

Key Investor Information Document (KIID) In accordance with UCITS IV.



All-inclusive KIID process: data management, monitoring, production, distribution.

Under the rules of UCITS IV (undertakings for collective investment in transferable securities), the Key Investor Information Document (KIID) will become a mandatory element of product information for all retail investment funds. The KIID for each fund is subject to strict guidelines with respect to form and content. It provides investors with information on investment objectives, risks, costs and historical performance. The KIID must be updated at least once a year, and even more frequently in the event of changes to critical parameters – such as risk. Fund managers must provide the current version of the document to retail customers prior to conclusion of any transaction.

These requirements make production of the KIID far more time and resource consuming for the fund company than producing typical fact sheets for fund marketing.

The process entails:

- Coordination of various departments at the asset management company (Legal, Product Management, Risk, Marketing) to provide important control information and data
- Compliance with complex requirements for determination of the synthetic risk and reward indicator (SRRRI)
- Continual monitoring of variable KIID components, as well as non-scheduled production and distribution of new KIIDs as necessary
- Historization and traceability of the information used to produce the various KIIDs

Fund companies have to spend a great deal of time and resources to ensure proper implementation and maintain compliance with the KIID requirements. To alleviate this regulatory burden, IDS GmbH – Analysis and Reporting Services (IDS) offers an efficient process for reliable and cost-effective KIID production.

Features

IDS provides full-service production of KIIDs, from implementation of the data interfaces to ongoing monitoring, production and distribution of the KIID documents. In doing so, IDS makes use of its long-standing experience with data interfaces, data warehousing, performance and risk analysis, fact sheet production and data hubs.

KIID production by IDS therefore boasts features such as:

- Full-service support during the implementation and operational phases, by experts with years of experience in the industry
- Minimization of resource usage for the client, while maintaining full transparency across all process steps up to final inspection and approval
- Enhanced reliability through efficient data collection as well as comprehensive data plausibility and consistency checks
- Regular, detailed status reporting along with extensive support for outsourcing controllers
- Substantial flexibility when it comes to individual client demands on KIID design within the statutory framework
- Support of all relevant languages
- On-time and cost-effective production and distribution through broad automation of individual process steps
- Flexible levels of service: clients can choose which parts of their overall process they want IDS to handle
- Persistent and reliable treatment of a key regulatory theme by an experienced and established service provider

Benefits

- Cost savings derived from the scale of IDS, expert handling of a complex topic with little relevance for competitive advantage
- Reduction of non-investment-specific costs, increased focus on core competencies
- Improved planning visibility for implementation of KIID production

Functionalities

Efficient data collection

IDS supports the various departments of the asset management company with a structured procedure to setup interfaces for quantitative and qualitative information collection. In the operating phase, largely automated processes are used to collect and analyze data. Appropriate systems are also put in place to facilitate text entry by the client.

Specialized database

A central element of the KIID production process is a database structure, specially developed for the KIID requirements, which serves to automatically merge text components and data.

The key functions are:

- Entry monitoring, plausibility testing, structured data storage and historization for all entered values
- SRRI determination for various fund types. If market data is necessary, it is optionally available via the IDS market data pool.
- Continual monitoring of all KIID components, automatic initiation of KIID production and distribution anytime an update is needed, and scheduled updating at the beginning of each year
- Easy generation of status reports and support for outsourcing controllers

Expert support

IDS offers comprehensive service and help desk functionalities through an international team of sector experts for KIID process realization and direct customer support.

Reliable and economical mass production

- Production of KIIDs based on the proven IDS fact sheet process
- Distribution via the IDS data hub

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