

# Round Table for Investment Performance Measurement

*NPC-rebalancing dynamics*

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# Introduction...

## Mitchell Boelee

Function: **Sr. Portfolio Manager**  
Age: **34 years old**  
Works at: **Asset Allocation & Overlay**  
Work experience: **a.s.r. asset management, Ortec Finance**  
Education: **MSc/CFA/FDP**

“AA&O is responsible for total balance sheet advice and implementation, including rebalancing of the asset allocation and strategic hedges of our AM clients.”

“My main focus is on investigating the impact of the New Pension Contract (NPC) on client portfolio rebalancing and interest rate overlay activities. ”



# NPC Rebalancing Dynamics Takeaways

# FTK vs. NPC: New rebalancing dynamics

## FTK

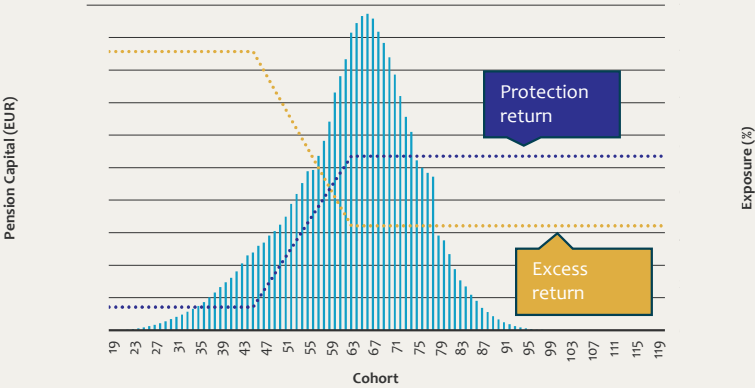
- Undivided assets & Collective investing
- Accrued pension entitlements
- Funding ratio + Required Reserves
- Portfolio allocation based on equity/fixed-income
- Fixed norm portfolio weights
- One interest hedge ratio for all maturities

## NPC

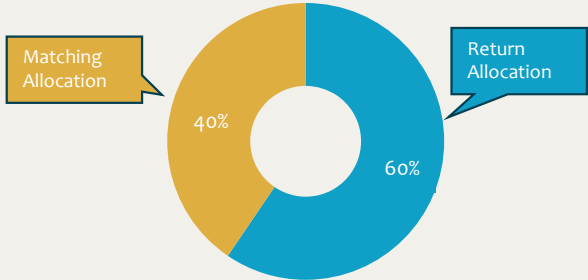
- Undivided assets & Collective investing
- Accrued pension capital
- Protection return, excess return + reserves
- Portfolio allocation based on matching/return
- Dynamic norm portfolio weights
- Maturity-specific interest hedge ratio

# Rebalancing Dynamics within the New Pension Contract

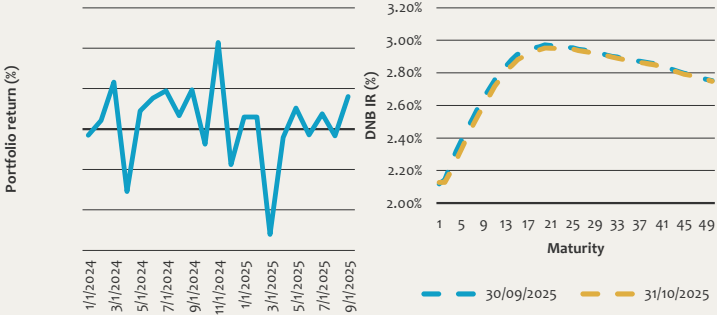
Pension Capital and Exposure to Protection and Surplus Return



