

Press release

Quarterly Report Q1 2025

Heerlen/Amsterdam, 24 April 2025.

- **Current funding ratio rises to 115.6 per cent in Q1**
- **First quarter investment return: -4.0 per cent (-€21.8 billion)**
- **Pension liabilities fall to €450 billion in Q1**
- **Policy funding ratio rises to 113.8 per cent in Q1**

ABP's financial position improved in the first quarter of 2025. The current funding ratio rose from 111.7 per cent at the end of 2024 to 115.6 per cent at the end of March 2025. The increase in interest rates caused the fund's pension liabilities to fall to €450 billion. The stock markets posted a negative return in the first quarter. ABP's assets therefore fell to €520 billion.

What can ABP participants expect?

Chairman of the Board Harmen van Wijnen: "The financial markets were under considerable pressure in the first three months of 2025, even before the import tariffs situation. Due to the turmoil it was not a good investment quarter, with the return being negative. But ABP protects pension assets. Our portfolio is built to cope with shocks. We invest in a diversified way across many countries and different types of investments and with a long-term perspective. When one investment underperforms, another usually performs better and vice versa. This helps to cushion the peaks and troughs and makes us more resistant to fluctuations. Naturally, we monitor the situation closely and make adjustments where necessary. Despite the turbulent financial markets, the funding ratio increased due to rising interest rates in the past quarter. ABP is well on track to switch to the new pension scheme in 2027, which will allow money that currently remains in the buffers to largely end up where it belongs: with our participants."

In January this year, ABP increased pensions by 1.84 per cent. This offset the price increase from September 2023 to September 2024 (3.56 per cent) by half. In the three years prior to this, ABP was able to fully index the pensions. At the end of November this year, ABP will again assess whether and how much pensions can be increased in 2026. As ABP will be switching to the new pension system in 2027, the fund will be able to make use of the more flexible rules. ABP will increase the pensions if the fund meets two conditions. The current funding ratio must exceed 110% on 31 October 2025. And the policy funding ratio must be higher than 105%. The fund will then look at the price increase between 1 September 2024 and 1 September 2025, taking into account the interests of all groups of participants. The Board will determine which increase is appropriate in this regard.

ABP's first quarter 2025 funding ratios

In the first quarter of 2025, the current funding ratio rose from 111.7 per cent to 115.6 per cent. This was due to rising interest rates. The policy funding ratio (the average of the current funding ratios over the last twelve months) fell by 0.7 per cent in the third quarter: from 113.1 per cent to 113.8 per cent.

What did ABP's investments and liabilities do in Q1 2025?

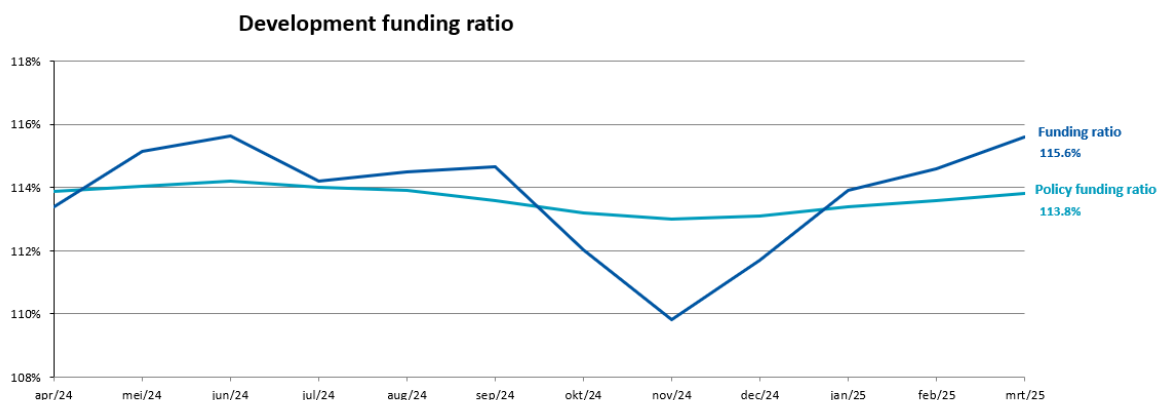
ABP's available assets fell from €542 billion at the end of 2024 to €520 billion at the end of March 2025. ABP posted a return of -4.0 per cent (-€21.8 billion) in the first quarter. While many asset classes were in

the red, corporate bonds and commodities and infrastructure posted positive returns (see appendix). The actuarial interest rate rose to 2.6 per cent in the first quarter. As a result, the value of the pensions that ABP must pay out now and in the future fell by €36 billion to €450 billion at the end of March 2025.

