



ALGEMEEN PENSIOENFONDS
SINT MAARTEN

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 2025

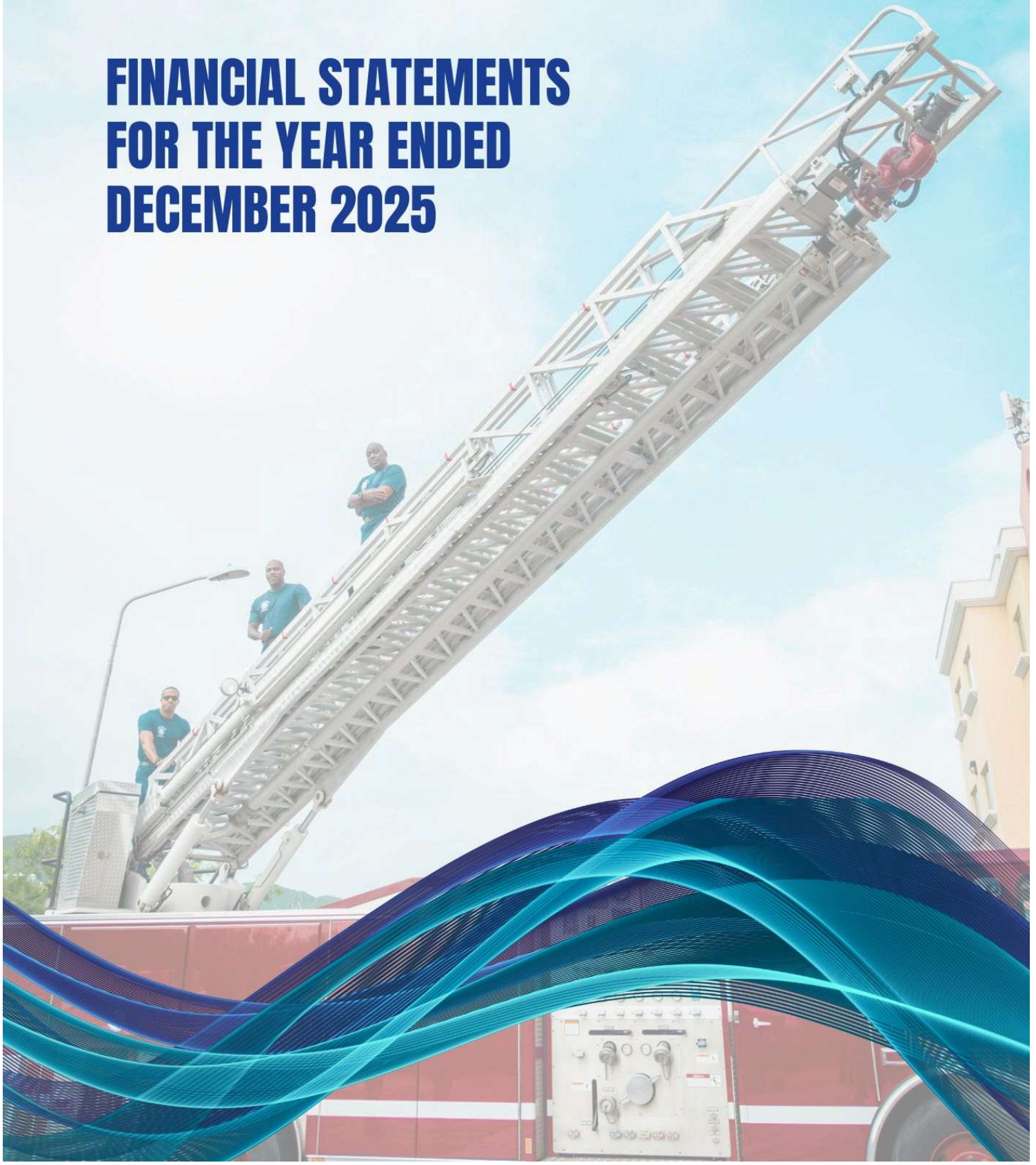


Table of contents

Contents

APS BOARD REPORT	4
1.1 Foreword	6
1.2 Mission, vision, and core values.....	7
1.3 Governance	8
1.4 Development of the Pension Benefit Obligations	11
1.5 Coverage Ratio Development	12
1.6 Investment Portfolio	13
1.7 Pension Administration Development	14
1.8 Communications.....	14
2. Financial Highlights.....	15
3. Financial Statements	17
3.1 Statement of financial position.....	17
3.2 Statement of comprehensive result	18
3.3 Statement of Changes in Equity.....	19
3.4 Statement of Cash Flows.....	20
3.5 General Notes	21
3.6 Accounting policies	24
3.7 Financial Risk Management.....	33
3.8 Property and equipment	41
3.9 Intangible assets	42
3.10 Investment properties	43
3.11 Investments in debt securities (corporate) and time deposits.....	45
3.12 Investments in fixed income and equity	45
3.13 Loans, mortgages, and equity investments	46
3.14 Accounts receivable	49
3.15 Short-term portion of financial assets.....	50
3.16 Other current assets.....	50
3.17 Cash and cash equivalents.....	51
3.18 Equity.....	51
3.19 Pension benefit obligation.....	52

3.20 Accounts payable	53
3.21 Other payables.....	53
3.22 Accrued liabilities	54
3.23 Pension premium income.....	55
3.24 Investment income	56
3.25 Other income	57
3.26 Pension benefits payments	57
3.27 Investment expenses	58
3.28 Operating expenses	60
3.29 Financial income/ (expenses).....	61
3.30 Going concern basis of accounting	61
3.31 Commitments	62
3.32 Related parties.....	63
3.33 Investments held at the beginning and end of the period	64
3.34 Events after the reporting date	65
<i>Independent Auditor's Report</i>	66
<i>Independent Actuarial Report</i>	69

APS BOARD REPORT

Dear Participants and Stakeholders,

We are delighted to present the annual report and financial statements of Algemeen Pensioenfonds Sint Maarten (APS) for 2025. For the second consecutive year, the Fund experienced financial growth, alongside strategic developments focused on enhancing the services and benefits we offer to our participants.

Financially, 2025 was a positive year for APS. The value of our investment portfolio increased substantially due to favorable developments in international financial markets. A key driver of this performance was our transition to a new asset manager and our deliberate shift toward our strategic asset allocation, including a move from active to more passive portfolio management. These changes are yielding positive results and reflect the Board's commitment to disciplined, cost-effective investment governance. In addition, the actuarial interest rate remained unchanged at 4%. Together, these factors strengthened APS's financial position. By the end of 2025, the coverage ratio stood at 116.23%, an increase of 2.44 percentage points compared to 2024.

Premiums were cost-covering in 2025. As a result, the pension accrual rate remained 2% of the pension base.

The continued improvement in our coverage ratio — surpassing last year's already strong position — means that APS is once again able to index the pensions of retirees, as well as the pension entitlements of inactive and active participants. This is a direct and tangible benefit for our participants and pensioners, and one the Board does not take lightly.

On the local investment front, 2025 marked an important milestone with the restructuring and rebranding of our local investment vehicle from SMIA to the SXM Investment Company (SMIC). SMIC has been streamlined into a lean and focused entity, with the management and operations formally outsourced to the Curaçao Financial Group (CFG). This restructuring is already showing early signs of improvement, as SMIC is actively identifying opportunities to deploy APS's excess cash into investments that meet the Fund's risk appetite and return objectives. Beyond the direct benefits to APS, this deployment of capital into the local economy carries broader societal significance: as excess cash is channeled away from bank deposits and into productive investments, commercial banks will need to offer more competitive savings rates to sustain their lending activities. This dynamic is expected to benefit savers in Sint Maarten over the mid to long term.

While 2025 was again a positive year for APS, the Board is acutely aware that geopolitical and macroeconomic developments that emerged toward the end of 2025 and have intensified in 2026 introduce heightened uncertainty. Events of this nature represent systemic risk—broad, market-wide forces that cannot be fully neutralized through diversification alone. The Board is closely monitoring these developments and remains committed to taking all measures within its remit to limit adverse impacts on the Fund and, by extension, on our participants and pensioners. Prudent risk management, portfolio resilience, and disciplined governance remain our guiding principles as we navigate this environment.

In conclusion, the APS Board remains committed to continuous improvement. We will keep strengthening our expertise, optimizing governance processes, and making informed decisions that benefit our participants. Our focus will remain on sustainable growth, innovation, and delivering tangible value. We are committed to being a reliable and forward-thinking partner to all stakeholders.

We extend our heartfelt appreciation to our participants, stakeholders, and dedicated staff for their continuous support and trust in APS. Together, we will continue to build a secure and prosperous future.

Sincerely,



Mr. Robert-Jan James
Acting Chairman of the APS Board



Mr. Emilio Kalmera
Member of the APS Board

1.1 FOREWORD

The Algemeen Pensioenfonds Sint Maarten (hereinafter: APS or the Fund) is an independent governing entity established by law and charged with the execution of the pension scheme for civil servants and employees of government-related entities. In fulfilling this statutory mandate, APS aims to ensure the long-term sustainability of the pension system and to meet its current and future pension obligations in a financially sound and responsible manner.

In 2025, APS continued to build on the solid foundation of previous years, with a strong focus on governance, investment policy, and organizational resilience. The Board and management operated in an environment characterized by economic uncertainty, geopolitical developments, and increasing regulatory and societal expectations. Against this backdrop, APS pursued a prudent and forward-looking course, with careful attention to risk management, transparency, and balanced decision-making.

