JOINT COMMITTEE OF THE EUROPEAN SUPERVISORY AUTHORITIES

# PRIIPs - performance scenario options for consumer testing (Annex) 

## Annex: proposed performance scenario options to be tested in the consumer testing exercise

## Product: Fund (non-structured)

Option 1: Current KID

## What is this product?

This product is an investment fund. The fund invests in different European shares. The fund's investment strategy is oriented towards achieving a higher performance than a benchmark index of Eurozone stocks, EUROIndex A. It does not track the benchmark exactly but aims to exceed its performance and can therefore deviate substantially - both positively and negatively - from the benchmark.
Investment in this product is classified as medium-high risk. The returns that you may receive from this investment will vary. The investment is not risk-free. There is no minimum guaranteed return and you could lose some or all of your investment. It is recommended that you hold your investment for 5 years.

## Performance Scenarios

Investment: EUR 10.000

|  |  | 1 year |  | 5 years <br> (Recommended <br> Holding Period) |
| :--- | :--- | :--- | :--- | :--- |
| Stress | What you might get back after costs | $6718 €$ | $6371 €$ | $5448 €$ |
|  | Average return each year | $-32,82 \%$ | $-10,66 \%$ | $-8 \%$ |
| Unfavourable | What you might get back after costs | $9338 €$ | $9703 €$ | $10530 €$ |
|  | Average return each year | $-6,62 \%$ | $-0,75 \%$ | $0.74 \%$ |
| Moderate | What you might get back after costs | $10.553 €$ | $12384 €$ | $14537 €$ |
|  | Average return each year | $5,53 \%$ | $5,49 \%$ | $5,49 \%$ |
| Favourable | What you might get back after costs | $11906 €$ | $15780 €$ | $20027 €$ |
|  | Average return each year | $19,06 \%$ | $12,08 \%$ | $10.43 \%$ |

This table shows the money you could get back over the next 5 years under different scenarios assuming that you invest EUR 10.000.

The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.

The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the product.

The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your adviser or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

## Option 2: Revised performance scenario table (probabilistic approach)

What is this product?
This product is an investment fund. The fund invests in different European shares. The fund's investment strategy is oriented towards achieving a higher performance than a benchmark index of Eurozone stocks, EUROIndex A. It does not track the benchmark exactly but aims to exceed its performance and can therefore deviate substantially - both positively and negatively - from the benchmark.
Investment in this product is classified as medium-high risk. The returns that you may receive from this investment will vary. The investment is not risk-free. There is no minimum guaranteed return and you could lose some or all of your investment. It is recommended that you hold your investment for 5 years.

## Performance Scenario Examples

- What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted
- The scenarios shown are only estimates of some of the possible returns that you could get based on the long-term performance of financial markets

Example Investment amount: EUR 10.000

## Recommended holding period: 5 years

| Scenarios | What you might get <br> back after costs after 5 <br> years | Average return per <br> year | Estimated chance this <br> scenarios occurs |
| :--- | :--- | :--- | :--- |
| Minimum | There is no minimum guaranteed return. You could lose some or all of your <br> investment. |  |  |
| Unfavourable | $10530 €$ | $0,74 \%$ | 10 in 100 chance you do worse |
| Moderate | $14537 €$ | $5,49 \%$ | 50 in 100 chance you do worse |
| Favourable | $20027 €$ | $10,43 \%$ | 90 in 100 chance you do worse |

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your adviser or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

## Option 3: Revised performance scenarios (probabilistic approach) + past performance

What is this product?
This product is an investment fund. The fund invests in different European shares. The fund's investment strategy is oriented towards achieving a higher performance than a benchmark index of Eurozone stocks, EUROIndex A. It does not track the benchmark exactly but aims to exceed its performance and can therefore deviate substantially - both positively and negatively - from the benchmark.
Investment in this product is classified as medium-high risk. The returns that you may receive from this investment will vary. The investment is not risk-free. There is no minimum guaranteed return and you could lose some or all of your investment. It is recommended that you hold your investment for 5 years.

