



ASSOGESTIONI

associazione del risparmio gestito

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Our. ref.: N. 538/10

Responses to the Consultations on “CESR’s template for the Key Investor Information document”, “The guide to clear language and layout for the Key Investor Information document (KII)”, “CESR’s Guidelines for the transition from the Simplified Prospectus to the Key Investor Information document” and “CESR’s level 3 guidelines on the selection and presentation of performance scenarios in the Key Investor Information document (KII) for structured UCITS”

Assogestioni welcomes the opportunity to comment on the Consultation Papers concerning: (i) CESR’s template for the Key Investor Information document; (ii) the guide to clear language and layout for the Key Investor Information document (KII); (iii) CESR’s Guidelines for the transition from the Simplified Prospectus to the Key Investor Information document and (iv) CESR’s level 3 guidelines on the selection and presentation of performance scenarios in the Key Investor Information document (KII) for structured UCITS.

We deem important that CESR gives its assistance to competent authorities in order to achieve an interpretation of UCITS IV directives and regulations as much consistent and harmonised as possible. This aim is particularly important with reference to the discipline concerning KII, because an identical interpretation of such discipline is one of the main ways to ensure an effective comparability of different products across European Union.

Please find below our comments on each consultation paper.

(i) CESR’s template for the Key Investor Information document. We believe that CESR’s template for the Key Investor Information document is useful; however, we deem also useful that CESR drafts a template for the Key Investor Information document regarding structured UCITS, in order to show how the information requested for the KIID of such products should be presented. In particular, we would welcome a template that does not contain the “Past performance” section and indicates in the “objectives and investment policy” section an explanation of how the formula works with the relative statements.

(ii) The guide to clear language and layout for the Key Investor Information document (KII). We appreciate the definition of a guide which gives important suggestions in order to draft a Key Investor Information document clear, concise



and easily understandable by an average investor. In fact, the guide itself is written in a practical language and includes useful examples to avoid any technicality which could be misunderstood.

(iii) CESR's Guidelines for the transition from the Simplified Prospectus to the Key Investor Information document. We share CESR's pragmatic approach according to which each Member State should adopt a flexible discipline during the transitional period eventually adopted. It is important to define rules which allow management companies to choose how to handle the transition from simplified prospectus to Key Investor Information document, provided it is assured clarity to investors. We appreciate that the Guidelines suggested by CESR takes in due account both the logistical issues faced by operators during the abovementioned period and the need to minimise costs.

(iv) CESR's level 3 guidelines on the selection and presentation of performance scenarios in the Key Investor Information document (KII) for structured UCITS. We find useful the guidelines on the selection and presentation of performance scenarios for structured funds.

We deem important that management company shall choose the scenarios following the overriding principle that the information presented of the potential performance is fair, clear and not misleading. In particular we appreciate that the explanation of how the formula works in the different market conditions should be assessed by the management company considering also the characteristics of the UCITS. Further, the choice to use alternatively a table or graphs for the illustration of the examples assures the right flexibility to investment companies to find the appropriate solution to explain to client how the pay-off of the structured fund works .

Regarding the examples indicated in the annex, it is not clear how it should be explained the provision regarding the value of the fund if it is sold before the end date. Taking into account point 5 of box 3 it is indicated that *"the narrative explanation... must include a prominent warning of the possible resulting loss on the investment"*. In the examples such warning is not indicated explicitly, but only a general provision regarding the methodology of calculation of the value of the units is included if these are sold before the end date: *"if units are sold before the end date: the price will not be calculated using the formula but will be based on the net asset value of the UCITS which will include the market value of the financial derivative instruments used"*. We suggest to align point 5 of box 3 to the examples.

We remain at your disposal for any request of clarification or further comments on the content of our reply.

The Director General