



General Audit Chamber

Algemene Rekenkamer

COMPLIANCE AUDIT: APS' FINANCIAL STATEMENT 2025

OCTOBER 2026





October 2026

General Audit Chamber, Juancho Yrausquin Bldv 10, Philipsburg, Sint Maarten

FOREWORD

On behalf of the General Audit Chamber, we present you our report on the compliance audit of the 2025 Financial Statement of the Algemeen Pensioenfonds Sint Maarten (APS- General Pension Fund Sint Maarten).

In this report, we present our findings and observations based on the documents provided by APS and our own analyses. We examined the fund's financial position, the implementation of its investment policy, and the extent to which APS manages the assets entrusted to it on behalf of its participants in a transparent and responsible manner.

We received APS's 2025 Financial Statement well before the November 1 deadline, namely on May 4, 2026. We note this timely submission positively and commend APS for setting a strong example within the public sector by consistently submitting its financial statements well within the legal deadline.

Building on 2024, APS further improved its financial standing in 2025, supported by a strong investment performance, particularly in the international portfolio. Total assets and equity increased, and the coverage ratio rose to 116.23% (2024: 114.1%), remaining well above the minimum required level. The year-end coverage ratio also remained sufficiently above APS's minimum and target levels to allow for indexation.

At the same time, we found that the local investment portfolio continues to deliver limited returns compared to original expectations. This remains an area that requires continued attention.

CONTENT

FOREWORD	
SUMMARY	1
RECOMMENDATIONS.....	2
1 OUR AUDIT.....	3
1.1 Basis for our audit.....	3
1.2 The objectives and audit questions	3
1.3 Methodology.....	3
1.4 Reading Guide	3
2 THE FINANCIAL STATEMENT	4
2.1 Receivables	4
2.2 Provision for Pension Obligations (VPV) and coverage ratio.....	4
2.2.1 Accuracy and completeness of participant administration	4
2.3 Coverage Ratio	4
2.4 Result 2025.....	5
2.5 Return on investments.....	5
2.6 Local Investments	5
2.6.1 Mary's Fancy Plantation / De Castro	5
2.6.2 Professional Office Park	6
2.6.3 Parking Lot	6
2.6.4 Oryx Investment Property (Welgelegen Road).....	7
2.7 Local Financing	7
2.7.1 Rainforest Adventures St. Maarten Loan.....	7
2.7.2 St. Maarten Investment Company (SMIC)	8
2.8 Opinion on APS's 2025 Financial Statement.....	9
3. LEGAL COMPLIANCE	9
3.1 Legislation	9
3.2 Opinion on Legal Compliance	9
4. OUR EPILOGUE	10

SUMMARY

In accordance with Article 26 of the General Pension Fund Ordinance, the General Audit Chamber reviewed the 2025 Financial Statements of APS. This report presents our findings to Parliament and the Minister of Finance.

APS's financial position improved in 2025. Pension assets increased to approximately XCG 1.037 billion, while the provision for pension obligations rose to XCG 892.2 million. As a result, the coverage ratio increased to 116.2% (2024: 114.1%), indicating that APS is able to meet its obligations and maintain a buffer for risks. The financial position at year-end 2025 allows APS to apply indexation for a second consecutive year.

The financial statements show a positive result of XCG 27.1 million. Although investment income increased significantly, the result decreased compared to 2024, mainly due to a substantial increase in pension obligations.

The return on investments was positive in 2025, with an overall return of 9.23%, exceeding the target of 4.18%. The international portfolio performed strongly, while local investments continued to underperform and show limited returns. Receivables remain a relevant component of the balance sheet. Continued attention to timely collection remains important.

With regard to local investments, several projects continue to face delays, limited returns, or uncertainty. The financial statements provide limited insight into the performance, risks, and future plans of these investments. This affects transparency for participants and stakeholders.

Within local financing, the Rainforest Adventures loan remains subject to uncertainty, reflected in additional impairments and a write-off in 2025.

Regarding SMIC, APS restructured its investment by converting part of the outstanding loan into equity. The investment is now valued at XCG 351 thousand. No return has been realized to date, and the valuation continues to reflect losses from prior years. In addition, the outcome of the request for a tax exemption remains unclear, as no update is provided in the 2025 Financial Statements.

