

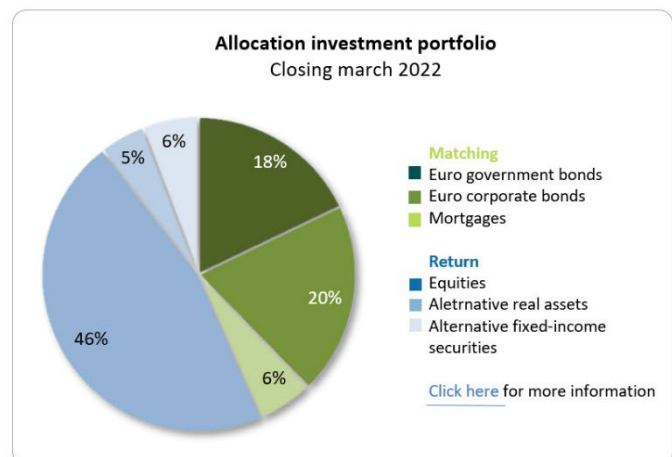
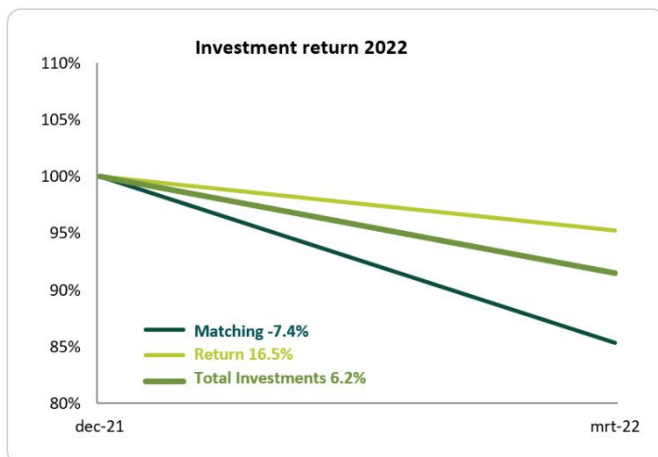
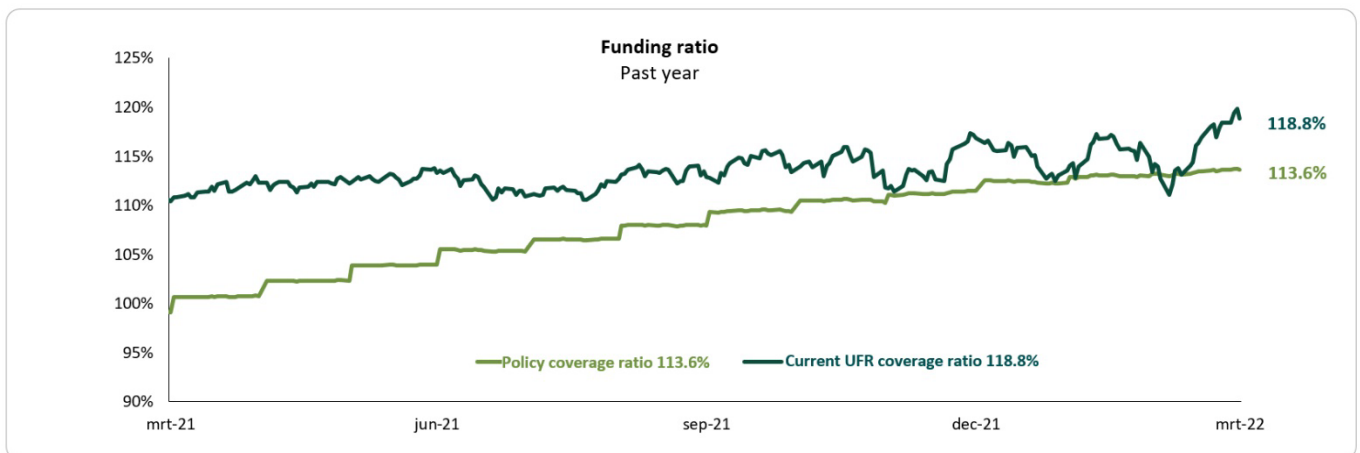
### Key points:

