

Distribution remuneration and negotiated rebates Policy

Updated on March 21st, 2024.

Regulatory context

According to Article 29 of the UCITS V Directive on safeguarding the interests of UCITS:

« Member States shall ensure that management companies are not regarded as acting honestly, fairly and professionally in accordance with the best interests of the UCITS if, in relation to the activities of investment management and administration to the UCITS, they pay or are paid any fee or commission, or provide or are provided with any non-monetary benefit, other than the following: [...]

b) a fee, commission or non-monetary benefit paid or provided to or by a third party or a person acting on behalf of a third party, where the following conditions are satisfied:

(i) the existence, nature and amount of the fee, commission or benefit, or, where the amount cannot be ascertained, the method of calculating that amount, must be clearly disclosed to the UCITS in a manner that is comprehensive, accurate and understandable, prior to the provision of the relevant service;

ii) the payment of the fee or commission or the provision of the non-monetary benefit must be designed to enhance the quality of the relevant service to the client and not impair compliance with the firm's duty to act in the best interests of the UCITS; [...]"

Thus, pursuant to answer 1 of Section XII "Costs and fees" of the ESMA FAQ 34-43-392 in its version of 20 July 2022, any negotiated rebate granted to a UCITS holder must comply with the provisions of b) of the aforementioned Article 29.

Similar provisions apply to FIAs.

Distribution Remuneration Policy of Moneta Asset Management

Within the framework of distribution agreements, distribution remuneration (the "Fees") may be granted to regulated distributors to remunerate their marketing efforts.

For the UCITS :

Fees are usually calculated and payable quarterly. The amount of the Fees for each fund for each period will generally be calculated according to the following formula:

Rebate : $E * T * (Nb / N)$

E = Outstanding amount on the last day of the month,

T = Fees,

Nb = Period considered in number of months,

N = Calendar year in number of months

In order to ensure that the existence of these retrocessions is not to the detriment of the investor community, Moneta Asset Management will not grant Fees to a distributor that would result in management fees net of retrocessions being lower than those of the unit with the lowest management fees. Any derogation from this principle will be validated by Management and mentioned in an appendix to this Policy.

For the AIF (Professional Specialised Funds, PFS) :

In its position 2013-10, the AMF considers that, in the case of funds (excluding venture capital funds) for which redemptions are blocked, the advisory activity can only be conceived at the time of subscription and not during the blocking period. As a result, remuneration is only authorised if it can be analysed as staggered payments of a single remuneration relating to the advisory service provided at the outset.

In view of this doctrine, the up-front retrocession remunerates only the service, in particular the advice, provided by the distributor to its customer at the time of the initial subscription or its maintenance at the end of a lock-in period within the SPF.

Up-front rebate = $E * T$

E = Subscription amount,

T = Rate of retrocession

The payment of this upfront distribution will be staggered over the lock-up period in several tranches. The rate of this retrocession will be capped at the maximum entry fee for the relevant SPF.

Common principles:

We consider that the Fees paid by the management company to distributors improve the quality of the collective management service provided to our mutual fund unitholders. This is not detrimental to the investor community and enables the fund to benefit from larger assets under management, thereby reducing the fixed costs borne by the fund.

Further information can be obtained by unitholders from their Distributor.

Negotiated rebates Policy of Moneta Asset Management

Under commercial agreements, negotiated rebates (the "**Rebate**") may be granted to certain investors on the management fees of a Moneta Asset Management fund in which they are invested or wish to invest. The Rebate is granted on a case-by-case basis. Moneta Asset Management does not guarantee the granting of a rebate to an investor who requests it.

For the UCITS :

The Rebate will be calculated and payable usually on a quarterly basis. The amount of the rebate for each fund for each period will generally be calculated according to the following formula:

Rebate : $E \cdot T \cdot (Nb/N)$

E = Outstanding amount on the last day of the month,

T = Rebate rate,

Nb = Period considered in number of months,

N = Calendar year in number of months

For the AIF (Professional Specialised Funds, PFS) :

The Discount will usually be calculated and payable only once per Lock-up Period, in the first few months of the Lock-up Period ("up-front"). The amount of the Discount for each FPS for each Period will generally be calculated according to the following formula:

Rebate = $E \cdot T$

E = Subscribed amount

T = Rebate rate

Common principles :

We consider that the negotiated rebates that the management company grants to investors improve the quality of the collective management service provided to the holders of our funds. In fact, only new investments with a minimum threshold may give rise to the conclusion of new negotiated rebate agreements. This is not detrimental to the fundholder community and allows the fund to benefit from larger management assets and, for example, to reduce the fixed costs of the fund.

In order to ensure that the existence of these rebates is not to the detriment of the community of unitholders, Moneta Asset Management shall not grant a rebate to a unitholder which would result in the latter bearing lower management fees net of the rebate than those of the unit with the lowest management fees. Any derogation from this principle shall be validated by the Management and mentioned in an appendix to this Policy.

Moneta Asset Management's policy on non-monetary benefits

In connection with the management and marketing of UCIs, Moneta Asset Management may receive or benefit from the following advantages:

1. information or a document relating to a financial instrument or an investment service which is generic in nature or which is personalised according to the situation of a client: this may in particular be the case of financial and economic research provided to Moneta Asset Management by its research providers;
2. a written document originating from a third party:
 - a) which has been commissioned and paid for by an issuer or potential issuer to promote a new issue by that issuer; or
 - b) where the third party has entered into a contract with an issuer and is paid by the issuer to produce such a document on a regular basis;
3. attendance at a conference, seminar or educational or information event relating to the benefits and characteristics of a particular financial instrument or investment service;
4. any reasonable hospitality expenses, such as those relating to meals and beverages offered at a business meeting or conference, seminar or training or information event referred to in 3° above; and
5. any other non-monetary benefit which it is considered :
 - a) is likely to improve the quality of the service provided to a customer; and
 - b) should not, by its proportions or nature, and having regard to the overall level of benefits provided by an entity or group, be likely to prejudice the obligation of Moneta Asset Management to act in the best interests of that client.

Access to details of information

In addition to this disclosure of the main terms and conditions of agreements relating to remuneration, commissions and non-monetary benefits, subscribers to UCIs may obtain details from their distributor, but also from their commercial contact at Moneta Asset Management, in the absence of a usual contact, by contacting +33 (0)1 58 62 53 30 or contact@moneta.fr.