WU WIRTSCHAFTS UNIVERSITÄT WIEN VIENNA UNIVERSITY OF ECONOMICS AND BUSINESS

Valida Pensionskasse

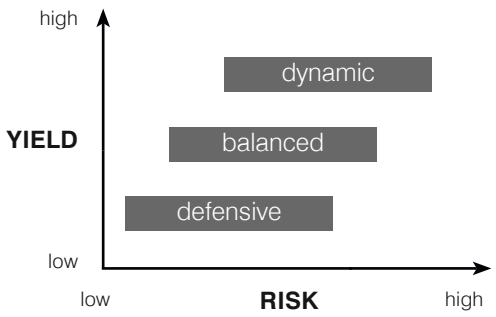
THE VALIDA LIFE CYCLE MODEL – CHOICES AND INVESTMENT

HOW THE VALIDA LIFE CYCLE MODEL WORKS

If a life cycle model is arranged for in the pension fund contract, prospective beneficiaries can choose between three different investment groups according to their own risk appetite:

	DYNAMIC INVESTMENT[1]	BALANCED INVESTMENT[1]	DEFENSIVE INVESTMENT[1]
Chance of yield	highest	medium	lowest
Risk	highest	medium	lowest
Volatility	highest	medium	lowest
Targeted yield	2.5 – 7.75%	2.25 – 6.5%	2 – 5%
Targeted volatility[2]	10 – 17%	7 – 12%	5 – 8%
Target	The investment targets a higher yield over time: ▪ for a longer investment duration ▪ for younger employees ▪ for employees, who's goal is a high yield and who don't shy risk	Over a longer period of time yields should be achieved that exceed the assumed rate of interest.	The goal is a stable yield, with the lowest risk of volatility: ▪ for shorter investment durations ▪ for people shortly before their retirement ▪ for employees, who are most interested in a more stable yield
	In all investment groups, pensions can increase or decrease. In the dynamic investment group, however, the changes will most probably be more perceptible than in the defensive investment group.		

Risk and yield structure of the Valida life cycle model



[1] The terminology dynamic, balanced and defensive investment groups are in no way connected with the investment types of the Oesterreichische Kontrollbank.
[2] A statistical measure of the dispersion of returns measured by using the standard deviation. Commonly, the higher the volatility, the riskier the investment.

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FIRST CHOICE

- **BEFORE JOINING THE PENSION PLAN** employees may choose one out of the three investment groups. This applies to all employees joining the plan after the 1st of September 2014. If no choice is made before joining the pension plan, your pension capital will be invested in the defensive investment group.

OPPORTUNITIES OF CHANGE

- If you are an employee, who joined the pension plan on the 1st of September 2014 or later:
  Until your first change, your pension capital will be invested in the investment group you chose before joining the pension plan. If you, however, did not choose a group before joining the pension plan, your capital will be invested in the defensive investment group.
- If you are an employee, who joined the pension plan before the 1st of September 2014:
  Until your first change, your pension capital will be invested in the balanced investment group.
- **The first opportunity to change the investment group** is on 1 January of the following year (preconditioned that a written statement is sent to Valida by 31 October).
- **Number of change possibilities:** The employee can choose to change his/her investment group up to three times over course of his/her working life. A possible change into or out of the secure investment and risk sharing group as well as the choice upon joining the pension plan do not have to be taken into account.
- **The last opportunity** to change the investment group is at the time of application for a benefit.

SPECIAL REGULATIONS FOR THE SURVIVING DEPENDENTS:

- The last investment group chosen by a beneficiary is also the investment group in which the capital of his/her surviving dependents is administered.
- If the employee dies before retirement, the surviving dependents can choose an investment group at the time of application for benefits.
- If the employee dies after his/her retirement, the law does not permit his/her surviving family members to choose the investment group.

Before any change can occur, Valida sends an extensive **information package** to the prospective beneficiary that describes the effects of the change. This information package also includes the form that has to be signed and returned to Valida. A **change without this information package is legally not permitted.** Therefore we kindly ask you to request the information package in time, therewith allowing enough time for the production and the delivery of the information package as well as some time for yourself to consider your choice.

