

# Pension savings with a guarantee

## Traditional insurance in SPP



When you choose pension savings with a guarantee, you transfer the investment responsibility to SPP and you do not need to do anything else. The investment is adapted to your age, choice of disbursement period and the previous return of your savings. You are guaranteed a minimum level of pension with the possibility of a supplementary bonus.

### How pension savings with a guarantee works

In pension savings with a guarantee, SPP is responsible for investing and managing 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.

### Bonus

The return of the investment will give you additional payments as a supplement to the guaranteed pension.

A simple form of saving, tailored for you

### Guaranteed bonus

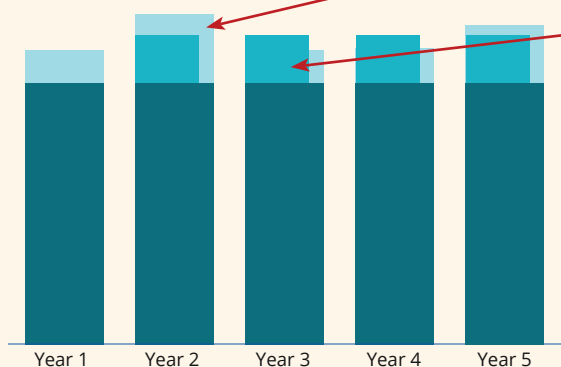
If the bonus is greater than 15 per cent of your total pension payments, SPP increases your guaranteed pension in the form of a guaranteed bonus.

### Guaranteed monthly amount

All the pension premiums that your employer pays will increase your level of pension. The base of these payments is guaranteed by SPP and this amount can never be below the promised level. This base is your guaranteed monthly amount.

### Pension premiums and Pension payments

The pension premiums is invested by SPP and the return of this investment, combined with your guaranteed level of pension, constitutes the basis for your future pension payments.



Year 2, the bonus is greater than 15% of the total amount. A part of the bonus will then be converted into a guaranteed bonus.

If the value of the **bonus** decreases, you will always receive the part that is your **guaranteed monthly amount** and the **guaranteed bonus**.



■ Bonus  
■ Guaranteed bonus  
■ Guaranteed monthly amount



## How we invest your capital<sup>1</sup>

Your capital is allocated towards different assets according to our investment strategy. Your allocation 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 individual allocation.

The longer you have until 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 invest 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.

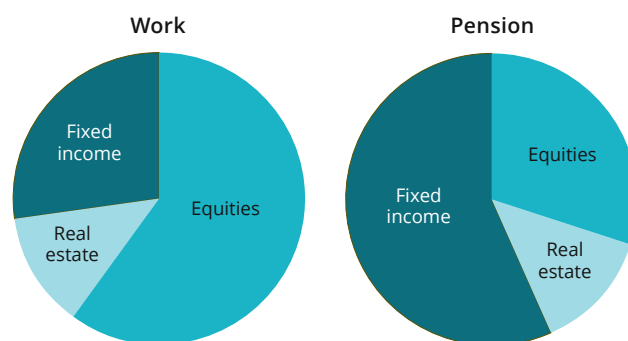
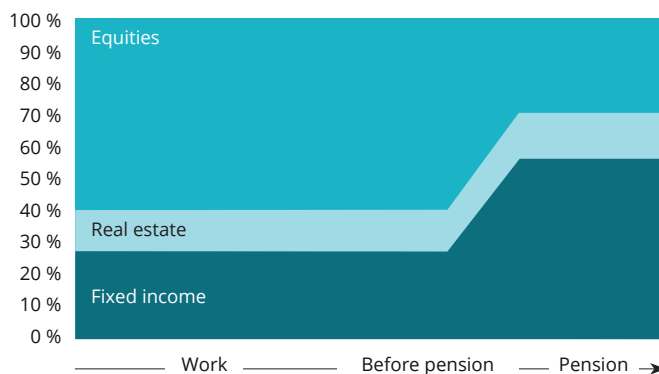
As you approach retirement age, we make sure to lower the risk and invest less in equities and more in bonds. The objective is to safeguard your guarantee, which becomes increasingly important as you approach retirement.

### Value development<sup>2</sup>

Year	Work	Pension
2021	14.4 %	7.2 %
2020	8.8 %	5.9 %
2019	16.5 %	9.4 %
2018	-3.1 %	-0.5 %
2017	11.1 %	6.5 %
Average return (5 years) 2017–2021	9.3 %	5.7 %

- 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 with a lifelong disbursement period. This customer is typically allocated in 50–60% Equities and 40–50% Real Estate & Fixed Income.

**Pension** is a customer who is retiring and is 65 years old, with a lifelong disbursement period. This customer is normally allocated in 30% Equities and 70 % Real Estate & Fixed Income.