Based on our audit, we conclude that the 2025 Financial Statements provide a true and fair representation of the financial position of APS and the results for the year. With respect to legal compliance, APS acted in accordance with the General Pension Fund Ordinance in 2025, except that the position of chairperson of the Board remained vacant.

RECOMMENDATIONS

1. Local investments

Several local investments continue to experience delays, generate limited or no income, or remain subject to uncertainty regarding their future development.

We reiterate our 2024 recommendation that APS provide clear and consistent reporting on the performance of its material local investments, including realized results, updated financial projections, key risks, and concrete future plans.

2. Provide clarity on the SMIC investment and tax position

SMIC's financial position and performance improved in 2025 following the restructuring of its activities and APS's investment. However, losses incurred in prior years continue to affect the value of APS's investment.

We recommend that APS annually report on SMIC's financial performance, the extent to which SMIC is achieving its objectives, the results of the local investments managed through SMIC, and any losses or write-downs and their underlying causes.

1 OUR AUDIT

1.1 Basis for our audit

Pursuant to Article 26 of the Sint Maarten [General Pension Fund Ordinance](#) (hereinafter: Lvo APS), we audit the APS. In accordance with Article 18, paragraph 10, of the Lvo APS, we send the audited financial statements and our comments to Parliament and the Minister of Finance on an annual basis. This report contains the results of our audit of APS's 2025 financial statements.

1.2 The objectives and audit questions

The objective of this audit is twofold. We inform Parliament and the Minister of Finance of our opinion on the accuracy of the financial statements and compliance with the law. We also advise Parliament, the Minister of Finance, and the APS on possible improvements.

The following audit questions have been formulated:

1. Do the APS's 2025 financial statements provide a true and fair representation of the financial position as of December 31, 2025, and the results for 2025?
2. Did the APS act in accordance with the General Pension Fund Ordinance in 2025?

1.3 Methodology

Based on our review, we have concluded that we can use the results of the work performed by the external auditor of APS, who audited the 2025 Financial Statement. Additionally, we have compiled audit information. On this basis, we have formed our opinion on the 2025 Financial Statement.

1.4 Reading Guide

This report covers the following topics in sequence:

Chapter 2: Findings on APS's financial position and results, including an analysis of local investments.
Chapter 3: Findings from our review of APS's compliance with laws and regulations;
Chapter 4: Our epilogue and APS's response.

2 THE FINANCIAL STATEMENT

In this chapter, we present our findings and share our opinion on the question: "Do the APS's 2025 Financial Statements give a true and fair representation of the financial position as of December 31, 2025, and the results for 2025?"

2.1 Receivables

As of December 31, 2025, APS's total receivables amounted to XCG 16,2 million¹ (2024: XCG 16.8 million). These primarily consist of pension contributions receivable, interest income, and other current receivables. The total receivable from the Government decreased by XCG 0.6 million as of year-end 2025. Of the receivables outstanding at year-end 2025, XCG 7.6 million was owed by the Government of Sint Maarten. School boards owed approximately XCG 3.9 million. By August 14, 2026, the amount owed by the Government had decreased to approximately XCG 2.1 million.²

The external auditor noted an improvement in Government's payment behavior, including payments toward older outstanding balances. Nevertheless, older receivables remain outstanding and continue to require attention.³

2.2 Provision for Pension Obligations (VPV) and coverage ratio

On April 29th, 2026, APS's actuary issued an actuarial statement for the 2025 financial year. His opinion on the Provision for Pension Obligations (*in Dutch: Voorziening Pensioen Verplichtingen – VPV*) is as follows:⁴

"In accordance with the described calculation rules and assumptions, adequate technical provisions have been established with respect to the total pension obligations."