A key development during the year was the further professionalization of the investment organization and its governance. Progress was made in refining decision-making processes, strengthening checks and balances, and enhancing collaboration between the Board, the Investment Committee, management, and external partners. In addition, the international investment portfolio was transitioned to a new structure, reflecting updated strategic choices and clearer alignment with the Fund's long-term investment beliefs. These changes were carefully prepared and executed with a strong focus on risk control, continuity, and transparency.

In parallel, continued attention was given to local investments. The Board remained committed to contributing to the sustainable development of Sint Maarten, while at the same time ensuring that all investments meet the Fund's risk-return objectives and fiduciary responsibilities. Throughout the year, the decision-making framework for local investments was further sharpened, with explicit emphasis on governance, due diligence, and the manageability of risks.

In the area of governance and organization, 2025 was also a year of consolidation. The Board devoted considerable time to refining roles and responsibilities, strengthening internal control frameworks, and enhancing reporting and dashboarding to improve oversight and decision-making. Risk management received increased attention at both operational and strategic level, reflecting the Board's ambition to steer more explicitly on risks in line with best practices for pension fund governance.

The Board remains mindful of broader developments that may impact APS in the years ahead, including demographic trends, changes in legislation, and macroeconomic and geopolitical uncertainties. These factors underline the importance of maintaining a resilient pension system, supported by sound funding, prudent investments, and strong governance.

This annual report provides insight into the financial position, governance structure and activities of APS during 2025. The Board is committed to transparency and accountability and considers this report an essential element of its accountability to participants, employers, supervisory authorities and other stakeholders.

1.2 MISSION, VISION, AND CORE VALUES

Mission

We are a trustworthy and leading pension fund. We are committed to a future-oriented pension scheme supported 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 pursue continuous innovation to meet the needs of all participants and pensioners in an ever-changing world. We deliver high-quality, customized service; report proactively; and maintain a transparent and inclusive relationship with employers, participants, pensioners, and 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 work and culture, which encourage self-reflection and the continuous expansion of expertise;
 - Transparent: APS expresses transparency through proactive communication, providing insight into relevant information and embracing corporate social responsibility;
 - Approachable: the Fund fosters a professional and welcoming environment in which employers, participants, and partners feel at ease while communicating. The Board and staff members are accessible, honest, and respectful internally and externally.

1.3 GOVERNANCE

The governance of APS is largely defined in the LvO APS. This legislation regulates, among other matters, the number of Board members; the roles and responsibilities of the entities within the Fund; and the supervision by the Minister of Finance, the General Audit Chamber, and the Central Bank of Curaçao and Sint Maarten (hereinafter: CBCS).

Board composition

On December 31, 2025, the composition of the APS Board (hereinafter: the Board) was as follows:

Name:	Position:	Nominated by:	"Landsbesluiten"
Vacant	Chairperson	The Board of APS	N/A
Mr. Robert-Jan M. X. James	Acting Chairman / Vice Chair	Association of Pensioners of the former Netherlands Antilles and Aruba	LB-23/0434
Ms. Shaira R. Bommel	Member	Corporate Governance Council	LB-22/0669
Mr. Jason E. Grant	Member	Civil Service Consultative Committee	LB-24/621
Mr. Emilio S. Kalmera	Member	The Minister of Finance	LB-21/0449

As of December 31, 2025, the composition of the APS Board (hereinafter: the Board) remained unchanged compared to the prior year. The position of Chairperson remained vacant throughout the year. During 2025, processes were underway to fill the vacancy, and the position is expected to be filled in the short term.

Investment Committee composition

As prescribed by Article 14, paragraph 2, of the LvO APS, the Fund has an Investment Committee (hereinafter: IC) consisting of three (3) members. The IC advises the Board on the overall investment policy and guidelines, as well as on specific investment opportunities.

On December 31, 2025, the composition of the IC was as follows:

Name:	Position:	"Ministeriële Beschikking"
Mr. Herry Koolman	Interim Chairman	MB no. 2025/1527
Mr. Charles Thomas	Member	MB no. 1508/2019
Ms. Myrtille Brookson	Member	MB no. 2023/727

Management of the Fund

The day-to-day operations of APS are overseen by the directorate, which consists of the managing director, Mr. Oscar Williams, and the adjunct director, Mrs. Aarti Jusia. Together, they form the APS directorate and report to the Board. The Board evaluates their performance annually.

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 IFRS Accounting Standards as issued by the International Accounting Standards Board (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 Fund^[1]. 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.

The Board is responsible for the management and the administration of the Fund. As such the Board is tasked with the hiring of the members of the directorate and the staff of the Fund.

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

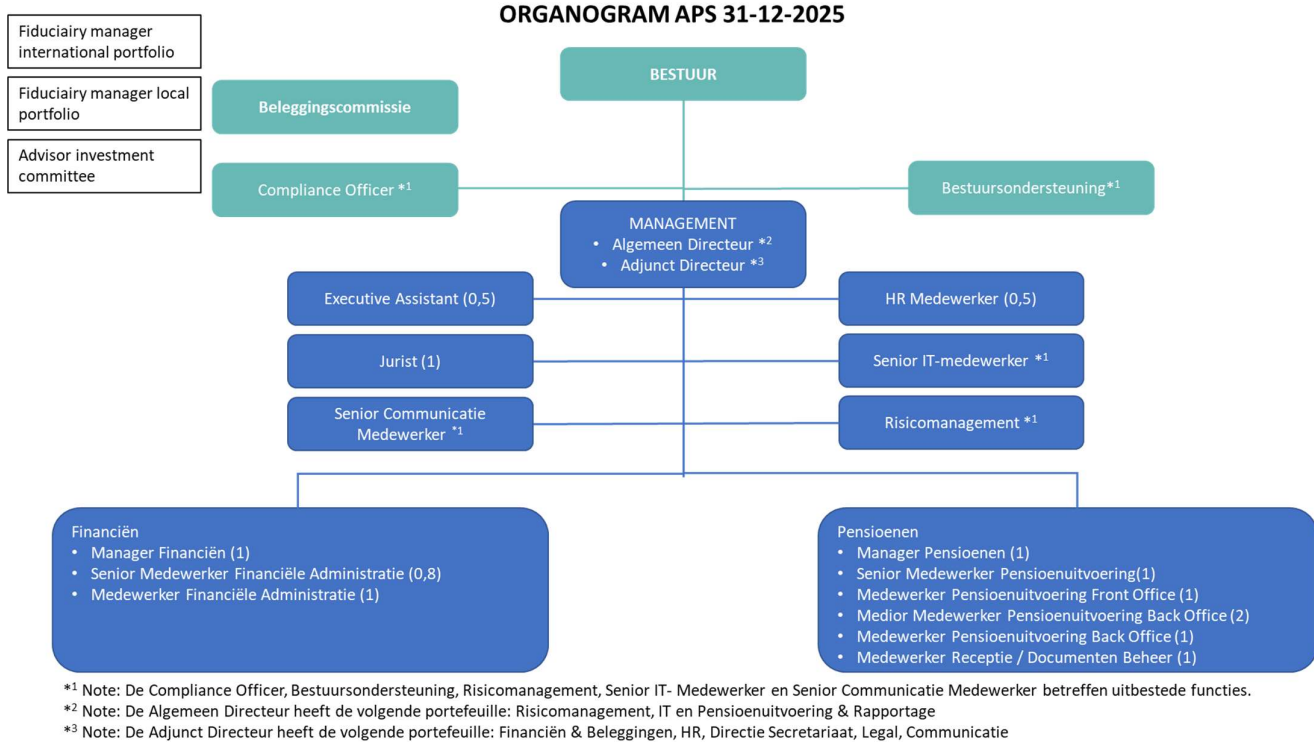
Structure of the Fund

At the end of 2025, APS had eleven (11) full-time employees and one (1) part-time employee.

At the end of 2025, there were two vacant positions.

The Fund consists of two (2) departments:

- Finance
- Pensions



- 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 managing 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 Risk Manager advises on and executes the risk management policies and ensures the awareness of potential risks within the organization.
- 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'

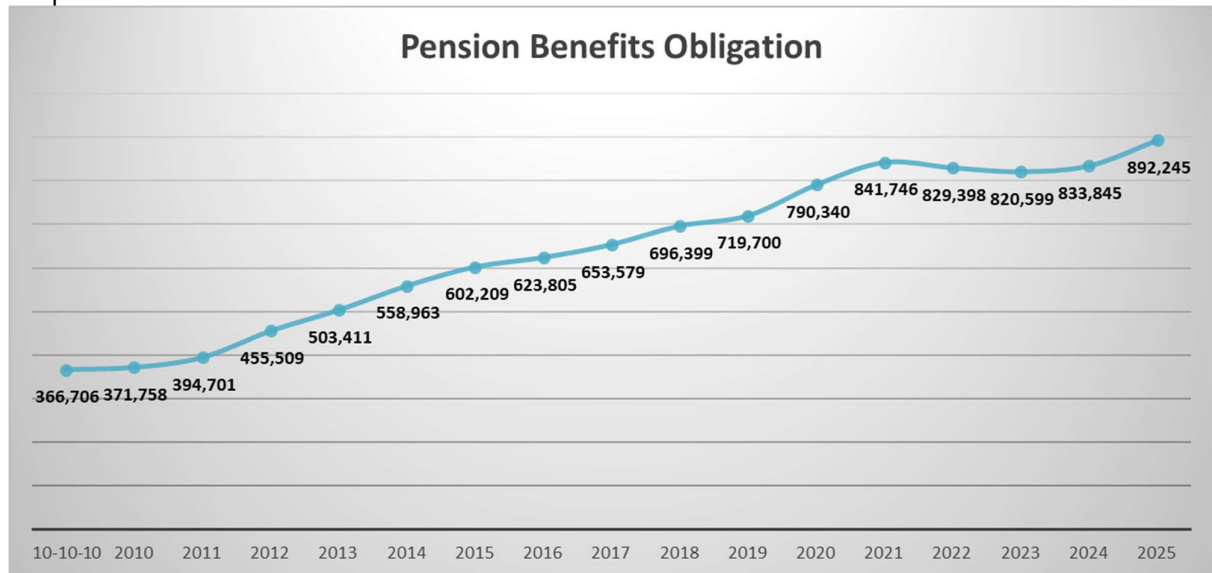
Facebook, LinkedIn and/ or Instagram, events, newsletters (internal and external) and the design of participants' annual pension overviews and other standard communication.

