

Aktív Megtakarítás II.

Unit-linked Life Insurance with Single Premium Payment
– Special Conditions (U65EV/2017)

Effective from: January 1, 2017.

Modified on: March 9, 2017.

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Unit-linked Life Insurance with Single Premium Payment – Special Conditions (U65EV/2017)

In the case of matters not regulated by these life insurance policy conditions (hereinafter: special conditions of the main policy), insurance policies taken out pursuant to the special conditions of the main policy shall be governed by the general terms and conditions of unit-linked life insurance (hereinafter: general conditions) as well as the associated special conditions of pension insurance of Generali Biztosító Zrt. All matters not regulated by the special conditions of the main policy, the related special conditions of Pension Insurance or by the general conditions (hereinafter jointly: policy conditions) will be governed by the provisions of the Hungarian Civil Code or the provisions of other effective Hungarian legislation mutatis mutandis.

For the purposes of the special conditions of the main policy, **an associated pension insurance** means a pension insurance policy within the meaning of Act CXVII of 1995 on Personal Income Tax, validly concluded with Generali Biztosító Zrt, at the same time when this main policy is taken out.

I. Eligibility Conditions for Concluding this Life Insurance

- I.1. This life insurance policy may be concluded by the person who is the policyholder of the associated Pension Insurance.**
- I.2. With one Pension Insurance policy, only one insurance policy may be taken out pursuant to the special conditions of this main policy.

II. Main Policy Features

- II.1. Aktív Megtakarítás II is a unit-linked life insurance policy with single premium payment, the maturity date of which must correspond to the maturity date of the associated Pension Insurance.**
- II.2. Insurance premiums – both single premiums and top-up premiums – are required to be paid by the policyholder in HUF. The insurance company buys investment units from the insurance premium paid by the policyholder. Investment units are recorded and the costs incurred are deducted throughout the whole term of the policy in Hungarian forints; sums insured are also specified in HUF.**
- II.3. Insurance benefits and proceeds are paid out in HUF.**
- II.4. If the associated Pension Insurance terminates, this life insurance will also terminate therewith.**

III. Policyholder, Insured, Beneficiary

- III.1.** The policyholder shall be the same person as the policyholder of the associated Pension Insurance.
- III.2.** The insured shall be the same person as the insured of the associated Pension Insurance.
- III.3.** The endowment beneficiary shall be the same person as the endowment beneficiary of the associated Pension Insurance.
- III.4.** The death beneficiary shall be the same person as the death beneficiary of the associated Pension Insurance.
- III.5.** If the policyholder, the insured or the endowment or death beneficiary of the associated Pension Insurance should change, the corresponding party to this life insurance policy shall change therewith.

IV. Insured Event

For the purposes of insurance policies concluded pursuant to the special conditions of this main policy (hereinafter: insurance policy), the term 'insured event' shall mean:

- the insured being alive at the date of maturity (endowment) stipulated in the insurance policy, or
- the insured's death during the coverage period, or
- a road accident (within the meaning assigned to it in Clause XIV.2.2 of the general conditions) which occurs prior to the first insurance renewal date during the coverage period, as a result of which the insured dies within one year after such accident (accidental death due to a road accident).

V. Insurance Benefits

V.1. Endowment benefit

Under any insurance policy concluded pursuant to the special conditions of the main policy, the insurance company shall pay the endowment benefit specified in the insurance policy in consideration of the premium payment by the policyholder, if the insured is alive at the time when the policy matures (endowment).

As an endowment benefit, the insurance company will pay to the designated beneficiary of the endowment benefit

– the encashment value of the investment units on the policyholder's account.

The insurance company determines the endowment benefit based on the price of the investment units valid as of the maturity date.

V.2. Death benefit

Under an insurance policy concluded pursuant to these special conditions of the main policy, the insurance company shall pay a death benefit to the respective beneficiary in the event of the insured's death during the coverage period, in consideration of premium payment by the policyholder.

As the death benefit, the insurance company will pay to the designated beneficiary of the death benefit

– the encashment value of the investment units on the policyholder's account, and an additional sum insured of HUF 10 000.

To calculate the death benefit payout, the insurance company uses the price of investment units valid on the first valuation day following the day when the insurance claim is received by the insurance company.

V.3. Benefit payable on a claim on accidental death due to a road accident, without a risk premium applied

If the insured dies within one year as a result of a road accident during the coverage period but before the first policy renewal date, the insurance pays out an amount corresponding to 10% of the single insurance premium but at least HUF 100.000 in addition to the death benefit, to the designated death beneficiary.

V.4. Investment services

The description of unit-linked funds which the policyholder may select is set out in Schedule III 'Unit-Linked Funds, their Composition and Investment Principles' of the special conditions of the main policy (hereinafter: Prospectus of UL Funds).

The insurance company registers the prices of investment units in HUF.

VI. Modification of the Sums Insured and the Selection of Insurance Riders

Notwithstanding the provisions in Clause VI.2 of the general conditions, no sums insured specified in this insurance policy may be modified, and no insurance riders may be added to the policy.

VII. Policy Costs and Charges

The types of costs charged by the insurance company on this main policy and their rates or amounts are set out in the Indicative Terms and Conditions. The detailed specification of the costs are set out in the general conditions.

VII.1. Charging the administration fee

The administration fee is deducted in accordance with Clause VII.2.2 of the general conditions.

If the investment units allocated from the single premium payment are not sufficient to cover the administration fee at its due date, the insurance company will deduct the remaining amount of the fee from investment units allocated from top-up premium payments.

VIII. Transactions

VIII.1. Conversion

Pursuant to Clause VIII.1 of the general conditions, the policyholder may request a conversion of the investment units on his/her account between unit-linked funds specified in the effective Prospectus of UL Funds.

VIII.2. Partial surrender

Pursuant to Clause VIII.3. of the general conditions, the policyholder may request a partial surrender of the policy.

VIII.3. Regular cash withdrawal

Pursuant to Clause VIII.4. of the general conditions, the policyholder is entitled to apply for regular cash withdrawal on the policy.

Charging transaction costs

Transaction costs are deducted in accordance with Clause VIII.5.2 of the general conditions.

