

# BF BETTER FINANCE

The European Federation of Investors and Financial Services Users  
Fédération Européenne des Épargnants et Usagers des Services Financiers

## ANNUAL REPORT

## 2018



**BETTER FINANCE to Better Society:  
Improving Finance for EU Citizens as Financial Services Users**



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# 01

## LETTER FROM OUR CHAIR



Just a couple of weeks before the European elections, BETTER FINANCE and its Member Organisations gathered in Bucharest, Romania, to celebrate the 10-year anniversary of the European Federation of Investors and Financial Services Users and to elect its new board and president. I am proud that I was elected BETTER FINANCE President and thank BETTER FINANCE for putting their trust in me to ensure that European financial services users are heard with an even clearer voice in Brussels.

The election of the new board comes at a crucial time for Europe and its citizens in their capacity as savers and investors. Over

the last five years - although some important measures have been taken to improve the protection of European Financial Services Users (i.e. most EU citizens) - EU policy makers unfortunately continued to focus on financial stability, often at the expense of consumer protection.

This has left important investor and consumer protection issues unsolved and has generated new ones. Mis-selling cases have been on the rise, and “financial repression” continues unabated, leaving European middle classes worse off with every day that passes.



The growing complexity of financial markets and financial products offered to investors has not gone hand-in-hand with a corresponding shift in the financial literacy of citizens. What's more is that advice on financial products is also frequently subject to conflicts of interest, since it is very often provided by advisors who receive commissions for the products they sell.

Despite seven years of continuous positive performances of both European equity and bond markets, savers too often get poor, or even negative, net real returns on their lifetime savings, thereby widening the pension gap and maintaining investments and pensions as one of the least trusted consumer markets in Europe.

The time has come to change focus. The election of a new European Commission and Parliament provides the opportunity to put consumer protection of financial services users first, regain the trust of European citizens and return capital markets to their natural participants: European households.

As acknowledged by the European Commission itself, "households are the main source of funds to finance investment". Individual investors and savers should therefore be at the centre of the Capital Markets Union (CMU), the European initiative to reduce over-reliance on banks, find alternative sources of funding and foster the supply of long-term financing.

In order to restore confidence in financial markets, the current dominance of finance over the real economy must be curbed and the primacy of a sustainable real economy promoted. To this end, BETTER FINANCE calls for a NEW DEAL for EU citizens as savers and investors and outlined the

priorities that would go a long way towards addressing their protection and strongly benefit the real economy. A strong and well-developed CMU will be crucial to achieve this.

BETTER FINANCE continues to strongly support the CMU initiative and urges the newly elected European policymakers to renew efforts towards its development, since the Commission's CMU flagship seems to be at risk of having the wind taken out of its sails by the latest tendency to put "Sustainable" Finance initiatives first. Whereas BETTER FINANCE firmly believes that it is essential to promote a cleaner and fairer economy, this should never happen at the expense of long-term and pension savers.

Let's ensure European citizens as savers and investors get a NEW DEAL with better access to simple investment products (such as equities, bonds and ETFs) that bring them closer to the real economy, instead of estranging them further into opaque and fee-laden packaged products. It is through such products that we will ensure long-term and sustainable value creation.

To attract European households back into capital markets, it will be crucial to earn back their trust by providing more transparent and more comparable investment products, in particular with regard to their performance and fees and address mis-selling by setting up collective redress mechanisms for all EU private investors.



# 02

# OUR MISSION

The goal of the European Federation of Investors and Financial Services Users (“BETTER FINANCE”) is to act as an independent financial expertise and advocacy centre to the direct benefit of European financial services users.

fund and retail investors, savers, pension fund participants, life insurance policy holders, borrowers, and other financial services users, we have the best interest of all European citizens at heart.

BETTER FINANCE believes that the financial system exists to serve the real economy. For this reason, our mission is focused on restoring confidence in capital markets and financial intermediaries and promoting a sustainable finance for its users.

BETTER FINANCE tries to balance the influence of financial institutions in the EU financial policy-making process. To achieve this, we:

- successfully engage in EU financial policy advisory groups and processes,
- in campaigns to provide relevant information and better protection for end-users,
- promote market integrity and transparency for individual investors and non-industry stakeholders,
- and push for better governance of financial supervision for all European citizens.



Since the BETTER FINANCE constituency includes individual and small shareholders,



# 03

# WHO WE ARE



BETTER FINANCE was created in 2009 in the aftermath of the 2008 financial crisis to give consumers of financial services a voice.

BETTER FINANCE's predecessor, Euroshareholders, was created in 1992 and gathered about 30 individual shareholder organisations in Europe. Euroshareholders joined BETTER FINANCE in 2012.



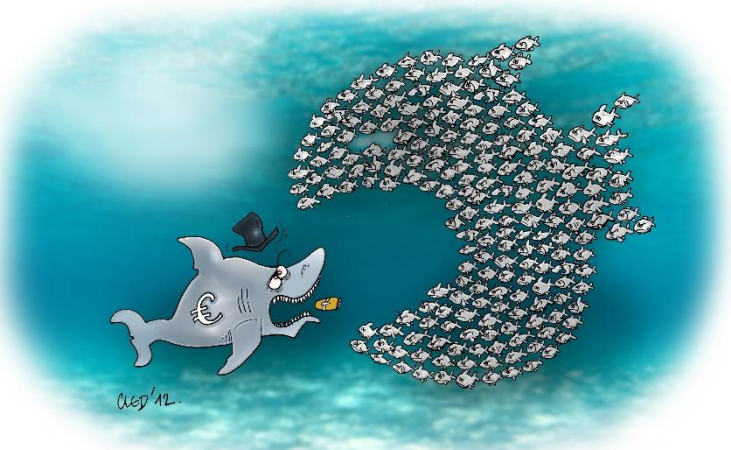
This constituted a very important landmark towards a fully unified representation of the interests of all financial users at European level.

Thus, BETTER FINANCE is one of the very few organisations working "in the interests of the many, and not the few".

BETTER FINANCE directly benefits European end-users of financial services (and non-industry stakeholders) as its members are dedicated non-profit European financial services user organisations themselves (and other stakeholders independent from the financial industry). They act as representatives of financial services users in their respective EU Member States, thereby

ensuring proper governance, independence and prevention of conflicts of interests.

BETTER FINANCE represents about 4 million financial services users in more than 35 countries, including most European Member States.



# 2018 | EFFICIENT USE OF PUBLIC MONEY

EC 2017-2020 CAPACITY-BUILDING PROGRAMME ENHANCING THE INVOLVEMENT OF CONSUMERS AND OTHER FINANCIAL SERVICES END-USERS IN UNION POLICY-MAKING





# 04

# STATE OF PLAY

In 2012, for the first time, all types of financial services users such as individual shareholders, fund investors, insurance policy holders, bank savers, pension funds participants, borrowers and others, joined forces to create BETTER FINANCE. Previously, there was no organisation dedicated to the interests of all individual financial services users, representing them at European level and involved in influencing financial services policies.

Prior to the creation of BETTER FINANCE, European financial policy makers were almost exclusively confronted with and advised by financial industry representatives.

Since 2012, the European Union has been supporting BETTER FINANCE to enhance the involvement of financial services users in EU policymaking in the area of financial services.

To this day, the need for rebalancing has not been fully met: the few financial user-side advocates at EU level are still dwarfed by the thousands of lobbyists working for the financial industry. Fortunately, thanks to BETTER FINANCE's successful advocacy efforts, [the reform of the European Supervisory Authorities](#) will finally deliver for consumers and the Stakeholder Groups' composition will be balanced as of 2020 (13 user-side representatives vs 13 from the industry).

## Corporate interests dominate lobbying of DG FISMA

Between Jan – Jul 2016:

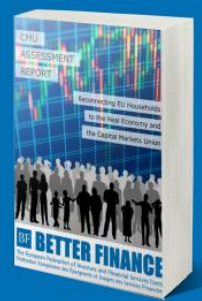
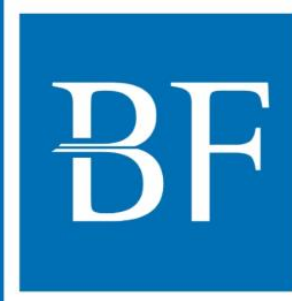
**92%** corporate interests

**8%** non-corporate interests

Source: ALTER-EU

Note: The European Commission's DG FISMA is the Directorate-General for Financial Stability, Financial Services & Capital Markets Union. It is the EC department responsible for EU policy on banking & finance. Source: ALTER-EU.



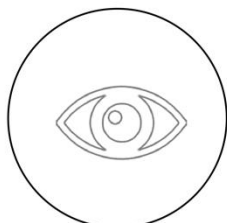


# 05

# KEY PRIORITIES 2019-2024

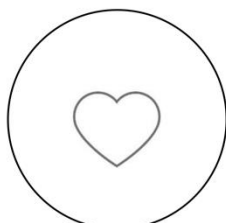
## Key Priorities for the Next Five Years | 2019-2024

2019 European Elections: BETTER FINANCE calls for a NEW DEAL for EU Citizens as Savers and Investors! To this end it has outlined [10 key financial policy priorities for 2019 – 2024](#) and is asking EU Politicians to address the critical issues we are confronted with through this [online questionnaire](#).