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YOU WANT TO CHOOSE A GROUP BEFORE JOINING THE PENSION PLAN?

IN THIS CASE THE REGULATIONS AND PROCEDURES ARE THE FOLLOWING:

Two months preliminary to your inclusion the WU will send you an information package as well as an employee's declaration.

- Hand in your employee's declaration (which states your decision) to the WU's payroll by no later than one week in advance of your inclusion. Make sure to use the original version of the form. The WU will then forward your decision to Valida.
- As long as the signed form reaches Valida in time before your inclusion, your capital will be invested in the investment group of your choice.

YOU WANT TO CHANGE INVESTMENT GROUPS?

IN THIS CASE THE REGULATIONS AND PROCEDURES ARE THE FOLLOWING:

YOU ARE AN EMPLOYEE:

You can change **every year,** however, only up to three times altogether

- If you are thinking about changing the investment group, please request the information package including the **form by 31 August at the latest.**
- If the **signed form reaches Valida by 31 October,** the change to the investment group will occur on 01 January of the following year.

YOU WILL BE RETIRING SOON:

You can change investment groups at retirement.

- If you are thinking about changing the investment group, please **request** the **information package** including the form **when** you are **applying for your pension** at the latest.
- Once you have received the information package, please **return the signed form as soon as possible** as your **pension can only be paid out after the form has reached Valida.**
- The change of investment groups occurs at the time of your first pension payment.

Please request the information package and the form here:

- via e-mail: wahlrechte@valida.at
- via mail: Valida Pension AG, Customer Support Center, Mooslackengasse 12, 1190 Wien

