



THE YEAR 2018 AT SSPF IN BRIEF

Stichting Shell Pensioenfonds



If you entered employment before July 2013, you accrue pension with or receive pension from Pension Fund Foundation (SSPF)

The year 2018 at SSPF in brief

What has your pension fund done with your pension money? What happened in 2018? How did the funding ratio develop and what about the investment returns? Find the answers to these and other questions in the 2018 summary of our annual report.

What were the main developments in 2018?

- Keep our strong financial position
- Increase the pensions despite a year of turbulent investments
- Attention for sustainable investments
- Succesfull implementation of the participants' administration at Achmea Pensioen Services

www.shellpensioen.nl

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HOW HEALTHY IS SSPF?

Is there enough money to pay all pensions?

The financial situation of your pension fund is shown in the funding ratio. Briefly put, this is the ratio between the assets and the liabilities of our pension fund. This indicator shows you every month whether your pension fund can pay the pensions now and in the future.



Assets of the pension fund € 27,357 miljoen

The funding ratio =  x 100% = **122%**



The pension liabilities € 22,358 miljoen
(the pension entitlements of all participants).

At a funding ratio greater than 100%, there are sufficient funds to be able to meet the pension liabilities in the long term.

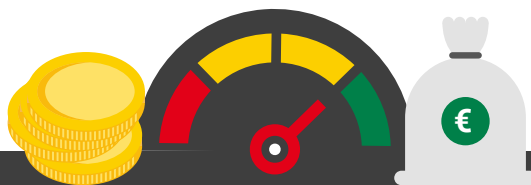
The funding ratio is influenced by external factors

Developments in the financial markets, the interest rates and life expectancy (how old participants become) are some of these factors. In 2018, these developments were unfavourable and resulted in a drop of the funding ratio in 2018. This (still) has no implications for your pension. The financial position of your pension fund is still healthy.

The funding ratio indicates the financial situation at a single given moment. In order to take policy decisions, such as granting indexing increases of pension to compensate for price increases, we use the policy funding ratio: the average funding ratio taken over the past 12 months. This ensures that short-term fluctuations in interest rates or investments have a smaller impact. The policy funding ratio is the determining factor for the policy of your pension fund.

At the end of 2018, the policy funding ratio was **128%**.





We use the policy funding ratio to determine if we can increase your pension

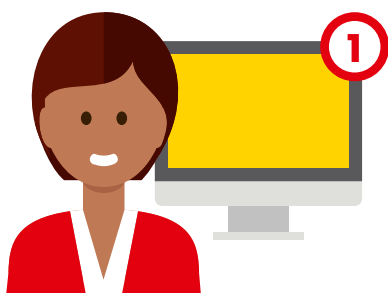
This is called indexing. The purpose of indexing is to compensate for inflation - in other words price increases - by allowing your pension to increase along with the price level development. In 2018, the financial situation of your pension fund was healthy and, therefore, the board decided to raise the pension benefits along with the development of the prices by **1.6%**.

[Click here](#) to read how the funding ratio of SSPF has developed in recent years.

INSIGHT INTO YOUR PENSION

In 2018 we updated my-Shell pension

Your pension fund stands for transparent communication. We believe it is important that you have insight into your pension, wherever and whenever you wish.



Via www.shellpensioen.nl/mijnpensioen you can:

- see which events influence your pension.
- use my-Flex planner to calculate the effects of your pension choices
- access your annual Uniform Pension Overview in your personal file

my-Flexplanner

1. Log in easily and securely with your DigiD
2. Watch the full explanation of my-Shell pension [here](#)
3. Logging in for the first time?

Once you are logged in, check that your details are correct and that your partner is correctly listed. Please also make sure you leave your personal email address so we can always contact you.





"The ambition"

Key messages:

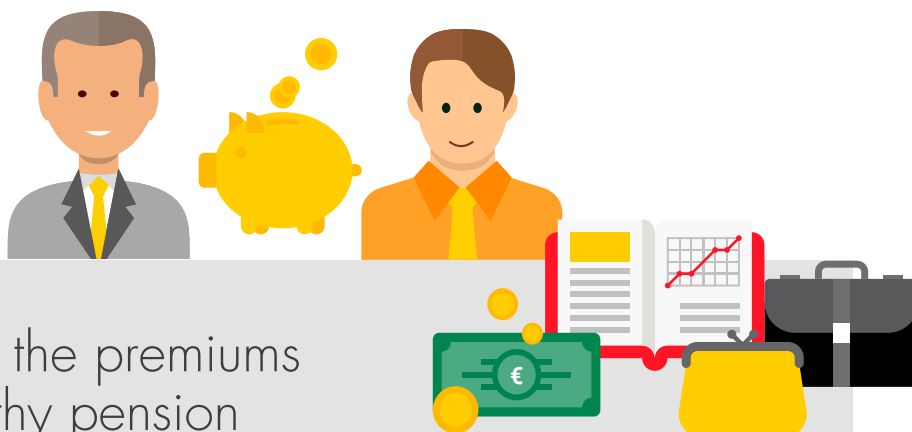
- 100% satisfied participants
- Placing participant first
- Strategic goals of Shell Pension Agency

THIS IS HOW YOU CAN ACCRUE PENSION!

