



# Investment returns

First quarter of 2024



# Foreword

## First quarter of 2024: Continued enthusiasm for equities

Global equity markets had a good quarter, with higher stock prices. The arrival of artificial intelligence led to mostly positive sentiment on the technology sector in the financial markets. The US stock markets ended the quarter with the highest returns, followed by the European stock markets. Emerging markets equities lagged, with lower returns.

Inflation has weighed on the economy in the past 2 years. High inflation has not yet disappeared since the beginning of the year, but prices rose less sharply in the first quarter of 2024 than they did last year. Wages are however rising, due to the tightness in the labor market. Commodity prices also rose. In combination with other factors, this ensured that inflation did not fall as expected.

At the end of 2023, the financial markets were assuming a steady decline in inflation. Market interest rates fell in anticipation of policy rate adjustments by the central banks. The decline in inflation in the first quarter of 2024 was disappointing, and market interest rates rose, leading to low or negative returns on bonds and real estate.

# Notes to the results

## Marketable securities

The major developments in the first quarter of 2024:

- ✓ The financial markets were positive on stocks in the past quarter, as the economy is in good shape despite continuing inflation. The US economy has outpaced growth forecasts, and businesses were prepared to make more global acquisitions. This led to positive sentiment among equity investors during the past quarter.
- ✓ With companies working on artificial intelligence showing the biggest increases. Stock markets in Taiwan, Japan and America rallied strongly. Laggards in this sector, such as India, had lower returns.
- ✓ The real estate markets had a difficult quarter. This sector is heavily affected by interest rates, as projects are funded with loans. Continuing high inflation led to higher interest rates this quarter and lower earnings estimates for real estate companies.
- ✓ The commodities market had a positive quarter, mainly due to an increase in the oil price. Oil supply was lower this quarter, due to continuing supply cuts and geopolitical tensions.

## Conclusion

The returns on marketable securities were positive on balance in this quarter.



# Notes to the results

## Fixed-income markets

The major developments in the first quarter of 2024:

- ✓ Bonds are heavily affected by interest-rate movements. Rising interest rates caused existing low-risk bonds, such as European government bonds, to decline in value. In the last quarter of 2023, these bonds generated their highest return for years. The return this quarter was -1.8%.
- ✓ Bonds with a higher risk profile, such as higher-risk corporate bonds and emerging market bonds, had a positive quarter. Their return was higher than for low-risk bonds due to a decline in risk premiums during the quarter. The financial markets see these bonds as less risky due to the positive economic developments.
- ✓ The pension stabilizer also had a negative return due to higher interest rates.

### Conclusion

The returns on fixed-income securities were on balance positive this quarter.

### Good to remember

The value of investments can rise or fall. Past performance is no guarantee of future results. No rights can be derived from this document.

# Life Cycle Investing

The tables below show returns calculated according to an investment mix that changes as a person ages. In Life Cycle Investing, we reduce risk as a person ages. So the investment mix changes over the years. For example, when calculating the return over the past 5 years for a 65-year-old, we assume that the person concerned was 60 years of age 5 years ago. This return thus assumes a reduction in the risk of the investment mix between 60 and 65 years of age.

|              | Returns for 35 year old participant |                      |                    |                      |                           |                           |                      |                    |                      |                           |
|--------------|-------------------------------------|----------------------|--------------------|----------------------|---------------------------|---------------------------|----------------------|--------------------|----------------------|---------------------------|
|              | Single Manager                      |                      |                    |                      |                           | Multi Manager             |                      |                    |                      |                           |
|              | Very Defensive Life Cycle           | Defensive Life Cycle | Neutral Life Cycle | Offensive Life Cycle | Very Offensive Life Cycle | Very Defensive Life Cycle | Defensive Life Cycle | Neutral Life Cycle | Offensive Life Cycle | Very Offensive Life Cycle |
| 3 - Month    | 6,49%                               | 7,23%                | 7,61%              | 7,61%                | 7,98%                     | 6,21%                     | 6,92%                | 7,27%              | 7,27%                | 7,62%                     |
| 1 - Year     | 17,87%                              | 19,22%               | 19,90%             | 19,90%               | 20,58%                    | 17,94%                    | 19,30%               | 19,98%             | 19,98%               | 20,67%                    |
| 3 - Year     | 17,42%                              | 20,39%               | 21,89%             | 22,28%               | 23,40%                    | 16,55%                    | 17,22%               | 19,03%             | 19,79%               | 22,73%                    |
| 5 - Year     | 43,99%                              | 49,85%               | 52,81%             | 54,37%               | 55,78%                    | 44,01%                    | 44,11%               | 48,56%             | 51,60%               | 56,85%                    |
| Year to date | 6,49%                               | 7,23%                | 7,61%              | 7,61%                | 7,98%                     | 6,21%                     | 6,92%                | 7,27%              | 7,27%                | 7,62%                     |