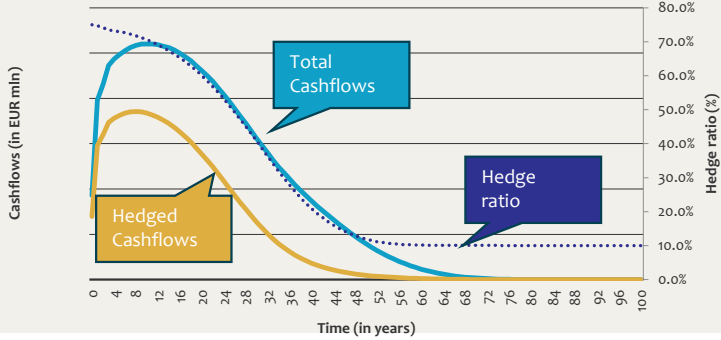
Allocation



Financial Market Developments



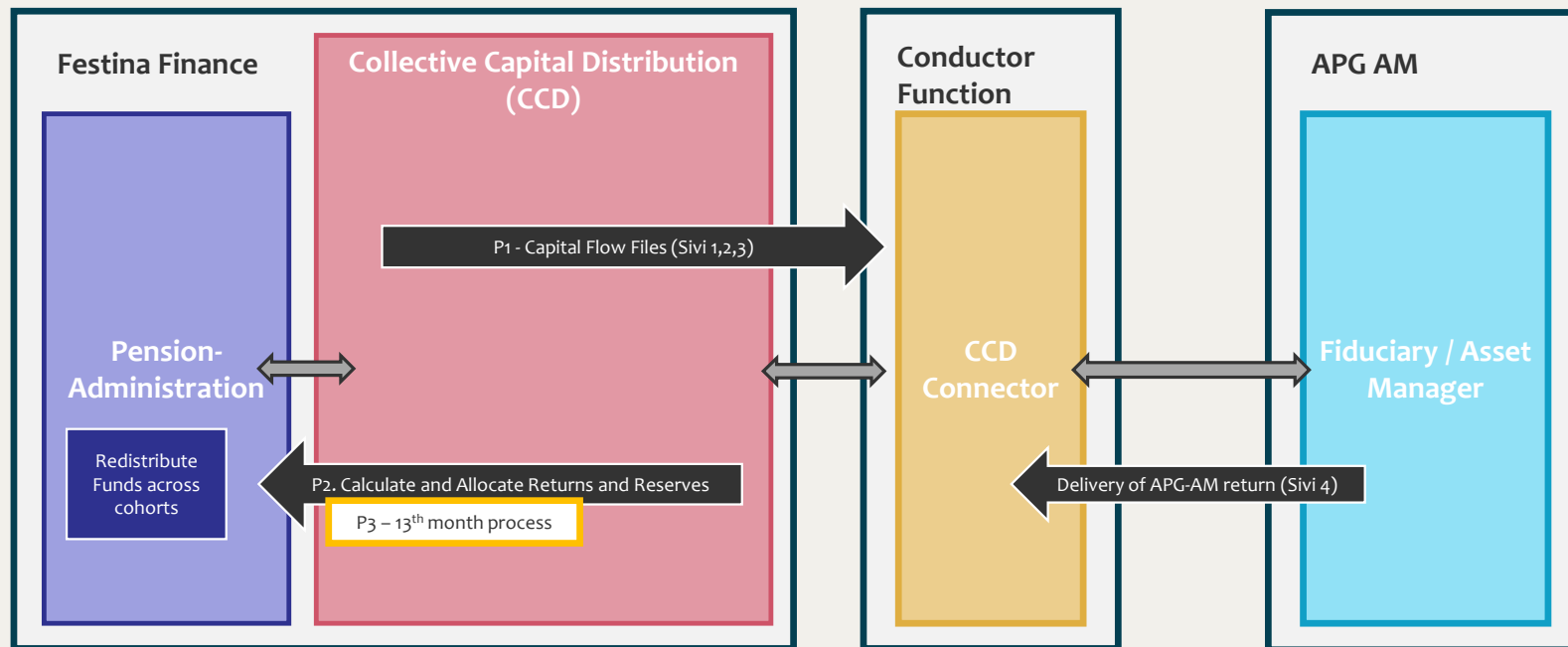
Interest rate hedge



# SIVI information flow

\*all data is fictive

# Data Stream Exchange through Conductor Function



# SIVI Information Streams to APG Asset Management

## SIVI 1A: Pension Capital per Cohort

startDate	clientBusinessIdentifier	pensionSchemeName	refKey	startAge	endAge	participation Status	pension Status	pensionType	cohort	startAmount
31/03/2025			241 252 CONTR OPPP+	241	252	16	CONTR	OPPP+	20	3,216
31/03/2025			253 264 CONTR OPPP+	253	264	16	CONTR	OPPP+	21	1,258
31/03/2025			265 276 CONTR OPPP+	265	276	16	CONTR	OPPP+	22	37,335
31/03/2025			277 288 CONTR OPPP+	277	288	16	CONTR	OPPP+	23	100,830
31/03/2025			289 300 CONTR OPPP+	289	300	16	CONTR	OPPP+	24	227,467

