Persoonlijk Pensioen Plan Q2 2024

Actively managed

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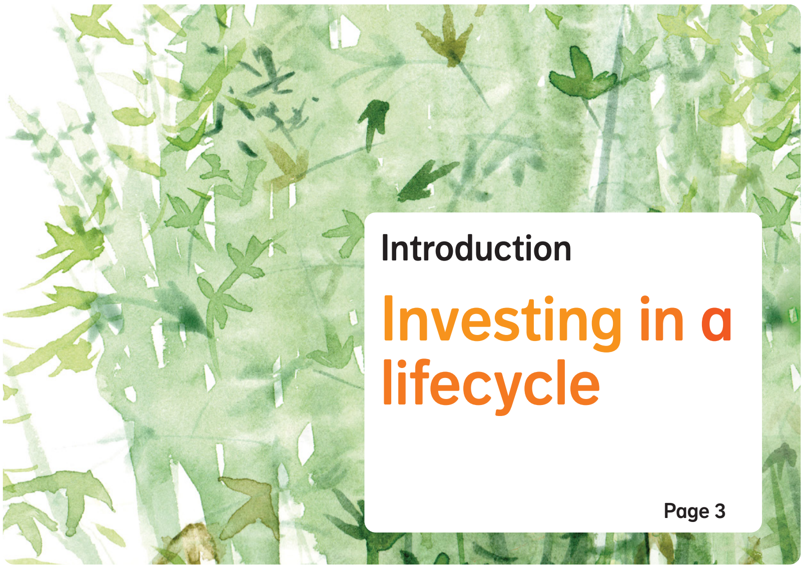
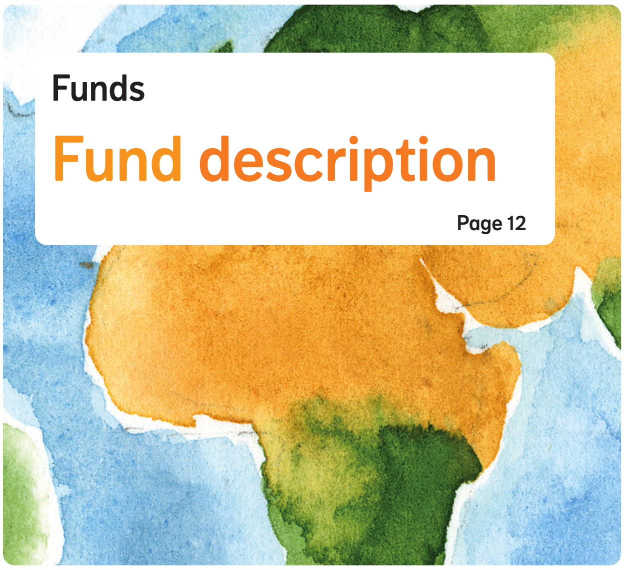




Investing in a lifecycle

The upward trend that was visible in the positive first quarter partly continued in the second quarter. Many stock markets, especially in developed markets, reached record highs. Artificial Intelligence was also a key theme in the past quarter. Take U.S. technology company NVIDIA, for example, which was briefly the most valuable company in the world, surpassing Apple and Microsoft.

The European Central Bank (ECB) lowered interest rates by 25 basis points to 3.75% in June. The market had been expecting this reduction for a long time. As a result, the rate decision didn't impact the financial markets. In the U.S., a series of inflation numbes were higher than expected, while economic growth disappointed. As a result, an interest rate cut is expected to take longer.

Emerging market equities outperformed developed markets after a long period of underperformance. The outperformance could be attributed to China, Taiwan and India, which represent an index majority. The upswing in China was mainly driven by the announcement that state-owned companies can use cheap loans to buy unsold homes from project developers and transform them into affordable housing. Taiwan's stock market benefited from momentum in the technology sector.

Small caps' share prices lagged behind. Small caps are shares of companies with a small market capitalization that often have high growth potential. The share of this investment category in the Focus on Growth building block is limited, which means its weighting with respect to the total returns is smaller.

Tactical Asset Allocation (TAA) is used for the Actively Managed investment type within the Lifecycle. Every year, we determine the different investment categories' weighting at strategic level (strategic asset allocation, or SAA). TAA offers the option to deviate from the SAA within a certain bandwidth and risk budget. The TAA contributed positively in the second quarter, adding to the Focus on Growth building block's returns within the Actively Managed Lifecycle.

