

# BeFrank Sustainable Lifecycle



Q3 2025



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# Investing in a lifecycle

In lifecycle investing, the investment risk is automatically reduced as the retirement date approaches. We do this by gradually reducing the proportion of the pension money that we invest in risky investments (such as equities) and allocating more to low-risk investments such as government bonds.

**The lifecycle consists of three parts, also called building blocks:**

- **Focus on growth**

This part aims to generate attractive returns. To accomplish this, we invest in the First Class Sustainable Return. The investment in this fund is managed by Triodos Investment Management and this fund invests in global equities.

- **Focus on growth and retirement**

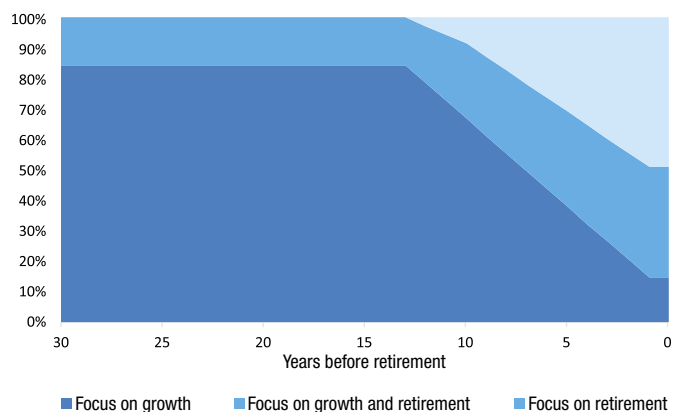
This part combines generating attractive returns and reducing the investment risk ready for retirement. In order to achieve this, we invest in the Triodos Euro Bond Impact Fund. With this fund, we invest in less risky asset classes such as corporate bonds with high credit ratings and government bonds.

- **Focus on retirement**

This part is intended to reduce interest rate risk. On retirement date, a benefit is purchased with the pension capital. The size of the pension benefit depends on a number of factors including the market interest rate at the time. If interest rates are low, more money is needed to buy the same pension benefit than when interest rates are high. The Liability Matching Funds reduce this interest rate risk. If interest rates fall, the returns generated by these funds increase. The reverse also applies. If interest rates rise, the value of investments decreases, but

because interest rates are higher, less money is required to purchase the same pension benefit. This is how we try to 'match' the purchase of pensions with interest rate movements. We use three bond funds with different interest rate sensitivity profiles (Liability Matching Funds M, L, XL and XXL) that invest in European government bonds to do this. These bond funds reduce the risk associated with lower market interest rates.

**Fixed pension benefit neutral profile**



Source: BeFrank



# Financial markets

Lifecycle returns depend on the performance of financial markets.  
How did markets perform over the last quarter?

Risky assets had a strong third quarter despite signs of a weakening US labor market, with equities performing particularly well. Investor sentiment was boosted by declining trade uncertainty and moderate inflation figures. US bond yields fell slightly, while eurozone government bonds, fueled in part by political unrest in France, posted small negative returns. Despite the Federal Reserve's (Fed) rate cut in September, the dollar stabilized against the euro.

US unemployment rose only modestly in August in spite of significantly slowing job growth. Inflation also increased slightly. Moderate inflation and mounting job worries led the central bank to resume its cycle of rate cuts, lowering its policy rate by 25 basis points. The Fed further hinted at more rate cuts. The US economy experienced a strong recovery and returned to growth in the second quarter. Growth was driven by increased private consumption and business investment. Imports declined sharply, with net exports contributing positively as well.

In the eurozone, economic growth slowed in the second quarter, partly attributed to weaker export figures. With tentative signs of economic recovery, inflation around 2%, and a tight labor market in mind, the European Central Bank (ECB) kept its policy rates unchanged. France experienced considerable political unrest, with the Bayrou government falling after just nine months. Concerns about the sustainability of French government debt remained a key theme for financial markets in the third quarter. The euro strengthened by 0.1% against the dollar.