- The Pensions 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 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 BENEFIT OBLIGATIONS

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

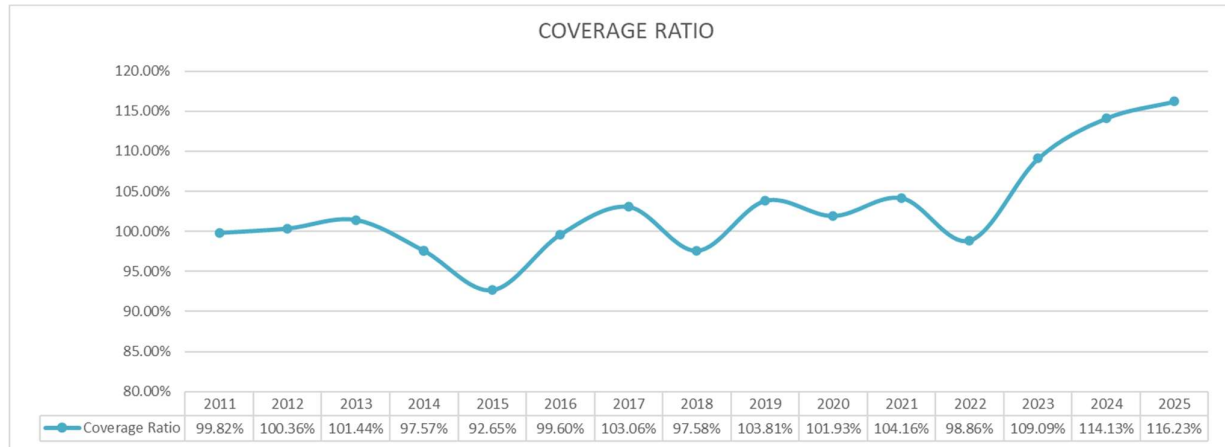
Graph 1



In 2025, the pension benefit obligation increased by XCG 58 million to XCG 892 million, compared to an increase of XCG 13 million in the prior year.

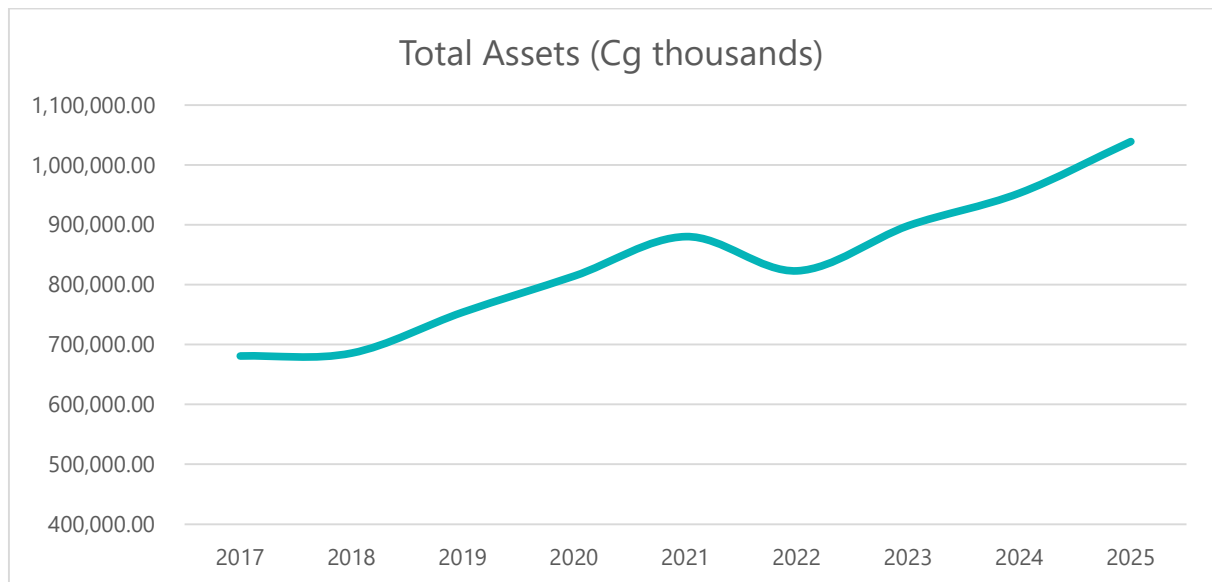
1.5 COVERAGE RATIO DEVELOPMENT

The coverage ratio as of December 31, 2025, is 116.23%. This is above the minimum of 100%, meaning that—if all other variables remain unchanged—the Fund is expected to be able to meet its current and future obligations to participants.



The coverage ratio increased by 2.44 percentage points compared to the prior year. This change was primarily driven by:

- the increase of the total assets with 9%, from XCG 953 million (2024) to XCG 1,039 million (2025)
- the increase of pension benefits obligation with 7%, from XCG 834 million (2024) to XCG 892 million (2025). Kindly refer to note 3.20 for the details of the calculation of the pension benefits obligation.



The Fund's total assets grew by 9%, rising from XCG 953 million in 2024 to XCG 1,039 million by the end of 2025. This expansion was bolstered by a strong investment performance, with the total investment portfolio yielding a net-year-end return of 9.23%. This positive trajectory is largely attributed to the Fund's strategic transition to a new asset manager and a deliberate shift toward passive portfolio management, reflecting the Board's commitment to disciplined, cost-effective investment governance.

1.6 INVESTMENT PORTFOLIO

The Total Investment Portfolio, consisting of the international portfolio and the local portfolio, generated a net return of 9.23% for 2025.

The total net investment result was XCG 86 million in 2025, compared to XCG 53 million in 2024. This improvement was mainly due to the continued recovery in the market value of the international portfolio.

Local Portfolio

In 2025, the local portfolio generated a year-to-date (hereinafter: YTD) net return of 2.65%, including cash. This was below the LSIP annual policy return target of 4.8% for locally invested assets. Reference is made to notes 3.10, 3.11, 3.13, and 3.14 for more details on the investments that comprise the local portfolio.

International Portfolio

In 2025, the international portfolio generated a YTD net return of 15.95%, which was above the LSIP annual policy return target of 6.2%. Reference is made to note 3.12 for more details on the internationally invested assets.

1.7 PENSION ADMINISTRATION DEVELOPMENT

In 2025, the total number of registered participants and pension beneficiaries (active, inactive, and beneficiaries) was 5,481. This is an increase of 95 compared to 5,386 in 2024.

The number of registered active participants decreased from 2,416 in 2024 to 2,357 in 2025. The average age of active participants was 46.3 in 2025 (2024: 45.9). The overall average age increased to 53.0 in 2025 (2024: 52.4). These demographic trends are monitored closely, as they influence the long-term development of the pension benefit obligation.

In 2025, the number of pension beneficiaries increased from 1,329 (2024) to 1,394, with most being old-age pensions. Some of these beneficiaries submitted their pension applications retroactively.

Despite the increasing number of pension beneficiaries, the system dependency ratio remains above 1, but decreased slightly to 1.7 in 2025 (2024: 1.8). Management continues to monitor this ratio closely.

1.8 COMMUNICATIONS

In 2025, the Fund continued to implement the strategy as stipulated in the approved communications strategy 2023–2025.

2. FINANCIAL HIGHLIGHTS

	2025	2024
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)	2,357	2,416 2) Registered employees of an associated employer who contributed premiums to the pension fund during the reporting year.
Participants with deferred rights 3)	1,730	1,641 3) Former employees of an associated employer who have accrued pension, however no longer contributed pension premiums during the reporting year.
Pensioners	1,394	1,329
Actives/non actives participants	0.75	0.81
Participants age average		
Active participants	46.3	45.9
Non active participants	58.1	57.7
All participants	53.0	52.4
Pension administration		
All amounts are in thousand Caribbean guilders		
Actual premium 4)	18%	18% 4) The 18% premium as stated in "Landsverordening herziening pensioen Overheidsdiensten".
Pension Premiums	Cg 30,135	Cg 29,085
Pension administration expenses 5)	Cg 4,310	Cg 3,765 5) The operational expenses of the fund (including investment management expenses) are circa 0.5% of the funds' pension assets.
Pension payments	Cg 27,582	Cg 25,044
Pension premiums/pension payments	1.09	1.16

	2025	2024
Solvency		
All amounts are in thousand Caribbean guilders		
Pension assets	Cg 1,037,086	Cg 951,629
Minimum targeted pension assets	Cg 936,857	Cg 875,537
Pension obligation provision	Cg 892,245	Cg 833,845
Coverage ratio 6)	116.23%	114.13%
Minimum targeted funding ratio 7)	105.00%	105.00%
Total provision/provision pensioners	3.01	2.82
		6) The Board-defined target for the funding ratio.
Investment portfolio		
All amounts are in thousand Caribbean guilders		
Equity	387,816	350,052
Fixed income	590,014	540,577
Internal Real Estate	37,777	39,793
Investment performance		
Targeted return	5.50%	5.50%
Total return	9.23%	6.72%
Return domestic portfolio	2.65%	3.36%
Return international portfolio	15.95%	10.50%