## Performance Scenario Examples

- What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted
- The scenarios shown are only estimates of some of the possible returns that you could get based on the long-term performance of financial markets

Example Investment amount: EUR 10.000

Recommended holding period: 5 years

| Scenarios | What you might get <br> back after costs after 5 <br> years | Average return per <br> year | Estimated chance this <br> scenarios occurs |
| :--- | :--- | :--- | :--- |
| Minimum | There is no minimum guaranteed return. You could lose some or all of your <br> investment |  |  |
| Unfavourable | $10530 €$ | $0,74 \%$ | 10 in 100 chance you do worse |
| Moderate | $14537 €$ | $5,49 \%$ | 50 in 100 chance you do worse |
| Favourable | $20027 €$ | $10,43 \%$ | 90 in 100 chance you do worse |

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your adviser or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

## Past Performance

The table below shows the fund's performance as the percentage loss or gain per year over the last 10 years against the benchmark index, EUROIndex A.

- Past performance is not a reliable indicator of future performance. Markets could develop very differently in the future.
- It can help you to assess how the fund has been managed in the past and compare it to its benchmark

- The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your adviser or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.
- The fund was launched in 2003.


## Product: Structured Product

## Option 1: Current KID

## What is this product?

This product is a structured note. Your return depends on the performance of Share A and you could lose some of your investment.
At maturity (2 years) if Share A is trading at a level equal to or above its level at the start date, you will get $100 \%$ of your capital back plus a coupon of $3,95 \%$.
Otherwise, if Share A has fallen, you will get no coupon and you will lose part of your investment. You will get back your investment minus the loss of Share A, with a maximum loss of $10 \%$.
You are recommended to hold the product until maturity (2 years). If you want to exit early, you can sell the product. However, you will have to pay exit costs and depending on the price that you obtain from the market you may get back less than $90 \%$ of your investment.

## Performance Scenarios

Investment EUR 10.000

| Scenarios |  | 1 year | Recommended <br> holding period (2 <br> years) |
| :--- | :--- | :---: | :---: |
| Stress | What you might get back after costs | $8.910 €$ | $9.000 €$ |
|  | Average return each year | $-10,9 \%$ | $-5,13 \%$ |
| Unfavourable | What you might get back after costs | $9.834 €$ | $9.684 €$ |
|  | Average return each year | $-1,7 \%$ | $-1,6 \%$ |
| Moderate | What you might get back after costs | $10.236 €$ | $10.395 €$ |
|  | Average return each year | $2,4 \%$ | $1,96 \%$ |
| Favourable | What you might get back after costs | $10.290 €$ | $10.395 €$ |
|  | Average return each year | $2,9 \%$ | $1,96 \%$ |

This table shows the money you could get back over the next 2 years, under different scenarios, assuming that you invest EUR 10.000.

The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.

The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the product.

The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you. that you pay to your adviser or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

## Option 2: Revised performance scenarios (probabilistic approach)

## What is this product?

This product is a structured note. Your return depends on the performance of Share A and you could lose some of your investment.
At maturity (2 years) if Share A is trading at a level equal to or above its level at the start date, you will get $100 \%$ of your capital back plus a coupon of $3,95 \%$.
Otherwise, if Share A has fallen, you will get no coupon and you will lose part of your investment. You will get back your investment minus the loss of Share A, with a maximum loss of $10 \%$.
You are recommended to hold the product until maturity (2 years). If you want to exit early, you can sell the product. However, you will have to pay exit costs and depending on the price that you obtain from the market you may get back less than $90 \%$ of your investment.

## Performance scenario examples

- What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted
- The scenarios shown are only estimates of some of the possible returns that you could get based on the long-term performance of financial markets

Example Investment Amount: 10.000 €
Recommended holding period (2 years)

| What you might <br> get back after <br> costs after 2 <br> years | Rate of <br> return per <br> year | Estimated chance this <br> scenario occurs |  |
| :--- | :---: | :---: | :---: |
| Minimum | $9000 €$ | $-5 \%$ |  |
| Unfavourabl <br> e | $9.684 €$ | $-1,6 \%$ | 10 in 100 chance you do worse |
| Moderate | $10.395 €$ | $1,96 \%$ | 50 in 100 chance you do worse. <br> This is the maximum you can <br> get |
| Favourable | $10.395 €$ | $1,96 \%$ |  |

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your adviser or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

Option 3: Combining revised performance scenarios (probabilistic) with illustrative scenarios

What is this product?

