

FREQUENTLY ASKED QUESTIONS – 2023 INVESTMENT ADAPTION

Investment adaption background

The market situation and geopolitical landscape have undergone significant changes in recent years. This has led to your current fund assets falling below the guaranteed benefit. In order to adapt the investments to the challenging market environment, we have developed the new **Lifecycle Invest** investment plan.

We will replace the current **Risk Control** investment plan with the new **Lifecycle Invest** investment plan. This investment plan contains solely the **Generali Lifecycle Fund**. The Generali Lifecycle Fund strives to strike an appropriate balance between risk and return. The fund invests mainly in fixed-interest investments that are matched to the remaining insurance contract duration linked to this investment plan. Higher-risk investments are added to the fund with the aim of achieving an additional return. Care is always taken to ensure that the portfolio is sufficiently diversified and that the risk is spread across different asset classes.

WHAT DOES THIS INVESTMENT ADAPTION MEAN FOR ME AS A CUSTOMER?

- Your contractually guaranteed benefits will remain unchanged either way.
- In the new investment plan, we are reducing the annual costs in favour of the performance of the investment plan. You can see the cost structure and the development of performance in the **Lifecycle Invest** fee schedule or, in the future, online in your monthly investment plan reports.
- The investment plan focuses on fixed-income bonds with a good credit rating. Other asset classes such as equities, mortgage funds and alternative investments can be mixed in.
- Your new investment plan is matched to the guaranteed benefit and the residual term of your unit-linked life insurance policy. The proportion of the individual asset classes is adjusted dynamically over the life cycle of the fund. Over the course of the contract term, there is an increasing shift from higher-risk investments to more conservative investments.
- The change will cost you nothing and comes at no extra charge.

WILL THE BENEFITS LISTED IN MY POLICY REMAIN THE SAME?

Yes, your benefits will remain the same regardless of whether you continue to invest in the Risk Control investment plan or switch to Lifecycle Invest.

WHAT IS THE DIFFERENCE BETWEEN MY CURRENT RISK CONTROL FUND AND THE NEW LIFECYCLE FUNDS?

Risk Control Fund

The Risk Control Fund with volatility mechanism uses a strategy that reduces the risk of the fund by focusing on market volatility. The fund manager uses a variety of instruments to structure the portfolio in such a way that it is less exposed to fluctuations in the event of high market volatility. The fund is generally geared towards maintaining a certain level of risk while maximising returns.

Lifecycle Fund

A Lifecycle Fund, on the other hand, is tailored to the needs of investors who need money at a certain point in the future, e.g. for retirement. The fund manager will adjust the portfolio over time to reduce the risk and ensure that the portfolio has sufficient capital in time for the investor's pay-out. Typically, the fund invests in riskier assets such as equities at the beginning of the investment period in order to achieve a higher return and then, over time, switches to safer assets such as fixed-income bonds to reduce the risk.

Differences between the two investment funds

With regard to the differences between these funds, the Risk Control Fund is geared to market volatility, while the Lifecycle Fund is geared to the investor's pay-out date. While the Risk Control Fund tries to reduce risk in the event of high market volatility, the Lifecycle Fund aims to maintain the capital until the investor's pay-out date.

WHICH ASSETS ARE INCLUDED IN THE NEW INVESTMENT PLAN?

Please refer to the launch report and/or current fact sheets.

WHY DOESN'T THE LIFECYCLE INVEST FUND SECURITY CODE WORK?

As this is a single-investor fund in which Generali is the sole investor, the data is only published on Bloomberg. The data is not available on swissfunddata.ch or fundinfo.ch.

WHY CAN THE FUNDS ONLY BE VIEWED ON BLOOMBERG?

The funds are single-investor funds in which Generali Personal Insurance Ltd is the sole investor. There are limited publication requirements for single investor funds.

WHAT COSTS WILL I INCUR AS A RESULT OF THE ADJUSTMENT?

This change to your investment plan will cost you nothing and will be free of all charges.

WHAT RECURRING FEES WILL BE CHARGED TO MY INVESTMENT PLAN?

In the new investment plan, we are reducing the annual costs in favour of the performance of the investment plan. This means that the annual costs for the new **Lifecycle Invest** investment plan will be less than those of your previous **Risk Control** investment plan.

The costs of the new **Lifecycle Invest** investment plan comprise the investment plan fee charged by Generali and the fund management costs of the investment company (TER). Both costs are listed in the investment plan report or the launch plan report:

- The investment plan fee is 0.68% of the share balance annually and will be charged monthly from 2024.
- The fund management costs are taken directly from the fund assets of the **Generali Lifecycle Fund** by the investment company.

