

The NYSE Euronext Fund Service model creates a transparent and regulated market for open-ended investment funds

Around 200 open-ended investment funds, foreign as well as domestic, from 50 different issuers, are listed on NYSE Euronext in Europe, mainly in Amsterdam. The funds segment traded a daily average of some €75 million in 2008.

Amsterdam-listed open-ended funds are traded via the NYSE Euronext Fund Service. Closed-ended investment funds, and funds listed on markets other than NYSE Euronext in Amsterdam, are traded via the standard model, similar to the equity market model.

Fund Service

The NYSE Euronext Fund Service market model creates a transparent and regulated market that is in line with other European market practices and regulatory recommendations (reducing the risks of market timing and late trading risks). The model gives investors the best price possible (no spreads for buying and selling).

The NYSE Euronext Fund Service market model offers:

- a clearly regulated market
- a transparent price based on the NAV (Net Asset Value)
- no spread between subscription and redemption
- a single forward execution moment to execute all accepted orders
- fixed cut-off time for orders
- a single price for all orders
- post-trade transparency
- NYSE Euronext's proven fast and reliable IT infrastructure.

A great benefit of the model is its one-stop shopping structure: fully automated straight-through processing (STP), from trading to clearing and settlement, making the system faster and more reliable and thus much more cost effective compared to other platforms. As a result of advanced processing, total operational costs are 30% lower.

The model is very flexible: daily, weekly, monthly and quarterly execution cycles are possible. The NYSE Euronext distribution platform can be used in addition to or together with existing internal matching systems of brokers, increasing the distribution possibilities for funds and giving more choice to end-investors.

Order execution against a single price

Orders are executed against the NAV, adjusted by a surcharge or discount covering the costs related to the net in- or out-flow of the fund (NAV +/-). All orders are executed simultaneously at this price at a fixed execution moment.

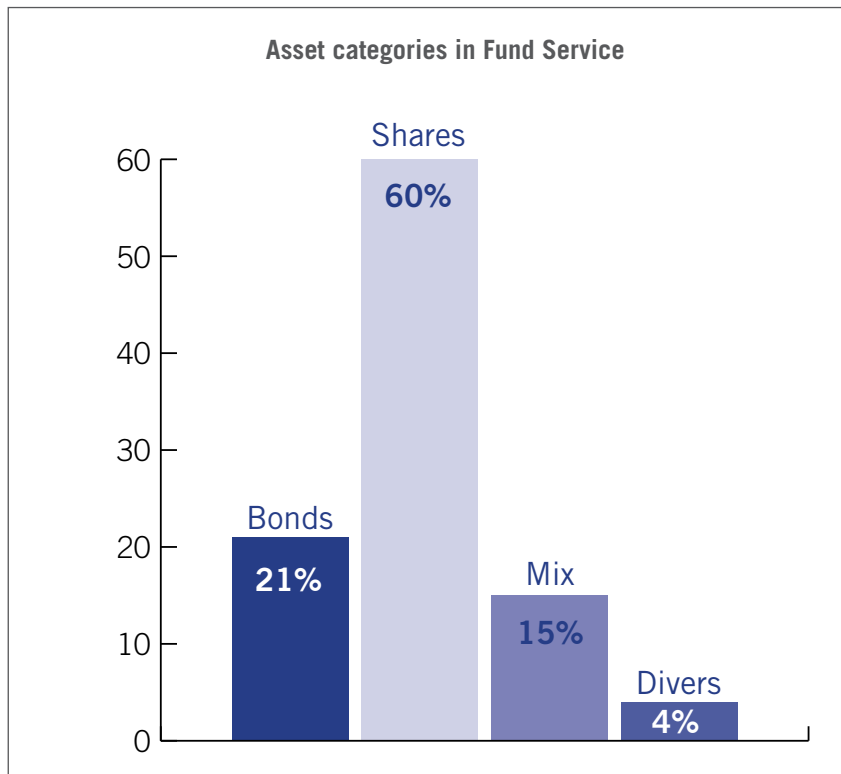
The net asset value is published on the fund's website, enabling investors to see exactly how the price they pay relates to the net asset value. There are no liquidity providers needed in this market since there is no price discovery mechanism.

Regulated order flow

In the Fund Service model, order flows are firmly regulated. A fixed cut-off time for order entry of 16:00 CET separates one trading day from the next. Confirmed orders are executed at 10:00 CET on the following trading day, at the NAV +/- . Orders entered after 16:00 CET will be executed two trading days later at 10:00 CET.

Further information

membersinfo@euronext.com



Other funds

The market model for closed-end funds and funds listed on European NYSE Euronext markets other than Amsterdam, is similar to the equity market model, and is based on the following principles:

- Continuous order matching within a central order book
- Presence of liquidity providers (LPs) to permanently quote bid & ask orders
- Pre-trade transparency (5 best limit prices)
- Post-trade transparency (volumes and executed prices)
- Full straight-through processing (STP) service for clearing and settlement.

Liquidity providers quote prices and investors' orders are executed at the spread of the market.

This publication is solely intended as information and does not constitute any investment advice or an offer, solicitation or recommendation to acquire or dispose of any investment or to engage in any transaction. Although this publication is issued in good faith, no representation or warranty, express or implied, is or will be made and no responsibility or liability is or will be accepted by NYSE Euronext or by any of its officers, employees or agents in relation to the accuracy or completeness of this publication and any such liability is expressly disclaimed. No information set out or referred to in this publication shall form the basis of any contract. The creation of rights and obligations in respect of financial products that are traded on the exchanges operated by NYSE Euronext's subsidiaries shall depend solely on the applicable rules of the market operator. NYSE Euronext encourages you to reach your own opinion as to whether investments are appropriate or relevant and recommends you not to make any decisions on the basis of the information contained in this publication before checking it, as you will bear full responsibility for any use that you make of it. Persons wishing to trade products available on NYSE Euronext markets or wishing to offer such products to third parties are advised, before doing so, to check their legal and regulatory position in the relevant territory and to understand the related risks. All proprietary rights and interest in or connected with this publication are vested in NYSE Euronext. No part of it may be redistributed or reproduced in any form or by any means or used to make any derivative work (such as translation, transformation, or adaptation) without the prior written permission of NYSE Euronext. NYSE Euronext refers to NYSE Euronext and its affiliates and references to NYSE Euronext in this publication include each and any such company as the context dictates. NYSE EuronextSM, NYSE@ and Euronext@ are registered marks of NYSE Euronext. © 2009, NYSE Euronext - All rights reserved.