Financial development during 2026

Stichting Pensioenfonds SABIC

Key figures

	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Policy funding level	121,1%	124,0%	126,4%	129,2%
Funding level	126,5%	129,8%	127,7%	133,3%
Pension assets	2.984	2.959	2.977	3.121
Pension liabilities	2.358	2.279	2.331	2.341
Actuarial interest rate	2,9%	3,2%	3,0%	3,0%
Annual return	-1,9%	-2,3%	1,0%	6,3%

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.

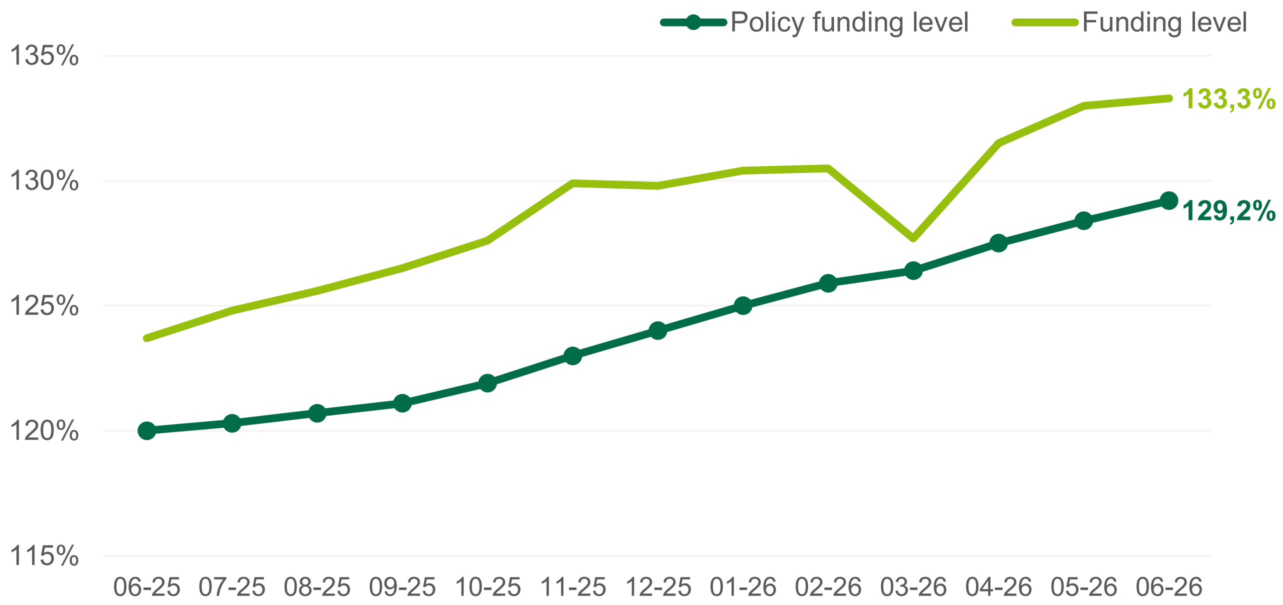
The **pension assets** have been invested across various asset classes to generate returns and spread risks. The charts below show how SPF invests.

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.

