



tfm

TECHNICAL
FUND
MARKETING

Let our expert drafting service alleviate your PRIIP burden

The clock is ticking towards 31 December 2016 – the implementation date for the Packaged Retail and Insurance-based Investment Products' Key Information Document, or the **PRIIPs KID**. So, there are less than five months remaining before PRIIPs that are sold to retail investors need to be producing KIDs.

Although much attention has focused on the challenges of data sourcing, risk and performance scenarios, one of the most problematic requirements of KIDs is drafting content in **plain language** that is accessible to the average retail investor. To be truly successful in meeting its objectives, a KID needs to feature content that is **accurate, fair, clear and not misleading**.

We believe that the challenges of drafting successful investor-facing materials is dramatically underestimated. Across the industry, we see many groups failing to achieve plain language. Drafting 'by committee' is often the default – resulting in a 'belt and braces' disclaimer approach that will rarely produce an effective investor document.

Plain language reduces word count

The PRIIP KID poses the considerable challenge of capturing the essential features of a fund in a way that meets the letter and principles of the KID regulation. So, copying and pasting from a statutory document source (such as a prospectus or annual report) won't be suitable because:

- The required content won't fit within the maximum three-page KID layout.
- Statutory wording tends to be of an opaque, ambiguous style.
- Content on a KID needs to be engaging and understandable, capturing only the material elements of a fund.

In short, it is much harder to draft a concise and focused document than one without space constraints that can cover every eventuality.

The FCA's call to action

Earlier this year, the Financial Conduct Authority indicated that it is ready to act on the use of jargon and technical terms if the industry does not take proactive action. Its '**meeting investors' expectations**' thematic review reinforced its expectation that firms should ensure that product descriptions "are clear and correct because investors...decide whether to invest in authorised investment funds based on this information". And, in respect of PRIIPs in particular, many groups risk being on the wrong side of a regulatory review. However, our drafting experts can remove this burden from your desks, by offering a cost-effective service to give you peace of mind.

About our service

TFM specialises in product management and investor-facing disclosure communications. Since our launch in 2005 we have worked with over 30 fund management groups, including plain language projects for some of the largest names in the industry.

Our PRIIP drafting service provides:

- Drafting to 'best practice' guidelines, to fit the content on 3 pages
- Comprehensive understanding of PRIIP regulatory requirements
- Proactive engagement with regulators and other entities across jurisdictions, forming the foundation for our service
- Specialist drafting knowledge – we have drafted many hundreds of UCITS Key Investor Information Documents for clients. We are a member of the Plain Language Commission
- Compliant final stage drafting that is ready for your sign-off



To find out more...

For more information, simply contact us at info@technicalfm.co.uk or call 020 7337 2280.