- Policy coverage ratio 31 March 2022: 113.6% (2.1% increase compared to end of 2021)
- Current UFR coverage ratio 31 March 2022: 118.8% (2.0% increase compared to end of 2021)
- Return on investments since the end of 2021: -8.5%.
- Invested assets 31 March 2022: € 34.8 billion

Jochem Dijkmeester, chairman of the Board of Pensioenfonds PGB: “Our financial situation improved further in the first quarter. Our policy coverage ratio rose from 111.5% to 113.6% in the past quarter. At the same time, we had to deal with turmoil in the financial markets, triggered by the conflict in Ukraine, rising inflation expectations and interest rate increases. This resulted in significant losses on our investments. Fortunately, our liabilities decreased due to rising interest rates. This more than made up for our investment losses. Last quarter, I already announced that we will be able to increase pensions slightly by 0.23% from 1 January this year. If our financial situation remains good and once the transitional rules for the new pension system are clear, there will hopefully be more room to increase pensions. As a Board, we keep our finger on the pulse. We will continue to look after the interests of all our participants, former participants and pensioners.”

### Overview financial position and investment return

See the annex on page 4 for an explanation of the main concepts.



## Explanation to financial position and investment return

### Financial position

The coverage ratios of Pensioenfond PGB have increased since the end of 2021. The current UFR coverage ratio rose from 116.8% to 118.8% in the first quarter. The policy coverage ratio rose from 111.5% to 113.6% in the first quarter. The two coverage ratios do not move evenly because the actual UFR coverage ratio is a snapshot in time (end of December), while the policy coverage ratio is the average of the actual UFR coverage ratios of the past 12 months. These coverage ratios are benchmarks for any indexation or reduction (i.e. an increase or decrease of your pension). This is assessed annually. Due to the improved financial situation at the end of 2021, the Board decided to increase pensions by 0.23%. The increase will take effect retroactively from 1 January 2022 and will apply to all pensions.

### Investment return

The return on investments was -8.5% for the first quarter of 2022. The investments for hedging interest rate risk (Matching Portfolio) achieved a return of -14.7% in the first quarter. This is due to the higher interest rates. The Return Portfolio, consisting mainly of equities, achieved a return of -4.8% over the first quarter. The stock market was under pressure in the first quarter, mainly due to the war in Ukraine.

### Allocation of investments

The value of the pension liabilities goes up or down as a result of interest rate movements. As at 31 March, 55% of the impact of this movement on our financial position (interest rate hedging) was covered by investments in the Matching Portfolio, which includes euro government bonds. The purpose of the Return Portfolio, which consists largely of equities, is to create additional returns in order to be able to increase pensions. The value of total investments was € 34.8 billion at the end of March. This is a decrease of € 2.4 billion compared to the end of December, due to a negative return on the Matching Portfolio in particular.

### Investment returns defined contribution schemes

A number of participants have a capital sum via a defined contribution scheme. The details vary according to the pension scheme. For each age category, we have put together a suitable investment portfolio. Younger participants invest a larger portion of their pension capital in the Return Portfolio (RP). Somewhat more risk is taken with this portfolio. Older participants invest more in the portfolio that involves less risk (Matching Portfolio, MP), this way their pension capital is better protected against decreases in interest rates and drops in share prices.

