BeFrank Passive Lifecycle



Q3 2026

Certified B Corporation

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Introduction

Investing in a lifecycle

Page 3

Markets

Financial markets

Page 4

Returns

Net return by age group

Page 6

Sustainable

Developments in sustainable investing

Page 9

Funds

Funds BeFrank Passive Lifecycle

Page 11



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.

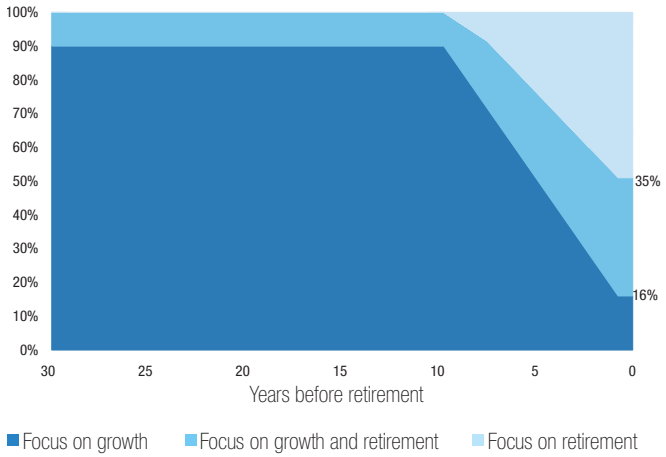
The lifecycle consists of three parts, also called building blocks:

- **Focus on growth**
  This part aims to generate potentially attractive returns. To accomplish this, we invest in the BeFrank First Class Return Index Fund, which allocates the majority of its assets to global equities, but also invests in other riskier asset classes such as high-yield corporate bonds and emerging market government bonds.

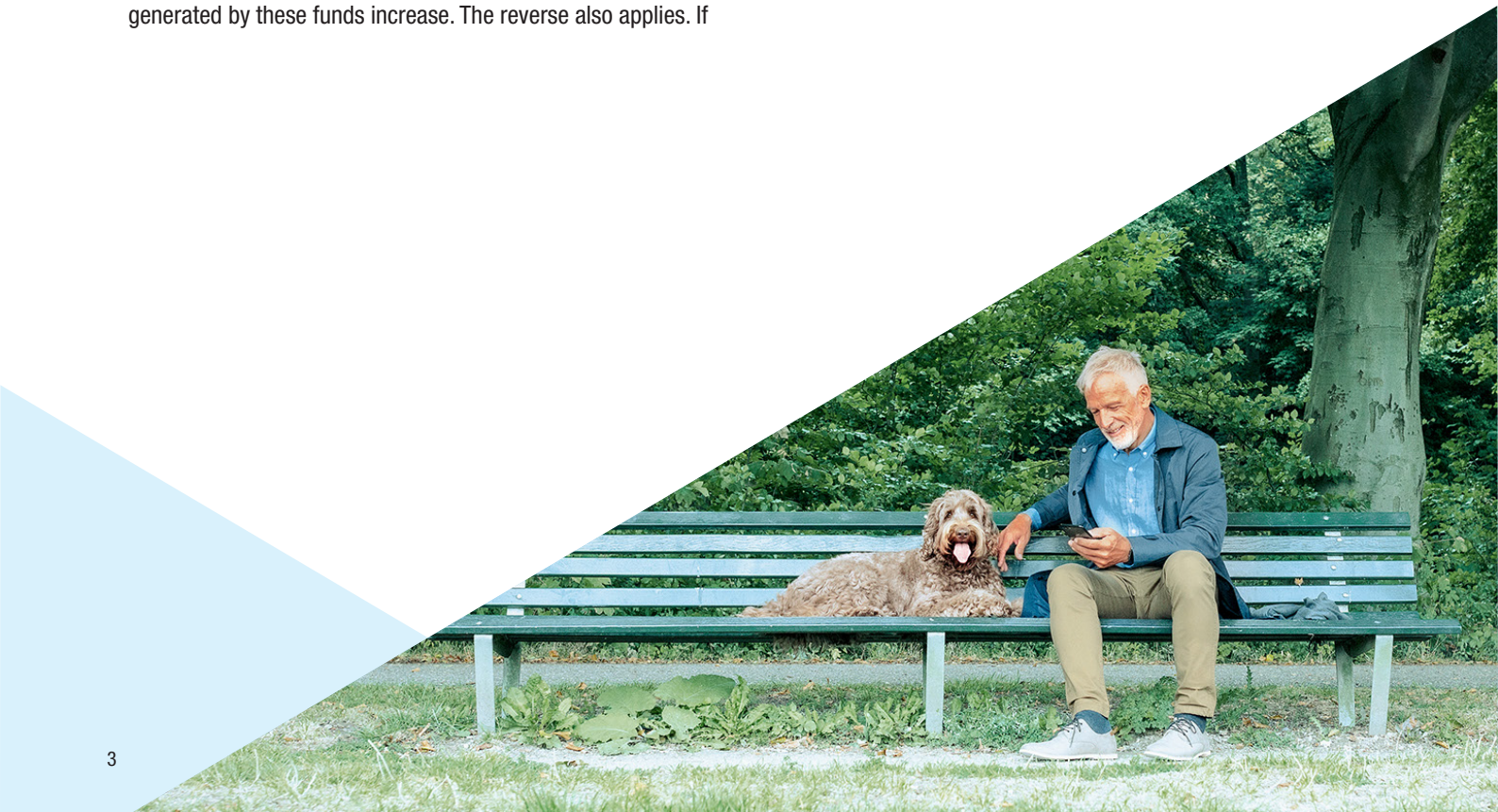
- **Focus on growth and retirement**
  This part combines generating potentially attractive returns and reducing the investment risk ready for retirement. In order to achieve this, we invest in potentially less risky investment asset classes such as green and corporate bonds with a high credit rating and Dutch mortgages (Hybrid Index Fund).

