

## Press release

**April 18, 2024**

## Kwartaalbericht Q1 2024

**embargoed until**

Heerlen/Amsterdam, April 18, 2024.

- **Current funding ratio rises to 112.9% in Q1**
- **First-quarter return on investments: +2.5% (+€12.6 billion)**
- **Pension liabilities in Q1 remain nearly the same (€455 billion)**
- **Policy funding ratio in Q1 comes to 113.8%**

The financial position of ABP has improved in the first quarter of 2024. The current funding ratio rose from 110.5% at the end of 2023 to 112.9% by the end of March 2024. This is in large part due to the return on investments in the first quarter (+2.5%). Stock markets performed well despite continuing unrest across the world. As a result, the value of ABP's assets increased to €514 billion. Meanwhile, the value of all pensions that ABP must pay out in future remained more or less stable due to a stable actuarial interest rate level. For every €100 that ABP has to pay out now and in the future, the fund has €112.90 in capital.

**Harmen van Wijnen, Chair of the Board of Trustees:** "The past quarter has been very good for us. ABP's financial position improved, and we earned a nice return on our investments. As a result, the value of our assets increased to €514 billion. We have also been hard at work preparing for the transition to the renewed contract. We are currently on schedule and are steadily making progress towards giving shape to the new pension system. It is important that we can continue to work on this without too many distractions. It remains clear to us that an update is necessary, resulting in a satisfactory and balanced outcome for all our participants, both young and old."

### What can ABP participants expect?

In January 2024, ABP increased pensions by over 3%, thus almost fully offsetting the rise in prices between September 2022 and September 2023 (3.03%). At the end of November this year, ABP will again assess whether pensions can be increased in 2025 and, if so, by how much. When doing so, the fund will consider the financial position at the end of October and the rise in prices between September 2023 and September 2024, taking into account the interests of all groups of participants. The Board of Trustees will then decide what increase is appropriate.

### ABP's funding ratios in Q1 2024

In the first quarter of 2024, the current funding ratio rose from 110.5% to 112.9%. The return on investments and the stable actuarial interest rate contributed to this. The policy funding ratio (the average of the latest funding ratios over the past twelve months) decreased in the first quarter by 0.1%, from 113.9% to 113.8%. This funding ratio, which is important for pension increases, was therefore above the level of 110% (Financial Assessment Framework) and the more flexible limit of 105%, which applies to funds that want to switch to the new pension system.

How did ABP's investments and liabilities fare in Q1 2024?

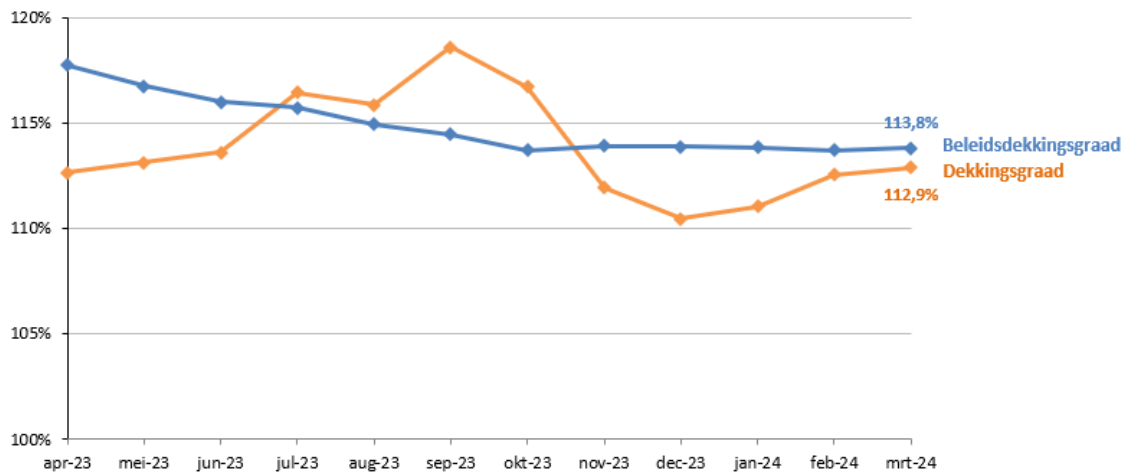
ABP's available assets rose from €502 billion at the end of 2023 to €514 billion at the end of March 2024. ABP posted a return on investments for Q1 of +2.5% (+€12.6 billion). Equities in particular performed well (+10.2%). Other asset classes also closed up with a positive result, with the exception of fixed-income investments (-1.0%) (see the appendix).