This product is a structured note. Your return depends on the performance of Share A and you could lose some of your investment.
At maturity (2 years) if Share A is trading at a level equal to or above its level at the start date, you will get $100 \%$ of your capital back plus a coupon of $3,95 \%$.
Otherwise, if Share A has fallen, you will get no coupon and you will lose part of your investment. You will get back your investment minus the loss of Share A, with a maximum loss of $10 \%$.
You are recommended to hold the product until maturity (2 years). If you want to exit early, you can sell the product. However, you will have to pay exit costs and depending on the price that you obtain from the market you may get back less than $90 \%$ of your investment.

## Performance Scenarios

- What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted
- The tables below are for an example investment amount of $10.000 €$ and apply if the product is held for the recommended period of 2 years

Table 1 - estimated performance using market data
These are only estimates of some of the possible returns that you could get based on the long-term performance of financial markets

| What you might <br> get back after <br> costs after 2 <br> years | Rate of return <br> per year | Estimated chance this <br> scenario occurs |  |
| :--- | :---: | :---: | :---: |
| Minimum | $9.000 €$ | $-5 \%$ |  |
| Unfavourabl <br> $\mathbf{e}$ | $9.684 €$ | $-1,6 \%$ | 10 in 100 chance you do worse |
| Moderate | $10.395 €$ | $1,96 \%$ | 50 in 100 chance you do worse. <br> This is the maximum you can get |
| Favourable | $10.395 €$ | $1,96 \%$ |  |

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your adviser or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

Table 2 - Illustration of performance in specific market situations
These are only examples of what you would get in different hypothetical situations. The information is presented to help you understand how this product works

|  |  | Rate of |
| :---: | :---: | :---: |
| Scenarios | What you might get back after costs after 2 years | return per year |


| Negative scenario 1 | Share A falls 15\% | $9.000 €$ | $-5 \%$ |
| :--- | :--- | :--- | :--- |
| Negative scenario 2 | Share A falls 5\% | $9.500 €$ | $-2,5 \%$ |
| Positive scenario 1 | Share A increases 5\% | $10.395 €$ | $1,96 \%$ |
| Positve scenario 2 | Share A increases 15\% | $10.395 €$ | $1,96 \%$ |

## Option 4: Illustrative scenarios

## What is this product?

This product is a structured note. Your return depends on the performance of Share A and you could lose some of your investment.
At maturity (2 years) if Share A is trading at a level equal to or above its level at the start date, you will get $100 \%$ of your capital back plus a coupon of $3,95 \%$.
Otherwise, if Share A has fallen, you will get no coupon and you will lose part of your investment. You will get back your investment minus the loss of Share A, with a maximum loss of $10 \%$.
You are recommended to hold the product until maturity (2 years). If you want to exit early, you can sell the product. However, you will have to pay exit costs and depending on the price that you obtain from the market you may get back less than $90 \%$ of your investment.

## Performance Scenarios-Illustration of performance in specific market situations

- What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted
- The scenarios shown are only examples of some of the possible returns that you could get in different scenarios that we have selected

Example Investment Amount: 10.000 €
Recommended holding period (2 years)

|  |  | What you might get <br> back after costs <br> after 2 years | Rate of <br> return <br> per <br> year |
| :--- | :--- | :---: | :---: |
| Scenarios | Share A falls 15\% | $9.000 €$ | $-5 \%$ |
| Negative scenarios 2 | Share A falls 5\% | $9.500 €$ | $-2,5 \%$ |
| Positive scenarios 1 | Share A increases 5\% | $10.395 €$ | $1,96 \%$ |
| Positve scenarios 2 | Share A increases 15\% | $10.395 €$ | $1,96 \%$ |

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your adviser or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

## Product: Insurance-Based investment product (IBIP)

## Option 1: Current KID

## What is this product?

This is an insurance-based investment product that is intended to be held for 15 years. You invest a regular amount or premium per year with the aim of achieving an investment return.
From the amount that you invest we take a certain amount in order to provide your insurance coverage and to cover our initial administrative costs. The remainder is invested into a fund (Bond Fund $B$ ) managed separately by our insurance company that is composed mainly of bonds.
At the end of each year we decide on the amount of a bonus (or return) to be paid to you based on the performance of this fund. When deciding on this bonus we retain some of the returns of the fund to cover our ongoing costs and so that we have a reserve in case of poor performance in the future. We will not decrease the value of your investment. This means that at the end of the recommended holding period you are guaranteed to receive back at least the amount of premiums you have paid minus the costs.