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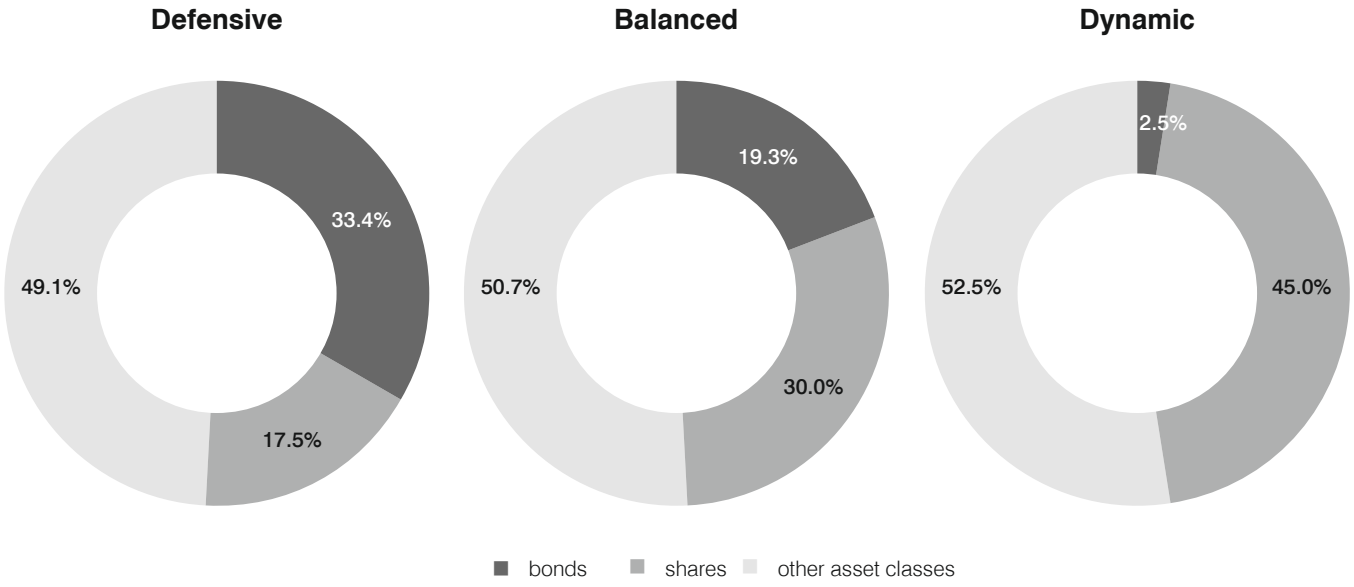
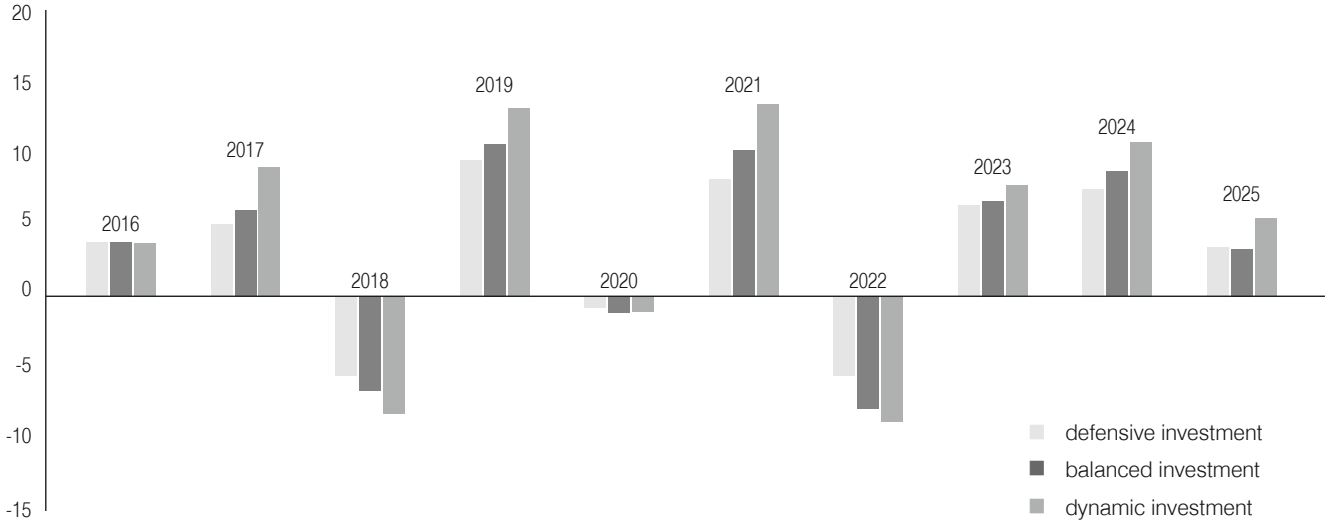
STRATEGIC ASSET ALLOCATION

valid from 01.01.2026[1]



LONG TERM PERFORMANCE



This graph clearly demonstrates that the dynamic investment group has the highest volatility.

[1] The following graphs are displaying the current situation. Valida reserves the right to change investment limits and principles as needs be.

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AVERAGE INVESTMENT YIELDS

	DYNAMIC INVESTMENT	BALANCED INVESTMENT	DEFENSIVE INVESTMENT
Average of the last 10 years (2016 to 2025)	4.21 % yearly	3.14 % yearly	3.01 % yearly
Average of the last 5 years (2021 to 2025)	5.44 % yearly	3.97 % yearly	3.79 % yearly
Average of the last 3 years (2023 to 2025)	7.93 % yearly	6.19 % yearly	5.70 % yearly

Please be aware that the data displayed is historic and cannot be used in any way to predict future outcomes.

In your pension portal we will keep you updated on your capital. Moreover, you can use the portal to check on the performance. You can activate your access easily with your personal ID Austria (**vorsorgeportal.valida.at/aktivierung**) or you contact your Valida consultant directly.

This English language translation is provided as a service to our English language customers in good faith and to the best of our knowledge and ability. This translation is non-binding and without guarantee. Errors and omissions are accepted.

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