

## **Generali MyLife Extra**

Whole Life Unit-linked Insurance with Regular Premium Payment  
- Special Conditions (U67/2018)

**Effective from: October 27, 2018**

---

# Contents

---

Special Terms and Conditions of Generali MyLife Extra whole life unit-linked insurance with regular premium payment (U67/2018).....	3
I. Key Features.....	3
II. Insured Event .....	3
III. Insurance Benefits.....	3
III.1 Death Benefit .....	3
III.2. Investment Services.....	3
IV. MyLife Extra Loyalty Credit, Wealth Proportionate Bonus and Premium Proportionate Bonus .....	3
IV.1. MyLife Extra Loyalty Credit .....	3
IV.2. Wealth Proportionate Bonus .....	4
IV.3. Premium Proportionate Bonus .....	4
IV.4. Common Rules of MyLife Extra Loyalty Credit, Wealth Proportionate Bonus and Premium Proportionate Bonus .....	4
V. Annual Indexation, Increase and Decrease of the Sums Insured and the Premium Invested stated in the Insurance Policy .....	4
VI. Policy Costs and Charges .....	4
VII. Transactions.....	4
VII.1. Conversion.....	4
VII.2. Redirection.....	5
VII.3. Partial Surrender .....	5
VII.4. Regular Cash Withdrawal .....	5
VIII. Book Transfer, Suspension of Regular Premium Payment, Paid-up Policy, Policy Loan .....	5
VIII.1. Book Transfer .....	4
VIII.2. Suspension of Regular Premium Payment .....	5
VIII.3. Paid-up Policy .....	5
VIII.4. Policy Loan .....	5
IX. Procedure Applied if Premiums are Not Paid .....	5
X. Policy Surrender.....	5
Schedule No. I – Indicative Terms and Conditions .....	6
Schedule No. II – Information on the Total Expense Ratio (TER).....	8
Schedule No. III – List of eligible unit-linked funds, their composition and investment principles .....	10

---

# Special Terms and Conditions

of Generali MyLife Extra whole life unit-linked insurance with regular premium payment (U67/2018)

---

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 underlying policy shall be governed by the general terms and conditions of unit-linked life insurance of Generali Biztosító Zrt (hereinafter: general conditions). In the event of discrepancy between the general terms and conditions and the special conditions of the underlying policy, the special conditions of the underlying policy shall prevail. All matters not regulated by the special conditions of the underlying policy or by the general conditions (hereinafter jointly referred to as: policy conditions) will be governed by the provisions of the Hungarian Civil Code or the provisions of other effective Hungarian legislation mutatis mutandis.

## I. Key Features

**I.1. Generali MyLife Extra life insurance is a whole life, unit-linked insurance product with regular premium payment, consisting of a whole life savings plan with an initial savings period as stated on the insurance application.**

**The initial savings period shall be the period decided by the policyholder and expressed in years, during which the insurance company shall apply the surrender fee specified in the Indicative Terms and Conditions and which also determines the number of loyalty periods for the MyLife Extra loyalty credit.**

**The initial savings period may not be modified after the inception of the insurance policy.**

**After the end of the initial savings period, the insurance policy shall remain in force and the savings plan may continue.**

**I.2. The policyholder shall pay the insurance premium - both regular and top-up premiums - in Hungarian Forints.**

**The insurance company shall buy investment units from the insurance premium paid by the policyholder. Investment units are recorded, and costs incurred as well as risk premiums are deducted throughout the entire policy term in Hungarian forints; sums insured are also specified in HUF.**

**I.3. Insurance benefits and proceeds are paid out in HUF.**

## II. Insured Event

For the purposes of life insurance policies concluded pursuant to these special conditions of the underlying policy (hereinafter: insurance policy), **insured event means:**

- **the insured's death** while the insurance policy is in force.

