

Key points:

- Policy coverage ratio 31 March 2021: 99.1% (up 2.8% compared to year-end 2020)
- Current UFR coverage ratio 31 March 2021: 110.4% (up 7.8% compared to year-end 2020)
- Return on investments since year-end 2020: 0.0%
- Invested assets as at 31 March 2021: € 34.5 billion

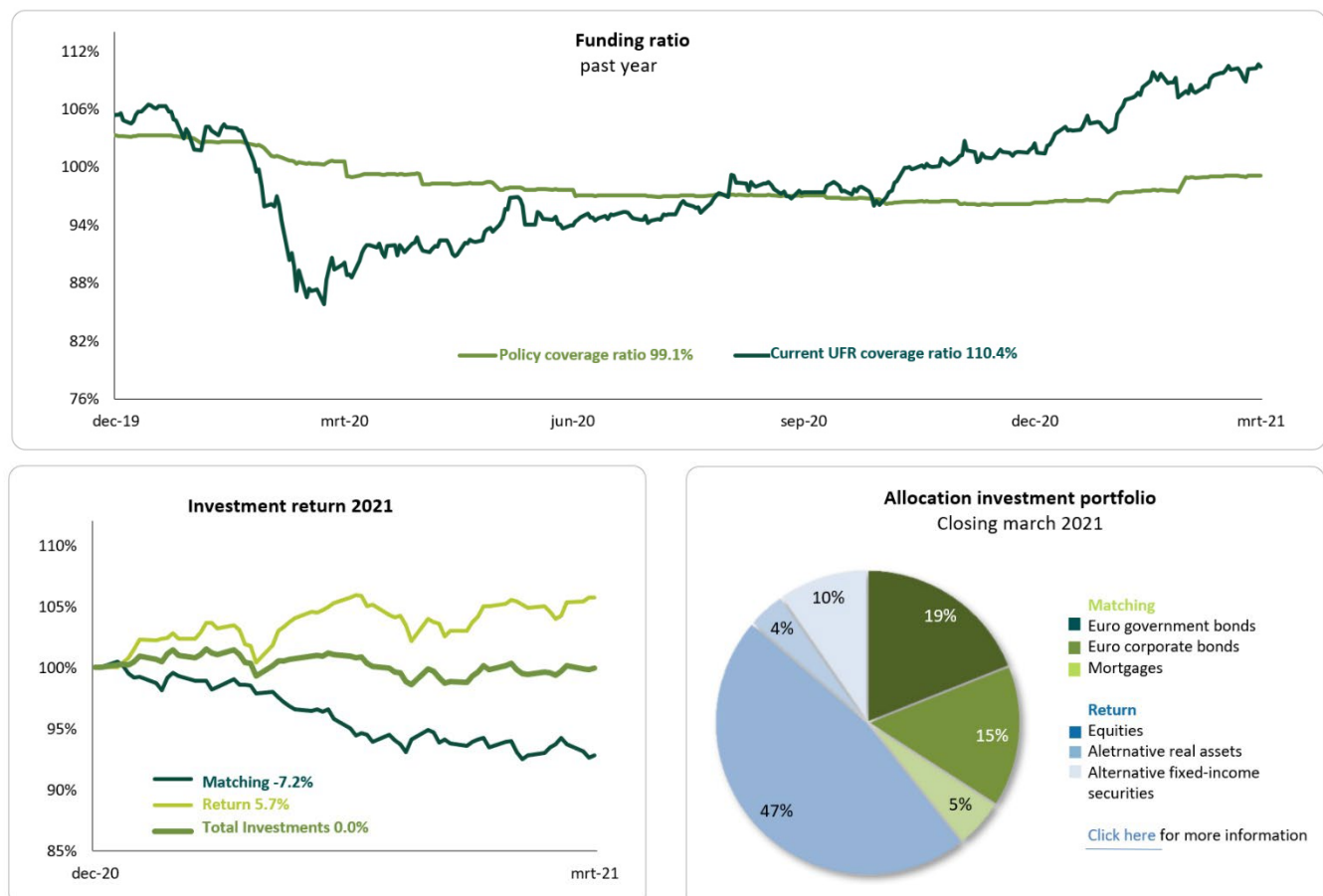
Jochem Dijkmeester, chairman of the Board of Pensioenfond PGB: "Our financial situation improved in the 1st quarter of 2021. This improvement can also be found in our current coverage ratio. Our coverage ratio rose as a result of the higher interest rates and the return on our investments in shares. Because of the higher interest rates, we need less cash to be able to pay out the pensions now and in the future. Our bonds lost value due to higher interest rates, but the favourable prices on the stock market successfully compensated for this decline in value."

Naturally, we hope that our financial situation will continue to recover in the coming period, but there is still much uncertainty. This also depends very much on the financial and economic consequences of the corona crisis. We will keep a close eye on developments in order to adjust our policy if necessary or desirable.

Our invested assets rose to € 34.5 billion. This was partly due to the addition of new participants and employers in 2021, including those from the agricultural and food supply trade and the travel industry. A special word of welcome to them. We hope you will feel at home with us."

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 investments showed a 0.0% return in the first quarter. The favourable developments in the stock market resulted in a positive return. Due to the higher interest rates, the value of bonds decreased. The pension liabilities decreased in value due to the higher interest rates. This caused our coverage ratio to increase. The current UFR coverage ratio increased from 102.6% to 110.4% in the first quarter. The policy coverage ratio rose from 96.3% to 99.1% in the first quarter. The two coverage ratios do not move evenly because the current UFR coverage ratio is a snapshot in time (end of March), 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.

