

Financial development during 2026

Stichting Pensioenfonds
SABIC



Key figures

	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Policy funding level	120,0%	121,1%	124,0%	126,4%
Funding level	123,7%	126,5%	129,8%	127,7%
Pension assets	2.969	2.984	2.959	2.977
Pension liabilities	2.400	2.358	2.279	2.331
Actuarial interest rate	2,7%	2,9%	3,2%	3,0%
Annual return	-2,6%	-1,9%	-2,3%	1,0%

The figures in this document are partly based on estimates and have not been verified by the external auditor and certifying actuary.

Financial position of SPF

The table above shows a few key figures per quarter that express SPF's financial health. But what do those figures actually mean?

The **funding level** shows the ratio between the pension assets held by the pension fund and all obligations the fund has to pay pensions now and in the future. If the funding level is higher than 100%, SPF has more assets than are needed to pay the nominal pensions. To allow pensions to increase in line with inflation, the funding level must be well above 100%.

If SPF transitions to the new system on 1 January 2027, the funding level will indicate whether the fund has sufficient assets to increase the individual pension pots.

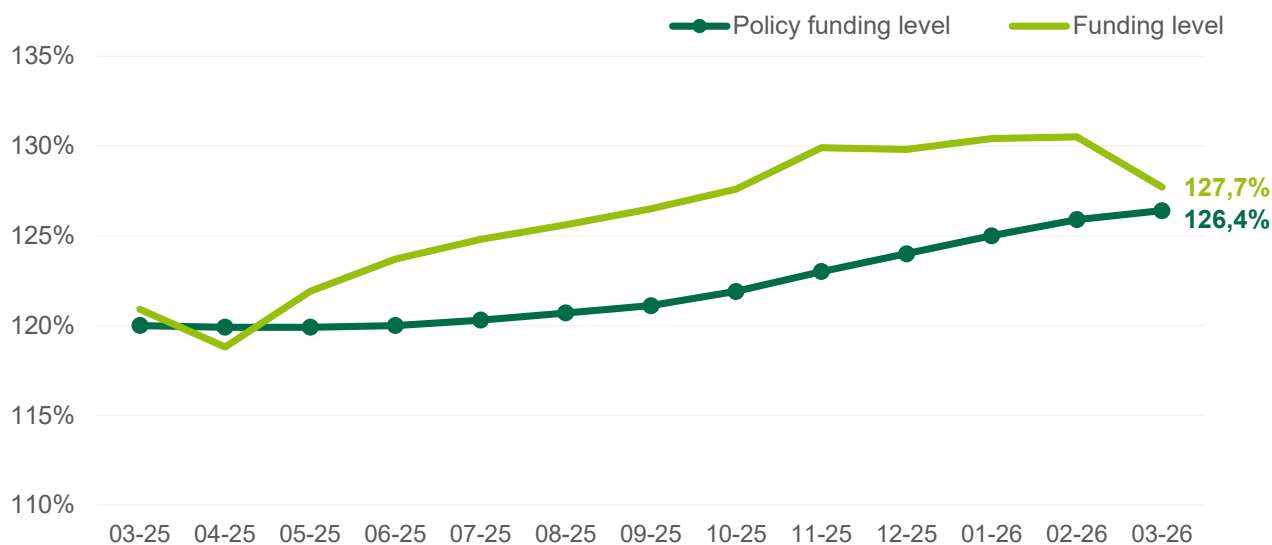
The **policy funding level** is equal to the average funding level over the past twelve months. In 2025 and 2026, the policy funding level will in principle determine whether the Management Board can increase pensions in order to (partially) maintain purchasing power.

The **pension assets** have been invested across various asset classes to generate returns and spread risks. The charts below show how SPF invests.

The **pension liabilities** show how much money SPF must have available to pay all pensions, now and in the future. SPF calculates this partly on the basis of the interest rate published by De Nederlandsche Bank.

The **interest rate** affects the size of the liabilities. When the interest rate falls, the pension liabilities increase and the funding level decreases. When the interest rate rises, the pension liabilities decrease and the funding level increases. The level of interest rates therefore has a major impact on the funding level. Therefore, pension funds often refer to an interest-rate risk that they aim to hedge. If a pension fund fully hedges its interest-rate risk, movements in interest rates no longer affect the funding level. SPF currently hedges 76% of its interest-rate risk.

The **annual return** on the pension assets is the average return of the various asset classes, calculated from the start of the year.