## III. Insurance Benefits

### III.1 Death benefit

Under an insurance policy concluded pursuant to these special conditions of the underlying 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
- if the insured dies before the 5<sup>th</sup> policy anniversary, twice the amount of the agreed annual premium invested, and if the insured dies after the 5<sup>th</sup> policy year, a sum insured of HUF 100 000. This insurance coverage is offered by the insurance company with no risk premium charged.

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.

### III.2. 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 underlying policy (hereinafter: Prospectus of UL Funds).

---

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

## IV. MyLife Extra Loyalty Credit, Wealth Proportionate Bonus and Premium Proportionate Bonus

### IV.1. MyLife Extra loyalty credit

The insurance company divides the first 20 years of the insurance policy into four loyalty periods:

- first loyalty period:  
policy years 1-5
- second loyalty period:  
policy years 6-10
- third loyalty period:  
policy years 11-15
- fourth loyalty period:  
policy years 16-20.

After the end of each loyalty period, the insurance company shall deposit the MyLife Extra Loyalty Credit on the policyholder's account in accordance with the provisions set forth in Clause IV.1.1.

**The policyholder is only entitled to the MyLife Extra loyalty credit at the end of entire loyalty periods (5<sup>th</sup>, 10<sup>th</sup>, 15<sup>th</sup> and 20<sup>th</sup> insurance anniversaries) which fall within the initial savings period.**

#### IV.1.1.. Depositing the MyLife Extra loyalty credit

IV.1.1.1. At the end of the 5<sup>th</sup>, 10<sup>th</sup>, 15<sup>th</sup>, and 20<sup>th</sup> policy years, the insurance company deposits the MyLife Extra Loyalty Credit on the policyholder's account in one sum as a top-up premium, subject to the provision set forth in Clause IV.1.2. of the special conditions of the underlying policy, provided that the initial savings period agreed by the policyholder at the time when the policy is concluded is not shorter than the expiry of the given loyalty period.

The insurance company will determine the amount of the MyLife Extra loyalty credit by dividing the total of annual amounts of regular premium invested during the years of the particular loyalty period – subject to the provision set forth in Clause IV.1.2. of the special conditions of the underlying policy – by the number of years in the loyalty period, and by multiplying it with the percentage specified in the Indicative Terms and Conditions.

IV.1.1.2. The insurance company will deposit on the policyholder's account top-up premiums converted from the MyLife Extra loyalty credit at a price valid as of the calendar day preceding the 5<sup>th</sup>, 10<sup>th</sup>, 15<sup>th</sup>, and 20<sup>th</sup> policy renewal date, subject to the current distribution proportion applicable to regular premium payments.

#### IV.1.2. Events resulting in the limitation of MyLife loyalty credit, or the reduction of its amount

IV.1.2.1. If the end of any loyalty period falls outside the **initial savings period, the insurance company will not pay a loyalty credit at the end of that particular loyalty period.**

IV.1.2.2. The policyholder is not eligible for the MyLife Extra loyalty credit if the policy is a **paid-up policy** (within the meaning of Clause IX.3 of the general conditions) **as of the calendar day preceding the policy renewal dates** (5<sup>th</sup>, 10<sup>th</sup>, 15<sup>th</sup>, and 20<sup>th</sup> policy anniversaries) **specified in Clause IV.1.1.** Premium payment is waived on an insurance policy until all the missed and due regular premiums are paid also as a condition for reinstating regular premium payment. **If regular premium payment is reinstated at a later date after the policy anniversary date specified for the loyalty credit, the policyholder will not be eligible for an ex post loyalty credit with respect to the loyalty period preceding the policy anniversary.**

IV.1.2.3. The policyholder will no longer be eligible for the MyLife Extra loyalty credit **within the particular loyalty period** if a **partial surrender** or **regular cash withdrawal** is executed within the particular loyalty period, from investment units purchased from **regular premium payments.**

IV.1.2.4. When determining the basis of the MyLife Extra loyalty credit, **the portion of the premium invested during a period of premium payment suspension or a waiver of premium applied shall be taken into account with a HUF 0 value.** Depending on the duration of the suspension or of the waiver of premium, the amount of the MyLife Extra loyalty credit payable at the end of the loyalty period may be substantially lower.

