

ANNUAL REPORT 2022



**ALGEMEEN
PENSIOENFONDS
SINT MAARTEN**



ALGEMEEN PENSIOENFONDS SINT MAARTEN FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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APS BOARD REPORT

Dear Participants and Stakeholders,

It is with great pleasure and a strong sense of purpose that we present to you the annual statements of Algemeen Pensioenfonds Sint Maarten (APS). As the board of APS, we are committed to ensuring the provision of excellent pension services and benefits to our valued participants.

In the face of numerous challenges throughout 2022, APS remained steadfast in its pursuit of transparency, good governance, and fiduciary responsibility. We recognize that changes in the investment landscape have posed challenges in meeting the expectations of our participants. As a result, we have taken decisive action to adjust our investments, aligning them with our fiduciary duties while better serving the needs of our participants.

Over the past year, we have made significant strides in developing our board's expertise and streamlining our governance processes. These measures are crucial in enabling us to make well-informed decisions that align with the best interests of our participants. We firmly believe that by enhancing our knowledge and optimizing our decision-making framework, we are better equipped to navigate the complexities of the pension industry.

Our unwavering commitment to transparency and better governance has led to the successful launch of the participant portal, a vital tool in providing crucial information to our participants. This achievement reflects our dedication to fostering transparency and delivering the highest standard of service.

While we acknowledge the impact of international factors on the fluctuation of our investments, we have taken proactive steps to adjust our portfolio to achieve better returns. Furthermore, we remain committed to prioritizing local investments that not only meet our return requirements but also contribute to the economic development of Sint Maarten.

Despite the challenges encountered, we regret to inform you that the negative development in the funding ratio, a ratio that shows the fund's percentage coverage of the pension obligations, during 2022 has resulted in insufficient funds to realize the indexation of pensions and pension entitlements. Nevertheless, we are looking to increase the accrual percentage to 2% if the actuarial contribution to realize an accrual of 2% is lower than 18% of the salary sum. This commitment demonstrates our dedication to enhancing the benefits provided to our participants.

As we move forward, the APS board will remain resolute in our pursuit of excellence. We will continue to focus on developing our expertise, streamlining our governance processes, and making informed decisions that benefit our participants.

We would like to express our gratitude to our participants, stakeholders, and dedicated staff for their unwavering support and trust in APS. Together, we will navigate the evolving pension landscape and strive to deliver the best possible pension services and benefits.

Sincerely,



Ms. Nathalie Tackling
Chairperson of the APS Board



Mr. Emilio Kalmera
Acting Chair of the APS Board

1.1 FOREWORD

The "*Algemeen Pensioenfonds Sint Maarten*" (hereinafter: APS or the Fund) is an independent governing entity that was established by law on October 10, 2010, by the National Ordinance Establishing APS, AB 2010, no. 64 (in Dutch: "*Landsverordening Algemeen Pensioenfonds*" (Lv APS)) which was amended by AB 2013, no. 65 and AB 2015, no. 9.

APS is Sint Maarten's pension fund for civil servants and employees of government -related entities. The Fund started its operations in Sint Maarten in 2011.

Investments

In 2022, APS experienced fluctuations in the value of its investments, which decreased from ANG 853 million to ANG 797 million. This development was due to a strong decline in the international financial markets, as reflected in the international portfolio.

On May 12, 2022, APS received permission from the CBCS to transfer ANG 90 million from its local deposits to its international investment account in order to achieve a better return on the total investment portfolio as opportunities fitting within APS's investment policy were limited in 2022.

APS paid particular attention to local investments, including financing provided to Princess Juliana International Airport and Sint Maarten Medical Center. These investments aligned with APS's investment policy and return requirements while contributing to the economic development of Sint Maarten.

The Investment Committee ("IC") advised the Board on entering into new investments and adjusting existing investments. APS adjusted a number of existing loans in response to market conditions and global economic slowdown. The loan to Paradise Bay Resort N.V. was adjusted, and the loan to Rain Forest Adventure Sint Maarten was under review and restructure due to continuing default by the borrower. The loan to Island Global Yachting LLC was fully repaid by Hop-Inn Enterprises N.V. and new agreements were made with Maho Hotel Operations B.V. to facilitate post-COVID-19 pandemic recovery.

In 2022, the Board aligned the organization of local investments with that of international investments by concluding a corporate agreement and a service agreement with the SXM Investment Agency (SMIA), which was established by APS in 2021. This professionalization aims to expand APS's local investment portfolio, improve APS's risk position, and ensure investments are placed at arm's length.

Funding Ratio

The coverage ratio of APS has developed negatively in 2022 from 104.16% to 98.86%. The funding ratio is determined by the development of the investments and the development of the liabilities. The decrease in the invested assets in 2022 due to a strong decline in the international financial markets outweighed the favorable effect that the development of the actuarial interest rate from 3.25% to 3.5% had on the funding ratio. In addition to a decision on raising the actuarial interest rate, the Board also decided to adjust the solvency surcharge to compensate for any shortfalls and maintain adequate reserves. However, despite these positive developments, the funding ratio remains insufficient to realize indexation of pensions and pension entitlements. As such, the pension accrual for 2022 will remain at 1.75% of the pension base per year of service. The accrual percentage can only be increased to 2% if the actuarial contribution to realize an accrual of 2% is lower than 18% of the salary sum. As the

coverage ratio is less than 100%, APS will draw up a recovery plan according to the stipulations in article 89a of the Revised National Pension Ordinance Civil Servants, AB 2020, no. 34 (in Dutch: "Landsverordening herziening pensioen Overheidsdienaren" (LHPO)).

Governance

In 2022, APS underwent several governance changes. On January 25th, Nathalie Tackling (appointed by CCSU) was appointed Acting Chair. Following the vacancy of the independent chairperson, Nathalie Tackling was subsequently appointed as the independent chair by the Minister of Finance on January 10, 2023. Emilio Kalmera was also appointed as the acting-chairman on the same date, as a result. The CCSU has been asked to nominate a new board member to fill the vacant position left by Nathalie Tackling. Additionally, the Association of Pensioners of the former Netherlands Antilles and Aruba has nominated a board member on behalf of the pensioners, and the assessment procedure for this candidate is currently underway. Shaira Bommel was reappointed for a new term on December 6, 2022.

The Investment Committee is complete after the reappointment as per April 11, 2023, of Myrtille Brookson, whose term of office ended on December 3, 2022.

Effective January 1, 2023, the compliance officer has terminated activities for APS. As a result, APS will allocate the activities of the compliance officer differently.

The board of APS has invested time in expertise development in 2022. The focus was on developing expertise at Level 2, as described in the "Aanwijzingsbesluit Bestuursprofiel en Bestuurdersprofiel". By the end of 2022, all board members completed the following areas of expertise at level 2: Administrative Organization and Internal Control, Managing and organization, Financial technical aspects and actuarial services, Pension schemes and pension types, and risk management.

In 2022, the board regulations and regulations of the IC were updated and re-adopted. The board regulations had not been updated since 2012 and required amendment in some areas. The updates ensure that the regulations are aligned with the practical working method of the board. The amendments to the rules of the IC focused mainly on the description of the chairman's role, the description of a situation where the IC consists of less than three members, the requirement for a quorum to make decisions, and the necessity for at least two members to be present for a meeting to take place. The IC regulations are now more consistent with Article 14 of the National Ordinance APS.

Participants Portal

APS is committed to ensuring effective communication with its participants, including increasing access to information about individual pensions. In line with this commitment, APS launched a participant portal in the fourth quarter of 2022. Participants can securely log in to their personal environment to view information on their retirement pension, survivor's pension, and orphan's pension. The portal also provides information on disability pensions and the amount of pensions that participants can expect if they continue accruing pension with APS until the retirement age. Participants can submit changes to their information via the portal. APS has asked all participants to share their email addresses to receive more information digitally, while personal appointments or visits to APS remain an option.



1.2 MISSION, VISION, AND CORE VALUES

Mission

We are a trustworthy and leading pension fund. We commit ourselves to a future-oriented pension scheme that is upheld by all participants. We add value by investing in the sustainable development of Sint Maarten.

Vision

APS aims to grow sustainably with a dedicated focus on people, society, and the environment. We are in continuous innovation with the purpose of meeting the needs and demands of all participants and pensioners in an ever-changing world. We deliver quality and customized service; we report proactively; we maintain a transparent and inclusive relationship with employers, participants, pensioners as well as partners.

General

APS is charged with the execution of the pension scheme as governed by the National Pension Ordinance Civil Servants, AB 2013, no. 785 (in Dutch: "*Pensioenlandsverordening Overheidsdienaren*" (PLvO)) which was amended on July 1, 2016, by AB 2016, no. 16 and AB 2016, no. 25. The latest amendment regarding the PlvO dates from July 1, 2020, by the Revised National Pension Ordinance Civil Servants, AB 2020, no. 34 (in Dutch: "*Landsverordening herziening pensioen Overheidsdienaren*" (LHPO)).

As a pension fund, APS executes pension schemes and handles pension matters for present and former employees of government and government -related organizations. This also includes persons who worked for the former federal government of the Netherlands Antilles and other federal entities.

Core values

The core values of the fund are:

- Ethical: to have the unconditional trust of all participants and pensioners;
- Competent: The Fund's vast pension knowledge and financial expertise are the foundation of its belief and work system which encourages self-criticism and a continuous expansion of its expertise;
- Transparent: APS expresses transparency through proactive communication, providing insight into relevant information and embracing corporate social responsibility
- Approachable: A professional and pleasant environment is prevalent in the Fund which results in employers, participants, and partners to swiftly feeling at ease while communicating. The Board and staff members are equally accessible, honest, and respectful internally and externally.



1.3 GOVERNANCE

The governance function of APS has been largely pre-defined in the LvO APS. Herein, the number of board members, the roles and responsibilities of entities within the Fund, and the supervision by the Minister of Finance, the Audit Chamber, and the Central Bank of Curaçao and Sint Maarten (hereafter: CBCS) are also regulated.

Board composition

On December 31, 2022, the composition of the APS Board (hereinafter: Board) was as follows:

Name:	Position:	Nominated by:	"Landsbesluiten"
Vacant	Chairperson / Member	The Board of APS	n/a
Vacant	Member	Association of Pensioners of the former Netherlands Antilles and Aruba	n/a
Ms. Shaira R. Bommel	Member	Corporate Governance Council	LB-17/0676
Ms. Nathalie M. Tackling	Acting Chairperson / Member	Civil Service Consultative Committee	LB-21/0191
Mr. Emilio S. Kalmera	Member	The Minister of Finance	LB-21/0449

Investment Committee composition

As prescribed by article 14, paragraph 2, of the LvO APS, the Fund also has an Investment Committee (hereinafter: IC) in place which consists of three (3) members. The IC advises the APS Board on the overall investment policy and guidelines as well as different investment opportunities.

On December 31, 2022, the composition of the IC was as follows:

Name:	Position:	"Ministeriële Beschikking"
Mr. Robert Judd	Chairman / Member	MB no. 2022/611
Mr. Charles Thomas	Member	MB no. 1508/2019
Vacant	Member	

At the end of 2022, one position was vacant, however, Ms. Myrtille Brookson was reappointed in April 2023.

Audit Committee

In 2022, the positions for the Audit Committee were not filled as per Board decision.

Management of the Fund

The daily operation of APS is overseen by the director Mrs. Nadya Croes-van Putten who is supported by the deputy director Mr. Oscar Williams. Together they form the APS directorate. Their performance is evaluated yearly.

Compliance: Security Screenings

The Security Service of Sint Maarten (In Dutch: "Veiligheidsdienst Sint Maarten") (hereinafter: VDSM) is tasked with conducting the screening for positions of confidentiality. The Board and directorate functions of the Fund are positions of confidentiality and as such must undergo this screening process.

Additionally, the CBCS performs their own integrity testing.

Compliance: Audit

The Board has appointed a registered accountant Grant Thornton Sint Maarten who is commissioned with the auditing of the administration and annual financial statements of the Fund. The annual financial statements are prepared in accordance with the International Financial Reporting Standards (hereinafter: IFRS). The Fund has appointed a certified actuary Willis Towers Watson (hereinafter: WTW) who certifies the pension administration and provides an actuarial statement.

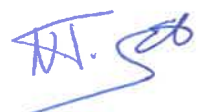
The General Audit Chamber receives the approved annual Financial Statements along with the independent auditor's report and independent actuarial report. The General Audit Chamber audits the annual Financial Statements of APS and publishes their findings and recommendations in an annual compliance report.

Supervision of the Fund

The Minister of Finance is ultimately responsible for the Fund¹. In this regard the Minister of Finance approves the annual budget, presents the approved budget to Parliament, and formalizes additional supervisory rules based on the advice of the CBCS.

CBCS also provides supplementary advice to the Minister of Finance and the Board of APS.

¹ Articles 17, 18 and 19 Landsverordening Algemeen Pensioenfonds (AB 2015, no. 9)



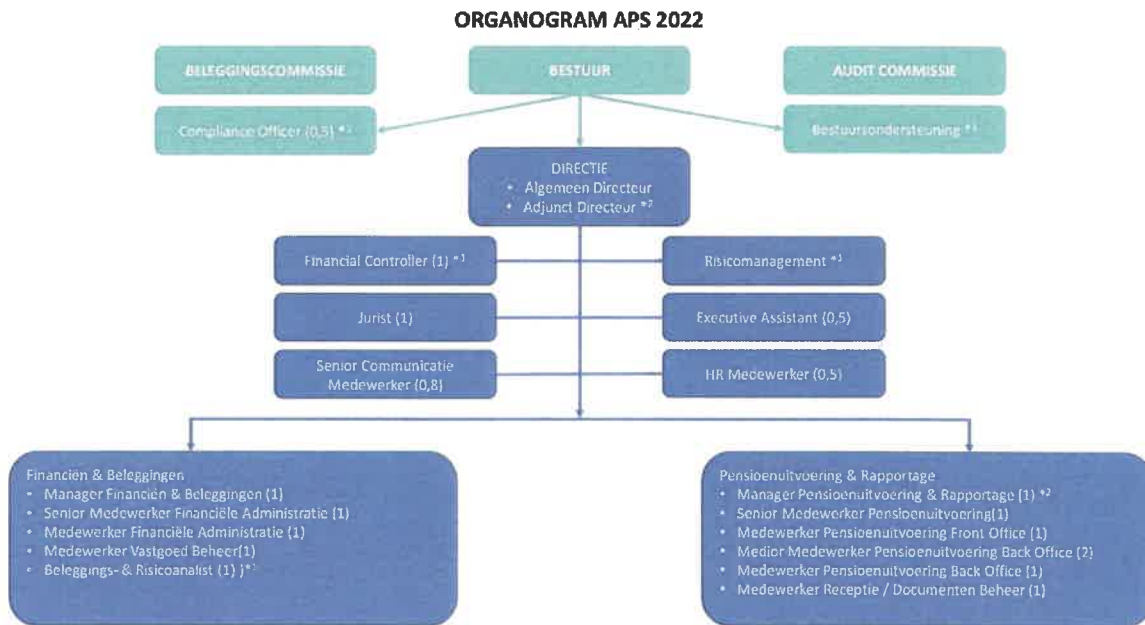
Structure of the Fund

At the end of 2022, APS had twelve (12) full time employees and one (1) part time employee.

As per the end of 2022, there were two vacant positions.

The Fund consists of two (2) departments:

- Finance & Investments
- Pension Administration and Reporting



*1 Note: De Compliance Officer, Bestuursondersteuning, Risicomanagement, Beleggings- & Risicoanalist en Financial Controller betreffen uitbestede functies.

*2 Note: De Manager Pensioenuitvoering & Rapportage is tevens Adjunct Directeur.

- The IC advises the APS Board on the overall investment policy and guidelines as well as different investment opportunities.
- The Compliance Officer oversees the corporate compliance of the Fund, functions independently and objectively. The responsibilities also include reviewing and evaluating compliance issues/concerns within the organization.
- The director is the primary contact person for the Board as it pertains to the Fund's policies and strategic planning.
- The deputy director, if the director is absent, becomes the contact person for the Board as it pertains to the Fund's policies and strategic planning.
- The Secretary of the Board participates in the meetings of the Board and prepares the agenda, reviews the quality of the documents for the Board (meetings) and monitors decisions taken by the Board.
- The Financial Controller reviews and analyses reports prepared by management and advises the director with regards to the efficiency and the effectiveness of company processes.
- The Risk Manager advises on and executes the risk management policies and ensures the awareness of potential risks within the organization.

