

# **ESMA\_QA\_965**

Status: Answer Published

## **Additional Information**

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### **Level 1 Regulation**

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

### **Topic**

Costs and fees

## **Subject Matter**

Application of the guidelines to funds with multiple portfolio managers

### **Question**

In case the authorised management company has delegated the portfolio management function to different delegated portfolio managers, would it be admissible to pay a performance fee to those delegated portfolio managers who have overperformed during the performance reference period, despite a global underperformance of the fund during the same performance reference period?

## ESMA Answer

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01-07-2021

Original language

*[ESMA 34-43-392 UCITS Q&A, Section 11, 5a]*

No. [Based on paragraph 37 of the guidelines, performance fees:](#)

- should be paid only where positive performance has been accrued during the performance reference period;
- could be paid in case the fund has overperformed the reference benchmark but had a negative performance.

The above also applies in case of delegation by the authorised management company to different delegated portfolio managers. Therefore, in case of a global underperformance of the fund, performance fees should not be paid to those delegated portfolio managers who have overperformed.