



SUMMARY ANNUAL REPORT

Financial year 1-1-2022 up to and incl. 31-12-2022





1. Key figures

All amounts are rounded to thousands of euros, unless otherwise stated.

	31-12-2022	31-12-2021	31-12-2020	31-12-2018	31-12-2018
Numbers					
Participants	833	8,192	8,009	5,646	5,243
Former participants	11,858	4,113	3,498	3,013	2,689
Pension beneficiaries	551	428	344	275	204
Total	13,242	12,733	11,851	8,934	8,136
Financial data					
Investments at pension fund's risk					
Invested assets	826,407	1,094,537	957,016	709,137	522,241
Investment result	-344,939	8,222	118,643	103,448	-622
Return on investments	-29.2%	0.6%	14.7%	18.8%	0.3%
Technical provisions					
Provision for pension liabilities own account	712,016	946,544	902,306	668,420	471,024
Provision for pension liabilities reinsurance	34	53	21	114	216
Total technical provisions	712,050	946,597	902,327	668,534	471,240
Reserves					
General reserve	156,294	160,134	62,736	53,248	53,648
Funding ratio					
Present	121.9%	116.9%	107.0%	108.0%	111.4%
Required (strategic)	119.0%	118.3%	118.5%	119.6%	119.9%
Minimum required	104.3%	104.8%	104.8%	104.7%	104.3%
Policy	126.6%	112.0%	100.7%	108.4%	117.9%
Real	90.1%	87.4%	81.1%	84.7%	93.7%



	2022	2021	2020	2019	2018
Contributions					
Pension plan contributions	104,808	130,595	122,929	93,941	90,164
Other contributions	3,451	3,090	3,250	2,848	2,630
Total	108,259	133,685	126,179	96,789	92,794
Pension benefits (excl. lump sum payments)	2,002	1,530	1,195	820	565
Costs					
Operating and administration costs	2,734	2,413	2,583	2,133	1,935
Pension administration (in euros per participant and pension beneficiary)	1,975	280	309	360	355
Asset management (as % of invested assets)	0.31%	0.21%	0.23%	0.24%	0.26%
Indexation					
1-1-2023 / 1-1-2022 / 1-1-2021 / 1-1-2020 / 1-1-2019	7.36%	0.00%	0.00%	0.00%	0.87%
Accrual cutback					
Cutback pension accrual for the year	0.00%	23.80%	17.20%	0.00%	0.00%



2. Foreword

The year 2022 was characterized by milder variants of the coronavirus and the invasion of Russia into Ukraine. The war led to supply shortages, particularly in energy, causing prices to skyrocket. As many sectors depend on oil and gas, prices in those sectors also increased significantly. This resulted in steep inflation that hasn't been experienced in over 40 years. Although there was no recession according to the economic definition, many people felt it in their wallets due to price inflation. The biggest changes for participants and the pension fund, however, come not from the global stage but from social partners.

NN Investment Partners (NN IP) is no longer part of the NN group, as it has been sold to Goldman Sachs Asset Management. This means that since early April 2022, the pension fund is associated with not one but two employers. Subsequently, as of October 1, 2022, the future pension accrual for NN employees has been transferred to BeFrank. NN IP has decided to extend the accrual for its employees until May 2023. This means that the pension fund will become premium-free from May 2023. The premium exemption for NN employees will be completed in the first quarter of 2023. All employees will be personally informed about this, and the same will happen for NN IP employees at a later stage.

In an attempt to curb the specter of inflation, central banks raised interest rates significantly last year. This occurred in the United States, European Union, United Kingdom, and Japan. During this economically uncertain time, the stock markets suffered substantial declines. All the mentioned developments had a major impact on the financial position of the pension fund and,



therefore, on all participants. Inflation and rising interest rates led to a lower valuation of stocks and bonds, causing a decrease in the pension fund's assets. The rising interest rates had the greatest effect. The funding ratio depends on interest rates, and its level greatly affects both pension accrual and indexation. With rising interest rates, pension liabilities decrease more than the value of investments (depending on interest rate hedging). This increases the funding ratio and provides the pension fund with more financial leeway. This means that for 2023, the full fiscally maximum accrual can be provided to NN IP participants, along with a partial indexation for 2022. The board has granted the maximum indexation allowed under the current rules. This represents a significant improvement compared to last year.

The outsourcing partners remain unchanged. Regarding the investment portfolio, the board has decided to further limit investment risks due to the premium exemption.



3. Balance sheet

All amounts are rounded to thousands of euros, unless otherwise stated.

Balance

(after appropriation of results)

Assets	31-12-2022	31-12-2021
Investments at pension fund's risk		
Real estate investments	121,338	120,943
Equities	251,392	353,196
Fixed income investments	465,364	629,066
Derivatives	243,752	36,685
	1,081,846	1,139,890
Receivables and prepayments	1,035	980
Cash and cash equivalents	41,631	12,235
Total assets	1,124,512	1,153,105

Liabilities	31-12-2022	31-12-2021
Reserves		
Fund's capital	156,294	160,134
	156,294	160,134
Technical provisions for pension fund's risks		
Provision for pension liabilities	712,016	946,544
Provision for occupational disability risk	34	53
	712,050	946,597
Current liabilities and accrued liabilities	256,168	46,374
Total liabilities	1,124,512	1,153,105



4. Cash flow statement

		2022	2021
Pension activities			
Income			
Contributions by employers and employees	108,077	134,357	
Benefits from reinsurance	0	0	
Incoming value transfers of pension rights	6,721	5,421	
	114,798	139,778	
Expenditure			
Pension benefits	-2,096	-1,531	
Premium for reinsurance	-117	-136	
Outgoing value transfers of pension rights	-3,486	-1,570	
Operating and administration costs	-2,777	-2,413	
Other	0	0	
	-8,476	-5,650	
Total pension activities		106,322	134,128
Investment activities			
Income			
Sale and redemption of investments	709,809	449,500	
Direct investment results	17,141	15,229	
	726,950	464,729	
Expenditure			
Acquisition of investments	-802,419	-588,777	
Asset management expenditures	-1,457	-1,161	
	-803,876	-589,938	
		-76,926	-125,209
Movement in cash and cash equivalents		29,396	8,919
Cash and cash equivalents at 1 January		12,235	3,316
Cash and cash equivalents at 31 December		41,631	12,235



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