

What is the right investment mix for our members?

We would like to find out more about how much risk you are willing to take with your pension. We can use this information to design our investment policy. We have carried out a survey like this several times in recent years. Now, however, it is even more important for us to understand whether different age groups have different preferences. Under the new pension rules, we will be able to align the investments better to the characteristics of the separate age groups of our members. With the new system, you will have your own 'pension savings', which we can invest in the way that best suits your age category. Our survey gives you the opportunity to influence the decisions that we make about the future investment policy!

Why we invest

We invest your pension contributions to provide you with a proper pension. By increasing or decreasing the level of risk in our investment policy, we can control how much your pension is affected by improvements or downturns in the economy. If we take more risks in our investment policy, your pension will probably be higher. However, this also makes it more likely that we might be forced to lower your pension. If we take less risk, we can offer you more stability in your pension. At the same time, it means that your pension will probably be lower as well. To determine a judicious level of risk, we consider our members' characteristics, such as their age. However, we also take into account the level of risk that our members are able and willing to take. We previously conducted a survey in 2021, and we have outlined our initial ideas for the future investment policy. Before we finalise that policy, though, we need more current research data, which is why we will run a new survey in January 2024.

“Using the findings that we obtain from this survey, we will define an investment policy for the future pension plan that matches our members' preferences”

Take part in the survey!

In January 2024, we will invite many of our members to take part in our survey, entitled 'Future of your pension & risk appetite'. The findings are very important to us. They will give us an idea of our members' preferences, so we urge you to take a little time to fill out the survey.

Three questions about the survey

Pieter Vromen (33) works as an actuary for the Pension Fund Office of Philips Pensioenfond. He is closely involved in the 'Future of your pension & risk appetite' survey. Read on to find out Pieter's answers to three questions about this topic.

1 I know nothing about investing. Would it do any good for me to take part in the survey?


"Of course! The questions have been written to make them easy for anyone to answer. You do not need to know anything about investing or pensions. What is important is to fill out the survey, even if you are not much concerned with your pension or with investing. We hope to receive enough responses from members in every age group, which is the only way that we will be able to define an investment policy that is right for all our members."

2 Why will the investment policy be adjusted to suit different age groups?

"When you are young, with a long way to go until your retirement, you have the freedom to take more risks. You have not accrued much pension yet, and if the investment yields in one year are poor, you will have plenty of time to make up the difference. In this phase, the focus will be on growing your pension savings. This calls for asset classes that carry more risk, for example equities. As your retirement age comes nearer, you will need to reduce the level of risk. It becomes more important to secure your pension when you start drawing your pension and to provide a stable income during your

retirement. The best asset classes for this are those that carry less risk, such as bonds. Even in this phase, however, part of your pension savings will be invested in equities, so that your pension can continue to grow after your retirement."

3 How will you use the findings to decide on an investment policy?

"The findings will give us a good idea of the level of risk that our members are willing and able to take to secure a proper pension. This is called *risk appetite*. We can use the findings from the survey to establish the risk appetite of each age group. This will be based on a mathematical model that expresses the risk appetite as a number. That number reflects how much uncertainty is acceptable to the members of a particular age group, and we can use it to establish the best investment mix for that group. Doing this for each of the age groups will yield the best investment policy and investment mix for each separate age group." 

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