APF Quarterly update DC scheme Q3 2024

Stichting Pensioenfonds APF

Pensioenfonds APF provides a quarterly report on the developments of your investments in the DC scheme. In the three months this quarter, stock prices continued to rise. At the beginning of September, a report was published on the deteriorating labor market in the US. The state of a labor market tells a lot about the state of an economy. In response to this report, stock prices fell. Shortly afterwards, the Fed, the US central bank, announced an interest rate cut. Done with the intention of combating sudden inflation. It also turned out to be a fairly large reduction, namely half a percent. The Fed believes that the economy is stable enough for lower interest rates. This significant interest rate cut was good news for equities and bonds.

The DC scheme invests in equity funds that track the Index, with low costs and a broad diversification. This follows the market and will achieve a return in the long term. It remains important not to be influenced by short-term price developments and to stick to the long-term investment policy of the chosen Lifecycle.

The transition in the Matching module was successfully completed at the beginning of October. From now on, the hedging of the interest rate risk for long terms will be carried out via a so-called Duration Fund.

Module Rendement (Return)

This module invests in shares worldwide. The mood on the stock markets was still good this quarter. The return is achieved with shares of companies in developed countries and with shares in emerging countries. China makes up a relatively large stake in the Emerging Countries Index and investment fund. Additional government support measures gave Chinese companies a big boost.

Module Rente (Interest)

Bond prices have already taken into account a drop in interest rates by the European Central Bank (ECB) and the Fed. It is positive that these expectations have come true. Lower interest rates on new bonds ensure that current bonds (with a higher interest rate) become more valuable. The returns on the bonds in Module Rente are therefore also positive.

Module Matching

This module invests in derivatives that are highly interest rate sensitive in combination with liquid assets. The purpose of this module is to cover the risk of interest rate drops at the time of pension purchase. The Matching module is necessary to provide sufficient protection for the very long terms up to the pension commencement date. The interest rate on bonds with long maturities fell, which led to higher prices and therefore a positive return for this module.

Overview of yields in the 3th quarter and year-to-date 2024

	Return (net[1]) Q3 2024	Return benchmark Q3 2024	Return (net[1]) Year-to-date 2024	Return benchmark Year-to-date 2024
Module Rendement	4,0%	4,3%	17,6%	17,5%
Module Rente	3,3%	3,6%	2,5%	2,2%
Module Matching	15,2%	15,2%	4,3%	4,4%

[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 realized 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.