

KEY FACT STATEMENT - MUTUAL FUND

This Key Facts Statement provides you with important information about type of funds, Risk vs Return, Systematic Investment Plan, Alternate Fund, fees, charges and other features of a Mutual Fund. You will receive further information with the subscription form based on the type of transaction i.e. Leverage / Non Leveraged. This document is being provided to you to understand the key features of a Mutual Fund its appropriateness and suitability for your needs.

SECTION 1: WHAT IS A MUTUAL FUND AND HOW DOES IT WORK?

Mutual Funds are professionally managed investment vehicles that pool capital from many investors to invest in multiple stocks, bonds and other securities. Key advantages of Mutual Fund are Profession Management, Service, Diversification and Affordably.

SECTION 2: TYPES OF MUTUAL FUND

Money Market	Maintain a stable net asset value by investing in the short-term, debt securities sold in the money market.
Bond Funds	Known as fixed income funds as it mainly invests in high-yielding corporate and government bonds.
Equity Funds	Aim to grow money over time through investing only in equities.
Balance Funds	Invests in a mixture of bonds, preferred stocks, and low risk common stocks / equities in order to minimize the loss of capital.
Growth Funds	Focuses to invest in the common stock of well-established companies and industries.
Growth and Income Funds	Invests in companies with solid track records of consistent dividend and interest payments.
Aggressive Growth Funds	Seeks maximum capital gains as their investment objective.
Global Funds	Fund which seeks growth in value of their investments by investing in the securities of the companies located all over the world.
Guaranteed Funds	Fund where the principle invested is guaranteed.
Specialty Funds	Invests in certain industries or specialized segments of the securities market.

Citi offers a wide selection of Mutual Funds (Accumulation or Income based) to match diverse risk and return profiles. List of our AMC partners is shared below:

AB

Invesco

PIMCO

Alliaz

MF3

Pictet

Blackrock

Schroders

Fidelity

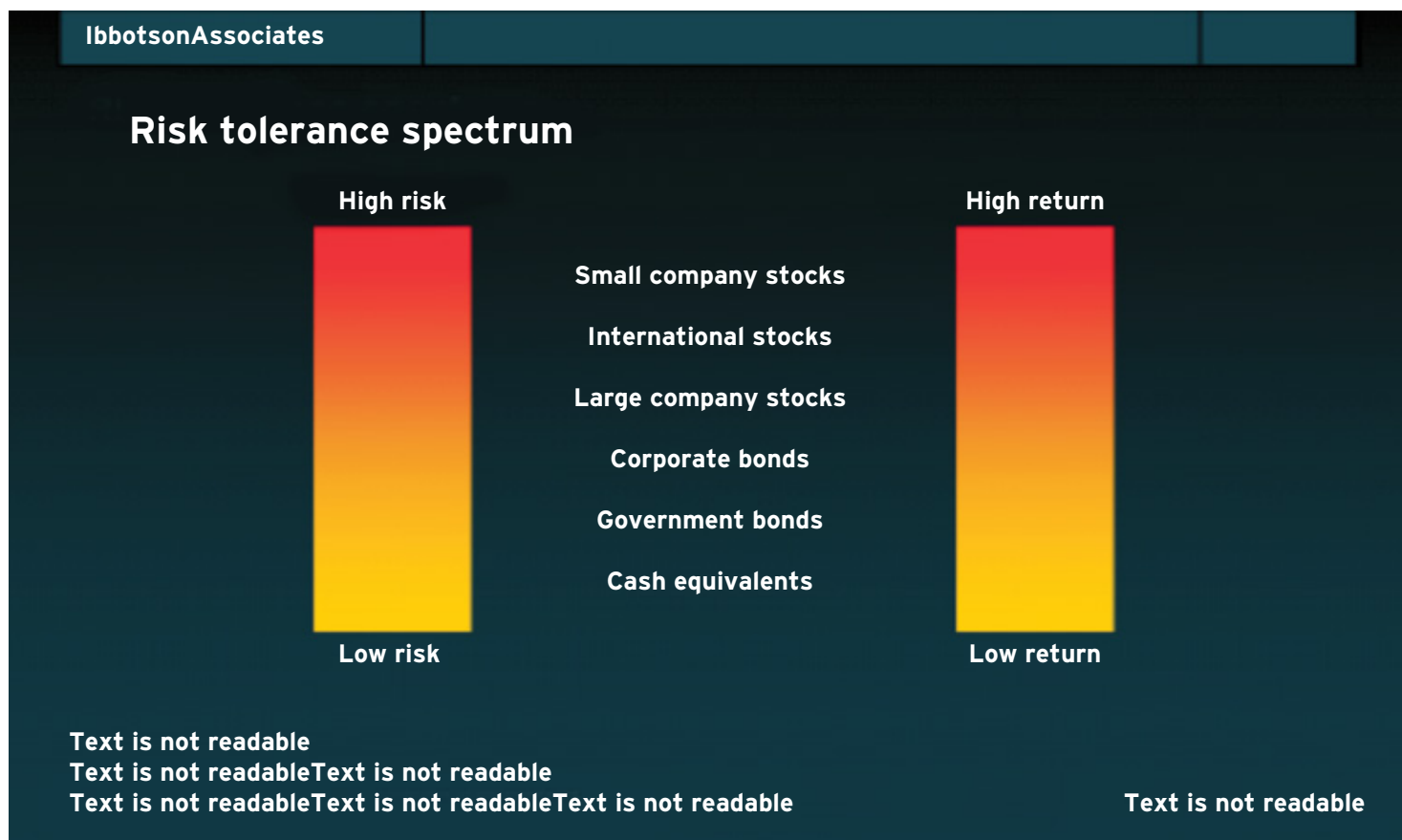
Franklin Templeton

Goldman Sachs

Amundi

SECTION 3: RISK VS RETURN AND PERFORMANCE

Mutual Funds are designed with a risk reduction in mind. The level of risk varies between funds and can never be completely eliminated. Lower risk investment, such as cash equivalents (Treasury Bills or Certificate of Deposits), have average modest long term historical returns. Meanwhile, higher risk investments, such as large company, small company and international stocks, have averaged higher return historically but with more volatility or fluctuation in value.



Business Risk, Market Risk, Credit Risk, Reinvestment Risk, Liquidity Risk and Currency Risk are a few types of risk associated with mutual funds. You can browse internet for find more details on these risks.

Performance of a fund:

Total return is the most important figure. It is a really useful measure of weather an investment has succeeded or failed. All gains an losses are taken into account including returns from dividend income as well as capital gain.

$$\text{Total RETURN} = \frac{\text{CURRENT NAV} + \text{NET INCOME} - \text{NAV ON PURCHASE DATE}}{\text{NAV ON PURCHASE DATE}} \times 100\%$$

SECTION 4: SYSTEMATIC INVESTMENT PLAN:

Dollar Cost Averaging is an investment strategy to grow an investors wealth over the long-term, even during uncertain market swings. Instead of investing a lumpsum, the investor can invest a fixed amount every period, such as monthly, quarterly, or?

To understand the benefits, it is helpful to take an example:

How it works

Investment Per Period	Share Price	Shares Acquired
100	10	10
100	8	12.5
100	6	16.67
100	6	16.67
100	8	12.5
100	10	10
100	12	8.33
100	14	7.14
Total: \$800	Average Price: \$9.25	Total No: 93.81
Average Price Per Share = \$ 9.25		
Average Price Actually Paid = \$ 8.53 (\$800 ÷ 93.81)		

SECTION 5: KEY FACTS STATEMENTS

It gives a perspective investor a concise and user-friendly summary in plain language, of the key feature and risks of a product. Name and type of product, Name of Issuer, Quick facts, What is the product, Key Risks, Fee and Charges, Legal Regulatory and Enforcement Risk and Additional information are some details available on this document.

SECTION 6: ALTERNATE MUTUAL FUND

Alternative Mutual Funds (AMFs) are publicly offered, open ended pooled investment funds that seek to employ investment and trading strategies more commonly associated with hedge funds, or alternative investment, or seek to offer investors exposure to asset classes and / or investment strategies that are more specialist, niche and non-plain vanillas in nature.

Strategy Category	Strategy Description
Long/Short Equity	Long-short portfolios hold sizable stakes in both long and short positions in equities and related derivatives. Some funds that fall into this category will shift their exposure to long and short positions depending on their macro outlook or the opportunities they uncover through bottom-up research. Some funds may simply hedge long stock positions through exchange-traded funds or derivatives. At least 75% of the assets are in equity securities or derivatives.
Market Neutral	These funds attempt to reduce systematic risk created by factors such as exposures to sectors, market-cap ranges, investment styles, currencies, and/or countries. They try to achieve this by matching short positions within each area against long positions. These strategies are often managed as beta-neutral, dollar-neutral, or sector-neutral. A distinguishing feature of funds in this category is that they typically have low beta exposures (< 0.3 in absolute value) to market indexes such as MSCI World. In attempting to reduce systematic risk, these funds put the emphasis on issue selection, with profits dependent on their ability to sell short and buy long the correct securities.
Managed Futures	These funds primarily trade liquid global futures, options, swaps, and foreign exchange contracts, both listed and over-the-counter. A majority of these funds follow trend-following, price-momentum strategies. Other strategies included in this category are systematic mean-reversion, discretionary global macro strategies, commodity index tracking, and other futures strategies. More than 60% of the fund's exposure is invested through derivative securities. These funds obtain exposure primarily through derivatives; the holdings are largely cash instruments.
Multi-Strategy	These funds offer investors exposure to several different alternative investment tactics. Funds in this category have a majority of their assets exposed to alternative strategies. An investor's exposure to different tactics may change slightly over time in response to market movements. Funds in this category include both funds with static allocations to alternative strategies and funds tactically allocating among alternative strategies and asset classes. The gross short exposure is greater than 20%.

SECTION 7: FEE AND CHARGES

A maximum embedded spread will be applicable as per the product term sheet or up to 4% as an entry fee. Maximum redemption fee charges up to 2% can be charged (if applicable).

Leverage / Secured Overdraft charge: Maximum of 3-month Base Rate + 6% p.a.

Attention

Cooling Off Period:

Cooling offer Period allow a client a window to withdraw the consent to subscribe a particular financial product. Mutual Funds subscription is subject to a Cooling-off Period and however due to the price sensitive and immediate implementation natural of the transaction you an investor waives off the right to a Cooling-off Period.

Terms and Conditions

Please note that Citibank N.A. UAE Branch reserves the right to change the Terms and Conditions with a 60 days prior notice. To access, update Terms and Conditions, please **CLICK HERE:**

For further details on this product, **CLICK HERE.**