Annual Report

2021

Pension Fund
Tourism Sector Aruba

Grant Thornton

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Pension Fund
Tourism Sector Aruba

Report of the Executive Board

Grant Thornton

Report by the Executive Board

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General economic condition

Following the contraction of 22.6%[1] in the local economic performance in the year 2020, the real Gross Domestic Product (GDP) is estimated to have recovered with 15.5% in 2021 mainly because of an increase in tourism activities and supported by continued Government financial support. Based on preliminary projections, real GDP is projected to increase by 7.7%[2] in 2022 thereby remaining 4%-points lower than the 2019 GDP level in real terms. However, due to the remaining uncertainties of the consequences of Covid-19 combined with the ongoing conflict between Russia and Ukraine, Aruba still faces considerable possible downside risks. In addition, fragile public finance performances exacerbated by the effects of Covid-19 presents fiscal and economic challenges that need to be overcome in the coming years. Meanwhile the Government of Aruba continues to receive financial support from the Netherlands in the form of loans to bridge this uncertain period and private investments that lingered somewhat in 2021 are projected to pick up in 2022.

After a long period of relative price stability, Aruba will most probably be facing a possible resurgence of inflation as of the year 2022. The consumer price index increased on average by a very modest 0.7% [3]in 2021, mainly when compared to high inflation rates recorded in other countries. However, it is expected that price increases will accelerate in Aruba as well during 2022, as import prices from Aruba's main trading partners will be passed onto consumers, thereby eroding a portion of the purchasing power of households.

Tourism, the main pillar of the economy as measured by the number of stay-over visitors recovered in 2021 to 806,555 compared to 368,322 in 2020 but is still below the 2019 recorded level of 1,118,944. The number of cruise visitors declined in 2021 to 135,953 compared to 255,384 in 2020 and 832,001 in 2019[4].

On the local financial market, banking credit provided by the commercial banks to the private sector declined by 1.4%[5] in 2021. Both loans to enterprises as loans to consumers contributed to this decrease.

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[1] Source: CBA Economic Outlook December 2021 (https://www.cbaruba.org/readBlob.do?id=10738)

[2] Source: CBA Economic Outlook December 2021 (https://www.cbaruba.org/readBlob.do?id=10738)

[3] Source: CBS Consumer Price Index 2021 (https://cbs.aw/wp/wp-content/uploads/2021/05/12-December-2021.pdf)

[4] For all figures in the paragraph the source is: CBA Statistical Tables December 2021, Last updated February 1, 2022 (https://www.cbaruba.org/readBlob.do?id=11032)

[5] Source: CBA Statistical Tables December 2021, Last updated February 1, 2022 (https://www.cbaruba.org/readBlob.do?id=11032)

The interest rate margin of the commercial banks remained in 2021 at about the same level as in 2020[6]. However, since Covid-19 the commercial banks have developed a high liquidity position fueled by a subdued credit demand. The Central Bank of Aruba (CBA) responded to this development by increasing the reserve requirement with one percentage point in November 2021[7] and again in February 2022 to 14.0%[8]. Despite these policy measures, the commercial banks remain highly liquid with an aggregate excess liquidity of AFL 1.3 billion[9] as per the end of November 2021.

Despite these developments, the Fund has investment opportunities in the local market but will keep a watchful eye on the developments in the local financial circumstances, also regarding to the financing activities by the Government of Aruba of its fiscal deficit and refinancing of maturing local bonds.

Asset Liability Management (ALM) study

The ALM study concluded in January 2021 by Willis Towers Watson (WTW) analyzed five different asset allocations for the international portfolio. Given the size of the Fund, the asset allocation options were restricted to low complexity and highly liquid asset classes. Since local assets are mainly allocated in fixed income instruments, the international portfolio is generally overweighed to equity. This is also related to the fact that international fixed income products under the current and expected market circumstances do not support the Fund in achieving its objectives.