### IV.2. Wealth proportionate bonus

**Following the end of the 20<sup>th</sup> policy year, at the end of the 21<sup>st</sup> and every subsequent policy year,** the insurance company **pays a wealth proportionate bonus to the policyholder's account** using the price valid on the day preceding the respective policy renewal date. The wealth proportionate bonus is paid as a top-up premium and its rate is specified in the Indicative Terms and Conditions.

Top-up payment is distributed among the UL Funds in accordance with the allocation proportion valid and applicable to regular premiums.

The basis of the wealth proportionate bonus is the mathematical mean of the balance of the value of investment units converted from regular premiums on the policyholder's account, before wealth proportionate cost is deducted, at the end of each month within the particular policy year. The encashment value of investment units at the end of

---

each month is determined using the price valid as of the last day of the calendar month.

When determining the basis of the wealth proportionate bonus, each month of a period when regular premium payment is suspended on the policy, or while the policy is paid-up or a waiver of premium is applied on it, shall be taken into account with a HUF 0 encashment value.

#### **IV.3. Premium proportionate bonus**

At the time when the **regular premium is paid by the policyholder**, the insurance company will credit a premium proportionate bonus in the form of investment units deriving from regular premiums on the policyholder's account if the **regular premiums paid by the policyholder in the particular policy year** amount to at least the extent determined in the Indicative Terms and Conditions.

The extent of the premium proportionate bonus shall depend on the total of regular premiums stated in the last effective certificate of coverage as the annual payable premiums, and shall be shown as a percentage in the Indicative Terms and Conditions.

##### **IV.3.1. Payment of the premium proportionate bonus**

The insurance company will pay the premium proportionate bonus using the fund prices valid as of the day when the regular premium is settled, in accordance with the distribution instruction applicable to the regular premium.

##### **IV.3.2. Review of the premium proportionate bonus**

On the last workday before the insurance anniversary, the insurance company will review the total of regular premiums actually paid on the insurance policy in the particular policy year, and will determine which of the premium ranges stated in the Indicative Terms and Conditions does the policy belong to. If the premium proportionate bonus payable in respect of the premium range determined differs from the amount of the premium proportionate bonus actually credited in the policy year, the insurance company shall account for the difference, whether positive or negative, towards the policyholder no later than within 30 days.

The difference determined during the annual review provided for in this clause shall be accounted for by the insurance company in the policyholder's account in one sum as investment units converted from regular premiums, using the fund prices valid as of the last workday before the insurance anniversary.

#### **IV.4. Common rules of MyLife Extra loyalty credit, wealth proportionate bonus and premium proportionate bonus**

All top-up premiums previously paid on the policy as MyLife Extra loyalty credits and as wealth proportionate bonuses are included in the encashment value of the policy, and the **policyholder may cash them in any time through a partial surrender or a policy surrender**.

Investment units converted from the premium proportionate bonus credited as a regular premium shall be included in the encashment value of the policy, **and the premium proportionate bonus credited as a regular premium may be partially surrendered or fully surrendered in accordance with Clause VII.3 and Clause X. of the special conditions of this underlying insurance, respectively**.

#### **V. Annual indexation, increase and decrease of the portion of the premium invested and sums insured, adding new riders to the insurance policy**

In order to preserve the value of the portion of the premium invested and of the sums insured, such amounts are increased upon each policy renewal date under the annual indexation procedure according to the indexation rate of the selected UL Fund. During the policy term, the policyholder may request that this base indexation rate be modified to the indexation rate recommended by the insurance company.

Pursuant to Clause VI of the general conditions, the policyholder may request during the policy term that the sums insured - applicable to insurance riders added to this main policy - specified in the policy, as well as the portion of the premium invested shall be automatically increased annually, or that the sum insured shall be increased, and new insurance riders shall be added to the policy.

