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BEAMA's response to CESR's Calls for Evidence:**Call for evidence - Key Investor Disclosures under UCITS (CESR/07-241)**
Call for evidence - Questionnaire on Simplified Prospectus for retail investors
(CESR/07-214)
Call for evidence - UCITS Distribution (CESR/07-205)***I. CALL FOR EVIDENCE ON KEY INVESTOR DISCLOSURES FOR UCITS******3.1 Basic principles: Wrappers/Packaging:***

It is up to the packager to provide and disclose product information which is specific for the package, in accordance with the proper specific regulation. It is impossible for underlying funds to take possible packaging into account in their KII.

Funds of Funds should not be considered/treated as a 'package':

- According to us, there is little sense in overwhelming the investor in a fund of funds with the KII of all the underlying funds on top of the KII of the fund of funds in itself. This leads to confusion for instance between the risks inherent to the underlying funds and those inherent to the fund of funds.
- The composition of the fund of funds is like a snapshot and can vary significantly over time.
- This is a complex and expensive operation.
- In that case, the treatment for funds of funds would be more severe than that for other wrappers.

3.2 Detailed content:

- The fact that mention is made of a recommended investment term must not give the investor the impression that sticking to this term will result in a positive yield.
- Overall charges: taxes should be left out.
- Less important items: the auditor's name could be added among other things
- There is indeed little relevance in mentioning the turn-over ratio for investors. We propose to mention it in the annual report instead of the 'full' prospectus. In this way, it is possible to cover only the non-variable data in the prospectus, whereas the variable data will be included into the KII and/or the (semi-)annual reporting.

3.2.1 Risk disclosure:

See below II 3.

3.2.2 Cost disclosure: TER

Priority must be given to the standardised calculation and the comparability.

- We think it is impossible to make a useful and comprehensible combination of front-end loads, management fees and transaction costs into a single overall indicator.
- Entry/exit fees should be left out of the TER
- Taxes should be left out of the TER, unlike the situation in some countries where some non-recoverable taxes are indeed included.
- Transaction costs also should be left out of the TER. This could lead to manipulation of the TER (low transaction costs at the expense of less attractive prices) and jeopardize comparability.
- By contrast, distribution costs should be included into the TER in order to allow for a comparison to be made with cases in which those costs are included into the management fee.
- The TER must be calculated on the basis of the financial year.

3.2.3 Performance

- It is important to have a harmonised way of calculating and presenting performances.
- Calculation should be per calendar year (instead of financial year): comparability
- Backfilling could lead to manipulation all too easily.

3.3 Presentation

A detailed standard template of the KII is more important than a maximum length.

5th •: A strict distinction should be made between the disclosure obligations of the product provider (product information) and those of the distributor (additional information dealing specifically with the distribution). There can be no aim of imposing the MiFID disclosures within the KII framework.

4. Timing

We urgently call for a strict timing given the importance for both the investors and the industry to have efficient and and useful investment information.

II. CALL FOR EVIDENCE - QUESTIONNAIRE ON SIMPLIFIED PROSPECTUS FOR RETAIL INVESTORS

1. What information should be included?

It would be a good thing to arrange for a standardisation of the basic KII terminology on the level of the EU. This terminology could then be commented upon in a separate 'guidance note'. It would be better to include the information aimed at 'investor education' (terminology and examples) into this separate document rather than into the KII as such.

Legal information should be included into the prospectus.

2. What substantive UCITS features do consumers need to know about?

We propose to include all of the tax information into the KII instead of the prospectus.

2nd •: We cannot see the relevance of mentioning the investor's financial capacity for drawing up the KII.

The investor's financial capacity is one of the elements of the customer profile drawn up at the level of the distributor. This not relevant for the KII drawn at the level of the product provider.

3. *What information should be provided about risks and rewards?*

We propose a combination of a textual description of the most relevant risks (as for their probability and material character) on the one hand and a graphic representation of a risk indicator or of the risk/reward profile on the other hand.

It is important to use a standardised calculation and presentation of the return: per calendar year, fixed periods (1,3,5,10 years), ...

There should be no obligation to check against a benchmark, unless this benchmark is mentioned in the prospectus as the basis for an index tracker or an outperformance fee.

In our opinion, back-tracking makes little sense and could lead to manipulation.

4. *What information should be provided about strategy and objectives?*

This corresponds with the current Belgian way of working.

As for the regulation governing the use of terms such as 'capital guarantee' and 'capital protection', we propose to apply the current Belgian way of working also at the EU level.

5. *How should past performance information be presented, and for what time period?*

- Standardised representation
- Bar-charts: obligatory, per calendar year (instead of financial year)
Tables and cumulative graphs: optional
Obligatory periods of 1, 3, 5 and 10 years, if available
- We think there is little sense in mentioning a recommended investment term and this could even be misleading
- This caution already exists in the current way of working

6. *How should information about charges and fees be presented?*

- A distinction must be made between the expenses to be paid by the Fund and those to be paid by the distributor.
- As for TER: see I. 3.2.2

7. *How could the packaging of funds into different end-products be handled?*

See I. 3.1 as for the remarks about packaging and funds of funds.

8. *How far should the information be harmonized between firms and between EU members?*

The aim must be maximum harmonisation.

9. *Would it be useful to specify how this information should be presented?*

The emphasis should be on the standardisation of the contents and templates.
A harmonisation of the visual lay-out is less relevant.

10. *In what form should the information be delivered?*

Electronic as well as material delivery of information must be possible.

11. *How should we ensure consumers get information in sufficient time for it to be useful for their investment decision?*

This aspect must be dealt with at the level of the distributor (MiFID) and not at the level of the provider of the fund.

Provided the KII is a succinct and easily readable document, it will be easy for the intermediary to go through it together with the client.

III. CALL FOR EVIDENCE ON UCITS DISTRIBUTION

See above I. 3.1 as for the remarks about the distribution channels and packaging.

§19: We think it is important to leave open the possibility of making a KII for each shareclass and/or subfund.

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