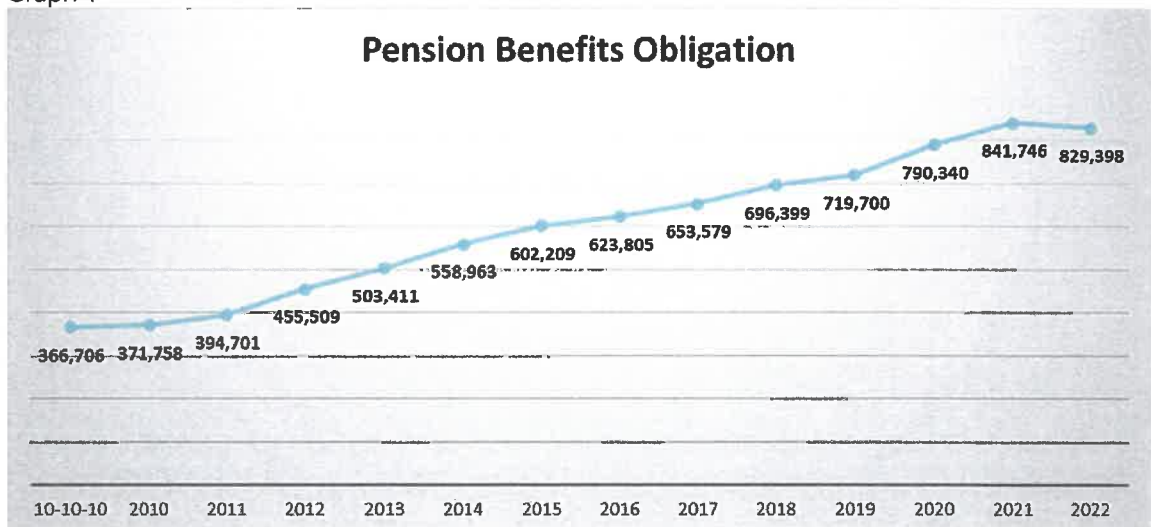
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- The Executive Assistant is responsible for providing support to the directorate. This includes preparing and processing official internal and external communication such as formal letters.
- The Legal Advisor provides legal support to the organization through the interpretation and application of relevant laws and regulations and by testing the consistency of policies, documents, and procedures with the current legislation of the Fund and advises on this.
- The Human Resources officer (hereinafter: HR) advises on and implements the HR policy, administers the salary of the staff of the Fund, and organizes and advises on recruitment and selection procedures.
- The Senior Communications Officer oversees all external and some internal communications of APS such as: press releases, information campaigns, webinars, updates on the website and APS' Facebook, LinkedIn and/ or Instagram, events, newsletters (internal and external) and the design of participants' annual pension overviews and other standard communication.
- The Pension Administration & Reporting Department: The activities include the calculation and allocation of the various pensions to its participants, the administration of the participants and the actuarial/financial analyses for the actuarial reports.
- The Finance and Investments Department activities include the collection of premiums, payments to beneficiaries, financial administration, financial analysis and reporting, monitoring of the budget, providing prognosis on the liquidity of the Fund, preparation of the annual report, the preparation and execution of investment opportunities, the monitoring of the existing investments and providing recommendations on the investment policy.

1.4 DEVELOPMENT OF THE PENSION BENEFITS OBLIGATION

The development of the pension benefits obligation since the inception of APS is shown in Graph 1.

Graph 1



In 2022 the pension benefits obligations decreased by ANG 12 million to ANG 829 million compared to an increase by ANG 51 million in 2021 to ANG 842 million. This was primarily the result of the actuarial rate increasing from 3.25% to 3.50%.

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1.5 COVERAGE RATIO DEVELOPMENT

The coverage ratio as per December 31, 2022, is 98.86%. This is below the minimum of 100%, meaning that the Fund will not be able to meet its current and future financial obligations to its participants with all variables unchanged.



The coverage ratio decreased by 5.30% compared to 2021. This change is mostly the result of but not limited to:

- the decrease of the total assets with 6.47%, from ANG 880 million (2021) to ANG 823 million (2022)
- the decrease of the pension benefits obligation with 1.47%, from ANG 842 million (2021) to ANG 829 million (2022). Refer to § 3.20 for the details of the calculation of the pension benefits obligation.

1.6 INVESTMENT PORTFOLIO

The performance of the Total Investment Portfolio, which consists of the international portfolio and the local portfolio, yielded a net year-end negative return of 6.13%.

The total net investment result is negative ANG 61 million in 2022, compared to positive ANG 62 million in 2021. This decline of invested assets in 2022 is mainly due to strong decline in the market value of the international portfolio.

Local portfolio

In 2022, the local invested assets portfolio yielded a year to date (hereinafter: YTD) net return of +4.84%, including cash. The local portfolio met the APS investment objective to approximate an average return of 3% - 6% annually as stated in the Master Investment Policy Statement (hereafter: MIPS), and came closer to the higher end of the target range due to decrease in the excess liquidity (cash and call deposits) in its local portfolio and deployment of cash in income generating investments.

In the section below a brief explanation of each local portfolio investment is given as well as the developments in 2022 and 2023 to date of this report.

Investment properties

a) Mary's Fancy Plantation /De Castro Property

APS intends to restore the monuments which include the Plantation House, the Boiling House, the Chimney, the Servants' Quarter and the Well. Additionally, new construction is intended to optimize the future commercial use of the property.

On January 18, 2021, the Fund submitted the request for the building permit to VROMi and is awaiting approval as per reporting date. In addition, in 2021 the search for a qualified restoration contractor commenced and the search and selection process for a potential operator continued. In 2022 the Fund commenced the review of the planned timeline for construction, as the timeline is dependent on the successful search and selection of an operator as well as receipt of the building permit and the necessary permissions. The global increase in material, transport prices and supply chain issues created further limitations for real estate development projects. In 2023 the APS Board decided to put the project on hold due to the rising costs in construction material, transport and the inability to find a suitable operator.

b) Professional Office Park

APS purchased the property known as Professional Office Park in December 2016. The property is comprised of two (2) commercial buildings located in Philipsburg and undeveloped land located directly behind the commercial buildings. Two commercial buildings are generating operational income in the form of lease payments from its tenants. The undeveloped land was intended to be developed to include the future office of the Fund, commercial office space for rent and residential areas.

The contract for the pre-construction was awarded to selected design & build company in 2021. Subsequently the building permit was submitted and progress meetings to discuss and evaluate design proposals continued in 2022. Construction was expected to start in Q3 2022 conditional on the timely receipt of the building permit and successful finalization of the pre-construction phase. As of year-end 2022 building permit was not received while rising cost of materials and transport presented challenges for the design & build budget. Furthermore, the ample supply of the office rental space due to recent and ongoing new construction indicated less favorable market conditions for a new commercial development. The APS board therefore decided to discontinue the development plans under the current design & build contract and requested the organization to revisit the terms of requirements for the new office building for APS and compile a new development proposal.

c) Parking Lot Development

In September 2016, APS received this property as part of the debt settlement agreement with the Government of Sint Maarten. The property is the parking lot adjacent to the Government Administration Building in Philipsburg. It is slated for development of multi-level parking garage with commercial real estate on the ground floor. The development of the property is pending further decision-making by the Fund.

As of 2019 the project development was postponed, as focus shifted to the Welgelegen and Mary's Fancy developments. The property is being rented as of 2019 for events from time to time and revenues generated are used to offset the property maintenance costs. In 2020, the APS Board



proposed that this parcel of land be returned to Government in exchange for an alternative property as part of a new debt payment agreement. Per reporting date, the project (real estate development) remained a low priority. No proposals are being reviewed for the property. APS is still pending the feedback from the Government of Sint Maarten regarding the proposed new debt payment agreement.

d) Welgelegen (Oryx Residences) property

APS constructed 62 homes at the Welgelegen property in the period Q3 2018 to Q2 2020. The homes were made available to the public as of Q3 2020 for leasing or lease-to-own and to the participants of the Fund for purchase through the APS mortgage program.

With most of the units now tenanted, the focus has shifted to property management. The homeowners' association is focused on professionalizing itself and holds regular meetings. By end of year 2022 44 units were tenanted through lease or lease-to-own, 8 were sold through mortgage and 10 units were vacant. The last of the vacant units continue to be marketed.

Investment in debt securities corporate and time deposits

a) Debt security: Harbour Corporate Bond

The Harbour Corporate Bond was acquired in 2012. Until Q3 2020 the Harbour continued to satisfy its obligations under the Bond agreement however indicated that the COVID-19 pandemic affected its business negatively and that waiver requests were imminent. In Q4 2020, the Harbor submitted a request for deferral of the interest and principal repayments over the period Q4 2020 to Q3 2021 and an extension of the Bond maturity by three (3) years to mitigate the adverse financial effects. This request was approved by the Bondholders. The Harbor restarted repayment in 2021 and continues to comply with its obligations under the Bond agreement.

b) Other debt securities and time deposits

Other local investments such as the Government Bonds Netherlands Antilles and the Time deposits are held with financial institutions such as banks who continue to satisfy their obligations. The Fund expects that this will continue in the future.

Loans & Mortgages

a) RF Adventure St. Maarten Loan

The Fund entered into a financing agreement with RF Adventure St. Maarten (RFA) in May 2016. In September 2017, the passing of hurricanes Irma and Maria created extraordinary circumstances for RFA. A deferral of the interest and principal payments was therefore granted to RFA by the Lenders. Unfortunately, the market recovery and the operational measures undertaken by RFA did not yield expected results in 2019, while the COVID-pandemic in 2020 and 2021 further negatively affected RFA operations. During the period 2019-2021, RFA was unable to maintain compliance with the conditions of the Facility Agreement and subsequent loan restructuring agreement of September 2020. In 2022 although the borrower's business performance improved, this was insufficient to service the loan. Consequently, the borrower remained in default and APS accrued the default interest over the periods 2019-2022. Per year-end 2021 the Lenders have taken steps towards securing their interests. RFA was put on the increased monitoring and reporting schedule, Lenders appraised the value of the collateral and reenforced securities. Although, the appraised (market) value of the collateral was higher than the carrying value of the loan, due to the continuing non-performance of RFA an impairment of ANG 2.4



million has been booked in 2021. In 2022, the market and RFA performance improved and although they remained in default the parties have commenced discussions on restructuring the financing agreement.

b) Maho Hotel Operations Loan

The Fund entered into a corporate loan financing agreement with Maho Hotel Operations in August 2018. The tenor of the loan is ten (10) years. Throughout 2019 Maho was fulfilling its loan agreement obligations. Affected by travel bans and the general halt in the tourism industry during 2020 Maho requested and received approval for several waivers in 2020. The waivers were related to deferral of loan repayment and interest accrual and capitalization for all four quarters of 2020. Furthermore, additional short-term financing was requested and approved to assist Maho in bridging over the temporary shortage of income necessary to maintain insurances and comply with its short-term obligations. In December 2021 Maho restarted repayments of the loan and is servicing the loan according to the agreement.

c) Paradise Bay Resort Loan

The Fund entered into a corporate loan financing agreement with Paradise Bay Resort in August 2017. However, the start of the project was delayed due to the passing of hurricanes Irma and Maria in 2017. The first drawdown took place in February 2019 and the loan was fully drawn by September 2020. Additional financing was requested and approved in August 2020 to assist the Borrower in covering additional costs caused by building and development delays and additional health & safety requirements related to the COVID-19 pandemic. The project was completed in October 2020 and the Borrower started repayment of the Loan as per the Facility Agreement in March 2021. Due to the effects of the COVID-19 pandemic on its income, the Borrower requested an extension of the loan repayment in 2021. The loan maturity was extended to December 2023, interest and principal repayments continue as per amended facility agreement. Albeit with some delay, the Fund expects to fully recover the principal and interest of the Emerald Loan.

d) Stichting Sint Maarten Medical Center Loan

The Fund participates in financing of the construction of the New General Hospital for Sint Maarten including medical equipment. The senior secured loan has an interest rate of 5.90% per annum and a tenor of 22 years and is not fully drawn. The first drawdown was executed in January 2020 and the latest one in December 2022. In 2022 the borrower requested several amendments to the facility due to covid-related delay in construction and considerable increase in the construction cost (material and transportation), including extension of the maturity. The amendments were approved by the lenders and will be implemented in 2023. Repayment of the amended loan is expected to commence in 2026.

e) Welgelegen (Oryx Residences) property Mortgages

APS has offered 100% financing to interested parties who qualify for a mortgage of the affordable homes in Cay Hill. The maximum purchase price is USD 250,000. The interest rate of the mortgage loans is 6% and the tenor of the loans is dependent on the personal situation of the buyer(s). As per the end of 2022, there were eight (8) approved mortgages of which three were finalized in 2020 and five (5) were finalized in 2021. The issued mortgages have tenors between nineteen (19) and thirty-five (35) years.



f) PJIAE N.V. Finance

The Fund entered into a corporate loan financing agreement with PJIAE N.V. in May 2022. The tenor of the loan is ten (10) years. Throughout 2022 PJIAE continues to comply with its obligations under the financing agreement.

International Portfolio

In 2022, the international portfolio had a return of -21.13%. The decrease of the Fund's international portfolio market values is mainly attributable to the weakening international equity markets in 2022.

The following global market conditions characterized 2022 and influenced the performance of the APS international portfolio:

- **Equity:** at the start of 2022 increasing concerns on the supply side of the economy caused high inflation, this along with geopolitical tensions and the invasion of Russia in Ukraine caused equities to decline. This trend continued throughout 2022, however the fourth quarter was characterized by signs that the elevated inflation could be cooling. This resulted in a YTD return of -23.33%.
- **Fixed income:** in 2022 fears of further increases in interest rates by central banks to combat the anticipated rising inflation caused high pressure on the yields resulting in a YTD return of -7.13%.

The year 2022 was not a good year for APS' international investments mainly due to the equity category. The APS International Portfolio did not meet APS' investment objective to approximate an average return of 6% - 11% annually as stated in the Master Investment Policy Statement (hereinafter MIPS). However, the international portfolio is a long-term investment portfolio, whereby periods of exceptionally high volatility (for underperformance as well as outperformance) will average out over time.

This can be seen in the annualized returns since inception per end of 2022 in the table below. The international portfolio yielded +5.41% on average annually since inception.

International portfolio returns:

Category	Return since inception	Return 2022 YTD	Return 2021 YTD	Return 2020 YTD	Return 2019 YTD
Equity	6.50%	-23.33%	19.54%	12.21%	25.72%
Fixed income	2.09%	-7.13%	0.16%	6.96%	9.91%
Total	5.41%	-21.13%	16.91%	14.56%	20.17%

1.7 PENSION ADMINISTRATION DEVELOPMENT

The total number of registered active participants decreased by 73 from 2602 in 2021 to 2529 in 2022. The decrease was due to the change in the status of the active participants to participants with deferred rights as a result of the premium analyses policy. The average age of our active participants is 45.3 years old in 2022, this was 44.7 in 2021. A higher average age of the active participants would increase the pension benefits obligation as the wages of the older participants are in general higher. The overall average age has increased to 51.4 years. This is an increase from 51 in 2021.

In 2022 the number of pension beneficiaries decreased by 9 from 1233 to 1224 with most of the pensions being senior pensions. A number of these pension beneficiaries are persons that requested their pension retroactively.

Due to the decrease in the number of actives and increase in deferred pensions in the Fund, the system dependency ratio decreased to 0.96 in 2022 (2021: 1.06²). The ideal dependency ratio is two (2). Management is vigilant in monitoring the development of this ratio.

1.8 COMMUNICATIONS

In 2022, communication activities followed the grid as laid out in 2020 and 2021: regular newsletters, press releases, radio interviews, and social posts communicated about APS' investments, financial statements, and of course the new My APS Participant Portal.

There were also a couple of firsts in 2022: APS increased its social presence with an APS LinkedIn and Instagram account, a short version of the annual report was designed and printed and sent together with the "Pensioenbericht". Communications about Oryx Residences were intensified by a regular newsletter to all residents, a new page for interested parties including availability and new photo materials.

The communications strategy will be revised and presented in 2023, along with an outline of the main communication activities for the coming three years.

² The system dependency ratio is the ratio of active participants in the Fund to non-active participants.



FINANCIAL HIGHLIGHTS

	2022	2021
Associated Employers 1)	32	32
		1) For a number of the associated employers not the entire staff participates in the Fund.
Number of Participants		
Active registered participants 2)	2,529	2,602
		2) Registered employees of an associated employer who contributed premiums to the pension fund during the reporting year.
Participants with deferred rights 3)	1,409	1,229
		3) Former employees of an associated employer who have accrued pension, however no longer contributed pension premiums during the reporting year.
Pensioners	1,224	1,233
Actives/non actives participants	0.96	1.06
Participants age average		
Active participants	45.3	44.7
Non active participants	57.3	57.7
All participants	51.4	51.0
Pension administration		
All amounts are in thousand Netherlands Antillean guilders		
Actual premium 4)	18%	18%
		4) The 18% premium as stated in "Landsverordening herziening pensioen Overheidsdienaren".
Pension Premiums	ANG 29,378	ANG 29,294
Pension administration expenses 5)	ANG 3,450	ANG 4,225
		5) The operational expenses of the fund (including investment management expenses) are circa 0.5% of the funds' pension assets.
Pension payments	ANG 22,645	ANG 22,483
Pension premiums/pension payments	1.30	1.30



	2022	2021
Solvency		
All amounts are in thousand Netherlands Antillean guilders		
Pension assets	ANG 819,935	ANG 876,783
Minimum targeted pension assets	ANG 870,868	ANG 883,833
Pension obligation provision	ANG 829,398	ANG 841,746
Coverage ratio 6)	98.86%	104.16%
Minimum targeted funding ratio 7)	105.00%	105.00%
Total provision/provision pensioners	2.80	2.69
		6) The Board-defined target for the funding ratio.
Investment portfolio		
All amounts are in thousand Netherlands Antillean guilders		
Equity	ANG 275,488	ANG 321,568
Fixed income	ANG 475,453	ANG 485,598
Internal Real Estate	ANG 46,131	ANG 45,459
Investment performance		
Targeted return	5.50%	5.50%
Total return	-6.13%	7.26%
Return domestic portfolio	4.84%	3.54%
Return international portfolio	-21.13%	16.91%



FINANCIAL STATEMENTS

3.1 STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2022

All amounts are in thousand Netherlands Antillean guilders

	Note	2022	2021
Assets			
Property and equipment	3.8	5,200	5,271
Intangible assets	3.9	203	280
Investment properties	3.10	46,131	45,459
Financial assets:			
Investments in debt securities corporate and time deposits	3.11	123,260	177,766
Investments in fixed income and equity	3.12	346,034	344,438
Loans	3.13	81,939	88,474
Mortgages	3.13	3,059	3,110
Investments in subsidiaries	3.14	-	-
Total non-current assets		605,825	664,797
Accounts receivable	3.15	20,660	22,056
Accrued Interest Receivable	3.15	10,860	7,452
Short term portion of financial assets	3.16	90,000	49,000
Other current assets	3.17	256	164
Cash and cash equivalents	3.18	95,789	136,928
Total current assets		217,565	215,599
Total assets		823,390	880,396
Equity			
Reserves	3.19	35,037	15,228
Result current year	3.19	(44,500)	19,810
Total equity	3.19	(9,463)	35,037
Liabilities			
Pension benefits obligation	3.20	829,398	841,746
Total non-current liabilities		829,398	841,746
Accounts payable	3.21	174	213
Other payables	3.22	440	417
Accrued liabilities	3.23	2,841	2,984
Total current liabilities		3,456	3,613
Total liabilities		832,854	845,359
Total equity and liabilities		823,390	880,396

The accompanying notes are an integral part of these financial statements.