If the investment units allocated from the single premium payment are not sufficient to cover the transaction costs at their due date, the insurance company will deduct the remaining amount from investment units allocated from top-up premium payments.

IX. Policy Loan

Notwithstanding Clause IX.5 of the general conditions, no loan may be granted on this insurance.

X. Procedure Applied if Premiums are Not Paid

If the policyholder fails to comply with his/her payment obligation within an additional period set for the payment (Clause IV.2. of the general conditions), the insurance company shall proceed as follows.

X.1. If the premium installment paid by the policyholder – considered to be a total single premium payment – is lower than the minimum single premium specified in the effective Premium Rates Regulations, and as a result the insurance policy could not have been concluded, the insurance policy will be cancelled with retroactive effect to the date when the premium was due, unless the insurance company forthwith moves to enforce its claim by judicial process.

If the insurance policy is cancelled, the insurance company refunds the paid premium installment to the policyholder.

X.2. In cases other than those described in Clause X.1., the insurance company will reduce the single premium of the insurance policy to the amount of the premium actually paid by the policyholder.

XI. Termination of the Insurance Policy

Cases when the insurance policy will terminate are set forth in Clause II.6 of the general conditions.

XI.1. This life insurance policy always terminates if the associated Pension Insurance is cancelled.

If this life insurance policy terminates because the associated Pension Insurance has been cancelled, the encashment value of this life insurance policy will be paid to the policyholder.

The encashment value of the insurance policy will be determined by the insurance company as of the same value date as has been applied to the calculation of the payout on the associated Pension Insurance.

XI.2. Cash surrender

The policyholder may cancel the insurance policy and request payment of the policy's cash surrender value.

The cash surrender value of the insurance policy shall be the encashment value of investment units less any unrecognized costs and charges.

The insurance company does not charge a surrender fee on the surrender of life insurance policies concluded pursuant to these special conditions.

The inception date of these special conditions of the main policy will be: January 1, 2017.

Indicative Terms and Conditions

applicable to Aktív Megtakarítás II Unit-Linked Life Insurance with Single Premium Payment (U65EV)

Schedule No. I

Effective from: January 1, 2017, until repealed

This list will contain the premiums, charges, fees and other terms defined in the policy conditions of Aktív Megtakarítás II. unit-linked life insurance with single premium payment (U65EV), valid at the time when the insurance policy is concluded and fixed for the whole term of the insurance, or allowed to be modified only once a year.

I. Risk Premiums

Notwithstanding Clause V.2 of the general conditions, the insurance company does not charge a risk premium in consideration of the insurance coverage offered under the policy.

I. Premium collection cost

The insurance company does not charge any premium collection costs (Clause IV.3.3.1 of the general conditions).

II. Distribution cost, administration fee, wealth proportionate cost

The insurance company will determine and deduct the distribution, administration and wealth proportionate costs from the policyholder's account in accordance with Clause VII of the general conditions.

II.1. Distribution cost

The distribution cost may not be modified during the policy term.

II.1.1. One-time distribution cost charged on the single premium payment: 1%

II.1.2. Distribution cost charged on top-up premium payments: 1%

II.2. Administration fee:

The insurance company **may modify the administration fee** in accordance with the applicable provisions of the general conditions during the policy term.

Administration fee: HUF 50/month

II.3. Wealth proportionate cost:

The insurance company may not modify the **wealth proportionate cost** during the policy term.

Wealth proportionate cost:

For the Money Market 2016 Fund: 0.12% / month, which is 1.45% annually.

For all additional UL Funds: 0.15% / month, which is 1.8% annually.

III. Transaction costs

The insurance company will calculate and deduct the costs of conversions, partial surrenders and regular cash withdrawals from the policyholder's account in accordance with Clauses VIII.5.1 and VIII.5.2 of the general conditions.

The insurance company **may modify the transaction costs** in accordance with the applicable provisions of the general conditions during the policy term.

III.1. **Conversion fee:** the first two conversions in any one policy year are free of charge; the fee for all other conversions is 0.3% of the converted amount, but minimum HUF 400 and maximum HUF 3 500.

III.2. Partial surrender fee: 0.3% of the surrendered amount, but not less than HUF 400 and not more than HUF 3 500.

III.3. Regular cash withdrawal fee: 0.3% of the monthly amount paid out, but not less than HUF 400 and not more than HUF 3,500.

IV. Other costs

IV.1. Policy issue cost: HUF 8 000

If the policyholder cancels the insurance policy for cause within 30 days, the insurance company will calculate and deduct the policy issue cost from the policyholder's account in accordance with Clause II.6.2 of the general conditions.

IV.2. Account statement issue cost: an account statement issued and mailed at the renewal date is free of charge; for all other account statements a charge of HUF 300/account statement must be paid.

The account statement issue cost is determined and deducted from the policyholder's account pursuant to Clause III.4.5 of the general conditions.

The insurance company **may modify the account statement issue cost** in accordance with the applicable provisions of the general conditions during the policy term.

IV.3. Charge on payments, as a percentage of the payout:

Payment by wire transfer:	0%
Payment by postal remittance:	0.5%

The insurance company will calculate the benefit payment cost in accordance with Clause X.4.8.4 of the general conditions, and will deduct its amount from the payout.

The insurance company **may modify the payment cost** in accordance with the applicable provisions of the general conditions during the policy term.

IV. Costs associated with UL Funds

Third parties engaged in the management or execution of investments (including asset management companies, custodians, securities trading companies) charge costs for the management of investments which are directly associated with the particular UL Funds.

Costs associated with UL Funds may be the following:

- **portfolio management fee,**
- **custodian fee,**
- **commission on securities trading.**

Cost rates may be different for each UL Fund. The maximum rates of the **portfolio management fee** and the **custodian fee** are set out in the Prospectus of UL Funds, while their current rates are disclosed on the insurance company's website (generalali.hu).

V. Miscellaneous Conditions

V.1. With respect to the proportion applicable to the distribution of insurance premium among unit-linked fund, the share of any one unit-linked fund may not be lower than 5%.

V.2. Minimum top-up premium: HUF 10 000

V.3. Minimum amount of regular cash withdrawal: HUF 15 000 /month

If the Indicative Terms and Conditions change, the insurance company shall send a written notification to the policyholder in a postal mail or in an e-mail if the policyholder has consented to electronic communication, 30 days prior to such change. Modifications of certain costs shall be subject to the provisions of the general conditions.

