

LifeGoals.

FINANCIAL SERVICES

PAN EUROPEAN PENSION PRODUCT SUMMARY RISK INDICATOR

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The Summary Risk Indicator evaluates the relationship between risk and potential returns within a given PEPP investment strategy.

The Summary Risk Indicator is measured on a scale from 1 (lowest) to 4 (highest). A lower risk profile suggests more stable but moderate returns, while a higher risk profile carries greater potential for both higher and lower returns.

LifeGoals has assessed the Summary Risk Indicator* for its PEPP products as follows, based on the methodology underpinning the presentation of risk and reward provided in Annex III of the Commission Delegated Regulation (EU) 2021/473.

**The PEPP summary risk indicator is different from and not comparable with the summary risk indicator of products falling under Regulation (EU) No 1286/2014 of the European Parliament and of the Council on key information documents for packaged retail and insurance-based investment products (PRIIPs).*

	Summary Risk Indicator
LifeGoals Basic PEPP	2
LifeGoals Growth PEPP	3
LifeGoals Aggressive PEPP	3

The assessment was based on the results of stochastic modelling of the Risk of not recouping the inflation-adjusted contributions and the expected shortfall. The results generated for each of 4 accumulation periods (40,30,20 and 10 years until retirement) were allocated to a risk category – based on the risk category ranges provided by the Regulation.

Where the risk category diverged between different accumulation periods, the highest risk category was allocated.

Risk

1. Probability of not recouping the inflation-adjusted contributions

Basic PEPP

Categories	Probability of Not Recouping the inflation-adjusted contributions			
	40 years	30 years	20 years	10 years
1	up to 13,75%	up to 17%	up to 27%	up to 36%
2	13,8 to 16,55%	17 to 19,75%	27 to 29,25%	36 to 43,25%
3	16,6 to 19,35%	19,8 to 22,55%	29,3 to 31,55%	43,3 to 50,55%
4	above 19,4%	above 22,6%	above 31,6%	above 50,6%

Growth PEPP

Categories	Probability of Not Recouping the inflation-adjusted contributions			
	40 years	30 years	20 years	10 years
1	up to 13,75%	up to 17%	up to 27%	up to 36%
2	13,8 to 16,55%	17 to 19,75%	27 to 29,25%	36 to 43,25%
3	16,6 to 19,35%	19,8 to 22,55%	29,3 to 31,55%	43,3 to 50,55%
4	above 19,4%	above 22,6%	above 31,6%	above 50,6%

Aggressive PEPP

Categories	Probability of Not Recouping the inflation-adjusted contributions			
	40 years	30 years	20 years	10 years
1	up to 13,75%	up to 17%	up to 27%	up to 36%
2	13,8 to 16,55%	17 to 19,75%	27 to 29,25%	36 to 43,25%
3	16,6 to 19,35%	19,8 to 22,55%	29,3 to 31,55%	43,3 to 50,55%
4	above 19,4%	above 22,6%	above 31,6%	above 50,6%

2. Expected Shortfall

Basic PEPP

Categories	Expected shortfall to the sum of inflation-adjusted contributions			
	40 years	30 years	20 years	10 years
1	up to -20%	up to -17%	up to -13%	up to -8%
2	-20 to -23%	-17 to -20,25%	-13 to -16,5%	-8 to -11,25%
3	-23,5 to -26,5%	-20,3 to -23,55%	-16,6 to -20,1%	-11,3 to -14,55%
4	above -26,5%	above -23,6%	above -20,1%	above -14,6%

Growth PEPP

Categories	Expected shortfall to the sum of inflation-adjusted contributions			
	40 years	30 years	20 years	10 years
1	up to -20%	up to -17%	up to -13%	up to -8%
2	-20 to -23%	-17 to -20,25%	-13 to -16,5%	-8 to -11,25%
3	-23,5 to -26,5%	-20,3 to -23,55%	-16,6 to -20,1%	-11,3 to -14,55%
4	above -26,5%	above -23,6%	above -20,1%	above -14,6%

Aggressive PEPP

Categories	Expected shortfall to the sum of inflation-adjusted contributions			
	40 years	30 years	20 years	10 years
1	up to -20%	up to -17%	up to -13%	up to -8%
2	-20 to -23%	-17 to -20,25%	-13 to -16,5%	-8 to -11,25%
3	-23,5 to -26,5%	-20,3 to -23,55%	-16,6 to -20,1%	-11,3 to -14,55%
4	above -26,5%	above -23,6%	above -20,1%	above -14,6%

Reward

LifeGoals has further assessed the reward categories for its PEPP products as follows, based on the methodology underpinning the presentation of risk and reward provided in Annex III of the Commission Delegated Regulation (EU) 2021/473.

	Reward Categories
LifeGoals Basic PEPP	4
LifeGoals Growth PEPP	4
LifeGoals Aggressive PEPP	4

The expected rewards to reach a certain level of PEPP benefits were expressed in terms of the median accumulated capital at the end of the accumulation period as a multiple of the sum of the inflation-adjusted contributions. The results generated for each of 4 accumulation periods (40,30,20 and 10 years till retirement) were allocated to a rewards category – based on the rewards category ranges provided by the Regulation. Where the rewards category of the investment option diverged between different accumulation periods, the lowest rewards category was allocated.

1. Expected Reward as the ratio of medians of the accumulated and inflation-adjusted contributions

Basic PEPP

Categories	Expected Reward as the ratio of medians of the accumulated and inflation-adjusted contributions			
	40 years	30 years	20 years	10 years
1	up to 1,7	up to 1,3	up to 1,08	up to 0,93
2	1,7 to 2,03	1,3 to 1,45	1,08 to 1,165	0,93 to 0,985
3	2,035 to 2,36	1,455 to 1,61	1,17 to 1,255	0,99 to 1,045
4	above 2,365	above 1,615	above 1,26	above 1,05

Growth PEPP

Categories	Expected Reward as the ratio of medians of the accumulated and inflation-adjusted contributions			
	40 years	30 years	20 years	10 years
1	up to 1,7	up to 1,3	up to 1,08	up to 0,93
2	1,7 to 2,03	1,3 to 1,45	1,08 to 1,165	0,93 to 0,985
3	2,035 to 2,36	1,455 to 1,61	1,17 to 1,255	0,99 to 1,045
4	above 2,365	above 1,615	above 1,26	above 1,05

Aggressive PEPP

Categories	Expected Reward as the ratio of medians of the accumulated and inflation-adjusted contributions			
	40 years	30 years	20 years	10 years
1	up to 1,7	up to 1,3	up to 1,08	up to 0,93
2	1,7 to 2,03	1,3 to 1,45	1,08 to 1,165	0,93 to 0,985
3	2,035 to 2,36	1,455 to 1,61	1,17 to 1,255	0,99 to 1,045
4	above 2,365	above 1,615	above 1,26	above 1,05

When comparing the risk category which is lower on the scale to the value of the rewards category which is higher on the scale, this implies that the saver assumes relatively lower risk for higher returns.