

A Guide to the Key Investor Information Document (KIID)

This guide sets out the type of information you will find in the KIID and explains which types of funds must supply one.

WHAT IS A KIID?

The **K**ey **I**nvestor **I**nformation **D**ocument (KIID for short) is a new way of providing essential information and key facts about funds, to help you assess whether a particular investment fund meets your needs.

It comes in a standardised format and should be free of jargon and complex descriptions. It replaces the Simplified Prospectus.

The aim is to enable potential investors to make clear, fair comparisons between different funds and to make informed investment decisions.

For a sample KIID, see pages 5 and 6.

WHAT INFORMATION WILL YOU FIND IN THE KIID?

Every KIID sets out the key facts and information about funds within the following categories:

1. The fund objectives and investment policy
2. Risk and reward
3. Charges
4. Past performance
5. Other practical information

Helpful Hint

All investments are risky and even the lowest risk one could lose money, or not give you the return you expected. Be clear in your own mind what your “risk appetite” is. A financial adviser can give you guidance, if you are unsure. IMA’s Financial Adviser Search can help you find an adviser:
www.investmentuk.org/investor-centre/ifa

1. Fund objectives and investment policy

The fund manager is required to tell you what the fund’s investment objective is and explain how it hopes to achieve it. For example, you will find information about the type of assets (eg. shares, bonds, cash) the fund manager intends to invest your money in, and whether it focuses on a certain geographic region or business sector.

It also explains any specific investment management techniques that may be used by the fund manager.

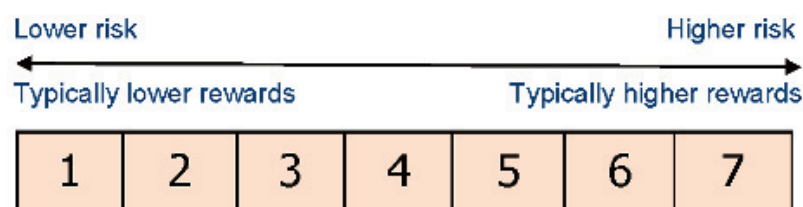
If the fund recommends a minimum investment period, that will also be stated here.

For information about investment fund objectives, strategies and techniques, visit our website at: www.investmentuk.org/investor-centre/facts-about-funds/investment-management

2. Risk and reward

This section will give you an idea of the risk attached to investing in the fund. This is shown using a risk indicator (see below), which consists of a set of numbers from one to seven. The lowest number indicates a fund that has the lowest risk of losing your money but has a lower likelihood of providing a large return on your investment. The highest number indicates a high risk fund, so there is a greater risk of losing your money but the possibility of achieving greater returns. Once you have considered your risk appetite, you can refer to the indicator to help select a fund that most closely matches your needs.

Risk indicator



In addition to the indicator, this section also includes a number of statements describing other types of risk, which could affect the performance of the fund. This could include risks associated with a change in exchange rates where the fund invests in another currency or where a guarantee from a third party may have a material effect on the fund (counterparty risk).

3. Charges

This section tells you about the charges that will be taken from your investment in order to pay for the costs of running the fund. These costs include paying for:

- The investment manager
- Administering and safeguarding your investment, and
- Promoting and distributing the fund.

It is important to be aware that, as the charges for running the fund are deducted from your investment, the return is reduced.

For more information about fund costs and charges visit our website at: www.investmentuk.org/investor-centre/facts-about-funds/costs

4. Past performance

Information provided in this section enables you to see how the fund has performed in previous years. It also provides an indication of the extent to which the fund's investment returns have fluctuated over the years.

Although past performance is a useful indicator of how the fund has performed to date, it is not a promise that it will continue to perform in the same way in the future.

5. Other practical information

The fund manager is obliged to give you practical information including:

- Where and how to obtain more detailed information about the fund, such as in the Fund Prospectus, and the annual and half-yearly reports.
- The name of the depositary, which has been appointed to safeguard the fund's assets.
- Details of both the fund and fund manager's authorisation (ie. whether the fund is authorised in the UK or elsewhere in Europe).

WHAT THE KIID DOES NOT TELL YOU?

The KIID does not tell you everything about a fund and how it operates. If you want further information, you should refer to the fund prospectus. How to obtain the fund prospectus is stated in the KIID.

The KIID does not tell you whether you should invest in the fund, and it will not offer any guarantee of the return you might get from investing in the fund.

WHICH FUNDS MUST PROVIDE A KIID?

All authorised UCITS funds (both UK- and Europe-based) will have to produce KIIDs at the very latest by 1 July 2012.

New funds launched after 1 July 2011 must produce a KIID with immediate effect. Existing funds, however, have 12 months, until 1 July 2012, to switch over from producing simplified prospectuses to KIIDs. Therefore, looking across a range of funds, you will find a mixture of KIIDs and Simplified Prospectuses during this time.

NURS (Non-UCITS Retail Schemes) are not required to convert to the KIID by the July 2012 deadline. They can, for the time being, continue to produce a Key Features Document or a Simplified Prospectus.