This Schedule is an integral part of the policy conditions of Aktív Megtakarítás II Unit-Linked Life Insurance with single premium payment (U65EV).

You may get up-to-date information on the prices of investment units through any of the following channels:

Customer Service Direct Line: +36 1 452 3333

generalali.hu

Information on the Total Expense Ratio (TER)

applicable to Aktív Megtakarítás II Unit-Linked Life Insurance with Single Premium Payment (U65EV)

Schedule No. II

Effective from: March 9, 2017, until repealed

Former Schedule No II is hereby repealed.

Dear Valued Future Customer,

The life insurance you wish to purchase is a unit-linked life insurance policy, which means that the insurance company will invest a part of the insurance premium in investment forms according to your choice for future savings purposes.

To provide You with an overall view of the costs associated with this insurance product, insurance companies are required to use a standard formula to calculate the Total Expense Ratio (TER) on all life insurance products listed in Act LXXXVIII of 2014 on the Insurance Business (hereinafter: Insurance Act) so that You, as a prospective policyholder, may be aware of all costs related to your investment and can make an informed decision. The TER fully complies with the provisions set out in Decree 55/2015 of the National Bank of Hungary (hereinafter: Decree) on the calculation and disclosure of the total expense ratio.

What is the Total Expense Ratio – TER?

The Total Expense Ratio (TER) is a simple indicator designed to inform You of the **fees and charges associated with the insurance product in the example** expressed as a percentage (as explained in the example below). **The TER typically includes the price of insured risks incorporated in the product.**

The TER clearly lays out **the approximate loss of return You may the encounter on a particular unit-linked product in comparison to the return on a theoretical, free of charge investment.**

How does the TER help you?

The TER **helps you compare** the charges (costs) of unit-linked products offered in the Hungarian insurance market.

The TER is explained through the following an example

The TER is calculated based on assumptions defined in the Decree.

The age of the insured and the policy term

- The insured is a 35-year old person, who takes out the insurance policy
 - with regular premium payment for 10, 15 or 20 years;
 - or with single premium payment for 5, 10 or 20 years.

The TER is calculated for different policy terms to highlight how different durations can impact the total costs of a product. If the TER is not calculated for any of the above terms, it means that the particular product may not be taken out for that specific duration. In respect of whole life policies, the above durations are meant to be understood as the period until the surrender of the policy.

This **Aktív Megtakarítás Life Insurance** is a single premium insurance product, so calculation is made for: 5, 10 and 20 years.

The insurance premium and the method of premium payment

An insured of the above age purchases insurance

- for a single premium of HUF 4 500 000, or
- with a regular premium of HUF 25 000 to be paid monthly, and all premium payments are made by bank transfer.

Since this product is only available with single premium payment, the TER is calculated for a single premium of HUF 4 500 000.

Life and/or accident and health insurance coverage offered with the unit-linked insurance

The TER is calculated with the risk premium of the minimum insurance coverage required to be selected in accordance with the policy conditions.

Aktív Megtakarítás II single premium life insurance has the following compulsory insurance coverage incorporated into the product:

Insurance benefits offered with no risk premium charged:

- if the insured dies within one year following a road accident which the insured was injured in during the first policy year, the insurance pays out 10% of the single premium but minimum HUF 100 000, and
- a life sum insured of HUF 50 000 following the 10th policy renewal date.

As required by the Decree, the TER is calculated with all costs associated with the product which may reduce the value of your investment and are only incurred because you placed your funds in a unit-linked insurance product. However, taxes and social contributions payable or tax credits or allowances granted on insurance premiums and claims paid will be ignored. If expenses are different for the different UL Funds, insurance companies are required to indicate a minimum-maximum range instead of a single percentage value.

Total Expense Ratio for Aktív Megtakarítás II Single Premium Life Insurance:

for 5 years: 1.80% – 2.65%

for 10 years: 1.71% – 2.57%

for 20 years: 1.67% – 2.54%

TER values for UL Funds offered with the product are disclosed on the insurance company's website (generali.hu).

Please note!

Please note that the above TER values were calculated on the assumption that the insurance policy is kept in force throughout the whole duration of the policy, with no modifications and with no cash withdrawals of any form, and that the premiums used in the example are duly paid on the policy. Therefore, the expense ratio illustrated with the TER is not necessarily identical to the costs of the insurance policy You intend to take out, but should only be used for information purposes. **Based on unique features selected in your insurance policy, the expenses of your policy may substantially differ from the TER disclosed herein.**

All TER values calculated pursuant to the TER disclosure obligation set out in the Decree, are disclosed on the website of the national Bank of Hungary.

Please note that although TER is a key indicator, it is not the only aspect to be considered in the customer information on unit-linked life insurance products. You may also wish to consider what insurance coverage (life, accident or health insurance) is offered in the particular quote with what limits. Since this type of insurance is designed to be a long term savings instrument, you may need to consider how flexibly the product may be modified if your circumstances change later on (e.g.: what insurance riders may be added to the policy), how simple it is to cash in your savings in the policy, or what convenience services are offered to customers (e.g.: online transfer of your assets between UL Funds).

Thank you for reading this information. We do trust that by introducing the Total Expense Ratio we have made it easier for You to compare the fees and charges of unit-linked life insurance products offered by insurance companies in Hungary, and we have provided you with all the information you need for making an informed decision before purchasing insurance.

Generali Biztosító Zrt.

This Schedule is an integral part of the policy conditions of Aktív Megtakarítás (*Active Savings*) Unit-Linked Life Insurance with single premium payment (U65EV).

Unit-Linked Funds, their Composition and Investment Principles

applicable to **Aktív Megtakarítás II** Unit-Linked Life Insurance with **Single Premium Payment** (U66EV)

Schedule No. III

Effective from: November 25, 2016 until repealed

General Information on Selecting UL Funds

You are advised to carefully consider the risks of UL Funds before you make your selection. In deciding on the selection of funds, make sure you clearly define your investment purposes and your readiness to expose your savings to risks. Higher risks may mean higher returns in the longer term, but they may also result in substantial losses/gains in the short run. When you study the prices of funds, remember that historic performance does not guarantee future results.

