

## **Corporate Optimum Investment (COI) – Information**

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### **1. What is the „Corporate Optimum Investment (COI)“?**

- ➔ Corporate Optimum Investment is a unit-linked life insurance with benefit in case of death and in case of survival, with annual or single premium payment in USD currency.
- ➔ The term is minimum 5 years, maximum 15 years.
- ➔ The entry age is minimum 18 years, maximum 75 years, age at the end of contract is maximum 80 years.
- ➔ The minimum premium for annual payment is USD 5.000, maximum USD 10.000, the premium range for single premiums starts at USD 10.000 and goes up to USD 100.000 maximum.
- ➔ In case of annual premium payment the client can decide whether he pays the first premium only or immediately two annual premiums (or additional amounts following the regulations of Pay Account).
- ➔ In case of payment of two annual premiums right at the beginning, the two annual premiums will be debited and also the corresponding fund units will be bought.
- ➔ This rate can be concluded in USD only.

### **2. What is the special feature of this rate?**

- ➔ Rate Corporate Optimum Investment can be concluded starting with 5 years minimum term

### **3. How is the available fund characterized?**

The Apollo 62 bond fund invests in corporate bonds from the US dollar zone with an average credit rating in the lower investment grade range. The average duration of the fund and thus the market risk are based on a maximum duration of 6 years. In addition to these general conditions, further relevant guidelines ensure broad diversification in the fund.

As an investment strategy, the fund uses the Fixed Income Strategy (FIXIS) methodology developed by Bond Management at Security KAG.

This strategy aims at an investment with the best possible ratio between profit and risk. This goal is achieved by applying a computer-supported investment procedure, which takes particular consideration of the shape of the yield curves. In addition to the yield to maturity, the curve shape (roll-down-the-curve effect) and the credit rating or default risk of the respective bond are taken into account. Incomplete market information is effectively supplemented with artificial intelligence methods.

The FIXIS strategy has been used successfully for years in all bond funds of Security KAG and can rely on a rich experience. A valuable characteristic of the strategy is the absence of future forecasting and "gut" decisions as well as the structured integration of Big Data processing.

As a 100% USD corporate bond fund, Apollo 62 is particularly suitable as an investment component for a risk-conscious overall investment adapted to the current market situation. Regarding this fund it is possible that in favour of the client similar other fund is used for investment. For the sake of convenience it is called Apollo 62 within this information.

**4. What about security option and active expiry management?**

- ➔ For this rate NO security option can be included
- ➔ There is NO active expiry management provided.

**5. What about insurance coverage?**

- ➔ Expiry value (annual and single payment): When the contract expires the amount of the whole fund (all available assets) is paid to the policy holder. This amounts to the unit price at the end of contract multiplied by the number of units in the portfolio.
- ➔ Payment in case of death (annual premium): In case of death of the insured person during the policy's term there is a minimum guaranteed sum which will be paid. This "sum insured in case of death" is 5% of the total premium sum (=annual premium multiplied with term) agreed upon at the beginning of contract. That is the "Minimum death benefit" as printed on the policy. That is the amount the beneficiary will get in any case, irrespective of the current value of the fund. Based on the value of the fund at that time there are two scenarios:
  - In case the value of the fund is below the sum insured, the entire insured sum in case of death will be paid.
  - In all other cases, which is when the fund's value exceeds the insured sum, all available assets PLUS 10 % of the sum insured in case of death are paid.
- ➔ Payment in case of death (single premium payment): If the insured person dies during the policy term, and at this time the value of the fund falls below the sum insured in the case of death, the entire amount insured in the case of death, that is 100 % of the paid premium, will be returned. If the value of the fund at the time the insured event occurs, exceeds the amount insured, the presently available assets plus 5 % of the death benefit are payable.

**6. What about Pay Account?**

- ➔ Pay Account is available for this rate with the same options as for all other contracts with annual premium payment (cf. Infosheet „Pay Account“).