At the end of the contract you can decide whether to take a lump sum payment or an annuity.
It is only possible to end your investment after 3 years. However, if you exit after 3 years but before the end of the contract you will pay a penalty, and you are not guaranteed to receive back the amount that you invested.
If you were to die before the end of the 15 year contract, the beneficiary of the policy is entitled to receive the value of your investment at that time net of costs.

## Performance Scenarios <br> Investment: EUR 1000 per year Insurance premium: EUR 20 per year

| Scenarios |  | 1 year | 8 years | 15 years (Recommended Holding Period) |
| :---: | :---: | :---: | :---: | :---: |
| Stress | What you might get back after costs | - | 5.890 | 15.540 |
|  | Average return each year | - | -6,85\% | 0,44\% |
| Unfavourable | What you might get back after costs | - | 6.150 | 16.450 |
|  | Average return each year | - | -5,88\% | 1,14\% |
| Moderate | What you might get back after costs | - | 6.300 | 17.600 |
|  | Average return each year | - | -5,34\% | 1,97\% |
| Favourable | What you might get back after costs | - | 6.470 | 18.150 |
|  | Average return each year | - | -4,74\% | 2,35\% |
| Accumulated invested amount |  | 1.000 | 8.000 | 15.000 |
| Death scenario |  |  |  |  |
| What your beneficiaries might get back after costs |  | 960 | 8200 | 17.900 |
| Accumulated insurance premium |  | 20 | 160 | 300 |

- This table shows the money you could get back over the next 15 years under different
scenarios assuming that you invest EUR 1000 per year.
- The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.
- The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the product.
- The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where the insurance company is not able to pay you.
- The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your adviser or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.


## Option 2: Revised performance scenario table (probabilistic approach)

## What is this product?

This is an insurance-based investment product that is intended to be held for 15 years. You invest a regular amount or premium per year with the aim of achieving an investment return.
From the amount that you invest we take a certain amount in order to provide your insurance coverage and to cover our initial administrative costs. The remainder is invested into a fund (Bond Fund B) managed separately by our insurance company that is composed mainly of bonds.

At the end of each year we decide on the amount of a bonus (or return) to be paid to you based on the performance of this fund. When deciding on this bonus we retain some of the returns of the fund to cover our ongoing costs and so that we have a reserve in case of poor performance in the future. We will not decrease the value of your investment. This means that at the end of the recommended holding period you are guaranteed to receive back at least the amount of premiums you have paid minus the costs.

At the end of the contract you can decide whether to take a lump sum payment or an annuity.
It is only possible to end your investment after 3 years. However, if you exit after 3 years but before the end of the contract you will pay a penalty, and you are not guaranteed to receive back the amount that you invested.
If you were to die before the end of the 15 year contract, the beneficiary of the policy is entitled to receive the value of your investment at that time net of costs.

## Performance scenario examples

- What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted
- The scenarios shown are only estimates of some of the possible returns that you could get based on the long-term performance of financial markets

Recommended holding period (15 years)<br>Example Investment Amount: EUR 1.000 per year and EUR 15.000 in total<br>Example Insurance premium: EUR 20 per year and EUR 300 in total

## Scenarios

| Survival scenarios | What you might get back after costs | Rate of return per year | Estimated chance this scenario occurs |
| :---: | :---: | :---: | :---: |
| Minimum | $14.500 €$ | -0.42\% |  |
| Unfavourable | 16.450 € | 1.14\% | 10 in 100 chance you do worse |
| Moderate | 17.600 € | 1,97\% | 50 in 100 chance you do worse |

\(\left.\begin{array}{lccc}Favourable \& 18.150 € \& 2,35 \% \& 90 in 100 chance you do <br>

worse\end{array}\right]\)| What your beneficiaries <br> might get back after costs |
| :---: |
| Death scenario <br> Moderate |

- The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your adviser or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.


