraph 1 of the Box in order to ensure greater consistency with the level 1 text.

#### Circumstances in which a KID should be revised

76. There was broad support for CESR’s proposals on circumstances in which a KID should be revised. Two respondents felt, however, that the second paragraph of the Box was overly complex and that it should be sufficient to require an annual review plus modifications for material changes. On a similar note, one respondent felt that only material changes of the fund rules or the full prospectus should require a revision of the KID.

77. Several respondents emphasised that there should be no obligatory review of the KID for the purposes of cross-border notification.

78. There was some support among respondents for the idea that each revision of the KID should be communicated to existing investors in the fund.

In light of the general support from respondents for CESR’s proposals, this approach has been confirmed in the final advice.

Regarding provision of the revised KID to existing investors, CESR has not had regard to such comments since the Level 1 Directive makes it clear that key investor information is pre-contractual in nature. The nature and timing of communications by a UCITS to its existing investors are not within the scope of CESR’s present mandate, so there is no requirement for revised versions of a KID to be provided to those investors who received a previous version.

#### Umbrella structures

79. There was widespread support among respondents for CESR’s proposals in this area. Among these respondents, one was not in favour of the proposal to have a separate document combining features of two or more compartments, while two others called for flexibility on including the KIDs for all sub-funds of an umbrella in a compendium document. In contrast,



one stakeholder was against the option of having a single KID for umbrella UCITS on the basis that it was not beneficial to investors. Finally, one firm felt the proposed approach could create an administrative burden with regard to the switching process.

80. Two respondents suggested that the statement indicating whether or not segregation of assets is in place was not feasible in the limited space offered by the KID; as such, it would be more appropriate to disclose only those cases where assets are not segregated.

81. One trade association saw a need for clearer guidance on how to disclose charges for switching between different compartments and in relation to contingent deferred sales charges.

CESR's proposals on this section of the KID were broadly supported by respondents to the consultation but CESR felt necessary to slightly amend it with some clarifications. Indeed, CESR clarified that the section 'Practical information' should contain, if relevant, a signpost to where the details of the switching procedure can be found.

Taking into account the broad support among stakeholders, CESR made no other significant changes to its proposals in the final advice.

### **Share classes**

82. Respondents expressed broad support for CESR's proposals on share classes. However, several respondents sought clarity on the circumstances in which a representative share class could be used. Two trade associations, meanwhile, requested clarification on whether there was an obligation to prepare a KID for share classes aimed exclusively at institutional investors.

Given the general support among respondents for the proposals in the consultation, no substantive changes were made in the final advice. CESR did clarify that the information on the class selected as representative, and the other classes that are promoted to the public in their own Member State, should be contained in the 'Practical Information' section of the KID. CESR also flagged the possibility that it could issue further guidelines at level 3 on the application of the 'fair, clear and not misleading' test to the selection of a representative class.

### **Funds of funds**

83. There was broad support for CESR's proposals on funds of funds. One respondent was of the view that the description of risk factors in the underlying funds would be relevant only if a narrative approach were to be taken to risk and reward disclosure. On the same point, several respondents took the view that such a description would involve too much detail given the limited space available in the KID. One trade association felt that further guidance was needed on the disclosure of the selection process of the target funds.

CESR has made some amendments to the advice in this area. In particular, some text has been added to the Box and the explanatory text in order to clarify to which funds the provisions should apply. Regarding disclosure of charges, the advice confirms that the disclosure for a fund of funds must take into account the charges that the UCITS will incur as an investor in the underlying collectives. More specifically, any entry and exit charges levied by the underlying funds must be taken into account in the calculation of the fund of funds' ongoing charges figure. Regarding disclosure of the selection process of target funds, some guidance has already been included in the explanatory text of this section of the advice.



## **Feeder funds**

84. Respondents expressed broad support for CESR's proposals. Some members of one trade association took the view that only a newly created feeder fund should be allowed to show the performance of the master UCITS for years before it existed, not a fund that converts to become a feeder. Two respondents felt it was misleading to allow the feeder to display performance of the master fund for years before the feeder operated as a feeder. The same two respondents felt that the bar chart showing the feeder's performance should highlight the date on which the feeder started to operate.

