



# UCITS 2022 WEBINAR SERIES

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UCITS PRIIPs KID

## Hello and welcome!

Let's enjoy an interactive session



Q&A

### **Q&A – please send your questions to the panelists**

You can access the Q&A section by clicking on the 3 dots button in the toolbar at the bottom of your screen.



### **Chat – should you have technical issues, please write us in the chat**

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## The speakers



**Corinne Prinz**  
Partner  
Arendt & Medernach



**Julien Ganter**  
Partner  
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**Alexandre Brajou**  
Manager  
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## Differences in content

**UCITS KIID**

- Product details
  - Management company
- Objectives and Investment Policy
- Risk and Reward Profile
- Charges for this Fund
- Past Performance
- Practical Information



**PRIIPs KID**

**Purpose**

**Product details**

- Management Company
- PRIIP Manufacturer details

**What is this product?**

- Type
- Term
- Objectives
- Intended retail investor

**What are the risks and what could I get in return?**

- Risk indicator / risk disclosures
- Performance scenarios

**What happens if the PRIIP Manufacturer is unable to pay out?**

**What are the costs?**

- Costs over time
- Composition of costs

**How long should I hold it and can I take money out early?**

**How can I complain?**

**Other relevant information**



**Past Performance**

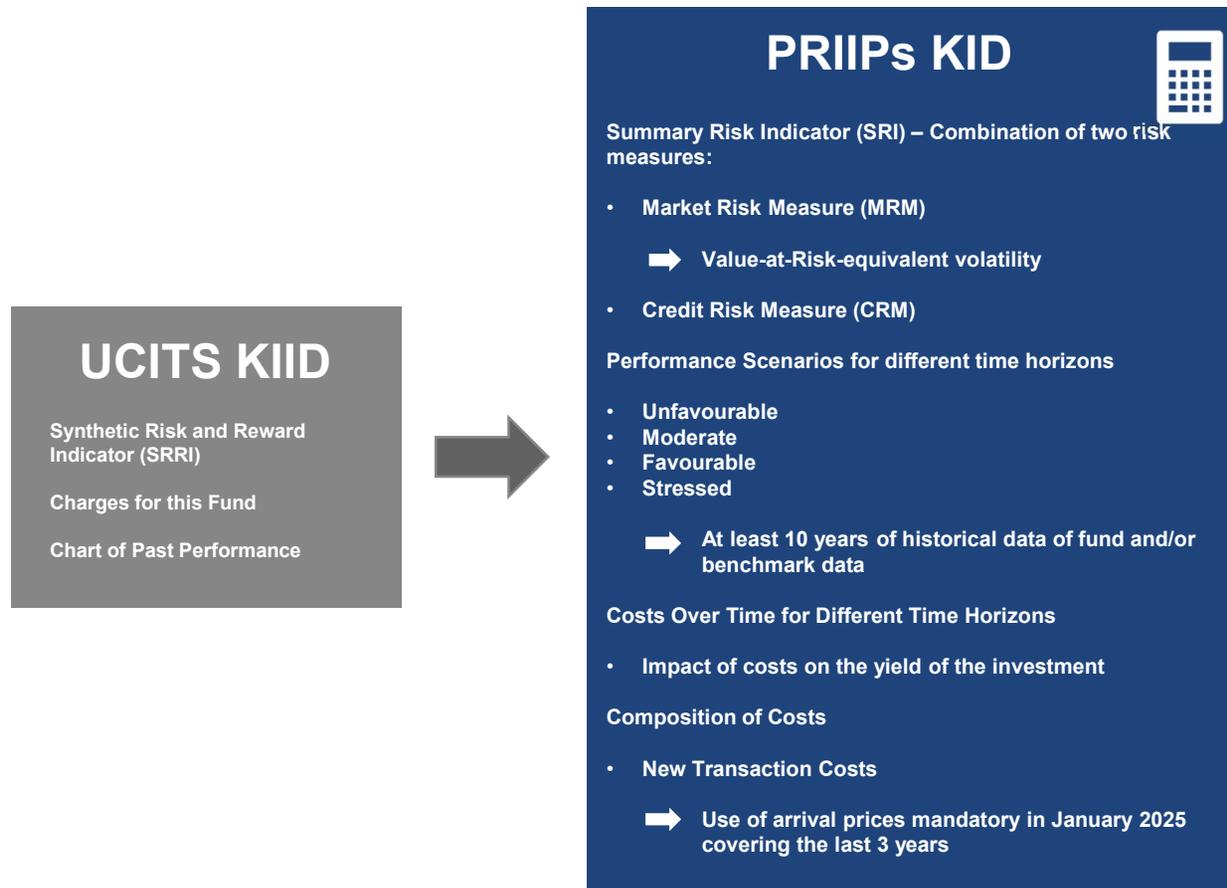



**Previous performance scenario calculations**



Not part of the PRIIPs KID, but link to be included for:

## Differences in metrics production



### Main challenges

- Implementation of dedicated methodology for the computation of performance scenarios as defined in the Regulation
- Extensive use of data with regards to the minimal length of time series as required by the Regulation
- Collection and storage of arrival prices since January 2022 for the computation of transaction costs

## PRIIPs news: ESA supervisory statement

ESA joint supervisory statement: Focus on „**WHAT IS THIS PRODUCT?**“

- Addressed to the competent supervisory authorities
- Issues identified related to the disclosure of the product type, objectives and intended retail investor where it was observed that the information disclosed is too generic, high level, abstract or not sufficiently clear and detailed
- Focus also on automated processes to generate the KID where it is stated that automation should not impair the quality of the disclosure and that checks are advised to ensure accuracy of the drafting
- Important to ensure proper drafting since NCAs will now look at this very closely; in the event of non-compliance, fines and sanctions can be imposed, to narrative parts of the KID with free text need to be monitored for legal compliance

## Quick Focus on Illiquid Assets

Funds investing in illiquid assets are falling in a specific category under the PRIIPs KID Regulation:

- Illiquid funds have a NAV frequency less than monthly;
- The Market Risk Measure is fixed at 6 for these funds;
- There is no defined methodology for the computation of performance scenarios of such PRIIPs. They “[...] shall provide a reasonable and conservative best estimate of the expected values for the performance scenarios at the recommended holding period.”;
- For new PRIIPs, transactions costs shall be estimated on the basis of the fair value method using comparable assets.





**Questions?**

## Contact Us



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# UCITS 2022 webinar series - May / June



**31 May | UCITS PRIIPs KID**  
a transition guide with practical insights

**8 June | UCITS Eligible Assets**  
overview of the market trends

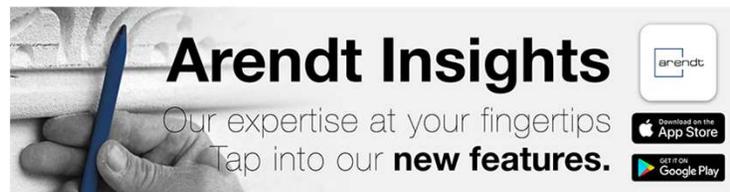
**14 June | UCITS Cross-Border Distribution**  
update on recent developments

**28 June | UCITS Delegation and Oversight**  
legal and operational aspects, points to watch out and some tips

all webinars from 1:00PM to 1:45PM CET  
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