Please note that the insurance company is not allowed to modify the investment principles of UL Funds so as to impact the risk level of any given fund. This implies that the risk level of the UL Funds you now select will be the same over time.

Investment risk

Investment risk means the uncertainty of the future return on a particular investment.

If the fund price often changes, with major highs and lows compared to its average, i.e. the fund price wildly fluctuates, it is considered a risky fund. If the fund price rarely moves and does not deviate much from its average, i.e. the fund price is balanced, it is considered of a low risk investment.

The risk levels of a UL Fund also characterize their performance. In the long term (at least 10-15 years) higher returns may be earned if higher risks are taken; nevertheless, higher risks may mean wild price fluctuations in the short (1-3 years) and medium (3-10 years) term, resulting in outstanding positive returns but also substantial negative ones. Accordingly, UL Funds which entail higher risks are expected to produce higher returns consistent with the risk profile of the fund in the long term. Based on the expected returns, the insurance company rates UL Funds on a scale of five grades, where * means the lowest, and ***** means the highest expected return.

The **risk level** of any UL Fund is determined by its underlying assets. **Investment risks are borne by the policyholder.**

Risk Levels

Low Risk

If you select UL Funds classified into the low risk category, the probability of extreme capital loss is low under normal market price conditions. The risk of capital loss may be further decreased by selecting a suitable investment period and by composing a suitable investment portfolio. Nevertheless, adverse movements of market prices may cause the total devaluation of assets even in UL Funds in the low risk category (national bankruptcy).

Medium Risk

Investment in UL Funds in the medium risk category means that even normal market price fluctuations can significantly impact the value of the underlying assets in the fund, and the effects of price movements contrary to investors expectations are often amplified. Investment in these funds is only recommended to customers who understand the degree of the risk involved, have a higher risk appetite and tolerance and are aware of the operation of financial markets.

High Risk

With investing in UL Funds in the high risk category, both the potential gains from market price fluctuations, and potentially huge losses arising from price drops may exceed the investors' expectations to an extreme extent. Due to the nature of these funds, underlying assets entail increased investment risks, including the possibility of a total devaluation of assets. Investment in these funds is only recommended to customers who understand the degree of the risk involved, have a higher risk appetite and tolerance and are fully aware of the operation of financial markets.

Types of investment risks

Regulatory Risk (Tax Regulations)

Tax regulations applicable to unit-linked life insurance policies and to the underlying assets in the funds may change in the future; therefore, investors must take into account potential changes in the tax policy.

Commodity Risk

Commodity risk refers to the uncertainties of future market prices of standard commodities (including precious metals) traded on the commodities exchange.

FX Risk

Movements in the forint exchange rate affect the HUF price of the fund's underlying assets issued in foreign currencies. (If the forint strengthens, the exchange rate drops, and if it weakens, the exchange rate grows.) Under extreme conditions, the HUF value of an asset may decrease even when the value of the asset in the original currency has increased.

Securities Issuer Risk

Under adverse conditions, the issuers of securities in UL Funds may face negative economic situations, and in extreme cases they may go bankrupt or be subject to liquidation proceedings. All these, and other corporate events may adversely impact the price of the securities they have issued, and thus the price of the associated mutual funds.

Real Estate Risk

This risk arises from the devaluation of assets entailed by real estate trends.

Interest Rate Risk

The value of issued interest bearing securities is constantly exposed to interest rate levels and their changes. If interest rates adversely change (increase), it may result in a drop of value of interest bearing instruments, which may in turn negatively impact the performance of UL Funds containing interest bearing assets. The longer the remaining duration of a security, the more intensive its response is to market changes.

Concentration Risk

This term denotes the risk when a substantial proportion of investments in a fund is concentrated on a certain type of assets, or a certain market.

Liquidity Risk

When selecting investment instruments in UL Funds, the liquidity of assets, that is the possibility to sell them within the desired time horizon and at a fair market price, is a crucial aspect.

Under adverse market conditions, however, it may happen that the underlying investment assets may only be sold either at lower prices or beyond the desired time horizon.

Operational Risk

Operational risk summarizes the risks inherent in the operation or control of certain institutions due to human, IT or supervisory errors or shortcomings, and the resulting loss.

Country, Economic and Political Risk

Policies and measures of the governments may have significant impacts on the prices of assets in the funds as well as on business life in general; that means they may also impact the performance of companies which issue securities that are included in the portfolio of UL Funds from time to time. Government policies may have substantial effects on general capital market conditions and on the returns on investments. The performance of funds are particularly exposed to inflation, exchange rate policies, the balance of the state budget, the balance of payments, and interest rates.

Investments in countries outside Europe entail extraordinary risks due to differences compared to European law and the economic environment of Europe.

Counterparty Risk

If third parties are engaged in the performance of transactions made on behalf of the fund and they do not or cannot fully comply with their obligations, it may adversely impact the fund's performance.

Equity Market Risk

Any UL Fund investing in equities or similar instruments is exposed to changes in the economic and political environment, in the market and in the issuer. Such changes may negatively impact the securities, irrespective of the actual performance of the issuer. Accordingly, the prices of equities and equity-type investments may fluctuate heavily, which may reduce the value of the fund in the short term.

In addition to the risks described above, the insurance company also manages legal risks, which arise from the different development pace of market innovations and the related legislation. The insurance company only performs transactions which are fully and comprehensively regulated.

Common rules governing UL Funds

UL Funds are maintained in HUF, and the underlying assets of UL Funds are also valued in HUF.

Costs associated with UL Funds may be the following:

- **portfolio management fee,**
- **custodian fee,**
- **commission on securities trading.**

Cost rates may be different for each UL Fund. The current rates of the portfolio management fee and the custodian fee are disclosed on the insurance company's website (generali.hu).

All UL Funds may invest at market prices

- min. 0% and max. 30% of its assets in bank account balances, bank deposits, securities issued by the Hungarian Government in HUF,
- and min. 0% and max. 100% of its assets in indirect investment forms, including investment notes, ETFs, in line with the investment policy of the fund unless otherwise provided for in the investment principles of the UL Funds.

In order to enhance the return of UL Funds or to mitigate the associated risks, the insurance company may perform hedging, arbitrage transactions, securities lending and repo agreements in relation to the UL Funds or their underlying assets, as long as such transactions are not contradictory to the investment policy of the fund.

