

## Market analysis

The title of the recent IMF World Economic Outlook report, namely "Policy Pivot, Rising Threats", is telling. Indeed, the global economy is coming from a period of monetary tightening to monetary easing ('policy pivot'), as inflation moves gradually towards central bank targets. But unfortunately there are also some darker clouds lurking in the form of the geopolitical situation and ongoing military conflicts, as well as the possibility of trade barriers ('rising threats'). All in all, the IMF still expects the global economy to grow by 3.2% in 2025, which is weak but not materially different from the long-term average. However, there are major differences among the regions, with forecasts for the growth of the US economy revised upwards while expectations for Europe have been downgraded.

Whether the US economy will continue to grow faster than the European economy will also be an important theme for financial markets in the coming year. That was clearly the case in 2024. While economic growth for 2024 as a whole is not yet known, the consensus estimate from economists on Bloomberg provides a reasonable indication. This suggests that the eurozone economy grew by 0.8% in 2024 compared to US growth of 2.7%, a difference of almost 2 percentage points. This is mainly because the US economy performed better than expected. For the coming year, economists also expect the US economy to grow faster than the eurozone economy, although the growth gap will be less pronounced. For the coming year, economists expect the US to grow by 2.1% and the eurozone to grow by 1%. For both regions, this is around the long-term average.

Interestingly, the economic growth of the US will be helped more by (implicit and explicit) government stimulus than by monetary policy, while the opposite is true for the eurozone. Namely, Trump's policy plans to cut corporate income tax to 15% and to maintain his previously implemented income tax cut are an implicit government stimulus. This is also reflected in the US budget deficit forecast according to the Bloomberg consensus for 2025, at 6.5% of GDP. In comparison, the eurozone is expected to receive much less government 'support', with a budget deficit of 'only' 3% of GDP in 2025. However, more policy rate cuts are expected from the ECB than from the Fed.

The picture for financial markets in the past quarter was mixed, with one clear winner, namely US equities, and one clear loser, namely European listed real estate.

## Fund strategy and results

Thanks mainly to US equities, the last quarter of 2024 was also closed with positive figures on balance, which is reflected in the results of the ASR Pensioen Mixfondsen. The elections in the United States generated positive sentiment on these stock markets, but the returns on the other asset classes were mixed. The macroeconomic outlook is uncertain, partly because inflation figures have yet to move permanently lower. This is reflected in global equity markets and in bond markets, where we note differences between regions and sectors. Inflation remains a key theme, with bond markets lowering their expectations for the pace of potential central bank rate cuts. As a result, capital market interest rates rose slightly, with price declines for government bonds in particular. European listed real estate once again had a poor quarter, thanks in part to slightly higher interest rates, clearly underperforming the average return of the European stock exchanges.

The slight increase in capital market interest rates is reflected in price pressure for fixed-income securities, leading to (for instance) a negative return on euro government bonds of nearly 0.3% in this period. Euro investment grade corporate bonds also suffered from these movements, but thanks to the yield available and demand from investors, this category reported a plus of 0.8% for the fourth quarter of 2024. In line with this, euro corporate bonds in the high yield category posted a positive return of over 1.7% thanks to the higher available yield. Corporate bonds in USD high yield performed even better, with a total yield of around 7.7% measured in euros, due to positive sentiment in the United States and the appreciation of the US dollar against the euro. Emerging market bonds also benefited from the higher USD exchange rate, with this category trading 5.2% higher on balance in euro terms. Similarly, mortgage loans were up more than 1% in the quarter. US equities led the way in the quarter in euro terms, thanks in part to a stronger US dollar, returning more than 10%. European equity markets on the other hand fell by 2.7% on lower expectations for economic growth in this region. Results in the Asia-Pacific region and emerging markets contributed little, rising by 1.9% and falling by 0.8% respectively over the period. European listed real estate was the worst-performing sector in the fourth quarter with a fall of almost 11%, leading to a negative return of around 3% for this category since the start of the year.