In addition to shares, there are of course more investment categories that are part of the Lifecycle. Consider, for example, commercial real estate, high-yield bonds, mortgages or corporate loans. Curious about how these asset classes performed in the past quarter? Then please read the update in this magazine.

Financial markets

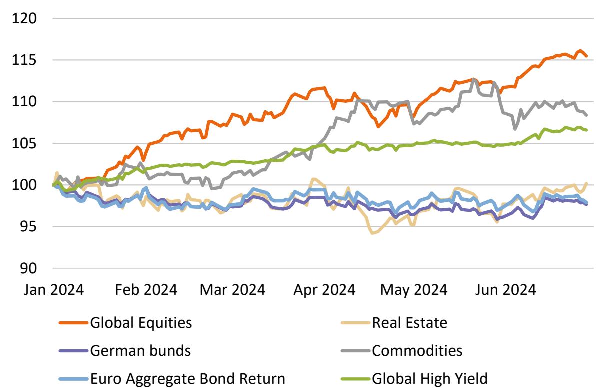
Lifecycle returns depend on what's going on in the financial markets. So how did markets perform last quarter?

The U.S. economy proved more resilient than expected in the first half of 2024. Recently, however, growth has started to show signs of weakening, especially in consumer spending. Outside the U.S., growth picked up, albeit from a lower level. In the eurozone, economic growth in the first quarter was higher than expected, but more recent economic signals were somewhat disappointing. While Chinese gross domestic product exceeded expectations in the first three months of the year, the second quarter showed a mixed picture.

Focus on growth

Equities account for the largest share of the investments in the focus on growth category. To get an idea of how this category performed, we consider what went on in the world's biggest stock markets – those of the United States and Europe.

Figure 1: performance of asset classes (euros)



Source: LSEG Datastream, Goldman Sachs Asset Management. Data as of 31 June 2024.

Global equities continued their advance in the second quarter. The MSCI AC World NR index measured in euros increased by 3.7%. Continued signals of improvement in the global manufacturing sector, a healthy labor market, better-than-expected corporate earnings and the potential easing of monetary policy by major central banks supported positive momentum for risky assets.

Focus on growth and retirement

When looking at corporate bonds, the credit spread is the difference between the yield provided by a corporate bond and the corresponding government bond with the same maturity. The credit spread indicates how much extra return the investment offers compared with safer investments.

Government bonds, measured in euros, sank. The decline followed economic growth in the eurozone that somewhat surprised on the upside, and more-persistent-than-expected inflation. In the U.S., the 10-year yield rose by 15 basis points. Most of the increase occurred in April following strong labor and inflation data. Some of the gains were lost in May and June, when inflation and economic activity figures appeared to have weakened.

In both Germany and the United Kingdom, 10-year yields rose by 20 basis points after strong growth figures in the first quarter and persistent inflation figures. In France, 10-year yields even rose by 55 basis points as investors demanded higher compensation for increased political uncertainty. As a result, the interest rate difference between French and German 10-year bonds continued to widen and has not been this large since the European debt crisis.

Focus on retirement

Interest rate movements are important for the focus onretirement building block, so here we take a look at the monetary policy of the Federal Reserve (Fed) and the European Central Bank (ECB).

After inflation in the U.S. unexpectedly flared up in the first quarter, a decline could be seen in the following three-month period. The labor market also further cooled and now appears to be better balanced than a few quarters ago. A turning point may have now been reached and further weakening may no longer be an encouraging signal. The U.S. Federal Reserve (Fed) adjusted its own expectations for future interest rate steps in June. While Fed members in March expected an average of three rate cuts totaling 75 basis points over the whole of 2024, they now expected only one cut of 25 basis points. Policymakers did leave the door open for two interest rate cuts this year. The European Central Bank and the Bank of Canada started their easing cycle in June by lowering interest rates by 25 basis points. Both central banks suggested that further cuts are possible if the data on which their decisions are based develops as expected. The Bank of England expressed itself quite moderately, but has not yet lowered interest rates.

Furthermore, markets faced more political uncertainty in Europe. French President Macron dissolved parliament in June and called early elections after his party suffered defeat in the European elections. Because investors priced in a higher geopolitical risk premium, investments in Europe performed less well than elsewhere.

