



Press release

Statistics Netherlands

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Pension funds invest less

In the third quarter of this year the value of total investment by pension funds was 18 billion guilders lower than in the second quarter. The main cause of this fall was the global fall on the stock markets in this period.

The newest figures from Statistics Netherlands show further that 40% of the capital invested by pension funds and insurance companies is in shares. Again they invested more outside the Netherlands in this period.

Falling share prices

Total investment by the Dutch pension funds fell by 2% in the third quarter of 1999 to 860 billion guilders. This is mainly a consequence of declining stock markets, which led to a 13 billion guilder loss on the combined share portfolios. In the Netherlands share prices fell by 1.6% according to the CBS share index. The MSCI global index fell by 4.2%. With the exception of the third quarter of last year, when share prices fell sharply, total investment has increased continuously in recent years.

Proportion of investment in shares continues to increase

At the end of the first half of 1999, pension funds and insurance companies - the so-called institutional investors - had invested 40% of their capital in shares. At the beginning of 1999 this was still only 37%. The patterns differ for pension funds and insurance companies though: pension funds invest relatively more in shares (45%) than insurance companies (31%).

Institutional investors look to foreign markets

At the end of June this year the total value of investment by pension funds and insurance companies was 1,379 billion guilders. Forty-one per cent of this amount was invested abroad. At the beginning of 1999 still only 33% was invested in foreign

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Statistics Netherlands
is a department of
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countries. Here, too, there is a difference between pension funds and insurance companies. Pension funds invest more than half of their capital abroad (53%), insurance companies less than a quarter (22%).

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