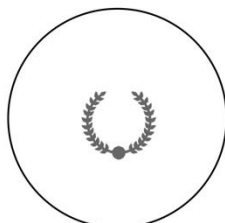
### Transparency

Better access to simple and transparent products



### Attractiveness

Make European capital markets more attractive for EU citizens



### Competitiveness

Improve the competitiveness of European capital markets for SMEs



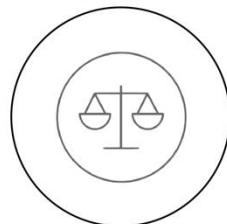
### Clarity

Better access to comparable, fair, clear and non-misleading info



### Sustainability

Improve long-term and sustainable value creation



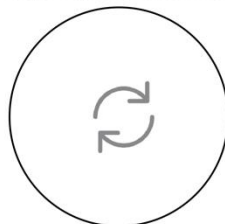
### Fairness

Ensure fair and equal access to redress



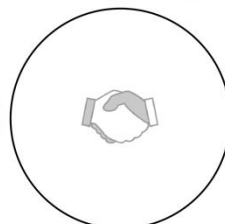
### Knowledge

Promote investor education as key to the success of a real CMU



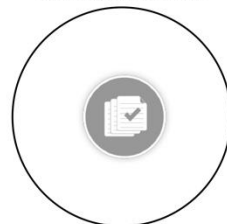
### Consistency

Ensure the consistency of all EU financial user protection rules



### Support

Sustain EU support for the involvement of financial users in policy making



### Efficiency

Increase the efficiency of EU institutions' procedures

## A NEW DEAL FOR INVESTORS & FINANCIAL SERVICES USERS

Despite seven years of continuous positive performances of both European equity and bond markets, savers too often get poor or even negative net real returns on their lifetime savings, increasing the damage of the pensions timebomb, and maintaining investments and pensions as one of the least trusted consumer markets in Europe.

Ahead of the 2019 European elections, BETTER FINANCE outlined the priority actions that would go a long way towards

addressing the financial welfare of EU citizens and strongly benefit the real economy. These can broadly be summarised as follows:

- More transparent and more comparable investment products, in particular with regard to their performance and fees;
- Better access to simple investment products (such as equities, bonds and ETFs) and products that would bring the EU citizen as investor closer to real economy assets, instead of estranging him or her further into opaque and fee-laden packaged products;



- Better ensure “long-term and sustainable value creation”, including improving corporate governance, and addressing mis-selling by setting up collective redress mechanisms for all EU private investors;
- Sustain the support to better involve investors and users of financial services in EU financial policy making.

BETTER FINANCE then contacted all EU Political Parties and MEPs to ask them to address these critical issues we are all confronted with in their election programmes and clearly answer a short questionnaire to show their colours when it comes to financial services provided to citizens.

United Left–Nordic Green Left (GUE-NGL) are fully aligned with BETTER FINANCE’s “New Deal for EU Individual Investors and Users of Financial Services”.

The European Green Party agrees with nearly all BETTER FINANCE proposals, but does not support the action to “improve transparency on performance and fees of all investment products by developing the initial work of the ESAs, and by urgently reviewing the PRIIPS Regulations to reinstate the comparable disclosure of long term past performances relative to the benchmarks of the providers, eliminating the unreliable future scenarios.”

	Transparency	Attractiveness	Competitiveness	Clarity	Sustainability	Fairness	Knowledge	Consistency	Support
	✓	✓	✓	✓	✓	✓	✓	✓	✓
	✓	✓	✓	✓	✓	✓	✓	✓	✓
	✓	✓	✓	No to "improving transparency on performance and fees."	✓	✓	✓	✓	✓
	✓	Yes/No to "introducing cost free cross-border voting for retail investors within the EU"	✓	No to "developing independent EU-wide comparison tools"	No to a "well-designed and regulated ecolabel based on the taxonomy" and no to "promoting employee share ownership"	Yes/No to "introducing common rules for an effective collective redress for all retail investors"	✓	✓	Yes/No to "sustaining EU support to better involve investors and other users of financial services"
	Did not answer the questionnaire, with ALDE and ENF citing widely diverging positions between their national member parties and the European Left citing complexity.								
									
									
	Did not answer our questionnaire and did not provide a reason.								
									

Although some EU political parties did not provide any feedback on these crucial issues, those that did by and large agree with most of the key priorities put forth by BETTER FINANCE. The Progressive Alliance of Socialists and Democrats (S&D) and the European

The support from the European Conservatives and Reformists (ECR) is more nuanced. Whereas the ECR supports some of the action proposed by BETTER FINANCE, it does not want to see the development of independent EU-wide comparison tools for financial



products or the design of an EU ecolabel for financial products. The Conservatives are also opposed to the concept of Employee Share Ownership.

The European People’s Party (EPP), one of the largest European political families, acknowledged receipt of our priorities,

but did not respond. Other political groups, including the European Liberals (ALDE) and the Europe of Nations and Freedom party (ENF), informed BETTER FINANCE that divergences on these policy matters within the group made it impossible to answer the questionnaire.

# 06

# SUPPORT FOR OUR CAUSE



*“I really think that it is very important for us in terms of regulation and supervision of the financial sector, **to have both views [of the industry and financial services end-users].**”*

Gabriel Bernardino, Chairman of the European Insurance and Occupational Pensions Authority (EIOPA)



*“I’m quite proud of the fact that the European Commission now puts money into financing European consumer lobbies such as BETTER FINANCE. **I will continue to listen carefully to what BETTER FINANCE and its member organisations are saying.**”*

Sven Giegold, MEP



*“Retail investors have been taken for a rough ride in the past. And, in order to defend their interests properly, they needed a voice. **The voice of the retail investors is being heard, they are, like you, BETTER FINANCE... you participate in most of the panels that I can think of.**”*

Wolf Klinz, MEP



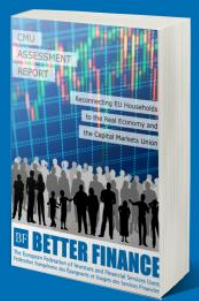
*“Retail investors need to make sure that they are coordinated, that they have an association and also that they make sure, **with limited resources, that they have an impact on the public debate, on policy making, and in that sense I think BETTER FINANCE has done an excellent job.**”*

Steven Maijor, Chair of the European Securities and Markets Authority (ESMA)



*“10 years well spent, 10 years of serious engagement with [the European Commission].”*

Mario Nava, Director for Horizontal Policies, DG FISMA, European Commission

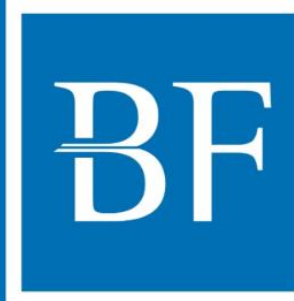


# 07

## OUR SCOPE

The scope of retail financial services covered by the activities of BETTER FINANCE is very broad, and – to our knowledge – the broadest of all European end-user and civil society organisations involved in financial services. Among others, our activities focus on the interest of the following constituents:





# 08

## BETTER FINANCE TO BETTER SOCIETY

Finance often seems far removed from our daily lives. The increasing complexity of products and services and the increasingly tenuous links between financial activities and the real economy, in which people operate and live, make it often seem irrelevant and far too technical for the average citizen to engage with. Yet finance touches virtually every sphere of human endeavour.

Over the years the European economy degenerated into a financial type of capitalism where the link between owners and issuers of securities (the real economy) has been severed, and where decision-making power finds itself increasingly in the hands of financial intermediaries as "agency" owners.

In the last decades individual investors and savers have been crowded out of equity markets and pushed into too often under-performing packaged products. The fragmentation of equity markets has meant that individual savers and investors have, for all intents and purposes, been limited to data on, and transactions in, regulated venues, while the larger part of transactions are now being executed in the 'dark' by "professional" players.

We're at a crossroads where we must choose between leaving capital markets in the sole hands of a few financial intermediaries (managing "other people's money" as a founder of the United States

SEC - U.S. Securities and Exchange Commission - once called them) or rethink how capital markets and finance work, bring the different market participants together and restore much-needed trust.



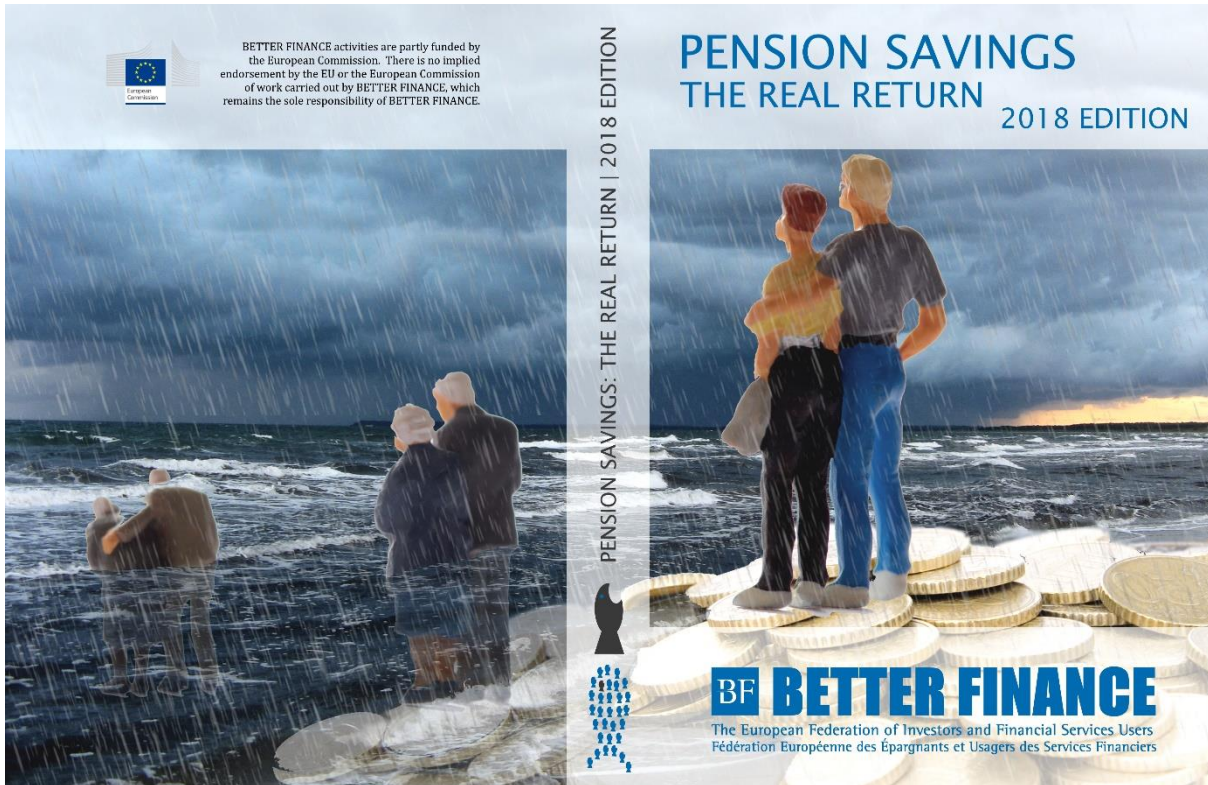
The European Commission itself identifies EU households as the main source of long-term financing for the real economy and calls for the link between their savings and the real economy to be strengthened. Despite this recognition, the interests of European citizens as savers, investors and users of financial services run the permanent risk of being subjugated to those of the financial industry, in the name of "financial stability".