At the end of 2025, the VPV of the APS amounts to XCG 892.2 (2024: XCG 833.8 million). [Total pension assets](#) amounted to XCG 1.037,1 million at the end of 2025 (2024: XCG 951.6 million).⁵ The coverage ratio can then be calculated using the following formula:

$$\frac{\text{Pension Assets (XCG 1,037,079,000⁶)}}{\text{VPV (XCG 892,245,000)}} * 100 = \text{Coverage Ratio (116.2\%)}$$

2.2.1 Accuracy and completeness of participant administration

The auditor has issued an unqualified opinion on the 2025 basic data statement. The external accountant stated⁷ that the basic data statement as of December 31, 2025, used by the certifying actuary, has been prepared in accordance with the applicable criteria in all material respects.⁸

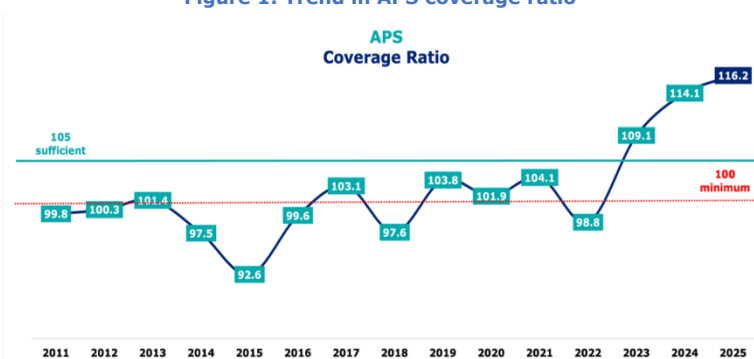
2.3 Coverage Ratio

At the end of 2025, APS's coverage ratio was 116.2% (compared to 114.1% in 2024). Figure 1 shows the development of the coverage ratio.

The coverage ratio rose by 2.1 percentage points at the end of 2025 compared to the previous year.

The development of the coverage ratio was positively affected by investment returns and benefit payments and negatively affected by the indexation of 0.92% as of January 1, 2025. The effect of the 0.92% indexation on the coverage ratio was a decrease of

Figure 1: Trend in APS coverage ratio



¹ Financial Statement 2025 of APS, page 35.

² APS, Accounts Receivable Run-off as of December 31, 2025, exported August 14, 2026.

³ Grant Thornton, APS Report to the Board 2025, section B.5 "Financial Statements items for your attention, Receivables," page 14.

⁴ Certification report Willis Towers Watson Financial year 2025, Actuarial statement, dated April 29th, 2026, opinion on page 11.

⁵ Certification report Willis Towers Watson Financial year 2025, Key figures, page 14.

⁶ In calculating the VPV, we used the figure from the actuary's certification report.

⁷ Date of birth of (former) participant, pensioner, pensioner's partner, latent orphan; gender, date of marriage/divorce, date of death, start date of membership, retirement date, income data (including salary; part-time percentage, disability percentage, income limits).

⁸ Grant Thornton Assurance-Rapport from the independent auditor regarding the basic data dated May 4th, 2026.

approximately one percentage point.⁹ A coverage ratio of 116.2% indicates that, at the end of 2025, pension obligations are adequately covered by the available assets. Additionally, the assets are sufficient to cover both general and investment risks.

With regard to indexation, the actuary stated in his 2024 report that APS intended to enter into discussions with the Government regarding the indexation provision in the legislation.¹⁰ In his Certification Report for the 2025 Financial Year, the actuary states that, based on the results of the ALM study, the Board decided not to challenge the indexation provision in the legislation.¹¹

2.4 Result 2025

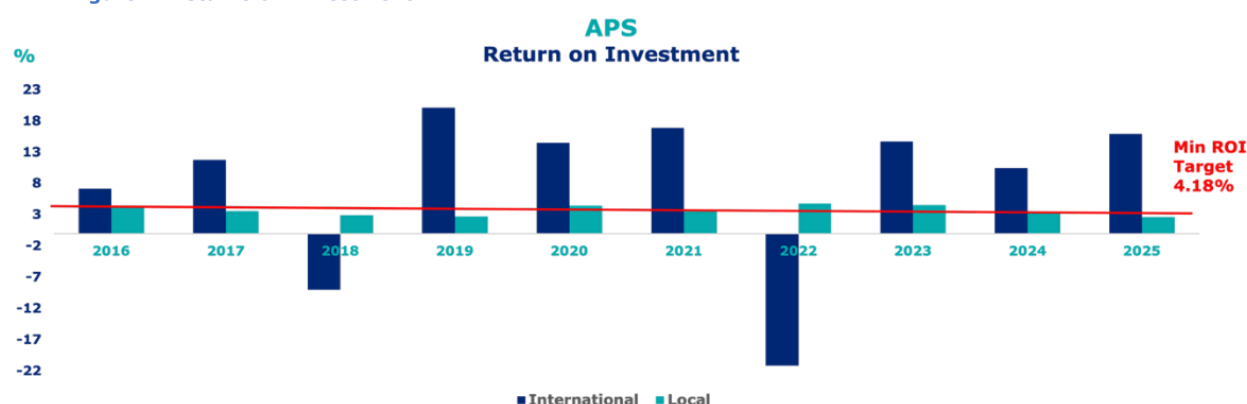
APS reported a positive result of XCG 27.1 million in 2025, compared to XCG 43.2 million in 2024. Total revenues increased from XCG 100.7 million to XCG 132.1 million, mainly due to higher investment income. However, the increase in the pension benefits obligation rose substantially from XCG 13.2 million in 2024 to XCG 58.4 million in 2025, resulting in a lower overall result compared to the previous year.