The Chinese economy was characterized last quarter by weak domestic demand and strong export performance. In response to the bleak growth outlook and persistent deflationary pressure, the central bank eased its monetary policy in August. In Japan, the central bank kept its policy rate unchanged but indicated it could not rule out rate hikes.

Global equities gained significantly, with the MSCI AC World NR index closing higher by 7.5% in euro terms. Emerging markets outperformed, rising by over 10%, with strong contributions from China, Taiwan, and Korea. Japanese and US equities gained 7.9% in euro terms, while European equities added 3.5%.

At the industry level, the IT and telecommunications services sectors performed particularly strongly. New signals that investments in artificial intelligence are continuing fueled the gains. The non-cyclical consumer goods sector declined, showing the weakest performance. Listed real estate and healthcare also lagged behind, posting smaller gains.

In bond markets, US 10-year Treasury yields peaked at 4.5% in mid-July, to end the quarter at 4.1%. Downward revisions to employment figures, lower-than-expected inflation figures, and the Fed's rate cut accounted for the drop. Elsewhere, bond yields rose slightly. German 10-year yields gained 7 basis points, while French 10-year yields added 19 basis points. European investment grade and high-yield corporate bonds outperformed government bonds, yielding 0.9% and 1.8%, respectively.

Sources: MSCI, Bloomberg, and Refinitiv Eikon. Data as of end of September 2025.



## Net return by age group

### Fixed pension benefit

#### Very defensive

Return (%) (net)	3 months	Year to date	1 year
35 years	1,6	-0,9	-2,0
45 years	1,6	-0,9	-2,0
55 years	0,2	-5,5	-5,5
67 years	-0,7	-3,5	-2,6

#### Defensive

Return (%) (net)	3 months	Year to date	1 year
35 years	1,6	-1,0	-2,3
45 years	1,6	-1,0	-2,3
55 years	1,1	-2,1	-2,9
67 years	-0,5	-4,0	-3,3

#### Neutral

Return (%) (net)	3 months	Year to date	1 year
35 years	1,7	-1,2	-2,5
45 years	1,7	-1,2	-2,5
55 years	1,7	-1,2	-2,5
67 years	-0,4	-4,1	-3,5

#### Offensive

Return (%) (net)	3 months	Year to date	1 year
35 years	1,8	-1,4	-2,8
45 years	1,8	-1,4	-2,8
55 years	1,8	-1,4	-2,8
67 years	-0,4	-4,2	-3,6

#### Very offensive

Return (%) (net)	3 months	Year to date	1 year
35 years	1,8	-1,6	-3,0
45 years	1,8	-1,6	-3,0
55 years	1,8	-1,6	-3,0
67 years	-0,3	-4,2	-3,7

## Net return by age group

### Variable pension benefit reduced risk to 15%

#### Defensive - reduced risk to 15%

Return (%) (net)	3 months	Year to date	1 year
35 years	1,6	-1,0	-2,3
45 years	1,6	-1,0	-2,3
55 years	1,2	-1,6	-2,5
67 years	-0,3	-4,3	-3,7

#### Neutral - reduced risk to 15%

Return (%) (net)	3 months	Year to date	1 year
35 years	1,7	-1,2	-2,5
45 years	1,7	-1,2	-2,5
55 years	1,7	-1,2	-2,5
67 years	-0,3	-4,3	-3,8

#### Offensive - reduced risk to 15%

Return (%) (net)	3 months	Year to date	1 year
35 years	1,8	-1,4	-2,8
45 years	1,8	-1,4	-2,8
55 years	1,8	-1,4	-2,8
67 years	-0,3	-4,3	-3,9

#### Very offensive - reduced risk to 15%

Return (%) (net)	3 months	Year to date	1 year
35 years	1,8	-1,6	-3,0
45 years	1,8	-1,6	-3,0
55 years	1,8	-1,6	-3,0
67 years	-0,3	-4,4	-4,0