Net return by age group

Fixed pension benefit

Very defensive

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)
35 years	2.7	9.9	14.7	3.5
45 years	2.7	9.9	14.7	3.5
55 years	0.3	5.1	10.6	-2.3
67 years	-1.9	-2.2	4.1	-7.5

Defensive

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)
35 years	2.8	10.5	15.2	3.9
45 years	2.8	10.5	15.2	3.9
55 years	1.5	7.3	12.3	0.7
67 years	-1.6	-0.7	5.6	-6.9

Neutral

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)
35 years	3.0	11.0	15.8	4.3
45 years	3.0	11.0	15.8	4.3
55 years	3.0	11.0	15.8	4.3
67 years	-1.4	0.0	6.2	-6.7

Offensive

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)
35 years	3.1	11.6	16.3	4.7
45 years	3.1	11.6	16.3	4.7
55 years	3.1	11.6	16.3	4.7
67 years	-1.3	0.2	6.4	-6.5

Very offensive

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)
35 years	3.3	12.1	16.9	5.0
45 years	3.3	12.1	16.9	5.0
55 years	3.3	12.1	16.9	5.0
67 years	-1.3	0.4	6.7	-6.4

The strategic weightings of these lifecycles can be found on www.nn.nl

Net return by age group

Variable pension benefit reduced risk to 15%

Defensive - reduced risk to 15%

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)
35 years	2.8	10.5	15.2	3.9
45 years	2.8	10.5	15.2	3.9
55 years	1.8	7.9	12.9	1.4
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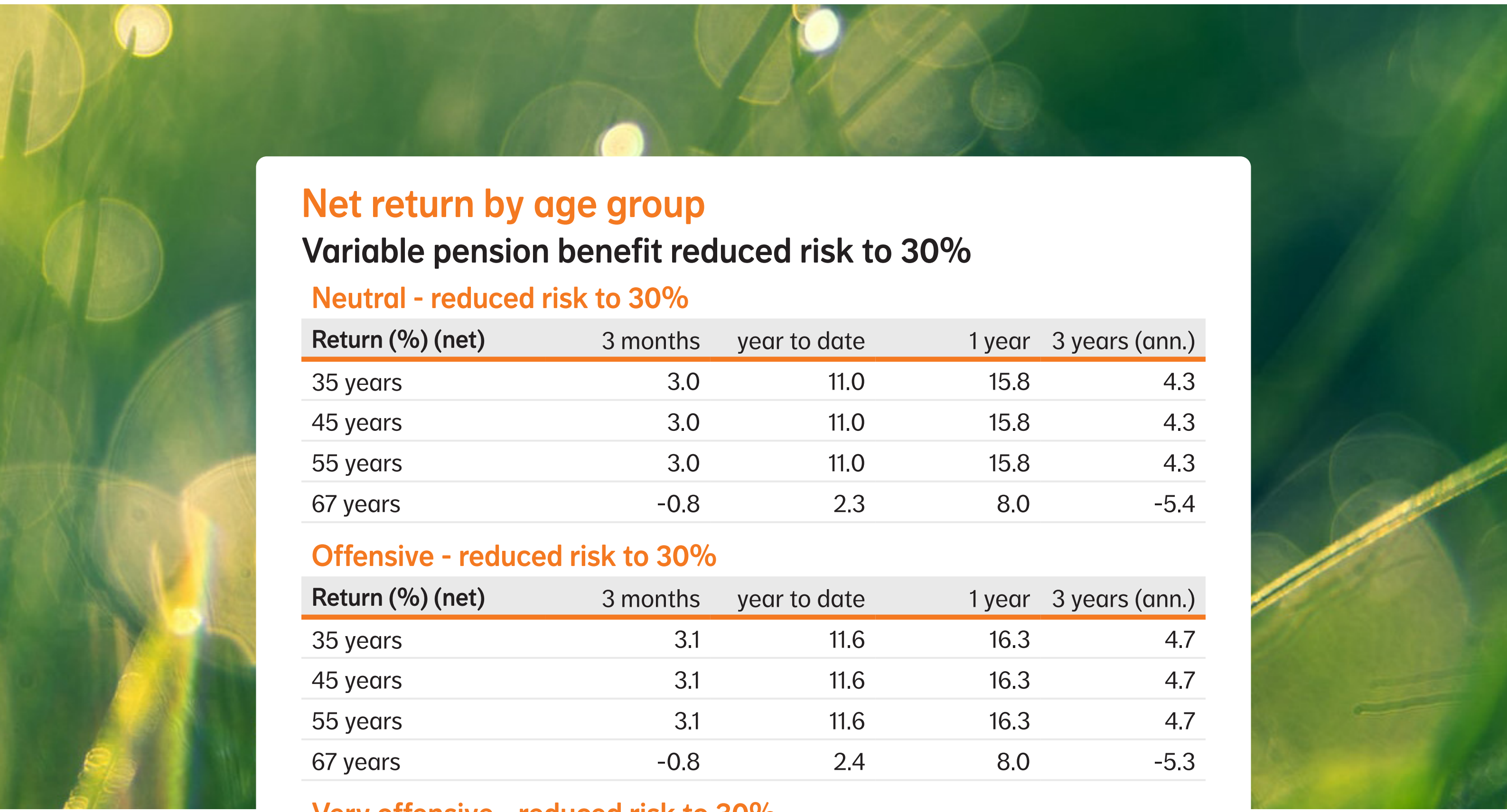