Whereas financial stability is obviously paramount to avoid major crises that would damage all stakeholders, an obvious questions beckons: what good is financial stability if it brings little to society, its citizens and the real economy?



09

# CAMPAIGNS OF 2018



## Pension Savings – The Real Return – 2018 Edition

As stated by the European Commission in a 2013 staff working document, “the crisis has increased savers’ distrust in financial institutions and markets”. Similarly, according to the European Commission’s consumer markets scorecards, investment and private pension products are persistently rated among the worst performing retail services markets throughout the European Union.

To address this situation, it is crucial to identify the underlying reasons for this lack of trust, yet, due to a lack of available data

and research, public supervisors and consumers remain in the dark as to the real net performance of pension savings products.

Indeed, apart from the OECD (the Organisation for Economic Co-operation and Development) publications on the real return of certain “pension funds”, there is no other comprehensive information on the net real pension savings returns for EU countries. Even the report produced for the European Commission on “the position of savers in private pension products” relies



only on the above-mentioned OECD report as far as returns and performances are concerned.

This means that the European financial supervisors - the European Commission and the European financial supervisory authorities (Securities and Markets, Insurance and Pensions, and Banking) - do not know the actual performance of the services they are supposed to regulate and supervise, despite the fact that the European financial supervisors have the legal duty to collect, analyse and report data on “consumer trends”.

As a result, the recommendations from public authorities to save more and for longer periods, miss the point entirely. **As shown in our 2018 Pension Report, private long-term and pension savings products all too often perform poorly.** The six consecutive reports by BETTER FINANCE on pensions savings in the European Union all highlighted the poor returns of pension savings products compared to their benchmarks or overall capital market performance, due to the high level of fees. Unless long-term net returns are significantly positive, starting to save earlier and more will not provide a decent replacement income through retirement.



**This research by BETTER FINANCE fills an important information gap in Europe, in that, unlike other reports, it has a**

**wide geographic, covers most pension products, takes taxation into account, covers longer time-periods and captures all expenses borne by pension savers.**

In early October 2018, BETTER FINANCE published the sixth edition of this Report. The 2018 edition provided updated data for the 15 countries included in the 2017 edition and added Latvia to its scope: It also extended the period of time covered in order to measure performance over the 18-year period ranging from 2000 to 2017, in as far as data was available. As such, the BETTER FINANCE research covered 87% of the EU population.

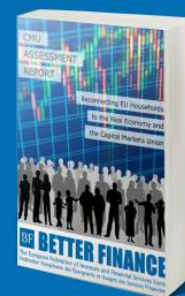


**BETTER FINANCE chose to cover an 18-year period because returns on pension savings should be measured over the long-term.** The period the report covers includes two market upturns (2003-2006 and 2009-2015) and two downturns (the post dotcom bubble of 2001-2003 and the 2008 financial crisis).



Our experience and findings clearly confirm that capital market performance unfortunately has very little to do with the performances of the actual savings products sold to EU citizens, especially in the case of long-term and pension savings. The main reason for this is the fact that most EU citizens do not invest the majority of their savings directly into capital market products (such as equities and bonds), but into fee-laden “packaged products” (such as investment funds, life insurance contracts and pension products).

Over the years, BETTER FINANCE and its network of experts – spanning several EU countries - accumulated extensive knowledge on the subject and are well-placed to provide solid policy



recommendations based on a more complete set of data. The research has also allowed us to answer public consultations of the EU institutions and provide them with updated data on financial markets products and on the real returns for investors in long-term and pension savings products.

**The policy impact of our research is significant.** On 13 October 2017, the European Commission responded positively to the request by BETTER FINANCE and

asked the European Supervisory Authorities (ESAs) to work on the transparency of long-term and pension products, and to analyse their actual net performance and fees as required by the CMU Action Plan as well as by Article 9 of the ESAs Regulations.

Unfortunately, in 2018, we found that the availability of information on long-term and pension savings returns, for a variety of reasons, is actually getting worse rather than improving.



## Robo-Advice: BETTER FINANCE takes a Look under the Hood

The next generation of individual investors tends to rely more on their computers and smartphones than on human professionals to make financial decisions.

In view of the growing trend towards online “execution only” investing as well as an emerging reliance on automated advice services, BETTER FINANCE took a deeper look at the fast-expanding Robo-Advice market for a third consecutive year.

In order to really compare the different Robo-advisors, this third edition takes “a look under the hood” of these platforms and

takes their algorithms for a test-drive through mystery shopping.

BETTER FINANCE believes that Robo-Advice could play an important role in attracting retail investors back into equity markets. Our findings once again illustrate that these **automated financial advice services are less expensive than their traditional counterparts and can offer individual investors better value for their money.** Such reduced fees are possible thanks to the fact that most platforms are “fee-based” and use only or mostly low-cost





exchange-traded index funds (ETFs), unlike their traditional counterparts.

However, since financial literacy and trust in financial services amongst EU citizens are very low, it will take much more than just a better alignment with investors' interests and lower fees to attract them back into equity markets.

BETTER FINANCE decided to focus its research on the largest Robo-Advice start-ups in the EU and compare their different offers with those from their largest US counterparts in terms of fees, products and services offered. This research relied solely on information provided on the Robo-Advice platform websites themselves since the research was approached from the individual investor angle and limited itself to information that could realistically be found by potential consumers. We gathered and studied the information we found on the respective websites to assess their user-friendliness, transparency, suitability and fee-levels.

1. In as far as user-friendliness was concerned, the Robo-Advisors, with varying degrees of success, engaged in a delicate balancing act between the need to keep the process simple and concise on the one hand and the need to go into a sufficient amount of detail in order to comply with regulations and provide advice that is sufficiently adapted on the other.

2. With regards to transparency, the study found important divergences between the different platforms as it analysed the degree to which essential information is clearly disclosed with regards to fees, portfolio allocation, risk and past

performance. Unfortunately, providing "fair, clear and non-misleading information", as required by the Markets in Financial Instruments Directive (MiFID II) that lays down the rules for investment services across the EU, is one of the least enforced investor protection rules in the EU. The robo-advice sector is no exception.

3. Perhaps even more important than transparency is the suitability of the investment advice provided. The very essence of this emerging industry is to provide individual investors with adapted advice based on information gathered through the questionnaires.

4. The success of robo-advice - their Unique Selling Point if you will - hinges on their capacity to keep costs low. And in this respect most robo-advisors don't disappoint. Most display a simplified fee scale, often a single "all-in" fee or a simple combination of an advice fee and a fund fee.

From an Investor Education perspective, Robo Advice does seem to offer a simplified way of investing in capital markets and provide tools that would allow investors to better understand the investment process and related costs and risks.

BETTER FINANCE believes that Robo-Advice could lead to significant benefits for EU citizens as savers and individual investors - and therefore to the real EU economy as a whole - who are in bad need of a more direct and stronger link between savings and the real assets they are invested in.