- **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 Duration 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 (Duration Matching Funds M, L, XL, XXL (NL)) 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: Goldman Sachs Asset Management. Data as of 01/01/2024.



Financial markets

Lifecycle returns depend on what's going on in the financial markets. So how did markets perform last quarter?

Escalating geopolitical risks and the resulting oil supply shock shaped the third quarter of 2026, limiting equity gains, pushing bond yields to multi-year highs and increasing currency volatility. Despite these headwinds, resilient global growth, stable employment and strong corporate earnings kept the economic expansion on track, while elevated energy prices kept central banks vigilant.

The renewed military escalation in the Middle East and the reclosure of the Strait of Hormuz in early July brought energy supply disruption risks back to the forefront. The ongoing conflict between the United States and Iran triggered a sharp rise in energy prices, which remained elevated throughout the quarter.

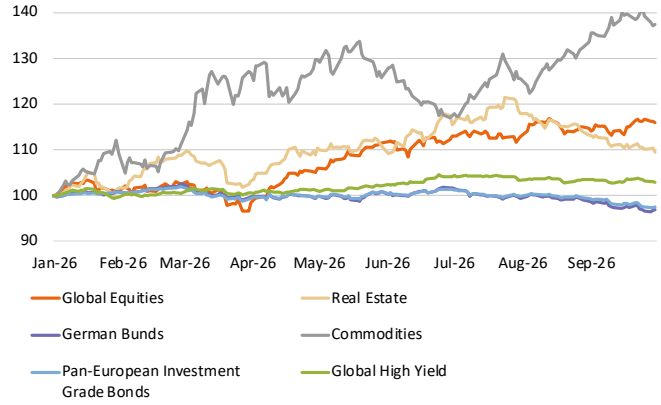
Despite heightened geopolitical uncertainty, growth data across most major developed economies proved resilient, exceeding expectations in the third quarter of 2026. Euro area economic activity showed unexpected resilience during Q3 2026, defying a renewed energy shock. Business momentum accelerated through the summer, driven by (AI-related IT) services and domestic household spending.

Several major central banks, including the U.S. Federal Reserve (Fed), European Central Bank (ECB) and Bank of Japan (BoJ), raised policy rates in Q3 2026. Policymakers initially adopted a "wait-and-see" approach while assessing the impact of higher oil prices on growth and inflation. However, persistently elevated oil prices, stronger-than-expected growth, a resilient labour market and rising inflation prompted a broad tightening of monetary policy in September. In the U.S., the FOMC unanimously raised the federal funds rate by 25 basis points to 3.75%–4.00%, in line with market expectations. The ECB delivered its second 25-basis-point hike of the year, lifting its key rate to 2.50% and upgrading its growth and inflation forecasts.

