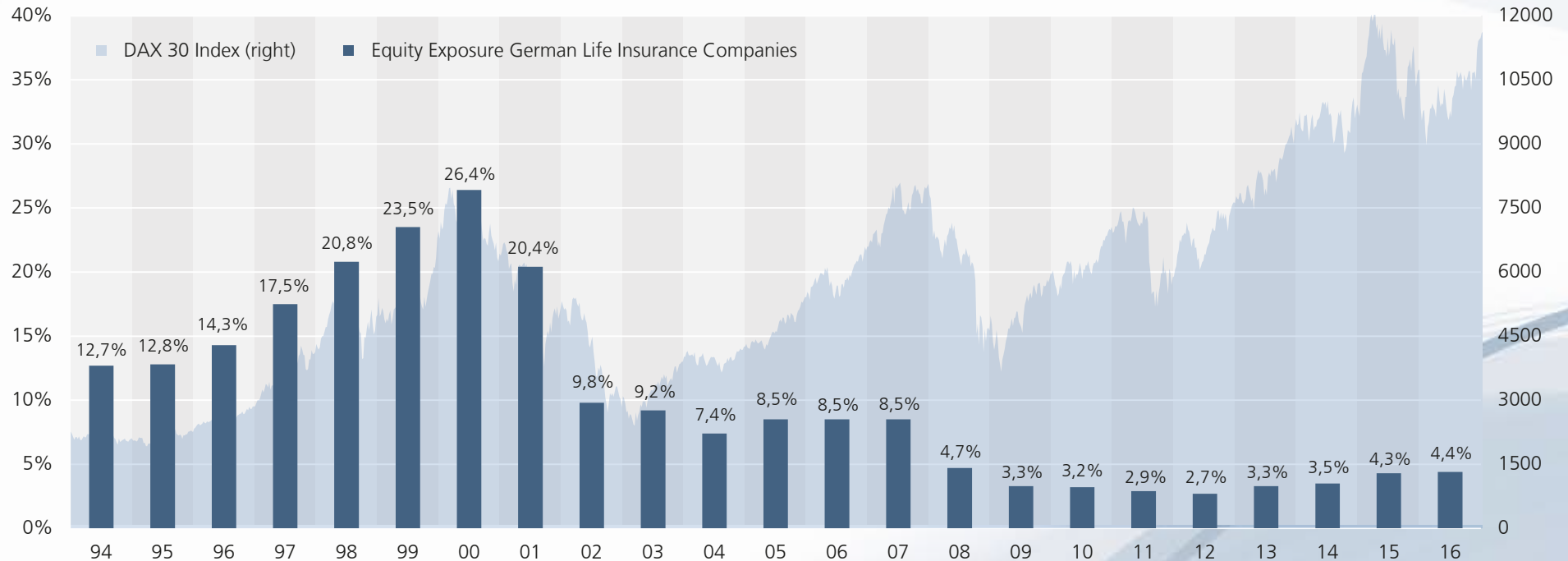


Dangerous Market Timing: misallocation burns German wealth!

DAX rises to new highs while life insurance portfolios still suffer from losses in 2003 and 2009



Over the past 100 years, stocks realized real capital gains of 7% per annum. No other asset class — neither gold, bonds, cash nor real estate — provided comparable return potential. The outperformance of equities also holds true in recent history: Equities outperformed gold, bonds and cash by 8%, 37% and 71%, respectively during the 10 year period 2006-2016 and by 68%, 95% and 184%, respectively, during 1996-2016 (US). Hence, by combining a pro-cyclical regulation, poor market timing with a far too conservative investment strategy, some insurance companies burned savings in trust and jeopardize the pension scheme as well as the overall wealth.

Sources: Statistical Yearbook of German Insurance 2017 (GDV), Thomson Reuters Datastream as of 09/30/2017.