Eligible UL Funds by Investment Risk Levels

1. Low Risk UL Funds

UL Funds offered for single premium payments	UL Funds offered for top-up payments
Money Market 2016 Fund	Money Market 2016 Fund
Hungarian Fixed Income Fund	Hungarian Fixed Income Fund

2. Medium level UL Funds

UL Funds offered for single premium payments	UL Funds offered for top-up payments
Horizont 5+ Mixed Securities Fund	Horizont 5+ Mixed Securities Fund
Horizont 10+ Mixed Securities Fund	Horizont 10+ Mixed Securities Fund
Világjáró Fixed Income Fund	Világjáró Fixed Income Fund
Tallózó Absolute Return Fund	Tallózó Absolute Return Fund

3. High risk UL Funds

UL Funds offered for single premium payments	UL Funds offered for top-up payments
Horizont 15+ Mixed Securities Fund	Horizont 15+ Mixed Securities Fund
Hungarian Equities Fund	Hungarian Equities Fund
	Developed World Equities Fund
	Emerging World Equities Fund
	Global Brands Equities Fund

1. Low Risk UL Funds

Money Market 2016 Fund

Accounting Currency: HUF

Risk Level: low

Investment Policy

The fund invests mainly in short term securities, with maximum 1 year maturity, guaranteed by the Hungarian Government. Accordingly at least 80% of fund's assets are composed of debt securities issued by EEC states and denominated in HUF. To a limited extent, the fund may also invest in debt securities issued by local governments, financial institutions, companies and mortgage banks with a registered seat or branch office in Hungary, which are expected to deliver higher returns than government securities; the fund may also invest in foreign currency instruments as long as the FX risk is fully hedged. The fund's main investment objective is to provide a portfolio composed of instruments which can be competitive alternatives to bank deposits and savings linked to current accounts both in the short and in the medium term.

Due to its composition and main features, investment in the fund is recommended to customers seeking temporary security.

Assets	Investment Limits	
	minimum	maximum
Debt securities issued by EEC states, denominated in HUF	80%	100%
Debt securities issued by local governments, financial institutions, companies and mortgage banks with a registered seat or branch office in Hungary	0%	20%

Launch Date: November 25, 2016.

Reference Index: 100% RMAX Index

Recommended minimum investment period: at least 3 months

Expected Return: *

Capital / return guarantee: none

Capital / return guarantee: none

Risks Related to the Asset Fund

Regulatory Risk (Tax Regulations)	2	Concentration Risk	2
Commodity Risk	1	Liquidity Risk	2
Foreign Exchange Risk	1	Operational Risk	2
Securities Issuer Risk	2	Country, Economic and Political Risk	2
Real Estate Risk	1	Counterparty Risk	2
Interest Rate Risk	3	Equity Market Risk	1

1: insignificant/very low, 2: low, 3: medium, 4: high, 5: very high

Hungarian Fixed Income Fund

Accounting Currency: HUF

Risk Level: low

Investment Policy

The fund invests in securities denominated and HUF and in other currencies, issued by the Hungarian Government, local governments, financial institutions, companies and mortgage banks with a registered seat or branch office in Hungary. The UL Fund may execute hedges to eliminate the currency risks inherent in instruments not denominated in HUF. The fund's main investment objective is to provide a portfolio which is suitable of sustaining the real value of the invested assets in the long term, i.e. to generate returns in excess of the inflation rate.

The assets in the Fund are actively managed (active investment strategy), and therefore the composition of the portfolio and the average remaining duration of investments may deviate – without restrictions – from the composition and duration of the reference index.

Investment in the fund is recommended to investors who primarily seek security and expect their investments to generate returns over the inflation in the long term.

Assets	Investment Limits	
	minimum	maximum
Securities denominated and HUF and in other currencies, issued by the Hungarian Government, local governments, financial institutions, companies and mortgage banks with a registered seat or branch office in Hungary.	70%	100%

Launch Date: November 25, 2016.
Reference Index: 100% MAX Composite Index
Recommended minimum investment period: at least 1-2 years
Expected Return: **
Capital / return guarantee: none
Capital / return guarantee: none

Risks Related to the Asset Fund

Regulatory Risk (Tax Regulations)	3	Concentration Risk	2
Commodity Risk	1	Liquidity Risk	2
Foreign Exchange Risk	1	Operational Risk	2
Securities Issuer Risk	2	Country, Economic and Political Risk	2
Real Estate Risk	1	Counterparty Risk	2
Interest Rate Risk	5	Equity Market Risk	1

1: insignificant/very low, 2: low, 3: medium, 4: high, 5: very high

2. Medium level UL Funds

Horizont 5+ Mixed Securities Fund

Accounting Currency: HUF
Risk Level: medium

Investment Policy

80% of the fund's assets are invested in bank deposits, Hungarian and foreign government securities, bonds issued by banks, mortgage banks and corporations; while 20% of the assets are invested in Hungarian and international equities, and exchange traded funds (ETFs). Target composition of equity securities: 15% developed market equities (USA, Western Europe, Japan), 5% emerging market equities (Africa, Asia, South America, CEE). To enhance the fund's performance, portfolio managers capitalize on movements of the FX market, while they may also execute foreign currency hedges to eliminate FX risks. The asset allocation of the fund is determined at market value, and the deviation from this strategic allocation (equities-bonds) may be no more than ± 20 percentage points on any one valuation dates.

The fund's investment objective is to generate a return suitable for preventing the drop of the investments' real value over the recommended minimum investment horizon through a well diversified mixed composition portfolio with a low exposure to equities, regularly adjusted in response to market expectations.

The fund's investment target location: global. The compositions of the portfolio is highly diversified; the increased focus on risks is coupled with active portfolio management. The selection of investment instruments is facilitated by analytic tools focusing mainly on the availability of ratings, return expectations, historic performance, transparency and the identification of short term drivers.

Investment in the fund is primarily recommended to investors with limited risk appetite, seeking a well diversified investment for a minimum investment period of 2-3 years.