**The sums insured specified on the insurance policy may be reduced and insurance riders may be canceled after 3 policy years, provided that all due premiums have been paid** (Clause IV.2.2 of the general conditions).

**The portion of the premium invested may be reduced after 3 (three) policy years, provided that all due premiums have been paid** (Clause VI.1.2. of the general conditions).

#### **VI. 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.**

**During the initial savings period specified in Clause I.1 of the special conditions of this underlying**

---

**insurance, the insurance company shall charge a surrender fee stated in the Indicative Terms and Conditions.**

## **VII. Transactions**

### **VII.1. Conversion**

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

### **VII.2. Redirection**

Pursuant to Clause VIII.2. of the general conditions, the policyholder may apply for a redirection of regular premiums into unit-linked funds specified in the effective Prospectus of UL Funds.

### **VII.3. Partial surrender**

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

### **VII.4. 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.

## **VIII. Book Transfer, Suspension of Regular Premium Payment, Paid-up Policy, Policy Loan**

### **VIII.1. Book transfer**

Pursuant to Clause IX.1 of the general conditions, the policyholder may request that the regular premium of the insurance policy be settled by a book transfer from investment units purchased from top-up premiums.

Upon the execution of the book transfer, the insurance company will charge the distribution cost applicable to regular premiums as of the due date of the particular premium installment.

If the regular premium payment is not paid, the insurance company is entitled to execute an automatic book transfer of premiums without it being requested by the policyholder, in accordance with Clause IX.2. of the special conditions of the main policy.

### **VIII.2. Suspension of regular premium payment**

Pursuant to Clause IX.2. of the general conditions, the **policyholder may request the suspension of regular premium payment after 3 policy years**, provided that all due premiums have been paid on the insurance policy.

The suspension of regular premium payment may be requested for a **period of maximum 24 months in every 10 consecutive policy years** following the technical commencement of the insurance policy.

The policyholder may request that regular premium payment be reinstated any time during the suspension of premium payment, and shall not be required to pay any premiums unpaid during the term of suspension.

**Notwithstanding the provisions in Clause IX.2.1 of the general conditions, no top-up premiums may be paid on this underlying insurance as long as premium payment is suspended on the policy.**

### **VIII.3. Paid-up policy**

Notwithstanding the provisions in Clause IX.3.1 of the general conditions, **the policyholder may not request that the policy be paid-up.**

**If the premium of the insurance policy is not paid, the insurance company is entitled to apply a waiver of premium on the policy.**

### **VIII.4. Policy loan**

Pursuant to Clause IX.5. of the general conditions, the insurance company may grant a loan on the investment units converted from regular premiums and top-up premiums.

## **IX. 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.

### **IX.1. If the first due insurance premium is not paid on the policy, and as a result the insurance coverage does not take effect (pursuant to Clause II.3.1 of the general conditions), the insurance policy will be cancelled with retroactive effect to the due date of the first regular premium.**

**If the payment made on the policy was less than the first due regular premium, the insurance company is**

---

**required to refund it.**

- IX.2. If the insurance policy **has investment units purchased from top-up premiums corresponding to the value of at least two months worth of regular premiums and the first regular premium was duly settled**, the insurance company will execute a book transfer – up to the total of missed regular premiums – from the top-up premiums on the policyholder’s account into regular premiums in accordance with Clause IX.1. of the general conditions.
- IX.3. **If the insurance policy does not have enough investment units from top-up premiums to cover at least two months’ worth of regular premiums, but the first due regular premium has been paid on the policy, the insurance company will proceed as follows:**
- **if regular insurance premiums have not yet been paid for the first 3 policy years**, the insurance company converts the policy into a paid-up policy;
  - **if regular insurance premiums have been paid for the first 3 policy years**, the insurance company suspends premium payment on the policy indefinitely.

## **X. Policy Surrender**

Subject to the insured’s written consent, the policyholder may cancel the insurance policy in accordance with Clause IX.4 of the general conditions and request payment of the policy’s cash surrender value after the first regular premium has been duly paid.

