



**EPH**  
EXPAT PENSION HOLLAND



## Preface

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Our expat pension clients often also like to be advised about the optimization of their financial planning and private capital.

In that process, we prefer our clients to have the best information available.

Thus our website already includes in the Brochure Section:

- The Risk Inventory Form;
- The Brochure Investment Funds;
- The Brochure Life Cycle Funds;
- The Brochure Active Investment Funds.



In order to provide additional objective information, we will in this brochure enumerate the historical return on investments of the most relevant investment categories in the past. These numbers indeed offer no guaranty regarding the future. As they do show what has happened, we feel that this provides additional and welcome objective information for our clients.

Finally we will also include the future projection of several global investment companies. Combined these projections might give an indication.

For basic information about investments, risk (reduction) and investment funds, feel free to read the mentioned Brochures and Form.

## Parameters

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### Inflation

- As of 1900 the average global inflation amounted to annually 2,9%.
- The current inflation in Holland/EU/USA amounts to rounded 1,4% / 2,1% / 2,9%.

## Equity Results in Time

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### As of 1900

The average annual return on investment after the effect of inflation amounted to:

- Global Shares: 5,25 %
- Dutch Shares: 5 %

### 30 Year Period

Recent Allianz research stated that if you invest for at least 30 years in Dutch stocks, the minimum annual return on investment will amount to 3% and maximum to 11%.

## Bond Results in Time

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### As of 1900

The average annual return on investment after the effect of inflation amounted to:

- Global Bonds: 1,95 %
- Dutch Bonds: 1,75 %

### Recent Years

The best performing funds had an annual return on investment of rounded 3,5% - 4%.

The expected (slight) increase in interest rate, might have a (very) negative impact on existing Bonds.



## Savings Interest Rate in Time

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### As of 1900

The average interest rate after the effect of inflation amounted to:

- Global savings: 0,95 %
- Dutch savings: 0,65 %

### Recent Years

The current interest rate amounts to 0,5% - 0%.

## Projection Return on Investment

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### The Robeco Projection 2017-2021

- Solide Equity: 6,2 %
- Solide State Bonds: -3,5 %
- Solide Corporate Bonds: -1,5 %
- Savings Interest Rate: 0,5 %

The by Robeco expected increase of the interest rate, has a highly negative impact on the expected annual return on investments of Bonds.



### Expected Return on Investments Large Caps Global Bonds

- Vanguard: 1,8 % (2017-2026) (Not corrected for inflation)
- GMO: -3,3 % (2017-2023) (Corrected for inflation)
- Robeco: -3,5 % (2017-2021) (Not corrected for inflation)
- Blackrock: 0,6 % (2017-2022) (Not corrected for inflation)

### Expected Return on Investments Large Caps Global Equity

- Vanguard: 7 % (2017-2026) (Not corrected for inflation)
- GMO: 1,9 % (2017-2023) (Corrected for inflation)
- Robeco: 6,5 % (2017-2021) (Not corrected for inflation)
- Blackrock: 5,6 % (2017-2022) (Not corrected for inflation)

## Conclusion

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Due to the low interest rate and the expected negative effect of the slightly increasing interest rate on Bonds, it seems that the significance of Equity has increased. If Equity fits into your risk profile and investment horizon.

## International experience and Network

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We have more than 20 years of experience in international expat and collective pension consultancy. Thus we have an elaborate international network. If so desired, we can advise and act swiftly in international matters.



### Contact

For further information please contact pension jurist/consultant Patrick Donders:

Tel: +31 (0)6 26014112

E-mail: [info@expatpensionholland.nl](mailto:info@expatpensionholland.nl)

Site: [www.expatpensionholland.nl](http://www.expatpensionholland.nl)

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