



**The convenience of  
lifecycle investment**

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# 01

## What is lifecycle investment?

With lifecycle investment, the risk and return of your investment portfolio are balanced in accordance to your age. With your retirement far away, the focus is on rapid growth of your pension capital.

As you get closer to your retirement age, the investment experts focus on more certainty of your capital. This way the chance on an attractive return is combined with limited risk.

### Your investments are tailored to a fixed annuity

At your retirement date you choose a fixed or a variable annuity. By default your investments are tailored to a fixed annuity. Do you want a variable annuity upon retirement? Then you can align your investments to a variable annuity by choosing the Lifecycle Variable Pension. On the right you can see when the Lifecycle Variable Pension, aimed at a variable annuity, is or is not right for you.

### Summary of lifecycle investment

1. Every month we collect the pension premium from your employer and we transfer this to your investment account at Centraal Beheer PPI.
2. By default we invest this in the lifecycle investment portfolio that is allocated for your age.
3. At your retirement date you purchase with your pension capital a fixed or variable annuity with an insurer of your choice. For example: [Centraal Beheer](#).

#### Does fit

- You want a chance of a higher pension benefit. And you are prepared to run the risk of a lower pension benefit.
- And you have enough money, so that your expenses are not at risk if your pension benefit is lower.
- And you do not need certainty, because your pension payment may vary in amount each year.
- Your partner also wants a variable partner pension after you pass away.

#### Does not fit

- You do not want to take much risk.
- Your total income is approximately equal to your desired income after retirement date.
- You have little to no financial room to absorb fluctuations in your pension benefit.
- You want certainty about the amount of your pension benefit.
- Your partner does not want a variable partner pension after you pass away.

# 02

## How does lifecycle investment work?

With lifecycle investment the investment experts divide your investments over 3 risk categories.

The 3 risk categories:

1. High risk.
2. Low risk.
3. Reduction of interest rate risk.

### First: focus on high return

When you are a long way from retirement, your capital is mainly invested in an internationally diversified investment portfolio. By taking more risk with your pension capital, we increase the chance of an attractive return.

### Later: more and more security

When you approach your retirement date, we reduce the investment risk by gradually exchanging high risk investment with low risk investments. This shift starts 15 years before your retirement date.

### Finally: reduce interest rate risk

Do you opt for a fixed annuity upon your retirement date? Then the interest rate at your retirement date is an important factor in calculating the height of your lifelong pension. When the interest rate is low, you can buy a lower pension than when the interest is high.

In order to absorb the risk of the effects of interest rate fluctuations we use financial instruments to increase the interest rate sensitivity of the government bonds. We start doing so from 8 years before your retirement date. When the interest rate declines, the price of these government bonds rises. This way the interest rate has less impact on the pension you can buy.

Graph 1 shows the allocation to the 3 risk categories evolving over time.

Portfolio	Asset class	Purpose
High-risk	Equities in developed countries. Equities in emerging markets. Real estate equities. High Yield. Emerging markets bonds.	Optimising return rate.
Low-risk	Green bonds	Decreasing the investment risk.
Reduction of interest rate risk	Government bonds Green bonds	Further decrease of the investment risk and reduction of the interest rate risk.*

\*We use financial instruments to increase the interest rate sensitivity of the government bonds. This reduces the interest rate risk.

# 03

## What do you invest in?

Your lifecycle investment portfolio is, depending on your age, composed of a maximum of 3 investment funds.

Fondsnaam	ISIN code
<b>High risk</b>	
Achmea IM ESG Transition Diversified Return Fund - P	NL0015001DJ2
<b>Low risk</b>	
Achmea IM ESG Diversified Fixed Income Fund - P*	NL0015001DH6
<b>Reduction of interest rate risk</b>	
Achmea IM ESG Diversified Fixed Income Fund - P*	NL0015001DH6
Achmea IM Duration Matching Fund - P	NL0015001DM6

\* The Achmea IM ESG Diversified Fixed Income Fund - P is part of both the Low-risk portfolio and the Reduction of interest rate risk portfolio.