## SIVI 1C: Total & Hedged Cash Flows

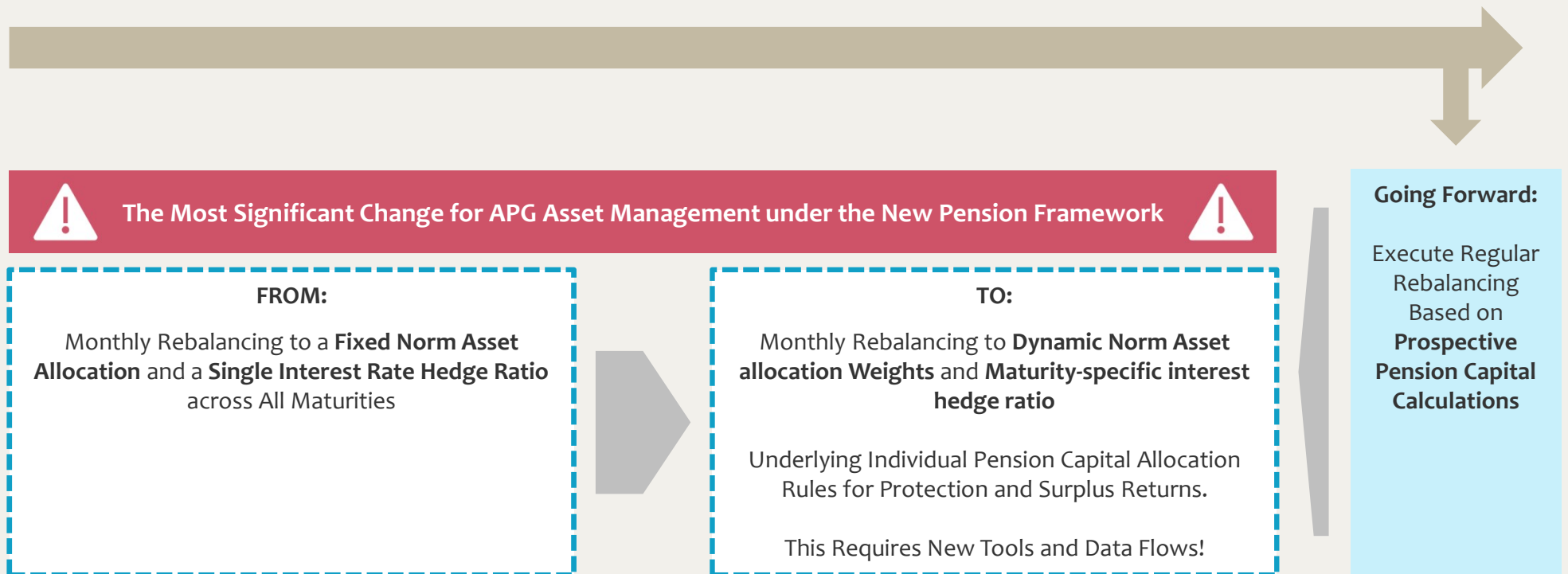
maturity	amountType	amount	projectionDate	clientBusiness Identifier	pensionSchemeName	refKey	startAge	endAge	participation Status	pensionStatus	pensionType	cohort
01/01/2025	cashFlow	924,704	01/01/2025			793 804 CONTR OPPP+	793	804	16	CONTR	OPPP+	67
01/01/2025	hedgedCashFlow	899,712	01/01/2025			793 804 CONTR OPPP+	793	804	16	CONTR	OPPP+	67
01/01/2026	cashFlow	1,848,583	01/01/2025			793 804 CONTR OPPP+	793	804	16	CONTR	OPPP+	67
01/01/2026	hedgedCashFlow	1,798,622	01/01/2025			793 804 CONTR OPPP+	793	804	16	CONTR	OPPP+	67
01/01/2027	cashFlow	1,832,213	01/01/2025			793 804 CONTR OPPP+	793	804	16	CONTR	OPPP+	67
01/01/2027	hedgedCashFlow	1,782,694	01/01/2025			793 804 CONTR OPPP+	793	804	16	CONTR	OPPP+	67