Assets	Investment Limits	
	minimum	maximum
Bank deposits, Hungarian and foreign government securities, bonds issued by banks, mortgage banks and corporations	60%	100%
Hungarian and foreign equity securities, exchange traded funds (ETF)	0%	40%

Launch Date: November 25, 2016.
Reference Index: 80% MAX Composite Index,
 15% MSCI World Index,
 5% MSCI Daily Total Return Net Emerging Markets Index,
Recommended minimum investment period: at least 2-3 years
Expected Return: ***
Capital / return guarantee: none

Capital / return guarantee: none

Risks Related to the Asset Fund

Regulatory Risk (Tax Regulations)	2	Concentration Risk	4
Commodity Risk	1	Liquidity Risk	3
Foreign Exchange Risk	2	Operational Risk	2
Securities Issuer Risk	2	Country, Economic and Political Risk	2
Real Estate Risk	1	Counterparty Risk	2
Interest Rate Risk	4	Equity Market Risk	2

1: insignificant/very low, 2: low, 3: medium, 4: high, 5: very high

Horizont 10+ Mixed Securities Fund

Accounting Currency: HUF

Risk Level: medium

Investment Policy

60% of the fund's assets are invested in bank deposits, Hungarian and foreign government securities, bonds issued by banks, mortgage banks and corporations; while 40% of the assets are invested in Hungarian and international equities, and exchange traded funds (ETFs). Target composition of equity securities: 25% developed market equities (USA, Western Europe, Japan), 15% emerging market equities (Africa, Asia, South America, CEE). To enhance the fund's performance, portfolio managers capitalize on movements of the FX market, while they may also execute foreign currency hedges to eliminate FX risks. The asset allocation of the fund is determined at market value, and the deviation from this strategic allocation (equities-bonds) may be no more than ± 30 percentage points on any one valuation dates.

The fund's investment objective is to generate a return exceeding the inflation rate over the recommended minimum investment horizon, through a well diversified mixed composition portfolio of medium degree of risks consistent with the minimum investment period, regularly adjusted in line with market expectations.

The fund's investment target location: global. The compositions of the portfolio is highly diversified; the increased focus on risks is coupled with active portfolio management. The selection of investment instruments is facilitated by analytic tools focusing mainly on the availability of ratings, return expectations, historic performance, transparency and the identification of short and long term drivers.

Investment in the fund is primarily recommended to investors with a limited risk appetite, seeking a well diversified investment for a minimum investment period of 3-5 years.

Assets	Investment Limits	
	minimum	maximum
Bank deposits, Hungarian and foreign government securities, bonds issued by banks, mortgage banks and corporations	30%	90%
Hungarian and foreign equity securities, exchange traded funds (ETF)	10%	70%

Launch Date: November 25, 2016.

Reference Index: 60% MAX Composite Index,
25% MSCI World Index,
15% MSCI Daily Total Return Net Emerging Markets Index,

Recommended minimum investment period: at least 3-5 years

Expected Return: ****

Capital / return guarantee: none

Capital / return guarantee: none

Risks Related to the Asset Fund

Regulatory Risk (Tax Regulations)	2	Concentration Risk	3
Commodity Risk	1	Liquidity Risk	3
Foreign Exchange Risk	3	Operational Risk	2
Securities Issuer Risk	3	Country, Economic and Political Risk	3
Real Estate Risk	1	Counterparty Risk	3
Interest Rate Risk	3	Equity Market Risk	3

1: insignificant/very low, 2: low, 3: medium, 4: high, 5: very high

Világjáró Fixed Income Fund

Accounting Currency: HUF

Risk Level: medium

Investment Policy

The fund invests in securities offered on the global fixed income markets with attractive return prospects, including global treasury bonds of developed and emerging markets, bonds issued by Hungarian and foreign credit institutions, and also corporate bonds with higher yields. The UL Fund may execute hedges to eliminate the currency risks inherent in instruments not denominated in HUF. The Fund is designed to reduce risks inherent in investments of higher returns by allocating assets into a highly diversified portfolio. Therefore, the investment strategy of the UL Fund highly relies on the optimal selection of geographical, industry and sectoral allocation. The fund's main investment objective is to provide a portfolio which is suitable of generating returns in excess of the yields of developed market bonds in the long term.

The assets in the Fund are actively managed (active investment strategy), and therefore the composition of the portfolio and the average remaining duration of investments may deviate – without restrictions – from the composition and duration of the reference index.

Due to its composition and main features, investment in the fund is recommended to investors seeking an investment opportunity of medium level risk, with a well diversified portfolio offering attractive investment prospects.

Assets	Investment Limits	
	minimum	maximum
Hungarian and foreign government securities, bonds issued by banks, mortgage banks and corporations, exchange traded funds (ETF)	70%	100%

Launch Date: November 25, 2016.

Reference Index: 20% FTSE MTS Eurozone Government Bond 3-5Y
20% JPM Government Bond Index Emerging Markets Global Core,
20% Markit iBoxx EUR Liquid High Yield Index,
20% iBoxx USD Liquid High Yield Index,
20 % RMAX Index

Recommended minimum investment period: at least 3-4 years

Expected Return: ****

Capital / return guarantee: none

Capital / return guarantee: none

Risks Related to the Asset Fund

Regulatory Risk (Tax Regulations)	3	Concentration Risk	2
Commodity Risk	1	Liquidity Risk	3
Foreign Exchange Risk	3	Operational Risk	2
Securities Issuer Risk	3	Country, Economic and Political Risk	2
Real Estate Risk	1	Counterparty Risk	2
Interest Rate Risk	5	Equity Market Risk	1

1: insignificant/very low, 2: low, 3: medium, 4: high, 5: very high

Tallózó Absolute Return Fund

Accounting Currency: HUF

Risk Level: medium

Investment Policy

The fund seeks to provide extra return to the investors with minimal fluctuations, gradually building the portfolio, outperforming the risk free benchmark. According to its investment strategy, the fund actively swaps between risk levels in response to market trends, with its primary feature being its flexibility. The fund initially invests in Hungarian government securities with short maturities while seeking suitable investment targets. Exposure to risky assets may be 0-25%, depending on the decision of the portfolio managers. The fund's investment target is global, composed mainly of liquid domestic government securities with a lower proportion of international equities, with some commodity market exposures. To enhance the fund's performance, portfolio managers also capitalize on movements of the FX market. The fund seeks to provide a positive return under all circumstances, but in equity markets it can only open bid positions, so the fund's performance is highly impacted by the current capital market sentiment.

