

UCITS Time Line to 2010

UCITS Directive 1985:

- To harmonize the sale and marketing of ICS to retail investors.
- To create a single market and to impose a common set of investment parameters, restrictions and supervision.
- Ultimately failed its objectives.
- Failed to envisage the growth of complexity of CIS potentially structured within UCITS

UCITS II:

Planned amendments and augmentations to UCITS 1985. Never materialized as they were bogged down in the European Council.

UCITS III:

- A re-initiation of the extension of UCITS in 2002.
- Consisting of the Product Directive and the Management Directive.
- Extended the definition of eligible securities to transferable securities, listed securities, money market instruments, other regulated CIS, derivatives and index tracker funds.
- Introduced the Simplified Prospectus intended to be more accessible, clear and concise.

UCITS IV:

- Effort was tabled July 2009.
- Expected adoption July 2011.
- Aims to replace Simplified Prospectus with a Key

Information Document which will include a risk ranking (ranging from 1 to 7).

- To facilitate mergers between UCITS.
- To allow Master Feeder structures.
- To hopefully finally be truly passportable across borders.

UCITS V:

- A New Hope?

Current State:

- UCITS AUM = 5.6 trillion EUR.
- Increasing investor interest from outside Europe: Asia, KatAm, Mid East.
- Can be registered in HK and Singapore for retail distribution.