The cash surrender value of investment units converted from regular premiums shall be the encashment value of investment units less the surrender fee and any unrecognized costs and charges.

---

The effective date of these special conditions of the main policy will be: October 27, 2018.

# Indicative Terms and Conditions

applicable to Generali MyLife Extra whole life, unit-linked insurance with regular premium payment (U67)

## Schedule No. I

**Effective from: October 27, 2018 until repealed**

This list will contain the premiums, charges, fees and other terms defined in the special conditions of Generali MyLife Extra whole life unit-linked insurance with regular premium payment, valid at the time when the insurance policy is concluded and fixed for the whole term of such insurance, or allowed to be modified only once a year.

### I. Risk premiums

The risk premiums are determined and deducted from the policyholder's account pursuant to Clause V of the general conditions.

The insurance company **may modify the risk premiums** during the policy term in accordance with the applicable provisions of the general conditions

Base rates applicable to risk premiums are set out in the special conditions of insurance riders.

### II. Premium collection cost

The premium collection cost is determined and deducted from the policyholder's account pursuant to Clause IV.3.3 of the general conditions.

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

**Premium collection cost:**

Payment period	Method of Payment		
	Payment collection order	Wire transfer	Cheque
Annual	HUF 0/month	HUF 0/month	HUF 30/month
Semiannual	HUF 0/month	HUF 0/month	HUF 60/month
Quarterly	HUF 0/month	HUF 0/month	HUF 120/month
Monthly	HUF 0/month	HUF 0/month	HUF 350/month

The insurance company does not charge any premium collection cost on paid-up policies, policies with suspended premium payment or when a waiver of premium is applied.

### III. 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.

#### III.1. Distribution cost

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

##### III.1.1. Distribution cost rate applicable to regular premiums:

Due date of insurance premium	the distribution cost rate as a percentage of the portion of the premium invested
1 <sup>st</sup> policy year	67%
2 <sup>nd</sup> policy year	37%
from the 3 <sup>rd</sup> policy year until the end of the 15 <sup>th</sup> policy year	7%

---

from the 16 <sup>th</sup> policy year	0%
---------------------------------------	----

---

Pursuant to Clause IX.1.2 of the general conditions, the insurance company charges a distribution cost applicable to regular premiums as of the due date of the particular premium installment for the automatic book transfers performed (book transfer cost).

III.1.2. **Distribution cost rate applicable to top-up premiums:** 1%

### III.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.

<b>Current annual portion of the premium invested</b>	<b>Monthly administration fee</b>
HUF 240 000 or higher	HUF 400
HUF 180 000 – HUF 239 999	HUF 300
under HUF 180 000	HUF 200
conversion to paid-up policy, suspension of premium payment, activation of a waiver of premium	HUF 200

---

### III.3. Wealth proportionate cost

**The wealth proportionate cost may not be modified** 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.

The insurance company does not claim the wealth proportionate cost related to investment units converted from regular premiums in the first 3 policy years.

## IV. Transaction Costs

The insurance company will calculate and deduct the costs of conversions, redirection, 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.

IV.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.

IV.2. **Redirection fee:** HUF 250, which the insurance company will not deduct while these Indicative Terms and Conditions are in force.

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

If the initial savings period is longer than 10 years, the first partial surrender initiated after the 6<sup>th</sup> policy year, and requested to be deducted only from top-up premiums will be free of charge in each policy year.

IV.4. **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.

## V. Other Costs

V.1. **Policy issue cost:** HUF 8 000

If the policyholder cancels the insurance policy for cause with a 30-day notice period, 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. The policy issue cost is a one-time cost.

V.2. **Surrender fee:** a fee charged until the end of the initial savings period, but only until the 20<sup>th</sup> policy anniversary, corresponding to 7% of regular invested premiums due and paid until the end of the surrender date, the maximum of which shall be one and a half times the regular invested premiums in the first year.