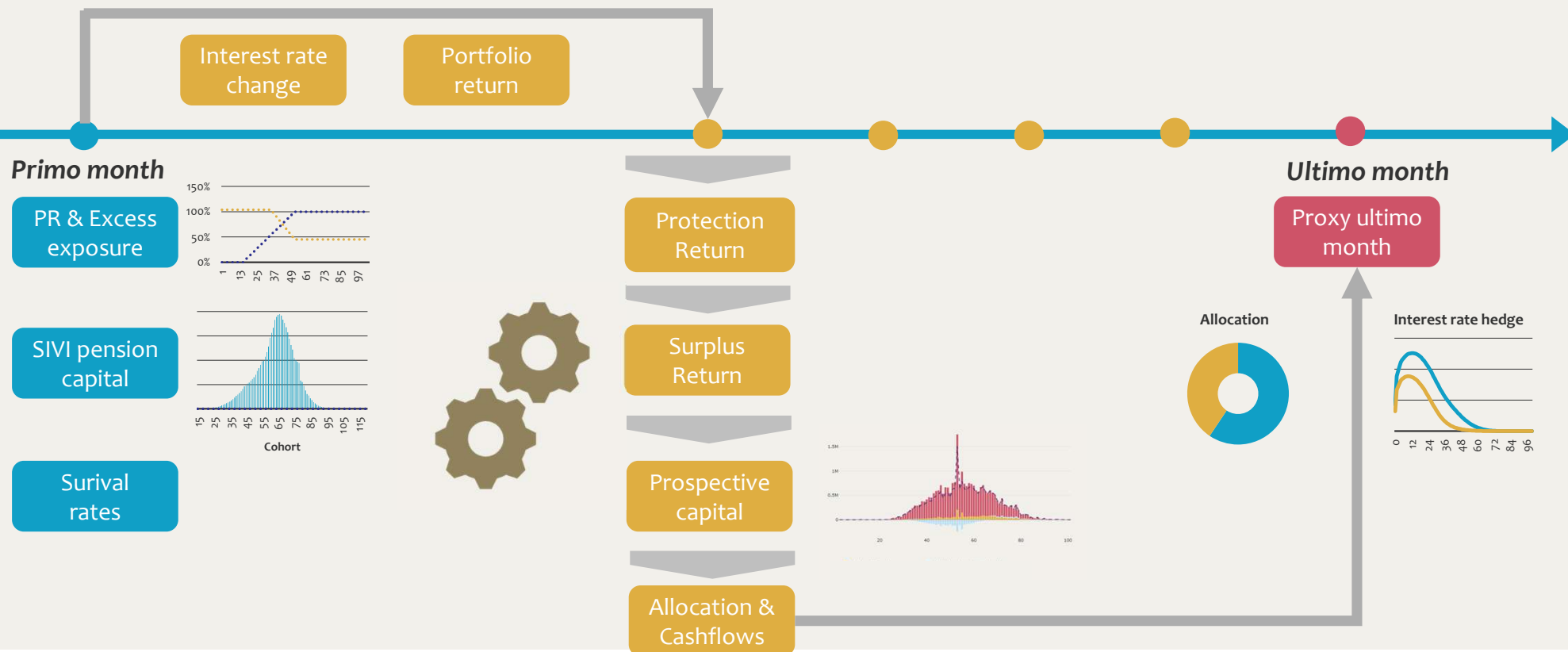
# Prospective Rebalancing

\*all data is fictive

# New AA&O tooling for WTP rebalancing

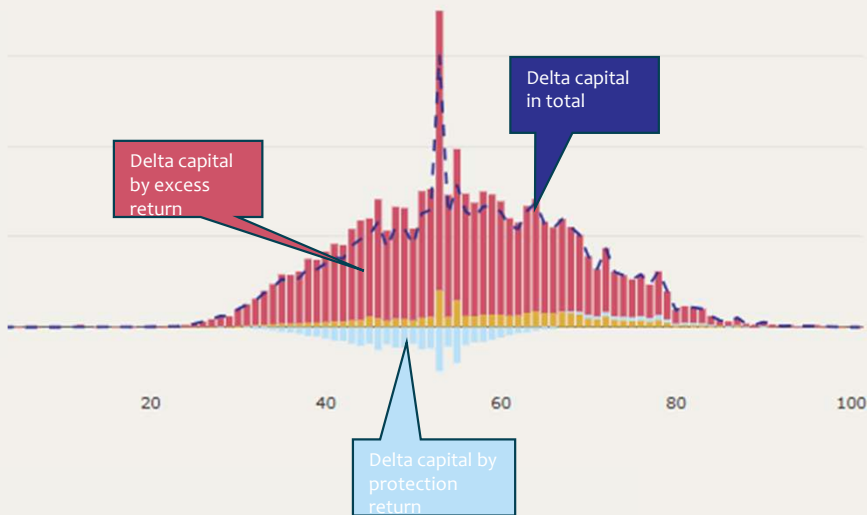


