

To:

Your reference:

Enquiries to:
FD

Our reference:

NPF/FD
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Rotterdam, December 2018

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Nederlandse versie?

<https://nedlloydpensioenfonds.nl/meer-informatie/documenten/>

Re: Pension indexation from 2019

Dear participant of the Nedlloyd Pension Fund,

We have good news. As of 1 January 2019, we will increase all pensions by 1.9%. This applies to the pension benefits received by our current pensioners, but also to the pensions that all (former) employees have accrued at Nedlloyd Pension Fund. The improved financial position of our pension fund makes this increase in your pension possible.

Increasing your pension is important

After all, prices also rise every year. If pensions go up in line with prices, your pension maintains its value. You can read more about the pension increase in the appendix.

The increase does not apply to your possible pension capital at Robeco Flexioen

Have you also accrued pension capital in the IDC pension scheme at Robeco Flexioen? Please be aware that the pension increase does not apply to the pension capital at Robeco Flexioen. The increase is only applicable to pensions at Nedlloyd Pension Fund.

For pensioners, something else changes as well

Are you already receiving a pension from Nedlloyd Pension Fund? If this is the case, despite the increase in your gross pension benefit, you may see a net reduction in your pension. This is due to changes in the Healthcare Act contribution and changes in the 2019 Tax Plan. You can read more about this in your benefit specification, which you will receive at the end of January 2019.

Pass on your email address!

Nedlloyd Pension Fund would like to communicate with you via email. If you would like to sign up to digital communications and you have not yet submitted your email address, please do so via 'Mijn NPF Pensioen' on our website at www.nedlloydpensioenfonds.nl, or by sending us an email to nedlloyd.pensionfund@nedlloyd.com. Please include your name and date of birth.

Happy holidays and a healthy 2019

On behalf of the trustee board, management and employees of Nedlloyd Pension Fund we wish you and all those dear to you happy holidays and a prosperous and especially healthy 2019.

With best regards,
NEDLLOYD PENSION FUND

F.T.E. Dooren
Director

Included: Appendix

Appendix

This appendix explains the pensions increase. This explanation is officially called 'the indexation decision 2019' of Nedlloyd Pension Fund (NPF).

Conditional indexation capped at the general price index

Pension funds call the increase in pensions 'supplements' or 'indexation'. NPF has a conditional indexation policy. The supplements are conditional as there is no automatic right to an increase in pensions. No reserve has been created for this indexation and no premium is paid for it. NPF pays these increases from the return on investment. The pensions can therefore only be increased if our pension fund has achieved good financial results.

Granting a supplement does not depend on the financial position of NPF alone. Ultimately, the board decides whether the pensions can be increased and how high the indexation is. The amount depends on the increase in prices in the period September 2017 - September 2018. During this period prices in the Netherlands rose by an average of 1.9%.

In addition, the board must adhere to the legally required (calculation) rules for indexation. One of those rules is that indexation is only permitted if the so-called 'policy funding ratio' of a pension fund is higher than 110%. This policy funding ratio is the benchmark for the financial health of the pension fund. For NPF, the policy funding ratio at the end of September is used. The policy funding ratio at the end of September 2018 was 125.3% (excluding the capital accrued in the IDC pension scheme). This means that indexation on 1 January 2019 is legally permitted, as it is above 110%.

Another important rule applies. Sufficient capital must be available in order to be able to also realise the expected price inflation in the future as supplements. This is why NPF can offer the entire price inflation as a supplement.

This increase does not apply to your pension capital accrued in the IDC-2015 pension plan at Robeco Flexioen.

Supplements from 1 January 2019

The supplements will be applied from 1 January 2019 and will be granted on accrued and already active pensions. Calculations are based on the size of these pensions on 31 December 2018. Previous increases and forecasts for the coming years do not offer an automatic right to increases in the future. Unfortunately it is not possible to rule out possible cuts in the future either. Our expectation is that no reduction to your pension will be necessary in the coming years.

Supplements

Whether you are able to purchase the same with your pension in the future as you would today, depends on the pension increase and the increase in prices. Your pension does not always increase with prices. This is our ambition. The prices and the pension accrued have changed as follows:

	Pension increase	Increase in prices in Sept-Sept period*
1-1-2019	1.90%	1.9%
1-1-2018	1.35%	1.5%
1-1-2017	0.05%	0.1%
1-1-2016	0.35%	0.7%
1-1-2015	0.00%	1.1%**

* Source: Statistics Netherlands (*Centraal Bureau voor de Statistiek*)

** In 2015 the price-index of the October-October period was used.

We expect that we will not have to reduce your pension in the coming years.

Stay informed?

Through our website, our magazine (*Nedlloyd PensioenKrant*), our news bulletin (*PensioenNieuws*) and the digital newsletters we'll keep you in the loop on developments at NPF. Would you like to stay informed digitally? Log in with your DigiD on our website at 'Mijn NPF Pensioen' to indicate your communication preferences.