

White Paper

Share Class Lifecycle

This white paper addresses the following openfunds fields

- OFST020545 Share Class Lifecycle
- OFST020558 Subscription Period Start Date
- OFST020560 Share Class Launch Date
- OFST020562 Dormant Start Date
- OFST020563 Dormant End Date
- OFST020564 Liquidation Start Date
- OFST020566 Termination Date
- OFST023100 Investment Status

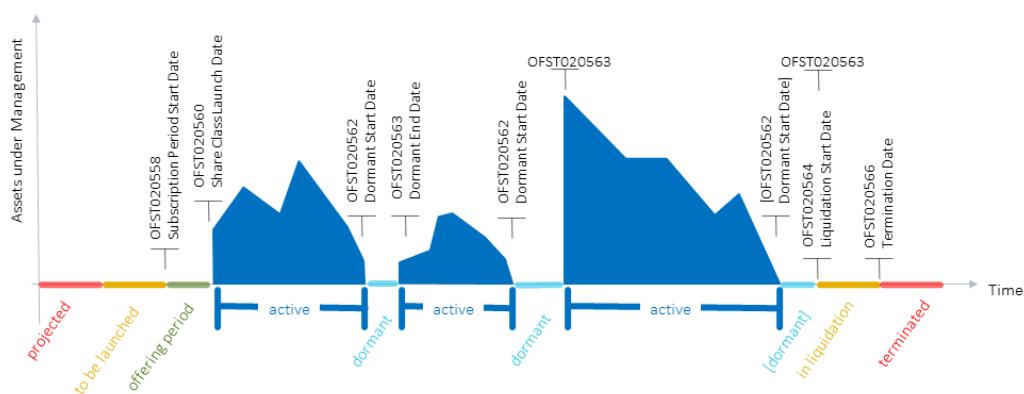
Introduction

The openfunds field „OFST020545 Share Class Lifecycle“ has seven values that characterise the typical lifecycle stage of a share class. The list of phases is meant to be exhaustive meaning that there is no state of a share class that does not fall within one of these seven lifecycle categories. It is possible that a share class only passes through a subset of the seven lifecycle phases during its lifetime.

Although the field is primarily a descriptive one, it allows one to draw conclusions about other openfunds fields. For example the value „dormant“ means that the share class has, for the moment, not yet been invested in. If the phase is “in liquidation” the conclusion can be drawn that no further investment in the share class is possible.

The phases in detail

The field „OFST020545 Share Class Lifecycle“ may have one of seven phases; „projected“, “to be launched“, „offering period“, „active“, „dormant“, „in liquidation“ or „terminated“. The phases „active“ and „dormant“ may occur more than once over a period of time, or they may not occur at all. The development of each phase over time is illustrated in the following graphic:



THE 7 STEPS OF A FUND SHARE’S LIFECYCLE – VERSION 1.1 (NO HISTORY)

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projected

In this phase the fund normally does not exist yet. Accordingly, no fund identifiers exist either (e.g. ISIN, CUSIP, WKN, VALOR or SEDOL number). It can therefore be assumed that any data associated with this share class will rarely be transferred. As the share class data may have been entered into the Asset Manager's in-house systems, the openfunds field „OFST020545 Share Class Lifecycle“ is set to „projected“.

to be launched

At this stage it is clear that the share class will be launched. Often at least one of its identifiers, for example ISIN, CUSIP, security identification code, VALOR or SEDOL number will be known. For investors it is not yet possible to make an offering – this is first possible at the beginning of the phase „offering period“.

offering period

The offering period begins on the „Subscription Period Start Date“ (OFST020558) and can last for several days or weeks, but may also last a single day. During the offering period, investors make binding offers on the share class. Allocation and payment occur at the end of the offering period which corresponds to the Share Class Launch Date (OFST020560).

active

In practice, „active“ is the longest lifecycle phase of a share class. It begins on the „Share Class Launch Date“ (OFST020560) and usually lasts for many years. During this phase the share class „lives“ in the sense that it is the period when money is invested in it. Interruptions in this life cycle phase may occur when all shares are redeemed by investors, but the fund house believes that new or old investors will purchase shares in the not too distant future.

dormant

The „dormant“ phase starts when the active phase is interrupted and begins on the „Dormant Start Date“ (OFST020562) and ends on the „Dormant End Date“ (OFST020563). The legal setup of the share class remains in effect, although no additional capital is invested in it. If the fund provider believes the fund will attract investment again in the future, he may let the fund „rest“ in the dormant state; the fund can be re-activated within a very short time without a notification period.

in liquidation

The liquidation phase begins on the „Liquidation Start Date“ (OFST020564) and can be caused by different reasons. In the interest of treating all investors equally, a cessation of redemption announcement is immediately made and subscription and redemption is suspended for this fund („OFST023100 Investment Status“). As money is still invested in the share class, all investments are put up for sale and all resulting capital is returned to investors.

terminated

When a share class is in the „terminated“ phase“ beginning on the „Termination Date“ (OFST020566), it essentially doesn't exist anymore. For practical and legal reasons, for example the obligation to maintain records, the share class may not simply be „erased“. Instead, the field in openfunds is therefore set to „terminated“.

Related data fields

All phases after the offering period have in common that they start on specially defined dates. These dates are explicitly defined in openfunds and are visible in the graphic above. The individual lifecycle phases also appear along the timeline.

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Relationship between fund share classes and fund

Just as with its share classes, a fund itself has its own lifecycle. Practice has shown, however, that simultaneous characterisation of a fund's lifecycle together with one of its share classes' lifecycle leads to contradictions. For this reason openfunds does not characterise fund-level lifecycle, and recommends instead to derive this information from the fund's share class lifecycles. This is easily discerned, for example, during the „offering period“, „active“ and „terminated“ phases.

Practical considerations

Currently openfunds makes the assumption that during the transmission of the field „OFST020545 Share Class Lifecycle“ and its associated fields, only the current values are sent. This means that the transmission of historical data is not currently provided for in openfunds. Historical data is, however, becoming ever more relevant. This is especially true when comparing performance between different share classes. For this reason the fields „OFST020560 Share Class Launch Date“, „OFST020562 Dormant Start Date“, „OFST020563 Dormant End Date“, „OFST020564 Liquidation Start Date“ and „OFST020566 Termination Date“ have been set up so that they allow historical database archiving independent of the fact that openfunds' flat-table format currently only allows transmission of actual values.

Document Information

Title:	Share Class Lifecycle
Language:	English
Confidentiality:	Public
Authors:	openfunds

Revision History

Version	Date	Status	Notice
1.1	2016-03-07	Final	Extension of OFST020563 and Practical considerations
1.0	2016-02-18	Draft	First Version

Implementation

If you have any questions about the new data type or difficulties with implementation please contact us at businessoffice@openfunds.org.

Joining openfunds

If your firm has a need to reliably send or receive fund data, you are more than welcome to use the openfunds fields and definitions free-of-charge. Interested parties can contact the openfunds association by sending an email to: businessoffice@openfunds.org

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