

TO: CESR - Committee of European  
Securities Regulators  
11-13 Avenue de Friedland  
75008 Paris

**Ref:** CESR/09-552  
CESR/09-716

Milan, 10<sup>th</sup> September 2009

**ANASF COMMENTS ON**

**“CESR’s technical advice at level 2 on the format and content of Key information  
Document disclosures for UCITS and Addendum”**

**Consultation Paper**

ANASF (the National Association of Promotori Finanziari) is the only association which exclusively represents tied agents (promotori finanziari), and has more than 12.400 members. ANASF is pleased to have the opportunity to take part in the public consultation indicated, answering some of the questions brought up by the Committee.

**♦ Section 5: Disclosure of risks and returns - Option B**

**Q. 1 Do you agree with the proposals for presentation of risk and reward in Box 5B? Are there any other issues that CESR should consider if it decides to recommend this approach to the disclosure of risk and reward?**

ANASF agrees with CESR and believes that option B is the most suitable approach for giving the investor the information on risks and returns. However, we believe it would be opportune for the investor to be told the drawdown, i.e., the fall in a fund between a maximum and a minimum point in a reference period, for example, one year, in addition to the annual percentage rate. It's important to consider the maximum drawdown, i.e., the maximum loss percentage, in the assessment of an investment. Moreover, the recovery drawdown indication, a very delicate aspect of every investment and often undervalued yet often decisive for obtaining profits in time, is fundamental. The recovery drawdown indicates how long it will

take for a fund to reabsorb its maximum loss. Therefore, it's extremely important that the investor also has this information in order to really weigh up the risks and returns of a fund.

♦ **Section 6: Charges disclosure BOX 6**

**Q.2 Do you agree with the proposals in Box 6?**

We agree with what CESR has set out in Box 6 on the charges disclosure to the investor, but we believe that it's essential to calculate the performance fees with correct and consistent application.

♦ **Section 6: Charges disclosure BOX 7**

**Q.3 Do you agree with the proposals in Box 7?**

We think that the presentation in narrative terms of a costs summary must under no circumstances consider the hypothesis of the growth rate of the investment, despite the fact that CESR has arranged for a warning message for the investor. The growth rate hypothesis is misleading and deceptive information and creates confusion over the real cost of the investment.

♦ **Section 7: Past performance presentation**

**Q.4 Do you agree that the above CESR proposals on past performance presentation are sufficient and workable?**

Yes, we consider that the presentation of past performance is an adequate parameter which must, however, be compared with the reference benchmark, essential for showing the investor the ability of the manager in administering the fund. As a result, a bar showing the performance of the reference benchmark should be included in the past performance graph in the section relating to the investment aims and policy of the KID.

♦ **Box 16 - The use of 'Simulated' data for past performance**

We agree with CESR that when the data relating to the past performance of the UCITS or an investment sector is not available for the full period of five or ten years, the simulation of performance can be authorised for the period preceding the available data in the circumstances indicated by the committee. However, we believe that the investor should always be told all the risk/return data when showing these simulations so that he can have a complete view and not a partial and misleading picture.

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## **ADDENDUM**

### **♦ General Methodological Approach: CCSR proposal for the volatility intervals**

**Q.1 Do you agree with the criteria considered by CCSR to formulate its proposals regarding the volatility intervals?**

Yes, we agree with CCSR proposals.

### **Q2. Which option (A or B) do you see as more appropriate for the KID?**

We believe the most appropriate option is B.

However, we reiterate that it would be opportune for the investor to be disclosed, together with the SRRI, the drawdown and the recovery drawdown of the fund.

### **♦ General Methodological Approach: Periodic updating of the SRRI – rules to assess migrations**

**Q.4 Do you agree that introducing some rules for assessing migration is desirable?**

Yes, we agree it is appropriate to introduce some rules for assessing migration between risk categories.

### **Q.5 If so, which option (2 or 3) do you think is more appropriate?**

We believe the most appropriate option is 3.

### **♦ SRRI computation methodology for structured funds**

We agree with all CCSR proposals concerning SRRI computation methodology for structured funds.

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Please do not hesitate to contact us for any clarification.

With kindest regards



*The Chairman*

Elio Conti Nibali