



# Foreword



## **Fourth quarter 2024: Interest-rate volatility**

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Last quarter saw large fluctuations in interest rates. The European Central Bank cut its policy rate in October, on the back of a decline in inflation. Interest rates fell further in November on investor expectations, but rose again in December to the level seen at the beginning of the quarter due to concerns about the German economy and the level of French government debt.  
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European stocks lagged their US counterparts over the past quarter. This effect was reinforced by the election of President Trump. His promises of lower taxes and less regulation drove prices of US companies higher. European companies failed to keep pace, partly due to the increased prospect of a trade war.  
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Both equities and fixed-income securities increased in value over the past months. However, real estate declined on the back of higher financing costs.

# Notes to the results

## Marketable securities

Major developments in the fourth quarter of 2024:

- ✓ Prices of US and European stocks diverged widely during the quarter. Economic growth in the US is higher. Trump's promises also had a positive effect on the share prices of US companies. The share prices of European companies declined. The economy is faltering, partly due to higher energy costs.
- ✓ Real estate had a weak quarter. Developers fund real estate with loans, and long-term interest rates rose last quarter. This makes real estate projects less profitable.
- ✓ Emerging markets stocks showed negative returns. The Chinese government announced economic stimulus plans in September which were seen as disappointing in the closing months of the year.
- ✓ Returns on commodities were positive in the past quarter, with rising prices for energy and agricultural products in the last few months.

### Conclusion

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



# Notes to the results

## Fixed-income markets

Major developments in the fourth quarter of 2024:

- ✓ Inflation has declined. This allowed central banks in the US and Europe to cut their policy rates. However, yields on government debt increased again due to the high level of French government debt and the faltering economy in Germany. Prices of government bonds declined as a result.
- ✓ High-yield corporate bonds on the other hand had a positive quarter, with higher prices for US corporate bonds driven by the strong US economy.
- ✓ Emerging markets bonds had a negative quarter. President Trump's announcement on trade tariffs had a negative effect on companies in emerging markets.

### 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 asset mix that changes as a person ages. In Life Cycle Investing, we reduce risk as a person ages. So the asset 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 asset 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	0,94%	1,02%	1,06%	1,06%	1,10%	0,51%	0,54%	0,56%	0,56%	0,58%
1 - Year	14,54%	15,85%	16,50%	16,50%	17,12%	13,84%	15,06%	15,67%	15,67%	16,25%
3 - Year	11,75%	13,40%	14,45%	14,45%	15,31%	11,41%	13,28%	14,23%	14,23%	15,13%
5 - Year	40,84%	46,46%	49,61%	50,87%	52,57%	40,86%	41,09%	45,27%	47,82%	53,55%
Year to date	14,54%	15,85%	16,50%	16,50%	17,12%	13,84%	15,06%	15,67%	15,67%	16,25%

	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	2,27%	1,75%	1,06%	1,06%	1,10%	1,84%	1,27%	0,56%	0,56%	0,58%
1 - Year	15,67%	16,49%	16,50%	16,50%	17,12%	14,97%	15,71%	15,67%	15,67%	16,25%
3 - Year	2,58%	10,70%	14,45%	14,45%	15,31%	2,58%	10,67%	14,23%	14,23%	15,13%
5 - Year	31,22%	39,64%	48,34%	50,04%	52,47%	31,74%	35,27%	45,27%	47,82%	53,55%
Year to date	15,67%	16,49%	16,50%	16,50%	17,12%	14,97%	15,71%	15,67%	15,67%	16,25%

	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	2,55%	2,44%	1,82%	1,06%	1,08%	2,22%	2,03%	1,36%	0,56%	0,57%
1 - Year	12,79%	14,72%	15,76%	16,50%	16,83%	12,28%	14,06%	15,01%	15,67%	15,97%
3 - Year	-11,56%	-5,22%	4,81%	14,45%	15,02%	-10,74%	-4,55%	4,83%	14,23%	14,87%
5 - Year	14,77%	17,31%	35,43%	49,71%	53,12%	16,25%	12,98%	30,35%	46,91%	53,19%
Year to date	12,79%	14,72%	15,76%	16,50%	16,83%	12,28%	14,06%	15,01%	15,67%	15,97%

	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	1,38%	1,50%	1,23%	1,38%	1,67%	1,28%	1,31%	0,99%	1,07%	1,28%
1 - Year	5,53%	8,17%	9,34%	11,30%	13,41%	5,44%	7,92%	8,99%	10,83%	12,79%
3 - Year	-15,71%	-12,50%	-4,78%	-2,13%	-1,93%	-15,54%	-12,13%	-5,17%	-2,40%	-1,84%
5 - Year	-3,03%	2,31%	16,30%	24,77%	26,42%	-3,49%	-6,94%	4,27%	16,92%	27,10%
Year to date	5,53%	8,17%	9,34%	11,30%	13,41%	5,44%	7,92%	8,99%	10,83%	12,79%

# Fixed mix

A fixed asset mix means that returns are calculated for an asset 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	0,94%	1,02%	1,06%	1,06%	1,10%	0,51%	0,54%	0,56%	0,56%	0,58%
1 - Year	14,54%	15,85%	16,50%	16,50%	17,12%	13,84%	15,06%	15,67%	15,67%	16,25%
3 - Year	11,75%	13,40%	14,45%	14,45%	15,31%	11,41%	13,28%	14,23%	14,23%	15,13%
5 - Year	40,84%	46,46%	49,61%	50,87%	52,57%	40,86%	41,09%	45,27%	47,82%	53,55%
Year to date	14,54%	15,85%	16,50%	16,50%	17,12%	13,84%	15,06%	15,67%	15,67%	16,25%