# Daily Prospective Estimate for Month-End Rebalancing

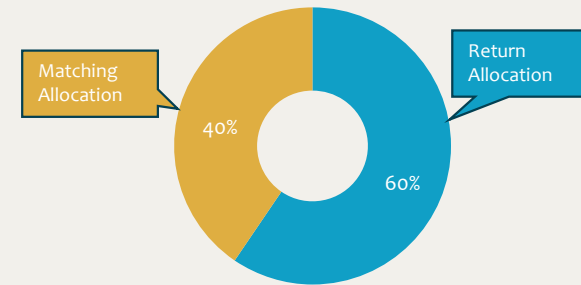


# From Pension Capital Changes to Portfolio Management

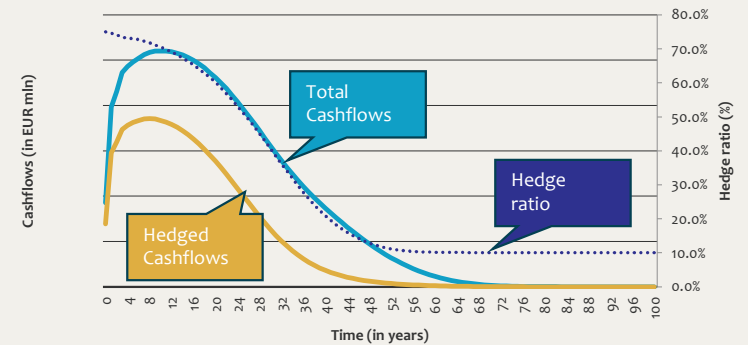
Pension Capital Changes on cohort level



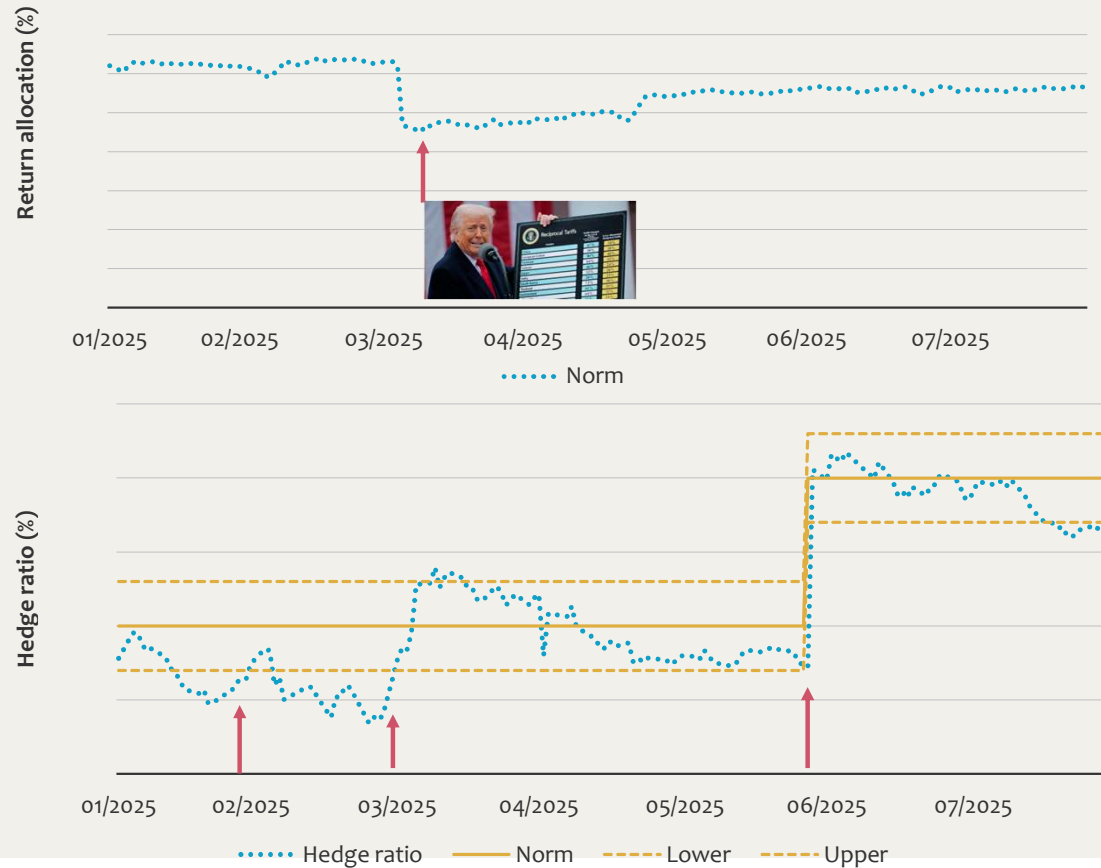
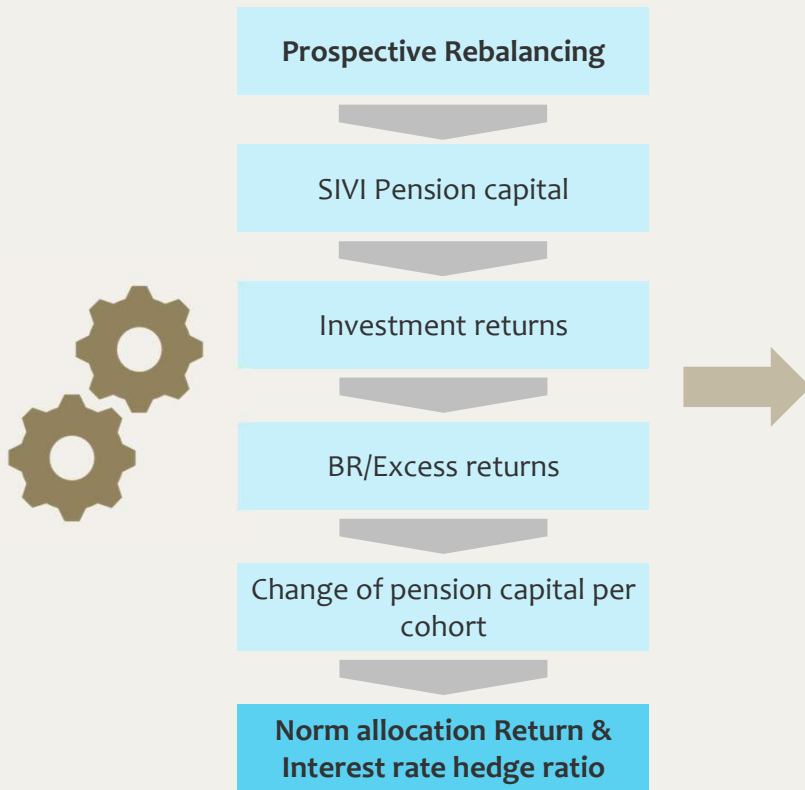
Allocation



