

Allianz Target4Life
The investment
solution built on
the Life Cycle



From target objective to Life Cycle

To accumulate resources for a future commitment, for a life project such as the degree of a child, a marriage, a pension, for a trip or for the purchase of a home.

The goals of those who invest can be multiple. Using the knowledge of Behavioral Finance, these goals can be better identified and analyzed.

Once the final objective has been chosen, an investment strategy is required in order to achieve this target.

The Life Cycle is the investment path defined together with the customer to help him achieve his final goal.

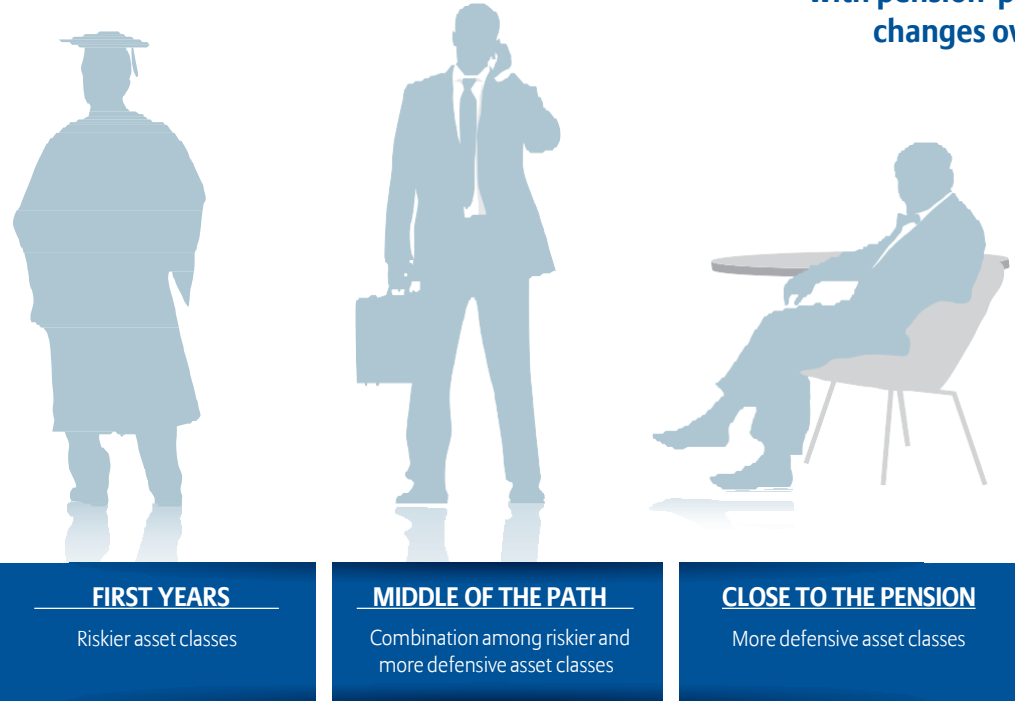


Life Cycle

The Life Cycle is an investment path that accompanies the investor over time to help him achieve his goal within a pre-established period.

- It provides for the construction of an investment portfolio which over time is regularly amended and optimized according to the achievement of the final objective.
- It is based on a fundamental principle: the ability and the will to bear the risk of an investment does change over the duration of the investment itself, depending on the increasing of the age or the approaching of the target date.
- At the beginning of an investment process, we are more willing to take risks in the face of higher returns. At the final phase of the investment the risk appetite decreases, while the need to protect the accumulated return increases.

Life Cycle: how a portfolio with pension purposes changes over time



Life Cycle: invest today

The Life Cycle investment approach offers the right balance between risk and return over the life of the investment

Today it is more complicated to meet one's financial needs and build adequate capital for the realization of one's own projects. It is not possible to rely only on government bonds, which currently do not offer satisfactory performance opportunities.

