



Changing Life Cycle

UnitedPensions invest your pension contributions based on the lifecycle method. We take into account the return and the risk during the entire lifecycle. As the retirement age approaches, we change the investment mix to manage the investment and interest rate risk.

UnitedPensions provides you information about the returns and the risk involved. Precisely because there is a risk, it is important that you have insight into - and influence - the investment decisions.

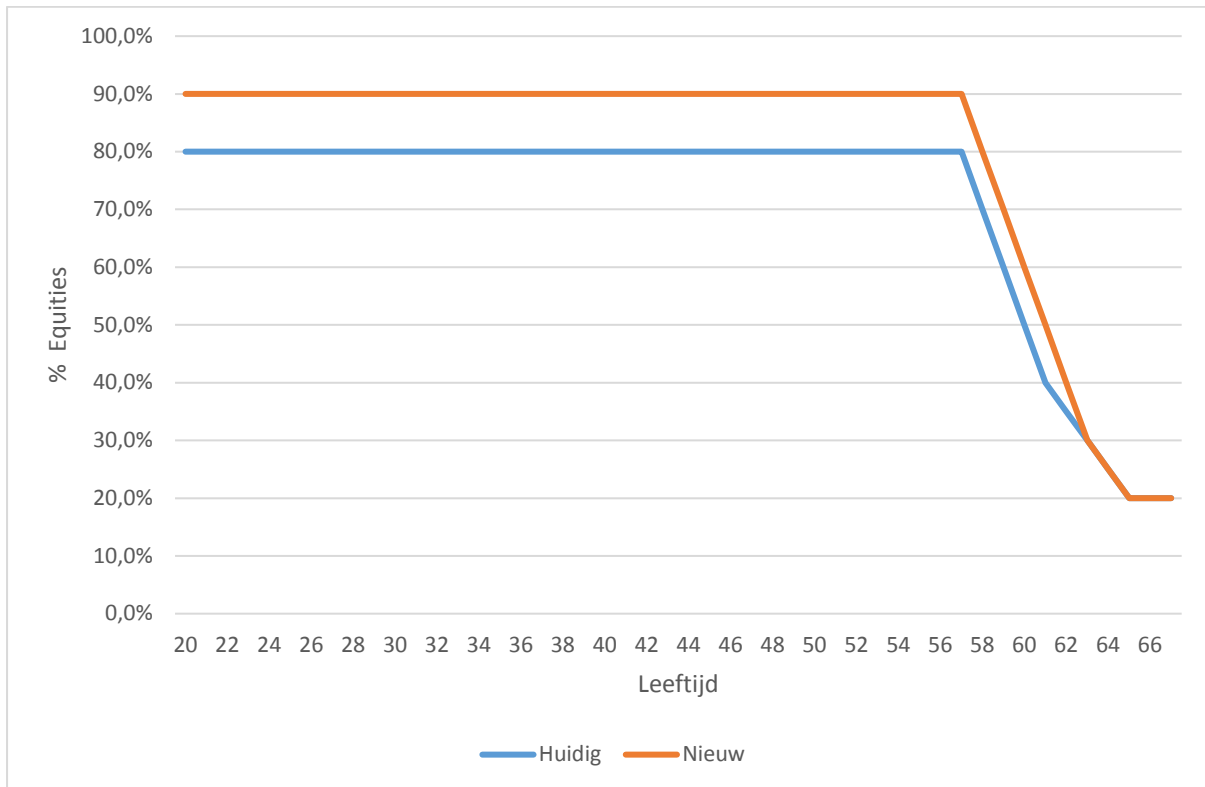
You can choose from three risk profiles for investments. Each risk profile has its own lifecycle: balanced, growth and defensive. Every year UnitedPensions analysis whether the lifecycles are still optimal. On this basis, UnitedPensions has decided due to changes of the market environment (sharp fall in interest rates and the change in expected returns) to change the investment policy of the lifecycles. UnitedPensions has calculated the change in positive and negative economic scenarios and the expected results are better than with the current life cycles.

From May 2021, the investment policy will therefore be adjusted as follows.

- The weight of equities will be increased by 10%, partly because bonds currently have a very low and often even a negative return.
- The equity portfolio will be more diversified by adding emerging markets equities (eg China, South Korea, Brazil etc.). Emerging markets equities have a higher expected return than developed equities. The difference is about 1 to 2 percent in the long run. However, investing in emerging markets involves more risks than investing in developed markets.
- A change has also been made in the weight of the various fixed-income investment funds in order to better manage the interest rate risk.

As a result of this adjustment, the equity risk will increase for ages up to 4 years before retirement. The risk profile remains unchanged from 4 years before retirement.

Standard Lifecycle adjustment shown in below graph:



The change in the lifecycles has been coordinated and approved by the board of UnitedPensions.

If you still have any questions, we are available on working days from 9 a.m. to 5 p.m. via telephone number 020-208 51 05 or via e-mail address updc.masterfund@inadmin.nl.