

**MEMO# 4953**

July 8, 1993

## NOTICE OF MEETING -- AUGUST 5

\* A UCITS fund is a fund established in an EC member State that complies with EC Directive 85/611/EEC on Undertakings for Collective Investment in Transferable Securities. Once qualified, a UCITS fund may be publicly offered throughout the EC. July 8, 1993 TO: INTERNATIONAL COMMITTEE NO. 15-93 RE: NOTICE OF MEETING -- AUGUST 5

\_\_\_\_\_ The Institute is holding a meeting on Thursday, August 5 to discuss a possible proposal to facilitate the U.S. industry's ability to market in Europe. The meeting will take place at 10 a.m. at the Institute's offices. Lunch will be served. The purpose of the meeting is to determine whether the Institute should seek regulatory changes that could improve the access that the U.S. and European fund industries have to each other's markets. Specifically, the Institute could seek regulatory changes to permit the creation of a master fund/feeder fund structure that would allow one master fund to have both U.S.- registered and European-registered feeder funds. This could be accomplished, for example, if U.S. and European regulators would recognize a master fund located in an EC Member State as both a U.S.-registered 1940 Act fund and a registered UCITS fund.\* Once such a master fund is established, publicly offered feeder funds could be created in the U.S. and throughout the EC to invest in the master fund. Such a master fund/feeder fund structure could offer a number of advantages, including 1) significant economies of scale through use of one master fund for both U.S. and European investors and 2) the ability to tailor the individual feeder funds to suit the needs of a particular market. Such a structure may improve a U.S. money manager's ability to attract European fund investors and could give European managers better access to the U.S. market. Implementation of this concept would require a number of changes in European law and practice. Moreover, we will need to ensure that the structure would comply with SEC requirements. Before proceeding with what may be a long-term effort, we wish to gauge whether such a structure, if implemented, would be a useful alternative for accessing various foreign jurisdictions. Thus, we hope to have a full discussion of the pros and cons of this proposal at the meeting. A memorandum that more fully describes the concept will be forwarded to you prior to the meeting. Angela C. Goelzer Associate Counsel - International Please return this portion to Theresa Brice, Investment Company Institute, 1600 M Street, N.W., Suite 600, Washington, DC 20036 OR fax it (202/659-1519) YES NO \_\_\_\_\_ INTERNATIONAL COMMITTEE MEETING 10:00 a.m., Thursday, August 5, 1993 \_\_\_\_\_ Lunch \_\_\_\_\_ or \_\_\_\_\_ COMMITTEE MEMBER'S NAME ALTERNATE'S NAME \_\_\_\_\_ COMPANY NAME \_\_\_\_\_

should not be considered a substitute for, legal advice.