

# Bewust Pensioen - Passive

## A closer look at the LifeCycle

Data as per December 31, 2018



Anisa Salomons

Bewust Pensioen takes advantage of LifeCycle Investing by NN Investment Partners. With LifeCycle Investing, the experts at NN IP have developed a solution to achieve an optimal risk-return ratio. At a young age, one can afford to take a relatively high risk. If the value development of investments is negative, e.g. due to a drop in equity prices, there is indeed still plenty of time to make up for the losses. As retirement approaches, however, there is increasingly less time to offset shocks in the financial markets. At that point, there will be more focus on safer investments and risks will be hedged.

LifeCycle Investing is therefore composed of two parts:

- Pension returns: by means of a single fund that typically invests in a broad basket of mostly passive managed funds, with the aim to achieve attractive returns (NN First Class Selective Passive Return Fund).
- Pension matching: using three fixed income funds with passive characteristics and a duration profile, with the objective of limiting interest rate risks wherever possible (NN Liability Matching Funds M, L and XL).

LifeCycle Investing has three risk profiles: defensive, neutral and offensive. Based on of these profiles, we consecutively invest more and more in the return part. Consequently, the defensive profile has the lowest downside risk, compared to the neutral and offensive profiles.

Return (%) (Net)*	1 month	YTD	1 year
35 years	-5.2	-4.6	-4.6
45 years	-4.9	-4.4	-4.4
55 years	-2.4	-1.5	-1.5
67 years	-0.3	0.9	0.9

\* All figures are based on a pensionable age of 68 years and a neutral risk profile as calculated on the basis of the most recent LifeCycle model (2017-2018).  
Source: NN IP Performance Measurement Europe

The LifeCycle is exceptional thanks to the dynamic nature. This has a good reason: our world is changing faster than ever. All around the world there are economic developments with impact and in the Netherlands, laws and regulations regarding pensions are changing. Such changes may affect the course of the LifeCycle and consequently the expected pension at retirement. And so we find it a matter of course to evaluate and, if necessary, adjust the LifeCycle twice a year.

The autumn evaluation focused on the impact of interest rates on stabilizing pension purchases through the NN Liability Matching Funds. Based on current interest rates, it has been reviewed what the optimal ratio is between the matching funds. The evaluation showed that it was necessary to adjust the weights of NN Liability Matching Funds a little. The adjustment was implemented in November 2017.

## Bewust Pensioen - Passive (Defensive risk profile)

Data as per December 31, 2018

## 35 years old

Net Return %	1 month Return	1 month Contribution	Year to date Return	Year to date Contribution	1 year Return	1 year Contribution	Weight*
<b>Pension Returns</b>							
NN First Class Selective Passive Return Fund	-5.93	-4.73	-5.49	-4.39	-5.49	-4.39	80.05
<b>Pension Matching</b>							
NN Liability Matching Fund M	0.32	0.04	1.02	0.11	1.02	0.11	10.95
NN Liability Matching Fund L	1.73	0.00	4.05	0.00	0.00	0.00	0.00
NN Liability Matching Fund XL	3.15	0.29	6.77	0.61	6.77	0.61	9.00
<b>TOTAL</b>		<b>-4.40</b>		<b>-3.67</b>		<b>-3.67</b>	

## 45 years old

Net Return %	1 month Return	1 month Contribution	Year to date Return	Year to date Contribution	1 year Return	1 year Contribution	Weight*
<b>Pension Returns</b>							
NN First Class Selective Passive Return Fund	-5.93	-4.43	-5.49	-4.11	-5.49	-4.11	75.0
<b>Pension Matching</b>							
NN Liability Matching Fund M	0.32	0.06	1.02	0.19	1.02	0.19	19.0
NN Liability Matching Fund L	1.73	0.00	4.05	0.00	0.00	0.00	0.0
NN Liability Matching Fund XL	3.15	0.21	6.77	0.43	6.77	0.43	6.0
<b>TOTAL</b>		<b>-4.16</b>		<b>-3.49</b>		<b>-3.49</b>	

## 55 years old

Net Return %	1 month Return	1 month Contribution	Year to date Return	Year to date Contribution	1 year Return	1 year Contribution	Weight*
<b>Pension Returns</b>							
NN First Class Selective Passive Return Fund	-5.93	-2.41	-5.49	-2.25	-5.49	-2.25	41.0
<b>Pension Matching</b>							
NN Liability Matching Fund M	0.32	0.13	1.02	0.40	1.02	0.40	39.0
NN Liability Matching Fund L	1.73	0.17	4.05	0.40	0.00	0.40	10.0
NN Liability Matching Fund XL	3.15	0.31	6.77	0.66	6.77	0.66	10.0
<b>TOTAL</b>		<b>-1.80</b>		<b>-0.79</b>		<b>-0.79</b>	

