

BeFrank Sustainable Lifecycle



Q4 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**

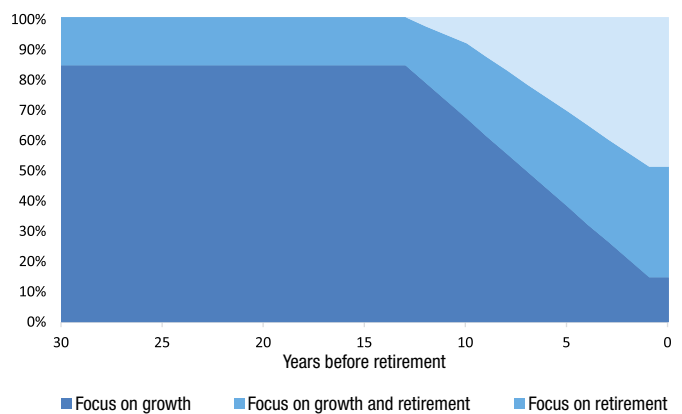
This part combines generating attractive returns and reducing the investment risk ready for retirement. In order to achieve this, we invest in the Triodos Euro Bond Impact Fund. With this fund, we invest in less risky asset classes such as corporate bonds with high credit ratings and government bonds.

- **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?

Global stock markets continued to rise in the fourth quarter. These gains were largely due to resilient economic data, robust corporate earnings, and further loosening of monetary policy in the US. The US shutdown and rising unemployment, in particular, posed obstacles to the pursuit of record highs in stock markets.

The cooling US labor market, combined with lower-than-expected inflation, prompted the Fed to cut interest rates twice. Fed officials were divided on interest rate policy. Some supported a pause and wanted to wait and see whether inflation would converge further toward the target while others advocated further monetary easing to stimulate the labor market. The US Dollar Index traded within a narrow range during the quarter.

Economic growth in the eurozone was slightly higher than expected, mainly thanks to France. The ECB kept interest rates unchanged. Central Bank President Christine Lagarde indicated that the next interest rate hike could be either up or down. At the same time, the ECB revised its growth forecasts upwards for 2025, 2026, and 2027. The inflation forecast for the current year was also raised.

The People's Bank of China maintained an "appropriately loose" monetary policy with targeted support measures. Growth figures from China released over the three-month period were generally disappointing. For example, fixed-asset investment in November saw its sharpest decline since mid-2020. Industrial production also surprised negatively.

In Japan, the unexpected appointment of Sanae Takaichi as LDP leader and prime minister led to a record rise in the Nikkei index. The government presented a large economic stimulus package, while the Bank of Japan raised interest rates. As a result, the yield on 10-year Japanese government bonds rose above 2% by the end of the year.

The MSCI AC World NR index gained 3.3% in euro terms. Emerging markets outperformed developed markets, posting a 4.8% return. US, Japanese, and European equities rose 2.4%, 3.3%, and 6.3%, respectively. At the sector level, the healthcare sector saw a sharp increase. Listed real estate posted the largest decline.

The government bond market lacked a clear trend. The yield on 10-year US government bonds ended virtually unchanged, after briefly falling below 4%. The German 10-year yield rose after the ECB raised its growth forecasts, while weaker labor market and inflation data pushed down UK yields. European investment grade corporate bonds performed in line with government bonds, while pan-European high-yield corporate bonds rose faster than government debt paper.



Outlook

Cooling labor markets and the geopolitical situation continue to pose risks to the global economy in the short term. However, as long as these risks do not escalate, we see a synchronized acceleration of the global economy in 2026. This upswing will be driven by the healthy financial position of companies and households, the accommodative financial conditions following last year's interest rate cuts, the expected additional government spending in various regions, and the continued high level of investment in artificial intelligence (AI).

In the US, attention is currently focused primarily on the risk that a further weakening labor market will weigh heavily on economic growth. Continued investment in AI and robust consumption driven by higher incomes are pillars that can help the economy weather this weaker period. Our base scenario assumes growth will again slightly exceed the long-term average in 2026. We expect one or two interest rate cuts by the Fed.

In the eurozone, economic indicators are currently better than expected. In addition, the economy is receiving support from extra government spending in Germany. This strengthens confidence that the sputtering eurozone engine is finally revving up. The ECB is not expected to implement any interest rate changes. However, interest rate hikes could be on the table again in the second half of the year.

For Japan, domestic demand is expected to support growth in 2026. The labor market is strong, companies continue to invest in labor-saving technologies, and the government is implementing targeted support measures. The sustained rise in inflation will likely prompt the Bank of Japan to raise the policy rate once or twice. We expect growth in China to remain resilient this year, driven by the government's strategic focus on high-tech and strong exports.

Within this context, we are moderately positive about equities. The outlook for corporate earnings looks favorable: higher revenue growth could push profit margins to record levels. However, high equity valuations increase the risk of setbacks and volatile markets. Profit expectations in the eurozone have also improved thanks to planned extra government spending. Emerging markets continue to receive additional support from a weakening dollar and more accommodative global monetary policy.

We are neutral on government bonds, as market expectations for the Fed and ECB appear realistic. A further decline in inflation could weigh on bond yields in the short term. In the medium term, the risk remains that investors will demand higher returns because they doubt the government debt levels' sustainability.

Despite strong corporate fundamentals, we remain cautious on corporate bonds. In our view, current valuations do not sufficiently reflect the risks associated with the weakening labor market and deteriorating credit conditions.

