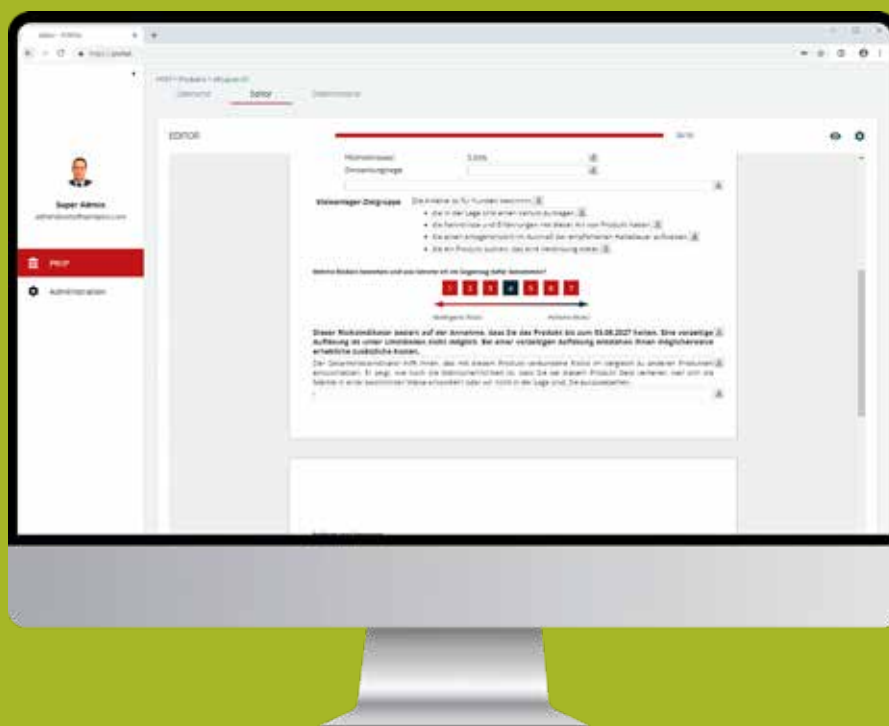




VISUALIZING RISKS.

## PRIIP KID GENERATOR

The one-stop PRIIP KID generator to calculate PRIIP key figures and generate and manage the key information documents (KID).



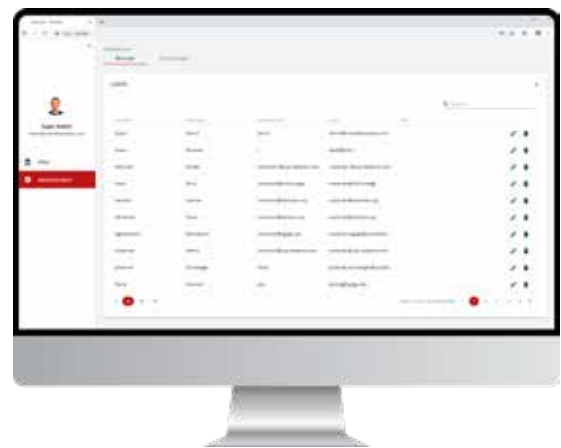
## Challenges for providers of financial services

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The goal of the PRIIP regulation is to improve the protection of retail investors. It came into effect in 2014 and must be applied since January 2018. Manufacturers of «Packaged Retail and Insurance-based Investment Products» («PRIIPs») have to publish an information leaflet in the form of a standardised «Key Information Document» («KID»). This must be made available to the retail investor through the PRIIP distributor before signing a contract.

Thereby, a better understanding of and a basis of comparison regarding the main characteristics, risks, return potential and costs of specific financial products should be conveyed to the retail investor so they are able to make well-founded investment decisions.

The challenge for the PRIIP manufacturers is found especially in the calculation of the different PRIIP key figures and the establishment of a PRIIP monitoring process, which guarantees the periodical and extraordinary updates and distribution of the KID. Depending on the type of product, particularly the calculation of the PRIIP key figures poses a challenge that can hardly be solved efficiently without the suitable technical solutions and a deep knowledge of computational finance.