Global equities were rangebound in Q3'26. After a weak start amid rising geopolitical risks and concerns about intensifying competition in the semiconductor industry, strong earnings—particularly from mega-cap technology companies—drove a rebound. However, surging bond yields caused many equity indices to surrender some gains in the second half of the quarter. The MSCI AC World index rose by 1.2% in local-currency terms in Q3 2026, equivalent to a 2.3% gain in euros.

Looking at the global MSCI sectors in euro terms, the Energy sector led the rally with a substantial gain of 15.9%, largely driven by higher oil prices. Information Technology (+6.9%), Telecommunication Services (+4.4%) and Healthcare (+4.0%) also performed well. By contrast, Utilities (-9.0%), Industrials (-5.0%) and Real Estate (-4.6%) were the weakest sectors.

Figure 1: performance of asset classes (euros)



Sources: LSEG Datastream and Goldman Sachs Asset Management.
Data as of 30 September 2026.

Bond markets faced a difficult quarter as rising energy prices and heavy issuance pushed bond yields higher across all major regions. Resilient growth, rising inflation and increasingly hawkish monetary policy expectations added to the pressure. The US 10-year Treasury yield rose from 4.4% to 5.3%, its highest level since July 2007, while UK and Japanese 10-year yields increased by 60 and 37 basis points, respectively. In the Euro Area, higher gas prices and thin liquidity drove yields higher across the curve. The German 10-year yield rose by 71 basis points to 3.6%, while France underperformed with an increase of 120 basis points.

As a result, euro government bonds lost 4.4% in Q3'26 (Bloomberg Euro Aggregate Treasury). Credit markets also weakened as spreads widened and investors became more selective. Euro investment-grade corporate bonds declined by 2.5% (Bloomberg Euro Aggregate Corporates EUR), while pan-European high yield fell by 1.5% in euro terms.



Net return by age group

Fixed pension benefit

Very defensive

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)	5 years (ann.)
47 years	0.9	12.3	14.9	14.1	7.9
55 years	-2.8	6.5	6.3	9.0	1.3
65 years	-5.8	-2.4	-4.6	2.8	-4.6
67 years	-5.8	-3.7	-5.8	1.7	-5.1

Defensive

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)	5 years (ann.)
47 years	1.1	13.1	16.0	14.8	8.5
55 years	-1.2	8.7	10.1	11.6	4.8
65 years	-5.4	-0.6	-2.5	4.4	-3.4
67 years	-5.5	-2.0	-4.0	3.2	-4.2

Neutral

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)	5 years (ann.)
47 years	1.2	14.0	17.0	15.4	9.0
55 years	1.2	14.0	17.0	15.4	9.0
65 years	-4.9	1.0	-0.5	5.8	-2.3
67 years	-5.4	-1.2	-2.9	4.1	-3.6

Offensive

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)	5 years (ann.)
47 years	1.4	14.9	18.1	16.1	9.5
55 years	1.4	14.9	18.1	16.1	9.5
65 years	-4.7	1.6	0.3	6.2	-1.9
67 years	-5.4	-0.9	-2.6	4.4	-3.5

Very offensive

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)	5 years (ann.)
47 years	1.6	15.7	19.1	16.7	10.0
55 years	1.6	15.7	19.1	16.7	10.0
65 years	-4.4	2.6	1.6	8.2	-0.5
67 years	-5.3	-0.7	-2.3	6.1	-2.5

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	3 years (ann.)	5 years (ann.)
47 years	1.1	13.1	16.0	14.8	8.5
55 years	-0.6	9.5	11.3	12.2	5.6
65 years	-5.2	0.7	-0.8	5.6	-2.7
67 years	-5.3	-0.7	-2.3	4.6	-3.3

Neutral - reduced risk to 15%

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)	5 years (ann.)
47 years	1.2	14.0	17.0	15.4	9.0
55 years	1.2	14.0	17.0	15.4	9.0
65 years	-4.8	1.6	0.4	6.3	-1.9
67 years	-5.3	-0.4	-2.0	4.8	-3.1