## Option 3 Revised performance scenario table (probabilistic approach) with "past performance" graph (3 elements)

## What is this product?

This is an insurance-based investment product that is intended to be held for 15 years. You invest a regular amount or premium per year with the aim of achieving an investment return.
From the amount that you invest we take a certain amount in order to provide your insurance coverage and to cover our initial administrative costs. The remainder is invested into a fund (Bond Fund B) managed separately by our insurance company that is composed mainly of bonds.
At the end of each year we decide on the amount of a bonus (or return) to be paid to you based on the performance of this fund. When deciding on this bonus we retain some of the returns of the fund to cover our ongoing costs and so that we have a reserve in case of poor performance in the future. We will not decrease the value of your investment. This means that at the end of the recommended holding period you are guaranteed to receive back at least the amount of premiums you have paid minus the costs.
At the end of the contract you can decide whether to take a lump sum payment or an annuity.
It is only possible to end your investment after 3 years. However, if you exit after 3 years but before the end of the contract you will pay a penalty, and you are not guaranteed to receive back the amount that you invested.
If you were to die before the end of the 15 year contract, the beneficiary of the policy is entitled to receive the value of your investment at that time net of costs.

## Performance scenario examples

- What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted
- The scenarios shown are only estimates of some of the possible returns that you could get based on the long-term performance of financial markets


## Recommended holding period (15 years)

Example Investment Amount: EUR 1.000 per year and EUR 15.000 in total
Example Insurance premium: EUR 20 per year and EUR 300 in total

## Scenarios

| Shat you might get back |
| :--- | :---: | :---: | :---: |
| after costs after 15 years | | Rate of return |
| :---: |
| per year | | Estimated chance this <br> scenario occurs |
| :---: |
| Minimum |
| Unfavourable |
| $14.500 €$ |
| $-0.42 \%$ |


| Moderate | 17.600 € | 1,97\% | 50 in 100 chance you do worse |
| :---: | :---: | :---: | :---: |
| Favourable | $18.150 €$ | 2,35\% | 90 in 100 chance you do worse |
|  | What your beneficiaries might get back after costs |  |  |
| Death scenario Moderate | 17.900 € | 2,18 \% | 50 in 100 chance they will do worse |

- The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your adviser or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.


## Investment returns in the past

The tables below shows:

- The investment returns of Bond Fund B over the last 10 years
- The minimum annual bonuses that were paid to policy holders based on these investment returns. The bonuses paid to individual policy holders varies depending on their individual contract features, for example the length of the holding period.
- The returns of government bonds as a benchmark
- Past returns are not a reliable indicator of future returns. Markets could develop very differently in the future.
- The figures can help you to assess how the fund has been managed in the past compared to a benchmark



## Option 4 Revised performance scenarios (probabilistic approach) with "past performance" graph (2 elements)

## What is this product?

This is an insurance-based investment product that is intended to be held for 15 years. You invest a regular amount or premium per year with the aim of achieving an investment return.
From the amount that you invest we take a certain amount in order to provide your insurance coverage and to cover our initial administrative costs. The remainder is invested into a fund (Bond Fund B) managed separately by our insurance company that is composed mainly of bonds.
At the end of each year we decide on the amount of a bonus (or return) to be paid to you based on the performance of this fund. When deciding on this bonus we retain some of the returns of the fund to cover our ongoing costs and so that we have a reserve in case of poor performance in the future. We will not decrease the value of your investment. This means that at the end of the recommended holding period you are guaranteed to receive back at least the amount of premiums you have paid minus the costs.
At the end of the contract you can decide whether to take a lump sum payment or an annuity.
It is only possible to end your investment after 3 years. However, if you exit after 3 years but before the end of the contract you will pay a penalty, and you are not guaranteed to receive back the amount that you invested.
If you were to die before the end of the 15 year contract, the beneficiary of the policy is entitled to receive the value of your investment at that time net of costs.