### Variable pension benefit reduced risk to 30%

#### Neutral - reduced risk to 30%

Return (%) (net)	3 months	Year to date	1 year
35 years	1,7	-1,2	-2,5
45 years	1,7	-1,2	-2,5
55 years	1,7	-1,2	-2,5
67 years	0,0	-4,8	-4,7

## Net return by age group

### Variable pension benefit reduced risk to 30%

#### Offensive - reduced risk to 30%

Return (%) (net)	3 months	Year to date	1 year
35 years	1,8	-1,4	-2,8
45 years	1,8	-1,4	-2,8
55 years	1,8	-1,4	-2,8
67 years	0,0	-4,8	-4,7

#### Very offensive - reduced risk to 30%

Return (%) (net)	3 months	Year to date	1 year
35 years	1,8	-1,6	-3,0
45 years	1,8	-1,6	-3,0
55 years	1,8	-1,6	-3,0
67 years	0,0	-4,9	-4,8

### Variable pension benefit reduced risk to 45%

#### Offensive - reduced risk to 45%

Return (%) (net)	3 months	Year to date	1 year
35 years	1,8	-1,4	-2,8
45 years	1,8	-1,4	-2,8
55 years	1,8	-1,4	-2,8
67 years	0,1	-5,5	-5,5

#### Very offensive - reduced risk to 45%

Return (%) (net)	3 months	Year to date	1 year
35 years	1,8	-1,6	-3,0
45 years	1,8	-1,6	-3,0
55 years	1,8	-1,6	-3,0
67 years	0,1	-5,5	-5,5

### Variable pension benefit reduced risk to 60%

#### Very offensive - reduced risk to 60%

Return (%) (net)	3 months	Year to date	1 year
35 years	1,8	-1,6	-3,0
45 years	1,8	-1,6	-3,0
55 years	1,8	-1,6	-3,0
67 years	0,3	-6,1	-6,3

# Sustainable investing with impact

Sustainability is a concept with multiple definitions. For BeFrank, it means that together with our asset managers we invest pension contributions within available contribution schemes in a responsible manner, with an emphasis on people, the environment and society.

In the Sustainable Lifecycle, we shape this with Triodos' 'impact investment strategies'. Impact investing is a method of sustainable investing that goes beyond other well-known ways such as 'best-in-class' and 'exclusions'. The following four basic principles apply to the composition of the investment portfolio:

- Targets companies that offer sustainable products and/or have sustainable business processes
- Screens destructive and exploitative industries (e.g., fossil fuels, arms)
- Assesses company ESG practices and sustainability policies
- Encourages company transparency and public disclosure

## Transition themes

Triodos invests in equities and bonds of companies, institutions and projects that drive the transition to a sustainable society. Triodos focuses on five transition themes. These themes provide a comprehensive overview of the transitions the world needs to make to solve our most urgent sustainability challenges. Based on the challenges presented by global megatrends that Triodos believes will shape the future, they are at the heart of the investment and impact management approach.

## The transition themes are:

- Wellbeing
- Societal
- Food
- Resource
- Energy

Every investment in the Triodos portfolios must materially contribute to the transition themes through its products, services, and/or business operating model. Additionally, to be eligible for investment, companies must meet with Triodos' process, product and precautionary minimum standards. Once companies are deemed eligible for investment, integrated financial and sustainability analysis is conducted to determine whether companies qualify as portfolio candidates. Triodos evaluates the company's financial value drivers and assess the potential impact of internal and external sustainability factors on future financial value, making the approach both solutions-focused and forward-looking.



# Funds BeFrank Sustainable Lifecycle

## First Class Sustainable Return Fund (NL)

The investments in the First Class Sustainable Return Fund (NL) are managed by Triodos Investment Management. In the portfolio, Triodos Investment Management aims to achieve positive impact and competitive returns from a diversified portfolio of equities issued by large-, mid- and small-cap companies that offer sustainable solutions. The integrated financial and sustainability analysis puts impact at the heart of the stock selection process. Triodos' rigorous screening based on companies' contribution to their transition themes and compliance with their minimum standards currently results in an investable universe consisting of around 400 mission-oriented companies, compared to around 6,600 companies in the broad investment universe.