2.5 Return on investments

The average return on all investments was positive in 2025.¹² The international portfolio returns increased to 15.95% (2024: 10.50%).¹³ In contrast, the return on the domestic portfolio decreased to 2.65% (2024: 3.36%). The overall investment return increased to 9.23% (2024: 6.72%).

APS's Financial Highlights report a targeted return of 5.50% for 2025.¹⁴ Separately, APS states in its investment policy that the portfolio is designed to achieve a minimum long-term rate of return of 4,18%.¹⁵ Figure 2 shows the return on investments from 2016 onwards, using the 4,18% minimum rate of return.

Figure 2: Returns on Investment



The target return was 5.5% until 2023 and was reduced to 4.18% in 2024, as established in the long-term investment plan.¹⁶ This percentage was based on the 2021 ALM study, when interest rates and returns were low. A new ALM study was conducted at the end of 2024.

2.6 Local Investments

We have provided an overview of the status of local investments since we reported on the APS's 2019 financial statements. In this report on the 2025 financial statements, we note the following:

2.6.1 Mary's Fancy Plantation / De Castro

Since its purchase in 2014, the investment objective has been to develop an eco-hotel. In 2019, APS received the necessary permits for both the demolition and (re)construction of the estate. Construction was scheduled to start in the fourth quarter of 2020.¹⁷ The expected lead time would be 15 months.

⁹ Willis Towers Watson Certification Report, Financial Year 2025, page 15.

¹⁰ Willis Towers Watson Certification Report, Financial Year 2024, *Management Summary*, page 7.

¹¹ Willis Towers Watson Certification Report, Financial Year 2025, *Management Summary*, page 8.

¹² APS's 2025 Financial Statement, *Financial highlights*, page 15.

¹³ Returns international investments in 2025 +15.95% and in 2024 + 10.5%.

¹⁴ Financial Statement 2025 APS, *Financial Highlights*, page 16

¹⁵ Financial Statement 2025 APS, section Investment policy, page 22.

¹⁶ Long term Strategic Investment Plan 2023-2028.

¹⁷ Response from APS dated July 21, 2020.

In January 2021, APS applied for a building permit, for which it had not yet received approval as of the date of completion of the 2022 financial statements (June 2023).¹⁸

In 2022, the fund sought a contractor and operator for the project; however, in 2023, the project was put on hold due to rising costs and challenges in identifying a suitable operator.¹⁹ Since then, the project has been classified as "low priority."

Financially, this is reflected in a write-down of the book value from XCG 8.11 million in 2023 to XCG 5.66 million in 2024. The investment does not currently generate income. In Q4 2025, the Board assigned the management of the asset to SMIC to further assess and manage the property; this was formalized in Q1 2026.

2.6.2 Professional Office Park

The Professional Office Park project, acquired in December 2016, consists of two commercial properties and an adjacent vacant lot. The properties generate rental income and have been used as investment properties since their acquisition. Initially, the vacant lot was intended to be the site of APS's new office, as part of a larger building.

Development of the vacant lot has been significantly delayed. The two existing commercial buildings continue to generate lease income; however, the intended development of the adjacent lot has not materialized. Coupled with the uncertainty about future plans, such as redevelopment or sale, we reiterate the importance of making a concrete decision regarding the property's future.