The funds we currently invest in for you are listed on your personal pension portal.

### Investing with sustainability in mind

We invest your pension capital in investment funds of fund houses that factor in sustainability in their investment decisions and take the lead in this respect. Such houses apply the ESG criteria, invest in green bonds, exclude certain sectors and countries, and are active shareholders.

### ESG: Environment Social Governance

All investment funds in our lifecycle investment portfolio fulfil the ESG criteria. ESG means Environment Social & Governance. This means that the investment decisions factor in the environmental, social and governance performance.

The **Environment** factor is assessed by elements such as measures to counter climate change. **Social** is more about human rights and working conditions. **Governance** focuses among others on remuneration policy and the composition of the Boards.

### Green bonds for a positive contribution to the climate

A green bond is a bond enabling investors to invest in sustainable projects. Such bonds are issued by companies, banks and governments for projects with a clear contribution to the environment. This includes loans for sustainable real estate assets or making public transportation more sustainable.

## **Exclusions of companies, sectors and countries**

We do not invest in certain companies, sectors and countries due to non-compliance with our ESG criteria. This includes countries with a questionable human rights record and companies manufacturing controversial weapons.

## **Active shareholdership**

The fund houses make use of their shareholder power to influence the behaviour of companies. They have a team of specialists voting on proposals during shareholders meetings, entering into a dialogue with the management about social themes such as climate change and cyber security.

# 04

## Investing is associated with risks you bear

Investing is associated with some risks.

The risks you bear.

### Investment risk

Investment risk refers to the risk you incur when investing money on the stock exchange. You may achieve a healthy return - on the other hand, stock prices may fall. You personally bear this investment risk. We try to limit the investment risk from 15 years before your retirement by gradually exchanging high-risk investments for low-risk investments.

### Interest rate risk

The amount of fixed pension annuity you can buy partially depends on the interest rate at your retirement date. Is the interest rate low? Then your pension capital will buy a lower annuity than at a higher interest rate.

We call this interest rate risk. You bear the interest rate risk. We try to limit this risk by through increasing the interest rate sensitivity of the government bonds by means of financial instruments. We start doing so from 8 years before your retirement date. At retirement date you invest 10% of your pension capital in Reduction of interest rate risk, 80% in Low risk and 10% in High risk.

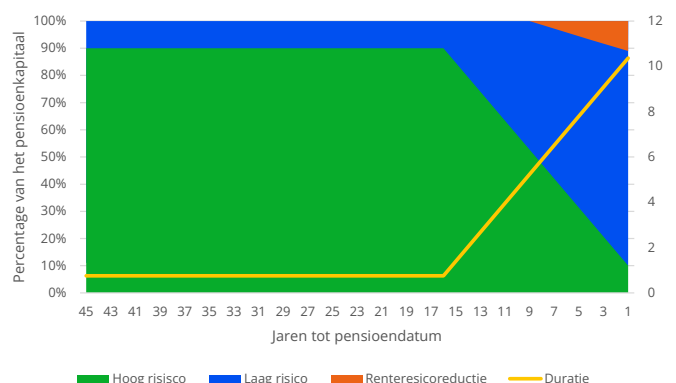
### Risk of not accruing enough pension

The amount of your pension capital will depend on stock market developments. We try to limit the investment and interest rate risk, but still the amount of pension may be lower than you expect. The risk of a low or inadequate pension is yours.

### Risk-return ratio

The allocation of the investments is tailored to your retirement age. We annually rebalance your investment portfolio, ensuring you always invest in accordance with the allocation and avoid any unnecessary risk. The graph below shows the allocation of your pension capital over the investment categories as your retirement date approaches.

### Graph1: Lifecycle Variable Pension



# 05

## What are the costs?

You pay investment fees for lifecycle investment. All fees are settled in the returns, rather than being charged to you separately.