## Performance scenario examples

- What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted
- The scenarios shown are only estimates of some of the possible returns that you could get based on the long-term performance of financial markets


## Recommended holding period (15 years)

Example Investment Amount: EUR 1.000 per year and EUR 15.000 in total
Example Insurance premium: EUR 20 per year and EUR 300 in total

## Scenarios

| Survival scenarios | What you might get back <br> after costs after 15 years | Rate of <br> return per <br> year | Estimated chance this <br> scenario occurs |
| :--- | :---: | :---: | :---: |
| Minimum | $14.500 €$ | $-0.42 \%$ |  |
| Unfavourable | $16.450 €$ | $1,14 \%$ | 10 in 100 chance you do |
| worse |  |  |  |


| Moderate | 17.600 € | 1,97\% | 50 in 100 chance you do worse |
| :---: | :---: | :---: | :---: |
| Favourable | 18.150 € | 2,35\% | 90 in 100 chance you do worse |
|  | What your beneficiaries might get back after costs |  |  |
| Death scenario Moderate | 17.900 € | 2,18 \% | 50 in 100 chance they will do worse |

- The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your adviser or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.


## Investment returns in the past

The tables below shows the minimum annual bonuses that were paid to policy holders based on the investment returns of Bond Fund B over 10 years across a benchmark of the return on government bonds. The bonuses paid to individual policy holders varies depending on their individual contract features, for example the length of the holding period.

- Past returns are not a reliable indicator of future returns. Markets could develop very differently in the future.
- The figures can help you to assess how the fund has been managed in the past compared to a benchmark



## Option 5 - revised performance scenario table (probabilistic approach)plus illustrative scenarios

## What is this product?

This is an insurance-based investment product that is intended to be held for 15 years. You invest a regular amount or premium per year with the aim of achieving an investment return.
From the amount that you invest we take a certain amount in order to provide your insurance coverage and to cover our initial administrative costs. The remainder is invested into a fund (Bond Fund B) managed separately by our insurance company that is composed mainly of bonds.
At the end of each year we decide on the amount of a bonus (or return) to be paid to you based on the performance of this fund. When deciding on this bonus we retain some of the returns of the fund to cover our ongoing costs and so that we have a reserve in case of poor performance in the future. We will not decrease the value of your investment. This means that at the end of the recommended holding period you are guaranteed to receive back at least the amount of premiums you have paid minus the costs.
It is only possible to end your investment after 3 years. However, if you exit after 3 years but before the end of the contract you will pay a penalty, and you are not guaranteed to receive back the amount that you invested.
If you were to die before the end of the 15 year contract, the beneficiary of the policy is entitled to receive the value of your investment at that time net of costs.

## Performance scenario examples

- What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted
- The scenarios shown are only estimates of some of the possible returns that you could get based on the long-term performance of financial markets


## Recommended holding period: 15 years <br> Example Investment Amount: EUR 1.000 per year and EUR 15.000 in total <br> Example Insurance premium: EUR 20 per year and EUR 300 in total

Table 1 - Survival Scenarios

| Scenario | What you might get back after costs after 15 years | Rate of return per year | Estimated chance this scenario occurs |
| :---: | :---: | :---: | :---: |
| Minimum | $14.500 €$ | -0.42\% |  |
| Unfavourable | 16.450 € | 1,14\% | 10 in 100 chance you do worse |
| Moderate | 17.600 € | 1,97\% | 50 in 100 chance you do worse |

Favourable
$18.150 €$
2,35\%
90 in 100 chance you do worse

- The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your adviser or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

Table 2 - performance drivers

The main driver of the performance of the contract is the long-term performance of the underlying assets. Good long-term investment results will increase the annual bonus or return paid to policy holders. The Table below shows two examples of how the performance of the overall insurance contract after costs reflects the performance of the Bond Fund B. It is based on the minimum or guaranteed amount and the moderate scenario shown in Table 1.

| Scenario | Minimum | Moderate |
| :---: | :---: | :---: |
| Investment return for Bond <br> Fund B | $1,85 \%$ | $4,35 \%$ |
| Return given to policy <br> holders | $0 \%$ | $2,50 \%$ |
| Rate of return of the <br> insurance contract after <br> costs | $-0,42 \%$ | $1,97 \%$ |