## 67 years old

Net Return %	1 month Return	1 month Contribution	Year to date Return	Year to date Contribution	1 year Return	1 year Contribution	Weight*
<b>Pension Returns</b>							
NN First Class Selective Passive Return Fund	-5.93	-1.18	-5.49	-1.10	-5.49	-1.10	20.0
<b>Pension Matching</b>							
NN Liability Matching Fund M	0.32	0.13	1.02	0.40	1.02	0.40	39.0
NN Liability Matching Fund L	1.73	0.71	4.05	1.64	0.00	1.64	41.0
NN Liability Matching Fund XL	3.15	0.00	6.77	0.00	6.77	0.00	0.0
<b>TOTAL</b>		<b>-0.34</b>		<b>0.95</b>		<b>0.95</b>	

\* Over the years, the fund's weightings in the LifeCycle may change. The figures shown in the column 'weighting' are based on the most recent weighting of the LifeCycle. This means that the returns shown in the column 'year to date contribution' cannot exactly be derived from this report.

The contribution is the contribution to the total net return based on the current weights in the LifeCycle model (2017-2018)

Source: NN IP Performance Measurement Europe

## Bewust Pensioen - Passive (Neutral risk profile)

Data as per December 31, 2018

## 35 years old

Net Return %	1 month Return	1 month Contribution	Year to date Return	Year to date Contribution	1 year Return	1 year Contribution	Weight*
<b>Pension Returns</b>							
NN First Class Selective Passive Return Fund	-5.93	-5.33	-5.49	-4.94	-5.49	-4.94	90.0
<b>Pension Matching</b>							
NN Liability Matching Fund M	0.32	0.02	1.02	0.06	1.02	0.06	5.5
NN Liability Matching Fund L	1.73	0.00	4.05	0.00	0.00	0.00	0.0
NN Liability Matching Fund XL	3.15	0.15	6.77	0.30	6.77	0.30	4.5
<b>TOTAL</b>		<b>-5.17</b>		<b>-4.58</b>		<b>-4.58</b>	

## 45 years old

Net Return %	1 month Return	1 month Contribution	Year to date Return	Year to date Contribution	1 year Return	1 year Contribution	Weight*
<b>Pension Returns</b>							
NN First Class Selective Passive Return Fund	-5.93	-5.04	-5.49	-4.67	-5.49	-4.67	85.0
<b>Pension Matching</b>							
NN Liability Matching Fund M	0.32	0.04	1.02	0.12	1.02	0.12	12.0
NN Liability Matching Fund L	1.73	0.00	4.05	0.00	0.00	0.00	0.0
NN Liability Matching Fund XL	3.15	0.09	6.77	0.19	6.77	0.19	3.0
<b>TOTAL</b>		<b>-4.91</b>		<b>-4.36</b>		<b>-4.36</b>	

## 55 years old

Net Return %	1 month Return	1 month Contribution	Year to date Return	Year to date Contribution	1 year Return	1 year Contribution	Weight*
<b>Pension Returns</b>							
NN First Class Selective Passive Return Fund	-5.93	-2.92	-5.49	-2.72	-5.49	-2.72	50.0
<b>Pension Matching</b>							
NN Liability Matching Fund M	0.32	0.11	1.02	0.36	1.02	0.36	35.0
NN Liability Matching Fund L	1.73	0.14	4.05	0.32	0.00	0.32	8.0
NN Liability Matching Fund XL	3.15	0.24	6.77	0.50	6.77	0.50	7.0
<b>TOTAL</b>		<b>-2.43</b>		<b>-1.54</b>		<b>-1.54</b>	

## 67 years old

Net Return %	1 month Return	1 month Contribution	Year to date Return	Year to date Contribution	1 year Return	1 year Contribution	Weight*
<b>Pension Returns</b>							
NN First Class Selective Passive Return Fund	-5.93	-1.18	-5.49	-1.10	-5.49	-1.10	20.0
<b>Pension Matching</b>							
NN Liability Matching Fund M	0.32	0.13	1.02	0.40	1.02	0.40	39.0
NN Liability Matching Fund L	1.73	0.71	4.05	1.64	0.00	1.64	41.0
NN Liability Matching Fund XL	3.15	0.00	6.77	0.00	6.77	0.00	0.0
<b>TOTAL</b>		<b>-0.34</b>		<b>0.95</b>		<b>0.95</b>	

\* Over the years, the fund's weightings in the LifeCycle may change. The figures shown in the column 'weighting' are based on the most recent weighting of the LifeCycle. This means that the returns shown in the column 'year to date contribution' cannot exactly be derived from this report.