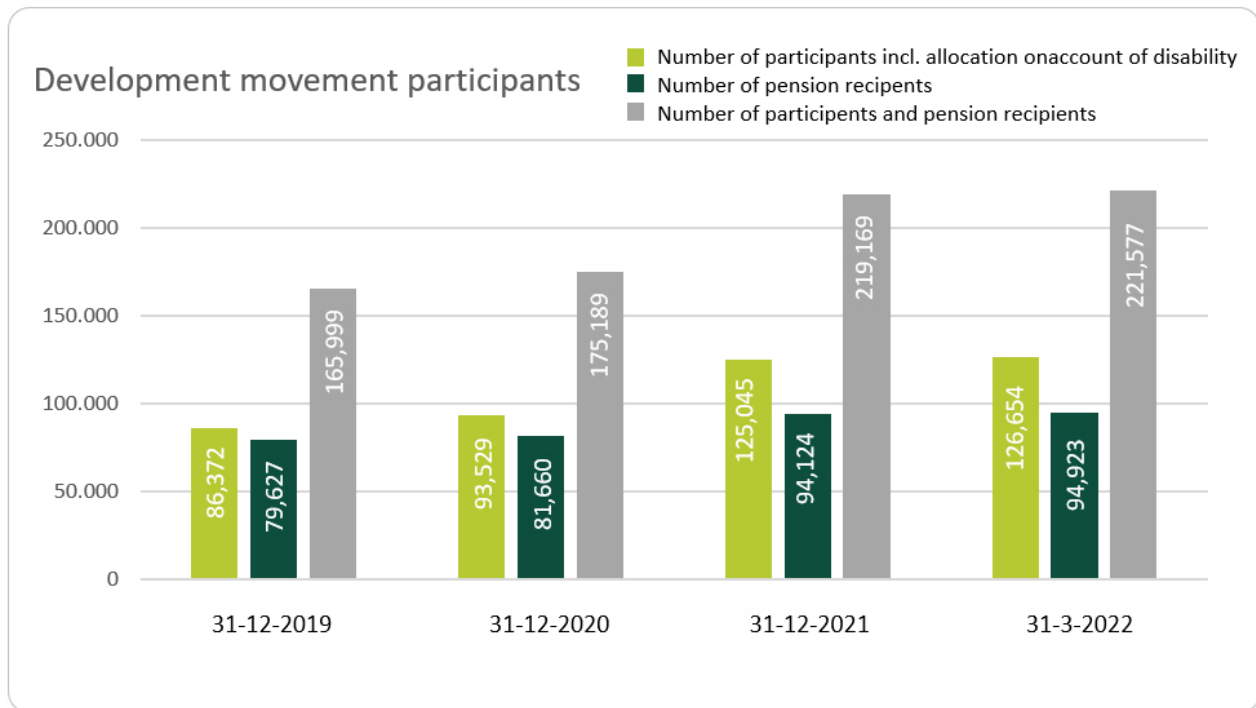
Result per age cohort	Weighting		Return
	MP	RP	2022
Age up to and including 49	15%	85%	-6.3%
Age 50-55	25%	75%	-7.3%
Age 58-61	35%	65%	-8.3%
Age from 62	45%	55%	-9.3%

### Pension liabilities

Liabilities (UFR): The value of the liabilities fell from €31.9 billion to €29.4 billion in the first quarter of 2022. The actuarial interest rate of the Dutch Central Bank was 1.10% as at 31 March. This interest rate was 0.56% as at the end of December. The increase in interest rate results in a lower market value of the liabilities. The investments and liabilities of Stichting Pensioenfond Fluor were taken over in the first quarter of 2022.

The number of participants accruing pension with Pensioenfond PGB - including allocation due to disability - rose in the first quarter by 1,609, from 125,045 to 126,654. The number of participants receiving a pension increased in the first quarter of 2022, from 94,124 to 94,923. At the end of March 2022, a total of 221,577 participants were either accruing or receiving pensions.

**Table 2:** development group of participants (31 March 2022)



The total number of participants - including participants who have left their pension with Pensioenfond PGB after leaving ('sleepers') - amounted to about 444,000 at the end of March 2022.

## Explanation of key concepts

### Matching (Portfolio)

Investments that depend in particular on interest rate movements, such as, for example, euro government bonds. The Dutch government issues loans which are financed by, for example, Pensioenfond PGB. The risk of these investments is limited, because it is common practice for governments to repay the loans. Pensioenfond PGB invests in particular in bonds of the Dutch and German governments. All these investments are in euros.

### Return (Portfolio)

These investments are intended to provide an extra return. This category consists mainly of equities (worldwide), alternative real assets (especially real estate and infrastructure) and alternative fixed-income securities (especially bonds of emerging countries). These investments are mainly in euros, US dollars and pounds sterling.

### Interest rates

The value of the pension liabilities and the Matching Portfolio will change following any interest rate movement. An increase in interest rates will usually have a positive influence on the coverage ratio, even though the value of the Matching Portfolio will decrease as a result, because the value of the liabilities shows a larger drop. In case of a drop in interest rates, the reverse is true.

### Real assets

Equities and alternative real assets, which are part of the Return Portfolio.

### Currencies

Part of the Return Portfolio is invested in foreign currencies (everything not invested in euros). The value of these foreign currencies can go up or down. Part of this risk is hedged. The part that is not hedged, may lead to a positive or negative result.

#### Disclaimer

The figures in this quarterly report are provisional figures, partly based on estimates, and have not been audited by the certifying accountant and external actuary.