|              | Returns for 45 year old participant |                      |                    |                      |                           |                           |                      |                    |                      |                           |
|--------------|-------------------------------------|----------------------|--------------------|----------------------|---------------------------|---------------------------|----------------------|--------------------|----------------------|---------------------------|
|              | Single Manager                      |                      |                    |                      |                           | Multi Manager             |                      |                    |                      |                           |
|              | Very Defensive Life Cycle           | Defensive Life Cycle | Neutral Life Cycle | Offensive Life Cycle | Very Offensive Life Cycle | Very Defensive Life Cycle | Defensive Life Cycle | Neutral Life Cycle | Offensive Life Cycle | Very Offensive Life Cycle |
| 3 - Month    | 6,51%                               | 7,25%                | 7,61%              | 7,61%                | 7,98%                     | 6,23%                     | 6,93%                | 7,27%              | 7,27%                | 7,62%                     |
| 1 - Year     | 20,06%                              | 20,49%               | 19,90%             | 19,90%               | 20,58%                    | 20,08%                    | 20,58%               | 19,98%             | 19,98%               | 20,67%                    |
| 3 - Year     | 5,09%                               | 13,34%               | 21,33%             | 21,91%               | 23,41%                    | 4,38%                     | 11,00%               | 19,03%             | 19,79%               | 22,73%                    |
| 5 - Year     | 33,42%                              | 38,06%               | 50,59%             | 52,96%               | 55,80%                    | 33,62%                    | 34,33%               | 48,56%             | 51,60%               | 56,85%                    |
| Year to date | 6,51%                               | 7,25%                | 7,61%              | 7,61%                | 7,98%                     | 6,23%                     | 6,93%                | 7,27%              | 7,27%                | 7,62%                     |

|              | Returns for 55 year old participant |                      |                    |                      |                           |                           |                      |                    |                      |                           |
|--------------|-------------------------------------|----------------------|--------------------|----------------------|---------------------------|---------------------------|----------------------|--------------------|----------------------|---------------------------|
|              | Single Manager                      |                      |                    |                      |                           | Multi Manager             |                      |                    |                      |                           |
|              | Very Defensive Life Cycle           | Defensive Life Cycle | Neutral Life Cycle | Offensive Life Cycle | Very Offensive Life Cycle | Very Defensive Life Cycle | Defensive Life Cycle | Neutral Life Cycle | Offensive Life Cycle | Very Offensive Life Cycle |
| 3 - Month    | 4,85%                               | 6,03%                | 6,87%              | 7,61%                | 7,79%                     | 4,64%                     | 5,76%                | 6,57%              | 7,27%                | 7,44%                     |
| 1 - Year     | 17,91%                              | 20,35%               | 20,13%             | 19,90%               | 20,23%                    | 17,92%                    | 20,48%               | 20,21%             | 19,98%               | 20,32%                    |
| 3 - Year     | -8,63%                              | -4,23%               | 8,48%              | 20,97%               | 23,86%                    | -9,25%                    | -6,37%               | 6,08%              | 19,50%               | 22,37%                    |
| 5 - Year     | 22,20%                              | 20,28%               | 41,32%             | 56,38%               | 56,36%                    | 22,33%                    | 11,42%               | 29,44%             | 50,01%               | 56,40%                    |
| Year to date | 4,85%                               | 6,03%                | 6,87%              | 7,61%                | 7,79%                     | 4,64%                     | 5,76%                | 6,57%              | 7,27%                | 7,44%                     |