How do you accrue pension?

If you entered employment before July 2013, you accrue pension with Shell Pension Fund Foundation (SSPF). To accrue pension, both you and your employer pay a premium during your career at Shell. You pay a 2% premium based on your pension base salary, Shell supplements the rest of the premium. You can see exactly how much premium you pay on your salary slip.

Do you earn more on a full-time basis than the legal fiscal maximum (€ 99,631 in 2019)? This means that, for your salary above this amount, you can accrue a net pension in the Shell Net Pension Scheme. The difference with your basic pension with SSPF is that you already pay income tax on your premium payments, meaning you won't have to pay tax on this amount during your retirement.



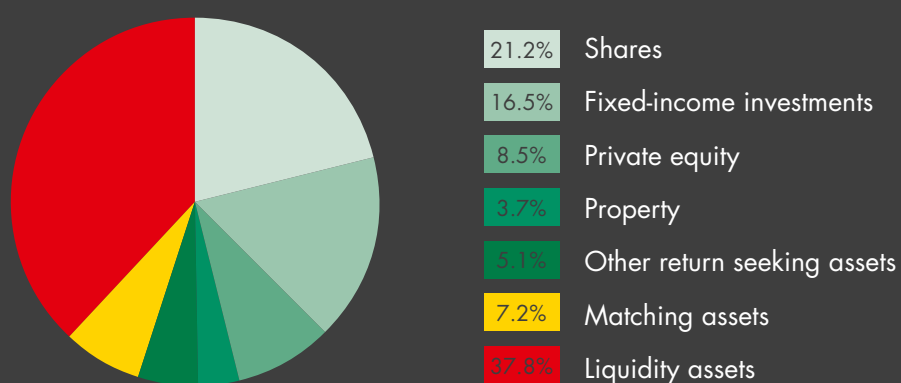
We invest the premiums for a healthy pension

To have a good pension, returns need to be achieved. If we were to only use your premium payment, we would only be able to pay out 30% of your pension for life. For this reason, your pension fund invests using a sound investment policy.

The board draws up a strategic investment policy

To determine how we should invest, we carry out a comprehensive long-term study every three years to examine which policy best suits the characteristics of the fund.

In 2018, SSPF invested in the following instruments:



The investment policy is regularly monitored

We did this in 2018 too. For accurate results, we use an Asset Liability Management (ALM) study. This gives the board insight into the possible financial developments and risks. Based on the ALM study, the board has made some adjustments in the investment policy.



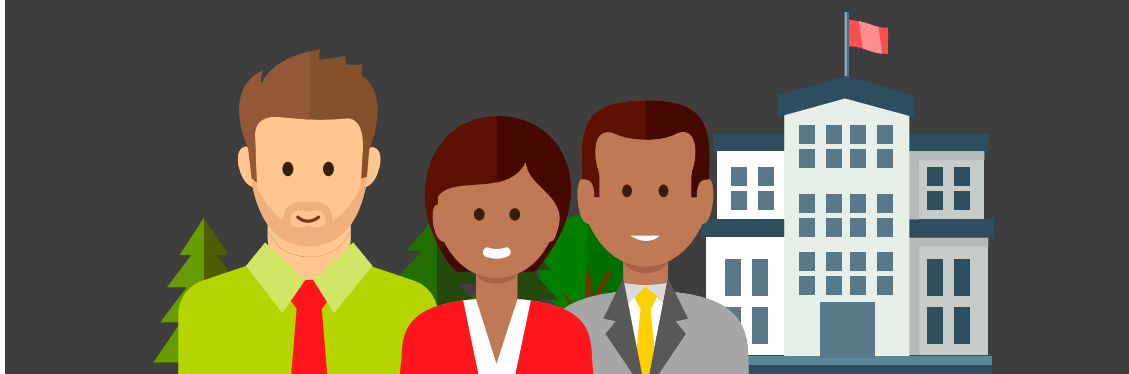
We ended 2018 with 0.6% negative return

This is in line with the market developments in 2018. Although we much prefer seeing positive returns, there is no need for you to worry about short-term fluctuations. SSPF invests with a long horizon. Fluctuations are expected to be compensated over the years.



We place more weight on social factors

Maintaining a solid funding ratio is of course our priority. In 2019, your pension fund is taking ESG (E (environment) S (social) G (governance)) into consideration more often as an integral part of the risk analysis of its investments.



YOU AND YOUR COLLEAGUES

SSPF is a closed fund

This means that no new participants can join the fund, but you can still accrue pension in or receive pension from SSPF. Also, if you decide to continue your career outside Shell. If so, you become a former participant or sleeper.



The Shell population has a high life expectancy

The life expectancy (how old you become) of Shell employees is higher than that of the average person in the Netherlands. We take this into account in our calculations. It allows us to ensure we can continue paying your pension when you are fortunate to reach a very old age.



Number of participants who accrued pension

7,685

8,163 in 2017



Number of people who received a pension from SSPF

18,666

20,445 in 2017



Number of former participants or sleepers

7,258

6,148 in 2017