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47 years	1.4	14.9	18.1	16.1	9.5
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65 years	-4.7	2.1	0.9	6.7	-1.6
67 years	-5.3	-0.3	-1.8	5.0	-3.1

Very offensive - reduced risk to 15%

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)	5 years (ann.)
47 years	1.6	15.7	19.1	16.7	10.0
55 years	1.6	15.7	19.1	16.7	10.0
65 years	-4.3	3.1	2.2	7.4	-0.8
67 years	-5.3	0.0	-1.5	5.2	-2.9

Net return by age group

Variable pension benefit reduced risk to 30%

Neutral - reduced risk to 30%

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)	5 years (ann.)
47 years	1.2	14.0	17.0	15.4	9.0
55 years	1.2	14.0	17.0	15.4	9.0
65 years	-4.7	3.2	2.5	7.9	-0.5
67 years	-5.0	1.8	0.8	6.7	-1.7

Offensive - reduced risk to 30%

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)	5 years (ann.)
47 years	1.4	14.9	18.1	16.1	9.5
55 years	1.4	14.9	18.1	16.1	9.5
65 years	-4.6	3.6	3.0	8.2	-0.2
67 years	-5.0	2.0	0.9	6.8	-1.6

Very offensive - reduced risk to 30%

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)	5 years (ann.)
47 years	1.6	15.7	19.1	16.7	10.0
55 years	1.6	15.7	19.1	16.7	10.0
65 years	-4.3	4.4	4.0	8.7	0.4
67 years	-5.0	2.1	1.2	7.0	-1.5

Variable pension benefit reduced risk to 45%

Offensive - reduced risk to 45%

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)	5 years (ann.)
47 years	1.4	14.9	18.1	16.1	9.5
55 years	1.4	14.9	18.1	16.1	9.5
65 years	-4.3	5.3	4.7	9.2	0.6
67 years	-4.8	3.6	2.7	8.1	-0.6

Very offensive - reduced risk to 45%

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)	5 years (ann.)
47 years	1.6	15.7	19.1	16.7	10.0
55 years	1.6	15.7	19.1	16.7	10.0
65 years	-4.0	6.1	5.8	9.7	1.2
67 years	-4.8	3.8	3.0	8.2	-0.5

Variable pension benefit reduced risk to 60%

Very offensive - reduced risk to 60%

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)	5 years (ann.)
47 years	1.6	15.7	19.1	16.7	10.0
55 years	1.6	15.7	19.1	16.7	10.0
65 years	-3.9	7.4	7.3	10.8	2.1
67 years	-4.6	5.6	5.0	9.7	0.7

Developments in sustainable investing

At Goldman Sachs Asset Management, the asset manager of the lifecycle funds, we are committed to helping investors manage the risks and opportunities created by the transition to a more sustainable economy. As part of our stewardship work, the Global Stewardship Team is engaging with companies on climate transition.

Climate Transition Strategies

Given the scale and complexity of the global climate transition, managing climate-related risks and opportunities is integral to serving our diverse client base. We see this transition potentially playing out across the real economy, the markets in which we transact, investment portfolios, and our client franchise. Climate change is an important and growing area of focus for many of our clients, both from a risk-return and an impact perspective. At the same time, it is increasingly affecting our clients' investments through physical-risk impacts to operations and challenges in navigating the transition to a lower-carbon economy.

Engaging on Climate Transition Strategies

Since 2020, we have been engaging with companies to share our views on the climate transition, focusing on disclosure of material greenhouse gas emissions, targets to reduce greenhouse gas emissions where material, and the implementation of a robust and quantifiable climate transition strategy. The Global Stewardship Team collaborates with the Fundamental Equity and Fixed Income investment teams to engage with companies across our portfolios on material climate-related risks and opportunities.

We seek to engage with the companies that account for the largest contributions to our client portfolios' financed emissions. We also seek engagement with companies for which we think climate is a material investment consideration.

To guide these engagements, we assess companies against criteria in our internal screening tool. This tool combines quantitative and qualitative information from internal and external data sources on a company's ambitions and target-setting, emissions performance, climate disclosures, decarbonization strategies, and capital allocation. We use data from various third-party sources in this assessment, supplemented as needed with research conducted by the Global Stewardship Team and the investment teams.