CESR took into account respondents' comments in relation to the circumstances in which it is appropriate for a feeder fund to display the performance of the master UCITS. It has been made clear, both in the box and the explanatory text, that where a feeder has a performance record for the period before it became a feeder of the master UCITS in question, that performance record should be displayed (and the relevant 'material change' labelled in line with the requirements on past performance).

## **Structured funds, capital-protected funds and other comparable UCITS**

### General comments

85. Respondents made a number of general comments on CESR's proposals on structured funds. Several firms and trade associations expressed disagreement with the use of performance scenarios in general on the basis that they are misleading for investors. Another respondent was not supportive as they felt it was inappropriate to treat structured funds differently. Meanwhile, two respondents expressed concern over the amount of space needed to display such scenarios.

86. In contrast, one trade association saw merit in the inclusion of performance scenarios on the basis that past performance is not meaningful for structured funds. The same respondent felt that the use of scenarios should be optional for non-structured funds.

87. One representative of retail investors agreed with the prohibition on back-testing but felt that the technique could be used as a point of reference for computing the probabilities of the scenarios. A trade association, meanwhile, took the view that back-testing was better than either of the options proposed.

88. Finally, one stakeholder called for more certainty at level 3 on what constitutes a structured fund.

### Prospective scenarios

89. A large majority of respondents expressed a preference for Option A, prospective scenarios. Of these respondents, two saw a need for harmonisation or guidance at level 3 on the choice of scenarios. On the same point, one trade association felt the choice of scenario should be left to the discretion of the management company. Several respondents expressed a preference for the use of tables and recommended that the situations in which graphs could be used be strictly prescribed.

90. Several investors' representatives expressed their disagreement with regard to Option A. One saw risks in the potentially diverging choice of scenarios and lack of comparability, while another felt that scenarios were of little value without information on probabilities. Similarly, one retail representative argued that scenarios were misleading as investors were likely to assign equal probabilities to each outcome.

### Probability tables



91. A minority of respondents expressed a preference for Option B in the consultation, probability tables. One stakeholder took the view that this approach gave a better comparison against the risk-free rate, while another was of the opinion that it was more meaningful for investors in general. The same respondent suggested that were Option A to be chosen, it should at least be complemented by a narrative indication of the probability of each scenario. Two respondents saw merit in adopting probability tables for all funds, not just structured funds. One trade association saw particular value in the fact that the risk-neutral approach focuses the client's attention on the risk element of the investment.

92. Many of the respondents that supported Option A expressed strong disagreement with Option B as they felt that it would be misinterpreted as a guarantee and the reliance on risk-neutral probabilities in the methodology is flawed. One respondent argued that a probability-based approach would be very difficult to implement as decisions would be needed on the models and parameters used for the simulations; the same respondent felt that any approach based on probabilities should use back-testing. Another respondent based its opposition on the high level of financial literacy they felt was needed to interpret such tables and the difficulty of identifying an appropriate risk-free rate.

CESR considered carefully the merits and drawbacks of the two disclosure options for structured funds, as well as the comments made by respondents on each. Taking into account the support from a strong majority of respondents for Option A, prospective scenarios, CESR has confirmed this approach in its final advice. This choice is also based on the results of the Commission's consumer testing exercise, which showed that prospective scenarios lead to a good level of understanding by investors. CESR recognises the issue raised by a number of respondents regarding the potential lack of harmonisation in the choice of scenarios; CESR has undertaken to address this via the development of level 3 guidelines in line with the timetable for adoption of the relevant level 2 implementing measures by the Commission.

### **Medium and timing of delivery, including use of a durable medium**

93. Many respondents agreed with CESR's proposals in this area. Others disagreed as they felt the proposals went beyond the scope of the Directive or were too long and complex. Similarly, one respondent took the view that the level 2 measures should not be too detailed, so as to allow flexibility for market developments.

In light of the broad support among respondents for CESR's proposals, no substantive changes have been made in the final advice.

