

Press Release

For immediate release
Brussels, 23 June 2008

EFAMA launches a new fund categorization system to achieve greater transparency for investors in Europe

Brussels 23 June 2008 – EFAMA launched today a new industry initiative to bring greater transparency to fund categorization across Europe with the support of leading cross-border fund management associations, data vendors and national associations.

The European Fund Classification (EFC) aims to improve choice for pan-European fund distributors and their clients through a set of new standards designed to facilitate easy comparison of funds across the most popular investment sectors.

The EFC has been developed by the European Fund Categorization Forum (EFCF) – an EFAMA working group made up of representatives from some of Europe’s largest asset managers, data providers and national associations.

EFAMA and the EFCF have also established a “classification administrator” to police the new standards by monitoring compliance at portfolio level. An important aim of the EFC is to ensure that investors know exactly what the holdings in the fund are when they invest in a compliant fund.

From the perspective of the European fund industry, adoption of the EFC should bring less controversy in sector/peer group classification. Hence, fund providers will have to spend less time in bilateral discussions with data vendors to clarify definitional issues. Moreover, the classification offers a “common language” so that discussions between data vendors and asset managers should become more efficient.

Robert Higginbotham, President Europe for Fidelity International and Chairman of the EFCF, comments: *“The single market for European funds has brought many benefits for investors, not least an expansion in the choice of products. But with growth in choice comes the risk of confusion: investors’ inability to compare different products may lead them to select inappropriate products or deter them from investing entirely.*

This is why the new European Fund Classification is so important. Built on common principles shared by the industry and unaffected by any particular commercial interest, the ECF is a vital tool for distributors, advisers and their clients in the selection of funds. It also represents an opportunity for the fund industry to show that it can act in ways that enhance the customer’s understanding of investments – and so grow the market overall.”

Mathias Bauer, President of EFAMA, adds: *“EFAMA is committed to encourage the adoption of EFC as the industry standard. Adoption will not take place overnight as different fund classifications are currently used in many diverse ways across Europe. But now that the new classification has become reality, convergence should accelerate.”*

Cont.

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Notes to editors

- **EFAMA** is the representative association for the European investment management industry. EFAMA represents through its member associations from 19 member associations and corporate members about EUR 13.5 trillion in assets under management of which EUR 7.3 trillion managed by around 51,000 investment funds at end March 2008. For more information, please visit www.efama.org.
- **The European Fund Categorization Forum (EFCF)** is supported by fund groups with combined assets of more than €500bn invested in their “international funds”, i.e. investment funds that source more than 80 percent or more of their assets from more than one market. Together, these funds represent (according to Lipper Feri) nearly half of the entire European industry of international funds.

The following fund groups are currently members of the EFCF: Allianz Global Investors, BlackRock Investment Management, BNP Paribas Investment Managers, Credit Suisse Asset Management, DWS, Fidelity International, Franklin Templeton, Goldman Sachs, HSBC Asset Management Limited, ING Investment Management, Invesco, JPMorgan Asset Management, Mellon Global Investments, Morgan Stanley Investment Management, Pioneer Investments, Robeco, Schroders, UBS Global Asset Management and Union Asset Management. Bloomberg, Feri Rating & Research AG, Lipper and Morningstar are also EFCF members.

- **The Classification Administrator** is a joint venture between FundConnect, a Danish company with a dedicated focus on data solutions for the fund industry, and CCLux, a subsidiary of the Luxembourg Stock Exchange.
- **The European Fund Classification** is presented in detail together with the first results of the classification on the EFAMA website (www.efama.org).