These developments in the financial markets are reflected in the realised returns of the ASR Pensioen Mixfondsen in the third quarter of 2024, with increases of 2.61% for the defensive profile, 2.83% for the neutral profile and 2.93% for the offensive profile. On balance, the implementation of our tactical vision had a slight negative impact on the results of the fund this quarter, in particular the underweight in US equities and the overweight in Europe at the beginning of this period. In addition, there was a clearly negative contribution to the result of the ASR Pensioen Mixfondsen compared to the benchmark due to stock selection in the ASR Wereldwijd Impact Aandelen Fonds. In the fourth quarter, for example, a number of companies in this portfolio experienced significant price declines due to a sharp decline in demand for investments in renewable energy. Our selection of European and American stocks also made a negative contribution to the fund return. On balance, this resulted in an underperformance for the Mix Funds of the a.s.r. Employee Pension in the fourth quarter. After deduction of fund costs, the relative performances relative to the corresponding benchmarks were -1.3% for the Defensive, -1.4% for the Neutral and -1.6% for the Offensive Mix Funds. Despite this, 2024 was an excellent investment year for the ASR Pensioen Mixfondsen, with net fund returns ranging from 14.85% to 17.42%.

## Outlook

We maintained a neutral tactical position across all asset classes throughout the fourth quarter of 2024. The uncertain economic outlook, combined with relatively unfavourable valuation levels for most asset classes, did not advocate a strong tactical positioning. At the same time, the relative attractiveness of the 'safe' alternative of cash also diminished, now that the central banks have started to lower their interest rates.

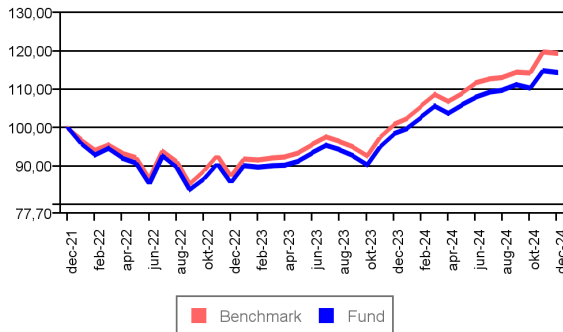
For the first quarter of 2025, we opt for a limited risk-off positioning via a slight overweight in government bonds and an underweight in corporate bonds. 2024 was a clear risk-on investment year for financial markets, with positive returns for (particularly US) equities and, to a lesser extent, for corporate bonds. Towards the end of the year however, the picture became more mixed, with really only US equities continuing to attract investors. The downside of the favourable investment year in 2024 is that valuations of risky asset classes have deteriorated further. And this is not offset by, for example, an improved macroeconomic or geopolitical outlook, but rather the opposite. As a result, the risk that the investment climate will be materially different in 2025 than in 2024 is entirely real, although it is difficult to predict whether, how and when sentiment will turn. However, it does seem prudent to prepare for a potential turning point. This is why we choose to overweight government bonds, as a safe haven investment category, over traditionally relatively more risky corporate bonds. In addition, our previous conclusion that the current investment environment does not advocate an overly pronounced tactical positioning continues to apply.

## Investment strategy

ASR Pensioen Mixfonds Neutraal aims to offer Participants the opportunity to invest in an actively managed portfolio that, mainly as a result of participations in other investment institutions, consists of a combination of shares, government bonds, corporate bonds, property and money market instruments. The aim is to invest the fund's net assets in full. Loans are permitted up to 5% of the fund capital.

## Historical indexed return

Indexation based on returns of not more than 3 years



## Return \*)

	Fund	Benchmark
1 month	-0,40 %	-0,32 %
3 months	2,83 %	4,26 %
6 months	6,01 %	6,91 %
1 year	16,25 %	18,37 %
3 year	4,61 %	6,11 %
5 year	7,86 %	8,30 %
YTD	16,25 %	18,37 %
Since start	8,37 %	8,53 %

(\*) period exceeding 1 year is annualised and is net based

## Essential fund information

NAV calculation	Daily
Date of incorporation	29-09-2017
Performance calculation started on	29-09-2017
Fund administrator	ASR Vermogensbeheer N.V.
Fund manager	Jos Gijssbers
Entry charge (maximum)	0,00 %
Exit charge (maximum)	0,00 %
Ongoing Charges Ratio (OCR)(*)	0,28 %
Country of domicile	NL
Currency(**)	EUR
Benchmark	Composite
ISIN	NL0012375166