For definitions of UCITS and NURS, visit IMA's Facts About Funds pages at: www.investmentuk.org/investor-centre/facts-about-funds/protection/fund-structures

FURTHER INFORMATION

This guide is produced by the Investment Management Association. We publish a number of other guides on investing, which are all available free of charge. You can download copies from the IMA's Investor Guides page at:

www.investmentuk.org/investor-centre/investor-factsheets

For more information about funds, visit the 'Facts About Funds' section on our website at: www.investmentuk.org/investor-centre/facts-about-funds

You can also request hard copies of any of IMA guides from:

Investment Factline

c/o IMA

65 Kingsway

London WC2B 6TD

Telephone: 020 7269 4639

Website: www.investmentuk.org/investor-centre/investor-factsheets/order-form

Disclaimer

This factsheet has been prepared by the IMA for general information purposes only. The factsheet is not an offer or solicitation to buy or sell any investments. The factsheet is not advice nor can it take account of your own particular circumstances. If you require any advice on investments, you should contact a financial or other professional adviser. We believe the information in this factsheet to be correct. However, IMA makes no representation or warranty (express or implied) as to the accuracy or completeness of the information in this factsheet. This factsheet does not reflect any changes after 12 August 2011.

Sample KIID

This is based on the sample KIID contained in the CESR (Committee of European Securities Regulators) – now ESMA (European Securities and Markets Authority) – consultation paper: “CESR’s template for the Key Investor Information Document” dated July 2010.

Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

123 Fund, a sub-fund of ABC Fund OEIC (ISIN: 4321) This fund is managed by ABC Fund Managers Ltd, part of the XYZ group of companies								
Objectives and Investment Policy								
<p>This section will give a description of the objectives and policy of the fund in plain language.</p> <p>It will set out the essential features of the fund which a typical investor should know, such as:</p> <ul style="list-style-type: none"> • main categories of eligible financial instruments that are the object of investment • a statement that the investor may redeem units on demand, and how frequently units are dealt in • whether the fund has a particular target in relation to any industrial, geographic or other market sectors or specific classes of assets • whether discretionary choices regarding particular investments are allowed, and whether the fund refers to a benchmark and if so which one • a statement of whether any income arising from the fund is distributed or reinvested 	<p>Other information if relevant, such as:</p> <ul style="list-style-type: none"> • what type of debt securities the fund invests in • information regarding any pre-determined pay off and the factors expected to determine performance • if choice of assets is guided by growth, value or high dividends • how use of hedging / arbitrage / leverage techniques may determine the fund's performance • that portfolio transaction costs will have a material impact on performance • minimum recommended holding term 							
Risk and Reward Profile								
<p>Lower risk ← → Higher risk</p> <p>Typically lower rewards Typically higher rewards</p> <table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> </tr> </table> <p>Narrative explanation of the indicator and its main limitations:</p> <ul style="list-style-type: none"> • Historical data may not be a reliable indication for the future • Risk category shown is not guaranteed and may shift over time • The lowest category does not mean 'risk free' • Why the fund is in its specific category • Details of nature, timing and extent of any capital guarantee or protection 	1	2	3	4	5	6	7	<p>Narrative presentation of risks materially relevant to the fund which are not adequately captured by the indicator:</p> <ul style="list-style-type: none"> • Credit risk, where a significant level of investment is made in debt securities • Liquidity risk, where a significant level of investment is made in financial instruments that are likely to have a low level of liquidity in some circumstances • Counterparty risk, where a fund is backed by a guarantee from, or has material investment exposure through contracts with, a third party • Operational risks including safekeeping of assets • Impact of any techniques such as derivative contracts
1	2	3	4	5	6	7		

Charges for this Fund

The charges you pay are used to cover the costs of running the fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest

Entry charge []%

Exit charge []%

This is the maximum that might be taken out of your money [before it is invested][before the proceeds of your investment are paid out].

Charges taken from the fund over a year

Ongoing charges []%

Charges taken from the fund under certain specific conditions

Performance fee []% a year of any returns the fund achieves above the named benchmark for these fees.

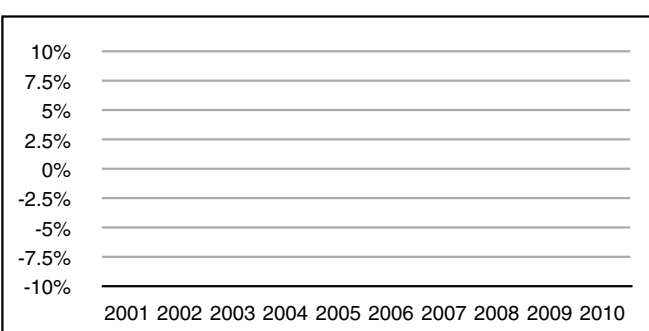
The **entry** and **exit charges** shown are maximum figures. In some cases you might pay less - you can find this out from your financial adviser.

The **ongoing charges** figure is based on expenses for the year ending []. This figure may vary from year to year. It excludes:

- Performance fees
- Portfolio transaction costs, except in the case of an entry/exit charge paid by the fund when buying or selling units in another collective investment undertaking

For more information about charges, please see pages x to x of the fund's prospectus, which is available at www.ucitsfund/

Past Performance



The chart will be supplemented with prominent statements which:

- warn about its limited value as a guide to future performance
- indicate briefly which charges have been included or excluded
- indicate the year in which the fund came into existence
- indicate the currency in which past performance has been calculated.

Practical Information

- Name of the depositary
- Where and how to obtain further information about the fund (prospectus, reports & accounts)
- Where and how to obtain other practical information (e.g. where to find latest unit prices)
- A statement that tax legislation of the fund's Home State may have an impact on the personal tax position of the investor
- A statement that the management company may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the fund
- Specific information relating to umbrella funds (e.g. any switching rights between sub-funds)
- Information about other share classes, if applicable the (KIID may be based on a representative class)

This fund is authorised in [name of Member State] and regulated by [identity of competent authority].

Where relevant the statement that [[Name of management company] is authorised in [name of Member state] and regulated by [identity of competent authority].]

This key investor information is accurate as at [the date of publication].