Net return by age group

Variable pension benefit reduced risk to 30%

Neutral - reduced risk to 30%

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)
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45 years	3.0	11.0	15.8	4.3
55 years	3.0	11.0	15.8	4.3
67 years	-0.8	2.3	8.0	-5.4

Offensive - reduced risk to 30%

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)
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Very offensive - reduced risk to 30%

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45 years	3.3	12.1	16.9	5.0
55 years	3.3	12.1	16.9	5.0
67 years	-0.8	2.5	8.2	-5.3

Variable pension benefit reduced risk to 45%

Offensive - reduced risk to 45%

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)
35 years	3.1	11.6	16.3	4.7
45 years	3.1	11.6	16.3	4.7
55 years	3.1	11.6	16.3	4.7
67 years	-0.6	3.1	8.9	-4.6

Very offensive - reduced risk to 45%

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)
35 years	3.3	12.1	16.9	5.0
45 years	3.3	12.1	16.9	5.0
55 years	3.3	12.1	16.9	5.0
67 years	-0.6	3.2	8.9	-4.6

Variable pension benefit reduced risk to 60%

Very offensive - reduced risk to 60%

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)
35 years	3.3	12.1	16.9	5.0
45 years	3.3	12.1	16.9	5.0
55 years	3.3	12.1	16.9	5.0
67 years	-0.3	4.4	10.1	-3.7

Developments in sustainable investing

Momentum in the green bond market

At Goldman Sachs Asset Management, the asset manager of the lifecycle funds, we are committed to helping investors manage the risks and the opportunities created by the transition to a more sustainable economy. Our green bond funds seek to advance the climate transition by investing in bonds whose proceeds are used to finance environmentally beneficial projects.

Green bonds are standard fixed income securities with a green objective. Their financial characteristics such as structure, risk and return are similar to those of traditional bonds. The main difference is that the goal for green bonds is to finance only projects or activities with a specific environmental purpose such as renewable energy, clean transportation, sustainable water and energy efficiency.

The ability of fixed income investors to help advance the climate transition has increased since the first green bond was issued in 2007 by the European Investment Bank, the lending arm of the European Union (EU). Since that inaugural issue, green bonds have expanded into a €2.1 trillion market. Dominated in the early years by multilateral development banks such as the EIB and the World Bank, which issued its first green bond in 2008, the market has seen the range of issuers expand to include companies and governments across the globe seeking investment to drive their plans to reduce greenhouse gas (GHG) emissions and guard against physical climate risks.

Case Study: UK listed energy company

A UK-listed energy company with operations and investments across the UK and Ireland develops, builds, operates and invests in low-carbon electricity infrastructure in support of the transition to net zero. This includes onshore and offshore wind, hydro power, flexible thermal generation and electricity transmission and distribution networks, alongside providing energy products and services to customers.

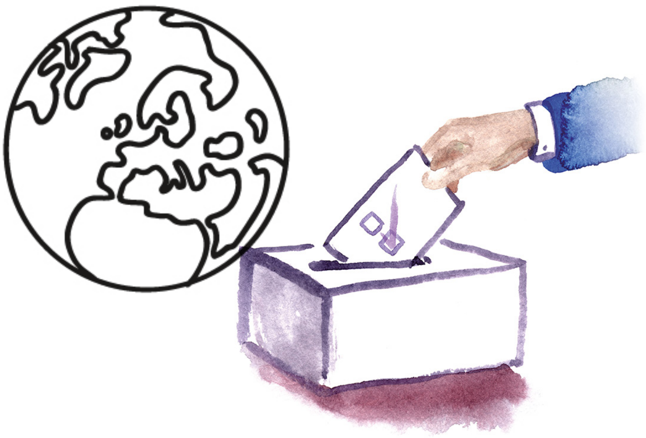
The company has issued various green bonds as of March 2024. The most recent issue at that time, a £500 million, 20-year bond, confirmed their status as the largest UK corporate issuer of green bonds, taking its total green bonds outstanding to more than £3.7 billion. Proceeds from their green bonds have been used to fund critical national infrastructure projects that will make a contribution to UK renewables and climate targets as well as the companies 2030 Goals and the UN Sustainable Development Goals most material to the business. All these projects are essential to the clean-energy transition and reducing carbon emissions over the next decade.