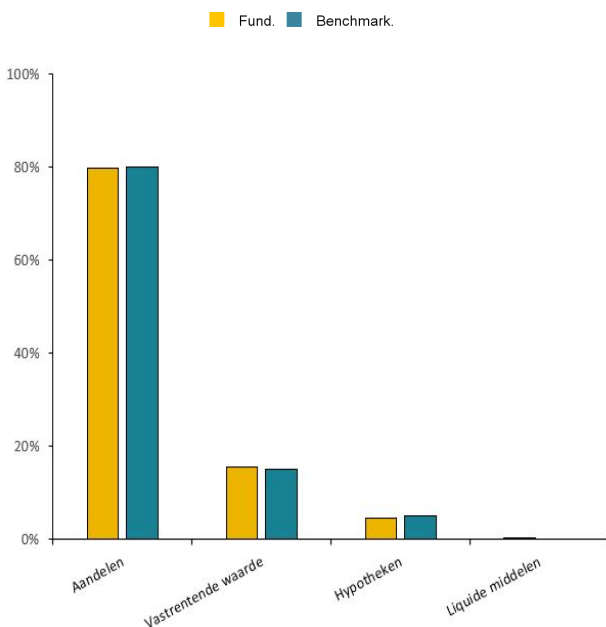
(\*) The Ongoing Charges Ratio (OCR) consists of the management fee (0,20%) and the service fee (0,08%) (excluding costs which can be allocated directly to transactions) and the costs of the underlying investments.  
 (\*\*) This fund also invests in foreign currency. Due to price fluctuations there is a currency risk.

## Fund facts and prices

Total assets (x 1,000)	€ 7.001.487,71
Number of outstanding units (x1,000)	62.066,45
Net asset value per unit	112,81
Highest price in period under review	114,88
Lowest price in period under review	112,27
Dividend	None

10 largest holdings	ISIN	Country	%
ASR Amerikaanse Aandelen Fonds	NL0015000A12	Netherlands	37,87 %
ASR IndexPlus Institutioneel Europa AandelenFor	NL0012294151	Netherlands	21,10 %
ASR IP Institutioneel Euro Bedrijfsobligatiefonds	NL0012294110	Netherlands	9,02 %
Northern Trust - Emerging Markets Custom ESG	NL0011515424	Netherlands	8,09 %
ASR Azië Aandelen Fonds	NL00150010V0	Netherlands	8,06 %
ASR Wereldwijd Impact Aandelen Fonds class C	NL0015001FE8	Netherlands	4,74 %
AeAM Dutch Mortgage Fund 3 non-NHG	NL0012375208	Netherlands	3,18 %
IShares JP Morgan ESG USD EM B	IE00BF553838	Global	3,02 %
IShares USD High Yield Corp Bo	IE00BJK55B31	United States	1,83 %
AeAM Dutch Mortgage Fund 3 NHG	NL0012375190	Netherlands	1,37 %

## Position per asset class



Asset class Fund	%	%	Benchmark
<b>Aandelen</b>	<b>79,86%</b>	<b>80,00%</b>	
United States	37,87 %	38,00 %	MSCI UNITED STATES
Europe	21,10 %	21,00 %	MSCI EUROPE
Asia Pacific	8,06 %	8,00 %	MSCI PACIFIC
Opkomende Landen (Aandelen)	8,09 %	8,00 %	MSCI Emerging Markets Index
World	4,74 %	5,00 %	MSCI WORLD
<b>Vastrentende waarden</b>	<b>15,56%</b>	<b>15,00%</b>	
Bedrijfsobligaties	9,02 %	9,00 %	iBoxx EUR Corporates
Opkomende Landen (Bond)	3,02 %	3,00 %	J.P. Morgan ESG EMBI Global Diversified TR
USA High Yield	1,83 %	1,80 %	Bloomberg Barclays MSCI US Corp HY Sust BB+ SRI
EUR High Yield	1,21 %	1,20 %	Bloomberg Barclays MSCI EURO Corp HY Sust BB+ SRI
Staatsobligaties	0,47 %	0,00 %	
<b>Hypotheken</b>	<b>4,56%</b>	<b>5,00%</b>	
Hypotheken	4,56 %	5,00 %	The BofA Merrill Lynch Custom Index Q960
<b>Cash</b>	<b>0,02 %</b>		
<b>Totaal</b>	<b>100,00%</b>	<b>100,00%</b>	