## Table 3 - Returns over time

The table below shows you what you get you might get back after costs in the case if you exit the contract early or in the case of death. It is based on the minimum or guaranteed amount and the moderate scenario shown in Table 1.

| Premium per year: <br> $1000 €$ |  |  | Death <br> (Guaranteed) | Life <br> (Guaranteed) |
| ---: | ---: | ---: | ---: | ---: |
| Years |  |  |  |  |
|  | Cumulative <br> premiums | Amount due in <br> case of death <br> (minimum <br> amount) | Amount due <br> if you exit | Amount due <br> if you exit |
| 1 | $1.000 €$ | $960 €$ | $\mathrm{~N} / \mathrm{A}$ | $\mathrm{N} / \mathrm{A}$ |
| 5 | $5.000 €$ | $4.810 €$ | $4.329 €$ | $4.635 €$ |
| 8 | $8.000 €$ | $7.690 €$ | $6.998 €$ | $7.804 €$ |
| 12 | $12.000 €$ | $11.530 €$ | $10.723 €$ | $12.607 €$ |
| 15 | $15.000 €$ | $14.500 €$ | $14.500 €$ | $17.600 €$ |

## Option 6 Revised performance scenarios (probabilistic approach) with "past performance" graph (second style) (2 elements)

## What is this product?

This is an insurance-based investment product that is intended to be held for 15 years. You invest a regular amount or premium per year with the aim of achieving an investment return.
From the amount that you invest we take a certain amount in order to provide your insurance coverage and to cover our initial administrative costs. The remainder is invested into a fund (Bond Fund B) managed separately by our insurance company that is composed mainly of bonds.
At the end of each year we decide on the amount of a bonus (or return) to be paid to you based on the performance of this fund. When deciding on this bonus we retain some of the returns of the fund to cover our ongoing costs and so that we have a reserve in case of poor performance in the future. We will not decrease the value of your investment. This means that at the end of the recommended holding period you are guaranteed to receive back at least the amount of premiums you have paid minus the costs.
At the end of the contract you can decide whether to take a lump sum payment or an annuity.
It is only possible to end your investment after 3 years. However, if you exit after 3 years but before the end of the contract you will pay a penalty, and you are not guaranteed to receive back the amount that you invested.
If you were to die before the end of the 15 year contract, the beneficiary of the policy is entitled to receive the value of your investment at that time net of costs.

## Performance scenario examples

- What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted
- The scenarios shown are only estimates of some of the possible returns that you could get based on the long-term performance of financial markets


## Recommended holding period (15 years)

Example Investment Amount: EUR 1.000 per year and EUR 15.000 in total
Example Insurance premium: EUR 20 per year and EUR 300 in total

## Scenarios

| What you might get back <br> after costs after 15 years | Rate of <br> return per <br> year | Estimated chance this <br> scenario occurs |  |
| :--- | :---: | :---: | :---: |
| Minimum | $14.500 €$ | $-0.42 \%$ |  |
| Unfavourable | $16.450 €$ | $1,14 \%$ | 10 in 100 chance you do |
| worse |  |  |  |

\(\left.$$
\begin{array}{lccc}\text { Moderate } & 17.600 € & 1,97 \% & \begin{array}{c}50 \text { in } 100 \text { chance you do } \\
\text { worse }\end{array}
$$ <br>
\hline Favourable \& 18.150 € \& 2,35 \% \& 90 in 100 chance you do <br>

worse\end{array}\right]\)| What your beneficiaries <br> might get back after costs |
| :---: |
| Death scenario <br> Moderate |
|  |

- The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your adviser or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.


## Investment returns in the past

The graph below shows the average annual bonuses that were paid to policy holders for different time periods based on the investment returns of Bond Fund B during the last 10 years against a benchmark of the return on government bonds. The bonuses paid to individual policy holders varies depending on their individual contract features, for example the length of the holding period.

- Past returns are not a reliable indicator of future returns. Markets could develop very differently in the future.
- The figures can help you to assess how the fund has been managed in the past compared to a benchmark