However, APS commented that the appraised value corresponds to the balance sheet value as of December 31, 2024, and that the differences observed are not material. APS also indicated that the delay was primarily caused by rising costs resulting from the pandemic, which had an impact on the underlying business plan.²⁰

In the Financial Statement 2025, APS notes 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. According to APS, the property's appraised value is consistent with its carrying value as of December 31, 2025, and any differences are not material. APS therefore considers the carrying value to be a reasonable reflection of the property's fair value.²¹

2.6.3 Parking Lot

APS received a plot of land next to the Government Administration Building in September 2016 as part of a debt settlement with the government. Its initial development intention was to build a multi-level parking garage, with the ground floor serving commercial purposes.

The project was initially scheduled to be operational in 2020. Since the transfer, APS conducted various preparatory studies, including soil investigations, land surveys, and feasibility assessments. These efforts have resulted in an investment of XCG 403,000, which is reflected in the site's value. Despite these preparations, the site was not operational by the end of 2025, and no firm decisions have been made regarding the continuation or adjustment of the development strategy.



According to the 2025 Financial Statements, the book value is considered to be in line with market conditions, considering the nature of the asset (land). However, the property is not actively developed and generates limited income for the fund, such as occasional rentals for various activities.²² In the Financial Statement 2025, APS notes that 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, namely XCG 4.86 million.²³

¹⁸ Response from APS management to the Memorandum of Findings to the draft report on the 2024 Financial Statements, dated September 14, 2023.

¹⁹ APS Financial Statements 2022, pages 14 and 48: "Local Investments, Mary's Fancy Plantation/De Castro Properties."

²⁰ Response from the APS Management Board, based on the official rebuttal to the draft report on the 2024 Financial Statements, dated September 18, 2025.

²¹ Section 3.10 of APS's 2025 Financial Statement.

²² Idem.

²³ Idem.

2.6.4 Oryx Investment Property (Welgelegen Road)

Oryx Hills features 62 affordable homes on leasehold land in Cay Hill. The original plan, which aimed to sell all units and fully finance them through APS, was revised in 2020 due to limited mortgage eligibility among participants. It now includes a mix of rental, lease-to-own (LtO), and external mortgage financing through Banco di Caribe. Per December 31, 2025, there were twenty (20) units under lease-to-own contracts and 13 units leased.²⁴ APS reports that all Oryx units were revalued in the first quarter of 2025.²⁵ According to APS, the selling prices of the units were equal to or slightly lower than the appraised market value, except one unit, which sold for \$5,000 above the appraised price. In our [audit report on APS's 2024 Financial Statement](#) we noted that the carrying value of the project decreased from XCG 22.39 million in 2023 to XCG 18.27 million in 2024. The carrying value decreased further to XCG 16.25 million in 2025.²⁶

APS indicated that the decrease reflects the sale of units over the years. By year-end 2023, 8 units had been sold. This increased to 18 units by year-end 2024 and 23 units by year-end 2025, meaning that 10 units were sold in 2024 and a further 5 units in 2025.²⁷

Additionally, in our audit report on APS's 2024 Financial Statement we mentioned an ongoing legal dispute over construction defect settlements. APS reported that the legal issue had been resolved in favor of the fund and that the settlement is expected to continue progressing in the coming period.²⁸ We note that no information on the settlement is mentioned in the 2025 Financial Statement.

2.7 Local Financing

2.7.1 Rainforest Adventures St. Maarten Loan

APS has held a 68% share in a senior secured loan to Rainforest Adventures St. Maarten (RFA) since 2016. The loan carried a minimum interest rate of 6%, with a variable component linked to the USD LIBOR rate applicable at the time.²⁹ In 2018, the loan term was extended by eight months due to construction delays following Hurricane Irma.

In 2025, APS reviewed the RFA loan and recorded two adjustments to reflect RFA's updated financial position, operational outlook, and the restructured loan agreement: an additional impairment of XCG 2.96 million and a formal write-off of XCG 3.93 million.

The additional impairment increased the cumulative impairment on the RFA loan to XCG 11.25 million, including impairments previously recorded in 2021 and 2024. The impairment was mainly driven by the gap between the total outstanding loan balance across all lenders of approximately XCG 31.32 million and the latest valuation of RFA of approximately XCG 11.59 million.³⁰ This indicates that part of the loan may not be recoverable.