3. FINANCIAL STATEMENTS

3.1 STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2025

		As at 31 December	
	Note	2025	2024
All amounts are in thousand Caribbean guilders			
Assets			
Property and equipment	3.8	5,593	5,111
Intangible assets	3.9	7	63
Investment properties	3.10	37,777	39,793
Financial assets:			
Investments in debt securities corporate and time deposits	3.11	147,291	153,657
Investments in fixed income and equity	3.12	553,131	446,919
Loans	3.13	178,203	144,588
Mortgages	3.13	5,413	4,796
Equity	3.13	347	-
Total non-current assets		927,763	794,927
Accounts receivable	3.14	16,229	16,837
Accrued Interest Receivable	3.14	4,332	5,623
Short term portion of financial assets	3.15	40,000	40,000
Other current assets	3.16	1,821	860
Cash and cash equivalents	3.17	49,112	95,047
Total current assets		111,495	158,366
Total assets		1,039,258	953,293
Equity			
Reserves	3.18	117,784	74,588
Result current year	3.18	27,057	43,196
Total equity	3.18	144,841	117,784
Liabilities			
Pension benefits obligation	3.19	892,245	833,845
Total non-current liabilities		892,245	833,845
Accounts payable	3.20	198	801
Other payables	3.21	405	414
Accrued liabilities	3.22	1,569	449
Total current liabilities		2,172	1,664
Total liabilities		894,417	835,509
Total equity and liabilities		1,039,258	953,293

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

3.2 STATEMENT OF COMPREHENSIVE RESULT

For the year ended 31 December 2025

	Note	Year ended 31 December	
		2025	2024
All amounts are in thousand Caribbean guilders			
Revenues			
Pension premium income	3.23	30,135	29,085
Pension premium income previous years	3.23	626	2,621
Investment income	3.24	100,650	68,365
Other income	3.25	659	608
Total Revenues		132,070	100,678
Expenses			
Pension benefits payments	3.26	27,582	25,044
Investment expenses	3.27	14,903	15,602
Operating expenses	3.28	4,310	3,765
Net increase/ (decrease) in pension benefits obligation	3.19	58,400	13,246
Total expenses		105,195	57,656
Result from operating activities		26,874	43,023
Non operating expenses			
Financial income / (expenses)	3.29	183	174
Total non operating results		183	174
Result		27,057	43,196
Attributable to:			
To the Fund		27,057	43,196
Total comprehensive result		27,057	43,196

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

3.3 STATEMENT OF CHANGES IN EQUITY

All amounts are in thousand Caribbean guilders

		Year ended 31 December Attributable to the Fund		
	Note	Retained earnings	Total	Total equity
At January 1, 2024	3.1 / 3.2	74,588	74,588	74,588
<i>Comprehensive Income for the period</i>				
Result for the period	3.1 / 3.2	43,196	43,196	43,196
Year ended December 31, 2024	3.18	117,784	117,784	117,784
<i>Comprehensive Income for the period</i>				
Result for the period	3.18	27,057	27,057	27,057
Total comprehensive Result for the period		27,057	27,057	27,057
Total contributions by and distributions to the Fund		-	-	-
Year ended December 31, 2025	3.18	144,841	144,841	144,841

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

3.4 STATEMENT OF CASH FLOWS

		Year ended 31 December	
	Note	2025	2024
All amounts are in thousand Caribbean guilders			
Cash flows from operating activities			
Result (negative) / positive		27,057	43,196
Adjustments for:			
Depreciation of property and equipment	3.8	86	55
Amortization of intangible fixed assets	3.9	55	66
Unrealized (gain) loss investment property	3.10	2,016	6,573
Unrealized (gain) loss investments in fixed income and equity	3.33	-	(41,983)
Increase in pension benefits obligations	3.19	58,400	13,246
Mutations work capital:			
Decrease (increase) in accounts receivable	3.14	608	1,374
Decrease (increase) in other current assets	3.16	(962)	(583)
Increase (decrease) in accounts payable	3.20	(603)	589
Increase (decrease) in other payables and accrued liabilities	3.2/3.22	1,111	(2,297)
Net cash flows from operating activities		87,768	20,235
Investing activities			
Acquisitions			
Acquisition of property and equipment	3.8	(568)	(17)
Acquisition of intangible assets	3.9	-	-
Acquisition of investment properties	3.10	-	-
Acquisition of investment in debt corporate and time deposits	3.33	(20,000)	-
Acquisition of investments in fixed income and equity	3.33	(658,810)	(24,052)
Acquisition of loans & mortgages receivable	3.33	(59,330)	(50,939)
Acquisition of equity investments	3.36	(347)	-
Proceeds			
Disinvestment of subsidiaries	3.33	-	-
Proceeds from maturities of debt corporate and time deposits	3.33	26,366	41,055
Disinvestment of investments in fixed income and equity	3.33	552,597	12,029
Proceeds of loans & mortgages receivable	3.33	25,098	13,424
Interest received	3.14	1,290	169
Net cash flow from investing activities		(133,703)	(8,331)
Cash flow			
Net cash flow in cash and cash equivalents		(45,935)	11,904
Cash and cash equivalents at beginning of period	3.17	95,047	83,142
Cash and cash equivalents at end of period	3.17	49,112	95,047

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

3.5 GENERAL NOTES

Algemeen Pensioenfonds Sint Maarten (hereinafter: APS or the 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 Plumbago Drive #1, Unit 2.1, Diamond Estate, Cole Bay, Sint Maarten.

The financial statements have been approved for issue by the APS Board on April 24, 2026.

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 5,481. This consists of 2,357 registered active participants, 1,730 participants with deferred rights, and 1,394 beneficiaries.

Participants

	2025	2024
Active Participants	2,357	2,416
Participants with deferred rights	1,730	1,641
Pensioners	1,394	1,329
Total	5,481	5,386

Funding policy

The main objective of the Fund is to ensure that it can meet its current and future obligations to participants. Therefore, the Fund aims to maintain a minimum coverage ratio of 100% and a target of 105%. The coverage ratio as of December 31, 2025, was 116.23%, which is above the minimum and higher than the target. This means that the Fund is able to index pensions and pension entitlements for the second year in a row.

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 allocates and manages the Fund's assets.

The policy has been designed to allow the Fund to achieve a minimum rate of return of 4.18% 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.

The actual asset allocation as of December 31, 2025, policy (strategic) asset allocation and permissible ranges are listed in the following table:

All amounts are in thousand Caribben guilders

Asset allocation as at December 31, 2025

	2025	Actual %	Policy Target %	Difference	Min-Max
External Equity Securities	387,469	37%	35.0%	-2%	30% - 35%
Real Estate	37,777	4%	7.5%	4%	2.5% - 10%
Private Projects	347	0%	2.5%	2%	0% - 7.5%
Total Equity	425,593	41%	45%	4%	
External Fixed Income & Money Funds	165,876	16%	15.0%	-1%	10% - 15%
Local Fixed Income & Bank Time Deposits	375,239	36%	38.0%	2%	35% - 45%
Internal Cash	48,899	5%	1.0%	-4%	0% - 12.5%
Other Local Assets*	23,651	2%	1.0%	-1%	0% - 5%
Total Fixed Income	613,665	59%	55.0%	-4%	
Total	1,039,258	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 the IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 Caribbean guilders (XCG), which is the Fund's functional and presentation currency.

Except where indicated otherwise, financial information presented in Caribbean guilders is rounded to the nearest thousand.

On March 31, 2025, the Caribbean guilder (XCG) replaced the Antillean guilder (ANG) as the official currency in Curaçao and Sint Maarten. The exchange rate remained 1:1. The currency remains pegged to the US dollar (1 USD = 1.79 XCG). The 2025 financial statements are prepared in XCG as the presentation currency, and the comparative figures are also presented in XCG.

Changes in accounting policies

a) New standards, interpretations and amendments effective from January 1, 2025

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, 2025, 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 by 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 two (2) office units including parking spaces, from the same landlord. The rental agreement is for five (5) years, with an option to renew for additional lease periods of five years.

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 3.29 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.

APS' investment properties are categorized as level 3.

Investments in subsidiaries

Investments in subsidiaries are part of the retirement benefit plan assets and are recorded in agreement with IAS 26 against their fair value.

Subsequent to initial recognition, in the parent's separate financial statements, investments in subsidiaries are accounted for using the equity method, as described in IAS 28 Investments in Associates and Joint Ventures, where the investment is adjusted for the parent's share of the subsidiary's post-acquisition profits or losses and other changes in equity, with dividends reducing the carrying amount.

An investment in a subsidiary is derecognized upon disposal or when control is lost (e.g., through sale or dilution of ownership), as per IFRS 10 Consolidated Financial Statements. Any gain or loss

arising on derecognition, calculated as the difference between the net disposal proceeds and the carrying amount of the investment, is included in profit or loss in the period in which the investment is derecognized.

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, 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'/'duurtetoelag' 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 obligations

The Fund determines this liability concerning 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 obligations*

The employees that are in service of the Fund are also participant 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, 2025, corrected for the AOV-franchise and the number of years of service.

