



Investment returns

Third quarter 2024



Foreword



Third quarter of 2024: Fickle months with positive returns

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The past quarter started with negative economic data from America, where the jobs market cooled but the economy did not fall into recession. In the months that followed, interest rates took center stage. Central banks reduced their policy interest rates, and capital market interest rates fell in the past quarter.

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China has problems in its housing market and the banking sector. In September, the Chinese government announced large stimulus packages and Asian stock markets subsequently rose sharply.

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Fixed-income securities had a positive quarter, and bond yields fell in the past three months. Central banks in Europe and the United States also lowered their policy rates, which had a positive effect on bond prices.

Notes to the results

Marketable securities

Major developments in the third quarter of 2024:

- ✓ Stock markets in both America and Europe posted positive returns over the past quarter, with US stocks outperformed their European counterparts. This was partly due to better growth expectations for the US economy, and also because European industry is suffering from high energy prices, among other things.
- ✓ Real estate had a strong quarter. Developers are funding real estate with loans. The fall in interest rates in the past quarter boosted the profitability of real estate projects.
- ✓ Emerging markets equities achieved higher returns than the developed markets. The Chinese government announced economic stimulus plans in September, leading to a positive reaction in the stock markets.
- ✓ Returns on commodities were negative in the past quarter. Agricultural products and metals became more expensive. But a decline in demand led to lower energy prices, despite the conflict in the Middle East.

Conclusion

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



Notes to the results

Fixed-income markets

Major developments in the third quarter of 2024:

- ✓ Capital market interest rates fell in the past quarter. Inflation has fallen, giving central banks in America and Europe room to lower their policy rates. Lower interest rates led to higher prices for bonds with a low risk profile.
- ✓ Emerging markets bonds also had a positive quarter, as did high-risk corporate bonds. Risk spreads on these bonds narrowed, leading to higher prices.
- ✓ The pension stabilizer also had a positive return, due to the decline in 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

In the tables below you see the returns calculated according to an investment mix that changes as a person ages. As someone gets older, we reduce the risk within Life Cycle Investing. The investment mix therefore changes over the years. For example: when calculating the return over the past 5 years for a 65-year-old, we assume that that person was 60 5 years ago. When determining this return, a changing investment mix is therefore taken into account that reduces the risk from 60 to 65.

	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	4,50%	4,64%	4,71%	4,71%	4,78%	4,47%	4,61%	4,67%	4,67%	4,74%
1 - Year	22,28%	23,72%	24,55%	24,55%	25,29%	22,53%	24,08%	24,86%	24,86%	25,62%
3 - Year	17,76%	20,21%	21,68%	21,68%	22,85%	17,55%	20,01%	21,42%	21,56%	22,90%
5 - Year	47,63%	54,17%	57,80%	59,57%	61,10%	47,65%	46,56%	51,89%	55,60%	62,36%
Year to date	13,48%	14,68%	15,28%	15,28%	15,84%	13,26%	14,43%	15,01%	15,01%	15,58%

	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	6,12%	5,52%	4,71%	4,71%	4,78%	6,09%	5,49%	4,67%	4,67%	4,74%
1 - Year	30,66%	28,29%	24,55%	24,55%	25,29%	30,93%	28,68%	24,86%	24,86%	25,62%
3 - Year	9,03%	17,54%	21,65%	21,68%	22,83%	9,13%	17,57%	21,42%	21,56%	22,90%
5 - Year	35,42%	46,40%	56,05%	58,36%	61,05%	35,92%	40,05%	51,89%	55,60%	62,36%
Year to date	13,05%	14,46%	15,28%	15,28%	15,84%	12,84%	14,23%	15,01%	15,01%	15,58%

	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	6,71%	6,59%	5,75%	4,71%	4,74%	6,69%	6,56%	5,72%	4,67%	4,71%
1 - Year	31,74%	32,51%	29,12%	24,55%	24,87%	31,93%	32,94%	29,43%	24,86%	25,20%
3 - Year	-6,01%	0,77%	12,01%	21,68%	22,74%	-5,40%	0,74%	11,26%	21,47%	22,49%
5 - Year	13,69%	16,38%	33,69%	52,89%	61,57%	14,70%	16,40%	35,95%	54,33%	61,82%
Year to date	9,98%	11,99%	13,69%	15,28%	15,57%	9,84%	11,80%	13,46%	15,01%	15,30%

	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	5,75%	6,01%	5,27%	5,62%	6,32%	5,77%	6,01%	5,27%	5,61%	6,29%
1 - Year	19,81%	22,61%	21,14%	23,88%	27,95%	19,77%	22,83%	21,21%	24,01%	28,18%
3 - Year	-13,85%	-9,78%	-1,28%	3,30%	4,64%	-14,15%	-9,97%	-2,63%	2,48%	4,81%
5 - Year	-7,15%	-2,31%	10,56%	26,12%	29,87%	-8,46%	-10,37%	3,83%	21,90%	30,47%
Year to date	4,10%	6,57%	8,01%	9,78%	11,55%	4,11%	6,52%	7,93%	9,65%	11,37%

Fixed Mix

Investing with a fixed mix means that the returns are calculated with an investment mix that remains the same even as someone ages. For example: when calculating the return over the past 5 years for a 65-year-old, we assume that that person was also 65 5 years ago. NB! The other calculations are the same as in Life Cycle investing. This table has been added because other pension providers also often show a table with a fixed mix. That makes comparison easier. In reality, we invest according to the Life Cycle principle, which is shown in the table above.