**However, the mystery shopping carried out by BETTER FINANCE revealed a**



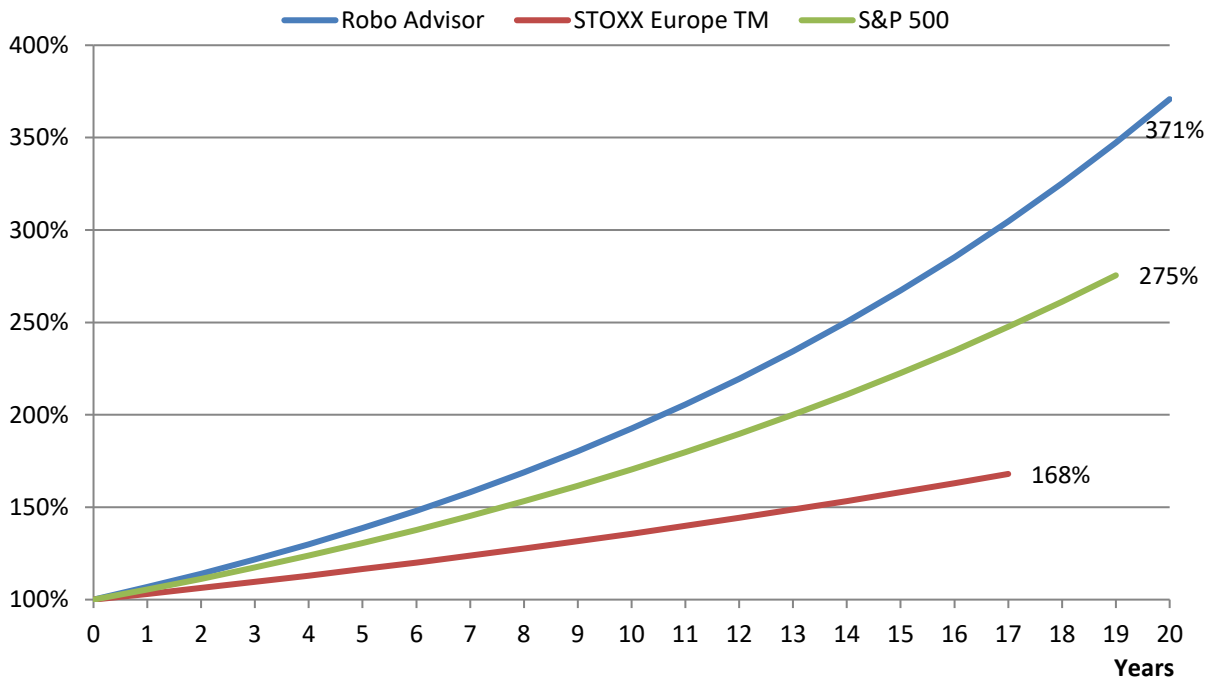
worryingly high dispersion of advertised expected returns and of recommended asset mixes.

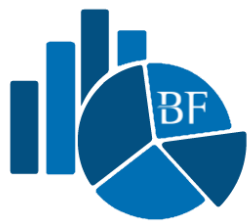
The study compared the results of the algorithms, thereby uncovering important divergences with regards to information on future returns information between the different providers. **They provided very different future potential returns for the same profiles and the proposed equity allocations were also very dispersed for the same client and same expressed objectives. What's more is that the proposed equity allocation did not always seem to take the**

**risk profile into account, nor did they seem highly correlated with the expected returns at all. Finally, the mandatory prominent warning on future performance information is often missing or inadequate.**

**These alarming findings put the reliability of the algorithms used into question. They also once again question the validity of using future performance "information" instead of the far more robust and less misleading long-term past performance relative to the providers' objectives (benchmarks).**

### Past vs Future Performances





# BETTER FINANCE

## #FUNDRESEARCH

### Fund Research: Benchmark Disclosure Compliance 2018

Research by BETTER FINANCE found that **at least 30% of the main actively managed UCITS equity funds (those with a ‘fund benchmark’)** still did not comply with key disclosure requirements for benchmarks as stipulated in EU Rules.

What started as an investigation into the widespread mis-selling practice known as “closet indexing” (claiming active fund management, whilst in reality merely tracking an index) in 2017, took on a new dimension in 2018.

When it replicated the study into closet indexing by the European Securities and Markets Authority (ESMA) in 2017 (and, unlike ESMA, disclosed the names of the 165 UCITS equity funds that were identified according to ESMA’s methods as “potentially” falsely active) BETTER FINANCE regrettably also discovered widespread breaches of key EU disclosure rules for investors. BETTER FINANCE immediately brought this worrying issue to the attention of EU regulators, only to find that more than one year later these violations of EU fund key disclosure rules still endure.

With the exception of the UK’s Financial Conduct Authority (FCA) who forced 64 UK domiciled closet index funds to indemnify clients, other national supervisors are

dragging their feet. Worse, whereas 93% of the suspicious funds according to ESMA were domiciled in other EU jurisdictions than the UK, at least three national supervisors (those of Luxemburg, Germany and France) reported that they found zero cases of closet indexing, including the one from Luxembourg where 47% of all suspicious funds are nevertheless domiciled.

More worrying still, are the widespread infringements of information disclosure rules for the two-page “Key Investor Information Document” or “KIID”. In 2017, BETTER FINANCE found that, out of the 165 suspicious equity funds, 67 also failed to disclose their benchmark performance alongside the past performance of the fund, preventing investors from assessing the fund’s performance against that of its own benchmark.

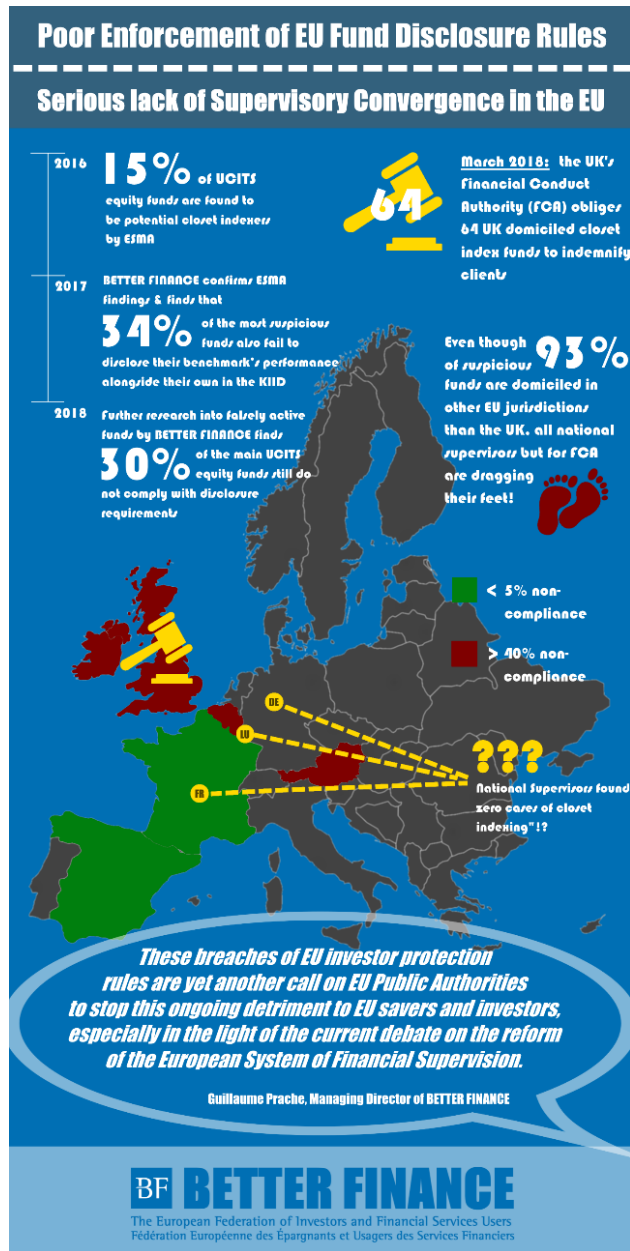
Further research into the issue in 2018 did not lay concerns to rest, as 44 of the 165 potential closet index funds identified at the end of 2016, continued to violate the KIID disclosure rules on benchmark performance. And these are just the tip of the iceberg, as close to 30% of all the main benchmarked UCITS equity funds (more than 2000) did not comply with the KIID benchmark disclosure rules either.



A major part of these non-compliant funds is domiciled in Luxembourg, where 66% of the “potential closet index funds” and 43% (272) of all benchmarked UCITS equity funds reviewed still did not disclose their benchmark performance in their KIID. Overall, 82% of the offenders were from Luxembourg, the UK or Ireland (see table below and annex 1 for further details). By contrast, only 1% of benchmarked UCITS equity funds domiciled in France were in breach and none of those were identified as potential closet indexers. This clearly shows a serious lack of “supervisory convergence” within the EU.

In addition, BETTER FINANCE identified another worrying practice. While most non-compliant funds did not refer to an index at all, 145 other funds explicitly state in their KIIDs that the fund is not managed with reference to a benchmark, which, at the very least, is inconsistent with a public database which clearly reports a fund benchmark for all these funds.

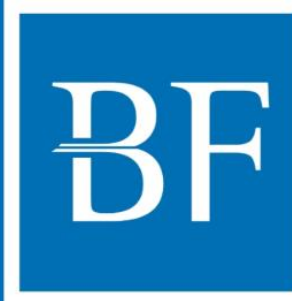
These persistent, widespread and clear breaches of EU investor protection rules are yet another call on EU Public Authorities to urgently and adequately stop this ongoing detriment to EU citizens as savers and investors.



### Main EU benchmarked UCITS equity funds

Domicile	Number of funds that are not in compliance with the KIID Reg.	As % of total domiciled
Luxembourg	272	43%
United Kingdom	156	43%
Ireland	81	54%
Germany	45	38%
Austria	28	67%
Belgium	25	93%
Other (11)	12	2%
<b>Total</b>	<b>619</b>	<b>30%</b>

Source: BETTER FINANCE research.



The results from the report did not fall on deaf ears. As the Member of the European Parliament, Sven Giegold, highlighted: *“It is unacceptable that a large number of UCITS equity funds continue to breach EU-regulation on disclosure for benchmarks without facing any consequences from the national supervisors.”* **The BETTER FINANCE campaign also triggered responses from both EU and national supervisors, with ESMA revising its “Questions & Answers”**

**guidelines on fund benchmark disclosures in 2019, addressing many of the enforcement flaws we identified. Four National Competent Authorities also contacted BETTER FINANCE to ask for the data and results to back up their own investigations.**

The study also enjoyed widespread media coverage, including articles in the Financial Times, Le Monde and Les Echos.



## **The Dispersion of Risk Mitigation Techniques in Life Cycle Pensions**

At the beginning of 2018 the European Commission published a proposal for a Pan-European Personal Pension (PEPP).

BETTER FINANCE very strongly supported the proposal for a simple, standardised and cost effective PEPP, which, if enacted, could significantly reduce the pensions gap, by providing a good “value for money” option for all European savers and pensioners.