The proceeds of the companies' green bonds are allocated toward refinancing eligible green projects as detailed in its Sustainability Financing Framework. These include wind generation projects that are either under construction or were recently completed such a wind farm in the North Sea off the east coast of Scotland. Eligible projects also include new and upgraded transmission infrastructure capacity to accept additional power from new renewable projects and transmit that power from the north of Scotland to other parts of the UK.

* Information provided by the company. As of March 2024.

In practice

Within the healthcare theme, the global equity has had a position in Novo Nordisk for a long time. Novo Nordisk is a Danish drug manufacturer that is one of the global market leaders in diabetes and obesity medicines. The company is highly innovative and makes an important contribution to reducing the symptoms and progression of diabetes. The anti-obesity drug can result in significant weight loss and thus help prevent diabetes symptoms. Novo Nordisk wants to actively contribute to the SDGs and has a program in low- and middle-income countries that makes it possible to treat children with diabetes.



Sustainable investing

NN's investments are becoming increasingly sustainable. This is reflected, for example, in global sustainable equities, which represent a large proportion of pension investments. To give an idea of the sustainability of the global sustainable equities, we have expressed this in the CO2 footprint for the standard investment form.

Your lifecycle breakdown - Actively managed

Did you know....

that your participants up to 56 years with a neutral/ balanced profile invest for 59% in global sustainable equities?

Your global sustainable equities

Here you can see the **CO_2 footprint** (Type 1 & 2), **water consumption** and **waste generation** of companies (based on enterprise value) of the global sustainable shares within your lifecycle distribution, compared to the benchmark MSCI World (NR). The lower the CO_2 emissions, water consumption or waste production, the higher the degree of sustainability.

CO_2 emission*

Benchmark	Your equities
59 tons	6 tons

Difference in CO_2
53 tons

Footprint

90% less
than the benchmark

Equal to the CO_2 emission of:

x 3	Household(s)
x 11	Around the world

Water consumption*

Benchmark	Your equities
1,339 m^3	160 m^3

Difference in water consumption 1,179 m^3

Footprint

88% less
than the benchmark

Equal to the water consumption of:

x 11	Household(s)
x 18,651	Showers

Waste generation*

Benchmark	Your equities
138 tons	1 ton

Difference in waste
137 tons

Footprint

99% less
than the benchmark

Equal to the waste generation of:

x 122	Household(s)
x 2,856	Waste bins

* Per EUR 1 million invested

Source: Nationale-Nederlanden Levensverzekering. All figures on this page are as of 31/12/2023.

First Class Return Fund II

As in the previous three months, the fund also benefited from strong equity markets in the second quarter. The positive gross returns were therefore largely attributable to the equity investments. Their relatively large weighting within the fund had an impact as well. Sustainable investments in emerging markets in particular performed strongly. Sustainable equities in developed markets also contributed positively, but less than emerging markets. Small caps contributed negatively. Equity investments beat their respective benchmarks.

Fixed-income securities made a slightly positive contribution to total returns and lagged behind equities. The small weighting within the total portfolio also resulted in a more limited total contribution. Riskier corporate bonds made the largest contribution. Emerging market bonds lagged behind and made a small negative contribution to returns. Fixed-income investments beat their respective benchmarks.

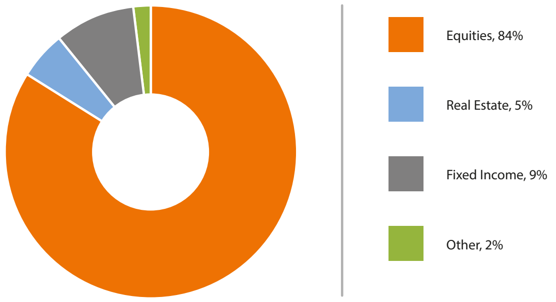
Listed real estate had a disappointing quarter and contributed negatively to total returns. Because of its modest weighting within the fund, the impact was limited. The real estate fund lagged behind the relevant benchmark.

