

## **Keydata Investment Services Limited (in administration) ("KIS")**

### **Update following the meeting of creditors on 17 August 2009**

*The following information about irregularities in connection with certain investments was communicated at the meeting of creditors on 17 August 2009.*

In order to ensure that when income is paid it is done fairly, the administrators have been reviewing KIS's records in order to confirm that each investor's cash was indeed invested in the correct underlying investment.

These investigations have uncovered certain irregularities. It would appear that in a small number of cases, investors' cash may not have been invested in the correct product. In addition, there are some cases where investors' cash may not have been invested in any product at all, or where investors hold fewer units than they are entitled to.

The administrators have been advised by KIS that these irregularities were due to administrative errors. However, we also understand that the investors concerned were not advised of these issues. Prior to the appointment of administrators, KIS continued as if these investments had been properly invested. Payments to investors continued to be made, using KIS's own funds to finance any shortfalls. As a result, those investors affected remained unaware of the underlying position.

This information has only just come to light and the number of cases appears to be limited. A few hundred investors appear to be affected out of a population of some tens of thousands. Investigations are continuing and we will contact the relevant investors personally in due course to advise them of any discrepancies in their investments. Unless you are contacted by us directly, this issue will not affect you.