3.2 STATEMENT OF COMPREHENSIVE RESULT

For the year ended 31 December 2022

	Note	Year ended 31 December	
		2022	2021
All amounts are in thousand Netherlands Antillean guilders			
Revenues			
Pension premium income	3.24	29,378	29,294
Pension premium income previous years	3.24	702	6,244
Investment income	3.25	(53,370)	72,983
Other income	3.26	280	394
Total Revenues		(23,009)	108,915
Expenses			
Pension benefits payments	3.27	22,645	22,483
Investment expenses	3.28	8,016	11,163
Operating expenses	3.29	3,450	4,225
Net increase/ (decrease) in pension benefits obligation	3.20	(12,348)	51,406
Total expenses		21,763	89,277
Result from operating activities		(44,772)	19,638
Non operating expenses			
Financial income / (expenses)	3.30	255	1,484
Other financial income / (expenses)	3.31	17	(1,311)
Total non operating results		272	172
Result		(44,500)	19,810
Attributable to:			
To the Fund		(44,500)	19,810
Total comprehensive result		(44,500)	19,810

The accompanying notes are an integral part of these financial statements.



3.3 STATEMENT OF CHANGES IN EQUITY

	Note	Year ended 31 December Attributable to the Fund		
		Retained earnings	Total	Total equity
All amounts are in thousand Netherlands Antillean guilders				
At January 1, 2021	3.1 / 3.2	15,228	15,228	15,228
<i>Comprehensive Income for the period</i>				
Result for the period	3.1 / 3.2	19,810	19,810	19,810
Year ended December 31, 2021	3.19	35,037	35,037	35,037
<i>Comprehensive Income for the period</i>				
Result for the period	3.19	(44,500)	(44,500)	(44,500)
Total comprehensive Result for the period		(44,500)	(44,500)	(44,500)
Total contributions by and distributions to the Fund		-	-	-
Year ended December 31, 2022	3.19	(9,463)	(9,463)	(9,463)

The accompanying notes are an integral part of these financial statements.

3.4 STATEMENT OF CASH FLOWS

	Note	Year ended 31 December	
		2022	2021
All amounts are in thousand Netherlands Antillean guilders			
Cash flows from operating activities			
Result (negative) / positive		(44,500)	19,810
Adjustments for:			
Depreciation of property and equipment	3.8	79	91
Amortization of intangible fixed assets	3.9	77	77
Realized (gain) loss investment property	3.10	-	-
Unrealized (gain) loss investments in fixed income and equity	3.35	83,724	(40,356)
Increase in pension benefits obligations	3.20	(12,348)	51,406
Mutations work capital:			
Decrease (increase) in inventories		-	14,812
Decrease (increase) in accounts receivable	3.15	1,395	2,589
Decrease (increase) in other receivable	3.15	-	3,000
Decrease (increase) in other current assets	3.17	(92)	35
Increase (decrease) in accounts payable	3.21	(38)	(359)
Increase (decrease) in other payables and accrued liabilities	3.21/3.23	(119)	(5,038)
Net cash flows from operating activities		28,178	46,068
Investing activities			
Acquisitions			
Acquisition of property and equipment	3.8	(8)	(89)
Acquisition of intangible assets	3.9	-	(47)
Acquisition of investment properties	3.10	(672)	(13,408)
Acquisition of investment in debt corporate and time deposits	3.35	(2,250)	(60,591)
Acquisition of investments in fixed income and equity	3.35	(248,942)	(234,623)
Acquisition of loans & mortgages receivable	3.35	-	(21,142)
Proceeds			
Proceeds from maturities of debt corporate and time deposits	3.35	15,756	48,096
Disinvestment of investments in fixed income and equity	3.35	163,622	200,388
Proceeds of loans & mortgages receivable	3.35	6,586	3,322
Interest received	3.15	(3,408)	344
Net cash flow from investing activities		(69,316)	(77,751)
Cash flow			
Net cash flow in cash and cash equivalents		(41,138)	(31,683)
Cash and cash equivalents at beginning of period	3.18	136,928	168,611
Cash and cash equivalents at end of period	3.18	95,789	136,928

The accompanying notes are an integral part of these financial statements.

3.5 GENERAL NOTES

Algemeen Pensioenfonds Sint Maarten (hereinafter: APS or Fund) is one of the legal successors of the former "Algemeen Pensioenfonds van de Nederlandse Antillen" (hereinafter: APNA) and is expected to continue carrying on the role of its predecessor. The Fund is established on Sint Maarten and the address of its registered office is Yogesh Commercial Complex unit 1A /1B, A.J.C. Brouwersweg # 4, Cul-de-Sac, Sint Maarten.

The financial statements have been approved for issue by the APS Board on May 26, 2023.

APS is charged with the execution of the pension scheme as governed by the National Pension Ordinance Civil Servants, AB 2013, no. 785 (in Dutch: "Pensioenlandsverordening Overheidsdienaren" (PLvO)) which was amended on July 1, 2016, by AB 2016, no. 16 and AB 2016, no. 25. The latest amendment regarding the PlvO dates from July 1, 2020, by the Revised National Pension Ordinance Civil Servants, AB 2020, no. 34 (in Dutch: "Landsverordening herziening pensioen Overheidsdienaren" (LHPO)).

As a pension fund, APS executes pension schemes and handles pension matters for present and former employees of government and government related organizations. This also includes persons who worked for the former federal government of the Netherlands Antilles and other federal entities.

The employers affiliated with the Fund are:

Affiliated Employers

1 Government of Sint Maarten

Schoolboards

- 2 Foundation for Academic and Vocational Education
- 3 Stichting Katholiek Onderwijs
- 4 Methodist Agogic Centre Foundation
- 5 Stichting Protestant Christelijk Onderwijs
- 6 SVOBE
- 7 St. Maarten Seventh Day Advenstis Education Found.

Government N.V.'s and foundations

- 8 Philipsburg Jubilee Library
- 9 Princess Juliana International Airport
- 10 Postal Services St. Maarten
- 11 Nieuwe Post Nederlandse Antillen N.V.
- 12 Analytisch Diagnostisch Centrum N.V.
- 13 Sint Maarten Harbour Group of Companies
- 14 St. Maarten Laboratory Services
- 15 Bureau Telecommunicatie en Post St. Maarten
- 16 Bureau for Intellectual Property

Government N.V.'s and foundations cont'd

- 17 Telem Group of Companies
- 18 United Telecommunication Services
- 19 National Institute for Professional Advancement
- 20 Vertegenwoordiging van Nederland op Aruba, Curacao en Sint Maarten

Public entities

- 21 Centrale Bank van Curacao & St. Maarten
- 22 Sociale & Ziektekosten Verzekeringen
- 23 Algemeen Pensioenfonds Sint Maarten
- 24 National Recovery Program Bureau
- 25 Integrity Chamber

High Council organisations

- 26 Leden van de Staten
- 27 Raad van Advies
- 28 Sociaal Economische Raad
- 29 Kabinet van de Gouverneur Sint Maarten
- 30 Algemene Rekenkamer
- 31 Ombudsman
- 32 Raad voor de Rechtshandhaving

The number of registered participants of the Fund are as follows:

The total number of participants in the fund is 5162. This consists of 2529 registered active participants, 1409 participants with deferred rights and 1224 beneficiaries.

Participants

	2022	2021
Active Participants	2,529	2,602
Participants with deferred rights	1,409	1,229
Pensioners	1,224	1,233
Total	5,162	5,064

Funding policy

The main objective of the Fund is to ensure that the Fund is able to meet its current and future obligations to its participants. Therefore, the Fund aims to achieve a minimum coverage ratio of 100% and a target of 105%. The coverage ratio per December 31, 2022, is 98.86% which is lower than the minimum and lower than the targeted amount. The Fund conducts an Asset /Liability Management (hereinafter: ALM) study once every three (3) to five (5) years to ensure the sustainability of the Fund. The most recent ALM study was finalized in Q1 2021. The results/recommendations of the ALM study have been translated into a (new) strategic framework and strategic asset allocation in 2022.

Investment policy

The investment policy stipulates the guidelines which the Board of APS deems to be prudent considering the needs of, and the legal requirements applicable to APS's investment program.

The overall objective of the Fund's investment policy is to provide participants with benefits as regulated in the LvO APS. This is accomplished through a carefully planned and executed long-term investment program that efficiently and effectively allocates and manages the assets of the Fund.

The policy has been designed to allow the Fund to achieve a minimum rate of return of 5.5% over the long-term. The assets of APS are broadly diversified to minimize the effect of short-term losses within any investment program. All investment transactions are designed and executed solely in the interest of, and for the exclusive purposes of providing benefits to the Fund's participants.

The investment policy is a dynamic document. The underlying assumptions related to the Fund's liabilities and other relevant fundamentals are reviewed from time to time based on a periodic Asset Liability Management (ALM) study of the Fund.

In 2022 the Fund worked on translating the results of the latest ALM study into a (new) strategic framework and strategic asset allocation. An updated investment policy will be issued in 2023.

The actual asset allocation as of December 31, 2022, policy (strategic) asset allocation and permissible ranges are listed in the following table:

All amounts are in thousand Netherlands Antillean guilders

Asset allocation as at December 31, 2022

	2022	Actual %	Policy Target %	Difference	Min-Max
External Equity Securities	275,488	33%	28.0%	-5%	26% - 35%
Real Estate	46,131	6%	9.0%	3%	3% - 12%
Private Projects	-	0%	3.0%	3%	0% - 9%
Total Equity	321,619	39%	40%	1%	
External Fixed Income & Money Funds	100,861	12%	12.0%	0%	5% - 14%
Local Fixed Income & Bank Time Deposits	308,005	37%	45.6%	8%	24% - 50%
Internal Cash	66,587	8%	1.2%	-7%	0% - 15%
Other Local Assets*	26,319	3%	1.2%	-2%	0% - 6%
Total Fixed Income	501,772	61%	60.0%	-1%	
Total	823,390	100%	100%	0%	

*Comprises Receivables, non-current assets (such as land, furniture and hardware, etc.) and current assets.

A comprehensive analysis of the Fund's Asset Allocation Strategy including target asset class allocations and ranges is completed at least once every three (3) years and is presented to the Board for approval. Management may recommend conducting the comprehensive analysis prior to the three years, if the long term expected returns, risks or liability values have substantially changed relative to the prior analysis.

The Investment Program is underpinned by a holistic analysis of APS's current and expected financial condition including APS's projected liabilities. This analysis also encompasses the expected long-term capital markets outlook, expected inflation, and APS's risk tolerance. All investments are conducted in accordance with the approved Asset Allocation Strategy and APS's operational governance structure, including the ongoing oversight by the Investment Committee and the Board to ensure proper monitoring.



3.6 ACCOUNTING POLICIES

Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (hereinafter: IFRS).

Basis of measurement

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, investment property, available-for-sale financial assets, and financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with adopted IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Fund's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed at the end of this note.

Functional and presentation currency

These financial statements are presented in Netherlands Antillean Guilders, which is the Fund's functional currency. The exchange rate used for USD/ANG is 1/1.80.

Except if indicated otherwise, financial information presented in Netherlands Antillean Guilders have been rounded to the nearest thousand.

Changes in accounting policies

a) New standards, interpretations and amendments effective from January 1, 2022

The accounting policies applied in these financial statements are consistent with those of the previous financial year.

Other standards, amendments and interpretations which are effective for the financial year beginning on January 1, 2022, are not relevant to the fund.

b) New standards, interpretations and amendments not yet effective

At the date of authorization of these financial statements, several new, but not yet effective, standards and amendments to existing standards, and interpretations have been published by the IASB. None of these standards or amendments to existing standards have been adopted early by the Fund.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Fund's financial statements.



Capital management

The Fund's objective is to safeguard the Fund's ability to continue as a going concern to meet its obligations to its participants.

The Fund has a Board that is charged with managing and administering the Fund and the other pension funds that are or will be assigned to it in accordance with article 3, paragraph 2 of the LvO APS. The Fund aims to achieve a coverage ratio of 105%.

The capital is used to generate growth through investment. The coverage ratio is calculated by dividing the total actuarial assets to the fund's non-current liability. There were no changes in the Fund's approach to capital management during the year.

Property and equipment

All property and equipment are stated at historical cost less depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Fund and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on property and equipment are calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

<i>Asset Type</i>	<i># of Years</i>	<i>Method</i>	<i>Residual Values</i>
Building	40 years	Straight line	0
Leasehold improvements	5 years	Straight line	0
Furniture & Fixtures	10 years	Straight line	0
Equipment	5 years	Straight line	0
Computer Hardware	4 years	Straight line	0

Land is carried at cost. The buildings (including building fittings) are carried at cost less accumulated depreciation and accumulated impairment losses, if any. The buildings are depreciated using the straight-line method over the estimated useful life of 40 years.

The assets' residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the income statement in operating income.

Leasehold improvements

Leasehold improvements are investments made to customize buildings and offices occupied under operating lease contracts to make them suitable for their intended purpose. The present value of

estimated reinstatement costs to bring a leased property into its original condition at the end of the lease, if required, is capitalized as part of the total leasehold improvement costs.

Reinstatement costs are recognized in net income through depreciation of the capitalized leasehold improvements over their estimated useful life.

The Fund rents three (3) office units from the same landlord. The rental agreements are for a period of two (2) years, with an option to renew after each period.

Intangible assets

Computer software

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Fund are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of directly attributable overheads.

Depreciation on intangible assets is calculated using the straight-line method to allocate their cost to their residual values as follows:

<i>Asset Type</i>	<i># of Years</i>	<i>Method</i>	<i>Residual Values</i>
Computer Software	5 years	Straight line	0

Depreciation has been included in note 3.28 Operating Expenses of the Financial Statements.

Impairment of intangible asset

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e., the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognized in other comprehensive income. An impairment loss recognized for goodwill is not reversed.

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, including property under construction for such purposes, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value.

Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise. An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

IFRS 13, "Fair Value measurement" – is a standard that requires or permits fair value measurements or disclosures and provides a single IFRS framework for measuring fair value and requires disclosures about fair value measurement. The Standard defines fair value on the basis of an 'exit price' notion and uses a 'fair value hierarchy', which results in a market-based, rather than entity-specific, measurement. The fair value hierarchy is based on the type of inputs and is defined as follows:

- Level 1: Quoted prices, which are not adjusted, in an active market for identical assets and liabilities that the entity can access at the measurement date,
- Level 2: inputs, other than quoted prices in Level 1, that are observable, either directly or indirectly,
- Level 3: inputs are unobservable, inputs that are usually determined based on management's assumptions. However, Level 3 inputs have to reflect the assumptions that market participants would use when determining an appropriate price for the asset.

In September 2014, APS reached an agreement with the property owners of Mary's Fancy for the purchase of the Land, Plantation House and its surroundings.

In 2016, two properties were added to APS' investment properties. The first property was transferred to the Fund as one of the payments regarding the debt payment basic agreement that was signed in February 2016. In December 2016, APS purchased the second property - Professional Office Park. A portion of this property is undeveloped. The undeveloped portion is selected for the future office of APS and is included under property and equipment.

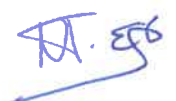
In 2020 one property was added to APS' investment properties. The Oryx Residences development was completed in 2020 and APS offered 62 units for sale, lease to own or lease. Following the completion of the development the Fund re-valued Oryx Residences property from initial carrying value at cost to fair value. The units sold through a mortgage were reclassified to mortgage loans, while leased and lease-to-own units were reclassified from inventory to investment property.

APS' investment properties are categorized as Level 3.

Financial assets

The financial assets and liabilities consist of investments ('Retirement benefit plan assets'), property and equipment, Intangible assets, Other current assets, cash and cash equivalents and the current liabilities.

Retirement benefit plan assets are recorded in agreement with IAS 26 and are classified as fair value. In



the case of marketable securities, fair value is market value. In cases where plan investments are held for which an estimate of fair value is not possible, disclosures shall be made of the reason why fair value is not used.

The other financial assets and liabilities which are related to the operational activities of the Fund are designated as financial assets and liabilities against amortized cost. The effect of discounting at balance sheet date is estimated to be not significant.

a) Investments in fixed income and equity

Investments in fixed income and equity consist of foreign bonds and stock exchange listed shares. Regular purchases and sales are recognized on the trade-date, the date on which the fund commits to purchase or sell the asset. Investments are initially recognized at fair value and transaction costs are expensed in the income statement. The investments are revalued at their last known fair value at balance sheet date, based on the valuation received from the asset managers.

Investments in fixed income and equity are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Gains or losses arising from changes in the fair value of the 'Investments in fixed income and equity' category is presented in the income statement within 'Net change in value –' in the period in which they arise. Dividend income from investments in fixed income and equity is recognized in the income statement as part of other income when the Fund's right to receive payments is established.

b) Loans, other non-current assets and receivables

Loans, other non-current assets and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve (12) months after the end of the reporting period. These are classified as non-current assets. The loans, other non-current assets and receivables have been acquired to match a part of the obligations of the plan. After initial measurement at fair value plus transaction costs, they are carried at amounts based on their ultimate redemption value assuming a constant rate of return to maturity.

c) Investments in debt securities corporate and time deposits

Investment in debt securities corporate and time deposits are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Fund's management has the positive intention and ability to hold to maturity. They have been acquired to match a part of the obligations of the plan. After initial measurement at fair value plus transaction costs, investments in debt securities corporate and time deposits are carried at amounts based on their ultimate redemption value assuming a constant rate of return to maturity.