V.3. **Cost of Account statement:** 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.

V.4. **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.5.4 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.

## VI. Costs associated with UL Funds (Clause III.1.2.5 of the general conditions)

**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.

### VI.1. Portfolio management fee

UL Fund	Portfolio management fee
Money Market 2016 Fund	0.05%
Hungarian Fixed Income Fund	0.10%
Világjáró Fixed Income Fund, Horizont 5+ Mixed Securities Fund	0.20%
Tallózó Absolute Return Fund, Horizont 10+ Mixed Securities Fund	0.30%
Horizont 15+ Mixed Securities Fund	0.40%
Hungarian Equities Fund	0.50%
Emerging World Equities Fund, Developed World Equities Fund, Global Brands Equities Fund	0.80%

### VI.2. Custodian fee

For all UL funds: 0.05%

### VI.3. Commission on securities trading

Fees charged on sales transactions of securities within the UL Fund cannot be determined in advance because they depend on the type of securities, the market and the number of transactions executed.

## VII. MyLife Extra loyalty credit, wealth proportionate bonus and premium proportionate bonus (Clause IV of these special conditions)

### VII.1. MyLife Extra Loyalty Credit

Loyalty period (policy years)	Date of gaining eligibility	% of loyalty credit
1-5	5 <sup>th</sup> policy anniversary	15%
6-10	10 <sup>th</sup> policy anniversary	15%
11-15	15 <sup>th</sup> policy anniversary	15%
16-20	20 <sup>th</sup> policy anniversary	15%

The loyalty credit will be paid as a top-up premium at the price valid as of the calendar day preceding the date when eligibility was obtained.

Determining the amount of the MyLife Extra loyalty credit:

the total of annual portions of the premium invested during the loyalty period (subject to Clause IV.1.2 of the special conditions of this underlying policy) / years in the loyalty period (number of policy years) \* the rate of the loyalty credit stated in the Indicative Terms and Conditions.

For instance: during a loyalty period of 5 years, if the annual portion of the premiums invested is HUF 300 000 and it does not change any time during the loyalty period, and no event entailing a limitation of the MyLife Extra loyalty credit or the reduction of its amount has occurred, the amount of the loyalty credit shall be:  $(300\,000 * 5) / 5 * 15\% = \text{HUF } 45\,000$ .

**The events resulting in the limitation of MyLife Extra loyalty credit, or the reduction of its amount are specified in Clause IV.1.2 of the special conditions of the underlying insurance. Please, read them carefully.**

### VIII.2. Wealth Proportionate Bonus

The wealth proportionate bonus, deposited annually, is offered from the 21<sup>st</sup> policy year.

**Rate of the wealth proportionate bonus:** 0.5%

### VII.3. Premium Proportionate Bonus

	Regular premium paid in the policy year	Wealth proportionate bonus
Premium range 1	under HUF 240 000	0%
Premium range 2	HUF 240 000 – HUF 299 999	2%
Premium range 3	over HUF 299 999	4%

## VIII. Miscellaneous Conditions

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

VIII.2. **Minimum top-up premium:** HUF 10 000

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

VIII.4. The **minimum cash surrender value** of investment units converted **from regular premiums** after investment units converted from the regular premium have been **cash in upon a partial surrender or regular cash withdrawal:** HUF 100 000

VIII.5. **Policy loan minimum:** HUF 80 000

---

**Maximum policy loan:** 90% of the encashment value of the policy less the interest on the policy loan applied for.

- VIII.6. Details of the total expense ratio are set out in the 'Information on the Total Expense Ratio (TER), applicable to Generali MyLife Extra whole life, unit-linked insurance with regular premium payment (U67)', annexed hereto.
- VIII.7. Generali's MyLife Extra whole life, unit-linked insurance with regular premium payment (U67) is sold to customers through a free advisory service.

If the Indicative Terms and Conditions change, the insurance company shall send 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 Generali MyLife Extra whole life, unit-linked insurance with regular premium payment (U67).