|              | Returns for 65 year old participant |                      |                    |                      |                           |                           |                      |                    |                      |                           |
|--------------|-------------------------------------|----------------------|--------------------|----------------------|---------------------------|---------------------------|----------------------|--------------------|----------------------|---------------------------|
|              | Single Manager                      |                      |                    |                      |                           | Multi Manager             |                      |                    |                      |                           |
|              | Very Defensive Life Cycle           | Defensive Life Cycle | Neutral Life Cycle | Offensive Life Cycle | Very Offensive Life Cycle | Very Defensive Life Cycle | Defensive Life Cycle | Neutral Life Cycle | Offensive Life Cycle | Very Offensive Life Cycle |
| 3 - Month    | 0,92%                               | 2,41%                | 3,30%              | 4,39%                | 5,58%                     | 0,90%                     | 2,32%                | 3,17%              | 4,20%                | 5,32%                     |
| 1 - Year     | 9,76%                               | 12,22%               | 13,26%             | 15,21%               | 17,39%                    | 9,38%                     | 11,95%               | 13,00%             | 15,06%               | 17,35%                    |
| 3 - Year     | -15,78%                             | -12,14%              | -2,33%             | 1,82%                | 1,91%                     | -17,10%                   | -15,47%              | -6,34%             | -1,16%               | 1,19%                     |
| 5 - Year     | 1,47%                               | 6,75%                | 23,66%             | 31,64%               | 30,80%                    | -0,69%                    | -9,92%               | 1,77%              | 16,76%               | 30,97%                    |
| Year to date | 0,92%                               | 2,41%                | 3,30%              | 4,39%                | 5,58%                     | 0,90%                     | 2,32%                | 3,17%              | 4,20%                | 5,32%                     |

# Fixed mix

A fixed investment mix means that returns are calculated for an investment mix that does not change as a person ages. For example, when calculating the return over the past 5 years for a 65-year-old, we assume that the person concerned was also 65 years of age 5 years ago. Please note! The other calculations are the same as for Life Cycle investing. This table is added because many other pension providers show a fixed-mix table as well, thus making comparison easier. In reality, we invest according to the Life Cycle principle, as shown in the above table.

|              | Returns for 35 year old participant |                      |                    |                      |                           |                           |                      |                    |                      |                           |
|--------------|-------------------------------------|----------------------|--------------------|----------------------|---------------------------|---------------------------|----------------------|--------------------|----------------------|---------------------------|
|              | Single Manager                      |                      |                    |                      |                           | Multi Manager             |                      |                    |                      |                           |
|              | Very Defensive Life Cycle           | Defensive Life Cycle | Neutral Life Cycle | Offensive Life Cycle | Very Offensive Life Cycle | Very Defensive Life Cycle | Defensive Life Cycle | Neutral Life Cycle | Offensive Life Cycle | Very Offensive Life Cycle |
| 3 - Month    | 6,49%                               | 7,23%                | 7,61%              | 7,61%                | 7,98%                     | 6,21%                     | 6,92%                | 7,27%              | 7,27%                | 7,62%                     |
| 1 - Year     | 17,87%                              | 19,22%               | 19,90%             | 19,90%               | 20,58%                    | 17,94%                    | 19,30%               | 19,98%             | 19,98%               | 20,67%                    |
| 3 - Year     | 17,42%                              | 20,39%               | 21,89%             | 22,28%               | 23,40%                    | 16,55%                    | 17,22%               | 19,03%             | 19,79%               | 22,73%                    |
| 5 - Year     | 43,99%                              | 49,85%               | 52,81%             | 54,37%               | 55,78%                    | 44,01%                    | 44,11%               | 48,56%             | 51,60%               | 56,85%                    |
| Year to date | 6,49%                               | 7,23%                | 7,61%              | 7,61%                | 7,98%                     | 6,21%                     | 6,92%                | 7,27%              | 7,27%                | 7,62%                     |

|              | Returns for 45 year old participant |                      |                    |                      |                           |                           |                      |                    |                      |                           |
|--------------|-------------------------------------|----------------------|--------------------|----------------------|---------------------------|---------------------------|----------------------|--------------------|----------------------|---------------------------|
|              | Single Manager                      |                      |                    |                      |                           | Multi Manager             |                      |                    |                      |                           |
|              | Very Defensive Life Cycle           | Defensive Life Cycle | Neutral Life Cycle | Offensive Life Cycle | Very Offensive Life Cycle | Very Defensive Life Cycle | Defensive Life Cycle | Neutral Life Cycle | Offensive Life Cycle | Very Offensive Life Cycle |
| 3 - Month    | 6,51%                               | 7,25%                | 7,61%              | 7,61%                | 7,98%                     | 6,23%                     | 6,93%                | 7,27%              | 7,27%                | 7,62%                     |
| 1 - Year     | 20,06%                              | 20,49%               | 19,90%             | 19,90%               | 20,58%                    | 20,08%                    | 20,58%               | 19,98%             | 19,98%               | 20,67%                    |
| 3 - Year     | 2,92%                               | 10,21%               | 21,43%             | 21,72%               | 23,63%                    | 2,26%                     | 7,91%                | 19,03%             | 19,79%               | 22,73%                    |
| 5 - Year     | 35,65%                              | 36,73%               | 55,28%             | 55,09%               | 56,07%                    | 35,94%                    | 30,59%               | 48,56%             | 51,60%               | 56,85%                    |
| Year to date | 6,51%                               | 7,25%                | 7,61%              | 7,61%                | 7,98%                     | 6,23%                     | 6,93%                | 7,27%              | 7,27%                | 7,62%                     |

