

## EFAMA's reply to the European Commission's Public consultation on institutional investors and asset managers' duties regarding sustainability

### I. General overview

**1) Do you think relevant investment entities should consider sustainability factors in their investment decision-making?**

- Yes
- No
- No opinion

*Please explain the reasons:*

First and foremost, asset managers' business model dictates that investment in capital markets and projects takes place based on their clients', individual and institutional asset owners, investment guidelines and profile, and serve their best interest. Asset managers can provide ESG investment solutions in their investment process based on their clients' wishes. Consideration of sustainability objectives in investment decision-making or the investment in 'sustainable' projects, products or companies has to be driven by those making asset allocation decisions, i.e asset owners, as asset managers cannot create 'sustainable' products which do not respond or accommodate asset owners' financial and 'impact' objectives.

In addition, asset managers also factor in ESG elements in their investment analysis, when material, to ensure they best protect and enhance their clients' investments, as a risk management tool. It is widely acknowledged that ESG strategies in investment processes are an important risk management tool to better understand performance, especially on the long-term.

To consider sustainability factors in practice, investment entities need relevant information and rely heavily on data. There is an abundance of data, disclosures and reporting standards available, however the challenge in practice is to know which data is financially material, and how the data explains the quantitative or qualitative impact on the business' value creation over the long term, and the comparability and consistency of the data.

**2) What are the sustainability factors that the relevant investment entities should consider? (Please make a choice and indicate the importance of the different factors (1 is not important and 5 is very important). (Please refer to the definition in the Glossary).**

	Yes	No	No opinion
Climate factors (these include climate mitigation factors as well as climate resilience factors)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other environmental factors	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social factors	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Governance factors	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Others	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Importance for climate factors:

- 1
- 2
- 3
- 4
- 5

Importance for other environmental factors:

- 1
- 2
- 3
- 4
- 5

Importance for social factors:

- 1
- 2
- 3
- 4
- 5

Importance for governance factors:

- 1
- 2
- 3
- 4
- 5

*Please specify, which specific factors within the above categories you are considering, if any:*

As said above regarding materiality, specific factors are circumstantial, meaning the importance of certain factors on a one-to-one basis will depend on the specificities of the situation and entity in question. With reference to which specific factors within the above categories are being considered, the below is a non-exhaustive list of examples:

- Climate factors: GhG emissions by investee companies and countries; and in terms of business risk the embedded GhG emissions in products sold by companies in certain industry sectors (e.g. coal, liquid fuels, gas etc.)
- Climate risks related to sectors relying on fossil fuels
- Environmental factors: water risk, arable land, natural habitat, biodiversity
- Social factors: labour relations, health and security, local communities and human rights
- Governance factors: board composition and the election of independent directors, executive remuneration, transparency and accountability

**3) Based on which criteria should the relevant investment entities consider sustainability factors in their investment decision making?**

*Please explain:*

- In the sustainability context, EFAMA believes that asset managers should integrate ESG considerations into the investment processes, when these considerations are expected to have a financial impact on performance (i.e. risk and opportunities) either short or longer term, and in accordance with their clients' preferences.
- Investment entities more broadly should consider sustainability factors that are likely to materialize over the lifetime of their liabilities. Such factors could often be considered for the duration of an investment mandate as set out in the investment management agreement between the asset owner and asset manager, which is typically much shorter than the liabilities that the investor are seeking to meet. Investment entities should also focus on factors that are important to understanding the future cash flows/ value of the asset in question.

**4) Which of the following entities should consider sustainability factors in their investment decision-making? (Possibility to select several answers). If so, please indicate the level of impact that this would have (1 is the smallest impact and 5 is the highest impact).**

	Yes	No	No opinion
Occupational pension providers	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Personal pension providers	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Life insurance providers	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Non-life insurance providers	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Collective investment funds (UCITS, AIF, EuVECA, EuSEF, ELTIF)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Individual portfolio managers	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

*Please explain:*

Firstly, we do not believe in a uniform approach for different investment entities, as this would ignore the fundamental difference both between asset owners and between asset owner and asset manager.

While EFAMA does not represent pension and insurance providers, we consider it imperative that these large asset owners, which typically have long-term liability durations and investment horizon, integrate ESG into their investment decisions to achieve better investment outcomes i.e. better long-term risk-adjusted returns.

Collective investment funds which explicitly have an ESG strategy and/or invest in sustainable assets will consider sustainability factors.

Specifically with regard to individual portfolio managers, when asset owners consider these factors, they need to be clear in identifying their ESG objectives and strategies and setting their expectations as part of their arrangements with asset managers. As a result and to faithfully execute the agreement, individual portfolio managers will integrate such parameters and pursue the ESG objectives as set out by their clients.

