Book IV - Collective investment products

Title I - Undertakings for Collective Investment in Transferable Securities (UCITS)

Chapter unique - Undertakings for collective investment in transferable securities (UCITS)

Section 4 - Calculating global exposure

Paragraph 1 - Measuring the global exposure of CIS to financial derivative instruments

Sub-paragraph 3 - VaR approach

General regulation of the AMF

Article 411-78 into force since 21 October 2011

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Article 411-78

I. - When measuring global exposure using the VaR approach, the management company is responsible for selecting the most appropriate method - relative or absolute VaR - given the risk profile of the CIS and the investment strategy.

The management company shall be able to demonstrate that the VaR method used is appropriate. The choice of method and the underlying assumptions are documented.

The global exposure of a CIS calculated using the relative VaR method is equal to the VaR of the CIS portfolio divided by the VaR of a reference portfolio, defined in an AMF instruction, minus one, multiplied by the scheme's net assets.

II. - The absolute VaR method should limit maximum VaR to 20% of the market value of the scheme's net assets. An AMF instruction shall stipulate the conditions for applying the provisions of this article.

↘ **Version into force since 21 October 2011**