IFRS requires certain disclosures to be presented by category of instrument based on the IAS 26 measurement categories. Certain other disclosures are required by class of financial instrument. For those disclosures the Fund must group its financial instruments into classes of similar instruments as appropriate to the nature of the information presented.



The two main categories of disclosures required by IFRS 7 are:

1. Information about the significance of financial instruments.
2. Information about the nature and extent of risk arising from financial instruments.

IFRS 7 fair value measurement hierarchy

IFRS 7 requires certain disclosures which entail the classification of financial assets and financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurement. The fair value hierarchy has the following levels:

- a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price.
- b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2);
The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.
- c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the financial asset or financial liability is categorized is determined based on the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

IFRS 9

Impairment under IFRS 9, applicable to financial assets against amortized cost ('Operational assets') requires the use of more forward-looking information to recognize expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'.

Recognition of credit losses is no longer dependent on the Funds first identifying a credit loss event. Instead, the Fund considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'),
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2'), and
- financial assets that have objective evidence of impairment at the reporting date ('Stage 3').

12-month expected credit losses are recognized for the first two categories (Stage 1 and 2), while 'lifetime expected credit losses' are recognized for the financial assets categorized as Stage 3.



Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

This part of IFRS 9 is applicable on the other current assets, loans and cash and cash equivalents. Management has determined the impact of impairment on these financial assets and concluded that this is not material.

Accounts receivable

Accounts receivable are amounts due from pension contributions, 'VUT'/'duurtetoeslag' payments, and the legal interest charged to the employer for untimely payments of the pension contributions and / or other outstanding and investments.

Recognition and measurement

Receivables are initially recognized at fair value, being the cost price minus the transaction costs that are directly attributable to their acquisition or creation. Subsequently receivables are re-measured at their fair value. For receivables with a maturity within twelve months after the end of the financial year, the cost included in the acquisition is deemed to be a reflection of the fair value at the end of the financial year. All other receivables with a maturity longer than twelve months after the end of the financial year, are measured using the interest rate applicable at the end of the financial year for the remaining maturity of the receivable.

Interest receivable

Interest receivable are the amounts accrued from investments in loans, debt securities corporate and time deposits.

Interest income is recognized as it accrues, considering the effective yield on the asset.

Accounts payable

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one (1) year or less (or in the normal operating cycle of the business if longer).

Recognition and measurement

For accounts payables with a maturity within twelve months after the end of the financial year, the cost included in the acquisition is deemed to reflect the fair value at the end of the financial year. All other payables with a maturity longer than twelve months after the end of the financial year, are measured using the interest rate applicable at the end of the financial year for the remaining duration of the payable.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.



Foreign currency transactions and balances

Transactions in currencies other than the functional currency are recognized at the rate of exchange prevailing at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates as at that date.

Exchange differences on monetary items are recognized in profit and loss in the period in which they occur, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Revenues

Provided that the amount of revenue can be measured reliably and that it is probable that the Fund will receive any consideration, revenue is recognized in the period in which it is due or accrued.

Revenues within the Fund comprise:

- Pension premium income - employers, employees and other contributions to the Fund;
- Investment properties income – rent income revenues from investment properties;
- Loan income - interest revenue from corporate, private or government loans;
- Debt securities income - revenues from corporate and government bonds;
- Time deposit income - interest revenues from time deposits;
- Income investments in fixed income and equity - realized and unrealized revenues from foreign bonds and stock exchange listed shares and related interest revenue and dividends received;
- Other investment income - investment revenues that cannot be categorized as one of the above; and
- Other income - revenues that cannot be categorized as investments nor premium income, for example the penalty for untimely payment of premiums by the employers.

To determine whether to recognize pension premium income, the Fund follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognizing revenue when/as performance obligation(s) are satisfied.

Any difference between the expected return on assets and that achieved, and any changes in the liabilities over the year due to changes in assumptions or experience within the scheme, are recognized in other comprehensive income in the period in which they arise.

Pension benefits obligation

The Fund determines this liability in respect of eligible participants at the end of each year based on the accrued pension and the actuarial factor (life-expectancy) related to their age and gender. Excess or shortfalls to the provision is adjusted in the comprehensive income statement.

Employee benefits*a) Pension benefits obligation*

The employees that are in service of the Fund are also participants in the pension scheme that is being executed by the Fund. The pension scheme is a defined benefit plan (an average pay system).



Pension benefits payments

The pension benefits payments are payments to the beneficiaries of the Fund who have attained the age of retirement as well as the derived beneficiaries of orphan and widow(er) pension.

These payments are calculated based on the beneficiaries' salary per January 1, 2022, corrected for the AOV-franchise and the number of years of service.

Tax

The Fund is exempted from profit tax in accordance with article 1 section 2 under c of the Profit Tax Ordinance.

Provisions

The Fund has recognized provisions for liabilities of uncertain timing or amount including those for pension claims and legal disputes. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under an operating lease shall be recognized as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

Critical accounting estimates and judgments

The Fund makes certain estimates and assumptions concerning the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including reasonable expectations about the relevant future events. Nevertheless, the actual outcomes in the future may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a) Measurement of defined pension benefits obligations

The calculation of the pension benefits obligations is sensitive to 'Mortality rate' and 'Actuarial assumptions'. A change in the actuarial assumptions and mortality statistics used in note 3.20 could have a significant impact on the pension benefits obligations.

3.7 FINANCIAL RISK MANAGEMENT

All investments of the Fund are associated with risk. The most significant risks can be divided into three (3) groups: market risks, credit risks and liquidity risks. Market risks can be further divided into price risk, interest rate risk, and foreign exchange risk. The Fund is also exposed to the other financial risks such as leverage risk and counterparty risk.

The overall objective of the Fund is to set policies that seek to reduce risk as much as possible without unduly affecting the Fund's ability to reach its financial goals. This note describes the Fund's objectives,



policies, and processes for managing these risks and the methods used to measure them. Further details regarding these policies are set out below.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, and foreign exchange rates will affect the Fund's income or the value of its financial instruments holdings.

Categories of financial instruments

All amounts are in thousand Netherlands Antillean guilders

	2022	2021
Financial assets		
Cash and cash equivalents	66,587	117,122
Investments in fixed income and equity	375,236	364,243
Investments in debt securities corporate and time deposits	213,260	226,766
Loans & Mortgages	84,997	91,584
Receivables (including trade receivables)	31,787	29,672
Financial liabilities		
Amortised cost (including trade payables)	3,552	3,613

The Fund intends to manage and control its market risk exposures within acceptable parameters while optimizing the return on risk.

a) Price risk

The Fund is exposed to price risk on its investment properties and international investments as they are measured at fair value through profit or loss.

The principal tool used to manage and control price risk exposure within the Fund's international portfolio are statistical measures such as Standard Deviation, Alpha, Beta, Market Up cap ratio, Market Down cap ratio, Sharp ratio and Tracking error.

The other ways in which the Fund manages this risk are through:

- Diversification - the assets are held in a wide range of different investments, thus limiting the probability of all assets falling in value simultaneously. The diversification takes place in the capitalization size, investment style, industry sector, and geographical area.
- Liquidity - great care is taken to ensure that the Fund does not need to realize potentially volatile assets when their values are depressed.

b) Interest rate risk

The interest rate risk, otherwise known as yield curve risk, for the international investments is managed by investing in short duration (average of 3.43 years). All durations are subject to constant change with active management of the fixed income portfolio.

The Fund's local investments are marginally exposed to interest price risk. Because of this, these investments are classified on the statement of financial position as financial assets in debt securities

corporate, loans and time deposits. The local market is characterized by little fluctuation in the interest rates. These investments are valued at amortized cost.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Fund's profit (loss) for the year ended December 31, 2022, would decrease/increase by ANG 1.30 million.

c) Foreign exchange risk

The Fund's indirect currency exposure (risk) on December 31, 2022, was 4.61 percent of the total external portfolios (2021: 4.29 percent). The indirect exposure is due to the investments in International Small Cap Equities, mainly invested in Developed Markets, in Asian and European/Eastern markets. All equity and fixed income strategies and funds are traded and denominated in USD. The USD and Netherlands Antillean guilders have a fixed exchange rate and therefore no exposure.

The market risk effect of a 10% increase in the value of the international investments held at the reporting date would, all other variables held constant, have resulted in an increase in the net assets of ANG 25 million. A 10% decrease in their value would, on the same basis, have decreased the net assets by the same amount.

Credit risk

Credit risk is associated with investments in loans and debt securities and the risk that an issuer will be unable to meet its obligations or, in the worst case, will default on it. Credit risk for the international investments is estimated by a credit rating agency. To limit this risk, the Fund invests a large percentage in bonds with a rating of at least 'investment grade', with some exceptions. The non-investment grade investments are mainly collateralized loans.

Credit risk for the local investments is managed through an established internal creditworthiness rating system. Each entity that applies for a loan or a bond is analyzed individually for creditworthiness before granting any financing. The risk is afterwards managed by analyzing mainly the financial statements and other relevant reports of the entities in which the Fund had invested in. The Fund also aims to secure the first collateral for these loans and debt securities including tangible immovable assets.



The table below provides information regarding the credit risk exposure of the Fund.

All amounts are in thousand Netherlands Antillean guilders

	Neither past due nor impaired	Past due but not impaired	Past due impaired	Total
2022				
Cash and cash equivalents	95,789	-	-	95,789
Short term portion of financial assets	90,000	-	-	90,000
Accounts receivable	3,127	17,533	-	20,660
Accrued Interest Receivable	10,860	-	-	10,860
Other current assets	256	-	-	256
Loans	81,939	-	-	81,939
Mortgages	3,059	-	-	3,059
Investments in debt securities corporate and time deposits	123,260	-	-	123,260
Total	408,289	17,533	-	425,823

The table below provides information regarding the credit risk exposure of the Fund.

All amounts are in thousand Netherlands Antillean guilders

	Neither past due nor impaired	Past due but not impaired	Past due impaired	Total
2021				
Cash and cash equivalents	136,928	-	-	136,928
Short term portion of financial assets	49,000	-	-	49,000
Accounts receivable	3,475	18,580	-	22,056
Accrued Interest Receivable	7,452	-	-	7,452
Other current assets	164	-	-	164
Other non-current assets	-	-	-	-
Loans	88,474	-	-	88,474
Mortgages	3,110	-	-	3,110
Investments in debt securities corporate and time deposits	177,766	-	-	177,766
Total	466,368	18,580	-	484,949

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or other financial assets.

The Fund's approach to managing liquidity is to ensure, in as much as possible, that it will always have sufficient liquidity (cash and cash equivalents) to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking the Fund's reputation. To achieve this aim, the Fund seeks to maintain cash and cash equivalent balances (or agreed facilities) to equal the amount of at least 3 months of pension payments and operational expenses.

The Fund also seeks to reduce liquidity risk by investing in listed securities for its international investments. In this regard, the Fund is liquid, especially because it does not invest in hedge funds or private equity. On the other hand, the local investments are not liquid. The Fund seeks to mitigate the

illiquidity risk of the local investment portfolio through diversification of investment types and maturity dates of the local investments.

The following table sets out the contractual maturities of local investments:

All amounts are in thousand Netherlands Antillean guilders

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
At December 31, 2022				
Time deposits	90,000	40,000	-	130,000
Debt securities government	3,976	22,527	3,829	30,331
Debt securities corporate	1,088	14,801	37,040	52,929
Loans & Mortgages	6,704	49,150	29,143	84,997
Total	101,769	126,478	70,011	298,257

All amounts are in thousand Netherlands Antillean guilders

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
At December 31, 2021				
Time deposits	49,000	90,000	-	139,000
Debt securities government	3,465	11,512	18,504	33,481
Debt securities corporate	1,260	9,360	43,664	54,284
Loans & Mortgages	3,870	23,913	63,800	91,584
Total	57,595	134,785	125,969	318,350



The table below summarizes the contractual maturities of the Fund's financial liabilities based on contractual repayment arrangements.

All amounts are in thousand Netherlands Antillean guilders

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
2022				
Accounts payable	174			174
Other payable	440			440
Accrued liabilities	2,841			2,841
Pension benefits obligations	22,645	94,250	712,503	829,398
Total	26,101	94,250	712,503	832,854

All amounts are in thousand Netherlands Antillean guilders

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
2021				
Accounts payable	213			213
Other payable	417			417
Accrued liabilities	2,984			2,984
Pension benefits obligations	22,483	95,653	723,610	841,746
Provisions				
Other non-current liabilities				-
Total	26,096	95,653	723,610	845,359

Other risks

a) Leverage risk

The use of leverage introduces multiple risks to the investor. First, it increases the market risk and portfolio volatility, because the impact of price changes on a levered portfolio's market value (numerator) is translated to the actual, smaller net worth (assets – liabilities, the denominator). Second, the use of leverage introduces the interest cost of borrowing the funds which may reduce the net returns. Third, the use of leverage often introduces counterparty risk, when securities are held as collateral, and may be transferred to other institutions not under contract with the Fund, whom may not have as strong a financial position or the Fund's best interests as a priority. And fourth, accounts that utilize leverage must be "margin" accounts, and margin accounts may permit securities lending, when an investor's assets may be "lent" by the custodian to other entities for its own business/operational purposes.

One of the separately managed accounts currently employed by the Fund utilizes low levels of leverage, and the same strategy employs margin debt. The Fund rates the leverage risk as low.

b) Counterparty risk

Counterparty risk is the risk that an external fund manager or the institution responsible for holding and safeguarding securities defaults on their contractual obligations. Counterparty risk is an important and evolving risk. Counterparty risk is higher when hedge funds and private equity are utilized or when

an investment strategy employs margin debt/leverage or when securities lending is utilized (the Fund does not engage in securities lending for its international investments).

On December 31, 2022, the Fund had minimal counterparty risk. Two strategies had a known counterparty risk (in 2021 this was three (3)): the SG Capital Equity Long/Short and the Vanguard Mega Cap Value ETF. This is 21% of the international equity portfolio (ANG 58 million of investments in equity). The counterparty risk in the ETF derives from the ETFs being co-mingled investment vehicles. This is where the Fund owns shares in the ETF but not the individual underlying securities. The counterparty risk in the SG Capital Equity Long/Short is due to the use of multiple trading desks away from the Custodian which may result in delayed delivery of securities. Further, SG Capital Equity Long/Short uses short positions, where the short security is held by a third-party and lent to APS. However, counterparty risks from short positions are not generally considered major because there is already cash from the sale in the account.

Financial instruments in the international portfolio measured at fair value

All amounts are in thousand Netherlands Antillean guilders

	Fair value measurements at December 31, 2022					
	Level 1		Level 2		Level 3	
	2022	2021	2022	2021	2022	2021
Financial assets						
Fixed Income	47,747	13,863	52,126	28,944	-	-
Equity	262,666	306,039	12,697	15,397	-	-
Total	310,413	319,902	64,823	44,341	-	-

All amounts are in thousand Netherlands Antillean guilders

	Fair value measurements at December 31, 2021					
	Level 1		Level 2		Level 3	
	2021	2020	2021	2020	2021	2020
Financial assets						
Fixed Income	13,863	13,955	28,944	28,668	-	-
Equity	306,039	256,058	15,397	13,512	-	-
Total	319,902	270,013	44,341	42,180	-	-

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in Level 1.

Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data if available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

c) Actuarial risk (Insurance risk)

The provision for pension benefits obligations represents the value of the pension benefits obligations of the Fund at a given date by estimating future pension payments. This value represents an obligation risk (liability) for the Fund. To manage this risk, the Fund conducts an ALM-study or continuity analysis at least every five (5) years. The ALM-study or continuity analysis will focus mainly on the sensitivity of the cover ratio to actuarial and economic changes. These changes can have a significant impact on the assumptions used to determine the provision for pension benefits obligations. In the case of a significant change in the fund, the fund will conduct an ALM-study. In this context, the most significant risks come from the rate of long life, actuarial interest rate, mortality and potential disability of the participant.

Actuarial risk is most sensitive to the risk of longevity of a participant. Longevity risk is the probability that participants will live longer than was initially accounted for in the determination of the provision for pension benefits obligations. As a result, the Fund will not be able to meet its obligations to the pensioners. Actuarial risk is also sensitive to the change in the actuarial interest rate. Based on this rate the present value of the accrued pensions is calculated which is called the pension benefit obligations. The rate is dependent on the market conditions and fluctuations.

The risk of mortality means that in case of death of a participant, the Fund may have to grant a survivor's pension for which the Fund did not provide for.

The disability risk covers the risk that the Fund may have to provide for the possibility that premiums will be waived and that the Fund will grant a disability pension. As stated in article of the LHPO, there are instances where the Board can recover the expenses related to the disability pension from the employer.

d) Inflation risk

The Fund is susceptible to inflation as well as deflation. The rising inflation increases the pension obligation and reduces the returns on equities and fixed income securities. The inflation risk is included in the ALM study or the continuity analysis.

e) Integrity risk

Integrity risk is the risk that the integrity of the institution or the financial system is affected by dishonest, unethical conduct of the organization, employees or of the leadership within the framework of laws and regulations and social standards set by the institution.



The policy of the Fund is:

- The employees, Board members and members of the Investment Committee are to sign and adhere to a "code of conduct";
- The Board members and the directorate must undergo a screening; and
- The Board members are to meet certain criteria (profile) and be appointed based on these criteria according to the law.

f) Outsourcing risk

Outsourcing risk is the risk that continuity, integrity and/or quality of the work contracted out to a third party is suboptimal and that the services/products third party is contracted to provide are damaged or unusable. The risk for the Fund is that the third party does not comply with the instructions that were provided. To manage this risk, associated with operational activities, conditions have been detailed in the Service Level Agreement with Fund's service providers.