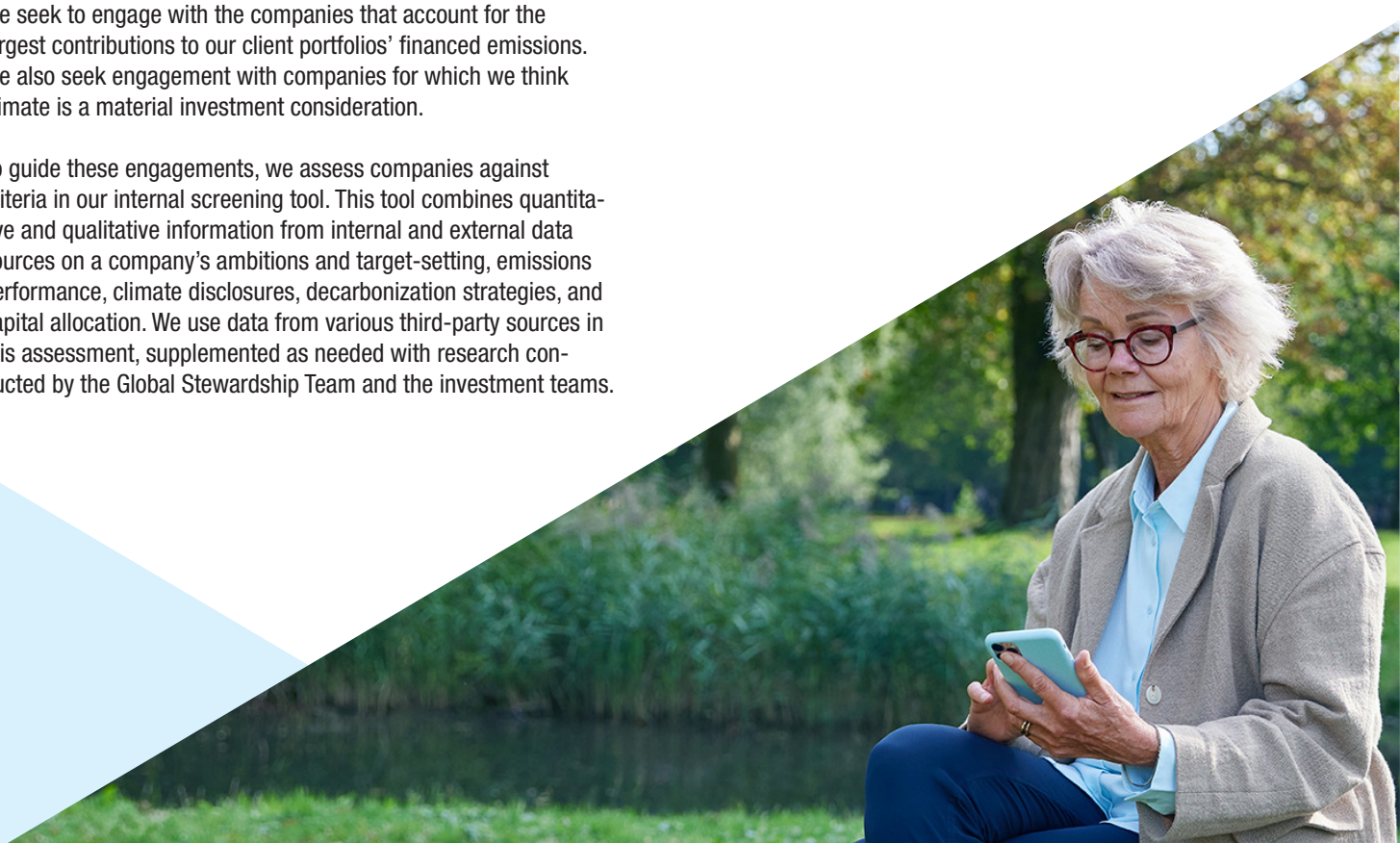
We use the analysis to share our perspectives on how companies can manage the material risks and opportunities presented by the climate transition in the best interests of shareholders.

Case study

Country: Brazil
Sector: Materials
Status: Ongoing

In July, members of the Global Stewardship Team, engaged with the Investor Relations and Sustainability Team of a Brazilian materials company to discuss the company's climate transition strategy. We identified the company for engagement under our climate transition engagement initiative, in which we seek to engage with high-impact companies on the implementation of a robust and quantifiable climate transition strategy. Based on our screening tool, we identified the following areas for engagement: climate long-term ambition, interim targets, emissions performance, decarbonization strategy, and capital allocation strategy.