The tactical investment decisions worked out well this quarter and made a positive contribution to returns.

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)
First Class Return Fund II	4.3	13.2	18.0	5.4

Statistics	
ISIN code	NL0013019243
Inception date	August 2018
Ongoing charges	0.20%

Positioning



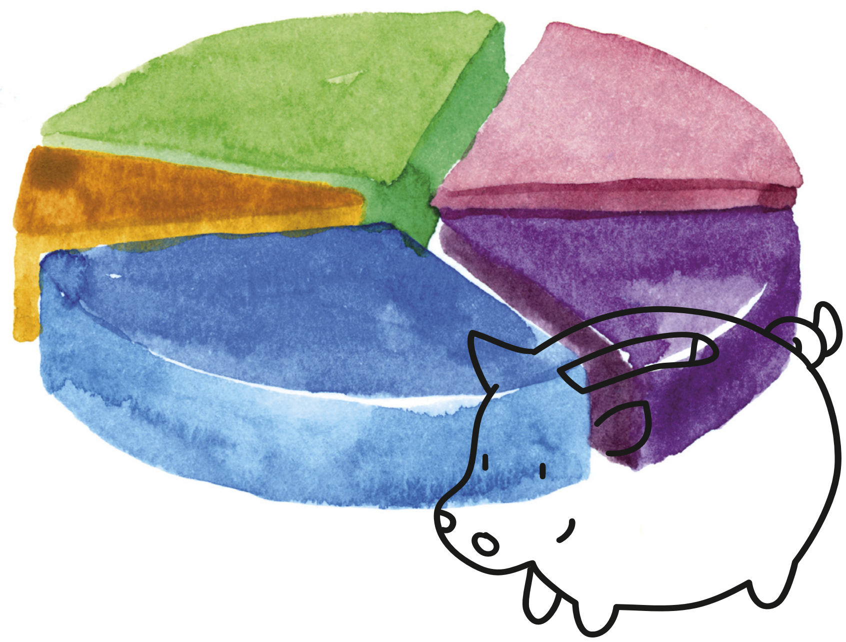
Source: Goldman Sachs Asset Management, all figures are as of 30/06/2024.

Performance

First Class Return Fund II - I*

Return (%) (net)* Equities	3 months	year to date	1 year	3 years (ann.)	5 years (ann.)	weight
Global Sustainable Equity Sleeve	3.6	14.2				63.6
MSCI World (NR)	3.4	15.2				
Enhanced Index Sustainable Global Small Caps Equity Fund (NL)	-1.9	3.3	10.5			4.8
MSCI World Small Cap Index (NR)	-2.0	4.6	11.1			
GS Enhanced Index Sustainable EM Equity Fund	6.0	11.1	13.9	-2.3	4.6	15.2
MSCI Emerging Markets (NR)	5.8	10.8	14.6	-1.8	4.4	
Real Estate						
GS Global Real Estate Fund	-1.8	-0.6	7.3	-0.7	1.2	4.8
FTSE EPRA Nareit Global Real Estate Index	-1.7	-0.7	7.0	-1.2	0.8	
Fixed Income						
GS Global High Yield	2.0	4.8	11.6			4.6
Bloomberg Barclays 70% US 30% Pan-European ex Fin Subord 2% Issuer Capped High Yield EUR (unhedged)	1.7	4.8	11.8			
GS Emerging Markets Debt HC	0.4	1.8	8.8	-4.3	-1.4	2.4
J.P. Morgan Emerging Market Bond (EMBI) Global Diversified EUR (hedged)	-0.1	1.5	7.1	-4.7	-2.1	
GS Emerging Markets Debt LB	-0.9	-0.7	3.3	0.5	0.3	2.5
J.P. Morgan Government Bond-Emerging Market (GBI-EM) Global Diversified	-0.9	-0.8	2.5	0.0	-0.1	

* These are the net returns of the underlying strategies of the First Class Return Fund. The fund costs (ongoing charges) are only charged in the First Class Return Fund.
Source: Goldman Sachs Asset Management, all figures are as of 30/06/2024.