Tax

The Fund is exempted from profit tax by 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 3.19 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 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 Caribbean guilders

	2025	2024
Financial assets		
Cash and cash equivalents	48,899	66,083
Loans, Mortgages and Equity investments	183,963	149,384
Investments in fixed income and equity	553,345	475,883
Investments in debt securities corporate and time deposits	187,291	193,657
Receivables (including trade receivables)	22,383	23,319
Financial liabilities		
Amortised cost (including trade payables)	2,172	1,664

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 tools 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 capture ratio, market down capture ratio, Sharpe 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. All durations are subject to constant change with the active management of the fixed income portfolio.

The Fund's local investments are marginally exposed to interest rate risk. Accordingly, these investments are presented in the statement of financial position as investments in debt securities, loans, and time deposits. The local market is characterized by limited fluctuations in interest rates, and 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, 2025, would decrease/increase by XCG 1.7 million.

c) Foreign exchange risk

The portfolio holds global multi-currency exposures via international equities and fixed income. There is no standalone cash/FX allocation beyond operational balances (Cash & FX: 0.0% at December 31, 2025). The Fund's international equity and fixed income exposures are primarily USD-denominated. Because the Caribbean guilder (XCG) is pegged to the US dollar, the Fund has limited foreign exchange risk between XCG and USD.

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 XCG 55 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 them. Credit risk for international investments is managed by maintaining a diversified portfolio and monitoring key risk factors and market stressors. Credit risk for international investments is estimated by credit rating agencies, and the Fund primarily invests in investment-grade bonds, with non-investment-grade exposures typically limited to specific strategies like 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 has invested. The Fund also aims to secure the first collateral for these loans and debt securities, including tangible immovable assets.

The overall assessment is that the Fund, as of 31 December 2025, had a relatively low exposure to credit risk in its bond portfolios due to several factors; credit rating, the fact that most of the fixed income accounts are actively managed, subject to IPSs which limit exposure to lower credits, the overall liquidity of the Fund, the low to intermediate duration, etc.

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

All amounts are in thousand Caribbean guilders

	Neither past due nor impaired	Past due but not impaired	Past due impaired	Total
2025				
Cash and cash equivalents	49,112	-	-	49,112
Short term portion of financial assets	40,000	-	-	40,000
Accounts receivable	1,451	14,779	-	16,229
Accrued Interest Receivable	4,332	-	-	4,332
Other current assets	1,821	-	-	1,821
Loans	178,203	-	-	178,203
Mortgages	5,413	-	-	5,413
Equity investments	347	-	-	347
Investments in debt securities corporate and time deposits	147,291	-	-	147,291
Total	427,970	14,779	-	442,749

All amounts are in thousand Caribbean guilders

	Neither past due nor impaired	Past due but not impaired	Past due impaired	Total
2024				
Cash and cash equivalents	95,047	-	-	95,047
Short term portion of financial assets	40,000	-	-	40,000
Accounts receivable	2,831	14,006	-	16,837
Accrued Interest Receivable	5,623	-	-	5,623
Other current assets	860	-	-	860
Loans	144,588	-	-	144,588
Mortgages	4,796	-	-	4,796
Investments in debt securities corporate and time deposits	153,657	-	-	153,657
Total	447,401	14,006	-	461,407

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, 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:

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

All amounts are in thousand Caribbean guilders

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
At December 31, 2025				
Time deposits	40,000	81,200	-	121,200
Debt securities government	4,461	13,967	159	18,586
Debt securities corporate	2,528	17,493	27,484	47,504
Loans & Mortgages	11,827	52,610	119,179	183,616
Total	58,816	165,269	146,822	370,907

All amounts are in thousand Caribbean guilders

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
At December 31, 2024				
Time deposits	40,000	81,200	-	121,200
Debt securities government	4,199	16,379	1,847	22,425
Debt securities corporate	2,528	15,153	32,352	50,032
Loans & Mortgages	9,763	59,149	80,472	149,384
Total	56,490	171,881	114,670	343,041

All amounts are in thousand Caribbean guilders

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
2025				
Accounts payable	198			198
Other payable	405			405
Accrued liabilities	1,569			1,569
Pension benefits obligations	27,582	85,793	778,870	892,245
Total	29,755	85,793	778,870	894,417

All amounts are in thousand Caribbean guilders

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
2024				
Accounts payable	801			801
Other payable	414			414
Accrued liabilities	449			449
Pension benefits obligations	25,044	80,177	728,624	833,845
Total	26,708	80,177	728,624	835,509

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 reduces 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, which may not have as strong a financial position or the Fund's best interests as a priority. 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. The Fund's leverage risk is reported on the following tables based on whether the strategy uses leverage or not.

One of the separately managed accounts currently employed by the Fund utilizes low levels of leverage, and the same Teton Equity Long/Short 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, 2025, the Fund had minimal counterparty risk. The management of counterparty risk for the Algemeen Pensioenfonds Sint Maarten is integrated into a broader fiduciary framework that emphasizes strict adherence to strategic benchmarks. By operating under a Fiduciary Management Agreement, the Fund ensures that all investments remain within permitted exposure ranges, effectively limiting concentration risk. This approach is supported by a sophisticated risk modeling system that utilizes short-term, medium-term, and long-term data (including a five-year weekly return model) to monitor the portfolio's stability and ensure that the creditworthiness of underlying holdings aligns with the Fund's long-term investment horizon.

To further mitigate potential counterparty and credit failures, the Fund employs rigorous forward-looking stress testing and factor attribution. These tests simulate adverse market events, such as a significant widening of US and European credit spreads, to evaluate the portfolio's resilience against institutional defaults or market-wide credit shocks. By analyzing the "Corp & Other Spreads" factor, management can quantify the specific risk contribution of credit-sensitive assets, ensuring that counterparty-related volatility remains a minor component of the overall Value-at-Risk (VaR) profile.

Financial instruments in the international portfolio measured at fair value

All amounts are in thousand Caribbean guilders

Fair value measurements at December 31, 2025						
	Level 1		Level 2		Level 3	
	2025	2024	2025	2024	2025	2024
Financial assets						
Fixed Income	165,876	68,071	-	57,926	-	-
Equity	387,469	337,144	-	12,741	-	-
Total	553,345	405,215	-	70,667	-	-

All amounts are in thousand Caribbean guilders

Fair value measurements at December 31, 2024						
	Level 1		Level 2		Level 3	
	2024	2023	2024	2023	2024	2023
Financial assets						
Fixed Income	68,071	52,327	57,926	56,498	-	-
Equity	337,144	308,048	12,741	13,321	-	-
Total	405,215	360,375	70,667	69,819	-	-

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 benefit obligations represents the value of the Fund's pension benefit obligations at a given date, based on estimates of future pension payments. To help manage this risk, the Fund conducts an ALM study or continuity analysis at least every five (5) years. These analyses focus primarily on the sensitivity of the coverage ratio to actuarial and economic developments. Changes in demographic assumptions (including longevity), the actuarial interest rate, mortality, and potential disability incidence can materially affect the provision.

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.

An important outcome of the ALM study is to provide long-term insight of the costs related to the pension scheme. The aim of the Fund is for the total accounts receivable not to exceed 1% of the total assets. Currently the accounts receivable comprises 2.1% of the total assets.

3.8 PROPERTY AND EQUIPMENT

All amounts are in thousand Caribbean guilders

	Land	Leasehold improvements	Furnitures and fixtures	Computer hardware	Equipment	Total
COST AND VALUATIONS						
At January 1, 2024						
Cost	5,040	223	258	408	116	6,045
Accumulated depreciation	-	(218)	(230)	(360)	(88)	(895)
Net book amount	5,040	5	28	48	28	5,150
Year ended December 31, 2024						
Opening net book amount	5,040	5	28	48	28	5,150
Additions	-	-	5	6	6	17
Depreciation charge	-	(3)	(7)	(30)	(15)	(55)
Closing net book amount	5,040	3	26	24	19	5,111
At December 31, 2024	5,040	3	26	24	19	5,111
Cost	5,040	223	262	414	122	6,061
Accumulated depreciation	-	(221)	(237)	(390)	(103)	(950)
Net book amount	5,040	3	26	24	19	5,111
Year ended December 2025						
Opening net book amount	5,040	3	26	24	19	5,111
Additions	-	496	20	-	51	568
Depreciation charge	-	(47)	(8)	(19)	(13)	(86)
Closing net book amount	5,040	452	38	5	58	5,593
At December 31, 2024	5,040	452	38	5	58	5,593
Cost	5,040	719	283	414	173	6,629
Accumulated depreciation	-	(267)	(244)	(408)	(116)	(1,036)
Net book amount	5,040	452	38	5	58	5,593

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

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 Caribbean guilders

	Computer software	Total
COST AND VALUATIONS		
At January 1, 2024		
Cost	1,316	1,316
Accumulated depreciation	(1,188)	(1,188)
Net book amount	129	129
Year ended December 31, 2024		
Opening net book amount	129	129
Additions	-	-
Depreciation charge	(66)	(66)
Closing net book amount	63	63
At December 31, 2024		
Cost	1,316	1,316
Accumulated depreciation	(1,253)	(1,253)
Net book amount	63	63
Year ended December 2025		
Opening net book amount	63	63
Additions	-	-
Depreciation charge	(55)	(55)
Closing net book amount	7	7
At December 31, 2024		
Cost	1,316	1,316
Accumulated depreciation	(1,309)	(1,309)
Net book amount	7	7

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 Caribbean guilders

	2025	2024
Mary's Fancy & De Castro Development	5,661	5,661
Professional Office Development	11,008	11,008
Parking Lot Development	4,858	4,858
Oryx Investment Property (Welgelegen)	16,250	18,266
Total	37,777	39,793

The Fund's investment properties are measured at fair value in accordance with IAS 26. Fair value is determined based on valuations performed by an appropriately qualified independent appraiser at the time of acquisition, including any directly attributable expenditures such as transaction costs 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 3.24). 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 XCG 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 XCG 3.7 million and is included in the value of the Mary's Fancy Development.