Investment return

Since the end of 2020, the return on our investments is 0.0%. The investments to hedge the interest rate risk (Matching portfolio) have shown a -7.2% return since the end of 2020. This is due to the higher interest rates. The Return portfolio, consisting in particular of equities, achieved a return of +5.7% since the end of 2020. After the favourable development on the stock market at the end of 2020, the share prices further rose in the first quarter.

Allocation of investments

The value of the pension liabilities goes up or down as a result of interest rate movements. As of 31 March, 42% of the impact of this movement on our financial position (interest rate hedging) is covered by investments in the Matching portfolio (which includes euro government bonds). The purpose of the Return portfolio (which includes equities) is to create additional returns in order to increase pensions. The value of the total investments has increased since the end of 2020 from € 32.4 billion to € 34.5 billion as at the end of March 2021. This increase is partly due to the addition of 2 new sectors to Pensioenfond PGB: the agricultural and food supply trade, and the travel industry.

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 involving 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	Weight		Return
	MP	RP	2021
Age up to and including 49	15%	85%	3.8%
Age 50-55	25%	75%	2.5%
Age 56-61	35%	65%	1.2%
Age from 62	45%	55%	-0.1%

Correction 4th quarter 2020

Based on the final annual statement 2020, some key figures of the 4th quarter in 2020 have been adjusted. The current UFR coverage ratio as at 31 December 2020 has been adjusted from 102.5% to 102.6%. And the return on investments for 2020 has been adjusted from 6.7% to 6.8%. (The return on the Return portfolio has been adjusted from 5.0% to 5.2%).

Pension liabilities

Liabilities (UFR): Despite the higher interest rate, the value of the liabilities rose in the first quarter of 2021 from € 31.2 billion to € 31.5 billion. This increase is caused by the addition of two new sectors to Pensioenfond PGB: the agricultural and food supply trade, and the travel industry. The actuarial interest rate of the Dutch Central Bank is 0.52% as of 31 March. This interest rate was 0.16% at the end of December.

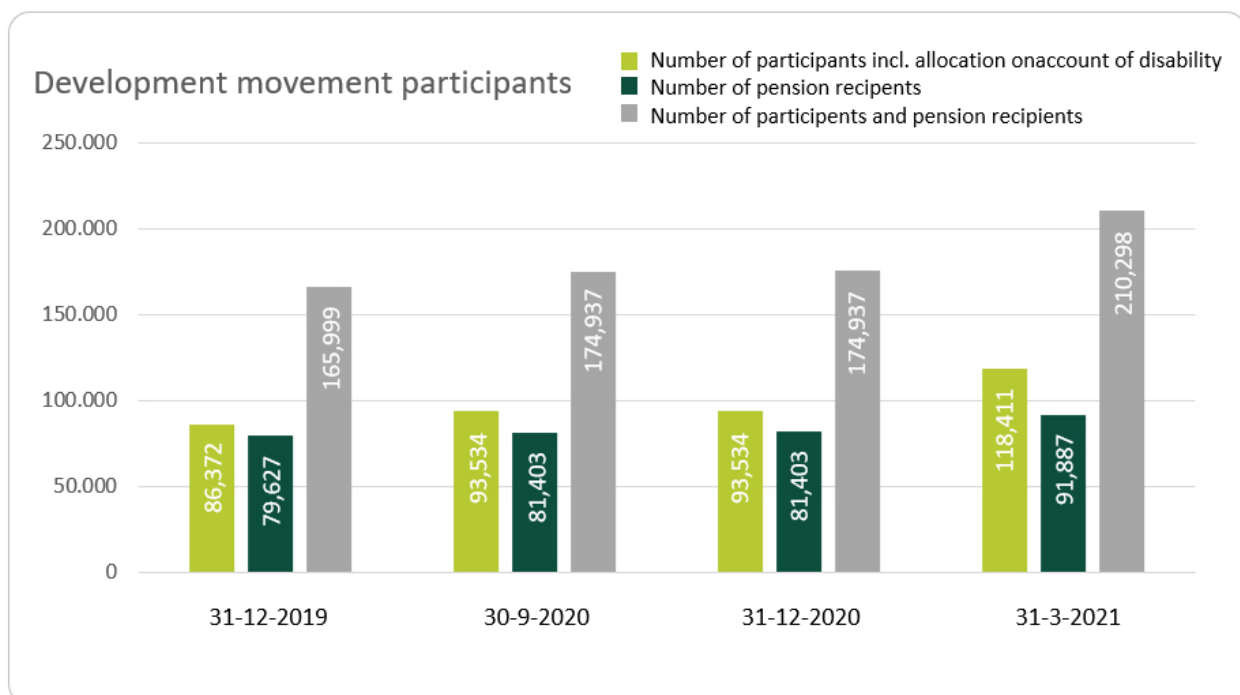
Developments at Pensioenfond PGB

- Pensioenfond PGB invests in electric railway traffic in Europe
- In conversation with our participants

The number of participants accruing a pension with Pensioenfond PGB - including allocation due to occupational disability - rose in the first quarter by 24,882 from 93,529 to 118,411. The number of participants receiving a pension increased in the first quarter of 2021 by 10,227 from 81,660 to 91,887.

In total, 210,298 participants were accruing or receiving pensions at the end of March 2021.

Table 2: Development group of participants (31 March 2021)



The total number of participants - including participants who have left their pensions with Pensioenfond PGB after leaving ('sleepers') - at the end of March 2021 was about 445,000.

Annex

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 of equities (worldwide), alternative real assets (in particular real estate and infrastructure) and alternative fixed-income securities (in particular bonds of emerging countries). These investments are 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. 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 checked by the certifying accountant and external actuary.