	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	2,27%	1,75%	1,06%	1,06%	1,10%	1,84%	1,27%	0,56%	0,56%	0,58%
1 - Year	15,67%	16,49%	16,50%	16,50%	17,12%	14,97%	15,71%	15,67%	15,67%	16,25%
3 - Year	-0,85%	6,52%	14,45%	14,45%	15,31%	-0,64%	6,58%	14,23%	14,23%	15,13%
5 - Year	29,40%	34,08%	49,39%	50,23%	52,85%	30,26%	29,92%	45,27%	47,82%	53,55%
Year to date	15,67%	16,49%	16,50%	16,50%	17,12%	14,97%	15,71%	15,67%	15,67%	16,25%

	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	2,55%	2,44%	1,82%	1,06%	1,08%	2,22%	2,03%	1,36%	0,56%	0,57%
1 - Year	12,79%	14,72%	15,76%	16,50%	16,83%	12,28%	14,06%	15,01%	15,67%	15,97%
3 - Year	-11,73%	-6,49%	3,15%	14,45%	14,89%	-11,08%	-5,79%	3,15%	14,23%	14,65%
5 - Year	11,41%	14,83%	32,40%	49,64%	52,21%	12,26%	9,18%	25,15%	45,96%	51,84%
Year to date	12,79%	14,72%	15,76%	16,50%	16,83%	12,28%	14,06%	15,01%	15,67%	15,97%

	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	1,38%	1,50%	1,23%	1,38%	1,67%	1,28%	1,31%	0,99%	1,07%	1,28%
1 - Year	5,53%	8,17%	9,34%	11,30%	13,41%	5,44%	7,92%	8,99%	10,83%	12,79%
3 - Year	-13,33%	-10,94%	-3,81%	-2,56%	-3,21%	-13,97%	-10,82%	-4,45%	-2,94%	-2,69%
5 - Year	-5,31%	0,89%	13,44%	21,97%	23,43%	-7,14%	-6,57%	3,00%	13,05%	24,58%
Year to date	5,53%	8,17%	9,34%	11,30%	13,41%	5,44%	7,92%	8,99%	10,83%	12,79%

# Self-directed investment

Single manager	3 - Month	1 - Year	3 - Year	5 - Year	Year to date
AEAM World Equity Index Fund (EUR)	2,11%	20,16%	17,66%	61,12%	20,16%
AEAM Global Sustainable Real Estate Fund	-3,11%	6,18%	-8,39%	1,66%	6,18%
AEGON Global Commodity Fund (EUR)	3,40%	7,13%	22,88%	30,88%	7,13%
AEGON ABS Fund	1,31%	7,25%	12,03%	14,14%	7,25%
AEGON Emerging Market Debt Fund (EUR)	-2,02%	5,53%	-9,01%	-8,31%	5,53%
AEGON Global High Yield Fund (EUR)	0,54%	6,59%	3,98%	12,70%	6,59%
AEGON European Credit Fund	0,91%	4,91%	-1,46%	0,70%	4,91%
AEGON Core Eurozone Government Bond Index Fund	-0,52%	0,12%	-13,99%	-13,86%	0,12%
AEAM Money Market Euro Fund	0,91%	4,11%	7,59%	6,99%	4,11%

Multi manager	3 - Month	1 - Year	3 - Year	5 - Year	Year to date
MM Developed World Equity Index Fund Hedged Class C EUR Acc*	2,04%	20,34%	19,82%	68,30%	2,04%
MM World Equity Index SRI Fund Class C EUR Hedged Acc	-0,23%	12,63%	9,98%	62,24%	-0,23%
MM Global Emerging Markets Fund Class C EUR Acc	-5,21%	4,79%	-14,03%	-4,29%	-5,21%
MM Global Listed Index Real Estate Fund Class C EUR Hedged Acc**	12,34%	24,82%	-1,52%	11,65%	12,34%
AEGON Global Commodity Fund (EUR)	3,40%	7,13%	85,55%	284,06%	3,40%
MM Asset Backed Securities Fund Class C EUR Acc	1,20%	6,39%	10,81%	11,23%	1,20%
MM Global Emerging Market Debt Fund Hedged Class C EUR Acc	-1,37%	8,01%	-3,24%	-3,44%	-1,37%
MM Global High Yield Fund Hedged Class C EUR Acc	0,04%	6,39%	2,02%	10,09%	0,04%
MM Euro Credit ESG Fund Class C EUR Acc	0,87%	4,93%	-1,17%	0,79%	0,87%
MM Core Eurozone Government Bond Index Fund	-0,53%	0,08%	-14,07%	-13,99%	-0,53%
AEAM Money Market Euro Fund	0,91%	4,11%	24,56%	40,17%	0,91%

\* At the start of December, the MM Developed World Equity Index Fund was converted into the MM Developed World Equity Index Fund II. This conversion is included in the results shown.

\*\* At the start of December, the MM Global Listed Index Real Estate Fund was converted into the MM Global Listed Index Real Estate Fund II. This conversion is included in the results shown.

# Good to know

## Life Cycle Investing

- The tables on Life Cycle Investing show the provisional return on the starting balance for a period until 31 December 2024. In reality, new contributions are paid in monthly. An employee's total return may therefore differ from the return shown.
- The figures in the tables include fund managers' costs, but exclude costs charged by Aegon Capital. These costs vary per employer.
- The asset 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 1 July 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 asset mix. Until 1 July 2024, these cash flows were settled with the Aegon Fixed Income Stability Fund on the Single Manager funds side, and with the 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 kept constant. The Life Cycle returns take account of changes in age.
- As a participant approaches retirement, we reduce their risk. We do this by adjusting their asset mix. With a fixed mix, the asset mix is kept constant; for the Life Cycle returns, we take account of a changing asset 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 a fixed mix as well.

## Self-directed investment

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