|              | Returns for 55 year old participant |                      |                    |                      |                           |                           |                      |                    |                      |                           |
|--------------|-------------------------------------|----------------------|--------------------|----------------------|---------------------------|---------------------------|----------------------|--------------------|----------------------|---------------------------|
|              | Single Manager                      |                      |                    |                      |                           | Multi Manager             |                      |                    |                      |                           |
|              | Very Defensive Life Cycle           | Defensive Life Cycle | Neutral Life Cycle | Offensive Life Cycle | Very Offensive Life Cycle | Very Defensive Life Cycle | Defensive Life Cycle | Neutral Life Cycle | Offensive Life Cycle | Very Offensive Life Cycle |
| 3 - Month    | 4,85%                               | 6,03%                | 6,87%              | 7,61%                | 7,79%                     | 4,64%                     | 5,76%                | 6,57%              | 7,27%                | 7,44%                     |
| 1 - Year     | 17,91%                              | 20,35%               | 20,13%             | 19,90%               | 20,23%                    | 17,92%                    | 20,48%               | 20,21%             | 19,98%               | 20,32%                    |
| 3 - Year     | -10,02%                             | -5,53%               | 6,87%              | 20,79%               | 23,55%                    | -10,70%                   | -7,99%               | 4,04%              | 19,30%               | 21,87%                    |
| 5 - Year     | 18,46%                              | 19,13%               | 40,20%             | 57,38%               | 55,42%                    | 18,05%                    | 7,54%                | 25,43%             | 49,17%               | 55,10%                    |
| Year to date | 4,85%                               | 6,03%                | 6,87%              | 7,61%                | 7,79%                     | 4,64%                     | 5,76%                | 6,57%              | 7,27%                | 7,44%                     |

|              | Returns for 65 year old participant |                      |                    |                      |                           |                           |                      |                    |                      |                           |
|--------------|-------------------------------------|----------------------|--------------------|----------------------|---------------------------|---------------------------|----------------------|--------------------|----------------------|---------------------------|
|              | Single Manager                      |                      |                    |                      |                           | Multi Manager             |                      |                    |                      |                           |
|              | Very Defensive Life Cycle           | Defensive Life Cycle | Neutral Life Cycle | Offensive Life Cycle | Very Offensive Life Cycle | Very Defensive Life Cycle | Defensive Life Cycle | Neutral Life Cycle | Offensive Life Cycle | Very Offensive Life Cycle |
| 3 - Month    | 0,92%                               | 2,41%                | 3,30%              | 4,39%                | 5,58%                     | 0,90%                     | 2,32%                | 3,17%              | 4,20%                | 5,32%                     |
| 1 - Year     | 9,76%                               | 12,22%               | 13,26%             | 15,21%               | 17,39%                    | 9,38%                     | 11,95%               | 13,00%             | 15,06%               | 17,35%                    |
| 3 - Year     | -15,78%                             | -11,90%              | -2,71%             | 0,62%                | 0,36%                     | -17,17%                   | -15,12%              | -6,79%             | -2,74%               | -0,28%                    |
| 5 - Year     | -3,32%                              | 4,16%                | 19,38%             | 29,16%               | 29,92%                    | -5,98%                    | -8,45%               | 2,91%              | 14,66%               | 29,96%                    |
| Year to date | 0,92%                               | 2,41%                | 3,30%              | 4,39%                | 5,58%                     | 0,90%                     | 2,32%                | 3,17%              | 4,20%                | 5,32%                     |