Figure 1 Development (policy) funding level

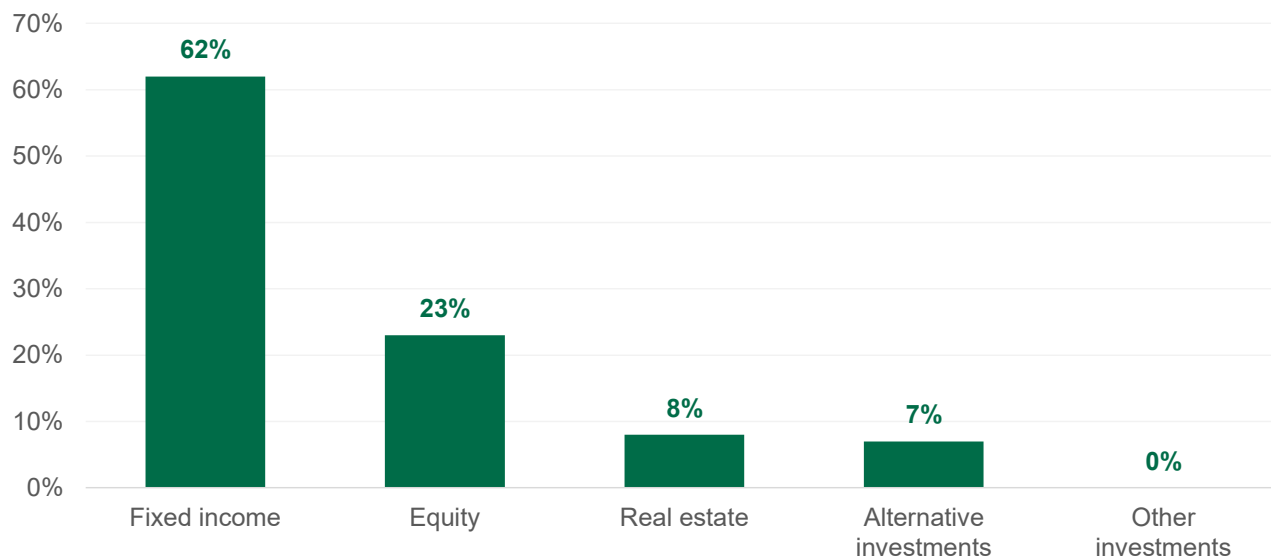
In the first quarter of 2026, the funding level fell to 127.7%. A return of 1.0% was generated on the pension fund's total assets. The decreased interest rate in the first quarter had a negative effect on the funding level, as the decline in interest rates led to an increase in the value of pension liabilities.

On 30 January 2026, the SPF Management Board decided to increase pensions as of 1 January 2026 by 1.57% for pensioners and deferred members, and by 0.52% for employees and disabled participants who are still accruing pension. The funding level fell by 1.4 percentage points due to awarding this indexation. The pension increase has been incorporated into the funding level as at year-end 2025.

Because the funding level has increased over the past 12 months, the policy funding level has risen to 126.4%.

In the first quarter of 2026, the Board revised the investment beliefs. These form the guiding principles for the pension fund's investment policy. They cover, among other things, the functioning of the economy, the governance of the fund, and the societal impact of investments. The revision led to a further tightening of existing beliefs, and several beliefs were also merged, resulting in a more concise and compact set of beliefs overall.

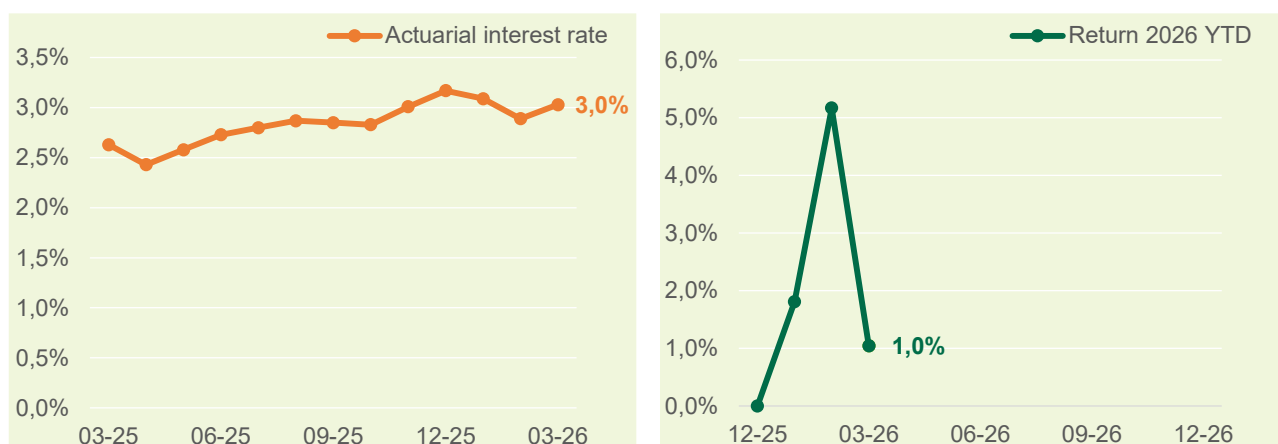
Furthermore, in the first quarter, the Board reviewed the progress of the pension fund's carbon reduction policy and discussed the potential consequences of new sustainability legislation, the so-called SFDR legislation. The SFDR legislation concerns transparency and the method of reporting sustainability aspects of the investment portfolio. Carbon reduction is on track, and the SFDR legislation is not yet final. Although it is currently only a proposal and the proposed legislation may still be amended, the Board has nevertheless already held consultations regarding possible consequences for policy.