The sum of the investment plan fee and the fund management costs factors in the cost reduction on your current solution.

WHAT IS A LIFECYCLE FUND?

Investment goal: The investment goal of a Lifecycle Fund is to provide the policyholder with the guaranteed survival benefit.

The **Generali Lifecycle Fund** strives to strike an appropriate balance between risk and return in order to ensure that the portfolio retains its value over a longer period of time. The fund tries to generate additional returns by adding higher-risk investments. However, care is always taken to ensure that the portfolio is sufficiently diversified so the risk is spread across different investments.

Investment strategy: To achieve this investment goal, the sub-fund invests primarily in fixed-interest bonds. However, higher-risk investments such as equities, corporate bonds, alternative investments or real estate funds may also be added in order to improve the risk/return profile of the fund.

The investment strategy of the fund is adjusted over the course of time to fulfil the investment goal. At the early stage of the investment period, when the portfolio still has long-term growth potential, the fund invests more heavily in higher-risk investments. Over time, however, the portfolio will increasingly be shifted into lower-risk, more conservative investments.

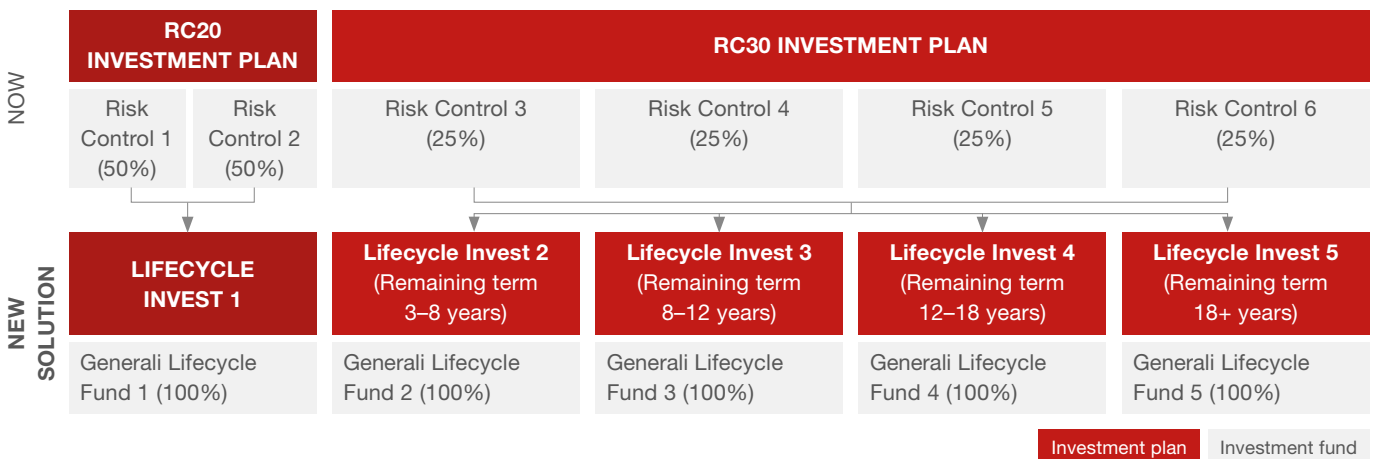
Disclaimer: The investment fund is currently under construction. For this reason, the actual asset allocation may deviate from the target allocation.

WHICH OF THE AVAILABLE LIFECYCLE FUNDS WILL MY FUND ASSETS BE INVESTED IN AND WHY?

The terms of the Lifecycle Funds are matched to the residual term of your policy:

New investment plans

What is being invested in?



Policies currently invested in the **Risk Control 20** investment plan will all be invested in **Lifecycle Invest 1**.

Policies currently invested in the **Risk Control 30** investment plan will be invested in the new **Lifecycle Invest 2–5** investment plans: the following table shows the **Lifecycle Fund** your fund assets will be invested in, based on the expiry date of your policy.

| | POLICIES WITH AN EXPIRY DATE OF: | POLICIES WITH AN EXPIRY DATE UP TO AND INCLUDING: |
|----------------------------------|---|--|
| Generali Lifecycle Fund 2 | 01.09.2026 | 30.06.2031 |
| Generali Lifecycle Fund 3 | 01.07.2031 | 30.06.2035 |
| Generali Lifecycle Fund 4 | 01.07.2035 | 30.06.2041 |
| Generali Lifecycle Fund 5 | 01.07.2041 | |

I DO NOT AGREE TO THE PLANNED INVESTMENT ADAPTION – CAN I KEEP MY PREVIOUS INVESTMENT PLAN?