BETTER FINANCE was also happy to see reinforced investor protection rules and the re-introduction of some historical

performance disclosures in the Key Information Document (KID). This will allow pension savers to know whether a PEPP has ever made real money for savers, has or hasn't met its investment objectives, and compare its achievements with other similar products.

Importantly, as strongly advocated by EIOPA and BETTER FINANCE, the proposal provides for an even simpler and cost-effective default investment option, which can be subscribed to without advice even



by low income earners and by the least financially literate.

Although pleased with this development, BETTER FINANCE has reservations with regards to the capital “protection” and the tax treatment of the future PEPP.

To shed some light on the debate between the capital “guarantee” at retirement and the “life cycle” approaches for the default investment option of the PEPP, BETTER FINANCE published an independent study on life-cycle approaches.

**Although the study was based on a limited sample, BETTER FINANCE found too much divergence between the starting and ending asset allocations of the portfolios of the different life cycle products reviewed, as well as between their rebalancing (de-risking gradient) strategies, especially in EU markets.**

The study also found that fund documentation in the US contains more and

far clearer information on the evolution of asset allocation over time.

In light of its findings, BETTER FINANCE proposed the following recommendations:

- Allow both the capital guarantee and the life cycle approaches for the default investment option of the Pan-European Personal Pension Product;
- Enhance and standardise information disclosure on the asset allocation “glidepath” in particular;
- Impose benchmark disclosure: request that the funds publish their benchmarks and past performance;
- Allow the life cycle approach to continue into the retirement (“decumulation”) phase;
- Ask EIOPA to monitor and supervise the life cycle default options to avoid the excessive dispersion of asset allocation glidepaths; and
- Establish an overall fee cap of 1% for the default life cycle option.



## Capital Markets Union (CMU) – The EU Citizen’s Barometer 2018

Launched in 2015, the Capital Markets Union (CMU) is the flagship initiative from the European Commission (EC) to mobilise capital in Europe, with the aim of unlocking billions of euros in additional funding for businesses across Europe and help wean the economy off its damaging over-reliance on bank-lending.

As stated by the EC itself, the CMU aims to “strengthen the link between savings and growth”. Since “households are the principal net savers in the economy” the CMU project looks to “boost retail investments into capital markets and enhance individual confidence”. For the CMU initiative to work for individual savers and investors and



attract them back into capital markets, it rightly wants to “provide ... better returns for savers and investors”.

One year into the project, BETTER FINANCE launched its CMU Barometer<sup>®</sup> in order for citizens to track its progress. In 2018 BETTER FINANCE updated the barometer. So, how is the CMU faring for EU citizens as savers? **Three years after the launch of the CMU Action Plan, and sixty years after the Treaty of Rome, key indicators that track the performance of**

**the CMU Action Plan show some progress, but so far any real “boost” of retail investments into capital markets has failed to materialise.** The indicators point to:

- the need to improve the transparency of the performance and fees of packaged retail investment products;
- the lack of a level-playing field for equities, non-financial bonds and low-cost Exchange-traded funds (ETFs) versus more packaged and fee-laden investment products.

# 09

# OUTREACH & ADVOCACY

In 2018 BETTER FINANCE successfully engaged in activities reinforcing our advocacy and policy advice with the aim of boosting the positions of our members at EU level and fostering public interest in financial and EU regulation. We remained the leading provider of recognised independent user-side expertise in the area of financial services by:

- Continuing to provide experts to and participating actively in the main EU public financial advisory groups of the EU institutions;
- Contributing to all the key public consultations from relevant EU institutions (the European Commission, the European Parliament and the European Supervisory Authorities (ESAs) – the European Banking Authority, the European Securities and Markets

Authority and the European Insurance and Occupational Pensions Authority).

- Defending the interests of financial services users and investors in public debates and events.

**Since its foundation in 2009, BETTER FINANCE has always been the leading financial user-side organisation to provide experts selected by the EU Authorities for the EU financial services policy advisory groups, despite its relatively small size and resources.** In 2018 alone, BETTER FINANCE responded to 30 public consultations.

BETTER FINANCE strongly believes that it is crucial to achieve an effective participation of civil society experts in the advisory groups and processes of the EU. In fact, BETTER FINANCE is the only European level NGO dedicated exclusively



to representing the interests of financial services users that has continuously contributed to the EC and ESAs expert groups and provided the EU authorities with expertise independent from the financial industry. Our organisation has maintained its close links with its members

and thus could count on the network of experts who were willing to get involved and actively participate in the EU level advisory groups, bringing invaluable knowledge and experience to the work carried out by them.

## 2019 | BETTER FINANCE: THE LEADING SUPPLIER OF USER-SIDE EXPERTISE TO EU FINANCIAL SERVICES POLICY ADVISORY GROUPS

### EUROPEAN COMMISSION

#### DG ENV

- European Union Eco-labelling Board → Aleksandra Mączyńska (BF) 50%
- European Union Eco-labelling Board - Expert Subgroup on Criterion 1.1 → Edoardo Carlucci (BF) 50%

#### DG FISMA

- FSUG - Financial Services User Group → Desislav Danov (BFF) 28%
- Christiane Hölz (DSW)
- Aleksandra Mączyńska (BF)
- Ján Šebo (ISI)
- Octávio Viana (ATM)

#### DG JUST

- Expert Group on Technical Aspects of Corporate Governance Processes → Christiane Hölz (DSW) 100%

### EUROPEAN FINANCIAL REPORTING ADVISORY GROUP

- EFRAG Board → Jean Medernach (Investas) 100%

### EUROPEAN SUPERVISORY AUTHORITIES (ESAs)

#### EBA

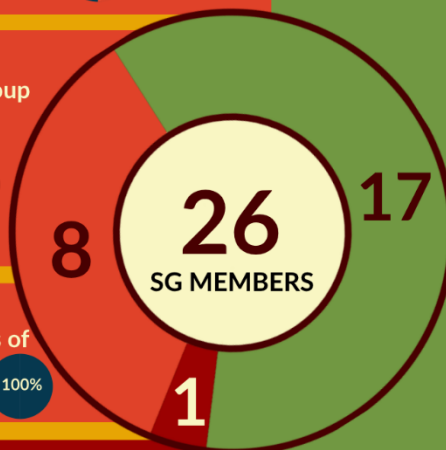
- Banking Stakeholder Group → Victor Cremades Erades (ADICAE) 22%
- Giedrius Steponkus (LSA)

#### EIOPA

- Insurance and Reinsurance Stakeholder Group → Christian Gülich (BdV) 33%
- Alin Iacob (AURSF)
- Guillaume Prache (BF)
- Occupational Pensions Stakeholder Group → José Carlos Gómez Fernández (ADICAE) 38%
- Christian Gülich (BdV)
- Aleksandra Mączyńska
- Expert Practitioner Panel on the Pan-European Personal Pension Product → Axel Kleinlein (BdV) 67%
- Stefan Voicu (BF)

#### ESMA

- Securities and Markets Stakeholder Group → Christiane Hölz (DSW) 30%
- Guillaume Prache (BF)
- Octávio Viana (ATM)
- Secondary Markets Standing Committee Consultative Working Group → Poul Kjær (DAF) 100%
- Investment Management Standing Committee Consultative Working Group → Jean Berthon (Gaipare) 100%
- Jean Medernach (Investas)
- Corporate Finance Standing Committee Consultative Working Group → Octávio Viana (ATM) 50%

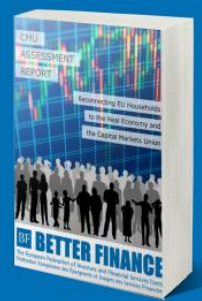


= % of user-side representatives from BETTER FINANCE

# BF BETTER FINANCE

The European Federation of Investors and Financial Services Users  
Fédération Européenne des Épargnants et Usagers des Services Financiers





# 10

## EVENTS

BETTER FINANCE organised or co-organised seven international events in 2018. As usual, BETTER FINANCE's members played an important role in helping organise conferences in their respective countries, bringing a national perspective to the ongoing European debates and bringing EU financial policy closer to local stakeholders, national press and public at large.

- **10 April 2018:** Workshop - "IDD ahead", Sofia, Bulgaria (co-organised with BBF)
- **23 March 2018:** Workshop - Investor Education in a Digital World, Brussels

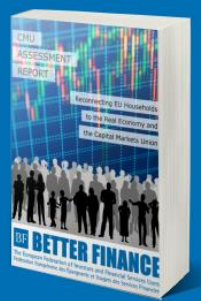


- **3 July 2018:** Investor Empowerment in the Digital Age: How can we make a Difference? – Brussels
- **9 October 2018:** Pension Savings: The Real Return | Launch of the 2018 Edition, Brussels



- **21 November 2018:** Investor 'Lifting the Lid' Event, London (co-organised with UKSA)
- **27 November 2018:** Joint DSW - BF International Investors' Conference: "European Capital Markets Union - Update & Future", Wiesbaden, Germany
- **5 December 2018:** EU Capital Markets 2024, Brussels

