Pension savings with a guarantee

Traditionell insurance in SPP

By choosing pension savings with a guarantee, you thereby transfer the investment responsibility to SPP and you do not need to do anything else. The management is adapted to your age, choice of disbursement period and previous value development of your savings. You are guaranteed a minimum pension with the possibility of a supplementary bonus.

How pension savings with a guarantee works

When you make pension savings with a guarantee, SPP is responsible for the investment and management of your capital. You do not need to actively invest your money.

The pension which you receive consists of a fixed element which SPP guarantees and a variable element which is dependent upon the value growth of your savings. The variable element is referred to as a supplementary bonus and can both increase and decrease in value. If the bonus is greater than 15 per cent of the total pension, SPP will increase the fixed element.

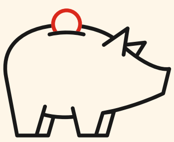
Guarantee

SPP currently offers an interest rate of 1.25 per cent on 85 per cent of the savings premium. The interest rate is specified prior to deductions for taxes and fees.

A simple form of saving wich is tailored for you

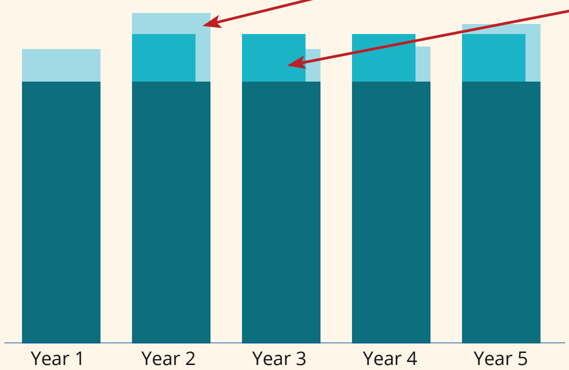
Paymants

Your employer pays pension premiums. For each premium, the pension which you are guaranteed increases.



Pension payments

This size of the payments, the choice of dibursement period and value development affect the size of your pension.

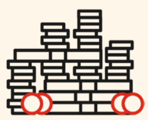


Bonus. A favourable return confers a bonus which is paid as a supplement to the guaranteed pension.

Guaranteed bonus. If the bonus is greater than 15 per cent of your total pension, SPP increases your guaranteed pension.

Guaranteed monthly amount. Your employer pays pension premiums. For each premium, the pension which you are guaranteed increases. SPP guarantees a minimum level for your pension for each payment.

- Bonus
- Guaranteed bonus
- Guaranteed monthly amount



How we manage your capital[1]

Your capital is invested in different kinds of assets whereby SPP's management model governs the distribution between them. Your distribution is individual and is dependent upon your age, the choice of disbursement period and the historical value development of your savings. You can log into SPP's website in order to see your capital and the individual distribution.

The further you have to retirement, the more we focus on generating capital growth and primarily invest in equities. These equities consists of fossil free unit-linked equity funds that follows SPP's strict sustainability criteria for exclusions. The funds are always screened for ESG-factors (ESG=environmental, social and governance). A part of the funds invest in companies which provides services, products or technology that help solving the UN Sustainability Development Goals.

We also invest in private equity, loans and real estate. To lower the risk, we also make investment in bonds to generate a stable return. The portfolio consists of a mixture of fixed income investments such as mortgage bonds and credit bonds, government bonds and government guaranteed bonds. We also invest in both green and blue bonds.

As you approach retirement, we make sure to lower the risk and invest less in equities and more in bonds. The objective is to safeguard your guarantee which becomes increasingly important as you approach retirement.

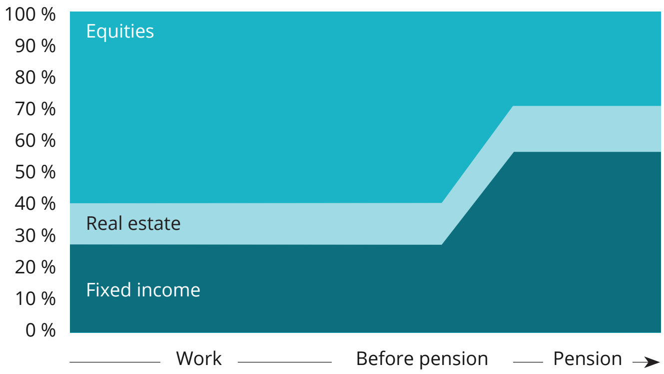
Value development[2]

Year	Work	Pension
2020	8.8 %	5.9 %
2019	16.5 %	9.4 %
2018	–3.1 %	–0.5 %
2017	11.1 %	6.5 %
2016	8.9 %	6.9 %
Average return (5 years) 2016–2020	8.2 %	5.6 %

1) Description of SPP's management model as per January 2021. SPP is unilaterally entitled to change the management in the future.

2) Historical return for comparable portfolio allocation. Please note that past performance of any investment does not guarantee future returns.

Illustrative development over time



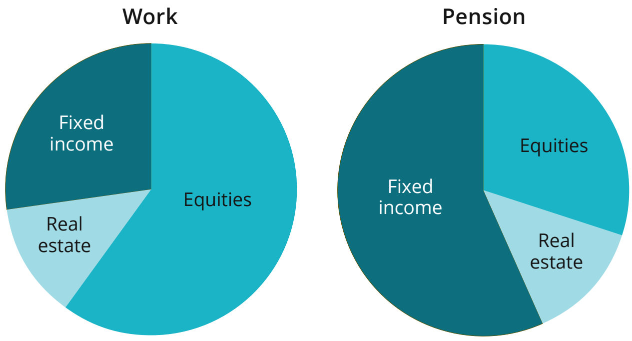


Illustration of new customer

The management of the investments are based on individual terms, we have two types of illustrations; Work and Pension to illustrate the allocation of the different portfolios in each phase of a new customer.

Work is a working customer younger than 60 years old.

Pension is a customer who is retiring and is 65 years old and have a lifelong disbursement period.

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