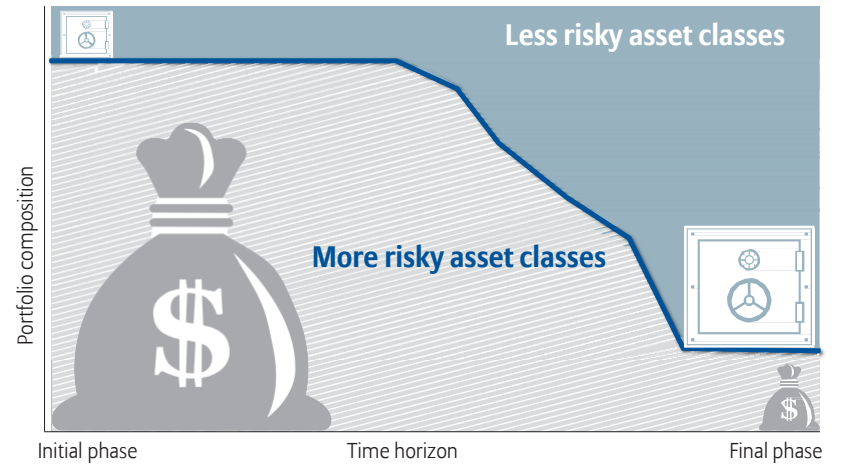
To obtain interesting returns, the investment universe must be expanded, taking into consideration also higher risk class assets. Over time, riskier investments tend to generate higher returns. However, even keeping the composition of one's own investment portfolio, defensive or even more aggressive, over time does not often achieve its objectives.

Assuming a medium / long-term perspective characteristic of projects such as retirement, studies, the purchase of a home, the need arises to constantly review the composition of its investments, so that it remains consistent with the realization of their objectives.

With the Life Cycle investment approach, the asset allocation of the investment portfolio is constantly reviewed and optimized under the risk / return profile.

The riskiness decreases as the maturity approaches. The risk will be greater in the initial phases in order to accumulate more returns. The protection of the amount accumulated will instead be the objective of the final phases.

Life Cycle investment path: how the portfolio changes over time



Representation for mere illustrative purpose and not indicative of the rebalancing between the different asset classes over time

Allianz Target4Life:

Allianz Group

Life Cycle investment

Allianz Target4Life is the Allianz Global Life investment solution built on the Life Cycle. Designed to help the client achieving his goals

WEDDING



BIRTH



STUDIES



MASTER



PENSION



TRAVEL



**PROJECTS, DREAMS,
PERSONAL OBJECTIVES**



**PURCHASE
OF A HOUSE**



Allianz Target4Life: Target personalization

Tailor made Life Cycle: Definition of 3 parameters

The client, together with his advisor, identifies the objective of his investment and defines the three parameters necessary for the construction of a personalized Life Cycle path.



Time horizon

Target Date. The expected duration of the investment (minimum 5 years).



Risk tolerance

The risk level you are willing to face in order to reach the ultimate goal: low - medium - high.



Premium payment method



Single premium, Recurrent premiums, or Both (2 Life Cycle).

Once the 3 parameters have been defined, the customer won't need to worry about anything else
the investment choices are delegated to the manager, who will take care of the investment until the deadline (Data Target)

Personalized Life Cycle: the investment portfolio

The definition of the 3 parameters is the basis for the creation of an initial investment portfolio by the manager. The portfolio will be well diversified and invested in underlying internal funds: each "block" can be combined together in a number between 6 and 10.

A total of 21 internal funds are available and are managed by Allianz Global Life.

The Internal Funds

Fixed Income Funds	Equity Funds	Alternative Funds
T4L EMU Government Bonds	T4L Global Equities	T4L Commodities
T4L Fixed Income Medium Term	T4L European Equities	T4L Convertibles
T4L Fixed Income Short Term	T4L US Equities	T4L Volatility
T4L Emerging Market Bonds	T4L Asian Equities	T4L Multi asset
T4L Emerging Market Short Term	T4L Asia Pacific ex Japan Eq	
T4L US High Yield Bonds	T4L Japanese Equities	
T4L European High Yield Bonds	T4L Emerging Market Eq	
T4L EUR Cash		
T4L EMU Corporate Bonds		
T4L High Yield Bonds		