## Fund Governance

Als institutionele belegger toont a.s.r. vermogensbeheer haar maatschappelijke verantwoordelijkheid onder meer door toepassing van ethische en duurzaamheidscriteria in haar beleggingsbeleid. Alle beleggingen beheerd door a.s.r. vermogensbeheer worden aan de hand van ons Policy on Responsible Investments (PRI) beleid gescreend op onder meer sociale en milieuaspecten en bestuurlijke criteria. Landen en bedrijven die niet aan de criteria voldoen, worden uitgesloten. Denk hierbij aan producenten van wapens en tabak, de gokindustrie en steenkool, (onconventionele) olie en gas productie en palmolie producenten. Daarnaast beoordeelt a.s.r. bedrijven op hun naleving van internationale afspraken als de OESO-richtlijnen en richtlijnen van de VN zoals de Global Compact. De screening van ondernemingen is gebaseerd op externe, onafhankelijke research van twee externe leveranciers (MSCI ESG en ISS).

Bij het beheer van vermogen selecteert a.s.r. vermogensbeheer op basis van best practices volgens de ESG-criteria (Environmental, Social en Governance). Dit betreft alle beleggingen in landen (staatsleningen) en in ondernemingen (aandelen en bedrijfsobligaties) die het best scoren en/of passend zijn binnen de beleggingsrichtlijnen. Daarnaast investeert a.s.r. vermogensbeheer in bedrijven die een concreet duurzame bijdrage leveren aan de maatschappij.

## Sustainability Policy

a.s.r. is an institutional investor that show its social responsibility, for instance by applying ethical and sustainability criteria to investment selection. All assets under management by ASR Vermogensbeheer N.V. are screened using the a.s.r. SRI (Social Responsible Investment) policy, such as social and environmental aspects. Countries and corporations that do not meet these requirements are excluded. The screening of corporations is based on external independent research by Vigeo Eiris ([www.vigeoeiris.com/en/vigeo-eiris-rating/](http://www.vigeoeiris.com/en/vigeo-eiris-rating/)) certified to the independent ARISTA standard. Furthermore, the ASR Vermogensbeheer N.V.'s asset portfolio is externally and independently certified by Forum Ethibel ([forumethibel.org/content/home.html](http://forumethibel.org/content/home.html)) in semi-annual audits.

a.s.r.'s asset management selects investments based on best practices en products according to ESG-criteria (Environmental, Social and Governance). This applies to all investments in countries (sovereign debt) and in corporations (shares and corporate bonds) that score the best in and are appropriate to the policy guidelines. Furthermore, a.s.r invest in corporations that make sustainability contributions to society.

a.s.r. also have a strict policy excluding controversial activities of countries and corporations. This applies to producers if controversial or offensive weapons, nuclear energy, the gambling industry, tobacco and coal. Furthermore, a.s.r. require that corporations comply with international agreements concerning environment, human and labor rights. For sovereign debts investments a.s.r exclude countries that score low in the Freedom in the World Annual Report and the Corruption Perception Index. a.s.r have signed the UNPRI and UNGC. Furthermore, a.s.r. comply with the Code Duurzaam Beleggen (Code for Sustainable Investing) for the insurance industry issued by the Vereniging van Verzekeraars (Union of Insurers), that came into force January 1, 2002.

An investment in the fund is subject to market fluctuations and to the risks inherent to investing in movable securities. The value of the investments and their revenue can increase as well as decrease. It is possible that investors will not get back the initially invested capital. The value of your investments may fluctuate and results achieved in the past offer no guarantee for the future. This publication in itself is not an offer to buy any security or an invitation to make a bid for this security. The decision to buy units in fund must be taken exclusively on the basis of the Information Memorandum. The Information Memorandum has information about the product, the investment policy, the costs and risks. Please read the Information Memorandum. The Information Memorandum and other information is available from a.s.r. or via [www.asr.nl](http://www.asr.nl).

This is a marketing communication. Please refer to Information Memorandum before making any final investment decisions. Past performance does not predict future returns.