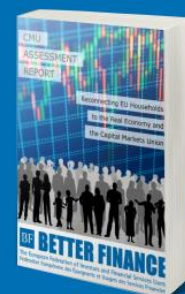




# 11

# COMMUNICATION





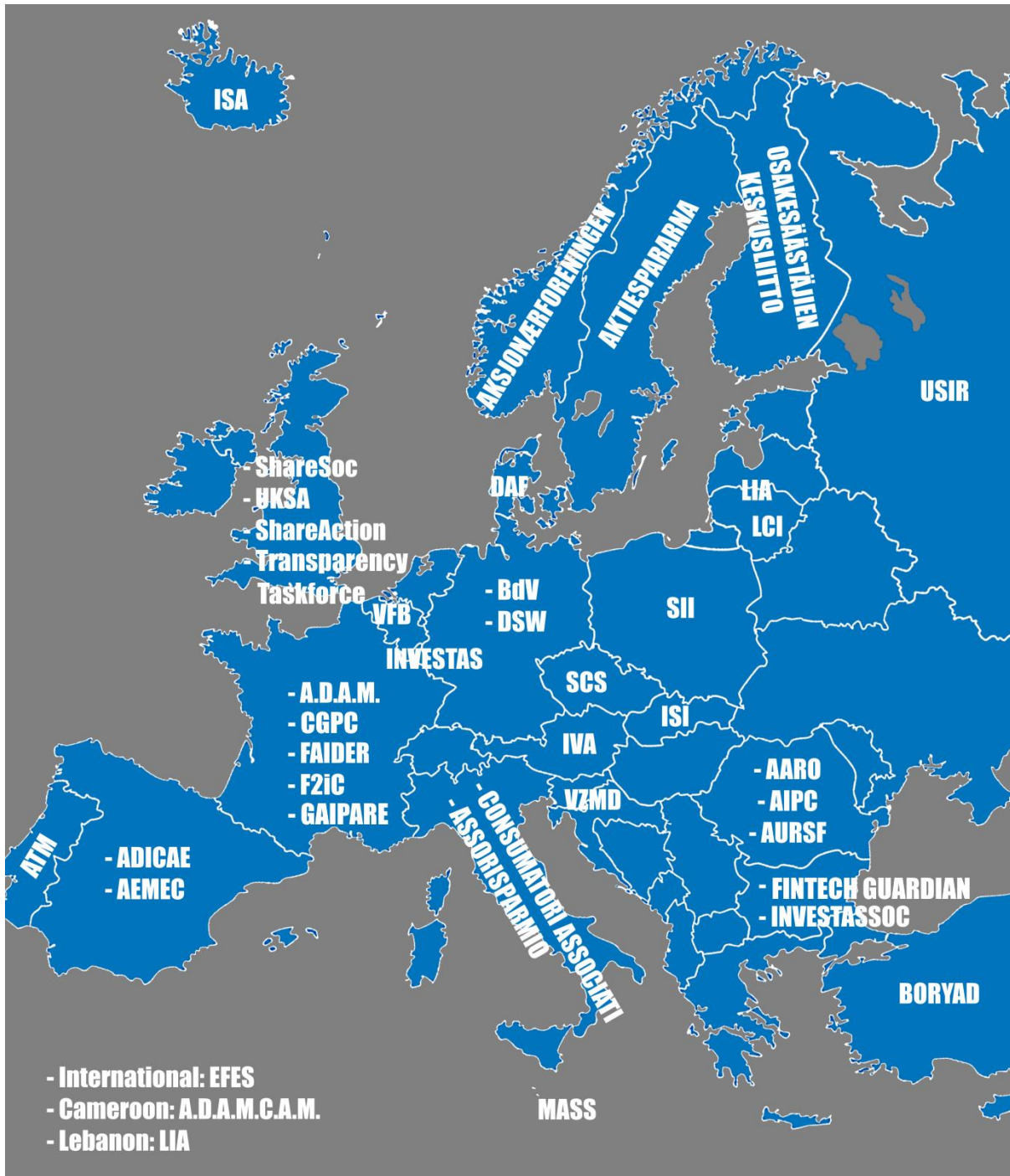
## Press Coverage 2018 – A Selection

5 January 2018	<b>L'Echo</b>	MiFID2, une directive pleine de trous qui ont été exploités
26 January 2018	<b>FTfm</b>	Slippage causes confusion in Mifid II fund rules row
5 February 2018	<b>Les Echos</b>	La réforme de l'épargne-retraite divise les professionnels
8 February 2018	<b>La Libre</b>	PRIIPs - Un règlement qui trompe l'investisseur
4 March 2018	<b>Financial News</b>	Asset managers pay £34m compensation for overcharging investors
6 March 2018	<b>Ignites Europe</b>	Calls for EU regulators to follow UK lead on 'closet trackers'
11 March 2018	<b>Sunday Times</b>	Investors misled by 'cuckoo in nest' funds
26 April 2018	<b>Ignites Europe</b>	Calls for action to improve EU retail distribution
29 April 2018	<b>The Financial Times</b>	Study finds varying quality of advice for European investors
28 May 2018	<b>Les Echos</b>	Comment les gestionnaires d'actifs ont emporté la bataille de l'épargne retraite
4 June 2018	<b>Les Echos</b>	Un fonds actions sur trois ne respecte pas la réglementation européenne
4 June 2018	<b>The Financial Times</b>	Big equity funds accused of breaching EU disclosure rules
6 June 2018	<b>FTAdviser</b>	Fund giants accused of flouting EU disclosure rules
5 July 2018	<b>Borsen-Zeitung</b>	Priips-Regulierung gerät stärker unter Beschuss
21 August 2018	<b>Trends-Tendances</b>	BlackRock, le banquier de l'ombre
5 October 2018	<b>Le Monde</b>	Assurance-vie quand les frais grignotent les rendements



# 12

# MEMBER ORGANISATIONS





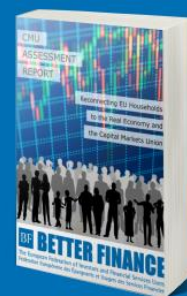
BETTER FINANCE advocates and defends the interests of financial services users and other independent stakeholders at European level, by promoting awareness, research and information in relation to “Investments, Savings and Personal Finances”. To this end BETTER FINANCE brings together member organisations pursuing the same objectives in one organisation, structured on a supranational level all the while respecting the European principle of subsidiarity. BETTER FINANCE

is composed of active, associate and honorary members.

Members help determine BETTER FINANCE's strategic and operational priorities by participating - through the different Working Groups - in the drafting of responses to public consultations and in General Assemblies. The General Assembly is composed of all BETTER FINANCE members and usually meets twice a year. Hereunder you will find a list of all our members listed alphabetically by country:

Full  & Associate  EU Members

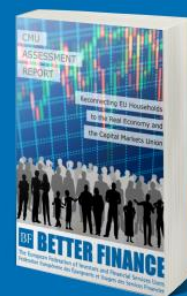
<p><b>Austria - IVA - Interessenverband für Anleger - <a href="http://www.anlegerschutz.at">www.anlegerschutz.at</a></b></p>	<p>The IVA Investors' Association is an independent advocacy group for private minority shareholders and investors. IVA can only enforce the rights of minority shareholders and investors effectively if they get together and pool their votes at general meetings.</p>
<p><b>Belgium - VFB - Vlaamse Federatie van Beleggers - <a href="http://www.vfb.be">www.vfb.be</a></b></p>	<p>The Flemish Federation of Investors is a non-profit organisation that informs and trains individual investors with regards to the management of financial assets. VFB offers several services including investor conferences, investment courses, a monthly magazine and weekly information. The organisation has some 6000 paying members.</p>
<p><b>Bulgaria - Bulgarian Investors Association - Investassoc - <a href="http://www.investassoc-bg.org">www.investassoc-bg.org</a></b></p>	<p>The Bulgarian Investors Association is protecting the interests and expanding the investment culture of retail investors. In addition, it supports the development of the capital market in Bulgaria, the harmonisation of the Bulgarian legislation affecting corporate governance and capital market, thereby upholding the principles of awareness, transparency and integrity of the capital market.</p>
<p><b>Bulgaria - Fintech Guardian</b></p>	<p>The Fintech Guardian is a non-governmental organisation with as main objective to protect the interest of Fintech stakeholders.</p>
<p><b>Czech Republic - SCS - Sdružení českých spotřebitelů, o.s. - <a href="http://www.konzument.cz">www.konzument.cz</a></b></p>	<p>SČS activities are focused on the regional dimension of security and development services in the field of consumer protection. This includes providing advice and ensuring the flow of information, but also and especially the development of contacts and cooperation with various stakeholders at regional level.</p>
<p><b>Denmark - DAF - Dansk Aktionærforening - <a href="http://www.shareholders.dk">www.shareholders.dk</a></b></p>	<p>The Danish Shareholders Association is striving to promote shareholding among private investors and to become an active policymaker and lobbyist regarding stock market questions.</p>



