



**FIDEURAM  
ASSET MANAGEMENT IRELAND**

**BENCHMARK REGULATIONS PROCEDURES**

*March 2018*

# BENCHMARK REGULATION PROCEDURES

Reference is hereby made to Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the “**BMR**”).

In respect of those sub-funds that track a benchmark index, or are managed by reference to a benchmark index, or use a benchmark index to compute a performance fee if applicable, as of the date of the present Prospectus the applicable benchmark administrators for the benchmark indices of such sub-funds are not registered in accordance with article 34 of the Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the “**Benchmark Regulation**”), but confirmed to Fideuram Asset Management (Ireland) dac (“**FAMI**”) that they intend to comply with the Benchmark Regulation, within the deadline of 1 January 2020 in accordance with the transitional period described in the Benchmark Regulation (the “**Transitional Deadline**”).

European Union (“**EU**”) benchmark administrators and non-EU benchmark administrators intend, within the Transitional Deadline, to get themselves included in the register maintained by ESMA and respectively comply with the equivalence, recognition or endorsement regimes where applicable under the Benchmark Regulation.

FAMI will ensure that the applicable benchmark administrators will confirm their registration within the Transitional Deadline and will update accordingly and as appropriate this Prospectus and Management Regulations.

According to Article 28 (2) of the BMR, Supervised Entities are required to produce and maintain written plans for cessation or material changes of a benchmark, setting out the actions they would take in the event that a benchmark they are using materially changes or ceased to be provided.

## **RULES FOR CESSATION OR MATERIAL CHANGES OF A BENCHMARK**

In case of a material change or cessation of a benchmark as described under the BMR, FAMI may take the following steps, without limitation:

- Determine the impact of such event and assess the consequences thereof, identify inconsistencies and potential breaches.
- Risk assessment of any potential hedging mismatch.
- Select, between the benchmarks provided by administrators included in ESMA’s “List of EU benchmark administrators” or by non-EU benchmark administrators which comply with the equivalence, recognition or endorsement regimes where applicable under the Benchmark Regulation, an appropriate substitute benchmark for each fund in scope. The benchmark is selected in order to replicate the official Benchmark. The appropriate substitute benchmark shall properly represent the investment market, and be consistent with the benchmark in terms of geographic area, currencies represented, and relevant financial attributes (i.e. maturity, duration, capitalization, etc.). FAMI will also test the correlation between the benchmark and the substitute benchmark to verify the suitability of the substitute benchmark.

- FAMI's Investment Committee will discuss, consider and, if thought fit, propose the establishment of the alternative benchmark to the board of directors of FAMI. The latter will assume the final decision.

The overall scope of the steps outlined above is to determine, if feasible and appropriate, a suitable and appropriate alternative benchmark or any other appropriate contingency measures for existing investment funds referencing such benchmark.

In addition, FAMI may take into account the following factors, without limitations:

- Instructions imposed by governments or regulators;
- Guidance or solutions from relevant market association(s) (for example ALFI, ISDA, IOSCO);
- Guidance and definitions (for example Q&A BMR from ESMA);
- Other accepted (local) market practice;
- Capability of the new benchmark or appropriate contingency measure to be implemented without undue delay;
- Transparency of the benchmark or appropriate contingency measure;
- Availability of the benchmark from a price source;
- Compatibility of the benchmark provider fees with the budget;
- Compliance with regulatory requirements (including registration with ESMA).