Key figures	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Current funding ratio (%)	112.9	115.6	114.6	111.7	115.6
Policy funding ratio (%)	113.8	114.2	113.6	113.1	113.8
Available assets (€ billion)*	514	510	533	542	520
Liabilities (€ billion)	455	441	465	486	450
Actuarial interest rate (%)	2.3	2.5	2.2	2.1	2.6

* the main reasons for the change in available assets are achieved investment returns, premiums and distributions.

* In the above table, some key figures of Q4 2024 (in italics) have been adjusted as a result of the determination of and in accordance with the final financial statements for 2024. The appendix on the composition and return of the investment portfolio also shows some adjustments.



Appendix: Notes on return on ABP investment portfolio

		Q1 2025		YTD 2025		2024	
	Weighting	Return		Return		Return	
	%	%	billion €	%	billion €	%	billion €
Fixed-income investments	41.2	-1.0	-2.1	-1.0	-2.1	-0.2	-0.3
Government bonds	10.4	-0.5	-0.3	-0.5	-0.3	0.6	0.3
Long-term government bonds	12.9	-3.2	-2.2	-3.2	-2.2	-6.4	-4.4
Corporate bonds	11.2	1.0	0.6	1.0	0.6	3.1	1.7
Emerging market bonds	5.3	-0.5	-0.1	-0.5	-0.1	6.4	1.8
Mortgages	1.5	-0.5	0.0	-0.5	0.0	6.8	0.3
Equities	28.8	-5.5	-8.7	-5.5	-8.7	21.9	29.9
Developed market equities	24.0	-6.2	-8.3	-6.2	-8.3	23.6	25.2
Emerging market equities	4.8	-1.5	-0.4	-1.5	-0.4	15.8	4.7
Alternative investments	20.3	-1.3	-1.4	-1.3	-1.4	13.0	12.8
Private Equity	9.0	-4.0	-1.9	-4.0	-1.9	11.8	5.3
Commodities *	4.3	2.3	0.5	2.3	0.5	19.7	4.3
Infrastructure	6.2	0.6	0.2	0.6	0.2	10.4	3.0
Hedge funds (in run-off) **	0.7	-3.1	-0.1	-3.1	-0.1	6.6	0.3
Real estate	9.6	-2.8	-1.4	-2.8	-1.4	5.5	2.7
Real estate	9.6	-2.8	-1.4	-2.8	-1.4	5.5	2.7
Portfolio return (for overlay)	99.9	-2.5	-13.6	-2.5	-13.6	9.0	45.1
Overlay ***	0.1	-1.5	-8.2	-1.5	-8.2	-0.7	-3.4
Interest rate and inflation hedge ***		-1.9	-10.2	-1.9	-10.2	0.2	1.0
Currency hedge ***		0.4	2.0	0.4	2.0	-0.9	-4.5
Cash and other ***		0.0	0.0	0.0	0.0	0.0	0.1
Total	100.0	-4.0	-21.8	-4.0	-21.8	8.4	41.7

* Commodities have 100% USD exposure, expressed in USD the return over Q1 is +6.7%

** Hedge funds have 100% USD exposure, expressed in USD the return over Q1 is +1.1%

*** contribution to total return

Notes on return on investment portfolio

ABP's investment portfolio achieved a return (for overlay) of -2.5 per cent for the first quarter of 2025; in euros, this investment result is -€13.6 billion. The total return (including overlay) for the first quarter was -4.0 per cent in euros, i.e. -€21.8 billion.