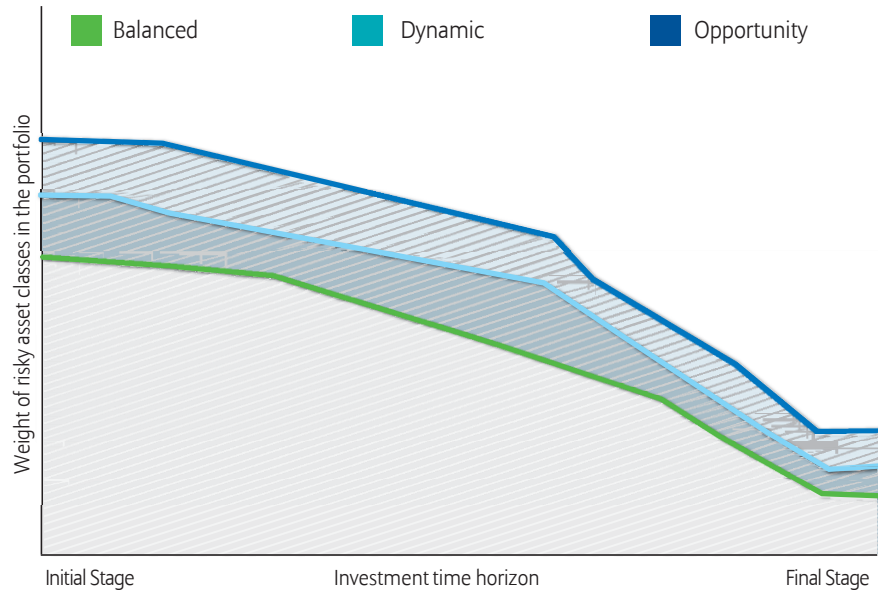
The Policyholder does not choose the individual internal funds in which to invest the premiums paid but it is the Company that, after the initial investment of the first premium, will determine the optimal composition of the internal funds to be assigned to the contract according to the type of Life Cycle chosen by the Policyholder and the market expectations, rebalancing it monthly through an automatic switch mechanism.



Personalized Life Cycle: the investment portfolio

Over time the manager will change the allocation of the portfolio in line with the 3 parameters defined by the customer. The Life Cycle investment path illustrates how the portfolio changes in the different phases of the investment, from the Initial Date to the Target Date. As time goes by, the more risky internal funds will be replaced with more defensive internal funds.

Percorso di investimento Life Cycle e propensione al rischio



The risk appetite of the client (low, medium or high) allows to define 3 different risk profiles (balanced, dynamic or opportunity) and therefore to build 3 different investment paths, characterized by a greater or lesser weight of the risky asset classes that make up the portfolio.

LOW
LIFE CYCLE BALANCED

MEDIUM
LIFE CYCLE DYNAMIC

HIGH
LIFE CYCLE OPPORTUNITY



How it works

Final Option

Once the Data Target is reached, the capital remains invested in a portfolio with a low risk profile.

Policyholder has 3 different options:

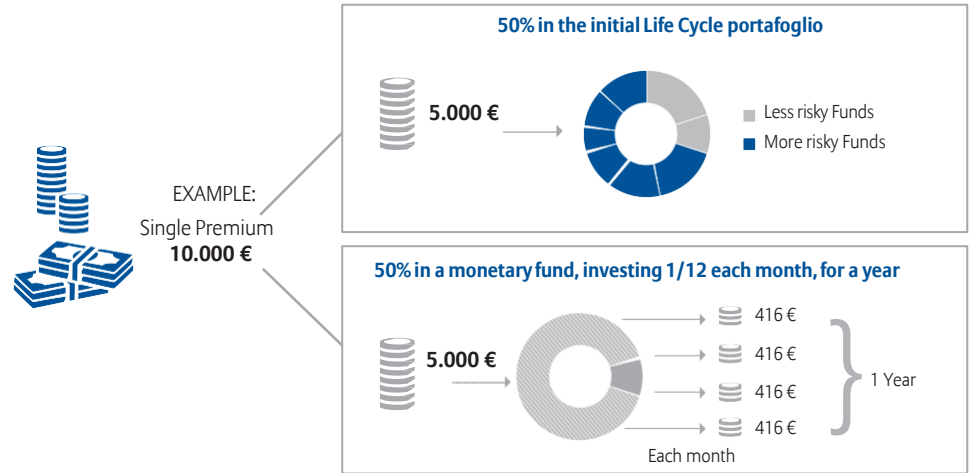
- 1 Keep the invested capital
- 2 Activate a new Life Cycle
- 3 Withdraw the capital



Timing Option

For the Policyholder who chooses the single premium payment, there is the possibility to activate the Timing Option, an optional service that allows to gradually enter the Life Cycle portfolio. Half of the premium is invested in the initial Life Cycle portfolio, the other half is temporarily invested in a monetary fund. One twelfth of this amount will be invested monthly over the next 12 months.

How it works



Allianz Target4Life **in a nutshell**

Accessibility

The Policyholder has access to a "calibrated" management in line with his needs.

Flexibility

Different methods of payment of prizes. Possibility to modify the risk profile.

Transparency

Reporting on the characteristics and performance of investment portfolios.

Re-allocation and risk control

Operated by the manager according to the achievement of the objective and risk control.