**7. Is it allowed to take a policy loan?**

- ➔ Due to calculation of this product and the investment in fund units, there is no option for policy loan.

**8. Examples for calculation – Corporate Optimum Investment**

**Example - Unit Linked Life Insurance - rate Corporate Optimum Investment**

Man/Woman, aged 30 years - annual premium USD 5.000,00 - term 15 years,  
amount insured, USD 75.000,00, death benefit sum USD 3.750,00

Years past	Surrender value* in USD with a supposed performance of			Mortality charge per year in USD
	5%	5,5%	6%	
2 years	6.057,--	6.100,--	6.144,--	1,94
5 years	19.743,--	20.010,--	20.280,--	2,10
8 years	37.400,--	38.183,--	38.983,--	2,50
10 years	50.692,--	52.025,--	53.396,--	2,85
12 years	68.784,--	70.980,--	73.252,--	3,29
15 years	94.933,--	98.803,--	102.849,--	-

**Example - Unit Linked Life Insurance - rate Corporate Optimum Investment  
single premium**

Man/Woman, aged 30 years – single premium USD 30.000,00 - term 15 years,  
amount insured, USD 30.000,00, death benefit sum USD 30.000,00

Years past	Surrender value* in USD with a supposed performance of			Mortality charge per year in USD
	5%	5,5%	6%	
2 years	29.757,--	30.042,--	30.327,--	7,78
5 years	34.305,--	35.132,--	35.975,--	8,39
8 years	39.567,--	41.106,--	42.698,--	10,00
10 years	43.525,--	45.654,--	47.876,--	11,39
12 years	50.405,--	53.382,--	56.518,--	13,17
15 years	58.179,--	62.510,--	67.139,--	-

In the table(s) above all costs mentioned below are already considered and deducted.

\* There shall be no surrender value for the policy before the end of the second contract year. All fees and charges have been already taken into account for the calculation of the projected surrender value, just the premium which is actually invested into a linked fund is considered. The risks of investing in funds are depending on the pre-specified investment policy and the general market development. A loss cannot be excluded. Despite a redemption possible at any-time investment funds are investment products, which are economical meaningful typically only after holding the investment for a longer period. Experience has shown that a long term of insurance helps to minimize the risk of fluctuations in the return of an investment fund. In the case of premature termination of the contract the policyholder is obliged to pay a fee of 20 per cent of the annual premium in case of rate Corporate Optimum Investment and 20 per cent of single premium in case of rate Corporate Optimum Investment Single premium, but not less than 30,00 USD and not more than 3.000,00 USD.

**Charges concerning the rate Corporate Optimum Investment (COI):** The one-time acquisition costs amount to 2,2% of the premium sum during each of the first 3 years of contract. The annual premium collection costs amount to 5% of the annual premium. The annual administration costs amount to 1,25‰ (per mill) of the insured sum, plus unit costs of 30 USD. All these charges are already included in the premium and have been already deducted in the calculations above.

**Charges concerning the rate Corporate Optimum Investment (COI-SP):** The one-time acquisition costs amount to 4% of the premium sum. The one-time premium collection costs amount to 1% of the



single premium. The annual administration costs amount to 1,25‰ (per mill) of the insured sum. All these charges are already included in the premium and have been already deducted in the calculations above.

**Benefits of unit-linked-life insurances:** (1) If the insured person dies during the policy term, the designated beneficiary receives the guaranteed death benefit stated in the policy. The policy furthermore contains information on how the indemnity payment increases, if the cash value of the mathematical reserve exceeds the death benefit.

(2) In the case of survival of the insured person the beneficiary receives the value of the units assigned to the insurance contract."

**Regulation concerning premium credits in the event of death:** If a policyholder dies who is at the same time insured under the same contract, the beneficiary nominated by him to receive the insurance benefit shall receive also any premium credits from this contract.

\*\*The Security Option is not reflected in the performance table.