The portfolio is highly diversified with moderate transaction sizes in comparison to the fund's total assets. Intensive focus on risk levels is coupled with active portfolio management aimed at minimizing losses. To generate the highest possible returns on investment targets chosen with utmost care and diligence, portfolio managers use analytic tools focusing mainly on the availability of ratings, return expectations, historic performance, transparency and short term drivers.

The fund is suitable for investors with a moderate risk profile seeking returns higher than those generated by risk-free investments.

Assets	Investment Limits	
	minimum	maximum
Bank deposits, Hungarian and foreign government securities, bonds issued by banks, mortgage banks and corporations, exchange traded funds (ETF), Hungarian and international equities, exchange traded funds, commodity market instruments	0%	100%

Launch Date: November 25, 2016.
Reference Index: 100% RMAX Index
Recommended minimum investment period: at least 2-3 years
Expected Return: ***
Capital / return guarantee: none
Capital / return guarantee: none

Risks Related to the Asset Fund

Regulatory Risk (Tax Regulations)	2	Concentration Risk	3
Commodity Risk	3	Liquidity Risk	3
Foreign Exchange Risk	3	Operational Risk	2
Securities Issuer Risk	3	Country, Economic and Political Risk	3
Real Estate Risk	1	Counterparty Risk	3
Interest Rate Risk	3	Equity Market Risk	3

1: insignificant/very low, 2: low, 3: medium, 4: high, 5: very high

3. High risk UL Funds

Horizont 15+ Mixed Securities Fund

Accounting Currency: HUF
Risk Level: high

Investment Policy

40% of the fund's assets are invested in bank deposits, Hungarian and foreign government securities, bonds issued by banks, mortgage banks and corporations; while 60% of the assets are invested in Hungarian and international equities, and exchange traded funds (ETFs). Target composition of equity securities: 40% developed market equities (USA, Western Europe, Japan), 20% emerging market equities (Africa, Asia, South America, CEE). To enhance the fund's performance, portfolio managers capitalize on movements of the FX market, while they may also execute foreign currency hedges to eliminate FX risks. The asset allocation of the fund is determined at market value, and the deviation from this strategic allocation (equities-bonds) may be no more than ± 40 percentage points on any one valuation dates.

The fund's investment objective is to generate a return well exceeding the inflation rate over the recommended minimum investment horizon, through a well diversified mixed composition portfolio with high equity exposure, regularly adjusted in line with market expectations.

The fund's investment target location: global. The compositions of the portfolio is highly diversified; the increased focus on risks is coupled with active portfolio management. The selection of investment instruments is facilitated by analytic tools focusing mainly on the availability of ratings, return expectations, historic performance, transparency and the identification of short and long term drivers.

Investment in the fund is primarily recommended to investors with a high risk profile, seeking a well diversified investment for a minimum investment horizon of 5-7 years.

Assets	Investment Limits	
	minimum	maximum
Bank deposits, Hungarian and foreign government securities, bonds issued by banks, mortgage banks and corporations	0%	80%
Hungarian and foreign equity securities, exchange traded funds (ETF)	20%	100%

Launch Date: November 25, 2016.
Reference Index: 40% MAX Composite Index,
 40% MSCI World Index,
 20% MSCI Daily Total Return Net Emerging Markets Index,
Recommended minimum investment period: at least 5-7 years
Expected Return: *****
Capital / return guarantee: none
Capital / return guarantee: none

Risks Related to the Asset Fund

Regulatory Risk (Tax Regulations)	2	Concentration Risk	3
Commodity Risk	1	Liquidity Risk	4
Foreign Exchange Risk	5	Operational Risk	2
Securities Issuer Risk	3	Country, Economic and Political Risk	4
Real Estate Risk	1	Counterparty Risk	3
Interest Rate Risk	3	Equity Market Risk	5

1: insignificant/very low, 2: low, 3: medium, 4: high, 5: very high

Hungarian Equities Fund

Accounting Currency: HUF
Risk Level: high

Investment Policy

At least 70% of the assets of the fund are invested equity securities listed in the Budapest Stock Exchange, with growth potentials in the longer term. In addition to the blue chips included in the BUX, the dominant stock market index, the fund may also invest - not dominantly - in equities with lower capitalization, not yet included in the index. The fund's investment objective is to provide income from the value growth of companies operating in Hungary, which is consistent with the associated risk. The fund was launched to capitalize on long term, positive, rising tendencies of the stock market. The assets in the Fund are actively managed (active investment strategy), and therefore the equity composition of the portfolio may deviate – without restrictions – from that of the reference index.

Investment in the fund is primarily recommended for investors who are comfortable with assuming risks associated with higher expected returns and can tolerate for the volatility of the value of their investment.

Assets	Investment Limits	
	minimum	maximum
Bank deposits, Hungarian and foreign government securities, bonds issued by banks, mortgage banks and corporations	0%	30%
Equity securities listed on the Budapest Stock Exchange, exchange traded funds (ETF)	70%	100%

Launch Date: November 25, 2016.
Reference Index: 80% BUX Index,
20 % RMAX Index
Recommended minimum investment period: at least 3-5 years
Expected Return: *****
Capital / return guarantee: none
Capital / return guarantee: none

Risks Related to the Asset Fund

Regulatory Risk (Tax Regulations)	3	Concentration Risk	3
Commodity Risk	1	Liquidity Risk	3
Foreign Exchange Risk	2	Operational Risk	2
Securities Issuer Risk	3	Country, Economic and Political Risk	3
Real Estate Risk	1	Counterparty Risk	3
Interest Rate Risk	2	Equity Market Risk	5

1: insignificant/very low, 2: low, 3: medium, 4: high, 5: very high

Developed World Equities Fund

Accounting Currency: HUF
Risk Level: high

Investment Policy

At least 70% of the fund's assets are invested in equities listed on stock exchanges of global developed markets. Therefore, a higher proportion of the Fund's investments is made up of instruments which are more typical to follow the performance of the real economy, and are more likely to deliver a higher real return in the long term. The fund's investment objective is to provide income from the value growth of companies

operating in the developed countries of the world, consistent with the associated risk. The fund primarily invests in the dominant stock markets of the USA, Japan, the UK, France and Germany. The Fund is designed to reduce risks inherent in investments of higher returns by allocating assets into a highly diversified portfolio. Therefore, the investment strategy of the UL Fund highly relies on the optimal specification of industrial, geographical and sectoral allocation. To enhance the fund's performance, portfolio managers capitalize on fluctuations of the FX market, while they may also execute foreign currency hedges to mitigate FX risks. The assets in the Fund are actively managed (active investment strategy), and therefore the equity composition of the portfolio may deviate – without restrictions – from that of the reference index. Investment in the fund is primarily recommended for investors who are comfortable with assuming risks associated with higher expected returns and can tolerate for the volatility of the value of their investment.