The contribution is the contribution to the total net return based on the current weights in the LifeCycle model (2017-2018)

Source: NN IP Performance Measurement Europe

## Bewust Pensioen - Passive (Offensive risk profile)

Data as per December 31, 2018

### 35 years old

Net Return %	1 month Return	1 month Contribution	Year to date Return	Year to date Contribution	1 year Return	1 year Contribution	Weight*
<b>Pension Returns</b>							
NN First Class Selective Passive Return Fund	-5.93	-5.93	-5.49	-5.49	-5.49	-5.49	100.0
<b>Pension Matching</b>							
NN Liability Matching Fund M	0.32	0.00	1.02	0.00	1.02	0.00	0.0
NN Liability Matching Fund L	1.73	0.00	4.05	0.00	0.00	0.00	0.0
NN Liability Matching Fund XL	3.15	0.00	6.77	0.00	6.77	0.00	0.0
<b>TOTAL</b>		<b>-5.93</b>		<b>-5.49</b>		<b>-5.49</b>	

### 45 years old

Net Return %	1 month Return	1 month Contribution	Year to date Return	Year to date Contribution	1 year Return	1 year Contribution	Weight*
<b>Pension Returns</b>							
NN First Class Selective Passive Return Fund	-5.93	-5.93	-5.49	-5.49	-5.49	-5.49	100.0
<b>Pension Matching</b>							
NN Liability Matching Fund M	0.32	0.00	1.02	0.00	1.02	0.00	0.0
NN Liability Matching Fund L	1.73	0.00	4.05	0.00	0.00	0.00	0.0
NN Liability Matching Fund XL	3.15	0.00	6.77	0.00	6.77	0.00	0.0
<b>TOTAL</b>		<b>-5.93</b>		<b>-5.49</b>		<b>-5.49</b>	

### 55 years old

Net Return %	1 month Return	1 month Contribution	Year to date Return	Year to date Contribution	1 year Return	1 year Contribution	Weight*
<b>Pension Returns</b>							
NN First Class Selective Passive Return Fund	-5.93	-4.14	-5.49	-3.84	-5.49	-3.84	70.0
<b>Pension Matching</b>							
NN Liability Matching Fund M	0.32	0.05	1.02	0.15	1.02	0.15	15.0
NN Liability Matching Fund L	1.73	0.16	4.05	0.37	0.00	0.37	9.0
NN Liability Matching Fund XL	3.15	0.20	6.77	0.43	6.77	0.43	6.0
<b>TOTAL</b>		<b>-3.72</b>		<b>-2.89</b>		<b>-2.89</b>	

### 67 years old

Net Return %	1 month Return	1 month Contribution	Year to date Return	Year to date Contribution	1 year Return	1 year Contribution	Weight*
<b>Pension Returns</b>							
NN First Class Selective Passive Return Fund	-5.93	-1.76	-5.49	-1.65	-5.49	-1.65	30.0
<b>Pension Matching</b>							
NN Liability Matching Fund M	0.32	0.09	1.02	0.27	1.02	0.27	27.0
NN Liability Matching Fund L	1.73	0.76	4.05	1.76	0.00	1.76	43.0
NN Liability Matching Fund XL	3.15	0.00	6.77	0.00	6.77	0.00	0.0
<b>TOTAL</b>		<b>-0.92</b>		<b>0.38</b>		<b>0.38</b>	

\* Over the years, the fund's weightings in the LifeCycle may change. The figures shown in the column 'weighting' are based on the most recent weighting of the LifeCycle. This means that the returns shown in the column 'year to date contribution' cannot exactly be derived from this report.

The contribution is the contribution to the total net return based on the current weights in the LifeCycle model (2017-2018)

Source: NN IP Performance Measurement Europe

#### Disclaimer

This communication is intended for MiFID professional investors only. This communication has been prepared solely for the purpose of information and does not constitute an offer, in particular a prospectus or any invitation to treat, buy or sell any security or to participate in any trading strategy or the provision of investment services. While particular attention has been paid to the contents of this communication, no guarantee, warranty or representation, express or implied, is given to the accuracy, correctness or completeness thereof. Any information given in this communication may be subject to change or update without notice. Neither NN Investment Partners B.V., NN Investment Partners Holdings N.V. nor any other company or unit belonging to the NN Group, nor any of its directors or employees can be held directly or indirectly liable or responsible with respect to this communication. Use of the information contained in this communication is at your own risk. This communication and information contained herein must not be copied, reproduced, distributed or passed to any person other than the recipient without NN Investment Partners B.V.'s prior written consent. In relation all the funds

mentioned in this document, a Key Investor Information Document (KIID) has been published containing all necessary information about the product, the costs and the risks involved. The prospectus and the Key Investor Information Document (KIID) (if applicable) and other legally required documents relating to the fund are available on [www.nnip.com](http://www.nnip.com). Investment sustains risk. Please note that the value of any investment may rise or fall and that past performance is not indicative of future results and should in no event be deemed as such.

This communication is not directed at and must not be acted upon by US Persons as defined in Rule 902 of Regulation S of the United States Securities Act of 1933, and is not intended and may not be used to solicit sales of investments or subscription of securities in countries where this is prohibited by the relevant authorities or legislation. Any claims arising out of or in connection with the terms and conditions of this disclaimer are governed by Dutch law.