

## Second quarter 2024



# Foreword

## Second quarter 2024: Volatile stock markets

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The financial markets began the quarter with relatively high volatility and with negative results. April was marred by geopolitical turmoil and disappointing inflation figures. In May, the tide turned with positive returns for US and European stock markets, partly due to an increase in consumer confidence. In Europe, there was a reversal in June, due to strong wage growth, limited consumer spending and the French elections. Outside Europe, positive returns continued in June.

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In the past quarter, the European Central Bank cut interest rates for the first time in years, seeing room to lower interest rates due to declining inflation. Inflation is still relatively high at the moment, mainly due to wage increases. Wage increases in America are higher, so the US central bank has not cut interest rates.

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Fixed-income securities had a negative quarter, with higher capital market interest rates in the past three months. Bonds therefore declined in value.



# Notes to the results

## Marketable securities

Major developments in the second quarter of 2024:

- ✓ After a strong first quarter, the positive trend has softened somewhat. Shares of companies in heavy industry and materials had negative returns. In contrast, profits were made on investments in companies active in artificial intelligence.
- ✓ US stocks had a better quarter than European stocks. Several issues weighed on stock prices in Europe, including lower economic growth and the announcement of the French elections.
- ✓ Stocks in emerging markets equities outperformed developed markets. Chinese investments especially increased in recent months as a result of active government policy.
- ✓ Commodities delivered a moderately positive return last quarter. Metals, such as zinc and silver, became more expensive. Agricultural products fell in value.

## Conclusion

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

# Notes to the results

## Fixed Income Markets

Major developments in the second quarter of 2024:

- ✓ Capital market Interest rates rose in the second quarter of 2024. Bonds are heavily affected by these rates. European government bonds fell in value due to the rise in interest rates. European corporate bonds with a low-risk profile rose in value due to lower risk spreads.
- ✓ Emerging market bonds also had a negative quarter. High-risk corporate bonds have performed better in the past period, but also had a negative return.
- ✓ The pension stabilizer also had a negative return due to higher interest rates.

## Conclusion

The returns on fixed-income securities were on balance negative 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	1,92%	2,17%	2,29%	2,29%	2,42%	2,03%	2,29%	2,42%	2,42%	2,56%
1 - Year	15,66%	16,76%	17,31%	17,31%	17,85%	15,76%	16,90%	17,47%	17,47%	18,03%
3 - Year	12,81%	15,22%	16,42%	16,42%	17,63%	13,10%	15,07%	16,41%	16,54%	18,36%
5 - Year	43,78%	50,21%	53,48%	55,18%	56,79%	44,28%	43,81%	48,86%	52,36%	58,67%
Year to date	8,61%	9,62%	10,13%	10,13%	10,64%	8,44%	9,43%	9,93%	9,93%	10,42%

	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	0,11%	1,18%	2,29%	2,29%	2,42%	0,22%	1,31%	2,42%	2,42%	2,56%
1 - Year	15,64%	16,78%	17,31%	17,31%	17,85%	15,72%	16,93%	17,47%	17,47%	18,03%
3 - Year	1,83%	10,39%	16,46%	16,42%	17,65%	2,39%	10,47%	16,41%	16,54%	18,36%
5 - Year	31,05%	39,85%	51,79%	53,97%	56,81%	32,02%	34,87%	48,86%	52,36%	58,67%
Year to date	7,12%	8,81%	10,13%	10,13%	10,64%	6,95%	8,62%	9,93%	9,93%	10,42%

	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	-1,64%	-0,83%	0,64%	2,29%	2,35%	-1,56%	-0,73%	0,76%	2,42%	2,49%
1 - Year	12,86%	15,22%	16,06%	17,31%	17,57%	12,86%	15,38%	16,20%	17,47%	17,74%
3 - Year	-12,01%	-5,84%	6,05%	16,42%	18,13%	-11,12%	-6,59%	4,56%	16,42%	18,08%
5 - Year	14,05%	15,05%	34,30%	52,38%	57,46%	15,61%	11,34%	30,84%	51,01%	58,28%
Year to date	3,95%	5,88%	8,00%	10,13%	10,38%	3,82%	5,72%	7,81%	9,93%	10,17%

	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	-2,34%	-1,78%	-0,59%	-0,34%	-0,36%	-2,34%	-1,75%	-0,54%	-0,26%	-0,26%
1 - Year	6,55%	8,70%	10,37%	11,89%	13,25%	6,06%	8,36%	10,06%	11,72%	13,24%
3 - Year	-17,98%	-14,04%	-4,77%	-2,25%	-1,74%	-18,53%	-14,94%	-6,84%	-3,47%	-1,22%
5 - Year	-6,00%	-0,83%	14,18%	25,46%	27,06%	-7,46%	-11,95%	1,45%	17,10%	28,10%
Year to date	-0,83%	1,25%	3,15%	4,55%	5,85%	-0,84%	1,19%	3,07%	4,44%	5,69%

# 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	1,92%	2,17%	2,29%	2,29%	2,42%	2,03%	2,29%	2,42%	2,42%	2,56%
1 - Year	15,66%	16,76%	17,31%	17,31%	17,85%	15,76%	16,90%	17,47%	17,47%	18,03%
3 - Year	12,81%	15,22%	16,42%	16,42%	17,63%	13,10%	15,07%	16,41%	16,54%	18,36%
5 - Year	43,78%	50,21%	53,48%	55,18%	56,79%	44,28%	43,81%	48,86%	52,36%	58,67%
Year to date	8,61%	9,62%	10,13%	10,13%	10,64%	8,44%	9,43%	9,93%	9,93%	10,42%