Interest rate hedge

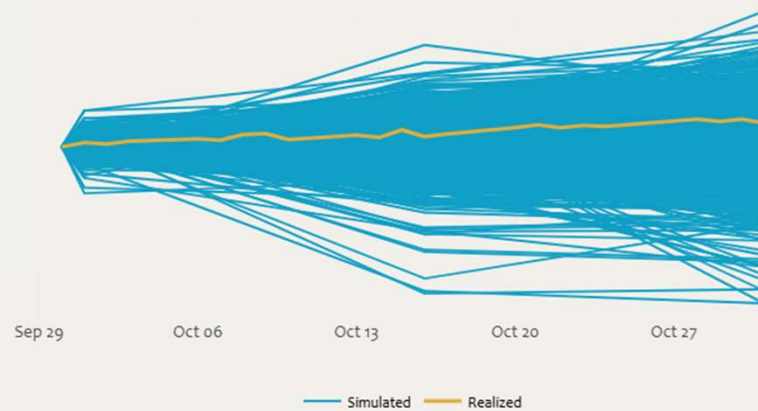


# Insights after Transition

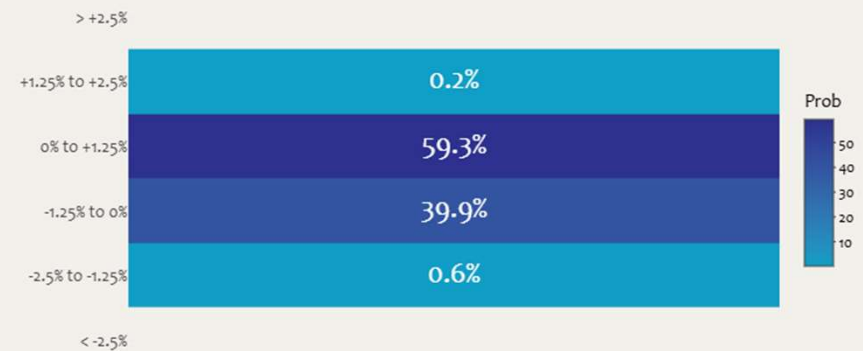


# Upcoming research estimating Expected Rebalancing Flows

Simulated return allocation weight paths as of 2025-09-30



Probability of threshold breach



# Questions?

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