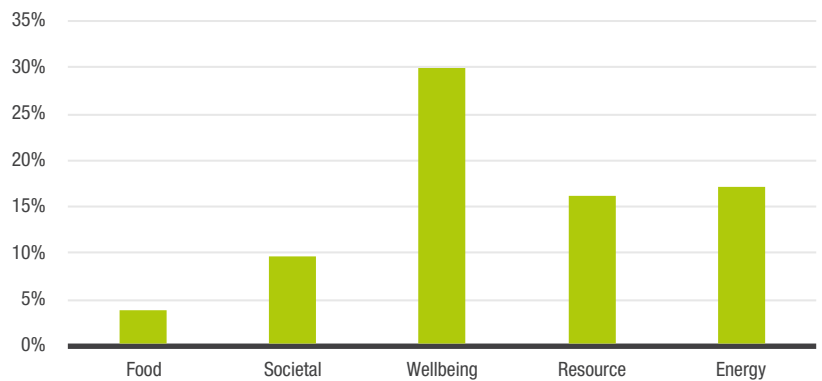
Return (%) (net)	3 months	Year to date	1 year
First Class Sustainable Return Fund (NL)	1,95	-0,81	-2,16
MSCI World Index EUR	7,17	3,49	11,37

As impact investing does not intend to invest in line with the benchmark or to outperform the benchmark, the composition of the investments will differ significantly from the reference benchmark and therefore there may be major differences between the fund's returns and the reference benchmark.

### Statistics

ISIN code	NL0015001HS4
Inception date	21/08/2023
Ongoing charges	0,32%

### Exposure to transition themes



Source: Triodos Investment Management



# Triodos Euro Bond Impact Fund

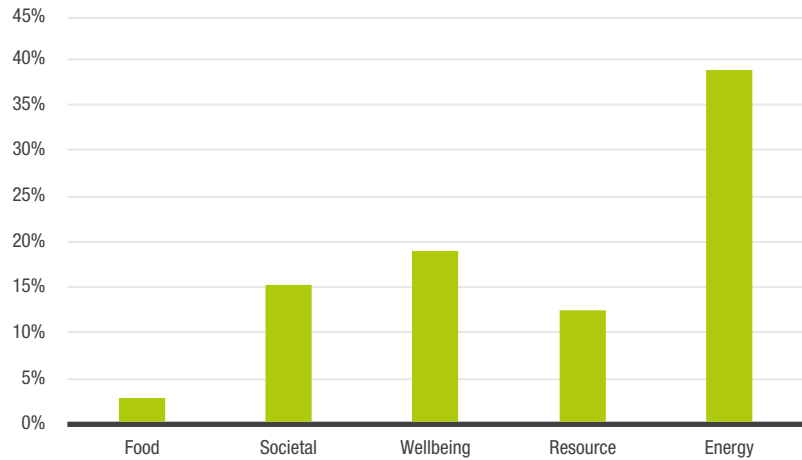
The Triodos Euro Bond Impact Fund aims to generate positive impact and stable income from a concentrated portfolio of investment-grade, euro-denominated bonds issued by listed companies, semi-public institutions, and EU member state governments. Integrated financial and sustainability analysis makes impact the cornerstone of the bond selection process. Triodos' strict screening based on issuers' contribution to their transition themes and compliance with their minimum standards, currently results in an investable universe comprised of approximately 1,500 mission-aligned bonds, compared to over 5,000 in the fund's reference index.

Return (%) (net)	3 months	Year to date	1 year	3 years (ann.)
Triodos Euro Bond Impact Fund (I-II-cap)	0,46	1,97	2,23	3,52
Compounded Benchmark Triodos Euro Bond Impact Fund	0,64	2,41	2,93	4,49

As impact investing does not intend to invest in line with the benchmark or to outperform the benchmark, the composition of the investments will differ significantly from the reference benchmark and therefore there may be major differences between the fund's returns and the reference benchmark.