We previously engaged with the company on these topics in 2024. During that engagement, the company highlighted its efforts in pilot testing Scope 1 emission reduction technologies. It also reported achieving 100% renewable electricity consumption in Brazil two years ahead of its 2025 goal and noted progress towards its 2030 goal for 100% renewable consumption across its global operations.



During this recent engagement, the company discussed its emissions reduction targets: a 33% reduction in Scope 1 and 2 emissions by 2030 and a 15% reduction in Scope 3 emissions by 2050. The company reported significant progress, with overall Scope 3 emissions already reduced by 13% and Scope 1 and 2 emissions by 27%.

The company noted that is Scope 3 emissions are derived primarily from its steelmaking activities. To achieve its Scope 3 emissions goal, it has been engaging with clients to reduce their CO2 emissions in steel production and align with international standards. This engagement includes encouraging clients to explore energy-efficient shipping technologies such as wind turbines, alternative fuels, and biodiesel.

We will seek to continue engaging with the company on this topic.

My sustainability impact

At BeFrank, your pension is invested sustainably. But just how sustainable are those investments? That differs from person to person and depends on the choices you make. On your personal pension page, My Sustainability Impact shows how your investments score and the impact you are making with them. Are you an employer? Then you can view the sustainability impact of the assets invested in the pension scheme via the employer portal.



This dashboard shows an indication of the ESG score and the savings in CO2 emissions, hazardous waste and non-recyclable waste. The personal pension page and the employer portal explain how these figures are measured. You can read more about sustainable investing in the Sustainable Investment Policy.

Source: BeFrank



Funds BeFrank Passive Lifecycle

BeFrank First Class Return Index

The Index Mix Fund gained a positive return in Q3 2026. Equities in developed markets were the primary positive contributor to performance, in line with positive market trends. Small-cap stocks made a negative contribution, while emerging market equities contributed slightly positively.

Fixed-income assets made a contribution that was, on balance, slightly negative to neutral. Rising interest rates put pressure on high-yield bonds, whereas the position in emerging market debt denominated in local currencies made a positive contribution.

Listed real estate made a negative contribution. Despite its low allocation, this represented the largest negative contribution within the fund's strategic asset allocation, driven by rising interest rates.

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)	5 years (ann.)
BeFrank First Class Return Index	1.6	15.7	19.1	16.7	10.0

Statistics	
ISIN code	NL0013089006
Inception date	January 2019
Ongoing charges	0.15%

Positioning



Source: Goldman Sachs Asset Management, all figures are as of 30/09/2026.



Performance

BeFrank First Class Return Index

Return (%) (net) Equities	3 months	year to date	weight
Northern Trust World Journey Equity Index Fund - A Dis Eur*	2.8	16.1	68.2
MSCI World Journey Select Index Net (EUR)	2.8	15.9	
Northern Trust Emerging Markets Journey Equity Index Fund A Dis EUR**	0.8	28.3	12.5
MSCI NT EM Custom ESG NR EUR	0.8	28.1	
Northern Trust World Small Cap ESG Low Carbon Index FGR Fund K EUR Dist	-3.4	17.6	4.8
MSCI World Small Cap Select Low Carbon Index	-3.4	17.3	
Real Estate			
Northern Trust Real Estate Climate Index FGR Fund I EUR	-4.8	7.0	4.8
Solactive Developed Real Estate ESG Climate Index NTR	-5.0	6.3	
Fixed Income			
Northern Trust EMD LC GV Bond	0.9	2.8	5.0
BBG Barclays EM LC Government 10% Country Cap index	1.0	3.2	
Global High Yield Bond Fund (NL)	-1.2	3.0	4.4
Bloomberg Barclays 70% US 30% Pan-European ex Fin Subord 2% Issuer Capped High Yield EUR (unhedged)	-1.3	2.6	

* Added in July 2025.
** Added in October 2025.
Source: Goldman Sachs Asset Management, all figures are as of 30/09/2026.

