

NEWS RELEASE

May 23, 2023

ICI Global Statement on EU Retail Investment Strategy

WASHINGTON, DC; MAY 24, 2023—Investment Company Institute (ICI) Chief Global Affairs Officer and Head of ICI Global Michael Pedroni released the following statement regarding the European Commission’s proposed Retail Investment Strategy:

“ICI Global supports empowering all European investors to participate in the capital markets. This is particularly important at a time when inflation is impacting the wealth and savings of all EU citizens. Investment fund products, such as UCITS, offer retail investors market-based returns that can often outpace bank deposit accounts and work to achieve investors’ financial goals.

“The Retail Investment Strategy is an important initiative for EU investors and an opportunity for powerful reforms. We support modernizing disclosures through digitalization, improving investor onboarding and suitability assessments, and providing a transparent presentation of costs.

“‘Value for money’ is also an important aspect of the Retail Investment Strategy, but the EU should take a holistic approach to assessing value for money. Aspects of value for money include performance, diversification, investor needs and preferences, and costs. With respect to costs, ICI research has shown that the average ongoing charges for equity and fixed-income UCITS have [declined substantially since 2013](#).

“ICI Global is concerned with the Commission’s proposal to mandate that the European Supervisory Authorities construct granular costs benchmarks against which all 30,000 UCITS would be evaluated. It seems unlikely that this can be done fairly across a diverse range of asset classes and time horizons. Price benchmarks will reduce diversity, innovation, and choice of funds offered, and this would lead to worse outcomes for European investors.

“We look forward to engaging with policymakers in the months ahead to ensure that the Retail Investment Strategy benefits EU citizens and ensures a healthy, growing, and diverse ecosystem for regulated investment funds.”