



FRANKLIN TEMPLETON
INVESTMENTS

Understanding Mutual Fund Offer Document and KIM

An Investor Education & Awareness Initiative By Franklin Templeton Mutual Fund



Meaning

Offer document or a prospectus from a mutual fund house is a document offering its scheme(s) to the public for investing. Offer document consists of two parts i.e. Statement of Additional Information (SAI) and Scheme Information Document (SID).

SAI contains all statutory information of the Mutual Fund house and SID carries important information about the scheme(s) such as their investment objective, asset allocation pattern, investment strategies, risk involved, benchmark indices for respective scheme(s), who will manage the scheme(s) and fees & expenses; amongst a host of others for making an informed investment decision.



What to read in a Scheme's Information Document

- Investment Objective
- Asset Allocation
- Investment Instruments the scheme would invest in
- The Investment Strategy
- Benchmark of the scheme



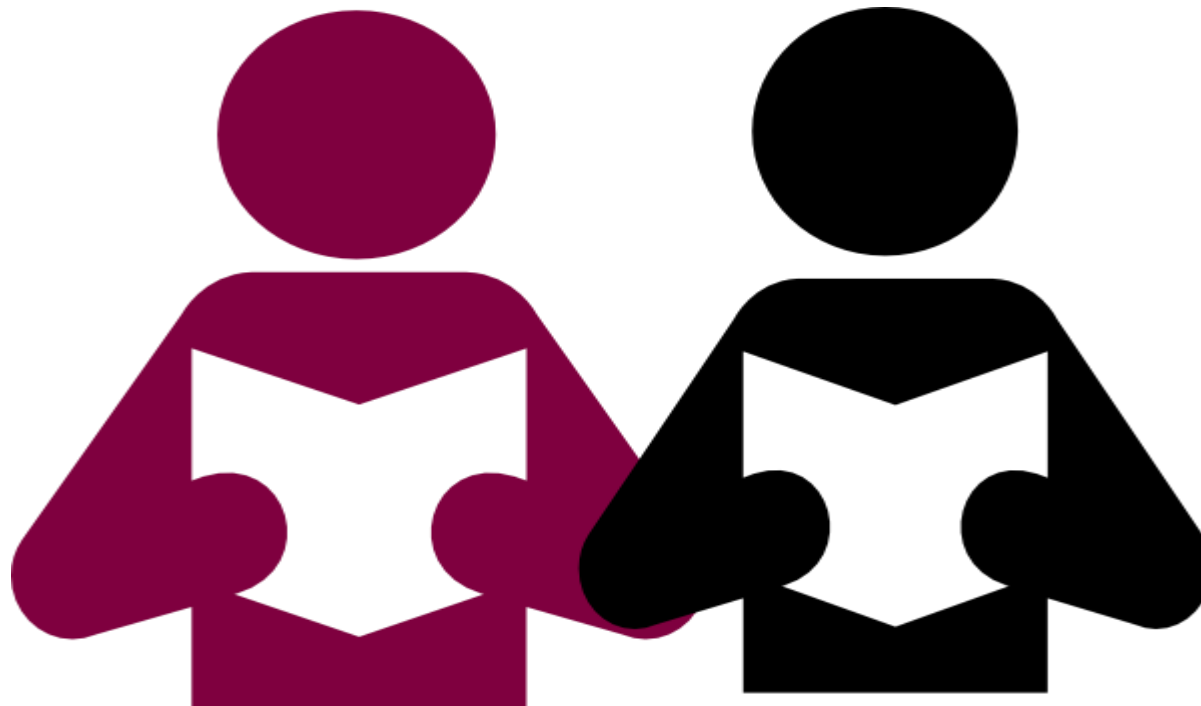
What to read in a Scheme's Information Document

Risk factors associated with the respective mutual fund scheme

- Liquidity Risk
- Default Risk
- Settlement Risk
- Interest Risk
- Re-investment risk
- Economic Risk
- Currency Risk
- Political Risk



- Who will manage the scheme
- Past Performance
- Fees & Expenses charged by the fund
- Investment Options
- Judge the credibility
 - Investor Grievance
 - Penalties & pending litigation





Meaning

The Key Information Memorandum (also known as KIM) is the abridged form of the scheme information document serving the cause of investors by mentioning the key sections of the offer document.

Contents of the Key Information Memorandum

- Details of the Mutual Fund and AMC
- Scheme Details
- Minimum Investment Details
- Plans and Options offered by the Scheme
- Performance of the Scheme
- Loads and Recurring Expenses
- Contact details of the Registrar and Transfer Agent (RTA)
- Comparison of existing schemes



Some Key Takeaway Points!



- The offer document can be a friend and guide to enlighten you as an investor
- Do not rush with investing
- If you find reading the offer document voluminous, at least lay your hands on the KIM and read it well
- Get rid of the ignorance and be a responsible investor



**We now invite you to test your learning by taking up this simple quiz
(And win exciting prizes!)**



FRANKLIN TEMPLETON
INVESTMENTS

Thank You For Participating!

Quick Quiz

- 1) Studying which of the following aspect(s) can help you judge the credibility of the mutual fund house
 - A. Investor grievances
 - B. Investment objective
 - C. Investment strategy
 - D. Penalties and pending litigations

- 2) Asset allocation pattern mentioned in the Scheme Information document may not have a fixed percentage that is mandated to invest in the respective asset classes
 - A. True
 - B. False

- 3) _____ explains the approach the mutual fund scheme would adopt while selecting investment for the portfolio and usually reflects the processes and systems followed by the fund house as a whole.
 - A. Investment objective
 - B. Asset allocation
 - C. Investment strategy
 - D. Past performance

Quick Quiz

4) Which one of the following is not a standard risk in the Scheme information document

- A. Liquidity risk
- B. Currency risk
- C. Settlement risk
- D. Default risk

5) _____ explains the aim behind launching a particular mutual fund scheme and how it will be attained.

- A. Benchmark index
- B. Investment objective
- C. Investment strategy
- C. All of the above



FRANKLIN TEMPLETON
INVESTMENTS

Mutual Fund Investments Are Subject
To Market Risks, Read All Scheme
Related Documents Carefully.



FRANKLIN TEMPLETON
INVESTMENTS

Franklin Templeton Asset Management (India) Pvt. Ltd.

Indiabulls Finance Centre, Tower 2,
12th and 13th floor, Senapati Bapat Marg,
Elphinstone (W)

Mumbai 400013

Tel (91-22) 6751 9100

Fax (91-22) 6639 1281

www.franklintempletonindia.com



Caveat (Arial Narrow 10pt.)

© 2014 Franklin Templeton Investments. All rights reserved.

For Internal Use Only / Not for Distribution to the Public

FTI PPT 4:3 01/14