The Fund has outsourced the following to third parties:

- The management of the international investments to external asset managers. The risks associated with the outsourcing is controlled preventively by means of an extensive selection procedure. The fiduciary consultant verifies whether the external asset managers comply with the requirements set by the Fund with regards to quality, expertise, and service levels. Further APS performs regular monitoring of the external asset managers performance and is taking corrective actions if necessary.
- The management of the network, servers, and all other IT related matters. The risk associated with outsourcing is controlled using firewalls, antivirus and cyber security protection software. Firewalls prevent unauthorized access to the network. The antivirus and cyber security prevent viruses and malware from entering the computer system and infecting files. Additionally, the network is backed up daily, this ensures that data is protected, securely stored and retrievable in the event of network failure.

g) Third party / Vendor risk

Third party risk is the risk that products and services provided by third parties is of low quality, unusable or unavailable.

The Fund makes use of the following types of services/products provided by third parties:

- Third party software is used for the financial and payroll administrations. The risk associated with this is that the Fund is fully dependent on the provider for the maintenance of the software. The software provider provides full technical support, and the Fund has no resources in house to develop/adjust or fix any technical issues that may arise. The risk associated with the use of third-party software is controlled with requirements set by the Fund with regards to data protection, data ownership, data availability and the daily backup of the network.
- Consultants provide advice and support in various areas such as investments, legal, and projects. The risk associated with consultancy is controlled by the requirements set by the Fund with regards to quality, expertise, and service levels, including the Fund's code of conduct clauses in the SLAs and periodic reassessment of the performance.

h) Financing risk

Financing risk is the risk that the employer (principally the government of Sint Maarten) is not able to pay / pay off the premiums / debt to the Fund. The risk also includes timely payments of the premiums / debt to the Fund. The Fund has implemented accounts receivable collection procedures and escalation



measures for overdue receivables as mitigating measures for this risk. The aim of the Fund is for the total accounts receivable not to exceed 10% of the total assets. Currently the accounts receivable comprises 3.8% (2021: 3.3%) of the total assets.



3.8 PROPERTY AND EQUIPMENT

All amounts are in thousand Netherlands Antillean guilders

	Land	Leasehold improvements	Furnitures and fixtures	Computer hardware	Equipment	Total
COST AND VALUATIONS						
At January 1, 2021						
Cost	5,040	219	258	338	88	5,943
Accumulated depreciation	-	(179)	(180)	(261)	(49)	(669)
Net book amount	5,040	40	77	77	39	5,273
Year ended December 31, 2021						
Opening net book amount	5,040	40	77	77	39	5,273
Additions	-	2	-	67	21	89
Depreciation charge	-	(22)	(24)	(35)	(10)	(91)
Closing net book amount	5,040	20	53	109	49	5,271
At December 31, 2021						
Cost	5,040	221	258	405	108	6,032
Accumulated depreciation	-	(201)	(204)	(296)	(59)	(761)
Net book amount	5,040	20	53	109	49	5,271
Year ended December 2022						
Opening net book amount	5,040	20	53	109	49	5,271
Additions	-	-	-	-	8	8
Depreciation charge	-	(14)	(18)	(33)	(14)	(79)
Closing net book amount	5,040	6	35	75	43	5,200
At December 31, 2022						
Cost	5,040	221	258	405	116	6,039
Accumulated depreciation	-	(215)	(222)	(330)	(73)	(840)
Net book amount	5,040	6	35	75	43	5,200

For the estimates of useful economic life and the residual values of property and equipment see note 3.6.

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3.9 INTANGIBLE ASSETS

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Fund are classified as intangible assets.

All amounts are in thousand Netherlands Antillean guilders

	Computer software	Total
COST AND VALUATIONS		
At January 1, 2021		
Cost	1,269	1,269
Accumulated depreciation	(960)	(960)
Net book amount	309	309
Year ended December 31, 2021		
Opening net book amount	309	309
Additions	47	47
Depreciation charge	(77)	(77)
Closing net book amount	280	280
At December 31, 2021		
Cost	1,316	1,316
Accumulated depreciation	(1,036)	(1,036)
Net book amount	280	280
Year ended December 2022		
Opening net book amount	280	280
Additions	-	-
Depreciation charge	(77)	(77)
Closing net book amount	203	203
At December 31, 2022		
Cost	1,316	1,316
Accumulated depreciation	(1,113)	(1,113)
Net book amount	203	203

For the estimates of useful economic life and the residual values of intangible assets see note 3.6.

3.10 INVESTMENT PROPERTIES

Investment properties

All amounts are in thousand Netherlands Antillean guilders

	2022	2021
Mary's Fancy & De Castro Development	8,111	8,099
Professional Office Development	10,858	10,380
Parking Lot Development	4,858	4,858
Oryx Investment Property (Welgelegen)	22,303	22,121
Total	46,131	45,459

The investment properties of the fund are measured at fair value in line with IAS 26. The fair value of the Fund's investment properties is based on the independent, appropriately qualified independent appraiser's valuation of the properties at the time of the purchase, including the directly attributable expenditures (transaction cost incurred). Fees paid to the valuers are based on fixed price contracts. The external appraisers are appointed by the director. The appraisers are selected based upon their knowledge, independence, and reputation for comparable assignments. Re-valuations are performed once every three to five years and are performed consistently across all properties in the Fund's portfolio. The Fund also earns rental income from operating leases of its investment properties (see Note 3.25). Rental income is recognized on a straight-line basis over the term of the lease.

Mary's Fancy Plantation /De Castro

In 2014 the Fund signed two (2) purchase agreements for the Mary's Fancy and De Castro properties located on the L.B. Scott Road. The purchase price of the property was derived from the appraisal executed by external independent valuers. The total costs related to the purchase was ANG 4.4 million. Since the purchase, the Fund invested in the infrastructural upgrade of the property. The cost incurred in the said improvement activities of the property amounts to the ANG 3.7 million and is included in the value of the Mary's Fancy Development.

As per the end of 2022, the property is not yet operational. The new construction is intended to optimize the future commercial use of the property. See section 1.6 for status of this development.

The value of the Mary's Fancy property was re-evaluated in June 2020 while De Castro property was appraised in May 2021. The appraised value of the two parcels is in line with the value carried on balance per December 31, 2022, and the differences observed are not material. The Fund therefore estimates that the carrying value of the property per December 31, 2022, is in line with its fair value.

Professional Office Park

APS purchased the Professional Office Park property in December 2016 at ANG 9.36 million. The property is comprised of two buildings which APS is now operating for lease income. The purchase price of the property was derived from the appraisal executed by external independent valuers.

The value of the property has been re-evaluated/appraised in March 2020. In the period between the appraisal date and December 31, 2022, no material improvements nor deteriorations occurred on the property. The rental income on which the appraised value was based in March 2020 is in line with the

rental income as per December 2022. Therefore, the appraised value is in line with the value carried on balance per December 31, 2022, and the differences observed are not material. The Fund therefore estimates that the carrying value of the property per December 31, 2022, is in line with its fair value.

Parking Lot

In September 2016, APS received this property (land and improvements) as part of a debt settlement agreement with the Government of Sint Maarten. The property is the parking lot adjacent to the Government Administration Building. The fair value was derived from the appraisal of an independent appraiser. The value of the land transferred to the Fund was ANG 4.5 million.

Since the transfer, the Fund commenced research with regard to the usage of the property. The cost associated with these studies along with the surveying of the land, soil tests, and other preparatory works, have totaled to ANG 403K. This amount is included in the value of the property. As of the end of 2022, the property is not yet operational. Decisions on the further development of this property are pending. The value of the property was appraised in 2022. Due to the nature of the property (mainly land), the Fund estimates that the carrying value of the property per December 31, 2022 is in line with its fair value.

Oryx Investment Property (Welgelegen)

In Q3 2020, APS completed the construction of 62 affordable homes in Cay Hill on a parcel of land obtained in long lease from the Government of Sint Maarten. In September 2020, the first units were sold or leased. At the start of the Lease-to-own/Leasing contracts, these units have been transferred from the Inventory to Oryx Investment property.

All Oryx Residences units were re-appraised in May 2022. The sales prices of the units were set to be equal to or slightly lower than the appraised market value.. The value of the property was derived from the appraisal executed by external independent valuers. The Fund, therefore, estimates that the carrying value of the property per December 31, 2022, is in line with its fair value.

Lease

Per year end there were three (3) units leased. The leased units have relatively short-term contracts that span between 1 to 3 years. The leased units are carried at fair value which is equal to their determined sales price.

Lease-to-own

Per December 31, 2022, there were 41 units under lease-to-own contracts. The lease-to-own units are carried at fair value which is equal to their contractually determined sales price. For lease-to-own units, the contractual obligation of the tenant/buyer is to purchase the home at the end of the leasing period for the price that is fixed at the current sales price. During the lease-to-own period, the tenant/buyer pays towards the purchase price up to the maximum of 10% of the purchase price. These funds are deposited in the escrow account held by the Notary. If at the end of the leasing period, the purchase/sale of the unit cannot be materialized due to a fault of the tenant/buyer the deposit is transferred to APS.



3.11 INVESTMENTS IN DEBT SECURITIES CORPORATE AND TIME DEPOSITS

Investments in debt securities corporate and time deposits

All amounts are in thousand Netherlands Antillean guilders

	2022	2021
Debt securities corporate	83,260	87,766
Time deposits	130,000	139,000
Less: current portion investments	(90,000)	(49,000)
Total	123,260	177,766

The investments are split between current and non-current depending on the remaining maturity of the investments and its contractual cash flows.

The fair value for the debt securities is ANG 96 million (2021 ANG 103 million) and for the time deposits ANG 136 million (2021 ANG 120 million). The fair value has been calculated by discounting future expected cash flows of these investments at a discount rate of 3.50%.

3.12 INVESTMENTS IN FIXED INCOME AND EQUITY

Investments in fixed income and equity

All amounts are in thousand Netherlands Antillean guilders

	2022	2021
Fixed Income	96,212	42,332
Equity	249,822	302,106
Total	346,034	344,438

The fair value of the investments in fixed income and equity is based on the statements of the custodian banks, except for the investment strategies in which the Fund uses the report of the investment manager (see 'Financial instruments in the international portfolio measured at fair value' level 2 in note 3.7 for the amount).



3.13 LOANS & MORTGAGES

Loans & Mortgages

All amounts are in thousand Netherlands Antillean guilders

	2022	2021
RF Adventure St. Maarten N.V. Finance	18,040	15,438
Maho Hotel Operations B.V. Finance	28,165	34,447
Paradise Bay Resort N.V. Finance	5,406	6,250
SMMC Finance	4,235	3,538
HOP-INN Enterprises N.V. Finance	-	28,800
SXM Investment Agency B.V. Finance		-
PJIAE N.V. Finance	26,092	
Total Loans	81,939	88,474
Mortgages Oryx Residences	3,059	3,110
Total Mortgages	3,059	3,110

Loans & Mortgages are carried at amortized cost using the effective interest method.

Rain Forest Adventures Sint Maarten:

The Fund's participation in the financing of the Rain Forest Adventures Sint Maarten (hereinafter: RFA) is 68% of the total amount financed. The interest rate per Facility Agreement is the then prevailing rate for one-year USD LIBOR plus a margin of 5.25%, with minimum fixed rate of 6.00%. The financing was initially structured as a fourteen-year Senior Secured Term Loan Facility. The total term was extended with 8 months because RFA needed more time for construction due to the passing of Hurricane Irma in September 2017. The first interest payment was received in January 2019. Unfortunately, the market recovery and the operational measures undertaken by RFA did not yield the expected results in 2019, while the COVID-pandemic in 2020 and 2021 further negatively affected RFA operations. In 2022 RFA improved its performance, however, not sufficiently to service its debts. During the period 2019 -2022, RFA was unable to comply with the conditions of the Facility Agreement and subsequent loan restructuring agreement of September 2020. Consequently, as per the Facility Agreement, APS accrued the default interest over the periods the loan was in default. The Lenders have also taken additional steps towards securing their interests. RFA has been put on the increased monitoring and reporting schedule and the lenders appraised the value of the collateral and reenforced securities. Although, the appraised (market) value of the collateral was higher than the carrying value of the loan, due to the continuing non-performance of RFA an impairment of ANG 2.4 million has been booked in 2021. In 2022, market and RFA performance improved, and parties have commenced discussions on restructuring the financing agreement.

Maho Hotel Operations:

The Maho financing consists of four facilities/tranches. Each tranche has its own floating interest rate (4.15% plus three-month USD LIBOR/SOFR for tranches A, C and D, 1.50% plus three-month USD LIBOR/SOFR for tranche B). Tranche D has fixed floor interest rate of 5.5%. The tenor for the first two (2) tranches is ten (10) years, however the principal will be repaid over twelve (12) years. The third tranche commenced as a short-term construction loan with a tenor of eighteen (18) months. There is a moratorium on the principal repayment during this period, after which the loan will be rolled over into

a facility with a tenor of 8.5 years. The principal will be repaid over twelve (12) years. A fourth short-term tranche (D) was added in 2020 and has been fully repaid in 2022. Affected by travel bans and a general halt in tourism industry during 2020, Maho requested and received approval for several waivers in 2020. The waivers were related to deferral of the loan repayment and interest accrual and capitalization for all four quarters of 2020. Although the start of recovery was visible in 2021, the COVID-19 pandemic continued to affect the hotel business and Lenders have increased their monitoring of the Borrower performance and the loan performance. In December 2021, Maho restarted the repayments of the loan and is servicing the loan according to the agreement.

Paradise Bay Resort (Emerald Loan):

The Fund is participating in the financing of the construction of Paradise Bay Resort. The annual interest rate is 6.00%. The financing was structured as a short-term loan to be repaid within 120 days after completion of the construction. Full repayment was expected in Q4 2020 however, due to the two-months cease of construction in period March-May 2020 related to COVID-19 pandemic, the finalization of the construction was delayed as well as the loan repayment, which started in Q1 2021. Due to the extended negative effects of the COVID-19 pandemic on the global and local economy, the Borrower requested an extension of the loan repayment. In 2022, the loan maturity was extended to December 2023, interest and principal repayments continue as per amended facility agreement. Albeit with some delay, the Fund expects to fully recover the principal and interest of the Emerald Loan.

Stichting Sint Maarten Medical Center (SMMC) Loan

This loan is to finance the construction of the New General Hospital for Sint Maarten including medical equipment. The senior secured loan has an interest rate of 5.90% per annum and a tenor of 22 years. The first drawdown was in January 2020, and latest in December 2022. To date of this report, eleven percent (11%) of the APS loan commitment to SMMC has been utilized. In 2022 the lenders approved several amendments to the facility which will be implemented in 2023. The Fund expects that the loan will be fully utilized over the next three years. Repayment of the loan is expected to commence in 2026.

Hop-Inn Enterprises N.V. Loan

The Fund entered into a corporate loan financing agreement with Hop-Inn Enterprises N.V. in January 2021. This senior secured loan was fully repaid in October 2022.

PJIAE N.V. Finance

The Fund entered into a corporate loan financing agreement with PJIAE N.V. in May 2022. The senior secured loan has an interest rate of 4.75% per annum and a tenor of 10 years. Throughout 2022, PJIAE continued to service the loan according to the agreements. The Fund expects to fully recover the principal and interest of the loan.

Mortgages Oryx Residences:

APS has offered 100% financing to interested parties who qualify for a mortgage of the affordable homes in Cay Hill Oryx Residences developed by the Fund. Refer to section 1.6 for more details.



3.14 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries

SXM Investment Agency B.V. Finance	-	-
Total investment in subsidiary	-	-

Investments in subsidiaries are measured at fair value in line with IAS 26.

The SXM Investment Agency (hereinafter: SMIA) was formally established as an independent entity (BV) under the laws of Sint Maarten on April 28, 2020. Per end of 2020, the agency was fully operational. The main objective of SMIA was to recognize and act on investment opportunities that are beneficial for the sustainable development of Sint Maarten. As such, SMIA was established to facilitate syndicated loans, equity participations, and other financial actions and instruments to help improve the matching of supply and demand in Sint Maarten's capital market.

In 2022 the Fund decided to continue with SMIA with a somewhat changed organizational structure and purpose. Namely, SMIA will act as fiduciary for APS' local portfolio, will provide services only to APS, and will remain 100% owned by APS. As such, the financial asset 'Investment in subsidiaries' has been added as of December 31, 2022. Based on the preliminary financial results of SMIA, the equity of the subsidiary is negative, therefore APS' participation is valued at nil.

3.15 ACCOUNTS RECEIVABLE

The book value of the accounts receivable are as follows:

Accounts receivable

All amounts are in thousand Netherlands Antillean guilders

	2022	2021
Pension contribution/DT/VUT receivables	20,660	22,056
Total	20,660	22,056

The accounts receivable includes:

- *Duurtetoeslag* (DT) and *Vervroegde UitTreding* (VUT). These amounts are paid monthly in advance, along with the pension benefits payments to the beneficiaries of the Fund. The advanced amounts are subsequently invoiced to the affiliated employers of the Fund.
- Pension contribution

A new Debt Payment Agreement (DPA) was presented to the Government of Sint Maarten in October 2020 in an effort to eliminate the long outstanding accounts receivable. In June 2021, the Fund received a response from the Government of Sint Maarten requesting clarification and updated figures. APS provided answers and clarifications to the Minister of Finance in September 2021 and awaits further feedback from the Government on this matter.

As of Q4 2022 the outstanding invoices from the 2016 debt payment settlement agreement (invoices issued prior or on December 31, 2016) have been fully settled.

Accrued Interest receivables

All amounts are in thousand Netherlands Antillean guilders

	2022	2021
Accrued Interest receivables	10,860	7,452
Total	10,860	7,452

Accrued interest receivables comprise the amounts receivable for the debt securities corporate, loans and fixed income investments. The increase of the accrued interest receivable in 2022 is primarily due to interest accrual of the RFA loan and cumulative interest accrual of a multi-year time deposit for which the payment of the interest accrued is due upon maturity.