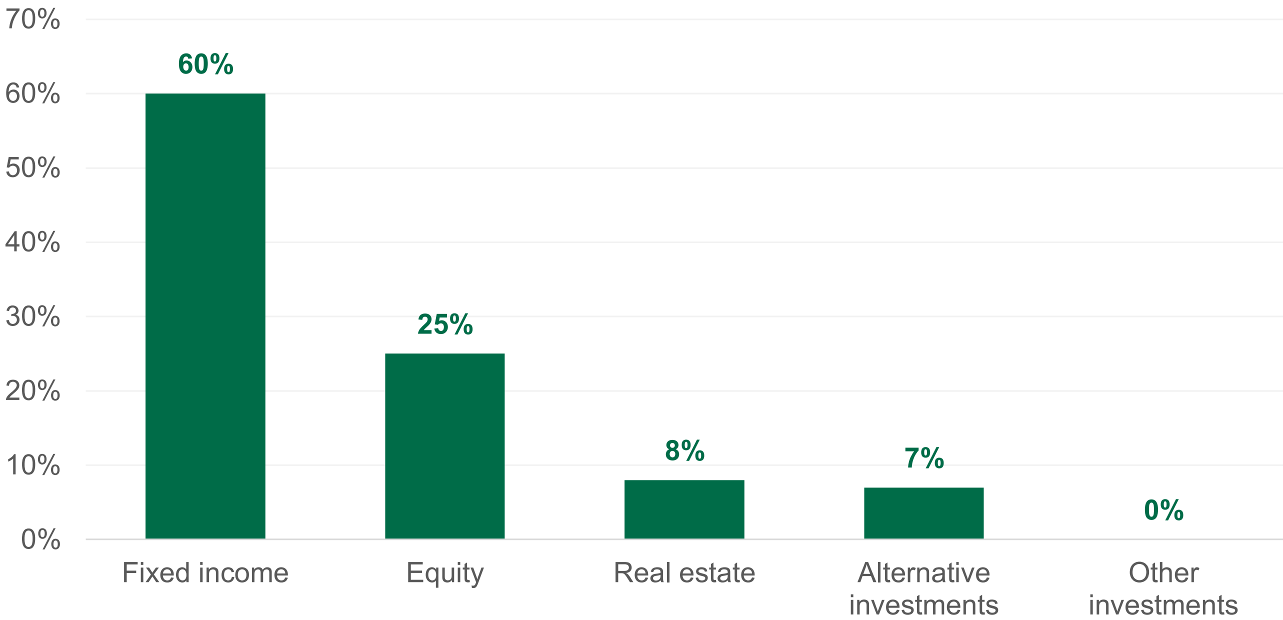
Figure 1 Development (policy) funding level



In the second quarter of 2026, the funding level increased to 133.3%. The pension fund achieved a positive return on its total assets during the second quarter of 2026. Interest rates remained virtually unchanged during the second quarter.

Because the funding level has increased over the past 12 months, the policy funding level has risen to 129.2%.

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

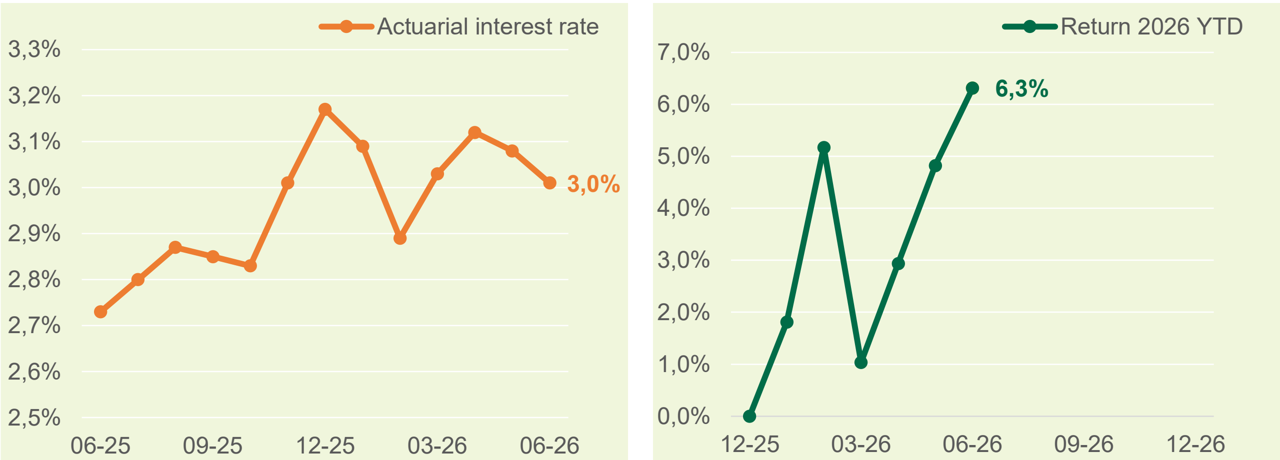


SPF has divided its investments between a matching portfolio and a return portfolio. The matching portfolio is used to partially hedge SPF's interest-rate risk. Within the matching portfolio, nominal government bonds, the inflation-linked bonds portfolio, investment-grade credits and the mortgage portfolio 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.