Figure 2 Distribution pension investments by asset class as of March 31, 2026

SPF has divided its investments between a matching portfolio and a return portfolio. The matching portfolio is used to partially hedge SPF's interest-rate risk. Within the matching portfolio, nominal government bonds, the inflation-linked bonds portfolio, investment-grade credits and the mortgage portfolio all contribute to this. The remaining investments consist of an interest-rate swap portfolio, which also forms part of the interest-rate hedge.

With the return portfolio, SPF aims to achieve the best possible return, given the fund's risk appetite. The return portfolio includes equities, listed real estate, high-yield bonds and alternative investments in the form of infrastructure and unlisted real estate.

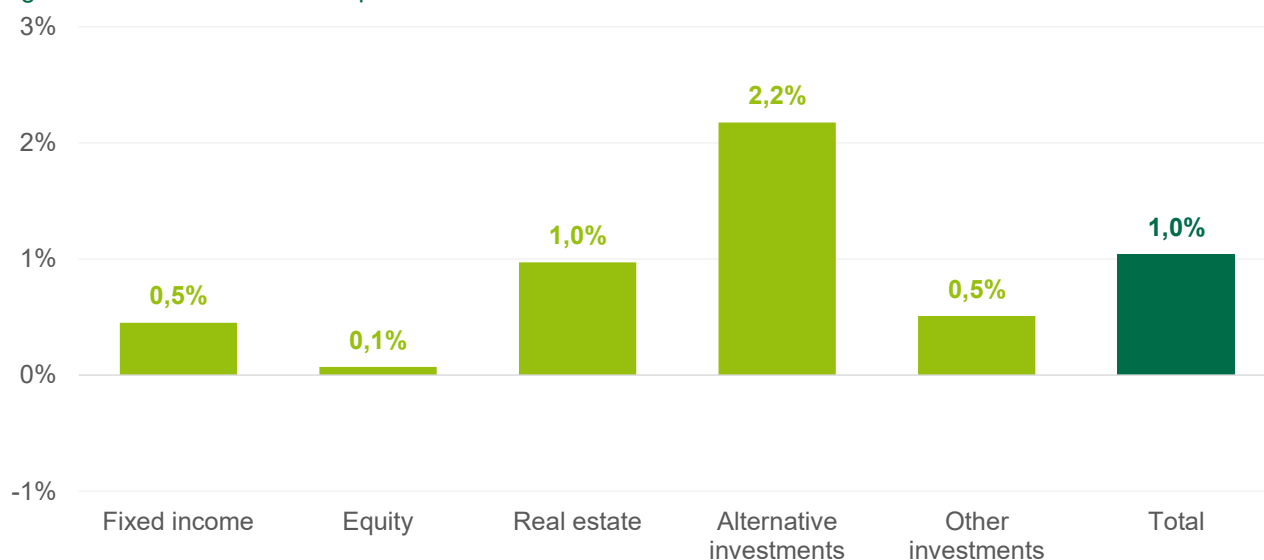
The composition of the investment portfolio is periodically reviewed through a strategic study and adjusted where necessary. For the allocation of the investment portfolio across the various asset classes, bandwidths have been set within which the asset manager may buy or sell investments.

Figure 3 Development actuarial interest and annual return

The size of the pension fund's liabilities depends on an interest rate curve prescribed by the DNB. The average interest rate, the actuarial rate, fell by 0.2% in the first quarter of 2026 to a level of 3.0%. While a falling discount rate results in a positive return on fixed-income securities at the current level of interest rate hedging (76%), it leads to a declining funding ratio.

The return for the first quarter of 2026 amounts to 1.0%. We explain below, per investment category, how this positive investment result was achieved.

Figure 4 Annual return per asset class



The figure above shows the return achieved in the first quarter of 2026, being 1.0%, broken down by the different investment categories. Alternative investments were the best-performing category in the first quarter of 2026 with a return of 2.2%. This category consists of investments in infrastructure and unlisted real estate. Fixed-income securities achieved a positive return of 0.5% as a result of the falling interest rates. Other investments, a portfolio of interest rate swaps, also contributed positively (0.5 percentage points) as a result of the falling interest rates.

Listed real estate achieved a positive return of 1.0%. Equities achieved a return of 0.1%, with equities from the emerging markets region being the best-performing region

Contact details

DPS is responsible for the administration of the pension scheme and asset management. If you have any questions about this information or concerning other pension topics, then please contact us via one of the following means:

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Disclaimer

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The returns and funding levels are subject to fluctuations and do not provide any indication of future returns or funding levels.