# Self-directed investment

| Single manager                                 | 3 - Month | 1 - Year | 3 - Year | 5 - Year | Year to date |
|--|-----------|----------|----------|----------|--------------|
| AEAM World Equity Index Fund (EUR)             | 9,21%     | 23,45%   | 22,43%   | 63,65%   | 9,21%        |
| AEAM Global Real Estate Fund                   | 0,58%     | 3,66%    | -9,32%   | -14,71%  | 0,58%        |
| AEGON Global Commodity Fund (EUR)              | 9,59%     | 8,41%    | 54,39%   | 33,73%   | 9,59%        |
| AEGON Core Eurozone Government Bond Index Fund | -1,85%    | 0,85%    | -20,57%  | -22,08%  | -1,85%       |
| AEGON Emerging Market Debt Fund (EUR)          | 0,94%     | 3,71%    | -23,39%  | -28,81%  | 0,94%        |
| AEGON Global High Yield Fund (EUR)             | -0,38%    | 3,34%    | -12,68%  | -12,86%  | -0,38%       |
| AEGON European Credit Fund                     | -0,11%    | 4,63%    | -10,61%  | -8,06%   | -0,11%       |
| AEGON ABS Fund                                 | 1,05%     | 2,57%    | -1,09%   | -0,38%   | 1,05%        |
| AEAM Money Market Euro Fund                    | 1,15%     | 4,16%    | 4,13%    | 3,76%    | 1,15%        |

| Multi manager  | 3 - Month | 1 - Year | 3 - Year | 5 - Year | Year to date |
|--|-----------|----------|----------|----------|--------------|
| Global Equity (passive hedged)                         | 9,68%     | 25,70%   | 27,96%   | 72,14%   | 9,68%        |
| Global Equity (active hedged)                          | 9,69%     | 25,97%   | 26,30%   | 78,82%   | 9,69%        |
| Socially Responsible Equity (passive hedged)           | 6,51%     | 20,07%   | 26,33%   | 74,84%   | 6,51%        |
| AEGON Global Commodity Fund (EUR)                      | 9,59%     | 8,41%    | 54,39%   | 33,73%   | 9,59%        |
| Emerging Markets Equity (active)                       | 3,43%     | 8,24%    | -9,75%   | 25,52%   | 3,43%        |
| Global Listed Real Estate (passive hedged)             | -0,12%    | 8,49%    | -2,46%   | -1,99%   | -0,12%       |
| AEGON Core Eurozone Government Bond Index Fund         | -1,85%    | 0,85%    | -20,57%  | -22,08%  | -1,85%       |
| Corporate Bonds (active)                               | 0,55%     | 7,47%    | -5,64%   | -0,24%   | 0,55%        |
| Global Corporate Bonds ex. Financials (passive hedged) | -0,83%    | 2,61%    | -11,04%  | -5,60%   | -0,83%       |
| Global High Yield Bonds (active hedged)                | 1,53%     | 9,39%    | -0,77%   | 9,94%    | 1,53%        |
| Emerging Markets Bonds (active)                        | 3,46%     | 13,44%   | -5,97%   | -3,24%   | 3,46%        |
| Inflation Linked Bonds - Germany (Passive)             | -2,54%    | -1,66%   | -5,64%   | -2,62%   | -2,54%       |
| AEAM Money Market Euro Fund                            | 1,15%     | 4,16%    | 4,13%    | 3,76%    | 1,15%        |

# Good to know:

## Life Cycle Investing

- The tables on Life Cycle Investing show the provisional return on the starting balance for a period through March 31, 2024. In reality, new contributions are paid in monthly. An employee's total return may therefore differ from that shown.
- The figures in the tables include fund managers' fees, but exclude fees charged by Aegon Capital, which vary per employer.
- The investment mix was gradually improved in 2021, 2022 and 2023. We have included these improvements in the above figures.
- The highly defensive and highly offensive profiles have been available since July 1, 2021. The table also shows returns prior to that. These are the returns that would have been achieved if these profiles had been available at that time. This enables proper comparison between profiles.
- Any cash calls and dividends from the Aegon Liability Matching funds will be offset against the Aegon Fixed Income Stability Fund on the Single Manager funds side, and with MM Fixed Income Stability Fund on the Multi Manager funds side.
- For the 3 and 5-year periods, we rebalance on an annual basis, with no entry and exit fees, on each occasion 12 months from the start of the measurement period.

## Difference between Life Cycle and fixed mix

- With fixed mix returns, the age of participants is held constant. The Life Cycle returns take account of the change in age.
- As a participant approaches retirement, we reduce their risk. We do this by adjusting their investment mix. With a fixed mix, the investment mix is kept constant; for the Life Cycle returns, we take account of a changing investment mix. The Life Cycle returns table is thus a better reflection of how a participant's investments perform within our risk profiles.
- We publish both tables because other pension providers show the fixed mix as well.

## Self-directed investment

- The table on Self-directed investment shows the provisional return on the starting balance for a period through March 31, 2024.
- In reality, new contributions are paid in monthly. An employee's total return may therefore differ from that shown.
- The figures in the table include fund managers' fees, but exclude fees charged by Aegon Capital, which vary per employer.