The Mary's Fancy property was re-evaluated in February 2024, while the De Castro property was appraised in May 2021. The most recent appraisals indicate a combined value for both properties that is XCG 2.5 million lower than prior valuations. Consequently, we have adjusted the recorded values in our financial records to reflect the current market value, ensuring accurate representation of the fair value. The appraised value of the two parcels is in line with the value carried on balance sheet per December 31, 2025, and the differences observed are not material. The Fund therefore estimates that the carrying value of the property per December 31, 2025, is in line with its fair value.

In 2023, the APS Board decided to put the project on hold due to the rising costs in construction material and transport and the inability to find a suitable operator.

In Q4 2025, the Board assigned the management of this asset to SMIC to further assess and manage the asset. This was formalized in Q1 2026.

Professional Office Park

APS purchased the Professional Office Park property in December 2016 at XCG 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 was re-evaluated/appraised in April 2023. In the period between the appraisal date and December 31, 2025, no material improvements nor deteriorations occurred on the property. Therefore, the appraised value is in line with the value carried on balance per December 31, 2025, and the differences observed are not material. The Fund therefore estimates that the carrying value of the property per December 31, 2025, 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 XCG 4.5 million.

Since the transfer, the Fund commenced research with regards 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 XCG 403K. This amount is included in the value of the property. Decisions on the further development of this property are pending. The value of the property was re-evaluated in 2022, due to the nature of the property (mainly land) the Fund estimates that the carrying value of the property per December 31, 2025, 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, first units were sold or leased. At the start of the Lease-to-own/Leasing contracts these units were transferred from the Inventory to Oryx Investment property.

All Oryx units were re-appraised in Q1 2025. The sales prices of the units were set to be equal or slightly lower than the appraised market value, except for one unit that was sold for USD 5,000 above the appraised price. The value of the property was derived from the appraisal executed by external independent valuers. The property's value is scheduled to be re-evaluated every three to five years.

Lease

Per year end there were thirteen (13) 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, 2025, there were twenty (20) 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 at 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 Caribbean guilders

	2025	2024
Debt securities corporate	66,091	72,457
Time deposits	121,200	121,200
Less: current portion investments	(40,000)	(40,000)
Total	147,291	153,657

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

The fair value for the debt securities is XCG 84 million (compared to XCG 81 million in 2024) and for the time deposits XCG 123 million (compared to XCG 121 million in 2024). The fair value has been calculated by discounting future expected cash flows of these investments at a discount rate of 4%.

3.12 INVESTMENTS IN FIXED INCOME AND EQUITY

Investments in fixed income and equity

All amounts are in thousand Caribbean guilders

	2025	2024
Fixed Income	165,663	118,857
Equity	387,469	328,062
Total	553,131	446,919

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).

The following global market conditions characterize and influenced the performance of the international portfolio in this reporting period:

Fixed Income

Fixed income markets showed mixed results. U.S. bonds performed well following interest rate cuts, while other markets faced pressure from rising yields and political uncertainty.

The Fund's fixed income portfolio delivered modest but stable returns. Corporate bonds and emerging market debt contributed positively, supporting the overall portfolio.

Equity

Equity markets performed well overall, supported by lower interest rates and continued earnings growth. Strong performance was seen in Japanese, European, and emerging markets, while U.S. equities were more moderate due to higher valuations.

The Fund's equity portfolio was the main contributor to returns and slightly outperformed its benchmark. However, it also remained the largest source of portfolio risk due to exposure to market fluctuations.

Overall

In 2025, global financial markets were influenced by changing interest rate policies, moderating inflation, and geopolitical developments. Against this backdrop, the Fund delivered a positive return, mainly driven by its equity investments, while fixed income provided stability.

The Fund's allocation of approximately 70% to equities and 30% to fixed income supported performance during the year. Equities drove returns, while fixed income provided diversification. The portfolio remains exposed to market and interest rate developments, which will continue to be monitored.

3.13 LOANS, MORTGAGES, AND EQUITY INVESTMENTS

Loans, Mortgages and Equity investments

All amounts are in thousand Caribbean guilders

	2025	2024
RF Adventure St. Maarten N.V. Finance	10,125	16,203
Maho Hotel Operations B.V. Finance	35,900	40,207
SMMC Finance	16,493	10,673
PJIAE N.V. Finance	26,833	30,590
SXM Investment Agency B.V. Finance	-	54
Van den Tweel Caribbean Syndicated Loan	25,611	26,412
GSM Realco B B.V. Facility	19,241	5,783
Aqualectra N.V. Financing	35,000	14,667
Project Penstraat Exploitatie B.V. Financing	9,000	
Total Loans	178,203	144,588
Mortgages Oryx Residences	5,413	4,796
Total Mortgages	5,413	4,796
Sint Maarten Investment Company B.V.	347	-
Total Equity investments	347	-

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

RF Adventures St. Maarten:

The Fund's participation in the financing of the Rain Forest Adventures Sint Maarten (hereinafter: RFA) is 68% of the total amount financed.

In 2025, APS undertook a comprehensive review of the RF Adventure St. Maarten (RFA) loan, resulting in both an additional impairment and a formal write-off to reflect the updated financial and operational realities of the borrower and the restructured loan agreement.

An additional impairment of XCG 2,961,200 (USD 1,645,111) was recognized for the year ended December 31, 2025. This brings the total cumulative impairment on the RFA loan to XCG 11,254,525 (USD 6,252,514), inclusive of impairments recorded in 2021 and 2024.

The impairment is primarily driven by the significant gap between the total outstanding loan balance (XCG 31,324,037 / USD 17,402,243 across all lenders) and the most recent enterprise valuation of RFA (XCG 11,592,000 / USD 6,440,000), resulting in a potentially uncollectable amount. The 2025 impairment represents an additional 15% provisioning against the remaining valuation shortfall, acknowledging improved performance at St. Maarten but recognizing ongoing uncertainty, particularly regarding the St. Lucia insurance claim and future debt service capacity.

In addition to the impairment, APS formally documented a write-off of XCG 3,931,877 (USD 2,184,376) in 2025. This write-off reflects the derecognition of excess interest accrued at a system rate above the contractually agreed rate during the restructuring period, aligning APS's loan balance with the restructured facility amount under the Amended & Restated Facility Agreement (ARFA) effective July 1, 2025.

After accounting for the write-off and cumulative impairments, the net carrying value of APS's portion of the RFA loan as at December 31, 2025, is XCG 10,124,981 (USD 5,624,989), representing approximately 47% of APS's total outstanding loan balance.

The impairment and write-off actions are based on prudent risk assessment, considering the persistent valuation gap, the dependency on insurance proceeds for future debt service, and the improved but still uncertain operational outlook. These measures ensure transparent and accurate financial reporting, aligning APS's balance sheet with the economic reality of the restructured loan and the underlying collateral value.

APS will continue to monitor the situation closely, with future impairment provisions subject to revision based on updated valuations, insurance claim outcomes, and payment performance.

Maho Hotel Operations:

MHO continued to operate in an exemplary manner through timely payments and reporting, and by remaining in compliance with its Facility Agreement (and applicable waivers).

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, in 2025 SMMC requested an extension of the Availability Period with approximately one year, this was approved as the projected cash flow proved to be sufficient and positive and provides enough room to approve of the extension request.

PJIAE N.V. Loan

The Fund entered into a corporate loan financing agreement in May 2022. The tenor of the loan is ten (10) years. Throughout 2025 PJIAE continued to comply with its obligations under the financing agreement.

SXM Investment Agency B.V. (SMIC)

SMIC was established as a vehicle to facilitate local investment opportunities in Sint Maarten. APS is the sole shareholder of SMIC.

Funding provided to SMIC was initially recorded as a loan, as the structure of the investment was under assessment. In 2024, following a reassessment of the investment structure and in conjunction with the completion of SMIC's fiscal and legal restructuring, part of the outstanding balance was reclassified and impaired. In early 2025, the APS Board approved the conversion of the remaining loan balance and receivables into equity and share premium; this conversion was formalized during 2025.

The balance related to the 2024 loan classification of SMIC is nil as of December 31, 2025. The zero balance in 2025 reflects the impairment and reclassification recorded in 2024 and the conversion of the remaining loan balance into equity and share premium in 2025, after which no loan exposure to SMIC remained.

As of December 31, 2025, APS's interest in SMIC is fully reflected as an equity investment and is presented under equity. The investment is classified as a plan asset in accordance with IAS26 and is measured at fair value.

Van den Tweel Caribbean Syndicated Loan

The Fund entered into a corporate loan financing agreement with Van den Tweel in November 2023. The senior secured loan has an interest rate of 5.50% per annum and a tenor of 15 years.

GSM Realco B B.V. Facility

The Fund entered into a corporate loan financing agreement with GSM Realco in September 2024. The senior secured loan has an interest rate of 6.50% per annum and a tenor of 5 years.

Aqualectra N.V. Financing

The Fund entered into a corporate loan financing agreement with Aqualectra in November 2024. The senior secured loan has an interest rate of 5.50% per annum and a tenor of 8 years.

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 3.10 for more details.