You have a cooling-off period of 60 days: during this time, you can inform us using the reply slip enclosed in the letter or by e-mail that you wish to keep your current investment plan. In this case, we will not reallocate your investment plan. If we do not receive notice to this effect within 60 days, we will assume that you have approved of the investment adaption and your fund assets will be shifted to the new **Lifecycle Invest** investment plan automatically. You will receive confirmation by post regardless of your decision.

WHAT BENEFITS WILL I RECEIVE?

Your contractually guaranteed benefits will remain unchanged either way. You can find the guaranteed benefits in your policy. Only the investment plan on which the benefits are based will change.

WILL MY INVESTMENT PLAN BE CHANGED AGAIN IN THE NEAR FUTURE? WHAT WILL HAPPEN IF THE TURBULENCE IN THE CAPITAL MARKET CONTINUES?

The market situation and geopolitical landscape have undergone significant changes in recent years. This adjustment will offer our customers access to an expanded investment universe (e.g. mortgages, alternative investments, etc.). This expanded investment universe will enable Generali to react promptly to the changing market environment.

We will only adjust investment plans again where the future market situation requires it. It goes without saying that we will inform customers of any future changes. Generali is monitoring the situation continuously.

DO I STILL STAND TO PROFIT IF THE MARKETS RECOVER?

Yes, the assets will continue to be invested in funds: this fund invests primarily in bonds with a good credit rating and a residual term matched to your insurance contract. The fund also invests in corporate bonds, equities and real estate funds, enabling it to participate in various market movements in a broadly diversified manner.

WHAT ARE THE CONSEQUENCES OF CANCELLING MY POLICY EARLY?

The amount guaranteed in the event of survival is only guaranteed at the end of the policy term. In the event of early termination, the surrender value is generally lower than the amount guaranteed in the event of survival on expiry of the contract.

WHO MANAGES THE FUND?

Generali Insurance Asset Management (GIAM); there is no change in this regard. In the new solution, GIAM will remain the asset manager of the new **Generali Lifecycle Funds**. GIAM offers us better terms than third-party providers do. Furthermore, GIAM has many years of experience (over 190 years) in managing customer funds. GIAM manages more than EUR 500 billion in customer funds:

generali-investments.com/de/de/institutional/about-us

ARE FIXED-INTEREST BONDS REALLY MORE SECURE THAN EQUITIES?

Investments are made almost exclusively in fixed-interest bonds with a good credit rating (good creditworthiness). Although over recent years it has become clear that even these securities do not provide a 100% guarantee against loss or issuer defaults, they are still some of the safest instruments available on the market.

I HAVE TWO POLICIES WITH GENERALI, BUT ONLY ONE OF THEM IS AFFECTED BY THE ASSET SHIFT?

We look at each policy individually and then assess the performance outlook based on the residual term. As such, the investment adaptation doesn't affect all policies.

WHAT INFORMATION IS AVAILABLE TO ME ONLINE AS A CUSTOMER?

Specific information relating to the investment plan switch:

- FAQ (Frequently Asked Questions)
- Information on Generali lifecycle funds 1–5
- Lifecycle Invest Fee schedule

From the end of October 2023, the current investment plan fact sheets will be updated monthly and will be available at the following link: generalich.ch/en/privatkunden/vorsorge-vermoegen/kapital-aufbauen/sparen-mit-risikoschutz/anlageplaene/weitere-anlageplaene

WHERE CAN I FIND INFORMATION ABOUT THE NEW INVESTMENT PLANS ONLINE?

You can find information on the new investment plans on our website:

generalich.ch/en/privatkunden/vorsorge-vermoegen/anlageanpassung

WHO CAN I CONTACT WITH QUESTIONS?

If you have any questions, please contact our customer service in the first instance.

You can do so using the contact details below:

Tel: 058 472 02 71

E-Mail: life_e.ch@generalich.com

If you would like a personal consultation, please contact your customer adviser.

This document and the figures and explanations contained therein are for general information purposes only and do not contain an individual recommendation or personal investment advice. To meet your specific investment requirements and establish your preferred levels of risk, we recommend that you consult your advisor.

The performance is calculated on the basis of fund-linked insurance financed through a single premium payment. Regular premiums result in other performance figures because of the different timing of the investment. Furthermore, historic performance data is no guarantee of future returns. The future performance of the investment cannot be deduced from previous market developments. In other words, the value of the investment could rise in the future, but it could fall, too. The prices used to calculate performance correspond to the inventory values published by the fund management companies at the beginning of the month, plus or minus any commission.

Generali Personal Insurance Ltd. is unable to guarantee (explicitly nor implicitly) that the published information and opinions are accurate, complete and up to date.