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OEIC's are near relatives of Unit Trusts. They came into being in the UK in 1997. They are collective investment vehicles but structured as companies rather than trusts.

Each 'share' in an OEIC represents an equal fraction of the assets of the fund and the shares are not tradable on the stock exchange but are bought from the managers and sold back to the managers in a similar way to the buying and selling of units in a Unit Trust.

As its title suggests, the OEIC is an Open-Ended Investment vehicle, which means that the number of shares in issue is not fixed and that the managers can create or cancel shares according to demand (just like Unit Trusts).