Level of impact for occupational pension providers:

- 1
- 2
- 3
- 4
- 5

Level of impact for personal pension providers:

- 1
- 2
- 3
- 4
- 5

Level of impact for life insurance providers:

- 1
- 2
- 3
- 4
- 5

Level of impact non-life insurance providers:

- 1
- 2
- 3
- 4
- 5

Level of impact for collective investment funds (UCITS, AIF, EuVECA, EuSEF, ELTIF):

- 1
- 2
- 3
- 4
- 5

Level of impact for individual portfolio managers:

- 1
- 2
- 3
- 4
- 5

## II. Problem

**5) To your knowledge, what share of investment entities active in the EEA (European Economic Area) currently consider sustainability factors in their investment decisions?**

	All or almost all	More than two thirds	More than half	More than a third	None or almost none	No opinion
Occupational pension providers	<input type="radio"/>	<input checked="" type="radio"/>				
Personal pension providers	<input type="radio"/>	<input checked="" type="radio"/>				
Life insurance providers	<input type="radio"/>	<input checked="" type="radio"/>				
Non-life insurance providers	<input type="radio"/>	<input checked="" type="radio"/>				
Collective investment funds (UCITS, AIF, EuVECA, EuSEF, ELTIF)	<input type="radio"/>	<input checked="" type="radio"/>				
Individual portfolio managers	<input type="radio"/>	<input checked="" type="radio"/>				

**6) To your knowledge, which is the level of integration of sustainability factors by the different investment entities (active in the EEA)?**

	High integration	Medium integration	Low integration	No integration	No opinion
Occupational pension providers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Personal pension providers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Life insurance providers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Non-life insurance providers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Collective investment funds (UCITS, AIF, EuVECA, EuSEF, ELTIF)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Individual portfolio managers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

**7) Which constraints prevent relevant investment entities from integrating sustainability factors or facilitate their disregard. Please provide the importance of the different constraints that you consider relevant (1 is not important and 5 is very important).**

8)

	1	2	3	4	5	No opinion
Lack of expertise and experience	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of data/research	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of impact on asset performance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Inadequate methodologies for the calculation of sustainability risks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Inadequate sustainable impact metrics	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Excessive costs for the scale of your company	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
No interest from financial intermediaries	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
No interest from beneficiaries/clients	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
European regulatory barriers	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
National regulatory barriers	<input type="radio"/>	<input checked="" type="radio"/>				
Lack of fiscal incentives	<input type="radio"/>	<input checked="" type="radio"/>				
Lack of eligible entities	<input type="radio"/>	<input checked="" type="radio"/>				
Others	<input type="radio"/>	<input checked="" type="radio"/>				

*Please provide more details on what the constraints/reasons are and how they limit the integration of sustainability factors:*

- ESG factors in investment are essentially externalities (in economic terms) and are difficult to measure in financial terms. Social impact and factors in particular are difficult to quantify.
- For index-tracking funds, their portfolio management process does not require fundamental analysis of individual stocks, therefore any consideration of ESG matters takes place at the asset level post-investment through engagement with investee companies with a view to contributing to the long-term business value creation of these companies. Nevertheless, the offering of ESG index funds is widening, and the more companies themselves become more aligned with their sustainable strategy, the more index funds themselves will become 'sustainable'.
- Lack of consistent and comparable corporate disclosure on sustainability is a constraint. Better corporate disclosure of financially material ESG factors i.e. that are relevant to the company, business strategy and its sector, is required. From an asset manager's perspective, the drive towards standardisation of disclosure frameworks is key for ensuring access to reliable, accurate, consistent and comparable reporting on ESG issues by companies.
- The lack of understanding by some pockets of asset owners and their beneficiaries on why sustainability is an important investment consideration is also a significant factor. Too often risk is defined with historic models, which naturally do not capture issues relating to sustainability. A secondary issue is when clients confuse terms such as ethical, ESG integration and sustainable or fail to understand that sustainable is

not a binary definition or choice.

**9) How challenging is it for relevant investment entities to integrate the different sustainability factors? (1 is not challenging and 5 is very challenging) - Please refer to the definition in the Glossary).**

	1	2	3	4	5	No opinion
Climate factors (these include climate mitigation factors as well as climate resilience factors)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other Environment factors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social factors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Governance factors	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Others	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please explain:

As discussed earlier, lack of consistent and comparable corporate disclosure on sustainability is a constraint. Better corporate disclosure of material ESG factors i.e. that are relevant to the company, business strategy and its sector, is required. From an asset manager's perspective, the drive towards standardisation of disclosure frameworks is key for ensuring access to reliable, accurate, consistent and comparable reporting on ESG issues by companies.