**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

generali.hu

---

# Information on the Total Expense Ratio (TER)

applicable to Generali MyLife Extra whole life, unit-linked insurance with regular premium payment (U67)

---

## Schedule No. II

Effective from: October 27, 2018 until 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 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 (expenses) associated with 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;
- 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. For whole-life insurance, the policy periods shall be understood as periods at the end of which the customer surrenders the insurance.

<b>Generali MyLife Extra</b> Life Insurance is offered for whole life with regular premium payment, so calculation is made for: 10, 15 and 20 years.
--

### The insurance premium and the method of premium payment

- An insured of the above age takes out the insurance
  - with a single premium of HUF 4 500 000, or
  - with a first premium of HUF 25 000, regular premiums paid monthly, and all payments made by bank transfer.

<b>Generali MyLife Extra insurance</b> is available with regular premium payment, so the TER is calculated with a monthly premium of HUF 25,000, assuming that premiums are paid by bank transfer.
--

### 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.

**Generali MyLife Extra life insurance** has the following compulsory insurance coverage incorporated into the product:

- if the insured dies before the 5<sup>th</sup> policy anniversary, twice the amount of the agreed annual premium invested. if the insured dies after the 5<sup>th</sup> policy year, a sum insured of HUF 100 000. This insurance coverage is offered by the insurance company with no risk premium charged.

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 Generali MyLife Extra Life Insurance:**

With the minimum initial savings period of 10 years:

**for 10 years: 3.73% – 5.14%**

**for 15 years: 2.72% – 4.21%**

**for 20 years: 2.19% – 3.68%**

with initial savings periods of 10, 15 or 20 years.

**for 10 years: 3.73% – 5.14%**

**for 15 years: 2.60% – 4.07%**

**for 20 years: 2.06% – 3.54%**

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

Please note that the TER calculated for the following UL Funds and terms of this insurance exceeds the TER limit set out in Recommendation 8/2016. (VI. 30.) of the NBH:

TER calculated with an initial savings period of 10 years.

UL Fund	10 years	15 years	20 years
Tallózó Absolute Return Fund	x		
Világjáró Fixed Income Fund	x		
Horizont 5+ Mixed Securities Fund	x		
Horizont 10+ Mixed Securities Fund	x		
Horizont 15+ Mixed Securities Fund	x		
Hungarian Equities Fund	x		
Developed World Equities Fund	x	x	x
Emerging World Equities Fund	x	x	x
Global Brands Equities Fund	x	x	x

TER calculated with initial savings periods of 10, 15 or 20 years.

UL Fund	10 years	15 years	20 years
Tallózó Absolute Return Fund	x		
Világjáró Fixed Income Fund	x		
Horizont 5+ Mixed Securities Fund	x		
Horizont 10+ Mixed Securities Fund	x		
Horizont 15+ Mixed Securities Fund	x		
Hungarian Equities Fund	x		
Developed World Equities Fund	x		
Emerging World Equities Fund	x	x	x
Global Brands Equities Fund	x	x	

TER values calculated for these UL Funds and the reasons why they differ from the limits are disclosed on the generali.hu website.

**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 Generali MyLife Extra whole life, unit-linked insurance with regular premium payment (U67).

---

# List of Eligible Unit-linked Funds, their Composition and Investment Principles

applicable to Generali MyLife Extra whole life, unit-linked insurance with regular premium payment (U67)

---

## Schedule No. III

**Effective from: October 27, 2018 until repealed**

### General Information on Selecting UL Funds

We advise you to obtain information about the risk levels associated with unit-linked funds every time when you select unit-linked funds. 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 assessing prices always remember that historical data do not guarantee future gains.

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. Therefore risk levels of unit-linked funds you select will remain unchanged with 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, extremely adverse movements of market prices (national bankruptcy) may cause the total devaluation of assets even in UL Funds in the low risk category.