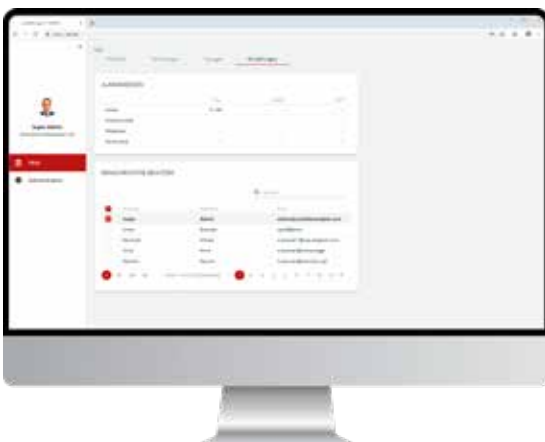
## What is a PRIIP and which information should be part of the KID?

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The PRIIP regulation concerns a multitude of financial products that are not plain vanilla (like equity shares or bonds with known coupons) but somehow packaged, particularly all products, independent of their form or conceptualisation, where the invested capital is subject to fluctuations and where the repayment and/or the return is dependent on a reference value, index or the development of another asset value.

Examples of PRIIPs are:

- Structured financial products, such as equity warrants, that are packaged by the issuing firm
- Financial products whose payoffs are derived from reference values such as shares or exchange rates (derivates)
- Closed and open investment funds
- Insurance products which are held as investments
- Financial products distributed by special purpose entities



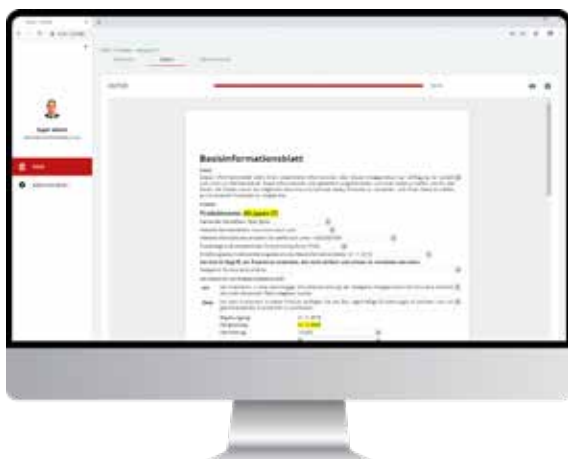
Evidently, a KID needs to be generated for many products. To make these KIDs comparable and understandable, the regulation prescribes the format and content of the document. Essentially, the following information must be included:

- General information
- Type and characteristics of the product
- Risk and return profile of the product as well as performance values for favourable, moderate and unfavourable market developments
- Information of the loss cover if the manufacturer is unable to pay out
- Cost structure of the product
- Recommended holding period and rules for early termination
- Complaint bodies and any other relevant information



## What support does the solution PRIIP KID generator offer?

The solution PRIIP KID generator offers comprehensive functions, that enable the generation, distribution and administration of the regulatory required PRIIP documents. Using the PRIIP generator you can easily manage the templates and text modules of the KID, calculate and monitor the PRIIP risk and return key figures and generate the KID in accordance with the regulations. The calculation of the PRIIP key figures occurs in compliance with the regulatory guidelines and include:



- Construction of market data scenarios
- Calculation of all relevant cashflows
- Valuation of the instruments at the required points of time
- Calculation of the necessary key figures

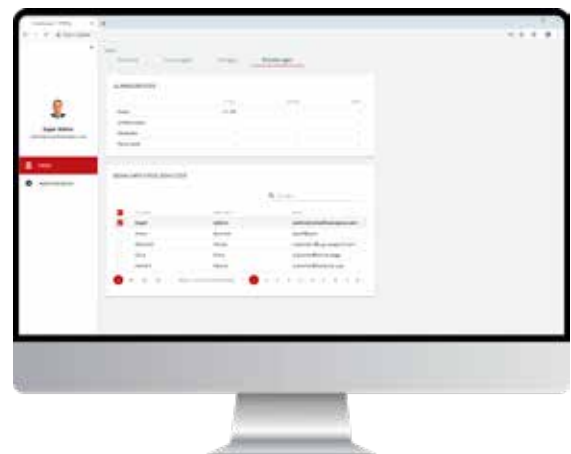
Within the monitoring process existing PRIIPs are automatically checked to whether they remain within the threshold values. If the threshold values are crossed an automatic notification including an action instruction is sent to a predefined circle of users who will then generate and publish a new PRIIP KID. Moreover, a notification also occurs if a periodical (annual) generation of a PRIIP KID is upcoming.

