

UCITS Key Investor Information Document v PRIIPs Key Investor Document

December 2022

	UCITS KIID Undertakings for collective investment in transferable securities ("UCITS")	PRIIPs KID Packaged retail investment products and insurance-based investment products ("PRIIPs")
What do they set out to achieve?	<p>What are KIIDs/KIDs?</p> <p>They are documents required by law and must be kept up-to-date. They offer investors information about their chosen fund before they invest and must be translated into the local language, depending where the fund is marketed. KIIDs/KIDs include information on fund objectives, charges and risks. However, there are key differences in the calculation methods for some of the information. These are explained below.</p> <p>For investors across the 27 countries of the EU from 1 January 2023, PRIIPs KID will replace UCITS KIID as the relevant pre-investment document.</p> <p>The information in these documents will be reviewed at least once a year.</p>	
Document length	Maximum of 2 A4 pages	Maximum of 3 A4 pages
Sections of each	<ol style="list-style-type: none"> 1. Fund/share class and management company details 2. Objectives and Investment Policy 3. Risk and Reward Profile 4. Charges 5. Past Performance 6. Practical Information 	<ol style="list-style-type: none"> 1. PRIIP manufacturer details 2. What is this product? 3. What are the risks and what could I get in return? 4. What happens if the PRIIP manufacturer is unable to pay out? 5. What are the costs? 6. How long should I hold it and can take money out early? 7. How can I complain? 8. Other relevant information
Differences	<p>In addition to the differences described below, and unlike a UCITS KIID, PRIIPs KIDs should show a recommended holding period for the UCITS together with information on any consequences of redeeming before the fund recommended holding period has expired.</p>	
Performance	<p>UCITS KIIDs show actual historical performance data for up to 10 years.</p>	<p>PRIIPs KIDs show forward-looking performance scenarios that project performance returns (both value and percentage) based on historical data. The different scenarios are based on four different economic conditions (stress, unfavourable, moderate and favourable) must be presented for up to three time periods including the recommended holding period.</p> <p>Unlike UCITS KIIDs, which include up to 10 years of past performance, no past performance is shown on a PRIIPs KID but a link is provided to the past performance.</p>

SRRI

The Synthetic Risk and Reward Indicator (SRRI) on a UCITS KIID is a measure of volatility of the fund's prices over the previous five years. It is presented on a scale from 1 to 7, based on prescribed intervals. It should be calculated and monitored weekly, in the case of daily-priced funds, and if the actual SRRI differs from the published SRRI for a period of four months, the KIID must be updated and reissued with the new SRRI.

SRI

The Summary Risk Indicator (SRI) on a PRIIPs KID, is designed to show the relative risk of a PRIIP, using a combination of Market Risk (based on the historical Value-at-Risk-equivalent volatility) and Credit Risk (i.e. the risk of the default in the underlying investments), where applicable. The SRI is also shown on a scale from 1 to 7, but because it is possible to lose more than the amount invested on certain PRIIPs, the intervals do not match those of a UCITS KIID SRRI. A PRIIPs KID must be updated and re-issued when the published level is no longer the most common when comparing all observations over the last four months.

Due to the difference in calculation methodology used, the SRI disclosed in a PRIIPs KID may be different than the SRRI figure disclosed by a UCITS KIID to date.

	SRRI (UCITS)	SRI (PRIIPs)	
Lookback period	5 years of historical data	5 years when available, otherwise 2 years for daily, 4 years for weekly, and 5 years for monthly funds	
Calculation Frequency	Weekly prices where possible, else monthly	Follows the actual pricing frequency of the fund	
Risk Measure Used	Annualized Standard deviation of returns	MRM	CRM
		Value-at-Risk-equivalent volatility (VEV)	Credit Risk Assessment

Costs and Charges

Both the UCITS KIID and the PRIIPs KID must disclose information on the entry costs, exit costs and performance fees which may be borne by the investor.