3.16 SHORT-TERM PORTION OF FINANCIAL ASSETS

Short term portion of financial assets

All amounts are in thousand Netherlands Antillean guilders

	2022	2021
Time deposits	90,000	49,000
Total	90,000	49,000

These are financial assets that will mature within one (1) year.

3.17 OTHER CURRENT ASSETS

The book value of other current assets is as follows:

Other current assets

All amounts are in thousand Netherlands Antillean guilders

	2022	2021
Prepaid expenses	163	77
Deposits	70	59
Other receivables	40	28
Total	273	164

Deposits are amounts received as rental deposits from tenants in the Professional Office Park and Oryx Residences investment property.

Other receivables relate to invoices for services paid in advance for the upcoming financial period such as medical insurance for the upcoming year, which in some years are paid in advance in December.

3.18 CASH AND CASH EQUIVALENTS

The book value of cash and cash equivalents is as follows:

Cash and cash equivalents

All amounts are in thousand Netherlands Antillean guilders

	2022	2021
Local banks	66,587	117,122
International banks	29,202	19,805
Total	95,789	136,928

3.19 EQUITY

All amounts are in thousand Netherlands Antillean guilders

	Retained Earnings	Total
Year ended December 31, 2021	35,037	35,037
<i>Result</i>		
(Negative)/positive result current year	(44,500)	(44,500)
Year ended December 31, 2022	(9,463)	(9,463)

3.20 PENSION BENEFITS OBLIGATION

The pension benefits obligation is based on an actuarial calculation considering the present value of the pension benefits and entitlements accumulated as per year end.

Pension benefits obligation

All amounts are in thousand Netherlands Antillean guilders

	2022	2021
Pension obligation beginning of the year	841,746	790,340
Net increase in pension obligation	(12,348)	51,406
Pension obligation end of the year	829,398	841,746

The calculation of the pension provisions is based on the following premises:

- The salary for January 1, 2022, is used for the calculation of the present value of the pension obligations;
- Actuarial return of 3.50% (vs 3.25% in 2021);
- Mortality tables: for men to the table 'GBM 2005-2010' with experiential mortality (forecast 2020) and for women the table 'GBV 2005-2010' with experiential mortality (forecast 2020) with a two-year age reduction for men and three-year age reduction for women;
- Orphan mortality is not considered; and
- The age difference between men and women is set at three (3) years.

Marriage frequencies:

- The assumption for men is that 90% of the active participants are married before their pensionable age date. The assumption for women is that 75% of the active participants are married before their pensionable age date.
- The actual marital status is used for participants with deferred rights and pensioners.

Costs:

The net pension benefit obligation is increased with 3% to cover the pension payment administrative costs.

Ages and period:

The actual age is calculated (without rounding off the age).

Burial assistance ('smartengeld'):

The pension benefit obligation for active participants and participants with deferred rights, has been increased by discounting the actuarial factors used in calculating the pension benefit obligation. This is done to cover the so-called 'smartengeld', which is the equivalent of three months of senior's pension benefits and is paid to surviving family members upon the demise of the pensioner.

The 'smartengeld' has been considered in the calculation of the pension benefits obligation for the pensioners.

The pension benefit obligation is calculated only for the registered employees from employers associated with the Fund.

3.21 ACCOUNTS PAYABLE

Accounts payable

All amounts are in thousand Netherlands Antillean guilders

	2022	2021
Accounts payable	174	213
Total	174	213

3.22 OTHER PAYABLES

Other payables

All amounts are in thousand Netherlands Antillean guilders

	2022	2021
Wage tax payable	198	175
AOV/AWW payable	17	17
AVBZ payable	32	32
ZV / OV payable	8	3
Premium SZV payable	161	161
TOT payable	7	7
Withholdings	18	20
Total	440	417



3.23 ACCRUED LIABILITIES

Accrued liabilities

All amounts are in thousand Netherlands Antillean guilders

	2022	2021
Deposit	73	89
Accrual Audit Fee	72	71
Accrual Vacation Days	29	30
Accrual Vacation Pay	42	45
Accrual consulting expenses	37	-
Other Accruals	136	592
Premiums Received in Advance	-	115
Premiums Received in Error	2,453	2,042
Accrued Liabilities	2,841	2,984

Accruals are done to ensure that revenues and expenses are recognized within the correct reporting period, irrespective of the timing of the related cash flow.

The annual premium analysis shows that as of December 31, 2022, the group for premiums received in advance has decreased to ANG 0.

The group that remains is the premium received in error which are amounts that were received erroneously.



3.24 PENSION PREMIUM INCOME

Pension premium contribution

All amounts are in thousand Netherlands Antillean guilders

	2022	2021
Regular pension premium contribution	29,396	29,413
Other contributions		
Contribution premium BB	16	29
Contribution premium WW	14	11
Premium restitution	(47)	(160)
Payback premium WW		
Total	29,378	29,294
Contribution previous years	702	6,244
Total	702	6,244

The Fund is currently invoicing premiums for registered employees from the employers that are affiliated with the Fund. The total premium for current year contributions is ANG 29 million.

As of July 1, 2020, the Fund is invoicing the total pension premium contributions at 18% of the gross salary as stated in the revised National Pension Ordinance Civil Servants, AB 2020, no. 34 (in Dutch: "Landsverordening herziening pensioen Overheidsdienaren" (LHPO)).

Contributions from previous years are pension premiums invoiced in the current financial year for past periods. These are premiums received for participants who were retroactively registered with the Fund; various employers are late in providing the necessary documents to register the participants in the Fund. The significant decrease compared to 2021 is attributable to the execution of the premium analysis policy in 2021. The affiliated employers provided the necessary documentation to have the files completed and have participants properly registered and process various mutations.

3.25 INVESTMENT INCOME

Investment income

All amounts are in thousand Netherlands Antillean guilders

	2022	2021
Investment properties income	1,704	1,396
Debt securities income	4,812	5,069
Income investments in fixed income and equity	(72,644)	56,856
Income loans	8,313	5,676
Mortgages	183	163
Time deposits income	4,262	3,822
Total	(53,370)	72,983

Investment properties income

The investment properties income is primarily the lease income from the tenants of the Professional Office Park and the Oryx Investment Property.

Debt securities income

The decrease in the debt securities income is due to the maturation of some of the government bonds.

Income investments in fixed-income and equity

Income investments in fixed income and equity are realized and unrealized gains/losses from foreign bonds and stock exchange-listed shares, and related interest revenue and dividends received. The decrease in the Income investments in fixed income and equity is attributable to negative market performance driven mainly by inflation concerns, pandemic-induced supply chain disruptions and unprecedented demand caused by ongoing pressure on major listed companies. Gains or losses arising from changes in the fair value are presented in the income statement in the period in which they arise.

Income Loans / Mortgages / Time deposits income

The recorded income is the accrued interest as per the contractual obligations.

3.26 OTHER INCOME

Other income

All amounts are in thousand Netherlands Antillean guilders

	2022	2021
Late payments penalty contributions	280	394
Total	280	394

The amount of the legal interest (3.00%) charged to the affiliated employers for the late payments of contributions or other outstanding amounts.

3.27 PENSION BENEFITS PAYMENTS

Pension benefits payments

All amounts are in thousand Netherlands Antillean guilders

	2022	2021
Retirement pensions	19,892	20,014
Widow pensions	1,938	1,749
Orphan pensions	126	118
Disability pensions	504	403
Smartegeld	104	129
Pension lumpsum	128	61
Other	(47)	9
Total	22,645	22,483

These are the amounts paid to the pensioners and other beneficiaries of the Fund.

3.28 INVESTMENT EXPENSES

Investment expenses

All amounts are in thousand Netherlands Antillean guilders

	2022	2021
Investment management expenses	1,475	1,586
Investment properties expenses	843	993
Business Loan expenses	-	3,682
Mortgage expenses	90	113
Expenses investments in fixed income and equity	5,608	4,790
Total	8,016	11,163

These are the costs of the investments of the Fund.

Investment management expenses

Investment management expenses represent the portion of the operating expenses of the Fund allocated to the administration of the investment portfolio/investment activities. Investment management expenses comprise the full cost of the investment services consultancy and Investment committee expenses, and forty percent (40%) of the personnel, office, travel, and Board expenses.

Investment properties expenses

The decreased expenses are mainly the result of lower costs related to the Oryx Residences.

Business loan expenses

This line item relates to the partial impairment of the RFA loan and the SXM Investment Agency (SMIA) loan. Loan to SMIA was fully impaired in 2021, and no additional loans were issued in 2022.

For the RFA loan, an impairment of ANG 2.4 million was booked in 2021 to reflect potentially uncollectable accrued and capitalized interest. The impaired amount is estimated based on the pro-rata shortfall of the latest appraised auction value of the collateral used as a security for the loan. Although the appraised market value of the collateral remains higher than the total outstanding RFA loan balance, management considered it prudent to record an impairment based on auction value, due to the continuing inability of RFA to service its obligations under this loan.

At the end of 2022 the lenders were discussing restructuring of the loan with RFA. Based on the projections of RFA business performance, positive developments of the local tourism market (relatively to period 2020-2021), measures taken by RFA to decrease the cost and increase revenue and the value of the securities and guarantees under the facility, the Fund is of the opinion that RFA loan will be successfully restructured. No impairments for RFA were booked in 2022.

Mortgage expenses

These expenses relate to the professional services from the mortgage bank.

Expenses investments in fixed income and equity

All amounts are in thousand Netherlands Antillean guilders

	2022	2021
Investment manager commission	5,465	4,654
Other investment (income) / expenses	143	135
Total	5,608	4,790

Investment manager commission

This is the fee paid to the investment / fund managers of the international portfolio. The total fee consists of a commission that is calculated as a percentage of the portfolio value at the end of each quarter. Additionally, some fund managers receive a performance fee. The total blended commission fee ranges between 1.1% and 1.3% per year.

Other investment (income)/expenses for fixed income and equity

This is the amount expensed for taxes withheld by the United States of America Internal Revenue Service (IRS) related to dividend income from equity positions held in the international portfolio.

3.29 OPERATING EXPENSES

Operating expenses

All amounts are in thousand Netherlands Antillean guilders

	2022	2021
Direct personnel expenses	1,828	2,427
Indirect personnel expenses	134	98
Office expenses	169	141
Housing expenses	265	269
Travel & Publicity expenses	207	137
Depreciation expenses	156	168
Automation expenses	334	368
Professional services expenses	824	1,314
Project team expenses	59	99
Board, Investment & Audit committee expenses	885	689
Other general expenses	64	101
Allocation to investment management expenses	(1,475)	(1,586)
Total	3,450	4,225

Employee benefits

The employees that are in service of the Fund are also participants in the APS pension scheme. In the table below, the amount expensed for this benefit for the staff is rendered. The Fund expects that the 2023 pension contribution will amount to ANG 244,000. This cost is part of the direct personnel expenses.

The cost in 2022 is lower as there is fewer staff in 2022; it is expected that there will be a gap between the end of the employment term of leaving staff and the start of the employment of new staff.

Pension contribution

All amounts are in thousand Netherlands Antillean guilders

	2023	2022
Pension contribution	204	234
Total	204	234

Lease expenses

The Fund rents three (3) office premises. The rental agreements are for a period of two (2) years, with an option to renew. This is the main component of housing expenses.

The Fund also leases security hardware such as security cameras. In the table below the amount paid for office rent and equipment lease is specified.



Lease expense

All amounts are in thousand Netherlands Antillean guilders

	2022	2021
Office rent	149	149
Equipment rental	7	8
Total	156	157

The Fund has no other lease agreements.

Allocation to investment management expenses

A portion of the operating expenses incurred for the purpose of the analysis, monitoring and management of the Fund's investment portfolio/investment activities is allocated to the investment management expenses (see note 3.28). Investment management expenses comprise of the full cost of the investment services consultancy and Investment committee expenses, and forty percent (40%) of the personnel, office, travel, and Board expenses.

3.30 FINANCIAL INCOME/ (EXPENSES)**Financial (expenses) / income**

All amounts are in thousand Netherlands Antillean guilders

	2022	2021
Bank charges	(800)	(62)
Exchange differences	97	(63)
Interest income (expenses)	957	1,609
Total	255	1,484

The increase in bank charges and exchange differences is mainly related to the transfer of ANG 90 million to the internal portfolio. This is also the reason for the decrease in interest income. The Fund had four (4) interest-bearing current/call deposit accounts per December 31, 2022. The cash position on these accounts decreased resulting in a decrease of bank interest for the Fund.



3.31 OTHER FINANCIAL INCOME/ EXPENSES

Other financial income / (expenses)

All amounts are in thousand Netherlands Antillean guilders

	2022	2021
Opening balance adjustment	17	17
Difference APC and APS	-	(869)
SMIA loan adjustment	-	(459)
Total	17	(1,311)

Opening balance adjustment

This adjustment comprises of prior years' income related to the Oryx Mortgages that are administered by Banco Di Caribe. The Fund was able to negotiate a lower fee for the administration. The Fund's mortgage expenses are recorded in the comprehensive result as part of investment expense, please refer to 3.28 for more details.

3.32 GOING CONCERN BASIS OF ACCOUNTING

The financial statements have been prepared on a going concern basis, which assumes that the Fund will be able to meet the pension benefit obligations.

The Fund recognized a loss of ANG 45 million for the year ended 2022. As explained in note 2, the main objective of the Fund is to ensure that the Fund will always be able to meet its obligations to its participants. Therefore, the Fund aims to achieve a coverage ratio of 105%. The current coverage ratio is 98.86% which is below the minimum of 100%. As the coverage ratio is less than 100%, APS will draw up a recovery plan according to the stipulations in article 89a of the Revised National Pension Ordinance Civil Servants, AB 2020, no. 34 (in Dutch: "Landsverordening herziening pensioen Overheidsdienaren" (LHPO))

3.33 COMMITMENTS

(a) Capital commitments

At the end of the reporting period, the Fund had the following capital commitments:

All amounts are in thousand Netherlands Antillean guilders

	Dec 31, 2022	Dec 31, 2021
Development Projects	5	13
Local investments	28	28
Total	33	42

Development Projects

The Fund has several real estate development projects, however, most have been put on hold. The projects have been described in detail in section 3.10 of the statements.

Local investments

The Fund has committed to the financing of one local investment (corporate loans).

(b) Other commitments

All amounts are in thousand Netherlands Antillean guilders

	Dec 31, 2022	Dec 31, 2021
No later than 1 year	1,989	1,965
Total	1,989	1,965

The Fund has a contract for the pension program for five (5) years.

The Fund rents three (3) office premises from the same landlord. The rental agreements were entered for a period of two (2) years, with an option to renew. The Fund is in the process of building its own office, and therefore has short-term contracts for office rental.

The Fund also leases various services and software under cancellable agreements. The Fund is required to give a two (2) to five (5)-month notice for the termination of these agreements. The agreement expenses are charged to the income statement during the year.

There are no future minimum payments under non-cancellable agreements.

3.34 RELATED PARTIES

The Board of the Fund consists of a maximum of five (5) members that are appointed by the Governor of Sint Maarten via a decree. The compensation of the Board is also determined via a decree from the

Governor of Sint Maarten. There are no short-term, post-employment, termination or other long-term benefits for the members of the Board.

The key management of the Fund includes two (2) directors ('directeur en adjunct-directeur'). The compensation paid or payable to the Board and key management is shown in the following table:

All amounts are in thousand Netherlands Antillean guilders

	2022	2021
Board compensation	118	110
Investment Committee's compensation	66	50
Audit Committee's compensation	-	-
Salaries key management		
Short term benefits key management	341	341
Pension contributions key management	33	33
Other long term benefits key management	19	19
Total	578	554

The increase compared to 2021 is mainly due to the IC vacancy per end of 2021 being filled in 2022.



3.35 INVESTMENTS HELD AT THE BEGINNING AND END OF THE PERIOD

All amounts are in thousand Netherlands Antillean guilders

	Value at December 31, 2021	Increase through investments	Decrease through disinvestments / amortization / sales	Change in market value/accumulated accrued return	Value at December 31, 2022
Investment properties					
Land & Buildings	40,365	182	-	-	40,547
Investment property	5,094	490	-	-	5,583
Sub-total	45,459	672	-	-	46,131
Investments in debt securities corporate and time deposits					
Debt security corporate	87,766	-	(4,506)	-	83,260
Time deposits	139,000	2,250	(11,250)	-	130,000
Sub-total	226,766	2,250	(15,756)	-	213,260
Loans					
Loans	88,474	-	(6,535)	-	81,939
Sub-total	88,474	-	(6,535)	-	81,939
Mortgages					
Mortgages	3,110	-	(51)	-	3,059
Sub-total	3,110	-	(51)	-	3,059
Investments in subsidiaries					
Investments in subsidiaries	-	-	-	-	-
Sub-total	-	-	-	-	-
Investments in fixed income and equity					
Fixed income	42,807	71,048	(9,875)	(4,106)	99,874
Equity	321,436	177,894	(153,747)	(70,221)	275,363
Sub-total	364,243	248,942	(163,622)	(74,327)	375,236
TOTALS	728,051	251,864	(185,964)	(74,327)	719,625

3.36 EVENTS AFTER THE REPORTING DATE

(a) Finalization of new Investment policy

The results of the last ALM have indicated possible and necessary adjustments in the investment policies. The (new) strategic framework and strategic asset allocation were approved in 2022. In 2023 fund will work on finalizing new comprehensive investment policy.

(b) Appointment of the IC member

At the end of 2022, one of the IC member positions was vacant. In April 2023, Ms. Myrtille Brookson was reappointed as the IC member. The Investment Committee is fully staffed as of April 11, 2023.

(c) Fire at Mary's Fancy Development

On March 12, 2023, one of the buildings at the Mary's Fancy Plantation caught fire. Fortunately, the rest of the monuments are still intact. Per the date of this report, APS is awaiting the official report from the Fire Department.