#### 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.

#### Foreign Exchange 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 published on the insurance company's website ([generali.hu](http://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

Money Market 2016 Fund  
Hungarian Fixed Income Fund

### 2. Medium Risk UL Funds

Horizont 5+ Mixed Securities Fund  
Horizont 10+ Mixed Securities Fund  
Világjáró Fixed Income Fund  
Tallózó Absolute Return Fund

### 3. High Risk UL Funds

Horizont 15+ Mixed Securities 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.

**Benchmark:** 100 % RMAX Index

**Recommended min. investment period:** at least 3 months

**Expected Return:** \*

**Capital / return guarantee:** none

**Capital / return protection:** 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.  
**Benchmark:** 100% MAX Composite Index  
**Recommended min. investment period:** at least 1-2 years  
**Expected Return:** \*\*  
**Capital / return guarantee:** none  
**Capital / return protection:** 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  $\pm 20$  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.  
**Benchmark:** 80% MAX Composite Index,  
15% MSCI World Index,  
5% MSCI Daily Total Return  
Net Emerging Markets Index

**Recommended min. investment period:** at least 2-3 years

**Expected Return:** \*\*\*

**Capital / return guarantee:** none

**Capital / return protection:** none

**Risks Related to the Asset Fund**

Regulatory Risk (Tax Regulations)	2	Concentration Risk	4
Commodity Risk	1	Liquidity Risk	3
FX 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  $\pm 30$  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)	1%	70%

**Launch Date:** November 25, 2016.  
**Benchmark:** 60% MAX Composite Index, 25% MSCI World Index, 15% MSCI Daily Total Return Net Emerging Markets Index

**Recommended min. investment period:** at least 3-5 years

**Expected Return:** \*\*\*\*

**Capital / return guarantee:** none

**Capital / return protection:** 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.

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

**Launch Date:** November 25, 2016.  
**Benchmark:** 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 min. investment period:** at least 3-4 years  
**Expected Return:** \*\*\*\*  
**Capital / return guarantee:** none  
**Capital / return protection:** 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.

**Benchmark:** 100 % RMAX Index

### Recommended min.

**investment period:** at least 2-3 years

**Expected Return:** \*\*\*\*

**Capital / return** none

**guarantee:**

**Capital / return** none

**protection:**

### 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  $\pm 40$  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.  
**Benchmark:** 40% MAX Composite Index,  
40% MSCI World Index,  
20% MSCI Daily Total Return Net  
Emerging Markets Index,

**Recommended min. investment period:** at least 5-7 years  
**Expected Return:** \*\*\*\*\*  
**Capital / return guarantee:** none  
**Capital / return protection:** 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.

**Benchmark:** 80% BUX Index,  
20 % RMAX Index

**Recommended min. investment period:** at least 3-5 years

**Expected Return:** \*\*\*\*\*

**Capital / return guarantee:** none

**Capital / return protection:** none

---

**Risks Related to the Asset Fund**

Regulatory Risk (Tax Regulations)	3	Concentration Risk	3
Commodity Risk	1	Liquidity Risk	3
FX 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.

**Benchmark:** 80% MSCI World Index,  
20 % RMAX Index

**Recommended min. investment period:** at least 3-5 years

**Expected Return:** \*\*\*\*\*

**Capital / return guarantee:** none

**Capital / return protection:** 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.  
**Benchmark:** 80% MSCI Daily Total Return Net Emerging Markets Index,  
20 % RMAX Index

**Recommended min. investment period:** at least 5-7 years

**Expected Return:** \*\*\*\*\*

**Capital / return guarantee:** none

**Capital / return protection:** 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.  
**Benchmark:** 40% MSCI Daily TR World Consumer Staples Index  
40% MSCI Daily TR World Net Consumer Discretionary Index,  
20 % RMAX Index

**Recommended min. investment period:** at least 3-5 years

**Expected Return:** \*\*\*\*\*

**Capital / return guarantee:** none

**Capital / return protection:** 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 Generali MyLife Extra whole life, unit-linked insurance with regular premium payment (U67).