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



Net return by age group

Fixed pension benefit

Very defensive

Return (%) (net)	3 months	Year to date	1 year
35 years	1,0	0,1	0,1
45 years	1,0	0,1	0,1
55 years	-1,2	-6,7	-6,7
67 years	-2,4	-5,8	-5,8

Defensive

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

Neutral

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

Offensive

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

Very offensive

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

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	1,1	0,0	0,0
45 years	1,1	0,0	0,0
55 years	-0,4	-1,2	-1,2
67 years	-2,2	-6,4	-6,4

Neutral - reduced risk to 15%

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

Offensive - reduced risk to 15%

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

Very offensive - reduced risk to 15%

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

Variable pension benefit reduced risk to 30%

Neutral - reduced risk to 30%

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

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	1,2	-0,2	-0,2
45 years	1,2	-0,2	-0,2
55 years	1,2	-0,2	-0,2
67 years	-1,9	-6,6	-6,6

Very offensive - reduced risk to 30%

Return (%) (net)	3 months	Year to date	1 year
35 years	1,2	-0,4	-0,4
45 years	1,2	-0,4	-0,4
55 years	1,2	-0,4	-0,4
67 years	-1,9	-6,7	-6,7

Variable pension benefit reduced risk to 45%

Offensive - reduced risk to 45%

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

Very offensive - reduced risk to 45%

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

Variable pension benefit reduced risk to 60%

Very offensive - reduced risk to 60%

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

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.

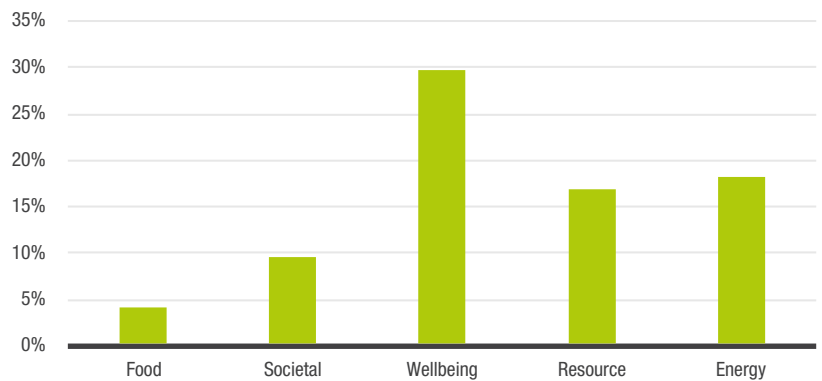
Return (%) (net)	3 months	Year to date	1 year
First Class Sustainable Return Fund (NL)	1,30	-0,53	-0,53
MSCI World Index EUR	3,17	6,77	6,77

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.

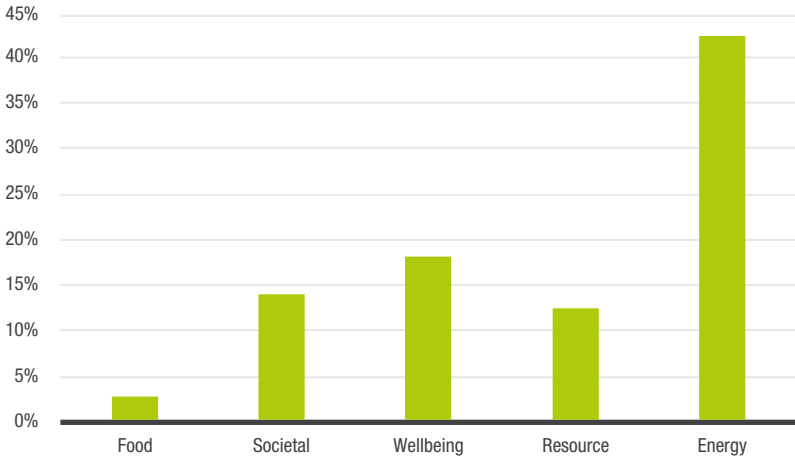
Return (%) (net)	3 months	Year to date	1 year	3 years (ann.)
Triodos Euro Bond Impact Fund (I-II-cap)	0,16	2,14	2,14	3,78
Compounded Benchmark Triodos Euro Bond Impact Fund	0,31	2,73	2,73	4,56

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 by up to 35 basis points across all maturities in the fourth quarter. While rates remained virtually unchanged in October, declining slightly for maturities up to 10 years, they rose at a similar pace over the following two months. Notably, the longest maturities (50 years) climbed more sharply than the shorter maturities of 10 years and less, causing the yield curve to steepen again.

Government bonds significantly outperformed swap rates throughout the quarter and across all maturities. French and Belgian debt benefited most, while German sovereign paper lagged behind. The spread on French bonds for maturities up to 30 years narrowed by approximately 24 basis points, while the German spread tightened by around 16 basis points. EU bonds performed even more strongly, with spreads on 20- and 30-year maturities narrowing by about 30 basis points.

The European Central Bank adopted a wait-and-see approach, keeping the policy rate unchanged at 2%.



Liability Matching Fonds M-T

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

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	-5,9	-15,4	-15,4	-0,6
Benchmark	-6,4	-16,3	-16,3	-1,6

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	-12,0	-36,2	-36,2	-10,8
Benchmark	-12,7	-37,2	-37,2	-11,9

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	-11,1	-27,7	-27,7	N.v.t.
Benchmark	-11,6	-27,6	-27,6	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.

