

**Submission Date**

01/04/2016

# **ESMA\_QA\_947**

Status: Answer Published

## **Additional Information**

---

### **Level 1 Regulation**

Undertakings for Collective Investment in Transferable Securities Directive (UCITS) Directive 2009/65/EC

### **Topic**

Disclosures

## **Subject Matter**

Master-feeder structures

## **Question**

Can a UCITS invest in a UCITS feeder fund?

## **ESMA Answer**

---

01-04-2016

Original language

*[ESMA 34-43-392 UCITS Q&A, Section 1, 2a]*

No. As UCITS feeder funds have to invest at least 85% of their net assets in their UCITS master fund, another UCITS cannot invest in a UCITS feeder fund. According to Article 50(1)(e)(iv) of the UCITS Directive, a UCITS can only invest in other UCITS if “no more than 10 % of the assets of the UCITS or of the other collective investment undertakings, whose acquisition is contemplated, can, according to their fund rules or instruments of incorporation, be invested in aggregate in units of other UCITS or other collective investment undertakings”.