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Additional Information

Level 1 Regulation
Alternative Investment Fund Managers Directive (AIFMD) Directive 2011/61/EU

Level 2 Regulation
AIFMD - Regulation 231/2013 with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision

Level 3 Regulation
ESMA Guidelines on funds' names using ESG or sustainability-related terms (ESMA34-1592494965-657)

Topic
Funds' names

Subject Matter

Guidelines on funds' names

Question
Is there a minimum level for investment funds with the term “sustainable” in their name to be considered to be investing “meaningfully” in sustainable investments?

ESMA Answer

13-12-2024

Original language

The third indent of paragraph 18 of the Guidelines foresees that funds using “sustainable” terms should commit to invest meaningfully in sustainable investments referred to in Article 2(17) of the SFDR. While national competent authorities should carry out a case-by-case analysis of how any sustainability-related term is used in the name of a fund, they may find that investment funds with "sustainable" terms in their names investing less than 50% of the proportion of investments in sustainable investments are not "meaningfully investing in sustainable investments". That amount could be higher, subject to the circumstances of the case.