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### III. Policy options

**10) In which area should relevant investment entities consider sustainability factors within their investment decision-making? Please make a choice and indicate the relevance of the different areas (1 is minor relevance and 5 is very high relevance).**

11)

	Yes	No	No opinion
Governance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investment strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Asset allocation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Risk management	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Others	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Relevance for governance:

- 1
- 2
- 3
- 4
- 5

Relevance for investment strategy:

- 1
- 2
- 3
- 4
- 5

Relevance for asset allocation:

- 1
- 2
- 3
- 4
- 5

Relevance for risk management:

- 1
- 2
- 3
- 4
- 5

**12) Within the area of governance, which arrangements would be most appropriate to enable the integration of sustainability factors? (1 is the not appropriate and 5 is the very appropriate).**

**13)**

	1	2	3	4	5	No opinion
Specific sustainability investment Committee	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Specific sustainability member of the Board	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sustainability performance as part of remuneration criteria	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Integration of sustainability factors in the investment decision process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Integration of sustainability checks in the control process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Periodic reporting to senior management/board	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Others	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

**14) Should insurance and pension providers consult their beneficiaries on an annual/periodic basis on their preference as regards sustainability factors?**

- Yes
- No
- No opinion

**15) Within the portfolio's asset allocation, should relevant investment entities consider sustainability factors even if the consideration of these factors would lead to lower returns to beneficiaries/clients in the medium/short term?**

- Yes
- No
- No opinion

**16) Within the area of risk management, does the current set of corporate disclosures provide the relevant investment entities with adequate information to perform sustainability risk assessments in respect of investee companies?**

- Yes
- No
- No opinion

*Please explain where the possible gaps are, if any:*

As said under Q7, standardisation at EU level should occur on corporate reporting. From an asset manager's operational point of view, this will facilitate the investment decision-making process but also enable asset managers quantify the impact of their investments on their portfolios. Well defined, consistent and comparable ESG metrics for sector material issues are essential.

**17) Do the overall information or risk metrics available enable the relevant investment entities to adequately perform sustainability risk assessments?**

- Yes
- No
- No opinion

*Please explain where the possible gaps are, if any:*

Investors need (sector-specific) comparable metrics. To enable them make effective investment decisions based on ESG data, the information needs to be material, forward-looking and reported in a standardised format.

**18) Do you think that uniform criteria to perform sustainability risk assessments should be developed at EU level?**

- Yes
- No
- No opinion

*Please explain:*

We do not agree with a uniform approach. This would ignore the fundamental differences, purposes and roles of institutional investors and asset managers respectively and run the risk of being seen as a tick box compliance exercise and lead to 'green-washing' of products, rather than achieve meaningful change. ESG investment is already actively driven by industry and investors. There is a lot of innovation and research focusing on best practices. The rush to regulate this market too quickly will stifle this innovation.

As already said, the drive towards standardisation of disclosure frameworks is key for ensuring access to reliable, accurate, consistent and comparable reporting on ESG issues by companies, which in turn enables asset managers quantify the impact of their investments on their portfolios. Investment decisions require ESG data that are material, forward-looking and standardised. This includes efficient and comparable data collection and reporting based on common metrics, methodologies and quantitative data. Standards should be adapted to evolving market reality.

**19) In case material exposure to sustainability factors is identified, what are the most appropriate actions to be performed by the relevant investment entity?**

When institutional investor clients' award equity mandates to asset managers, stewardship is discussed and the approach agreed in the investment management agreement. When the client delegates stewardship to its asset manager, the latter is responsible for complying with the terms of the mandate as agreed. In practice and by law, asset managers disclose a shareholder / corporate governance policy (applied across segregated mandates and collective investment funds), which oftentimes includes when and how they will escalate engagement with investee companies to protect and enhance value of their clients' investments. If boards do not respond constructively, then the asset manager will consider whether to escalate further their action, for example, by:

- Engaging jointly with other investors on particular issues;
- Submitting resolutions at general meetings;
- Voting for or against proposed resolutions as appropriate; and
- Calling an EGM to propose shareholder action, for example to effect changes to the board.

For actively managed holdings, divestment from the investee company may be an appropriate measure in specific cases in order to protect clients' interests.

**20) Should relevant investment entities disclose how they consider sustainability factors within their investment decision-making?**

- Yes
- No
- No opinion

*Please explain:*

Asset owners should articulate what role sustainability plays in their engagement policy, process and how that is reflected in their holdings. We agree that investment entities should disclose their policy regarding how they consider sustainability factors within their investment decision-making, ensuring that proprietary research does not have to be disclosed.