The actuarial interest rate remained fairly stable at 2.3% in the first quarter. As a result, the impact on the value of the pensions that ABP has to pay out now and in the future was very minor: the value increased by €1 billion to €455 billion at the end of March 2024.

Kerncijfers	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Actuele dekkingsgraad (%)	111,9	113,6	118,6	110,5	112,9
Beleidsdekkingsgraad (%)	118,6	116,0	114,5	113,9	113,8
Beschikbaar vermogen (€ miljard)*	470	475	457	502	514
Verplichtingen (€ miljard)	420	418	386	454	455
Rekenrente (%)	2,5	2,6	3,1	2,3	2,3

\* de belangrijkste redenen voor verandering van het beschikbaar vermogen zijn behaald beleggingsrendement, premies en uitkeringen.

Ontwikkeling dekkingsgraden per maandeinde



## Appendix: explanation of return on ABP investment portfolio

### Explanation of return on investment portfolio

	Weighting	Q1 2024		YTD 2024		2023	
		in %	in %	in € billion	in %	in € billion	in %
<b>Fixed-income investments</b>	<b>38.6</b>	<b>-1.0</b>	<b>-2.1</b>	<b>-1.0</b>	<b>-2.1</b>	<b>6.3</b>	<b>11.6</b>
Government bonds	9.7	-0.9	-0.5	-0.9	-0.5	5.3	2.4
Long-term government bonds	12.7	-3.2	-2.1	-3.2	-2.1	5.4	3.5
Corporate bonds	10.2	0.1	0.1	0.1	0.1	6.3	3.1
Emerging-market bonds	6.0	1.2	0.4	1.2	0.4	9.2	2.6
<b>Equities</b>	<b>29.9</b>	<b>10.2</b>	<b>14.3</b>	<b>10.2</b>	<b>14.3</b>	<b>15.4</b>	<b>18.7</b>
Developed-market equities	23.2	11.5	12.2	11.5	12.2	19.0	17.0
Emerging-market equities	6.7	6.2	2.1	6.2	2.1	5.5	1.8
<b>Alternative investments</b>	<b>20.5</b>	<b>3.3</b>	<b>3.5</b>	<b>3.3</b>	<b>3.5</b>	<b>2.9</b>	<b>3.1</b>
Private equity	9.1	1.6	0.7	1.6	0.7	5.9	2.6
Commodities *	4.9	8.8	2.2	8.8	2.2	-3.1	-0.8
Infrastructure	5.4	1.7	0.5	1.7	0.5	5.5	1.4
Hedge funds (being wound down) **	1.0	1.8	0.1	1.8	0.1	-1.3	-0.1
<b>Real estate</b>	<b>9.7</b>	<b>0.7</b>	<b>0.4</b>	<b>0.7</b>	<b>0.4</b>	<b>0.0</b>	<b>0.0</b>
Real estate	9.7	0.7	0.4	0.7	0.4	0.0	0.0
<b>Portfolio return (before overlay)</b>	<b>99.4</b>	<b>3.2</b>	<b>16.1</b>	<b>3.2</b>	<b>16.1</b>	<b>7.3</b>	<b>33.4</b>
<b>Overlay ***</b>	<b>0.6</b>	<b>-0.7</b>	<b>-3.4</b>	<b>-0.7</b>	<b>-3.4</b>	<b>2.0</b>	<b>9.2</b>
Interest rate and inflation hedge ***		-0.4	-2.0	-0.4	-2.0	1.8	8.4
Currency hedge ***		-0.3	-1.5	-0.3	-1.5	0.2	1.1
Cash and other ***		0.0	0.1	0.0	0.1	-0.1	-0.3
<b>Total</b>	<b>100.0</b>	<b>2.5</b>	<b>12.6</b>	<b>2.5</b>	<b>12.6</b>	<b>9.3</b>	<b>42.6</b>

\* Commodities have 100% USD exposure. Expressed in USD, the return on investments for Q1 is 6.4%.

\*\* Hedge funds have 100% USD exposure. Expressed in USD, the return on investments for Q1 is -0.4%.

\*\*\* Contribution to total return on investments