

PRIIPs Key Information Document (KID)

Data Content Guide

Morningstar Data Content

31 December 2022

Data Content Details

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Background

European Union regulation introduced the need for a mandatory key information presale document, the PRIIPs KID (Packaged Retail and Insurance-Based Investment Products — Key Information Document), for investment products to be made available to retail investors.

The PRIIPs regulation provided a temporary exemption for management and investment companies and persons advising on or selling Undertakings Collective Investment in Transferable Securities, or UCITS, from the obligation to produce and provide a PRIIPs KID (Article 32 of the PRIIPs Regulation). For such investment products, a presales regulatory document Key Investor Information Document, or KIID, was provided to investors in accordance with the UCITS directive.

Passed by the EU parliament on 23 November 2021, the requirement for UCITS to provide a KID was set for 1 January 2023. This document covers Morningstar's approach to collecting the KID and content within the KID.

Definition of the Dataset

The data Morningstar collects from the PRIIPs EU KID for any relevant investment, such as UCITS and Alternative Investment Funds, or AIFs, where the investment product provider has decided the target audience for the investment product is retail and has published a KID as a presales artifact.

Inputs/Sources/Timings

Data Morningstar collects from the PRIIPs EU KID:

Morningstar Data Point	KID Header	KID Section	KID Subsection
KID Publication Date	Product	Date of production of the KID	-
KID Objective	What is this product?	Objectives	-
KID Synthetic Risk Indicator	What are the risks...	Risk Indicator	-
One Off Entry Cost	Composition of costs	One-off costs	Entry costs
One Off Exit Cost	Composition of costs	One-off costs	Exit costs
Ongoing Costs Other Costs	Composition of costs	Ongoing costs	Management fees and other administrative or operating costs
Ongoing Costs Transaction Cost	Composition of costs	Ongoing costs	Transaction costs
Incidental Costs Performance Fee	Composition of costs	Incidental costs	Performance fees
Incidental Costs Carried Interest	Composition of costs	Incidental costs	Carried interest

The PRIIPs regime requires that the KID should be revised every 12 months following the date of its first publication or from its last revision and reissued if changes are needed.

Limitations/Exceptions

The United Kingdom initially adopted the EU PRIIPs regulation post-Brexit, renaming the regulation to the U.K. PRIIPs regime, with the same requirements and obligations. By 25 March 2022, the Financial Conduct Authority, or FCA, finalized amendments to the U.K. PRIIPs Regime (policy statement PS22/2).

The amended scope of the U.K. PRIIPs KID included changes to performance and risk information, as well as changes to the calculation and disclosure of transaction costs. Investment providers of non-UCITS Retail Schemes, or NURS, and listed investment funds in the U.K. were given until 31 December 2022, to ensure they comply with the new requirements when creating a U.K. PRIIPs KID. Investment providers of UCITS in the U.K. are exempt from having to produce a KID until 2026.

Therefore, investment providers wishing to market their U.K. domiciled investment product into the EU will have to produce a PRIIPs KID in accordance with the EU PRIIPs regulation. If a non-U.K. domiciled investment provider wishes to market their investment product into the U.K., they will have to produce a KIID if the investment product is a UCITS, or U.K. KID if the investment product is considered a NURS.

Morningstar collects the U.K. PRIIPs KID but does not collect data from the document.

Markets and Universes

Morningstar collects and stores EU KIDs, regardless of language, if furnished by the investment's provider, for any relevant investment (UCITS and AIFs). Morningstar collects data, outlined above, from the EU KID, for all funds domiciled in major EU markets and for U.K. open-end funds, closed-end funds, and exchange-traded funds sold into those major EU markets.

Morningstar collects and stores the U.K. PRIIPs KID for U.K. investment trusts and other investments that can be considered NURS but does not collect data content from these documents.

Data Content History

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Frequently Asked Questions

How often are the PRIIPs KIDs updated?

PRIIPs KID providers must review the KID for accuracy when there is a material change to the investment and at least every 12 months following the date of the initial publication of the KID.

How did Morningstar determine which data to collect from the KID?

To ensure continuity of information for investment products as they transitioned to the EU KID, Morningstar collects similar KID content to that sourced from the UCITS KIID. Content collected by Morningstar from published KIIDs: KIID Investment Objective; KIID SRRI; KIID Ongoing Charge.

Will Morningstar continue to maintain KIIDs and KIID data?

The KIIDs and KIIDs content will continue to be collected for the U.K. market, where a KIID would still need to be produced for U.K. domiciled funds and for EU UCITS that wish to be sold into the U.K. market. UCITS KIID content will not be removed from Morningstar data offering, but coverage will reduce significantly as UCITS transition to the KID.

For which languages does Morningstar collect the EU KID?

Morningstar has no limitation or special requirement for EU KID document language and collects every version of the document it receives.

What languages does Morningstar collect for the KID objective?

The objectives will be collected in English only.

What are the key differences between the EU KID and U.K. KID?

The main differences between the EU KID content and the U.K. KID are:

- U.K. KID replaces the performance scenarios calculation requirement with a requirement for narrative information on performance.
- U.K. KID introduces the possibility to increase the SRI class for some PRIIPs.
- There are differences in the calculation of transaction costs.

In the U.K., a UCITS provider is exempt from the PRIIPs Regulation until 31 December 2026. These firms need to continue to publish a KIID until that date. This means that a UCITS KIID should still be produced when marketing in the U.K.

Does Morningstar collect the U.K. PRIIPs version of the KID document?

Yes. Morningstar will collect and store the U.K. PRIIPs KID for U.K. investment trusts and other investments that can be considered NURS, but Morningstar will not collect data content from these documents.

Glossary

<i>Packaged Retail and Insurance-Based Investment Products (PRIIPs)</i>	A range of investment products marketed to retail investors in the European Union (EU) that are subject to an investment risk.
<i>Key Information Document (KID)</i>	A short-form precontractual document that must be provided to a client of a retail packaged investment product prior to purchase. In the EU this replaced the Key Investor Information Document (KIID).
<i>Key Investor Information Document (KIID)</i>	A short-form precontractual document that must be provided to a client of a retail packaged investment product prior to purchase. In the EU this has been replaced by the Key Information Document (KID).
<i>Undertakings Collective Investment in Transferable Securities (UCITS)</i>	A fund that adheres to the rules for Undertakings for Collective Investment in Transferable Securities (UCITS). It is an EU directive that establishes the terms under which a fund domiciled in one EU member state can be marketed in all EU countries. U.K. domiciled funds are no longer part of this pan-European UCITS system, however, due to the strong brand recognition in the U.K. market, it still carries the name "U.K. UCITS" if they follow similar rules to EU UCITS.
<i>Alternative Investment Funds (AIFs)</i>	A collective investment that does not require authorization pursuant to the UCITS directive.
<i>Financial Conduct Authority (FCA)</i>	The regulator for the financial-services industry in the U.K.
<i>Non-UCITS Retail Schemes (NURS)</i>	A fund in the U.K. that does not comply with all the conditions to which UCITS are subject.
<i>Summary Risk Indicator (SRI)</i>	The PRIIPs regulation risk/reward position for the retail customer, providing a number from 1 to 7, with 1 representing low risk and 7 representing high risk.
<i>Synthetic Risk and Reward Indicator (SRRRI)</i>	The UCITS directive level-of-risk indicator providing a number from 1 to 7, with 1 representing low risk and 7 representing high risk.