APF Quarterly update Q1 2024 DC plan

Pensioenfonds APF provides a quarterly update about the developments of your investment in the DC-plan. Share prices continued to rise each month this quarter. And not to a small extent. The positive returns are starting to become a familiar image. Investors anticipate that the central banks will lower interest rates. There hasn't been any rate reduction this year from either the European Central Bank or the American FED. It remains uncertain if rates will indeed be lowered.
The American economy is still running well. The European economy is not doing so well and inflation in the Eurozone is steadily coming down. The probability of an interest rate reduction by the ECB is, therefore, higher than in the case of the FED.
In the DC plan investments are made in stock market funds that follow the Index, with low cost and broad diversification. This way we mirror the broader market and will achieve adequate returns in the long term.
It remains important not to be influenced by the short-term market developments, and to stick to the long-term investment policy of the chosen Lifecycle.

Module Rendement (Return)

In this module worldwide investments are primarily made in equities. The general mood of the stock markets was excellent this quarter. Remarkable is that three out of the so-called "magnificent seven", the seven largest technology companies in the USA, poorly performed this period. Investors are now talking about the "fab four" (Nvidia, Amazon, Meta and Microsoft) who achieved very good returns.

Module Rente (Interest)

In this module creditworthy bonds and private mortgages compose the portfolio.
Bonds showed a small loss this quarter. The expectation is that the central banks will lower interest rates in several steps. The high interest rate inhibits growth, but the growth rate is actually steady. It is assumed that the rate reductions will come later this year, as of the month of June. The delay is reflected in the bond prices. The bonds with longer duration are affected less, as these are influenced more by the longer-term inflation expectations.

Module Matching

The purpose of this module is to hedge the risk of a drop in interest rates at the time of pension purchase upon retirement.
The Matching module is required to provide adequate protection for very long durations. The interest rate for long duration bonds went up, and this resulted in a negative yield for this module.

Overview of yields in the 1st quarter and year-to-date 2024

	Return (net[1]) Q1 2024	Return benchmark Q1 2024	Return (net[1]) Year-to-date 2024	Return benchmark Year-to-date 2024
Module Rendement	9,1%	8,9%	9,1%	8,9%
Module Rente	-0,1%	-0,5	-0,1%	-0,5%
Module Matching	-0,8%	-0,8%	-0,8%	-0,8%

[1] These are yields, corrected for all investment expenses. The return of the benchmark is always shown gross (without correction for costs). The return in de module is, therefore, not exactly comparable to the benchmark but it provides a good indication.

Your realised return depends on the selected risk profile and your age. You will find this in our regular reports indicating the returns of the different Lifecycles.

The returns of the Lifecycles for recent years are shown on the website.