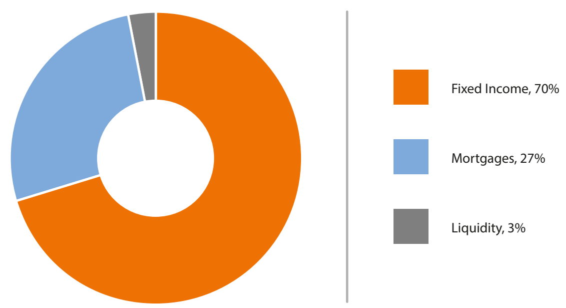
Hybrid Fund

The fund had positive quarterly returns. Fixed-income securities - corporate, social and green bonds - contributed positively. The contribution from the mortgage portfolio was negative, which depressing total returns.

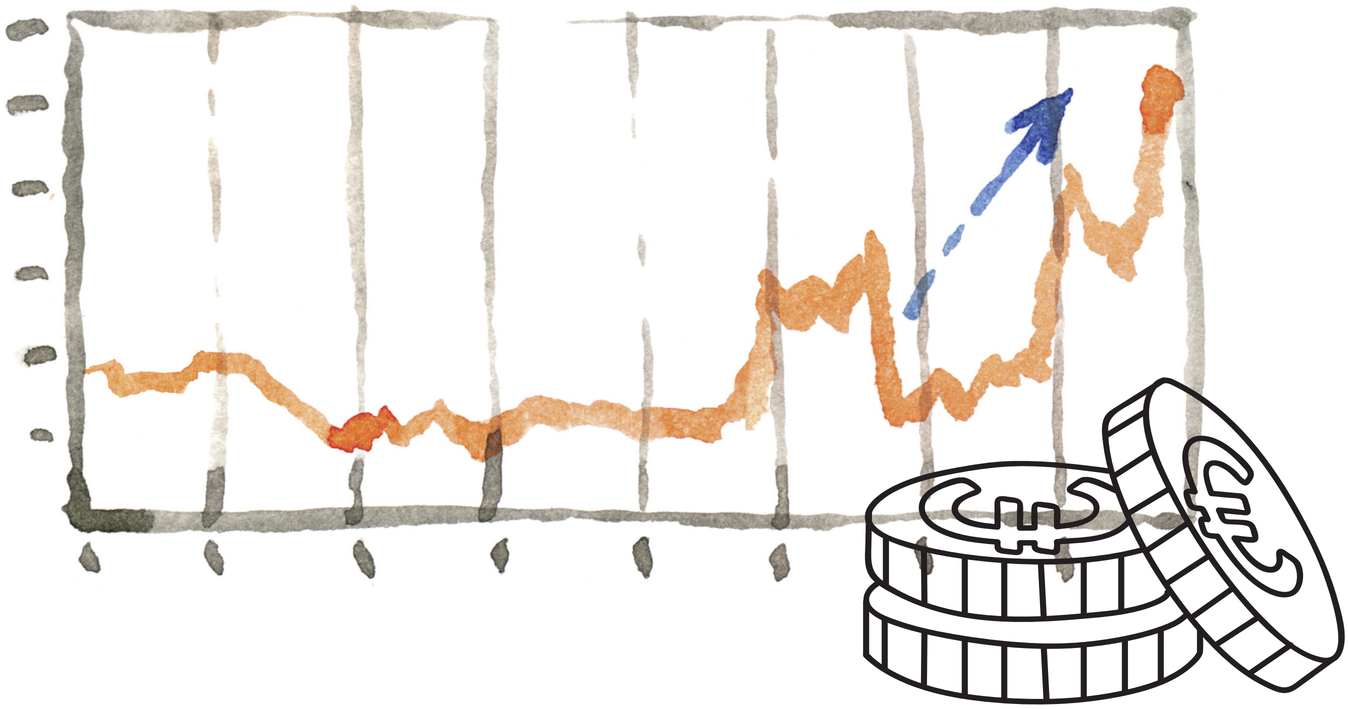
Return (%) (net)	3 months	year to date	1 year	3 years (ann.)
Hybrid Fund	0.1	1.2	5.9	-2.8

Statistics	
ISIN code	NL0013696354
Inception date	November 2019
Ongoing charges	0.21%

Positioning



Source: Goldman Sachs Asset Management, all figures are as of 30/06/2024.



Liability Matching funds

The four Liability Matching funds have different interest rate sensitivity profiles (Liability Matching Fund (M) (NL), Liability Matching Fund (L) (NL), Liability Matching Fund (XL) (NL) and Liability Matching Fund (XXL) (NL)). They invest in a combination of euro-denominated interest rate swaps, high-quality money market funds, high-quality government bonds and cash. The interest rate sensitivity of the funds is enhanced with interest rate swaps and bond futures.