Hybrid Index Fund

The Hybrid Index Fund made a negative return over the past quarter. Rising interest rates had a direct impact on the performance of the sustainable, green, and social corporate bonds, which together account for the bulk of the negative result. In terms of performance, the funds largely track their benchmark. The mortgage portfolio also experienced a negative quarter.

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)	5 years (ann.)
Hybrid Index Fund	-2.4	-1.5	-1.3	3.6	-0.8

Statistics	
ISIN code	NL0013995152
Inception date	November 2019
Ongoing charges	0.21%

Positioning



Source: Goldman Sachs Asset Management, all figures are as of 30/09/2026.



Duration Matching funds

The four Duration Matching funds have different interest rate sensitivity profiles (Duration Matching Fund (M) (NL), Duration Matching Fund (L) (NL), Duration Matching Fund (XL) (NL) and Duration 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 Duration 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 Duration 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 rates do?

In the third quarter of 2026, euro swap rates rose, with the most pronounced increases occurring across short- and medium-term maturities. Rates for very long-term loans saw a more modest rise, causing the yield curve to flatten further. The most significant movements took place in September, as markets began to anticipate a prolonged period of higher policy interest rates alongside persistent inflation risks.

Within European sovereign bond markets, there were also marked divergences between countries. Government bonds from financially robust nations, such as Germany and the Netherlands, outperformed those of countries with larger budget deficits and higher debt levels. France, in particular, lagged significantly behind as investors grew increasingly concerned about the sustainability of its public finances. Consequently, yield spreads within the eurozone widened further.

Beyond inflation and monetary policy, a broader theme was at play: governments are issuing increasing amounts of debt to finance budget deficits, while central banks are simultaneously reducing their holdings of government bonds. As a result, investors are increasingly demanding a higher premium for financing countries with weaker public finances—a factor that contributed to the widening yield spreads between European nations.

In September, the European Central Bank (ECB) raised its deposit facility rate by 0.25 percentage points to 2.50%. In doing so, the ECB signaled its continued concern regarding persistent inflationary pressure, driven in part by higher energy prices and geopolitical uncertainty.



Performance

Duration Matching Fund (M) (NL) - T

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)	5 years (ann.)
Duration Matching Fund (M) (NL) - T	-2.7	-2.1	-2.2	2.3	-1.3
Bloomberg Barclays Euro Treasury AAA 1-3 Yr Downgrade Maturity Tolerant, incl derivatives to increase duration (M)	-2.8	-2.4	-2.7	1.8	-1.6

Statistics	
ISIN code	NL0013040348
Inception date	November 2018
Ongoing charges	0.15%

Duration Matching Fund (L) (NL) - T

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)	5 years (ann.)
Duration Matching Fund (L) (NL) - T	-10.7	-6.5	-12.0	-0.3	-10.8
Bloomberg Barclays Euro Treasury AAA 1-3 Yr Downgrade Maturity Tolerant, incl derivatives to increase duration (L)	-10.5	-6.3	-12.1	-0.7	-11.0

Statistics	
ISIN code	NL0013040355
Inception date	November 2018
Ongoing charges	0.15%

Duration Matching Fund (XL) (NL) - T

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)	5 years (ann.)
Duration Matching Fund (XL) (NL) - T	-14.7	-3.8	-15.3	-4.6	-19.4
Bloomberg Barclays Euro Treasury AAA 1-3 Yr Downgrade Maturity Tolerant, incl derivatives to increase duration (XL)	-14.4	-3.4	-15.2	-5.0	-19.6

Statistics	
ISIN code	NL0013040363
Inception date	November 2018
Ongoing charges	0.15%

Duration Matching Fund (XXL) (NL) - T*

Return (%) (net)	3 months	year to date	1 year	3 years (ann.)	5 years (ann.)
Duration Matching Fund (XXL) (NL) - T	-21.5	-16.3	-25.5		
Bloomberg Barclays Euro Treasury AAA 1-3 Yr Downgrade Maturity Tolerant, incl derivatives to increase duration (XXL)	-22.1	-17.5	-26.8		

Statistics	
ISIN code	NL0015001QX5
Inception date	February 2024
Ongoing charges	0.15%

* Performance measurement are as of 01/03/2024.
Source: Goldman Sachs Asset Management, all figures are as of 30/09/2026.

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.