The PRIIP manufacturers receive a solution that is reliable and in conformity with the regulations and covers the entire KID process. Due to different operating models (on-premise or SaaS), the solution is attractive to small as well as large PRIIP producers.

## An overview of the main functions

### **PRIIP Management Studio**

The PRIIP Management Studio, with an intuitive user interface, represents an overview of all the PRIIPs that need to be managed, as well as all relevant basic information of a specific PRIIP and all PRIIP KID information. It offers the possibility to set the threshold values to monitor the PRIIP key figures and a reminder for the periodical update of the PRIIP KIDs.

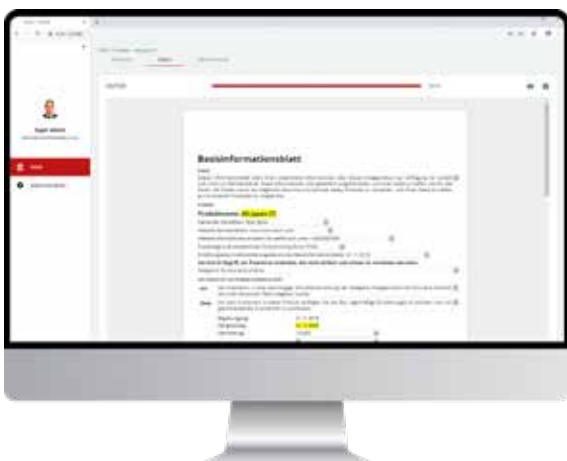


### **Calculation module**

PRIIP calculation module to calculate all PRIIP risk and return key figures and costs details which must be disclosed for transparency reasons.

### **KID template management**

Management of KID templates that define the document layout and the placeholders of dynamic and static content. Administration of text blocks for specific PRIIP types which are integrated in the course of the generation of the document.

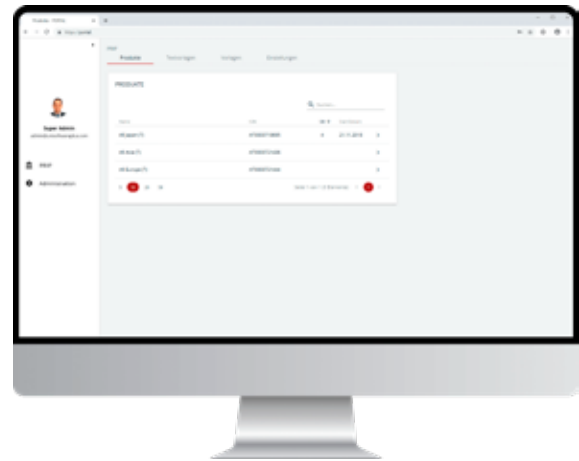


### KID Engine

KID Engine to automatically create PRIIP KIDs with the calculated risk and return key figures and other static and dynamic content in accordance with the guidelines of the respective templates and the distribution of the KIDs to defined target systems.

### KID Monitoring

Monitoring the PRIIP key figures regarding the compliance with the threshold values. If a threshold value is crossed, the application users are notified and/or an updated KID is automatically generated and distributed.



## Convincing advantages

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- ✓ One stop solution for the generation and management of PRIIP KIDs in line with regulatory requirements.
- ✓ Highest quality regarding the numerical implementation and performance.
- ✓ Attractive and scalable operating models for any-size PRIIP manufacturers.
- ✓ Modular system with the possibility to individualize or to use individual modules in order to integrate it into existing business procedures.

## Are you interested in further information?

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