	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	4,50%	4,64%	4,71%	4,71%	4,78%	4,47%	4,61%	4,67%	4,67%	4,74%
1 - Year	22,28%	23,72%	24,55%	24,55%	25,29%	22,53%	24,08%	24,86%	24,86%	25,62%
3 - Year	17,76%	20,21%	21,68%	21,68%	22,85%	17,55%	20,01%	21,42%	21,56%	22,90%
5 - Year	47,63%	54,17%	57,80%	59,57%	61,10%	47,65%	46,56%	51,89%	55,60%	62,36%
Year to date	13,48%	14,68%	15,28%	15,28%	15,84%	13,26%	14,43%	15,01%	15,01%	15,58%

	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	6,12%	5,52%	4,71%	4,71%	4,78%	6,09%	5,49%	4,67%	4,67%	4,74%
1 - Year	30,66%	28,29%	24,55%	24,55%	25,29%	30,93%	28,68%	24,86%	24,86%	25,62%
3 - Year	5,26%	12,83%	21,86%	21,68%	22,93%	5,52%	12,78%	21,42%	21,56%	22,90%
5 - Year	30,56%	37,42%	53,22%	56,67%	61,41%	31,33%	34,05%	51,89%	55,60%	62,36%
Year to date	13,05%	14,46%	15,28%	15,28%	15,84%	12,84%	14,23%	15,01%	15,01%	15,58%

	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	6,71%	6,59%	5,75%	4,71%	4,74%	6,69%	6,56%	5,72%	4,67%	4,71%
1 - Year	31,74%	32,51%	29,12%	24,55%	24,87%	31,93%	32,94%	29,43%	24,86%	25,20%
3 - Year	-6,74%	-0,78%	10,00%	21,68%	22,64%	-6,01%	-0,87%	9,03%	21,40%	22,23%
5 - Year	9,41%	12,25%	28,66%	51,54%	60,63%	10,09%	11,57%	30,12%	53,26%	60,40%
Year to date	9,98%	11,99%	13,69%	15,28%	15,57%	9,84%	11,80%	13,46%	15,01%	15,30%

	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	5,75%	6,01%	5,27%	5,62%	6,32%	5,77%	6,01%	5,27%	5,61%	6,29%
1 - Year	19,81%	22,61%	21,14%	23,88%	27,95%	19,77%	22,83%	21,21%	24,01%	28,18%
3 - Year	-12,09%	-8,30%	-0,66%	1,41%	2,89%	-12,84%	-8,46%	-1,74%	0,84%	3,65%
5 - Year	-8,90%	-2,48%	9,33%	22,83%	25,23%	-11,14%	-10,75%	0,53%	16,76%	26,38%
Year to date	4,10%	6,57%	8,01%	9,78%	11,55%	4,11%	6,52%	7,93%	9,65%	11,37%

Self-directed investing

Single manager	3 - Month	1 - Year	3 - Year	5 - Year	Year to date
AEAM World Equity Index Fund (EUR)	4,23%	28,39%	23,69%	69,17%	17,68%
AEAM Global Sustainable Real Estate Fund	11,46%	20,47%	1,52%	1,31%	9,58%
AEGON Global Commodity Fund (EUR)	-5,90%	-7,22%	20,78%	36,64%	3,58%
AEGON ABS Fund	1,48%	7,77%	3,41%	2,42%	5,86%
AEGON Emerging Market Debt Fund (EUR)	3,97%	10,97%	-22,68%	-27,17%	3,38%
AEGON Global High Yield Fund (EUR)	4,12%	12,71%	1,34%	2,73%	6,01%
AEGON European Credit Fund	3,26%	9,95%	-1,01%	-0,14%	3,97%
AEGON Core Eurozone Government Bond Index Fund	3,52%	7,67%	-4,71%	-3,45%	0,64%
AEAM Money Market Euro Fund	0,96%	4,25%	6,47%	5,93%	3,15%

Multi manager	3 - Month	1 - Year	3 - Year	5 - Year	Year to date
MM Developed World Equity Index Fund Hedged Class C EUR Acc	4,18%	29,72%	27,22%	76,69%	17,93%
MM World Equity Index SRI Fund Class C EUR Hedged Acc	5,42%	23,74%	23,54%	74,06%	12,89%
MM Global Emerging Markets Fund Class C EUR Acc	3,32%	17,79%	0,27%	35,92%	12,75%
MM Global Listed Index Real Estate Fund Class C EUR Hedged Acc	12,34%	24,82%	-0,51%	2,23%	10,55%
AEGON Global Commodity Fund (EUR)	-5,90%	-7,22%	20,78%	36,64%	3,58%
MM Asset Backed Securities Fund Class C EUR Acc	1,23%	6,76%	9,37%	9,81%	5,13%
MM Global Emerging Market Debt Fund Hedged Class C EUR Acc	6,23%	19,16%	-3,41%	-0,18%	9,51%
MM Global High Yield Fund Hedged Class C EUR Acc	4,10%	13,01%	1,65%	12,20%	6,35%
MM Euro Credit ESG Fund Class C EUR Acc	3,32%	10,08%	-2,67%	-0,55%	4,02%
MM Core Eurozone Government Bond Index Fund	3,51%	7,64%	-13,55%	-18,55%	0,61%
AEAM Money Market Euro Fund	0,96%	4,25%	6,47%	5,93%	3,15%

Good to know:

Life Cycle Investing

- The tables on Life Cycle Investing show the provisional return on the starting balance for a period through 30 September, 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 deductions or additions by the Aegon Liability Matching funds will be offset against the participant's current investment mix. Until July 1, 2024, these cash flows were settled with 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 Investing shows the provisional return on the starting balance for a period through 30 September, 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.

Investment Journal Q3

The market was characterized by significant movement in this last quarter. In the investment journal of the third quarter of 2024, Anne Marjet and Herialet explain why reacting out of panic or to daily fluctuations is not desirable, especially when it comes to investing for your pension. [**Watch the investment journal here!**](#)