

Errata in Joint Consultation Paper (11 November 2015) on PRIIPs Key Information Documents

Below are corrections in two formulas in paragraphs 27 and 28 of Annex II (Market Risk Measure)

$$\text{VaR}_{\text{return space}} = \sigma \sqrt{N} \left[-1,96 + 0,474 \frac{\mu_1}{\sqrt{N}} - 0,0687 \frac{\mu_2}{N} + 0,146 \frac{\mu_1^2}{N} \right]$$

where N is equal to the number of days of the Recommended holding period.

$$VEV = \frac{\sqrt{3,842 - 2 * \ln \text{VaR}_{\text{price space}} - 1,96}}{\sqrt{T}}$$

Further the 97,5% VaR is used, which is the 2,5% percentile of the return distribution and not the 2,5% VaR.