The write-off related to excess interest that had been administratively recorded at a rate of 10.0075%, instead of the contractually agreed rate of 5%, during the restructuring period. The adjustment brought APS's recorded loan balance in line with the restructured loan amount under the Amended and Restated Facility Agreement, effective July 1, 2025.³¹

After accounting for the write-off and cumulative impairments, the net carrying value of APS's portion of the RFA loan as of December 31, 2025, was XCG 10.12 million. This represented approximately 47% of APS's total outstanding loan balance.³²

Although RFA's St. Maarten operations have improved, uncertainty remains regarding future debt service, including the outcome of the St. Lucia insurance claim and RFA's payment performance under the restructured agreement. APS reports that it will continue to monitor the loan based on updated valuations, insurance claim outcomes, and payment performance.³³

²⁴ Section 3.10 of APS's 2025 Financial Statement.

²⁵ Idem.

²⁶ Idem.

²⁷ Response from APS Management, based on the official rebuttal, dated September 17, 2026.

²⁸ Response from APS Management, based on the official rebuttal, dated September 18, 2025.

²⁹ During our audit on the 2024 Financial Statement, APS clarified that the US LIBOR rate is no longer applicable

³⁰ APS Financial Statement 2025, page 47.

³¹ APS response to supplementary questions, August 2026, response regarding the RFA loan/write-off.

³² APS Financial Statement 2025, page 47.

³³ Idem.

In our view, the RFA loan remains a significant concern from the perspective of pension asset protection. The 2025 impairment and write-off provides a more realistic accounting value, but they also confirm that the loan has not performed as intended and that APS may not recover the full amount owed.

In our view, the prolonged non-performance and uncertainty surrounding recovery warrant continued attention to investment oversight, risk monitoring, and timely intervention. Given APS's responsibility to investment oversight, risk monitoring, and the effectiveness of the recovery strategy.

2.7.2 *St. Maarten Investment Company (SMIC)*

In 2025, APS formally converted its financing of SMIC into equity. As a result, APS recognized its participation in SMIC as an equity investment. As of December 31, 2025, the value of this investment amounts to XCG 351 thousand, reflecting its net equity position.³⁴

The audited financial statements of SMIC provide additional insight into the development of the company. SMIC reported a loss of XCG 474 thousand in 2024, following a loss of XCG 681 thousand in 2023. At the end of 2024, SMIC had negative equity of approximately XCG 2.6 million. SMIC states that its original objective was not realized and that considerable costs were incurred without fulfilling its purposes until mid-2023. Effective July 10, 2024, a new investment agreement with APS changed SMIC's focus to searching, selecting, executing, managing, and monitoring APS's local investments in Sint Maarten and Curaçao. These activities have been outsourced to Curaçao Financial Group.³⁵

SMIC's financial position improved in 2025. Revenue increased from approximately ANG 805 thousand in 2024 to XCG 2.0 million in 2025, and SMIC reported a positive result of XCG 293 thousand, compared to a loss of ANG 474 thousand in 2024. Its equity consequently improved from negative ANG 2.6 million at year-end 2024 to positive XCG 347 thousand at year-end 2025. The APS loan of approximately ANG 2.6 million reported by SMIC at year-end 2024 was no longer recognized as a liability at year-end 2025 following the restructuring of APS's investment. Both the 2024 and 2025 financial statements of SMIC received an unqualified audit opinion.³⁶ The improved result in 2025 represents a positive development compared to prior years. APS also recognized approximately XCG 293 thousand in equity investment income in 2025, which APS states mainly reflects the result of SMIC. Nevertheless, the value of APS's investment remains substantially affected by losses accumulated in prior years.³⁷

In our 2024 report, we noted that the outcome of the request for a tax exemption in connection with the transfer of local investments to SMIC had not been disclosed. APS indicated that the request had been submitted to the Minister of Finance in 2024 and that a final decision was pending.³⁸ The 2025 Financial Statements do not disclose the outcome of this request. Consequently, it remains important for APS to report on the status and any financial consequences of the tax exemption request.