	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	0,11%	1,18%	2,29%	2,29%	2,42%	0,22%	1,31%	2,42%	2,42%	2,56%
1 - Year	15,64%	16,78%	17,31%	17,31%	17,85%	15,72%	16,93%	17,47%	17,47%	18,03%
3 - Year	-0,88%	7,02%	16,93%	16,42%	17,85%	-0,17%	6,81%	16,41%	16,54%	18,36%
5 - Year	29,68%	34,59%	51,98%	53,85%	57,09%	31,01%	30,40%	48,86%	52,36%	58,67%
Year to date	7,12%	8,81%	10,13%	10,13%	10,64%	6,95%	8,62%	9,93%	9,93%	10,42%

	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	-1,64%	-0,83%	0,64%	2,29%	2,35%	-1,56%	-0,73%	0,76%	2,42%	2,49%
1 - Year	12,86%	15,22%	16,06%	17,31%	17,57%	12,86%	15,38%	16,20%	17,47%	17,74%
3 - Year	-12,79%	-7,09%	4,52%	16,42%	17,89%	-12,05%	-7,93%	2,77%	16,34%	17,63%
5 - Year	9,96%	12,20%	31,02%	51,98%	56,26%	10,91%	7,05%	25,68%	49,87%	56,68%
Year to date	3,95%	5,88%	8,00%	10,13%	10,38%	3,82%	5,72%	7,81%	9,93%	10,17%

	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	-2,34%	-1,78%	-0,59%	-0,34%	-0,36%	-2,34%	-1,75%	-0,54%	-0,26%	-0,26%
1 - Year	6,55%	8,70%	10,37%	11,89%	13,25%	6,06%	8,36%	10,06%	11,72%	13,24%
3 - Year	-17,00%	-13,19%	-4,63%	-3,29%	-3,18%	-17,79%	-13,95%	-6,27%	-4,56%	-2,59%
5 - Year	-9,46%	-2,38%	11,34%	22,99%	24,07%	-11,64%	-11,78%	-0,26%	13,24%	24,98%
Year to date	-0,83%	1,25%	3,15%	4,55%	5,85%	-0,84%	1,19%	3,07%	4,44%	5,69%

# Self-directed investment

Single manager	3 - Month	1 - Year	3 - Year	5 - Year	Year to date
AEAM World Equity Index Fund (EUR)	3,38%	19,91%	18,21%	64,40%	12,89%
AEAM Global Real Estate Fund	-2,25%	1,49%	-17,58%	-13,47%	-1,68%
AEGON Global Commodity Fund (EUR)	0,44%	13,02%	34,53%	37,86%	10,07%
AEGON Core Eurozone Government Bond Index Fund	-1,86%	-0,40%	-21,20%	-24,92%	-3,68%
AEGON Emerging Market Debt Fund (EUR)	-1,49%	2,44%	-26,86%	-31,00%	-0,57%
AEGON Global High Yield Fund (EUR)	-0,67%	2,73%	-14,16%	-13,97%	-1,05%
AEGON European Credit Fund	-0,63%	4,11%	-11,22%	-10,37%	-0,74%
AEGON ABS Fund	0,38%	2,37%	-1,02%	-0,54%	1,43%
AEAM Money Market Euro Fund	1,01%	4,33%	5,28%	4,83%	2,17%

Multi manager	3 - Month	1 - Year	3 - Year	5 - Year	Year to date
MM Developed World Equity Index Fund Hedged Class C EUR Acc	3,20%	20,92%	22,83%	71,93%	13,19%
MM World Equity Fund Class C EUR Hedged Acc	2,63%	20,76%	20,45%	77,25%	12,57%
MM World Equity Index SRI Fund Class C EUR Hedged Acc	0,55%	12,80%	18,61%	68,90%	7,09%
MM Global Emerging Markets Fund Class C EUR Acc	5,50%	12,17%	-6,92%	33,18%	9,12%
MM Global Listed Index Real Estate Fund Class C EUR Hedged Acc	-1,48%	7,58%	-11,56%	-2,75%	-1,59%
AEGON Global Commodity Fund (EUR)	0,44%	13,02%	34,53%	37,86%	10,07%
MM European Long Duration Sovereign Bond Index Fund Class C EUR Acc	-2,97%	-0,52%	-31,27%	-31,24%	-4,97%
MM Core Eurozone Government Bond Index Fund	-1,42%	1,34%	-16,64%	-19,93%	-2,80%
MM Global Emerging Market Debt Fund Hedged Class C EUR Acc	-0,36%	9,12%	-10,02%	-6,56%	3,09%
MM Global High Yield Fund Hedged Class C EUR Acc	0,62%	8,81%	-2,32%	8,65%	2,16%
MM Asset Backed Securities Fund Class C EUR Acc	1,75%	7,17%	8,31%	8,59%	3,86%
MM Euro Credit ESG Fund Class C EUR Acc	0,14%	6,99%	-5,76%	-2,38%	0,69%
MM Global Credit Ex Financials Fund Class C EUR Hedged Acc	-0,73%	2,48%	-13,22%	-8,79%	-1,55%
AEAM Money Market Euro Fund	1,01%	4,33%	5,28%	4,83%	2,17%

# Good to know:

## Life Cycle Investing

- The tables on Life Cycle Investing show the provisional return on the starting balance for a period through June 30, 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 Investing shows the provisional return on the starting balance for a period through June 30, 2023.
- 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.