### The fees are:

- **Ongoing charges:** these are the ongoing charges incurred by the investment funds for management, custody, registration and administrative work of the investment fund. The pension scheme rules set out the amounts of the fund fees.
- **Management fees:** are paid to Centraal Beheer PPI on an annual basis. This is a percentage of the capital invested on an annual basis. You will see on your personal pension portal the amounts of the management fees.

# 06

## What else you should know about lifecycle investment?

- By default we invest in the investment portfolio that is allocated for your retirement data. Do you wish to retire earlier or later? Please notify us, so we can adjust your investments to your new retirement data.
- On your personal pension portal you can see how much pension capital you have accrued to date.
- In your portal, you can see the pension capital you can expect to have accrued on your retirement date, and an estimate of the annuity you may purchase with that amount.
- You will receive a Uniform Pension Statement (UPO) annually. This shows an estimate of the pension that you can purchase with your pension capital.

# 07

## Where can you find more information?

In this brochure we tried to explain lifecycle investment as clearly and concisely as possible.

### Do you want to know more?

#### Please go to:

- The frequently asked questions in the pension portal.
- Your investments in the pension portal.
- The pension rules for costs and specific conditions.

# Good to know

## About Centraal Beheer PPI

Centraal Beheer PPI is a premium pension institution. Centraal Beheer PPI has a licence from De Nederlandsche Bank N.V. to operate as a PPI. The PPI can act as pension administrator of collective defined contribution pension schemes. Your pension capital is invested.

Centraal Beheer PPI is the legal owner of the investment units and holds them for the account and risk of the claimants. The totality of the investments, the pension assets, form a legally separate asset from the equity of Centraal Beheer PPI. This means that creditors of Centraal Beheer PPI cannot claim your pension capital.

## Your data is safe with us

If you wish to take out insurance or a financial service, then we require your data. These include your name, address and place of residence, e-mail address, telephone number and bank account number. Sometimes we may require additional data from you. Centraal Beheer PPI is responsible for the proper processing of your personal data.

## Do you want to know what data we process and for what purpose?

Please read our Privacy Statement at [Privacy statement - Centraal Beheer](#). There you will find out what your rights are and when you can object to the processing of your data.

If you would like to receive our Privacy Statement in hard copy, please send a letter to:  
Centraal Beheer PPI,  
Postbus 1375,  
7301 BP Apeldoorn.

## Are there any errors in this brochure?

We aim to ensure that all our information is correct and complete, and that you understand everything as clearly as possible. But it is possible that an error occurs somewhere. We are not liable for any consequences of such error.

This English translation is provided for convenience purposes only. Only the Dutch version shall be legally binding and prevail.

## Our product conditions apply

Your and our rights and obligations are set out in the product conditions. If this brochure deviates from the product conditions, then the product conditions will prevail. These terms and conditions can be found at [centraalbeheerppi.nl](#) under [Downloads](#).

## Please let us know if you are dissatisfied

If you disagree with us or have a complaint, we would like to hear from you. We wish to help you in the best possible way. You will find more information about our complaints procedure and how to submit a complaint at [Klachtenprocedure - Centraal Beheer](#).

## Meer informatie over Centraal Beheer PPI

For more information about us, and our policy, our products and our data, please see [centraalbeheerppi.nl](#).

The address of Centraal Beheer PPI is:  
Postbus 1375,  
7301 BP Apeldoorn.



## Contact Centraal Beheer PPI



### Send an e-mail

[centraalbeheerppi@achmea.nl](mailto:centraalbeheerppi@achmea.nl)



### Send a letter

Centraal Beheer PPI, Postbus 1375, 7301 BP Apeldoorn



### Use the contact form in your personal pension portal to ask your question. You can find the portal on our [website](#).

Please use the orange button and log in using your DigiD.  
We will then contact you.



### Bel Centraal Beheer PPI (020) 591 4242

We are available from Monday to Friday from 09:00 to 17:00 hours.  
We are happy to assist you.

[centraalbeheerppi.nl](http://centraalbeheerppi.nl)