

**Question for written answer E-002510/2019
to the Commission**
Rule 138
Neena Gill (S&D)

Subject: Funds

On 3 June, Neil Woodford blocked redemptions from his GBP 3.7 billion equity income fund after serial underperformance led to an investor exodus, inflicting a serious blow to the reputation of the UK's highest-profile fund manager.

1. The Woodford fund held shares in quoted companies listed in Guernsey, thus rendering them eligible. In this context, could the Commission clarify what exactly constitutes an eligible liquid asset under the terms of the UCITS Directive? Does the Commission agree that there needs to be clarification as to how the unquoted cap is calculated?
2. The Woodford story also clearly demonstrates that there are concerns about the fact that a UCITS fund can exceed the 10 % limit if the unquoted company intends to list in the next 12 months. How does the Commission intend to address these concerns in order to better protect investors' interests?