

Administrative sanction of 27 March 2026 for non-compliance with professional obligations related to rules of conduct

Luxembourg, 21 October 2026

Administrative decision

On 27 March 2026, the CSSF imposed an administrative fine of EUR 28,804 (twenty-eight thousand eight hundred and four) on VP Fund Solutions (Luxembourg) SA (hereinafter the "**IFM**"), an investment fund manager subject to Chapter 15 of the amended Law of 17 December 2010 on undertakings for collective investment (hereinafter the "**UCI Law**") and authorised under Chapter 2 of the amended Law of 12 July 2013 on alternative investment fund managers.

Legal framework/motivation

The administrative fine was imposed by the CSSF pursuant to Article 148(4), point (e) of the UCI Law, on the basis of Article 148(2), point (k) of the UCI Law, after having determined that the IFM had committed a material, repeated and persistent breach (hereinafter the "**breach**") of the provisions of Article 111, points (a) and (b), of the UCI Law, concerning the rules of conduct in the course of managing the sub-fund BLACK FERRYMAN - WORLD BASIC FUND (hereinafter the "**WBF sub-fund**") of the fund BLACK FERRYMAN (hereinafter the "**Fund**"), an undertaking for collective investment in transferable securities (UCITS) in the form of a mutual fund governed by Part I of the UCI Law which was managed by the IFM until 31 December 2024.

In determining the type and amount of the administrative fine, the CSSF took into account, in accordance with Article 149a of the UCI Law, all relevant circumstances, including (i) the gravity and duration of the breach, (ii) the impact of the breach on the investors of the WBF sub-fund, (iii) the profit gained by the IFM and its affiliates in relation to the management of the WBF sub-fund and (iv) certain mitigating elements identified during the proceedings. It should be noted, in particular, that the amount of the fine is proportional to the amount of the recurring costs incurred by the WBF sub-fund considered excessive (as explained below) and to the amount of the remuneration paid to the IFM and its affiliates for managing the WBF sub-fund, both of which are themselves low in monetary terms considering the low net asset value of the WBF sub-fund.

The professional obligations in relation to which the breach was observed are set out in the relevant provisions of:

- the UCI Law; and
- CSSF Regulation No 10-04 transposing Commission Directive 2010/43/EU of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards organisational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company, specifying the measures the management companies are required to take in order to meet the legal

requirements referred to, among others, in Article 111 of the UCI Law (hereinafter the “**CSSF Regulation 10-4**”);

as applicable at the time of the facts.

Legal basis for the publication

This publication is made on a nominative basis according to the provisions of Article 149 of the UCI Law.

Context and major cases of non-compliance with the professional obligations identified

The IFM managed the WBF sub-fund of the Fund from 1 January 2019 until 31 December 2024. During this period, the ongoing charges ratio (i.e. all recurring costs, expressed as a percentage of its net assets, hereinafter the “**ORC**”) of the WBF sub-fund reached, in relation to a low net asset value, abnormally high levels. More particularly, for the financial years from 2019 to 2023, the ORC level of the WBF sub-fund reached on average approximately 4.45%, across all its share classes, with certain years displaying levels exceeding 5%.

These levels remained materially above those generally observed for comparable UCITS (i.e. those investing primarily in equities and/or other securities equivalent to shares in companies) in the Luxembourg market.

In assessing whether such cost levels were undue within the meaning of Article 111, points (a) and (b), of the UCI Law and Article 25(4) of the CSSF Regulation 10-4 - which require management companies to act in such a way as to prevent undue costs from being charged to UCITS and their investors - the CSSF notably applied the guidance developed by ESMA in its Supervisory Briefing on the supervision of costs in UCITS and AIFs (hereinafter the “**ESMA Briefing**”), which aims to promote convergence in the supervision of costs and fees at the level of UCITS and alternative investment funds. The CSSF drew the market’s attention to the ESMA Briefing through, in particular, a communication dated 25 June 2020 and its findings made in the context of the ESMA Common Supervisory Action on the supervision of costs and fees of UCITS dated 20 October 2022 (hereinafter the “**CSSF Feedback Report**”). More specifically, the ESMA Briefing aims to provide, on the one hand, guidance to national competent authorities in relation to the supervision of costs and, on the other hand, indications to market participants on the expectations of national competent authorities and on compliant practices with regard to the provisions on costs in the UCITS and AIFMD regulatory frameworks. As also reflected in the CSSF’s Feedback Report, the ESMA Briefing aims to provide market participants with guidance on the assessment of undue costs, in particular also as regards their quantum.

The CSSF’s assessment included a comparison of the ORC levels of the WBF sub-fund with those of comparable UCITS pursuing similar investment strategies, based on market data derived from the self-assessment questionnaires submitted by the UCITS to the CSSF. The WBF sub-fund ranked among the most expensive UCITS within its peer group.

The CSSF further observed that these high levels of costs persisted over several years and were not substantially reduced despite the CSSF's interventions requesting the IFM to remedy the situation as from 2021, and despite the multiple corrective measures made or announced to the CSSF by the IFM as from 2021. Although the different cost components were provided for and disclosed in the prospectus, and the IFM's remuneration did not depart from market standards, the overall levels of costs borne by the WBF sub-fund and its investors remained disproportionate when assessed against market standards and the characteristics of the sub-fund, primarily due to the structural effect of a persistently low level of assets under management.

The CSSF also considered that these high levels of costs had a significant impact on the net performance realised by the WBF sub-fund over the review period.

In determining the sanction, the CSSF took into account certain mitigating elements, including in particular the IFM's decision to resign from its mandate with effect on 31 December 2024 and its role in initiating the migration and subsequent merger of the WBF sub-fund with another UCITS, which ultimately led to a significant increase in assets under management and, as a consequence, an improvement of the Fund's cost profile.

In light of the above, the CSSF concluded that the IFM failed to act with due skill, care and diligence in the best interests of the WBF sub-fund and its investors and failed to prevent undue costs from being charged to this sub-fund, in breach of Article 111, points (a) and (b), of the UCI Law and Article 25(4) of the CSSF Regulation 10-4.