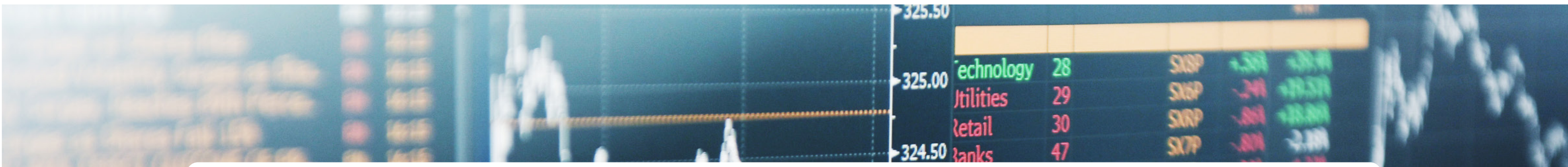
The Liability Matching Fund (M) (NL) strives for an interest rate sensitivity of about 4 years and (L) (NL), (XL) (NL) and (XXL) (NL) of approximately 20, 40 and 42 years, respectively. The four Liability Matching funds have different interest rate profiles that are composed in such a way that, used in combination, they can offer the best possible match in the period leading up to retirement.

What did the interest rates do?

Swap rates rose across all maturities in the second quarter. In April, there was a strong increase. Swap rates rose by an average of 20 basis points and the shorter-term maturities in particular increased slightly more, by about 30 basis points. In May, interest rates hardly moved, while a small correction was visible, especially for shorter-term maturities, in June. Consequently, the fund posted a negative result.

The European Central Bank (ECB) cut interest rates by 25 basis points in June, as expected. but the outlook was not very progressive. We expect the ECB to cut interest rates more this year than the Federal Reserve (Fed). Rates still look moderately attractive as we expect disinflation, a delayed potential start to the Fed's easing cycle, and high real yields. In addition, European interest rates are attractive thanks to below-trend growth and moderate inflation.

Because these funds have been set up to cover the risk of an interest rate increase or decrease on the pension to be purchased upon retirement, positive returns for a 67-year-old are not necessarily advantageous: the pension to be purchased has also become more expensive. Negative returns for a 67-year-old are not necessarily disadvantageous: the pension to be purchased has also become cheaper.



Liability Matching Fund (M) (NL) - T

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)	5 years (ann.)
Liability Matching Fund (M) (NL) - T	-0.3	-1.1	4.0	-3.2	-2.0
Bloomberg Barclays Euro Treasury AAA 1-3 Yr Downgrade Maturity Tolerant, incl derivatives to increase duration (M)	-0.1	-0.8	4.1	-3.3	-2.2

Statistics	
ISIN code	NL0013040348
Inception date	November 2018
Ongoing charges	0.15%

Liability Matching Fund (L) (NL) - T

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)	5 years (ann.)
Liability Matching Fund (L) (NL) - T	-4.5	-4.5	3.2	-13.6	-7.5
Bloomberg Barclays Euro Treasury AAA 1-3 Yr Downgrade Maturity Tolerant, incl derivatives to increase duration (L)	-4.1	-4.1	3.3	-13.8	-7.9

Statistics	
ISIN code	NL0013040355
Inception date	November 2018
Ongoing charges	0.15%

Liability Matching Fund (XL) (NL) - T

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)	5 years (ann.)
Liability Matching Fund (XL) (NL) - T	-7.0	-5.9	1.2	-21.5	-11.7
Bloomberg Barclays Euro Treasury AAA 1-3 Yr Downgrade Maturity Tolerant, incl derivatives to increase duration (XL)	-6.4	-4.8	2.5	-21.2	-11.6

Statistics	
ISIN code	NL0013040363
Inception date	November 2018
Ongoing charges	0.15%

Liability Matching Fund (XXL) (NL) - T

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)	5 years (ann.)
Liability Matching Fund (XXL) (NL) - T	n/a	5.3*	n/a	n/a	n/a
Bloomberg Barclays Euro Treasury AAA 1-3 Yr Downgrade Maturity Tolerant, incl derivatives to increase duration (XXL)	n/a	5.6*	n/a	n/a	n/a

Statistics	
ISIN code	NL0015001QX5
Inception date	February 2024
Ongoing charges	0.15%

*performance measurement are as of 1/3/2024
Source: Goldman Sachs Asset Management, all figures are as of 30/06/2024.