



Book IV - Collective investment products

Title II - AIFS

Chapter II - Funds open to retail investors

Section 1 - Retail investment funds

Sub-section 4 - Calculation of aggregate risk

Paragraph 1 - Measurement of aggregate risk for retail investment funds in relation to financial contracts

Sub-paragraph 4 - Aggregate risk for a formula-based retail investment fund

General regulation of the AMF

Article 422-59 into force since 21 December 2013

DISCLAIMER : Information boxes have been inserted within the General Regulation. They allow for a direct access to the relevant European regulations on the subject matter.

The user will be redirected to the European regulations as initially published in the Official Journal of the European Union and to the subsequent corrigenda, if any. The AMF does not guarantee the completeness of the redirections to these European regulations and corrigenda.

The boxes are located at the most relevant level of the GRAMF depending on the provision of the EU regulations to which they refer (Book, Title, Chapter, Section, etc.).

This additional material is provided for information purposes only and does not constitute a regulatory instrument. The AMF shall not be held liable or responsible for any harm resulting directly or indirectly from the provision or the use of these information boxes.

Article 422-59

Aggregate risk for a formula-based retail investment fund shall be measured using either the commitment approach or the value at risk approach.

The formula-based retail investment fund may apply specific rules, defined in an AMF instruction, for calculating aggregate risk using the commitment approach, if it fulfills all the following conditions:

- 1 • Returns for investors rely on a calculation formula for which the predefined possible results may be divided into a finite number of scenarios that depend on the value of the underlying assets.

Each scenario provides a different result for investors.

- 2 • Investors shall be exposed to only one result at a time at any point in the lifespan of the retail investment fund;
- 3 • Use of the commitment approach to measure aggregate risk for each individual scenario is appropriate, pursuant to Article 422-52;
- 4 • The final maturity of the retail investment fund is no more than nine years after the end of the marketing period;
- 5 • The retail investment fund does not accept new public subscriptions after the initial marketing period;
- 6 • The maximum loss that may be sustained by the retail investment fund transitioning from one scenario to another does not exceed 100 per cent of the net asset value at the end of the marketing period;
- 7 • The impact of each underlying asset on the remuneration profile to be provided to investors on any given date following transition from one scenario to another observes the diversification rules specified in Article R. 214-32-29 of the Monetary and Financial Code on the basis of the net asset value at the end of the marketing period.

📌 **Version into force since 21 December 2013**