



Investment Funds
Glossary

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This glossary is prepared to accompany market practice documentation published by the SMPG Investment Funds Working Group. It should be read in conjunction with the ISO 20022 Data Dictionary, which is available at www.iso20022.org.

Term	Description
Acknowledgement	A message returned by the fund-side institution to the client-side institution, which indicates that an order has been received and accepted for execution.
BIC	Bank Identifier Code - international standard (ISO 9362) reference code used to identify individual banks and other financial institutions.
Central Securities Depository	See (I)CSD
Charge	An amount deducted by the fund or promoter.
Commission	An amount paid for a service related to the order.
Confirmation	A report sent to the instructing party, to confirm the details of execution for a subscription, redemption or switch order. This will confirm the financial and contractual details of the transaction.
Custodian	A party who holds the assets on behalf of an individual or institutional investor. They may be asked to send orders on behalf of the investor.
Distributor	An entity through which investors may buy or sell funds units. This may also be on an advisory or execution-only basis.
FCP	A FCP or ‘Fonds Commun de Placement’ is a type of investment fund that is established as a common contractual arrangement between the parties involved and the investors.
Fund manager	The company that is responsible for the management and operation of the fund, eg, determines the investment strategy, appoints the service providers, and makes major decisions for the fund. It is usually responsible for the distribution and marketing of the fund.
Fund hub	An entity that manages and centralizes communication, settlement and coordination of individual orders among the various parties. The Hub centralizes communication and offers services which, depending on the Hub's service offering, can range from managed order routing to settlement and asset servicing.
Fund or Investment Fund	‘investment fund’ and ‘fund’ include typical mutual fund and collective investment undertakings, such as unit trusts, open ended investment companies (OEIC, SICAV, FCP etc), and contractual funds (note that although it may be possible to follow the market practice for alternative types of fund, eg, hedge funds, the IFWG has not attempted to accommodate these specifically).
Fund platform	An entity that collects and aggregates investor orders for placement with the executing party, and maintains the shares in its nominee account.
Holder	A person or entity that is recorded (singly or jointly) on the fund register, as having legal title to the units or shares.
(I)CSD	Central Securities Depository (CSD) – An organisation that holds securities either in certificated or uncertificated (dematerialized) form, to enable their book entry transfer. It further deals with transaction processing such as clearing and settlement of securities in electronic form and in some instances, also offers order routing services for investment funds. International Central Securities Depository (ICSD) - A CSD that focuses its service offering (asset servicing, settlement, fund order routing) on cross-border activity.
Investment Manager	An entity that may be appointed by investors to make investment decisions on their behalf.
Investor	The party whose money is invested. It can be one or more individual(s) or entities.
OEIC	An OEIC or ‘Open-ended investment company’ is a type investment fund that is established in corporate form.

Order Cancellation	A request to cancel a subscription, redemption or switch order that has been previously sent. The processing of a cancellation will be subject to the agreement of the executing party and the time at which the cancellation request is received.
Redemption	An instruction (order) given to the executing party, to sell (redeem) units in a fund.
SICAV	An SICAV or “Societe d’investissement a capital variable’ is a type investment fund that is established in corporate form.
Subscription	An instruction (order) given to the executing party, to purchase (subscribe) units in a fund.
Switch	An instruction to sell in a fund with the proceeds used to purchase units in another fund. A switch is usually within the one fund family or fund umbrella and does not result in any changes to the holder and investor.
Transfer agent	The entity that undertakes the execution of subscription, redemption and switch orders on behalf of the fund.
Transferee	The existing holder of the units, who is transferring them to the transferee. May be an investor or someone holding assets on their behalf.
Transferor	The new holder of the units, who is receiving them from the transferor. May be an investor or someone holding assets on their behalf.
Unit trust	A unit trust is a type of investment fund that is common in some countries, which is established under trust law.
Units	The term 'unit' applies generally to FCP and unit trusts whereas the term 'share' applies usually to corporate funds, suchs as OEIC and SICAVs. For the purpose of this document the term 'units' is used to represent units or shares of a fund.