<p><b>Finland - Osakesäästäjien Keskusliitto ry</b> - <a href="http://www.osakeliitto.fi">www.osakeliitto.fi</a></p>	<p>The Finish Shareholders Federation is a national association of shareholders. Its purpose is to promote shares as savings and other personal asset management. The main tasks of the Alliance are lobbying and providing the right information to authorities and the general public.</p>
<p><b>France - A.D.A.M. - Association pour la défense des Actionnaires Minoritaires</b></p>	<p>A.D.A.M. the Association of Minority Shareholders is an association founded in 1991 whose purpose is to defend the collective interests of investors. The president, Colette Neuville, represents about 5,000 members as investors.</p>
<p><b>France - CGPC - <a href="http://www.cgpc.fr">www.cgpc.fr</a></b></p>	<p>CGPC is a non-profit organization whose mission is to protect the end consumer (in social protection, retirement, savings and investment) through CFP® / CGPC Certified Wealth Management Advice and Specialized Councils.</p>
<p><b>France - F2iC - Fédération des investisseurs individuels et des clubs d'investissement - <a href="http://www.f2ic.fr">www.f2ic.fr</a></b></p>	<p>F2iC is the Federation of Individual Investors and Investment Clubs counting 111,000 individual shareholders. It is an independent non-profit organisation that serves individual shareholders, members or investment clubs. In 50 years F2iC has trained approximately 3 million individuals in the stock market.</p>
<p><b>France - FAIDER - Fédération des Associations Indépendantes de Défense des Epargnants pour la Retraite - <a href="http://www.faider.org">www.faider.org</a></b></p>	<p>FAIDER is the French federation of investors and life insurance policy holders' associations. It is a Federation of 15 associations counting in turn about 1.5 million individual members.</p>
<p><b>France - GAIPARE - Association pour l'amélioration de la retraite et de l'épargne - <a href="http://www.gaipare.com">www.gaipare.com</a></b></p>	<p>Fondé en 1983, G.A.I.P.A.R.E est le Groupement Associatif Interprofessionnel Pour l'Amélioration de la Retraite et de l'Épargne. Forte de près de 55 000 adhérents l'association a pour objectif de regrouper celles et ceux qui désirent développer leur épargne, améliorer leur retraite et faciliter la transmission de leur patrimoine, dans le cadre fiscal de l'assurance-vie.</p>
<p><b>Germany - Bund der Versicherten – BdV - <a href="http://www.bunddersicherten.de">www.bunddersicherten.de</a></b></p>	<p>Bund der Versicherten e.V., the German Association of Insured, aims at safeguarding the interests of the insured as a consumer protection association, mainly by general information and advice for its members on insurances and pensions and by activities and measures controlling and implementing the compliance of insurers to the economic and judicial order. It was created in 1982 and has about 50.000 members.</p>
<p><b>Germany - DSW - Deutsche Schutzvereinigung für Wertpapierbesitz - <a href="http://www.dsw-info.de">www.dsw-info.de</a></b></p>	<p>DSW is Germany's leading association for private investors. Founded in 1947, DSW now has about 30,000 members. DSW represents its members at approximately 700 general meetings per year. Next to the representation of private investors' interests both at general meetings and at the political level we offer a wide range of services for our members and act as head office for 7,000 investment clubs in Germany.</p>
<p><b>Iceland - Samtök sparifjäreigenda - <a href="http://sparife.is/">http://sparife.is/</a></b></p>	<p>Samtök sparifjäreigenda - the Icelandic Savers Association - serves to protect the interests of investors towards the government, politicians, issuers of shares and other securities, the media and others that could affect the interests of investors. In addition, the association aims to</p>



	<p>promote interest in and knowledge of investment strategies and general savings. Samtök sparifjäreigenda is a full member of BETTER FINANCE.</p>
<p><b>Italy - Assorisparmio -</b>  <a href="http://www.assorisparmio.org">www.assorisparmio.org</a></p>	<p>The Associazione Italiana Risparmiatori - located in Milano - is the first Italian association to develop material and promote knowledge about capital markets and investment products among citizens. Assorisparmio supports non-institutional investors across Italy and provides its partners with advice and assurances, including in front of all competent courts.</p>
<p><b>Italy - Consumatori Associati -</b>  <a href="http://www.consumatoriassociati.it">www.consumatoriassociati.it</a></p>	<p>The Association was set up in 2002 as a clearing house between companies and consumers. It maintains complete independence from political parties.</p>
<p><b>Lithuania - Lietuvos Vartotojų Institutas -</b>  <a href="http://www.vartotojai.lt">www.vartotojai.lt</a></p>	<p>The Lithuanian Consumer Institute is a non- governmental non-profit organisation established in 2000. The goals of the Lithuanian Consumer Institute include the protection of consumers' economic and safety interests, education, training, promotion of fair commercial practices.</p>
<p><b>Latvia and Lithuania - Lithuanian Investors / Lithuanian and Latvian Shareholders Association -</b>  <a href="http://www.investuotojams.eu">www.investuotojams.eu</a></p>	<p>The Lithuanian and Latvian Shareholders Association promotes investment in the securities markets in Lithuania and Latvia. The association covers both Latvia and Lithuania.</p>
<p><b>Luxembourg - INVESTAS asbl - Association Luxembourgeoise des Investisseurs Privés -</b>  <a href="http://www.investas.lu">www.investas.lu</a></p>	<p>INVESTAS' mission is to promote savings, encourage investments and defend the interests of securities holders.</p>
<p><b>Malta - Malta Association of Small Shareholders - MASS -</b>  <a href="http://mass.org.mt/">http://mass.org.mt/</a></p>	<p>The Maltese Shareholders' Association is an independent organisation which represents the interests of individual shareholders in Malta.</p>
<p><b>Norway - Aksjonaerforeningen i Norge -</b>  <a href="http://www.aksjonaerforeningen.no">www.aksjonaerforeningen.no</a></p>	<p>The Norwegian Shareholders Association represents and assists private shareholders in the Norwegian securities market. Members of the Association answer questions, provide support and safeguard the interests of retail investors, companies, brokers, fund managers and the public. Aksjonaerforeningen hosts a variety of events, seminars, conferences and lectures, and publishes the journal "shareholder".</p>
<p><b>Poland - SII - Stowarzyszenie Inwestorów Indywidualnych -</b>  <a href="http://www.sii.org.pl">www.sii.org.pl</a></p>	<p>SII the Polish Association of Individual Investors is the largest organisation of stock investors in Poland, operating since 1999. It focuses on the comprehensive support of investors through education and analysis, conferences and training, and legal activities.</p>
<p><b>Portugal - ATM - Associação dos Investidores e Analistas Técnicos do Mercado de Capitais - ATM -</b>  <a href="http://www.associacaodeinvestidores.com">www.associacaodeinvestidores.com</a></p>	<p>ATM - the Portuguese Investor Association was founded in 1998 with the main objective of providing training and information to investors in the capital market and to further promote investment.</p>
<p><b>Romania - AIPC - Romanian Capital Market Investors Association -</b>  <a href="http://www.aipc.ro">www.aipc.ro</a></p>	<p>The AIPC is an independent organisation which represents the interests of private investors in Romania. Apart from helping private investors to invest more wisely, the AIPC campaigns to protect the rights of shareholders in public companies and promotes improved standards of corporate governance.</p>



**Romania - AURSF - Asociata Utilizatorilor Romani de Servicii Financiare - [www.aursf.ro](http://www.aursf.ro)**

AURSF represents the interests of Romanian financial services' users at national and European levels. AURSF focuses on solving key issues that affect Romanian investors such as the personal bankruptcy law and restrictions on abusive practices of debt collectors, fighting for a clearer framework for taking collective action against abusive clauses and for the introduction of caps on interest rates.

**Russia - USIR - Russian Union of Shareholders and Investors - [www.fingramota.com](http://www.fingramota.com)**

USIR, the Russian Union of Shareholders and Investors, is focusing on improving financial literacy of minority shareholders through the exchange of best practice. In addition, USIR monitors the activities of management boards of major shareholders of companies, implements new forms of international cooperation to protect the rights and interests of minority shareholders, and facilitates the exchange of experience between the Russian stock market and their counterparts from other countries.

**Slovakia - Institute of Savings and Investment - [www.mojeuspory.sk](http://www.mojeuspory.sk)**

The Institute of Savings and Investment is an independent, non-political and non-profit association concerned with the education of and support for its members in relation to financial markets. The purpose of the ISI is to support and provide educational activities related to investing and trading on international financial markets. To this end ISI publishes educational material and provides mentoring activities aimed at developing expertise and knowledge in financial matters.

**Slovenia & Croatia - Vseslovensko združenje malih delničarjev - [www.vzmd.si](http://www.vzmd.si)**

VZMD is a non-governmental organization representing the rights and interests of minority shareholders in the Republic of Slovenia. It is trustworthy and respected partner both in preparing legislation in the area as well making decisions on the future of many companies and in a broader social, European and international context.

**Spain - ADICAE - Asociacion de Usuarios de Bancos Cajas y Seguros - [www.adicae.net](http://www.adicae.net)**

ADICAE is a Spanish consumer organisation specializing in the protection, training, complaint, claim information and the rights of banking and insurance service users. ADICAE was founded in 1990 and has established itself as one of the largest consumer associations with a nationwide presence. ADICAE is member of the Council of Consumers and Users of Spain and represents consumers on the Advisory Committee of the National Stock Exchange and on the Advisory Board of the Department of Insurance.

**Spain - AEMEC - Asociación Española de Accionistas Minoritarios de Empresas Cotizadas - [www.aemec.eu](http://www.aemec.eu)**

AEMEC, the Spanish Association of Minority Shareholders of Listed Companies, is a non-profit organization created to defend and protect the interests of minority shareholders, creating channels of communication between listed companies and their shareholders and encourage effective participation and exchange generating a climate that encourages associative collective defence of shareholder rights.





**Sweden - Aktiespararna - Swedish Shareholders Association - [www.aktiespararna.se](http://www.aktiespararna.se)**

Aktiespararna, founded in 1966, is an NGO with some 60.000 individual and paying members. It focuses on consumer protection by lobbying for legislation that promotes and defends private investments in shares and related products. Companies in the market are monitored and SARF members professionally represented at close to 500 GAM's each year.

**Turkey - BORYAD (Borsa Yatirimcilar Derneği) - [www.boryad.org](http://www.boryad.org)**

Exchange Traders Association

**United Kingdom - ShareSoc - [www.sharesoc.org](http://www.sharesoc.org)**

ShareSoc is dedicated to the support of individual investors - private shareholders - as opposed to institutional investors although directors or employees of institutions can join as individual members if they wish.

**United Kingdom - UKSA - UK Shareholders Association - [www.uksa.org.uk](http://www.uksa.org.uk)**

UKSA, the UK Shareholders' Association, is the independent organisation which represents the interests of private shareholders in the United Kingdom. Apart from helping private shareholders to invest more wisely, UKSA campaigns to protect the rights of shareholders in public companies and promotes improved standards of corporate governance.