### **Other possible level 3 work**

94. The majority of respondents agreed with CESR's proposals on transitional provisions. Two trade associations called for the relevant transitionals to be at level 2. One respondent identified the following situations in which they felt there should be an exemption from the obligation to prepare a KID: the launch of a new share class during the transitional period or following events which under the previous regime would only have required an update to the simplified prospectus (SP). Two firms took the view that funds created after the implementation date should produce a KID immediately but that a simple update to the SP should not oblige the preparation of the KID.

95. Regarding the possible length of the period for transitionals, one stakeholder felt that no change should be required before the first semi-annual period of 2011. In contrast, one respondent took the view that the transitional period should be reduced to ensure a swift implementation of the new regime. One trade association felt that the introduction of the KID should be phased i.e. for



new funds only at first, then gradual replacement of existing SPs. The same respondent took the view that there should be no need to replace the SP with a KID for funds that can no longer be sold.

96. Regarding possible areas of work at level 3, one respondent identified a need for further guidance on identifying the risk-free rate and on the narrative explanation of risk and reward. One firm saw value in the preparation of guidance on whether the KID requires regulatory approval, as they felt consistency was needed across MS.

CESR has confirmed in its advice the need to consider transitional provisions in good time to assist management companies in the consistent implementation of the KID in 2010/11. CESR is of the view that such measures could take the form of level 3 guidelines.

Regarding the suggestions made for additional work at level 3, CESR took the view that the highest priority areas had already been identified in the advice; as such, CESR will focus its efforts on these areas as a first step.

**Annex 1**

**Respondents to Consultation Paper on CESR's technical advice on the format and content of Key Information Document Disclosures for UCITS (Ref. CESR/09-552) and Addendum (Ref. CESR/09-716)**

	<b>Name of respondent</b>	<b>Activity</b>
1.	Capitects	Investment services
2.	Adusbef-Adoc-Assoutenti-Codacons-Movimento Consumatori	Others
3.	Associazione Bancaria Italiana	Banking
4.	Association Française de Gestion	Insurance, pension & asset management
5.	Association of British Insurers	Insurance, pension & asset management
6.	Association of the Luxembourg Fund Industry	Insurance, pension & asset management
7.	Associazione Nazionale Promotori Finanziari	Others
8.	Association of German Chambers of Industry and Commerce	Others
9.	Assogestioni	Insurance, pension & asset management
10.	Aviva Investors	Investment services
11.	Axa Investment Managers	Investment services
12.	BlackRock	Investment services
13.	Bundesverband Investment und Asset Management	Insurance, pension & asset management
14.	Commission Consultative Epargnant (AMF)	Investor relations
15.	Credit Agricole Asset Management	Investment services
16.	CFA Institute	Others
17.	CGIL	Others
18.	Dansk Aktionaerforening	Insurance, pension & asset management
19.	European Association of Co-operative Banks	Banking
20.	European Bank Federation	Banking
21.	European Fund and Asset Management Association	Insurance, pension & asset management



22.	EM Applications	Investment services
23.	European Savings Banks Group	Banking
24.	EuroInvestors	Others
25.	Eversheds	Investment services
26.	F&C Investments	Investment services
27.	Federation Bancaire Française	Banking
28.	Fidelity	Investment services
29.	FIN-USE	Others
30.	German Insurance Association	Insurance, pension & asset management
31.	International Financial Data Services	Others
32.	Irish Funds Industry Association	Insurance, pension & asset management
33.	Investment Management Association	Insurance, pension & asset management
34.	Inverco	Insurance, pension & asset management
35.	Invesco	Investment services
36.	Joint Association Committee	Others
37.	John Maher, Consumer Consultative Panel of Financial Regulator, Ireland	Investors relations
38.	Legal and General	Investment services
39.	Lipper	Investment services
40.	Lyxor	Investment services
41.	Raiffeisen Capital Management	Investment services
42.	Robeco	Investment services
43.	Swedish Investment Fund Association	Insurance, pension & asset management
44.	Test-Achats	Investors relations
45.	The Federation of Danish Investment Association	Insurance, pension & asset management
46.	Threadneedle	Investment services
47.	University of Bologna	Individuals



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48.	WHU	Individuals
49.	Austrian Federal Economic Chamber	Others
50.	Zentraler Kreditausschuss	Banking