The representatives of the Fund will continue to work closely with the authorities to determine the cause of the fire and have taken several necessary steps to prevent such incidents from happening in the future. APS is yet to assess the impact of the fire on the fair value of the property. The assessment will be done once the above-mentioned steps are completed.

(c) Restructure of the RFA Loan

Following extensive discussions in 2022 and detailed analysis of the market and borrowers' financial projections, the lenders proposed loan restructuring agreement to RFA in May 2023. Formal reply and acceptance by RFA are pending.

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INDEPENDENT AUDITOR'S REPORT

A teal vertical bar is positioned above a handwritten signature in blue ink. The signature appears to be 'S. M.' with a horizontal line extending to the left.

**To Management and the Board of the
Algemeen Pensioenfonds Sint Maarten
St. Maarten**

Reference: HEB/67.377.0/48376

Independent Auditor's Report

Report on the financial statements included in the annual report

In our opinion, the financial statements give a true and fair view of the financial position of Algemeen Pensioenfonds Sint Maarten (the "fund") as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

We have audited the financial statements 2022 of Algemeen Pensioenfonds Sint Maarten, based in Sint Maarten.

The entity's financial statements comprise:

1. the statement of financial position as at 31 December 2022;
2. the statement of comprehensive result for the year then ended;
3. the statement of changes in equity for the year then ended;
4. the statement of cash flows for the year then ended; and
5. the notes to the financial statements, which include a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the consolidated financial statements is International Financial Reporting Standards and the relevant provisions of Book 2 of the Civil Code applicable for St. Maarten.

Basis for our opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter concerning the funding ratio

We draw attention to the paragraph 'Going concern basis of accounting' in Note 3.32 to these financial statements, in which it is noted that the current funding ratio is 98,86% which is lower than the target of 105%. This indicates that the assets of Algemeen Pensioenfonds Sint Maarten on balance sheet date are insufficient to cover the pension obligations. Management is of the

opinion that the fund will be able to meet its obligations to the beneficiaries in the future due to pension reform and financing thereof. Our opinion is not modified in respect of this matter.

Independence

We are independent of the fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). Furthermore we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA – Code of Ethics for Professional Accountants, a regulation with respect to rules of professional conduct).

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of the Board report.

Based on the procedures performed as set out below, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of International Standards on Auditing 720. The scope of such procedures was substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information.

Responsibilities for the financial statements and the audit

Responsibilities of management and the board for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with in accordance with Book 2 of the Civil Code applicable for St. Maarten and International Financial Reporting Standards. Furthermore, management is responsible for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the fund's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going-concern basis of accounting unless management either intends to liquidate the fund or to cease operations or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the fund's ability to continue as a going concern in the financial statements.

The Board is responsible for overseeing the fund's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion.

Our audit opinion aims to provide reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high but not absolute level of assurance which makes it possible that we may not detect all misstatements.

Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit in accordance with International Standards on Auditing (ISAs), ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted, among other things of the following:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and evaluate whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

St. Maarten, 7 June, 2023
Grant Thornton St. Maarten



Herbert Beldman AA RA CIA

INDEPENDENT ACTUARIAL REPORT





Certificeringsrapport Boekjaar 2022

Algemeen Pensioenfonds Sint Maarten

25 mei 2023

wtw

Disclaimer

Dit actuariële rapport is voor het bestuur geschreven om te voldoen aan uw rapportageverplichtingen aan de Centrale Bank van Curaçao en Sint Maarten onder de voorwaarden van onze overeenkomst met het pensioenfonds. Het rapport is mogelijk niet geschikt voor gebruik in een andere context of voor andere doeleinden en wij aanvaarden dan ook geen aansprakelijkheid voor dergelijk gebruik.

Dit rapport mag niet openbaar worden gemaakt of worden verstrekt aan derden anders dan schriftelijk met u overeengekomen. Deze bepaling geldt niet voor het verstrekken van het rapport aan de betrokken certificerende accountant, de betrokken administrateur, de aangesloten onderneming(-en), de bij het fonds betrokken organen en aan de Centrale Bank van Curaçao en Sint Maarten, in haar hoedanigheid als toezichhouder, onder de voorwaarden zoals met u overeengekomen in de overeenkomst. Willis Towers Watson aanvaardt geen verantwoordelijkheid, noch enige zorgplicht of aansprakelijkheid jegens derden, waaronder begrepen bovengenoemde derden, die een kopie van dit rapport verkrijgen. Elk vertrouwen door een derde op ons rapport is volledig voor risico van die derde.

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Inleiding

Het bestuur van Algemeen Pensioenfonds Sint Maarten heeft WTW opdracht gegeven om de certificerende werkzaamheden voor het boekjaar 2022 te verrichten.

Dit rapport beschrijft het onderzoek naar de financiële positie van het pensioenfonds per 31 december 2022 en de ontwikkeling hiervan gedurende 2022. Voor deze beoordeling worden onder andere de volgende aspecten getoetst:

- de Voorziening Pensioenverplichtingen (hierna: VPV);
- de kostendekkendheid van de premie;
- het resultaat over het boekjaar;
- de toereikendheid van de middelen van het pensioenfonds.

In het kader van de certificeringsopdracht is op 25 mei 2023 een actuariële verklaring afgegeven. De actuariële verklaring is gebaseerd op de concept jaarrekening van 19 mei 2023 en is geldig indien de jaarrekening door het bestuur wordt vastgesteld met een goedkeurende verklaring van de accountant.

De externe accountant heeft verklaard dat de basisgegevens, waaronder begrepen de tot de balansdatum opgebouwde pensioenaanspraken en -rechten, in het kader van diens controle van de jaarrekening op juistheid en volledigheid zijn gecontroleerd en beoordeeld. De basisgegevens waarop de VPV is gebaseerd, zijn verstrekt door en tot stand gekomen onder de verantwoordelijkheid van het bestuur van het pensioenfonds. Deze gegevens zijn ontleend aan de deelnemersadministratie van het pensioenfonds, die wordt uitgevoerd door het pensioenfonds zelf.

Naast dit certificeringsrapport is door de adviserend actuaire van het fonds een actuariële rapport opgesteld. Daarom worden in onze rapportage de samenstelling en het verloop van de VPV en de actuariële analyse van het resultaat buiten beschouwing gelaten. Voor een gedetailleerde behandeling van deze onderwerpen verwijzen wij u naar het actuariële rapport 2022 van de adviseur. Met de in het rapport opgenomen cijfers gaan wij akkoord.

De jaarrekening en het jaarverslag zijn door het pensioenfonds zelf opgesteld en aan ons verstrekt. Wij baseren onze rapportage op deze gegevens die door de accountant Grant Thornton St. Maarten zijn beoordeeld.

Alle bedragen in dit certificeringsrapport zijn afgerond op een veelvoud van duizend Antilliaanse guldens (ANG), tenzij expliciet anders aangegeven.

Towers Watson Netherlands B.V.

drs. R.T. Schilder AAG

Managementsamenvatting

Samenvatting, opmerkingen en aanbevelingen

Naar aanleiding van onze controlewerkzaamheden hebben wij een aantal zaken geconstateerd die wij graag onder de aandacht van het bestuur brengen.

Samenvatting

- De dekkingsgraad (de verhouding tussen de aanwezige activa en de VPV) is per 31 december 2022 gelijk aan 98,8% (2021: 104,1%). De pensioenverplichtingen worden daarmee niet afgedekt door het aanwezige vermogen. Er is niet voldoende vermogen aanwezig ter dekking van de algemene risico's en de beleggingsrisico's.

De grootste resultaten dit jaar zijn veroorzaakt door de aanpassing van de rekenrente (toename dekkingsgraad met 4,2%) en door het resultaat op beleggingen (afname dekkingsgraad met -10,3%). Per saldo is de dekkingsgraad door overige oorzaken met 0,8%-punt gestegen.

Opmerkingen en aanbevelingen

- Herstelplan

Eind 2022 is de dekkingsgraad onder de 100%. Volgens de herziening van de Landsverordening Algemeen Pensioenfonds uit 2020 dient het fonds binnen drie maanden na vaststelling van de jaarrekening een herstelplan op te stellen teneinde binnen een termijn van uiterlijk vijf jaren uit tekort te komen. Dit herstelplan dient goedgekeurd te zijn door de CBCS.

Indien de dekkingsgraad van het fonds gedurende vijf jaareinden onder de 100% blijft dienen deelnemers en werkgevers gezamenlijk een bijdrage te leveren zodanig dat de dekkingsgraad 100% wordt. Wij hebben begrepen dat opstellen van het herstelplan na afronding jaarverslag direct wordt opgepakt door het fonds.

In het herstelplan zal worden ingegaan op de verwachte effecten van opbouw, renteontwikkeling en beleggingsresultaten. Gezien de stijgende rente is het zeer wel mogelijk dat de rekenrente gedurende 2023 verder verhoogd zal worden. Als daarnaast de beleggingsresultaten positief zijn, bestaat een aanzienlijke kans dat de dekkingsgraad eind 2023 boven de 105% zal uitkomen. Conform de huidige pensioenlandsverordening dient het fonds bij een dekkingsgraad boven de 105% een volledige indexatie verleend dient te worden, zolang de dekkingsgraad na indexatie tenminste 105% blijft.

Gezien de huidige inflatieniveaus bestaat de kans dat dit betekent dat na iedere indexatieverlening de dekkingsgraad op 105% staat. Dit kan als gevolg hebben dat het langere tijd duurt voordat de gewenste dekkingsgraad van 115% wordt bereikt.

Mede in het licht van de grote volatiliteit op de aandelenmarkten en de grote effecten die aanpassing van de rekenrente op de dekkingsgraad hebben geven wij het bestuur in overweging om bij het toekennen van indexaties een extra voorzorg in te bouwen, waarmee de dekkingsgraad bestendiger zal ontwikkelen.

- Aanpassing rekenrente

Het fonds heeft de rekenrente in 2022 verhoogd van 3,25% naar 3,50%. Dit heeft geleid tot een toename van de dekkingsgraad van 4,2%. Wij hebben vastgesteld dat de rekenrente conform het beleid is bepaald.

- Toekomstige uitvoeringskosten

In de VPV is een opslag van 3,0% begrepen voor toekomstige uitvoeringskosten. Deze voorziening is bestemd voor toekomstige kosten die nodig zijn voor het afwikkelen van de opgebouwde verplichtingen als er geen verdere premie-inkomsten zijn.

Wij bevelen aan om de gehanteerde opslag te toetsen en in het beleid vast te leggen met welke frequentie grondslagen periodiek wordt getoetst.

- **Beleggingsbeleid**

Het percentage liquide middelen van het totaal belegd vermogen is 11,7% in 2022. Dit percentage is opnieuw aanzienlijk hoger dan de strategisch beoogde 1%. Gezien de huidige rentestand genereren de liquide middelen niet genoeg vermogen om de benodigde interest van 3,50% te realiseren.

Wij bevelen opnieuw aan om onderzoek te verrichten om het beleggingsbeleid in lijn te brengen met het strategisch beleggingsbeleid. Of indien dit om praktische redenen niet mogelijk is, te onderzoeken of het huidige strategisch beleggingsbeleid wel realistisch is.

Daarnaast kenmerken de financiële markten zich door een hoge mate van volatiliteit, hoge inflatie en oplopende rentes.

Gezien bovenstaande ontwikkelingen bevelen wij aan om een ALM uit te voeren.

- **Kostendekkende premie**

De totale premie-inkomsten in 2022 waren hoger dan de kostendekkende premie. Indien rekening wordt gehouden met de solvabiliteitsopslag is de premie niet kostendekkend. De premiemarge zal naar verwachting in 2023 weer toenemen door de verhoging van de rekenrente.

Wij hebben begrepen dat het bestuur heeft besloten om vanaf 2023 de solvabiliteitsopslag op 5% te stellen indien de dekkingsgraad lager is dan 105% en op de dekkingsgraad boven de 100% indien de dekkingsgraad hoger is dan 105%. Daarnaast zal de kostenopslag in de premie worden verlaagd van 2,75% naar 2,25%.

- **Fondsdocumenten**

Wij bevelen aan om de abtn bij te werken naar de meest recente informatie.

- **Administratie basisgegevens**

Wij hebben geconstateerd dat bij de gepensioneerde deelnemers niet altijd de gegevens van de partner bekend zijn. Dit betreft de gepensioneerde deelnemers die zijn overgekomen uit de afsplitsing van APNA. Hierdoor kan het

zijn dat niet bij het fonds bekend is of een partner inmiddels is overleden. Het pensioenfonds houdt voor al deze deelnemers een latent partnerpensioen aan. Hiermee wordt de voorziening voor latent partnerpensioen bij gepensioneerden prudent ingeschat.

Wij bevelen aan om de gegevens van de partners voor deze groep nader uit te zoeken en in de administratie op te nemen.

Opvolging aanbevelingen vorig jaar

- **Herstelplan**

Eind 2021 is het korte termijn herstelplan geactualiseerd. Hieruit blijkt dat het fonds naar verwachting eind 2023 de gewenste minimale dekkingsgraad van 105% bereikt heeft. Indien de rente volgens verwachting verder verlaagd wordt, wordt deze gewenste dekkingsgraad mogelijk niet bereikt. Wij willen het fonds aanbevelen om te onderzoeken welke stappen gezet kunnen worden om de gewenste dekkingsgraad binnen de beoogde hersteltermijn te bereiken.

Wordt uitgevoerd na afronden van jaarverslag 2022.

- **Kwaliteit analyse**

In 2020 is de pensioenuitvoerder overgegaan op een nieuw administratiesysteem. Wij hebben vorig jaar aanbevolen om ook de regeling in Contract 2 in te regelen in het nieuwe administratiesysteem.

We constateren dat deze aanbeveling niet is opgevolgd. Het fonds geeft aan dit in 2022 te verwerken.

De administratie is in 2022 aangepast.

We hebben geconstateerd dat er fouten in de inregeling van het administratiesysteem zitten, waardoor de juistheid van het verloop van de voorziening handmatig dient te worden gecorrigeerd. Dit betreft bijvoorbeeld de langlevens opslag van 3% die nog in de administratie is verwerkt en de opslag voor eenmalige uitkering bij overlijden die nog niet is verwerkt.

Wij bevelen het fonds met klem aan dit zo spoedig mogelijk op te lossen en te herstellen om de betrouwbaarheid van de pensioenuitvoering en de monitoring van de VPV te waarborgen. Het fonds geeft aan dit in 2022 te verwerken.

De administratie is in 2022 aangepast.

- Het percentage liquide middelen van het totaal belegd vermogen is 15,6% in 2021. Dit percentage is aanzienlijk hoger dan de strategisch beoogde 1%. Gezien de huidige rentestand genereren de liquide middelen niet genoeg vermogen om de benodigde interest van 3,25% te realiseren.

Wij bevelen aan om onderzoek te verrichten om het beleggingsbeleid in lijn te brengen met het strategisch beleggingsbeleid. Of indien dit om praktische redenen niet mogelijk is, te onderzoeken of het huidige strategisch beleggingsbeleid wel realistisch is. Het fonds geeft aan hiermee bezig te zijn.

Niet opgevolgd in 2022.

- De totale premie-inkomsten in 2021 waren hoger dan de kostendekkende premie (inclusief solvabiliteitsopslag). De pensioenpremie is daarmee kostendekkend. De verlaging van het opbouwpercentage (van 2,0% naar 1,75%) is hier de belangrijkste oorzaak van.

We wijzen erop dat de reeds doorgevoerde verlaging van de rekenrente per eind 2021, en de eventuele verdere verlaging hiervan in de toekomst, een negatief effect zullen hebben op de kostendekkendheid van de premie.

De kostendekkendheid van de pensioenpremie voor alleen de actuariële kosten komt hiermee naar verwachting ook onder druk.

De huidige gewenste solvabiliteitsopslag van 15% is in het verleden tot stand gekomen. Wij hebben begrepen dat de hoogte van deze opslag is onderzocht, maar dat hierover nog geen besluit is genomen door het bestuur.

De premiemarge zal naar verwachting in 2023 toenemen door de hogere rekenrente. Wij hebben begrepen dat het bestuur heeft besloten om vanaf 2023 de solvabiliteitsopslag op 5% te stellen indien de dekkingsgraad lager is dan 105% en op de dekkingsgraad boven de 100% indien de dekkingsgraad hoger is dan 105%.

Kengetallen

Verslagjaar	2022	2021
Uit de balans einde verslagjaar		
A. Voorziening pensioenverplichtingen (VPV)	829.398	841.746
B. Pensioenvermogen	819.732	876.503
Dekkingsgraad (=B/A*100%)	98,8%	104,1%
Premie tijdens verslagjaar		
Totale actuariële kosten	26.782	25.242
Totale premie-inkomsten	29.378	29.294
Kenmerken einde verslagjaar		
Totaal aantal actieven	2.529	2.602
Totaal aantal actieven en inactieven	5.162	5.064
VPV actieven als percentage van VPV	47,0%	47,8%
VPV slapers als percentage van VPV	12,6%	10,8%
VPV pensioengerechtigden als percentage van VPV	40,4%	41,8%
Gemiddelde leeftijd actieven (ongewogen)	45,3	44,7
Gemiddelde leeftijd totaal (ongewogen)	51,4	51,0
Totale pensioengrondslagsom (in 1000 ANG)	114.288	115.392
Gemiddeld salaris (in ANG, ongewogen)	66.448	65.384

Actuariële verklaring



Actuariële verklaring

Opdracht

Door het Algemeen Pensioenfonds Sint Maarten is aan Towers Watson Netherlands B.V. de opdracht verleend tot het afgeven van een actuariële verklaring als bedoeld in de Pensioenwet over het boekjaar 2022.

Onafhankelijkheid

Als waarmede actuaire ben ik onafhankelijk van Algemeen Pensioenfonds Sint Maarten. Ik verricht geen andere werkzaamheden voor het pensioenfonds.