**International and Non-EU Members**

**EFES - European Federation of Employee Share Ownership - [www.efesonline.org](http://www.efesonline.org)**

The European Federation of Employee Share Ownership acts as the umbrella organisation of employee shareholders and all companies, persons, trade unions, experts, researchers, institutions looking to promote employee ownership and participation in Europe. EFES in turn has many member organisations from civil society including trade unions and other employee organisations.

**ShareAction - <https://shareaction.org/>**

ShareAction aims to improve corporate behaviour on environmental, social and governance issues. It launched numerous campaigns, building capacity among savers, charities, unions and other civil society organisations to engage with investors to bring about change.

**Transparency Taskforce - [www.transparencytaskforce.org](http://www.transparencytaskforce.org)**

The Transparency Task Force is the collaborative, campaigning community, dedicated to driving up the levels of transparency in financial services, right around the world.

**Cameroon - Association de Défense des Actionnaires Minoritaires du Cameroun  
Lebanon - Lebanese Investors Association**



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## MEET THE TEAM



**AXEL KLEINLEIN** is President of BETTER FINANCE and spokesman of the German Association of the Insured (BdV) since 2011 (with a short interruption in 2013).

From 2000 on he was responsible for the section of life insurances of Stiftung Warentest in Berlin, the most important public foundation for product ratings in Germany. In 2004 Mr Kleinlein founded Math Concepts in Berlin, his own research company specialized in insurance mathematics and journalism. In 2007 he additionally worked as a specialist on retirement provision and capital investments for VZBV (Federal Association of Consumer information Centers - the state's "consumer voice") in Berlin.

As Spokesman of BdV he is entirely responsible for the presence of BdV in the mass-media and for the representation of BdV in those public institutions and organizations linked to insurance issues in which consumer interests ought to be represented at the federal level (like VZBV and the insurance ombudsman).

He is also invited to expert hearings by committees of the German Federal Parliament (Bundestag). He is responsible for all BdV comments on draft legal acts or regulations at the national level (by Federal

Ministries of Justice, of Finance or others) and on the European level (mainly for EIOPA and the other ESAs).

Mr Kleinlein is also member of EIOPA's Expert Practitioner Panel on the Pan-European Personal Pension Product (PEPP).

**JELLA BENNER-HEINACHER** is Vice-



President of BETTER FINANCE and managing director of DSW (the Deutsche Schutzvereinigung für Wertpapierbesitz), the leading shareholder association in Germany. As a German attorney who studied in France, Switzerland and the U.S., she is responsible for international activities.

Ms Benner-Heinacher is also chairwoman of the European Corporate Governance Services (ECGS) in London, and a member of the Stock Exchange Board in Düsseldorf. Furthermore, she is responsible for Corporate Governance issues as well as for DSW's participation in the legislation procedure at both national and international level. Additionally, she is a member of the supervisory boards of K+S AG, and A.S. Creation AG.



**JEAN BERTHON** is Vice-President of BETTER FINANCE and since January 2009 President of FAIDER, the federation of savers and life insurance policy holders in

France. He is a financial expert for the European Commission serving as Alternate of the Financial Services User Group. He is also expert in several committees and working groups of the European Securities and Markets Authority (ESMA), the French Financial Markets regulator (AMF) and the French Banking, Insurance and Pensions regulator (ACP). He also serves as Officer in the Groupe Consultatif Actuariel Européen, the European organisation of actuaries.



**GUILLAUME PRACHE** is the Managing Director of BETTER FINANCE, the European Federation of Investors and Financial

Services Users. He is also one of the experts representing financial services users before the European Commission (as member and vice chair of the Financial Services User Group - FSUG), before the European Securities & Markets Authority (as member and former chair of the ESMA Securities & Markets Stakeholder Group), before the European Insurance and Occupational Pensions Authority (as member of the EIOPA Occupational Pensions Stakeholder Group) and before the French financial regulator AMF.

He started as a magistrate at the French Court of Auditors and has an extended and international experience in financial matters, most recently as Chief Financial Officer of US-based Rhône-Poulenc Rorer, Inc., a "Fortune 500" publicly-listed

pharmaceutical company (today Sanofi) from 1997 to 2000, and then as Managing Director of the European subsidiary of the Vanguard Group, Inc., a global leader in asset management, from 2000 to 2006.

He has taught asset management for the CIWM (Certified International Wealth Manager) program and wrote two books (and various articles on economics and finance).

**ALEKSANDRA MACZYŃSKA** is the



Executive Director of BETTER FINANCE and is from Warsaw, Poland, where she was the Deputy Director of the International Relations and

Communication Department of the Polish consumer and competition watchdog.

She studied at the Faculty of Management at the Poznan University of Economics and at the Warsaw School of Economics. She also has a vast experience in management of international projects, e.g. EU funded capacity building projects. As a Fellow of the Robert Bosch Foundation Programme for the Young Executives from the Public Sector, she worked at the Division for the World Bank, International Monetary Fund, Debt Issues and International Finance Structure at the German Federal Ministry for Economic Cooperation and Development.

Aleksandra provided expert input to various EU Council's Working Parties such as the Working Party on Financial Services and the Working Party on Competitiveness and Growth; as well as the European Commission's Advisory Committees. Currently she is a member of the EU



Ecolabelling Board providing expertise to DG ENV as well as a member of Financial Services User Group (FSUG) advising DG Fisma and the JUST in the preparation of legislation and policy initiatives which affect the users of financial services. She is also Vice-Chair of EIOPA's Occupational Pensions Stakeholder Group (OPSG).



**EDOARDO CARLUCCI** is Research and Policy Officer at Better Finance. He obtained his bachelor's degree in economics, Finance and Management with Law at

Sapienza University of Rome, with a thesis on "Shareholding and Interlocking Directorates in the Italian Corporate Governance". In 2014, he graduated at the ULB University obtaining the master's degree in European Studies with Economic Specialization. He wrote an analytical thesis on the "Fragmentation of the European Financial Markets".

He previously worked in the European Institutions and Civil Society Organizations dealing with various aspects of economic issues and policies such as EU Internal Market, EU Competition Policies, Public Procurement and SMEs. He also worked on research projects and analysis as European Economic Forecasts. At BETTER FINANCE, Edoardo is responsible for various policy and research areas such as Sustainable Finance, Fintech, Financial Reporting and Corporate Governance.

Edoardo is also member of the EU Ecolabelling Board's Expert Subgroup on Criterion 1.1, providing expertise to DG ENV.



**ARNAUD HOUDMONT** joined the team at BETTER FINANCE as its Chief Communications Officer following a varied and multi-faceted career in the world of communication, press relations and research at the heart of Europe. During this time, he worked closely with policy makers from the European Commission, the European Parliament and private sector stakeholders on topics such as youth employment, entrepreneurship, health policy, sustainability and innovation. Prior to this he earned a master's degree in Global Communication from Goldsmith's College (University of London) and a bachelor's degree in International relations from Sussex University.

At BETTER FINANCE Arnaud is responsible for all communications activities and the continued development of an inclusive communication strategy aimed at reaching all interested parties and stakeholders. He speaks fluent Dutch, English and French and has a very good working level of Spanish.



**LINA STRANDVÅG NAGELL** is Research assistant at BETTER FINANCE. Before joining the BETTER FINANCE team as a Research Assistant, she completed several international traineeships, including time spent with Washington D.C. based firm Freedman Consulting, the Norwegian Foreign Ministry and the UN. Her professional experience extends to communication, research and policy work.



While studying at the European University at St. Petersburg for an MA in Energy Politics, Lina focused on the financialization of commodities and oil price volatility. She is a recent graduate from the Brussels School of International Studies, where she obtained an LLM in International Law with a minor in International Political Economy. Her main areas of focus were international financial regulation as well as trade- and investment law. Lina holds two BAs from the University of Bergen, one in Economics and one in Comparative Politics.



**STEFAN VOICU** joined the BETTER FINANCE team in 2017 for an internship as Research Assistant. He obtained a double degree in law: a bachelor's degree in Romanian national law (University of Bucharest, Faculty of Law) and a bachelor's degree in European and French Law, from the University Paris-Sorbonne.

Subsequently, he decided to pursue a specialisation in EU Law. During the master's courses at Leiden University's (Faculty of Law) LL.M. European Law, he focused on EU Internal Market & Competition Law, as well as on EU Institutional Law. He wrote his master's thesis on the topic of EU Data Protection Law and Consent for Cookies.

As part of his professional experience, Stefan undertook several internships at

national and international law offices in Bucharest. He performed the activities of an intern in fields such as Banking Law. He has demonstrated a keen interest for the EU financial services sector.

Stefan is also member of EIOPA's Expert Practitioner Panel on the Pan-European Personal Pension Product (PEPP).



**AISTE VYSNIAUSKAITE** joined BETTER FINANCE as Communications Assistant after finishing her Master studies in Media Culture in

Maastricht university. For the past year she has been analysing the new media practices and their effects on society and has contributed to making videos and podcasts, particularly in the content creation. In her Master thesis, she has looked, into the role of Facebook as a public sphere from users' perspective, in order to gain understanding of the way the content is selected and perceived by them.

Aiste has a bachelor's degree in Political Science and a lot of experience in the customer facing environment, where she has learned how to adapt communication to diverse audiences. She is passionate about digital communication and FinTech. Aiste's mother tongue is Lithuanian, she is fluent in English, has a good working level of French and the basics of Spanish.



# BF BETTER FINANCE

The European Federation of Investors and Financial Services Users  
 Fédération Européenne des Épargnants et Usagers des Services Financiers

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