Possibility to withdraw the Contract

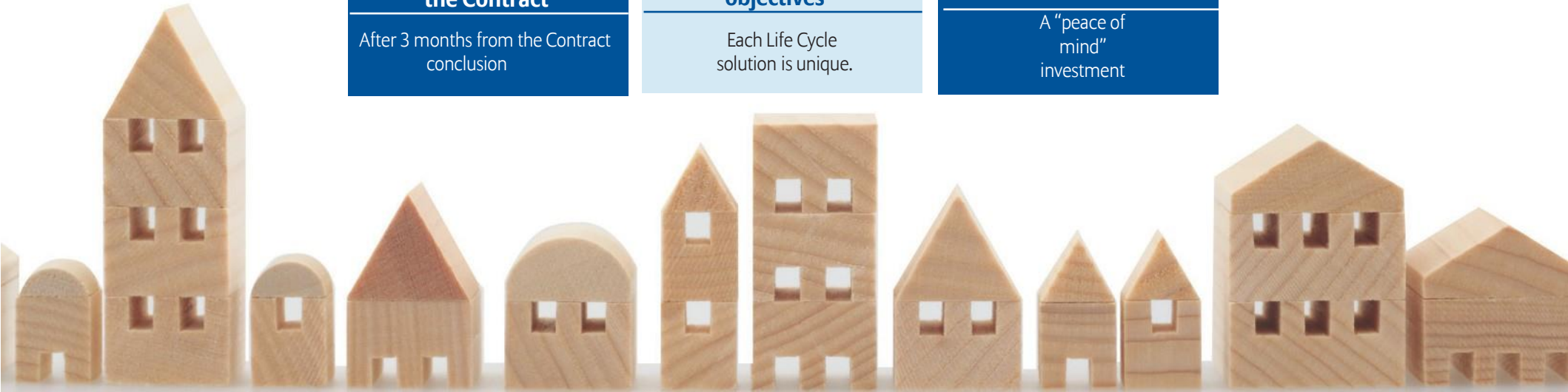
After 3 months from the Contract conclusion

Tailor made on objectives

Each Life Cycle solution is unique.

Turn key solution

A "peace of mind" investment



Allianz Target4Life ... why?

... **a personalized and flexible solution**, built on the basis of the characteristics of the individual investor and his investment objectives

... **the advantages of diversifying** between the different asset classes over the entire investment period

... **a professional investment approach** that is not "driven by emotion", in order to be able to manage all phases of the market in peace

... **a turnkey solution**: the investor will not have to worry about the Life Cycle path over time, but focus on the final goal

The amount of the capital repaid in the event of redemption - and of the benefit in the event of death of the Insured - depend on the performance of the internal funds and are not guaranteed.



Disclaimer

Investment involves risk. The value of and return on an investment may go down as well as up, and the investor/contracting party may not get back the amount originally invested.

The performance underlying the hypothetical LifeCycle portfolio is the result of the simulated returns of certain Allianz Global Life dac internal insurance funds during the specified period of time, based on the percentage weighting applied throughout the customised investment path.

The value of the funds' units may be subject to significant volatility. Past returns are not indicative of future performance.

Allianz Target4Life online tool aims purely to help the Intermediary demonstrate to the policyholder the initial asset allocation and the customised investment path of a hypothetical LifeCycle portfolio, which are defined based on the horizon, risk profile and payment type associated with the policyholder's initial investment objective.

The initial portfolio and the customised investment path shown for the duration of the investment are established on the basis of the LifeCycle method of reallocating between risky and defensive assets classes based on the initial objective of generating returns and the end objective of reducing risk over time.

The percentage weightings of the allocation to risky and defensive assets classes are reviewed periodically on the basis of market scenarios based on back-testing models. Data on hypothetical, simulated or back-testing performance have numerous intrinsic limitations, and assumptions made for the purposes of establishing models may not actually materialise during management of the LifeCycle portfolio's internal funds.

Indeed, there may be considerable differences between the hypothetical, simulated or back-testing results and those actually obtained from any investment strategy.

The allocation of the capital invested in the "Defensive assets classes" and "Risky asset classes" portfolios, as shown by the Allianz Target4Life online tool, is purely indicative. The investment combinations are changed regularly in accordance with capital-market forecasts.

In addition, the actual initial allocation of the capital invested in the "Defensive assets classes" and "Risky asset classes" portfolios, following subscription of the unit-linked product, may vary from the investment combination shown.

This document is for information purposes only and is intended to support the work of Allianz Global Life and their colleagues.