SXM Investment Company B.V. equity investment (SMIC)

This line item did not exist in the prior year, as APS's interest in the SXM Investment Company B.V. (SMIC) was presented as an equity investment, however, against a value of zero, as at December 31, 2024. At that date, funding provided to SMIC was primarily recorded as a loan;

following a reassessment of the investment structure in 2024, part of this balance was impaired and reclassified, while the remaining balance was converted into equity and share premium in 2025.

The 'Equity investments' SMIC qualifies as a plan asset under the definition of IAS 26. Plan assets are measured at fair value. In 2025, the fair value of the investment amounted to XCG 351 thousand, based on the audited financial statements of SMIC, reflecting the entity's net equity position after losses incurred in prior periods.

3.14 ACCOUNTS RECEIVABLE

The book value of the accounts receivable is as follows:

Accounts receivable

All amounts are in thousand Caribbean guilders

	2025	2024
Pension contribution/DT/VUT receivables	16,229	16,837
Total	16,229	16,837

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

Accrued Interest receivables

All amounts are in thousand Caribbean guilders

	2025	2024
Accrued Interest receivables	4,332	5,623
Total	4,332	5,623

Accrued interest receivables comprise the amounts receivable for the debt securities corporate loans, and fixed-income investments.

3.15 SHORT-TERM PORTION OF FINANCIAL ASSETS

Short term portion of financial assets

All amounts are in thousand Caribbean guilders

	2025	2024
Time deposits	40,000	40,000
Total	40,000	40,000

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

3.16 OTHER CURRENT ASSETS

The book value of other current assets is as follows:

Other current assets

All amounts are in thousand Caribbean guilders

	2025	2024
Prepaid expenses	70	769
Deposits	152	55
Other receivables	1,600	35
Total	1,821	860

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.

3.17 CASH AND CASH EQUIVALENTS

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

Cash and cash equivalents

All amounts are in thousand Caribbean guilders

	2025	2024
Local banks	48,899	66,083
International banks	213	28,964
Total	49,112	95,047

Cash and cash equivalents consist of cash on hand, balances held with banks in current and call deposit accounts, and other short-term highly liquid investments with original maturities of three months or less. These balances are held to meet short-term cash requirements, including pension benefit payments and operational expenses.

Cash and cash equivalents are measured at amortized cost, which approximates fair value due to their short-term nature. All balances are readily available for use by the Fund, and there are no restrictions on the utilization of cash and cash equivalents as of December 31, 2025.

The Fund also maintains multiple interest-bearing call and current accounts with reputable financial institutions to ensure adequate liquidity, diversification of banking risk, and efficient cash management.

3.18 EQUITY

All amounts are in thousand Caribbean guilders

	Retained Earnings	Total
Year ended December 31, 2024	117,784	117,784
<i>Result</i>		
(Negative)/positive result current year	27,057	27,057
Year ended December 31, 2025	144,841	144,841

At 31 December 2025, total equity amounted to XCG 145 million, compared to XCG 118 million at the end of 2024. The increase in equity during the year is primarily attributable to the positive result for the financial year, reflecting favorable investment performance and stable operational results.

Equity represents the Fund's residual interest in assets after deducting all liabilities and serves as an important buffer to absorb market volatility and actuarial fluctuations.

3.19 PENSION BENEFIT OBLIGATION

The pension benefit 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 Caribbean guilders

	2025	2024
Pension obligation beginning of the year	833,845	820,599
Net increase in pension obligation	58,400	13,246
Pension obligation end of the year	892,245	833,845

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

- The salary for January 1, 2025, is used for the calculation of the present value of the pension obligations;
- Actuarial return of 4.00%;
- Mortality tables: for men 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 by 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 '*smarten-geld*', 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 '*smarten-geld*' 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.

3.20 ACCOUNTS PAYABLE

Accounts payable

All amounts are in thousand Caribbean guilders

	2025	2024
Accounts payable	198	801
Total	198	801

Accounts payable represent obligations of the Fund to pay for goods and services received in the ordinary course of business. These primarily consist of amounts payable to suppliers, service providers, and professional advisors related to the Fund's operational and administrative activities.

There were no overdue or disputed balances as of December 31, 2025. The Fund continues to apply prudent financial controls and monitoring procedures to ensure timely settlement of obligations and effective cash flow management.

3.21 OTHER PAYABLES

Other payables

All amounts are in thousand Caribbean guilders

	2025	2024
Wage tax payable	143	160
AOV/AWW payable	22	25
AVBZ payable	39	35
ZV / OV payable	5	5
Premium SZV payable	173	166
TOT payable	6	7
Withholdings	16	17
Total	405	414

Other payables comprise obligations of the Fund that do not qualify as trade payables but arise from its normal operating activities. These balances mainly consist of amounts payable to employees,

government authorities, service providers, and other counterparties for costs incurred but not yet settled at the reporting date.

3.22 ACCRUED LIABILITIES

Accrued liabilities

All amounts are in thousand Caribbean guilders

	2025	2024
Deposit	66	66
Accrual Audit Fee	3	36
Accrual Vacation Days	38	25
Accrual Vacation Pay	62	42
Other Accruals	765	(345)
Premiums Received in Error	636	626
Accrued Liabilities	1,569	449

Accrued liabilities represent expenses that have been incurred by the Fund during the reporting period but for which no invoice has been received, or payment has not yet been made, at the reporting date. These accruals are recognized to ensure that revenues and expenses are recorded in the appropriate accounting period, irrespective of the timing of the related cash flows.

Accrued liabilities mainly consist of accrued personnel costs, professional fees, operating expenses, and other obligations arising from the Fund's day-to-day operations

All accrued liabilities are classified as current liabilities, as settlement is expected to occur within twelve (12) months after the reporting date. Management regularly reviews accrued balances to ensure accuracy, completeness, and timely settlement.

Premium Received in Error relates to pension contributions received that are not attributable to registered participants or correct reporting periods and are therefore refundable or subject to correction.

3.23 PENSION PREMIUM INCOME

Pension premium contribution

All amounts are in thousand Caribbean guilders

	2025	2024
Regular pension premium contribution	30,164	29,095
Extraordinary contributions	20	9
Employers' contributions	30,144	29,086
Other contributions		
Contribution premium BB	11	15
Contribution premium WW	12	12
Premium restitution	(52)	(37)
Payback premium WW		
Total	30,135	29,085
Contribution previous years	626	2,621
Total	626	2,621

Pension premium income comprises contributions received from employers and employees affiliated with the Fund, as well as contributions related to prior years. Premium income is recognized in the reporting period to which it relates, provided that the amount can be measured reliably and collection is considered probable.

For the year ended December 31, 2025, total pension premium income amounted to XCG 29 million. Premiums for current-year contributions are calculated and invoiced in accordance with the Revised National Pension Ordinance Civil Servants (LHPO), under which pension contributions are levied at 18% of gross salary, effective July 1, 2020.

Premiums relating to previous years consist mainly of contributions invoiced in the current financial year for past service periods. These amounts arise primarily from retroactive participant registrations and adjustments following premium analyses. The decrease in prior-year contributions compared to the previous reporting period is attributable to the continued execution of the Fund's premium analysis and reconciliation policy.

The Fund applies established procedures for the invoicing, collection, and monitoring of pension premiums. Management actively monitors outstanding balances and applies escalation measures where necessary to mitigate collection risk and ensure timely receipt of contributions.

3.24 INVESTMENT INCOME

Investment income comprises income earned from the Fund's investment activities and includes rental income, interest income, and realized and unrealized gains or losses on investments.

Investment income

All amounts are in thousand Caribbean guilders

	2025	2024
Investment properties income	1,725	(626)
Debt securities income	3,827	4,199
Income investments in fixed income and equity	80,275	51,480
Income loans	10,433	8,578
Mortgages	299	218
Time deposits income	3,798	4,517
Equity investment income	293	-
Total	100,650	68,365

Investment properties income

The investment property's income is primarily the lease income from the tenants of the Professional Office Park and the Oryx Investment Property. In February 2024, the value of Mary's Fancy property was re-evaluated. The change (decrease) in the total value of MF (land, building and improvements) in 2024 vs 2020 is driven by the dire state of the two buildings on the property, both recognized as a monument by the Government of Sint Maarten and destruction of one of the buildings by fire in March 2023.

Debt securities income

Debt securities income mainly consists of interest earned on corporate and government bonds. The decrease compared to the prior year is mainly due to the maturation of certain government bonds.

Income investments in fixed-income and equity

This category comprises realized and unrealized gains and losses on foreign bonds and stock-exchange-listed shares, as well as related interest income and dividends received during the year.

Income Loans / Mortgages / Time deposits income

Income from loans, mortgages, and time deposits represents interest accrued in accordance with the contractual terms of the relevant agreements and is recognized using the effective interest method.

Equity investment income

Equity investment income relates to the Fund's equity participation in subsidiaries and other equity investments classified as plan assets under IAS 26. For the year ended December 31, 2025, equity investment income primarily reflects the results of the Fund's investment in the SXM Investment Company B.V. (SMIC), measured at fair value. Any changes in fair value are recognized in the statement of comprehensive result.

3.25 OTHER INCOME

Other income

All amounts are in thousand Caribbean guilders

	2025	2024
Late payments penalty contributions	659	608
Total	659	608

The amount of the legal interest (6.75%) charged to the affiliated employers for the late payments of contributions or other outstanding amounts.

3.26 PENSION BENEFITS PAYMENTS

Pension benefits payments

All amounts are in thousand Caribbean guilders

	2025	2024
Retirement pensions	23,569	21,662
Widow pensions	2,571	2,075
Orphan pensions	117	129
Disability pensions	1,085	920
Smartengeld	150	105
Pension lumpsum	130	157
Other	(39)	(5)
Total	27,582	25,044

These are the amounts paid to the pensioners and other beneficiaries of the Fund. The increase is mainly the result of the indexation in 2025.

