APF Quarterly update DC Plan Q1 2025

Stichting Pensioenfonds APF

Pensioenfonds APF provides a quarterly report on the developments of your investments in the DC scheme. It is a turbulent time with a lot of uncertainty. In January and February, there was not much going on. In Germany, confidence grew due to the elections, and investments in Europe were expected. Competition from China emerged in the field of AI, and in the US, there was hope for corporate tax cuts. However, in March, the US announced its first import tariffs for Canada and Mexico. This led to a drop in stock prices.
The uncertainty about import tariffs remains high. It is still unclear how far the tariffs will go, but it is certain that they are not good news for global trade. It becomes more expensive for companies doing business with the US, leading to higher costs for products and services. Ultimately, the consumer bears the cost. There is a chance that countries outside the US will trade more with each other, but less global trade usually means higher costs and lower profits.

The DC scheme invests in equity funds that track the index. This is done with low costs and good diversification. This way, the broad market is followed, and a return is achieved, focusing on the long term. If the price has risen sharply, you may be tempted to cash in on your return. And if the price drops significantly, many people think they can avoid worse by quickly exiting. Both reactions are understandable but rarely wise. Ultimately, the price will adjust again. In the first scenario, you miss out on returns, and in the second, you have to re-enter at a higher price. Keep your eyes on the long term, stick to your plan, and let the prices fluctuate.

Module Rendement (Return)
This module invests globally in equities through two funds: one for companies in developed countries and one for companies in emerging markets. American stocks fell sharply, as did the value of the dollar against the euro. As a result, American stocks are worth less in euros. Less trade in the US leads to lower demand for dollars. The US Dollar and other currencies are hedged in these funds.

Module Rente (Interest)
This module invests in bonds and mortgage loans issued in euros, and otherwise the currency risk is hedged. If the German government borrows more, interest rates in the eurozone rise. This has a negative impact on existing bonds, especially if they have a long maturity. Bonds with shorter maturities performed better.

Module Matching (Achmea IM Matching Duration Fund)
This fund invests in derivatives that are highly interest rate sensitive in combination with liquid assets. The purpose of this fund is to cover the risk of interest rate shocks at the time of pension purchase. This can provide sufficient protection for the very long terms up to the pension commencement date. The interest rates on bonds with long maturities rose, which led to lower prices and thus a negative return from this Fund.

Overview of yields in the 1st quarter and year-to-date 2025

	Return (net[1]) Q1 2025	Return benchmark Q1 2025	Return (net[1]) Year-to-date 2025	Return benchmark Year-to-date 2025
Module Return	-2,9%	-2,5%	-2,9%	-2,5%
Module Interest	-0,8%	-1,1%	-0,8%	-1,1%
Module Matching	-14,7%	n/a	-14,7%	n/a

Your achieved return depends on the chosen risk profile and your age. You can find this in our publication on the returns of the Lifecycles. The returns of the Lifecycles over the past years are listed on the website.

[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.