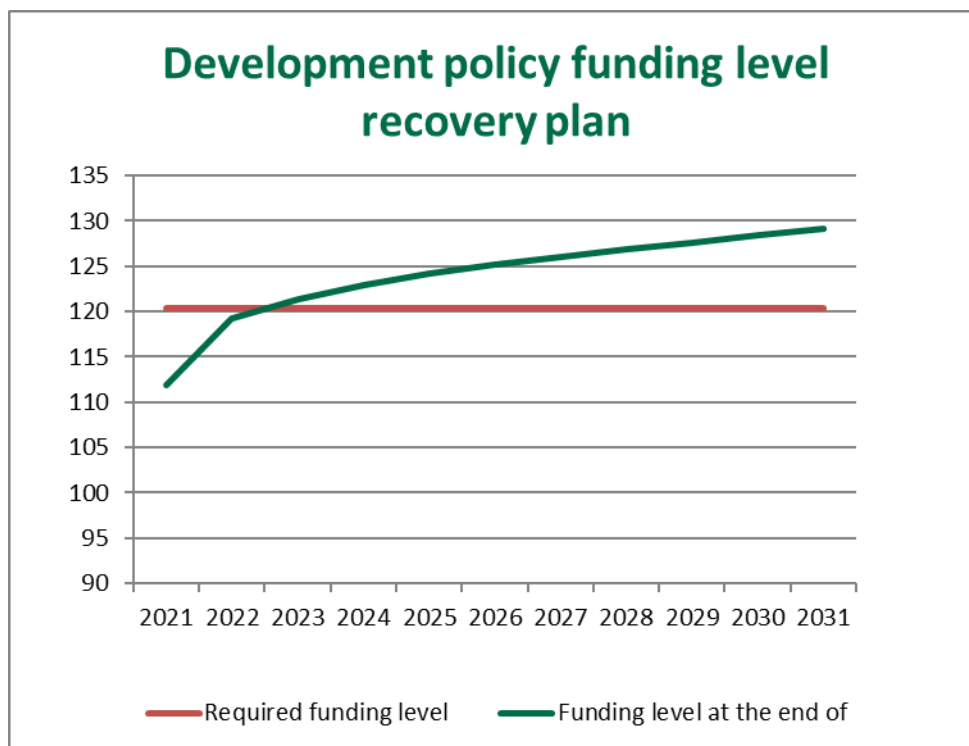


Summary of SPF Recovery Plan 2022

At the end of 2021, SPF was in a situation of a reserve shortfall. On the basis of the Pensions Act, pension funds that are in a situation of a reserve shortfall must submit a recovery plan which is updated each year. This means that SPF must show that it can recover the policy funding level to the required funding level (circa. 120% as of the end of 2021), without decreasing pensions and within the selected ten years.

The recovery plan must specify a prognosis of the financial position based on the contribution policy, investment policy, and indexation policy. The recovery of the financial position of the fund is primarily decided by the assumed investment yield together with the conducted investment policy.

The recovery plan is shown in the graph below. This shows that there is sufficient potential for recovery to achieve the required funding level within the recovery period of ten years. At the end of 2023, the policy funding level is expected to rise above the required funding level. This means that SPF will not need to reduce pensions in 2022.



The table below shows which factors are expected to contribute to the development of the funding level and policy funding level for the previous year and the years to come.

Year	Funding level primo	Contribution	Benefit	Indexation	Interest rate development	Return	Miscellaneous	Funding level at the end of	Policy funding level at the end of
		M1	M2	M3	M4	M5	M6		
		%	Delta %	Delta %	Delta %	Delta %	Delta %		
2021	103,3	-0,8	0,1	-0,5	7,8	7,8	-0,1	117,6	111,9
2022	117,6	-1,1	0,4	-1,4		4,3	-0,1	119,7	119,3
2023	119,7	-1,1	0,4	-1,7		4,2	-0,2	121,3	121,3
2024	121,3	-1,1	0,4	-2,0		4,1	-0,1	122,6	122,9
2025	122,6	-1,1	0,5	-2,2		4,0	-0,2	123,6	124,1
2026	123,6	-1,1	0,5	-2,4		4,0	-0,1	124,5	125,2
2027	124,5	-1,1	0,5	-2,5		4,0	-0,1	125,3	126,0
2028	125,3	-1,1	0,6	-2,6		4,0	-0,1	126,1	126,9
2029	126,1	-1,1	0,7	-2,6		3,9	-0,2	126,8	127,6
2030	126,8	-1,1	0,7	-2,6		3,9	-0,1	127,6	128,4
2031	127,6	-1,1	0,8	-2,6		3,7	-0,1	128,3	129,1

The following factors affect the funding level of SPF:

Contribution M1

This column shows the expected effect of pension accrual and contribution payment on the funding level.

Benefit M2

This column shows the expected effect of pension payments on the funding level.

Increased pensions M3

If pensions are increased, this costs money and negatively impacts the funding level.

Interest-rate structure M4

The expected development of the interest rate follows the interest rate curve set by the Dutch central bank (DNB). There are no expected effects on the funding level on this basis.

Return M5

The expected effect on the funding level as a result of the investment returns.

Others M6

These are the consequences primarily down to effects resulting from interactions between M1 to M5.

Future Developments

The recovery plan was drawn up in accordance with the applicable laws and regulations. It shows the expectation of recovery of the fund on the basis of the financial situation of the fund at the end of 2021 and the used assumptions and estimates. If practice turns out to be different to expectations, then there is a chance that the recovery will proceed in a way that we do not expect. Recovery may happen faster, or more slowly. If recovery happens more slowly, further measures may be needed. In extreme cases, pensions must be reduced.