Assets	Investment Limits	
	minimum	maximum
Bank deposits, Hungarian and foreign government securities, bonds issued by banks, mortgage banks and corporations	0%	30%
Equities listed in stock exchanges of global, developed markets, exchange traded funds (ETF)	70%	100%

Launch Date: November 25, 2016.
Reference Index: 80% MSCI World Index,
20 % RMAX Index
Recommended minimum investment period: at least 3-5 years
Expected Return: *****
Capital / return guarantee: none
Capital / return guarantee: none

Risks Related to the Asset Fund

Regulatory Risk (Tax Regulations)	3	Concentration Risk	3
Commodity Risk	1	Liquidity Risk	3
Foreign Exchange Risk	5	Operational Risk	2
Securities Issuer Risk	3	Country, Economic and Political Risk	3
Real Estate Risk	1	Counterparty Risk	3
Interest Rate Risk	2	Equity Market Risk	5

1: insignificant/very low, 2: low, 3: medium, 4: high, 5: very high

Emerging World Equities Fund

Accounting Currency: HUF
Risk Level: high

Investment Policy

At least 70% of the fund's assets are invested in equities listed on stock exchanges of global developing and emerging markets. Therefore, a higher proportion of the Fund's investments is made up of instruments which are more typical to follow the performance of the real economy, and are more likely to deliver a higher real return in the long term. The fund's investment objective is to provide income from the value growth of companies operating in developing and emerging countries of the world, consistent with the associated risk. Investment targets of the fund include: the emerging stock markets of Africa, Asia, CEE, and Latin America. The Fund is designed to reduce risks inherent in investments of higher returns by allocating assets into a highly diversified portfolio. Therefore, the investment strategy of the UL Fund highly relies on the optimal specification of industrial, geographical and sectoral allocation. To enhance the fund's performance, portfolio managers capitalize on fluctuations of the FX market, while they may also execute foreign currency hedges to mitigate FX risks. The assets in the Fund are actively managed (active investment strategy), and therefore the equity composition of the portfolio may deviate – without restrictions – from that of the reference index. Investment in the fund is primarily recommended for investors who are comfortable with assuming risks associated with higher expected returns and can tolerate for the volatility of the value of their investment.

Assets	Investment Limits	
	minimum	maximum
bank deposits, Hungarian and foreign government securities, bonds issued by banks, mortgage banks and corporations	0%	30%
equities listed in stock exchanges of global developing and emerging markets, exchange traded funds (ETF)	70%	100%

Launch Date: November 25, 2016.
Reference Index: 80% MSCI Daily Total Return Net Emerging Markets Index,

Recommended minimum investment period: 20 % RMAX Index
 at least 5-7 years
Expected Return: *****
Capital / return guarantee: none
Capital / return guarantee: none

Risks Related to the Asset Fund

Regulatory Risk (Tax Regulations)	3	Concentration Risk	3
Commodity Risk	1	Liquidity Risk	3
Foreign Exchange Risk	5	Operational Risk	2
Securities Issuer Risk	3	Country, Economic and Political Risk	3
Real Estate Risk	1	Counterparty Risk	3
Interest Rate Risk	3	Equity Market Risk	5

1: insignificant/very low, 2: low, 3: medium, 4: high, 5: very high

Global Brands Equities Fund

Accounting Currency: HUF
Risk Level: high

Investment Policy

At least 70% of the fund's assets are invested in securities issued by companies who globally produce and distribute consumer goods. Corporations offering innovative solutions and up-market products can continuously profit from the growth of world economy and the expansion of global consumption. The fund's investment strategy attaches utmost importance to the selection of suitable investment targets: the portfolio is composed of the equities of corporations with a significant pricing power, strong brand identity, reliable management, and valuable intellectual property. The fund was launched to capitalize on positive rising tendencies of the stock markets. To enhance the fund's performance, portfolio managers capitalize on fluctuations of the FX market, while they may also execute foreign currency hedges to mitigate FX risks. The assets in the Fund are actively managed (active investment strategy), and therefore the equity composition of the portfolio may deviate – without restrictions – from that of the reference index.

Investment in the fund is primarily recommended for investors who are comfortable with assuming risks associated with higher expected returns and can tolerate for the volatility of the value of their investment.

Assets	Investment Limits	
	minimum	maximum
Bank deposits, Hungarian and foreign government securities, bonds issued by banks, mortgage banks and corporations	0%	30%
Foreign listed equity securities, exchange traded funds (ETF)	70%	100%

Launch Date: November 25, 2016.
Reference Index: 40% MSCI Daily TR World Consumer Staples Index,
 40% MSCI Daily TR World Net Consumer Discretionary Index,
 20 % RMAX Index
Recommended minimum investment period: at least 3-5 years
Expected Return: *****
Capital / return guarantee: none
Capital / return guarantee: none

Risks Related to the Asset Fund

Regulatory Risk (Tax Regulations)	3	Concentration Risk	4
Commodity Risk	1	Liquidity Risk	3
Foreign Exchange Risk	5	Operational Risk	2
Securities Issuer Risk	3	Country, Economic and Political Risk	3
Real Estate Risk	1	Counterparty Risk	3
Interest Rate Risk	2	Equity Market Risk	5

1: insignificant/very low, 2: low, 3: medium, 4: high, 5: very high

This Schedule is an integral part of the policy conditions of Aktív Megtakarítás (*Active Savings*) Unit-Linked Life Insurance with single premium payment (U65EV).