



PRIIPs Tailored Solution

*For exotic funds with for instance derivative positions or illiquid assets, being **PRIIPs compliant** is more challenging than liquid asset classes because of the data requirements involved. Whereas the calculation rules for regular funds are clear, those for funds that contain more exotic positions are certainly not. Developing models compliant with regulation like Basel, Solvency and of course **PRIIPs Regulation**, for some the largest financial institutions of the Netherlands, makes RiskQuest an expert in the interpretation of complex financial modelling regulation. RiskQuest gladly aids funds on their road to compliance, even the most exotic funds!*

Four steps towards compliance

- 1** The first step is to get to know your fund such that we may determine its PRIIP-category.
- 2** A modeling approach is chosen, one that adequately captures the fund's risk and return.
- 3** Data requirements are made. Where needed RiskQuest can aid in the data collection process.
- 4** We go to work and perform the calculations. The results are included in a detailed rapport.

Calculation engine: For our tailored service extra modules are built on top of the current calculation engine, such that even the most exotic funds can be serviced: (including but certainly not limited to) option contracts, futures, FOREX, leveraged positions and short positions.

Data requirements: PRIIPs regulation requires data on all underlyings that contribute to the PRIIP's return. Data requirements depend on the frequency at which data is available:

- Daily: minimum of 2 years
- Weekly: minimum of 4 years
- Monthly: minimum of 5 years

If needed RiskQuest can assist in finding suitable (benchmark) data.

Deliverables: The calculation rapport contains a detailed stepwise description of the data, assumptions and methodology used to calculate the fund's summary risk indicator (SRI) and performance scenarios. Wherever legislation fails to provide clear calculation rules, we explain our choice of (industry practice) modeling techniques.

Standards: RiskQuest performs her calculations independently and objectively. We track all developments surrounding PRIIPs legislation to ensure our calculations remain compliant.

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