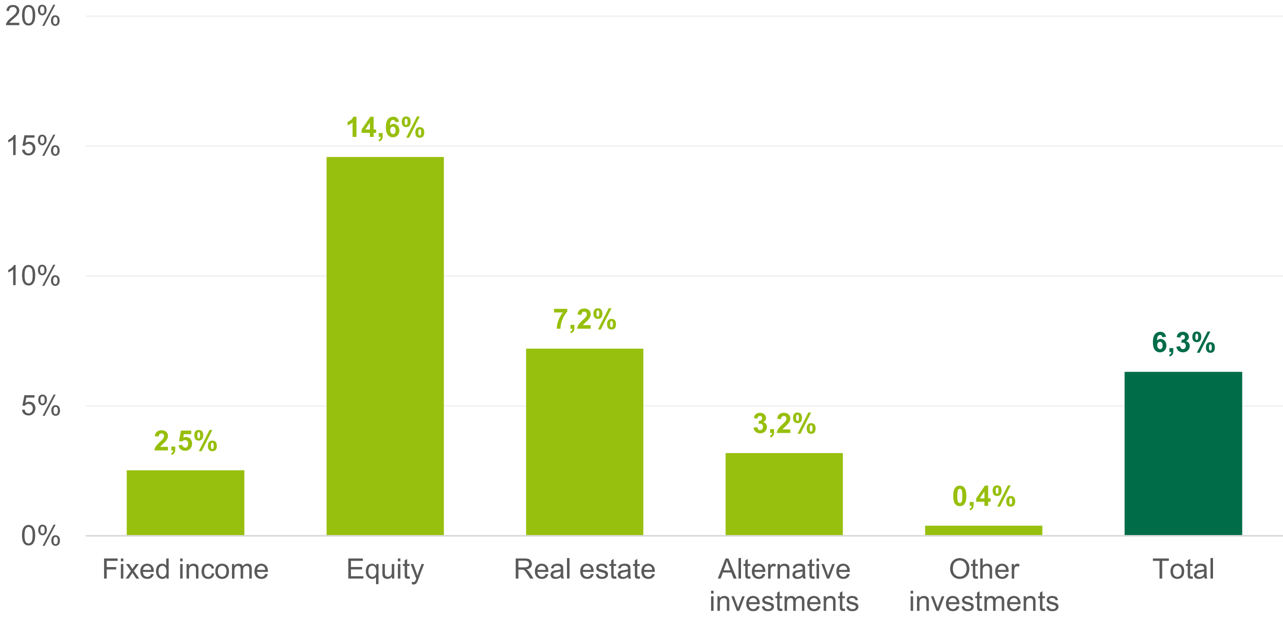
Figure 3 Development actuarial interest and annual return



The size of the pension fund's liabilities depends on an interest rate curve prescribed by DNB. The average interest rate, the actuarial rate, remained virtually unchanged in the second quarter of 2026, at 3.0%.

The return for the second quarter of 2026 was positive, resulting in a cumulative return of 6.3% for the first half of the year. Below, we explain how this positive investment result was achieved, broken down by asset class.

Figure 4 Annual return per asset class



The figure above shows the return achieved during the first half of 2026, amounting to 6.3%, broken down by the various asset classes. Equities were the best-performing asset class in the first half of 2026, with a return of 14.6%. Within the equity portfolio, emerging markets were the best-performing region.

Fixed-income investments generated a positive return of 2.5% as a result of declining interest rates. Alternative investments, consisting of investments in infrastructure and unlisted real estate, generated a positive return of 3.2%. Listed real estate generated a positive return of 7.2%. Other investments, consisting of an interest rate swaps portfolio, also made a positive contribution of 0.4 percentage points as a result of declining interest rates.

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.