

Comments Template for Joint Consultation Paper concerning amendments to the PRIIPs KID (JC 2018 60)

**Deadline
6 December 2018
23:55 CET**

Name of Company:	Standard Life Assurance Limited, part of the Phoenix Group.	
Disclosure of comments:	Please indicate if your comments should be treated as confidential:	Public
<p>Please follow the following instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ Do not change the numbering in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool ⇒ Leave the last column <u>empty</u>. ⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a question or a cell, leave the row <u>empty</u>. ⇒ Our IT tool does not allow processing of comments which do not refer to the specific numbers below. <p>Please send the completed template, in Word Format, to CP-18-005@eiopa.europa.eu</p> <p>Our IT tool does not allow processing of any other formats.</p>		
Reference	Comment	
General Comments		
Q1	<p>While we believe it would be beneficial to show past performance information, the following should be considered:</p> <ul style="list-style-type: none"> • FCA COBS 4.6 requirements on past performance • the range of potential performance outcomes for a Multiple Option Product (MOP) could be wide. We would need to consider how this would be explained to customers to ensure it does not set an unrealistic expectation • limitations of data within MOPs - there could be a range of funds with different start dates, each of these may have an impact on the performance range stated. Consideration should be given to fund additions / changes, and funds that have a short and volatile 	

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	<p>performance history which may not reflect the long term aim of the fund</p> <ul style="list-style-type: none"> • performance relative to risk - the risk taken to gain performance outcomes • consistency of information to customers - where synthetic histories or differing methodologies are applied, this may not align to other documentation that customers have received, e.g. fund fact sheets • operational and licensing considerations - where proxy data is required the cost of index data licenses could be prohibitive. 	
Q2	See answer to Q1 above.	
Q3	<p>Consideration should be given to how this would translate to a MOP showing a range of potential outcomes.</p> <p>We do not believe that a bar chart demonstrates the 'journey' to achieve the performance outcome e.g. a highly volatile fund may have seen large swings to achieve the end outcome. This journey may be better demonstrated with a line (cumulative) chart as well as a bar (discrete) performance table.</p>	
Q4	<p>No, for the following reasons:</p> <ul style="list-style-type: none"> • this is not in line with current UCITS KIID disclosure • retail customers' understanding of simulated past performance should be validated. Simulated past performance may not be easily understood • documentation may not be consistent with existing documents, e.g. fund fact sheets • the approach on how to apply proxies would need to be well defined to prevent possible misalignment to actual outcomes • operational and licensing considerations - where proxy data is required the cost of index data licenses could be prohibitive. 	
Q5	The replication approach would be our preference.	
Q6	Yes, we are supportive of the narrative improvements. We believe these should be tested with retail customers prior to implementation to validate customer understanding.	
Q7		

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Q8		
Q9	We agree with the proposed change to the RIY calculation - 3% is a fair assumption of moderate growth.	
Q10		
Q11		
Q12		
Q13		