

Lifecycle Investment

Neutral, defensive and aggressive

You will find this information in the brochure

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Contents

Do you want to accrue pension without a fuss? Having the chance of an attractive return, without taking too much risk? That's the convenience of lifecycle investment. With lifecycle investing, your pension accrual is in the hands of Centraal Beheer PPI. You don't have to do anything.

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 Lifecycle Continued Investing. You can read more about this in our brochure [Variable pension annuity](#). You can find this brochure also under 'Documents' on your personal pension portal.

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 retirement date.
3. At your retirement date you purchase with your pension capital a variable annuity with Centraal Beheer PPI or a fixed or variable annuity with a different pension provider.

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How does lifecycle investment work?

With lifecycle investment the investment experts divide your investments over three risk categories:

The three 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 fifteen years before your retirement date.

Finally: reduce interest rate risk

Do you opt for a fixed annuity upon retirement? 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 eight 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 three risk categories evolving over time.

Portfolio	Asset class	Purpose
High-risk	Shares worldwide in developed countries Shares in emerging markets Real estate 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.

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What do you invest in?

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

Fund name	ISIN code
High risk Achmea IM ESG Diversified Return Fund	NL0015001DJ2
Low risk Achmea IM ESG Diversified Fixed Income Fund*	NL0015001DH6
Reduction of interest rate risk Achmea IM ESG Diversified Fixed Income Fund*	NL0015001DH6
Achmea IM Duration Matching Fund	NL0015001DM6

*The Achmea IM ESG Diversified Fixed Income Fund 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

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

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

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.

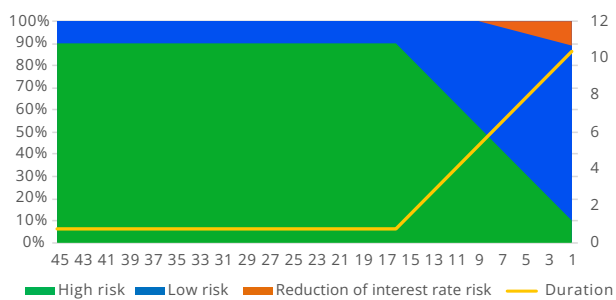
Active shareholdership

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.

Neutral lifecycle investment

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 default neutral allocation of your pension capital over the investment categories as your retirement date approaches.

Graph 1 Neutral allocation



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How does defensive and aggressive lifecycle investing work?

Defensive lifecycle investing

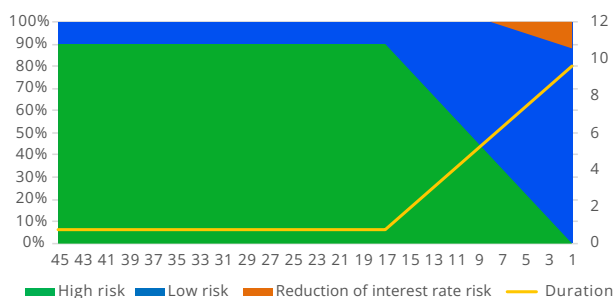
Perhaps lifecycle investment appeals to you, but you would like to incur a lower investment risk. In that case, you may choose to have your pension capital invested in a more defensive profile compared to the standard allocation.

When you choose for defensive lifecycle investment, we invest 90% of the monthly premium in high risk and 10% in low risk.

From fifteen years to your retirement date we reduce the investment risk by gradually exchanging high risk investments for low risk investments. From eight years prior to your retirement date we also reduce the interest rate risk by gradually exchanging high risk and low risk investment for (long) bonds. At retirement date you invest 10% of your pension capital in the Reduction of interest rate risk portfolio and 90% in the Low risk portfolio.

Graph 2 shows the defensive allocation to the three risk categories evolving over time.

Graph 2 Defensive allocation



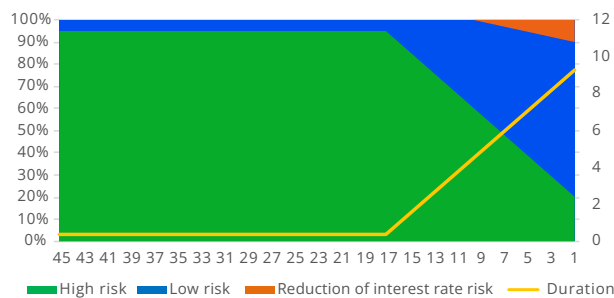
Aggressive lifecycle investment

You can choose to invest your pension capital more aggressively than the standard allocation. When you choose for aggressive lifecycle investment, we invest 95% of the monthly premium in high risk and 5% in low risk.

From fifteen years to your retirement date we reduce the investment risk by gradually exchanging high risk investments for low risk investments. From eight years prior to your retirement date we also reduce the interest rate risk by gradually exchanging high risk and low risk investments for Reduction of interest rate risk. At retirement date you invest 10% of your pension capital in the Reduction of interest rate risk portfolio, 70% in the Low risk portfolio and 20% in the High risk portfolio.

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

Graph 3 Aggressive allocation



Risk and return

There is a correspondence between risk and return. Investing more defensively than the standard allocation will buy you a lower investment risk. Simultaneously, this will also increase the

probability of a lower average return rate. Investing aggressively will increase the probability of a higher average return rate, but you also run a higher investment risk.

In the table below you see an overview of standard, defensive and aggressive allocation over time.

Allocation 15 years prior to retirement date	Defensive	Neutral	Aggressive
High risk	90%	90%	95%
Low risk	10%	10%	5%
Reduction of interest rate risk	0%	0%	0%
Allocation at retirement date			
High risk	0%	10%	20%
Low risk	90%	80%	70%
Reduction of interest rate risk	10%	10%	20%

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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 fifteen 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 eight years before your retirement date.

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.

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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. You can find this brochure also under 'Documents' on your personal pension portal.
- **Management fees:** are paid to Centraal Beheer PPI on an annual basis. This is a percentage of the capital invested on an annual basis. The pension scheme rules set out the amounts of the management fees. You can find this brochure also under 'Documents' on your personal pension portal.

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What else you should know about lifecycle investment?

By default we invest your pension premium according to the neutral allocation. Do you wish to invest more defensive or more aggressive than the standard? Please let us know via your personal pension portal.

We compose your investment portfolio on the assumption that you will retire at your target retirement age. Do you wish to retire earlier or later? Please notify our Servicedesk, 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.

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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

We at Centraal Beheer have been serving our clients for more than 100 years. You may know us from our advertising slogan “Even Apeldoorn bellen”.

We offer financial products and services

Such as insurance, pensions, mortgages, savings accounts and investment products. Directly and through consultants who work with us.

About Centraal Beheer PPI

Centraal Beheer PPI is a premium pension institution. Centraal Beheer PPI has a licence from De Nederlandse 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.

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 centraalbeheer.nl/privacy. 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.

Do the product conditions deviate from this brochure?

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.

If you are dissatisfied, please let us know

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 centraalbeheerpqi.nl/en/general/complaints-procedure.

More information about Centraal Beheer PPI

For more information about us and our policy, our products and our data, please see centraalbeheer.nl and centraalbeheerpqi.nl.

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



Contact Centraal Beheer PPI



Send an e-mail

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

We will then contact you.



Call Centraal Beheer PPI +31 20 591 4242

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

We are happy to assist you.

centraalbeheerppi.nl