Statistics	
ISIN code	LU1782629122
Inception date	07/09/2018
Ongoing charges	0,36%

### Exposure to transition themes



Source: Triodos Investment Management



## Liability Matching funds

The four Liability Matching funds have different interest rate sensitivity profiles (Liability Matching Fund (M) (NL), Liability Matching Fund (L) (NL), Liability Matching Fund (XL) (NL) and Liability Matching Fund (XXL) (NL)). They invest in a combination of euro-denominated interest rate swaps, high-quality money market funds, high-quality government bonds and cash. The interest rate sensitivity of the funds is enhanced with interest rate swaps and bond futures. The Liability Matching Fund (M) (NL) strives for an interest rate sensitivity of about 4 years and (L) (NL), (XL) (NL) and (XXL) (NL) of approximately 20, 40 and 42 years, respectively. The four Liability Matching funds have different interest rate profiles that are composed in such a way that, used in combination, they can offer the best possible match in the period leading up to retirement.

### What did the interest rate do?

Swap rates rose across all maturities in the third quarter. The increase was more pronounced for 30-year maturities and beyond than for medium-term maturities. The swap curve showed only limited steepening, evident primarily in July and August. Government bonds overall underperformed swaps. Austria, Ireland, and the European Union bucked the trend, registering slightly stronger performances. France was the weakest performer, with the spread on French bonds with maturities up to 30 years widening by about 17 basis points. Political uncertainty coupled with Fitch's credit rating downgrade served as primary catalysts. Spreads on Belgian, German, and Dutch debt securities increased by several basis points.

The Federal Reserve lowered interest rates in September, after leaving them unchanged for several consecutive quarters. In line with market expectations, two more interest rate cuts are expected for the remainder of the year. The main factors are disappointing labor market data and inflation expectations. The impact of the import tariffs on US inflation appears to be limited for now.

Following a June reduction, the ECB held its key interest rate steady at 2%. This level is projected to last through year-end. The ECB will set its course based on figures on economic growth and inflation expectations. Average inflation in Europe is hovering around 2% and is expected to decline slightly. Our positions remain focused on a steeper yield curve. We will continue to closely monitor economic developments and expectations, as well as the impact of the Dutch pension system transitions on the yield curve.



**Liability Matching Fonds M-T**

Return (%) (net)	3 months	Year to date	1 year	3 years (ann.)
Liability Matching Fund M-T	0,1	1,2	1,6	3,1
Benchmark	0,0	1,1	1,0	2,5

## Statistics

ISIN code	NL0013040348
Inception date	November 2018
Ongoing charges	0,15%

**Liability Matching Fonds L-T**

Return (%) (net)	3 months	Year to date	1 year	3 years (ann.)
Liability Matching Fund L-T	-2,0	-10,1	-8,3	1,2
Benchmark	-2,1	-10,7	-8,7	0,3

## Statistics

ISIN code	NL0013040355
Inception date	November 2018
Ongoing charges	0,15%

**Liability Matching Fonds XL-T**

Return (%) (net)	3 months	Year to date	1 year	3 years (ann.)
Liability Matching Fonds XL-T	-5,5	-27,6	-23,7	-7,7
Benchmark	-5,6	-28,6	-24,9	-8,7

## Statistics

ISIN code	NL0013040363
Inception date	November 2018
Ongoing charges	0,15%

**Liability Matching Fonds XXL-T**

Return (%) (net)	3 months	Year to date	1 year	3 years (ann.)
Liability Matching Fonds XXL-T	-3,8	-18,7	-17,1	N.v.t.
Benchmark	-3,8	-18,1	-16,9	N.v.t.

## Statistics

ISIN code	NL0015001QX5
Inception date	February 2024
Ongoing charges	0,15%

Source: GSAM

**Disclaimer**

The purpose of this report is to provide insight into the investments within the lifecycle of BeFrank and is not an investment advice. The performance overview has been compiled with care by BeFrank. No rights can be derived from this information. The returns in the report are after deduction of the fund costs but exclude the management costs charged by BeFrank.

