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15/03/2013

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Additional Information

Level 1 Regulation
Undertakings for Collective Investment in Transferable Securities Directive (UCITS) Directive 2009/65/EC

Topic
Efficient portfolio management (EPM) techniques

Subject Matter
ESMA's guidelines on ETFs and other UCITS issues - Efficient portfolio management techniques

Question
In some jurisdictions, UCITS management companies may also act as securities lending agents. In this case, what information should be provided to investors?

ESMA Answer

15-03-2013

Original language

[ESMA 34-43-392 UCITS Q&A, section 3, Q&A 4b]

First, pursuant to paragraph 28 of the guidelines, it should be disclosed to investors that the UCITS management company acts a securities lending agent. Also, according to paragraph 35 of the guidelines, the annual report of the UCITS should provide investors with div on the amount of fees paid to the UCITS management company that may be deducted from the gross revenues arising from efficient portfolio management techniques.