

ANNEX VII

PRESENTATION OF COSTS

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest [EUR 10 000 (OR EUR 1 000 each year for regular premium PRIIPs)]. The figures are estimates and may change in the future.

Table 1

Cost over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Investment [EUR 10 000] Scenarios	If you cash in after [1] year	If you cash in after [recommend end of the recommen holding period/2] ded holding period]	If you cash in [at the end of the recommen holding period]
Total costs	[...]	[...]	[...]
Impact on return (RIY) per year	[...] %	[...] %	[...] %

Table 2

Composition of costs

The table below shows:

- the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period;
- the meaning of the different cost categories.

This table shows the impact on return per year			
One-off costs	Entry costs	[...] %	The impact of the costs you pay when entering your investment. [This is the most you will pay, and you could pay less]. [AND/OR where the costs are embedded in the price, for instance in the case of PRIIPs other than investment funds] The impact of the costs already included in the price. [This is the most you will pay, and you could pay less]. [Where distribution costs are included in entry costs] This includes the costs of distribution of your product.
	Exit costs	[...] %	The impact of the costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	[...] %	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	[...] %	The impact of the costs that we take each year for managing your investments and the costs presented in Section II.
Incidental costs	Performance fees	[...] %	The impact of the performance fee. We take these from your investment if the product outperforms its benchmark [y by x%].
	Carried interests	[...] %	The impact of carried interests. We take these when the investment has [performed better than x%]. [A payment of y% of the final return will take place subsequently to the exit of the investment.]

For PRIIPs offering a range of options for investment, PRIIP manufacturers shall use the table 1 and table 2 of this Annex for the presentation of the costs, showing for each of the figures in each table, as relevant, the range of the costs.