If yes, what areas should the disclosure cover? Please make a choice and indicate the relevance of disclosure within the different areas (1 is minor relevance and 5 is high relevance):

	Yes	No	No opinion
Governance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investment strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Asset allocation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Risk management	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Relevance for governance:

- 1
- 2
- 3
- 4
- 5

Relevance for investment strategy:

- 1
- 2
- 3
- 4
- 5

Relevance for asset allocation:

- 1
- 2
- 3
- 4
- 5

Relevance for risk management:

- 1
- 2
- 3
- 4
- 5

**If yes, where?**

	Yes	No	No opinion
Pre-contractual disclosure (e.g. prospectuses)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Semi-annual/annual reports	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Periodic reports	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Website	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Newsletters	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Factsheets	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Marketing materials	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Others	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please specify others:

- Periodic reports are the same as semi-annual/annual reports.
- Disclosure in relation to investment strategy and risk management is most appropriate through fund documentation whereas for governance, company-wide documentation such as annual reports is more suitable.
- Much will also depend on what is allowed under the existing MIFID 2 framework, especially with regards to measuring performance and impact.

**IV. Impacts for stakeholders**

**21) Which stakeholder groups would incur costs and which would benefit from integrating sustainability factors within investment decision-making by relevant investment entities?**

**22)**

	Benefits	Costs
Occupational pension providers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Personal pension providers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Life insurance providers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Non-life insurance providers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Collective investment funds (UCITS, AIF, EuVECA, EuSEF, ELTIF)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Individual portfolio managers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
General public	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Retail investors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Financial advisors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Service providers (index provider, research providers...)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other stakeholders (please specify)	<input type="checkbox"/>	<input type="checkbox"/>

*Please explain:*

For asset managers, there could be a financial cost (such as research cost), however this may lead to an investment benefit. It will also depend on specific circumstances, the business model and the entity. Asset managers will also incur costs in integrating more data into their investment processes and providing better reporting on sustainability. It is also worth noting that while larger asset managers may be able to absorb the costs of ESG research those of smaller size may not be able to afford them. Index providers and research providers are likely to benefit as they supply new benchmarks and data set. The general public should be largely unaffected.

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Brussels, 19 January 2018

[18-4003]

**EFAMA appendix**  
**Response to EC consultation on institutional investors and asset managers’  
duties regarding sustainability**

**With reference to question 2:**

- We refer to our answer in Q1 and the distinction between ESG analysis as a risk management tool and ESG driven strategies based on specific objectives of asset owners:
  - As a risk management tool, ESG factors need to be financially material. On a corporate issuer level ESG factors will depend on the issuer itself and its industry. On a sovereign issuer level, financially material ESG factors are country specific including exposure and financial ability to deal with macro-ESG risks. An average ranking of E, S and G factors is therefore not possible given the variability of their importance as just explained.
  - In an ESG driven strategy based on the specific ESG objectives of the asset owner, material risks have to be defined between the asset owner and asset manager.

**With reference to question 5 and 6,** EFAMA is not in a position to estimate the share of investment entities currently considering sustainability factors in their investment decisions, or the level of integration of sustainability factors.

Specifically with regard to collective investment funds and individual portfolio managers, EFAMA does not collect data in relation to whether sustainability factors are considered in investment decisions or their level of integration.

However, EFAMA national associations may be able to provide anecdotal evidence in relation to growth in ESG investment in specific national markets.

**With reference to question 10:**

Any policy approach should be principle-based to ensure it does not interfere with different types of structures of the entities involved.

**With reference to question 12:**

- We answered ‘no opinion’ because the question and the yes/no options do not adequately reflect the context and nuances of the subject matter:
  - We refer to our answer in Q1 and the distinction between ESG analysis as a risk management tool and ESG driven strategies based on specific objectives of asset owners. In an ESG driven strategy, asset managers consider all risks associated with the companies and projects they invest in on behalf of asset owner clients, however the investment horizon of the risk will be dependent on the investment horizon of the client primarily and of the investment secondarily (asset liability matching). It may be the case for example that the asset owner has agreed in the investment

management agreement that the impact of the strategy, or the prioritisation of a longer term horizon is the first and foremost consideration and may result in shorter returns. It should also be possible to achieve high returns and consider sustainability factors. There will be increased support for this if focus is on material sustainability factors. Ultimately, the most important consideration is the decision of the asset owner on its financial and impact objectives.

- There are also regulatory requirements which require periodic fund performance review and asset managers are required by their beneficiaries to look at short-term performance during these reviews.

Brussels, 19 January 2018

[18-4003]