3.27 INVESTMENT EXPENSES

Investment expense

All amounts are in thousand Caribbean guilders

	2025	2024
Investment management expenses	2,897	1,722
Investment properties expenses	569	1,083
Business Loan expenses	6,893	7,187
Mortgage expenses	89	89
Expenses investments in fixed income and equity	4,455	5,520
Total	14,903	15,602

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 twenty percent (20%) of the personnel, office, travel expenses, and forty percent (40%) of the 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 adjustments made to the RFA loan and the SXM Investment Company (SMIC) loan.

Business Loan expenses

All amounts are in thousand Caribbean guilders

	2025	2024
Adjustment RF Adventure St. Maarten N.V. Finance	6,893	5,923
Impairment SXM Investment Agency B.V. Finance	-	1,264
Total	6,893	7,187

For the RFA financing, an impairment was recognized in prior periods to reflect potentially uncollectible accrued and capitalized interest, based on uncertainties surrounding repayment and underlying valuation assumptions. In 2025, APS recorded an additional impairment of XCG 2,961,200 (USD 1,645,111) and a write-off of XCG 3,931,877 (USD 2,184,376) on the RF Adventure St. Maarten

loan in 2025, reflecting the gap between the outstanding loan balance and the updated enterprise valuation, as well as the derecognition of excess accrued interest following the loan's restructuring.

The impairment of the SXM Investment Company (SMIC) loan was recognized in 2024 following the reassessment of the investment structure. In 2025, the remaining loan balance was converted into equity and share premium; as such, no further loan impairment was recognized in relation to SMIC.

Mortgage expenses

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

Expenses investments in fixed income and equity

These expenses relate to the management and trading fees in connection with the international portfolio.

Expenses investments in fixed income and equity

All amounts are in thousand Caribbean guilders

	2025	2024
Investment manager commission	4,320	5,329
Other investment (income) / expenses	135	191
Total	4,455	5,520

Investment manager commission

The investment costs of the international portfolio consist of two components.

First, a fixed fiduciary management fee is paid to BlackRock for the OCIO services.

Second, investment management fees are incurred at the level of the underlying pooled funds in which the portfolio is invested. These fees are expressed as annual expense ratios and vary by asset class and manager. Passive index funds managed by BlackRock have relatively low expense ratios (approximately 0.05%–0.20% per annum), while actively managed external funds have higher expense ratios (approximately 0.15%–0.32% per annum after rebates).

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.

3.28 OPERATING EXPENSES

Operating expenses

All amounts are in thousand Caribbean guilders

	2025	2024
Direct personnel expenses	1,899	1,613
Indirect personnel expenses	97	92
Office expenses	197	171
Housing expenses	606	287
Travel & Publicity expenses	98	111
Depreciation expenses	133	121
Automation expenses	359	356
Professional services expenses	933	1,172
Board, Investment & Audit committee expenses	971	899
Other general expenses	66	66
Allocation to investment management expenses	(1,051)	(1,123)
Total	4,310	3,765

The change is primarily due to the decrease in vacancies, the decrease in professional services and travel expenses.

Employee benefits

The employees who 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 2025 pension contribution amounted to XCG 219,000. This cost is part of the direct personnel expenses. The cost in 2025 is higher as the salaries were higher.

Pension contribution

All amounts are in thousand Caribbean guilders

	2025	2024
Pension contribution	219	207
Total	219	207

Lease expenses

The Fund rents two office spaces from the same landlord. The rental agreement is for a period of five (5) 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 Caribbean guilders

	2025	2024
Office rent	494	149
Equipment rental	28	16
Total	522	165

The Fund has no other lease agreements.

Allocation to investment management expenses

A portion of the operating expenses incurred for 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, expenses, and twenty percent (20%) of the personnel, office, travel & accommodation expenses, and forty percent (40%) of the board expenses.

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

All amounts are in thousand Caribbean guilders

	2025	2024
Bank charges	(125)	(138)
Exchange differences	(59)	1
Interest income (expenses)	367	311
Total	183	174

The decrease in bank charges and exchange differences is mainly related to the transfer of XCG 90 million to the internal portfolio that was done in 2024.

Per end of 2025, the Fund had four (4) interest-bearing current/call deposit accounts. The cash position on these accounts increased resulting in an increase of bank interest for the Fund.

3.30 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 gain of XCG 27 million for the year ended 2025. As explained in note 2, the Fund's primary objective is to ensure it can meet its obligations to participants. Therefore, the Fund

aims to achieve a coverage ratio of 105%. The coverage ratio as of December 31, 2025, was 116.23%, which is above the minimum of 100%.

3.31 COMMITMENTS

(a) Capital commitments

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

All amounts are in million Caribbean guilders		
	<i>Dec 31, 2025</i>	<i>Dec 31, 2024</i>
Local investments	56	60
Total	56	60

Local investments

The Fund has committed to the financing of a few local financing projects (corporate loans).

(b) Other commitments

All amounts are in thousand Caribbean guilders		
	<i>Dec 31, 2025</i>	<i>Dec 31, 2024</i>
No later than 1 year	3,403	3,861
Total	3,403	3,861

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

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.

3.32 RELATED PARTIES

The Board of the Fund consists of a maximum of five (5) members who 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 ('managing director and adjunct director'). The compensation paid or payable to the Board and key management is shown in the following table:

All amounts are in thousand Caribbean guilders

	2025	2024
Board compensation	159	176
Investment Committee's compensation	81	70
Salaries key management		
Short term benefits key management	452	425
Pension contributions key management	42	38
Other long term benefits key management	22	19
Total	757	728

3.33 INVESTMENTS HELD AT THE BEGINNING AND END OF THE PERIOD

All amounts are in thousand Caribbean guilders

	Value at December 31, 2024	Increase through investments	Decrease through disinvestments / amortization / sales	Change in market value/accumulated accrued return	Value at December 31, 2025
Investment properties					
Land & Buildings	38,183	-	-	-	38,183
Investment property	1,610	-	-	(2,016)	(406)
Sub-total	39,793	-	-	(2,016)	37,777
Investments in debt securities corporate and time deposits					
Debt security corporate	72,457		(6,366)	-	66,091
Time deposits	121,200	20,000	(20,000)	-	121,200
Sub-total	193,657	20,000	(26,366)	-	187,291
Loans					
Loans	144,588	58,563	(24,948)	-	178,203
Sub-total	144,588	58,563	(24,948)	-	178,203
Mortgages					
Mortgages	4,796	767	(150)	-	5,413
Sub-total	4,796	767	(150)	-	5,413
Equity investments					
Equity investments	-	347	-	-	347
Sub-total	-	347	-	-	347
Investments in fixed income and equity					
Fixed income	125,998	180,220	(133,414)	(6,927)	165,876
Equity	349,885	478,590	(419,183)	(21,823)	387,469
Sub-total	475,883	658,810	(552,597)	(28,750)	553,345
TOTALS	858,717	738,487	(604,062)	(30,766)	962,376

3.34 EVENTS AFTER THE REPORTING DATE

No events have occurred after the reporting date that require disclosure or adjustment in these financial statements.

INDEPENDENT AUDITOR'S REPORT



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

Reference: HEB/67.377.0/49250

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 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

What we have audited

We have audited the financial statements 2025 of Algemeen Pensioenfonds Sint Maarten, based in Sint Maarten.

The entity's financial statements comprise:

1. the statement of financial position for the year ended 31 December 2025;
2. the statement of comprehensive result for the year ended 31 December 2025;
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 financial statements is IFRS Accounting Standards as issued by the International Accounting Standards Board 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.

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 APS 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 Book 2 of the Civil Code applicable for St. Maarten and IFRS Accounting Standards as issued by the International Accounting Standards Board. 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, 4 May 2026
Grant Thornton St. Maarten



Herbert Beldman AA RA CIA

INDEPENDENT ACTUARIAL REPORT



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 2025.

Onafhankelijkheid

Als waarmede actuaris 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

Op basis van de door mij en de accountant gehanteerde Handreiking heeft afstemming plaatsgevonden over de werkzaamheden en de verwachtingen bij de controle van het boekjaar. Voor de toetsing van de technische voorzieningen en voor de beoordeling van de vermogenspositie als geheel heb ik de materialiteit bepaald op XCG 4.248.000. Met de accountant ben ik overeengekomen om geconstateerde afwijkingen boven XCG 212.400 te rapporteren. Deze afspraken zijn vastgelegd en de uitkomsten van mijn bevindingen zijn met de accountant besproken.

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

De door het pensioenfonds verstrekte administratieve basisgegevens zijn zodanig dat ik die gegevens als uitgangspunt van de door mij beoordeelde berekeningen heb aanvaard.

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

Overeenkomstig de beschreven berekeningsregels en uitgangspunten zijn toereikende technische voorzieningen vastgesteld met betrekking tot het geheel van pensioenverplichtingen.

Ik heb geconstateerd dat het eigen vermogen van het pensioenfonds positief is. Er is sprake van dekking door waarden.

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

De vermogenspositie is naar mijn mening voldoende, omdat de dekkingsgraad hoger is dan 105%.

De ontvangen premie is voldoende om de toegekende aanspraken in 2025 te financieren. De ontvangen premie is tevens voldoende als rekening wordt gehouden met de solvabiliteitsopslag van 14,1%.

Amstelveen, 29 april 2026



drs. R.T. Schilder AAG

Verbonden aan Towers Watson Netherlands B.V.

