

On performance scenarios – PRIIP Regulation

UBS Investment Bank, as a Packaged Retail and Insurance-based Investment Product (PRIIPs) manufacturer, is required to prepare and publish a Key Information Document (KID) referencing risks, performance scenarios, costs and other pre-contractual information in a standardized way. UBS Investment Bank has followed the PRIIPs Regulation and related Regulatory Technical Standards (RTSs) in producing the KID. Our National Competent Authority (Financial Conduct Authority) has published the following statement on the 24th January 2018:

"We understand some firms are concerned that, for a minority of PRIIPs, the 'performance scenario' information required in the KID may appear too optimistic and so has the potential to mislead consumers. There may a number of reasons for this: the strong past performance of certain markets, the way the calculations in the RTSs must be carried out, or calculation errors." ^[1]

UBS Investment Bank recommends that retail clients consult their distributor or financial advisor to discuss any element of the KID.

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^[1] <https://www.fca.org.uk/news/statements/statement-communications-relation-priips>