

**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"> <li>⇒ Do <b>not</b> change the numbering in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool</li> <li>⇒ Leave the last column <u>empty</u>.</li> <li>⇒ 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>.</li> <li>⇒ Our IT tool does not allow processing of comments which do not refer to the specific numbers below.</li> </ul> <p><b>Please send the completed template, in Word Format, to <a href="mailto:CP-18-005@eiopa.europa.eu">CP-18-005@eiopa.europa.eu</a></b></p> <p><b>Our IT tool does not allow processing of any other formats.</b></p> |   |        |
| <b>Reference</b>   | <b>Comment</b>  |        |
| 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"> <li>• FCA COBS 4.6 requirements on past performance</li> <li>• 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</li> <li>• 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</li> </ul> |        |

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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"> <li>• performance relative to risk - the risk taken to gain performance outcomes</li> <li>• 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</li> <li>• operational and licensing considerations - where proxy data is required the cost of index data licenses could be prohibitive.</li> </ul>   |  |
| 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"> <li>• this is not in line with current UCITS KIID disclosure</li> <li>• retail customers' understanding of simulated past performance should be validated. Simulated past performance may not be easily understood</li> <li>• documentation may not be consistent with existing documents, e.g. fund fact sheets</li> <li>• the approach on how to apply proxies would need to be well defined to prevent possible misalignment to actual outcomes</li> <li>• operational and licensing considerations - where proxy data is required the cost of index data licenses could be prohibitive.</li> </ul> |  |
| 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 |  |  |