Gegevens

De gegevens waarop mijn onderzoek is gebaseerd, zijn verstrekt door en tot stand gekomen onder de verantwoordelijkheid van het bestuur van het pensioenfonds.

Voor de toetsing van de technische voorzieningen en voor de beoordeling van de vermogenspositie heb ik mij gebaseerd op de financiële gegevens die ten grondslag liggen aan de jaarrekening.

Afstemming accountant

Ik heb voorts gebruik gemaakt van de door de accountant in het kader van de jaarrekeningcontrole onderzochte basisgegevens. De accountant van het pensioenfonds heeft mij geïnformeerd over zijn bevindingen ten aanzien van de betrouwbaarheid (materiële juistheid en volledigheid) van de basisgegevens en de overige uitgangspunten die voor mijn beoordeling van belang zijn.

Werkzaamheden

Als onderdeel van de werkzaamheden voor de opdracht heb ik onder meer onderzocht of:

- De voorziening pensioenverplichtingen toereikend is vastgesteld;

- De ontvangen premie toereikend is.

Voorts heb ik mij een oordeel gevormd over de vermogenspositie van het pensioenfonds. Daarbij heb ik mij gebaseerd op de tot en met balansdatum aangegane verplichtingen en de op dat moment aanwezige middelen en is mede het financieel beleid van het pensioenfonds in aanmerking genomen.

Mijn onderzoek heb ik zodanig uitgevoerd, dat een redelijke mate van zekerheid wordt verkregen dat de resultaten geen onjuistheden van materieel belang bevatten.

De beschreven werkzaamheden en de uitvoering daarvan zijn in overeenstemming met de binnen het Koninklijk Actuarieel Genootschap geldende normen en gebruiken en vormen naar mijn mening een deugdelijke grondslag voor mijn oordeel.

Oordeel

De voorziening pensioenverplichtingen is, overeenkomstig de beschreven berekeningsregels en uitgangspunten, als geheel gezien, toereikend vastgesteld.

De ontvangen premie is voldoende om de toegekende aanspraken in 2022 te financieren. De ontvangen premie is echter niet voldoende als rekening wordt gehouden met de solvabiliteitsopslag van 15%.

Mijn oordeel over de vermogenspositie van APS is gebaseerd op de tot en met balansdatum aangegane verplichtingen en de op dat moment aanwezige middelen.

Wij hebben geconstateerd dat het eigen vermogen van het pensioenfonds negatief is. Er is geen sprake van dekking door waarden.

De vermogenspositie is naar mijn mening slecht, omdat de dekkingsgraad lager is dan 100%.

Amstelveen, 25 mei 2023

drs. R.T. Schilder AAG
Verbonden aan Towers Watson Netherlands B.V.

Toelichting op actuariële verklaring

- Financiële positie
- Voorziening Pensioenverplichtingen
- Premie

Financiële positie

Dekkingsgraad

De dekkingsgraad is in het boekjaar gedaald van 104,1% naar 98,8%.

Uitsplitsing VPV	31 december 2022	31 december 2021
A: VPV	829.398	841.746
B: Pensioenvermogen	819.732	876.503
Dekkingsgraad (=B/A*100%)	98,8%	104,1%

De verslechtering van de financiële positie wordt voornamelijk verklaard door een negatief resultaat op beleggingsopbrengsten (-10,3%). De wijziging van de rekenrente resulteert in een positief resultaat (4,2%). Per saldo leidt dit tot een daling van de dekkingsgraad met 6,1%-punt.

De ontwikkeling van de dekkingsgraad is nader toegelicht in het actuariële rapport van de adviserend actuaaris.

Vermogenspositie

Het fonds kan ultimo 2022 aan de huidige reglementaire verplichtingen ten opzichte van de huidige deelnemers, gewezen deelnemers en pensioengerechtigden voldoen.

Wij merken op dat de post vorderingen 20.660, oftewel 2,5% van het totale pensioenvermogen (2021: 22.056). Het percentage ligt daarmee onder de door CBCS voorgeschreven grens van maximaal 10%.

Het percentage liquide middelen van het totaal belegd vermogen is in 2022 11,7%. Dit percentage is aanzienlijk hoger dan de strategisch beoogde 1%. Gezien de huidige rentestand genereren de liquide middelen niet genoeg vermogen om de benodigde interest van 3,25% (vanaf 2023: 3,50%) te realiseren.

Wij bevelen aan om onderzoek te verrichten om het beleggingsbeleid in lijn te brengen met het strategisch beleggingsbeleid. Of indien dit om praktische redenen niet mogelijk is, te onderzoeken of het huidige strategisch beleggingsbeleid wel realistisch is.

Weerstandsvermogen en solvabiliteit

De financiële positie is in het boekjaar verslechterd. De verplichtingen worden niet gedekt door het aanwezige vermogen. Er is niet voldoende vermogen aanwezig ter dekking van de algemene risico's en de beleggingsrisico's. Het pensioenfonds verkeert eind 2022 in een situatie van dekkingstekort.

Herstelplan

Het pensioenfonds heeft in 2018 een kortetermijnherstelplan opgesteld, gericht om binnen vijf jaar een dekkingsgraad van 105% te bereiken. In 2019 is dit herstelplan geactualiseerd. Volgens deze actualisatie is het fonds tijdig uit dekkingstekort, als de pensioenregeling zou worden aangepast van een eindloonregeling naar een middelloonregeling in 2020. Ondanks de aanpassing van de pensioenregeling is de dekkingsgraad nog lager dan 105%, door de aanpassing van de sterftegrondslagen en de verlaging van de rekenrente.

Eind 2021 is het korte termijn herstelplan geactualiseerd. Hieruit blijkt dat het fonds naar verwachting eind 2023 de gewenste minimale dekkingsgraad van 105% bereikt heeft. Indien de rente volgens verwachting verder verlaagd wordt, wordt deze gewenste dekkingsgraad mogelijk niet bereikt. Wij willen het fonds aanbevelen om te onderzoeken welke stappen gezet kunnen worden om de gewenste dekkingsgraad binnen de beoogde hersteltermijn te bereiken.

Eind 2022 is de dekkingsgraad onder de 100%. Volgens de herziening van de Landsverordening Algemeen Pensioenfonds uit 2020 dient het fonds binnen drie maanden na vaststelling van de jaarrekening een herstelplan op te stellen teneinde binnen een termijn van uiterlijk vijf jaren uit tekort te komen. Dit herstelplan dient goedgekeurd te zijn door de CBCS. Wij hebben begrepen dat opstellen van het herstelplan na afronding jaarverslag direct wordt opgepakt door het fonds.

Indien de dekkingsgraad van het fonds gedurende vijf jaareinden onder de 100% blijft dienen deelnemers en werkgevers gezamenlijk een bijdrage te leveren zodanig dat de dekkingsgraad 100% wordt.

Actuariële analyse van het resultaat

De actuariële analyse van het resultaat is opgenomen in het actuariële rapport 2022 van de adviseur. Voor zover sprake is van opvallende punten, zijn deze aldaar verklaard en toegelicht.

Eén en ander ondersteunt het oordeel dat de VPV correct zijn vastgesteld.

Voorziening pensioenverplichtingen

Ontvangen bestanden

Wij hebben op 4 april 2023 het deelnemersbestand met twee contracten van de adviseur van het pensioenfonds ontvangen. Het deelnemersbestand uit de pensioenadministratie ligt ten grondslag aan dit deelnemersbestand met aanpassingen i.v.m. de nieuwe grondslagen. De verklaring van de accountant bij de basisgegevens is bij dit bestand afgegeven.

Wij hebben geconstateerd dat bij de gepensioneerde deelnemers niet altijd de gegevens van de partner bekend zijn. Dit betreft de gepensioneerde deelnemers die zijn overgekomen uit de afsplitsing van APNA. Hierdoor kan het zijn dat niet bij het fonds bekend is of een partner inmiddels is overleden. Het pensioenfonds houdt voor al deze deelnemers een latent partnerpensioen aan. Hiemee wordt de voorziening voor latent partnerpensioen bij gepensioneerden prudent ingeschat.

Wij bevelen aan om de gegevens van de partners voor deze groep nader uit te zoeken en in de administratie op te nemen.

Voorziening Pensioenverplichtingen

De VPV vertegenwoordigt de waarde van de pensioenverplichtingen van het fonds. De VPV wordt berekend op basis van de opgebouwde rechten en aanspraken per balansdatum. De grondslagen voor de bepaling van de VPV worden in bijlage A beschreven. De belangrijkste grondslagen zijn een rekenrente van 3,5%, de GBM/V 2005-2010 met een leeftijdsterugstelling van twee jaar bij de mannen en drie jaar bij de vrouwen, en een prognose van de toename van de toekomstige levensverwachting volgens de Nederlandse Prognosetafel AG2020.

In bijlage A is een samenvatting gegeven van de belangrijkste veronderstellingen en grondslagen.

Onze controle van de VPV betreft onder meer de juistheid van de voorziening per afzonderlijke groep en de volledigheid van de in aanmerking genomen verplichtingen. De controle vindt onder andere plaats door het narekenen van de VPV en het nagaan van de effecten van bestandsmutaties.

Voor de betrouwbaarheid van de uitkomsten en de gegevens wordt informatie verkregen uit de analyse van het resultaat.

De VPV voor de actieve deelnemers is vastgesteld als de contante waarde van de opgebouwde pensioenaanspraken. De VPV voor gewezen deelnemers en pensioengerechtigden is gelijk aan de contante waarde van de toegekende pensioenaanspraken en -rechten.

De samenstelling van de VPV naar onderdelen is als volgt:

Uitsplitsing VPV	31 december 2022	31 december 2021
Actieven ¹	390.141	400.035
Gewezen deelnemers (slapers) ²	104.157	91.273
Pensioengerechtigden ³	334.778	350.079
<i>Extracomptabel:</i>		
Onvindbaren	322	359
Totale VPV	829.398	841.746

In bovenstaande verdeling zijn de arbeidsongeschikte deelnemers meegenomen in de groep gepensioneerden.

Toeslagverlening

In het pensioenreglement is sprake van een voorwaardelijke toeslag welke is gebaseerd op de consumptieprijs-index en (gedeeltelijk) kan worden toegekend afhankelijk van de financiële positie van het fonds.

In het boekjaar is geen sprake geweest van een toeslag binnen het fonds.

¹ De VPV voor bijzondere nabestaanden met status 45 zijn opgenomen bij actieve deelnemers.

² De VPV voor bijzondere nabestaanden met status 46 zijn opgenomen bij gewezen deelnemers.

³ De VPV voor bijzondere nabestaanden met status 55 zijn opgenomen bij pensioengerechtigden.

Disconteringsvoet

Bij het berekenen van de VPV wordt uitgegaan van een vaste rekenrente van 3,50%.

De rekenrente bedroeg in 2022 3,25%. Per 31 december 2022 is deze gewijzigd naar 3,50% naar aanleiding van een aanbeveling van de adviserend actuaaris. In overeenstemming met het vastgestelde beleid onderschrijven wij de conclusie van de adviserend actuaaris dat per 31 december 2022 een rekenrente van 3,50% gehanteerd kan worden.

Wij bevelen het fonds aan om actief te monitoren of de gehanteerde disconteringsvoet ook voor de toekomst voldoende prudent blijft.

Kanssystemen

Het fonds hanteert voor sterftekansen een prognosetafel met leeftijdsterugstellingen. Deze grondslag is niet gewijzigd in 2022.

Toekomstige uitvoeringskosten

In de VPV is een opslag van 3,0% begrepen voor toekomstige uitvoeringskosten. Deze voorziening is bestemd voor toekomstige kosten die nodig zijn voor het afwickelen van de opgebouwde verplichtingen als er geen verdere premie-inkomsten zijn.

Wij bevelen aan om de gehanteerde opslag te toetsen en in het beleid vast te leggen met welke frequentie grondslagen periodiek wordt getoetst.

Wij achten de gehanteerde grondslagen als geheel gezien voldoende prudent.

Premie

Financiering ouderdomspensioen

Wij hebben geconstateerd dat het ouderdomspensioen wordt gefinancierd op basis van kapitaaldekking.

Voor de pensioenregeling worden zowel bijdragen door deelgenoten als bijdragen door de werkgevers betaald. De totale bijdrage bedraagt 18% van de bijdragegrondslag. De bijdragegrondslag is het ambtelijk inkomen voor dat jaar. De bijdragen van de deelgenoten in de pensioenregeling bedragen 8% van de bijdragegrondslag verminderd met de franchise. Dit deel wordt door de werkgever ingehouden op de inkomsten van de overheidsdienaar.

Na pensionering wordt een bijdrage van 3% voor het weduwe-, weduwnaars- en wezenpensioen geheven over het eigen pensioen (alleen voor mensen in de overgangsregeling). Verder zijn door de deelgenoten extra bijdragen verschuldigd over vervulde diensttijd vóór de aanvang van het deelgenootschap.

De financiering en reservering van de duurtetoeslag en VUT-regeling vindt buiten het pensioenfonds plaats. Derhalve is hiermee geen rekening gehouden.

Betaalde premie versus actuariële kosten

In volgende tabel worden de diverse componenten in bedragen getoond en vergeleken met de reguliere premie-inkomsten in 2022, met tevens de vergelijkende cijfers over 2021.

Actuariële kosten versus reguliere premie-inkomsten	2022	2021
Comingservice	20.652	19.186
Opslag overlijdensrisico	826	767
Opslag arbeidsongeschiktheidsrisico	816	814
Opslag voor beheerskosten	4.488	4.475
Totale actuariële kosten	26.782	25.242
Reguliere premie inkomsten	29.378	29.294
-/- buitengewone bijdrage	-/- 16	-/- 29
Overschot/(Tekort)	2.580	4.023
Solvabiliteitsopslag (15%)	3.344	3.115
Overschot/(Tekort) incl. solvabiliteitsopslag	-/- 764	908

De totale premie-inkomsten bedroegen 29.378. De kostendekkende premie bedroeg 26.782. Na correctie van de buitengewone bijdrage, die nodig is voor de risicoverzekering, resteert een overschot van 2.580. De premie is daarmee kostendekkend.

Indien er rekening gehouden wordt met een solvabiliteitsopslag van 15% in de premie, bedraagt het tekort 764. Dit betekent dat de premie niet bijdraagt aan de instandhouding van een eigen vermogen binnen het pensioenfonds en de dekkingsgraad doet afnemen.

Wij hebben begrepen dat het bestuur heeft besloten om vanaf 2023 de solvabiliteitsopslag op 5% te stellen indien de dekkingsgraad lager is dan 105% en op de dekkingsgraad boven de 100% indien de dekkingsgraad hoger is dan 105%. Daarnaast zal de kostenopslag in de premie worden verlaagd van 2,75% naar 2,25%.

Bijlagen

- Bijlage A: Actuariële grondslagen

Bijlage A: Actuariële grondslagen

Voor de waardering van de TV wordt uitgegaan van de volgende veronderstellingen.

Berekeningsmethoden

De VPV is gelijk aan de actuariële contante waarde per 31 december 2022 van de tot en met die datum opgebouwde pensioenaanspraken en -rechten.

Waarderingsgrondslagen

Grondslagen	
Overlevingstafels	Voor mannen de tafel GBM 2005-2010 met Nederlandse Prognose 2020, met twee jaar leeftijdsterugstelling. Voor vrouwen de tafel GBV 2005-2010 met Nederlandse Prognose 2020, met drie jaar leeftijdsterugstelling. De wezensterfte is verwaarloosd.
Leeftijd en duren	De leeftijd van alle deelnemers en overige belanghebbenden wordt berekend op basis van hun daadwerkelijke geboortedatum.
Rekenrente	Gedurende 2022 3,25%, vanaf 31 december 2022 rekenrente van 3,5%.

Grondslagen	
Gehuwdheid	<p>Actieve deelnemers Er wordt verondersteld dat 90% van de actieve mannen en 75% van de actieve vrouwen voor de pensioendatum gehuwd zijn en tot deze datum gehuwd zullen blijven.</p> <p>Gewezen deelnemers Voor gehuwde gewezen deelnemers wordt verondersteld dat 90% van de mannen en 75% van de vrouwen tot de pensioendatum gehuwd zullen blijven. Voor ongehuwde gewezen deelnemers wordt geen voorziening voor het latent nabestaandenpensioen aangehouden.</p> <p>Gepensioneerde deelnemers Voor gepensioneerde deelnemers wordt de werkelijke burgerlijke staat gebruikt. Er wordt gereserveerd op basis van het bepaalde partner systeem.</p>
Leeftijdverschil voor partnerpensioen	Het leeftijdsverschil tussen man en vrouw is op drie jaar gesteld (man ouder dan vrouw).
Smartengeld	Ten behoeve van de eenmalige uitkering van 3 maand-uitkeringen bij overlijden van de gepensioneerde overheidscdienaar is de netto voorziening van het ouderdomspensioen met 0,8% verhoogd.
Kosten	Ter dekking van toekomstige kosten is de netto voorziening met 3% verhoogd.

Voor de overige gehanteerde methoden en overige verzekeringstechnische grondslagen ter vaststelling van de TV, verwijzen wij naar de abtn van het pensioenfonds.



About WTW

Willis Towers Watson (NASDAQ: WTW) is a leading global advisory, broking, and solutions company that helps clients around the world turn risk into a path for growth. With roots dating to 1828, WTW has over 45,000 employees serving more than 140 countries. We design and deliver solutions that manage risk, optimize benefits, cultivate talent, and expand the power of capital to protect and strengthen institutions and individuals. Our unique perspective allows us to see the critical intersections between talent, assets and ideas — the dynamic formula that drives business performance. Together, we unlock potential. Learn more at WTWco.com

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ALGEMEEN PENSIOENFONDS SINT MAARTEN



Yogesh Commercial Complex Unit 1A/1B
A.J.C. Brouwersweg #4
Cul-de-Sac Sint Maarten

+1721-543-0003
info@apsxm.org
www.apsxm.org