In a reaction, APS clarifies that they send reminders to the Ministry of Finance regarding the request for a tax exemption. They note that they will continue to follow-up on the matter.³⁹

2.8 **Stress test for pension funds**

In 2026, the CBCS published a [Financial Stability article on solvency stress tests for pension funds in Curaçao and Sint Maarten](#).⁴⁰ The article concludes that the pension sector is generally in a solid position, but that financial buffers can decline quickly under serious market stress. CBCS notes that pension funds are expected to maintain a funding ratio of at least 100%, while 104% is used as an early warning level.

The stress test shows that interest rate declines, equity market losses and global financial turmoil can place pressure on funding ratios.

In particular, a severe global stress scenario could reduce the sector-wide funding ratio to just below the 100% supervisory threshold. We believe this is relevant for APS, because its financial position is also strongly affected by investment results, actuarial assumptions, and the valuation of future pension obligations.

³⁴ The table in Note 3.13, under Loans, Mortgages and Equity Investments, of the APS 2025 Financial Statements, states an amount of XCG 347,000, while the explanation mentions an amount of XCG 351,000. We consider the difference to be non-material.

³⁵ SMIC Financial Statements 2024

³⁶ SMIC's Financial Statement 2024 and 2025.

³⁷ Financial Statement 2025 APS, Note 3.18, under: Investment income.

³⁸ [Compliance Audit: Financial Statement 2024 of APS](#)

³⁹ Response from APS Management, based on the official rebuttal, dated September 17, 2026.

⁴⁰ *Solvency Stress Tests for Pension Funds in Curaçao and St. Maarten*, d.d. May 2026.

For the 2025 Financial Statements, this means that clear reporting on APS's funding ratio, investment risks, interest rate sensitivity and stress scenarios remains important. The CBCS article does not indicate that pension funds are in immediate financial trouble, but it does show that pension funds must continue to monitor their risks closely.

We therefore recommend that APS further strengthen its reporting by explaining how adverse developments (such as lower interest rates, falling equity values or global market turmoil), could affect its funding ratio and financial position. This would give participants, Government, Parliament, and other stakeholders a clearer view of APS's financial resilience under both normal and stressed conditions.

2.9 Opinion on APS's 2025 Financial Statement

Based on our audit, we are of the opinion that the 2025 Financial Statements of the APS give a true and fair representation of the scope and composition of the assets as of December 31, 2025, as well as the results for 2025.

3. LEGAL COMPLIANCE

In this chapter, we answer the following research question: "Did the APS act in accordance with the General Pension Fund Ordinance in 2025?"

3.1 Legislation

In 2025, the APS complied with all legal provisions of the Lvo APS, except for Article 5, paragraph 1, which states that the board includes a chairperson and four members. During and by the end of 2025, the chairperson position was still vacant.

In their reaction, the Board of APS acknowledged that a new Chairman was appointed effective October 1st, 2026, that one Board member had been reappointed, and that another candidate had been nominated for appointment, pending completion of the required screening procedures.⁴¹

3.2 Opinion on Legal Compliance

Based on the above, we conclude that APS complied with the provisions of the General Pension Fund Ordinance in 2025, except for the requirement under Article 5, paragraph 1, concerning the composition of the Board, as the position of Chairperson remained vacant throughout 2025.

⁴¹ Reaction of the Board of APS, d.d. October 22nd, 2026, on the draft report.

4. OUR EPILOGUE

As part of the executive consultation process, we received APS's response to the draft report on October 22, 2026. We appreciate APS's constructive response and its willingness to address the matters raised in our report.

Regarding the composition of the Board, APS informed us that a new Chairperson was appointed effective October 1, 2026. APS further indicated that the nomination of the remaining Board members is in progress, subject to the required screening procedures. We welcome these developments and encourage APS to complete the process to ensure compliance with the legal requirements.

APS also responded positively to our recommendation concerning the reporting of financial risks and stress scenarios. APS indicated that it intends to further explain in its reporting how adverse developments could affect the Fund's coverage ratio and financial position. We appreciate this commitment and look forward to its implementation.

We thank APS for its cooperation throughout the audit process and encourage the Fund to continue strengthening transparency and accountability in the management of pension assets.



General Audit Chamber

Algemene Rekenkamer