The following conclusions were drawn from the ALM study:

- Including more fixed income asset classes to the portfolio offers little upside potential and leads to a low pension. The only upside to fixed income is that they perform better for older participants if the bad weather scenario will manifest itself in the coming years.
- Adding more risk seeking asset classes to the investment mix is to be preferred. Both in the 5th percentile and in the median, these investment mixes generally outperform the fixed income mixes for almost all test profiles. Only for older participants (e.g., age 60), the risk seeking investment mixes do not show outperformance in the 5th percentile.
- Obviously, contribution schemes of 25% result in higher replacement rates than 6% contribution schemes. For the Fund's participants the replacement rates increase from 25% to 100%.
- As current older participants have not amassed large capitals yet, their weight in the balanced decision of an optimal investment portfolio for all participants is smaller. Younger participants will participate longer and will have larger capitals.
- Adding additional diversification within the equity portfolio offers little advance.

Strategic investment portfolio

Objective Investment policy

[6] Source: CBA Statistical Tables Financial Markets Fourth Quarter 2021, Last updated February 22, 2022 (https://www.cbaruba.org/readBlob.do?id=11149)

[7] Source: CBA Press Release of January 5, 2022 (https://www.cbaruba.org/article/id/127/)

[8] Source: CBA Press Release of February 22, 2022 (https://www.cbaruba.org/article/id/163/)

[9] Source: CBA Press Release of February 22, 2022 (https://www.cbaruba.org/article/id/163/)

The investment policy of the Fund is developed in such a way that the benefits of pension entitlements of the participants of the Fund can be realized. To achieve this objective, it is important that the funds entrusted to the Fund are managed and invested in a responsible and prudent manner. The Fund aims to achieve the highest possible return within the defined risk frameworks. This will be among others achieved through adequate diversification and elimination of concentration risk where feasible.

The strategic investment policy has been prepared and approved by the Executive Board of the Fund in October 2021 and is an update of the Investment Guideline Proposal dated February 2018. The strategic investment policy will be updated and/or revised at least every 3 years. The strategic investment policy will also be amended in case of material changes: e.g., policy, market, etc.

The strategic investment policy is based on the earlier mentioned ALM study conducted by WTW in which an assessment was carried out on the optimal balance between the allocations of the investments portfolio and the projected future obligations of the pension fund towards its members. Specifically, the following approach was taken in the ALM study:

- An analysis was done based on 2,000 scenarios which generated the outcome for five test profiles. These five test profiles are representative of the Fund population. Calculations were performed based on a premium contribution of both 6% and 25%.
- The 2,000 outcomes were presented as percentiles in a block diagram to show both expected values and the dispersion of the outcomes for each of the test profiles. This was done for multiple investment mixes to be able to compare these investment mixes and see which are optimal for any given straw man.
- Five investment mixes were assessed. Each mix consisted of a 60% allocation to local assets. The remaining 40% was used to obtain exposure to foreign investments.

Based on an assessment of the risk profiles of different alternative compositions of the investment portfolio carried out in the ALM, the Executive Board elected to maintain the following composition of the local and international portfolio for the period 2021-2023 as shown in table 1.

Table 1: Composition investment portfolio

Investment category	Allocation per end 2021	Strategic target allocation
Local	93.4%	60.0%
Regional	3.1%	2.5%
International listed	3.5%	37.5%

In addition, based on the findings and considerations of the ALM study, it was concluded that it is beneficial for the Fund to create an international portfolio in line with market capitalization, consisting of global developed equity and emerging market equity.

In this regard due account was taken of the additional volatility that will be incurred in the investment portfolio caused by the geographical shift (also because of the absence of market pricing for the local portfolio) combined with the shift towards a higher equity allocation (refer to table 2). This increase in volatility of the portfolio creates more opportunities on the upside but also higher risk on the downside.

Table 2: Asset Class percentage of assets under management

Investment category	Allocation per end 2021	Strategic target allocation	Bandwidth min - max
Fixed income	76.6%	42%	Min 35%
Equity (including property)	23.4%	58%	Max 65%

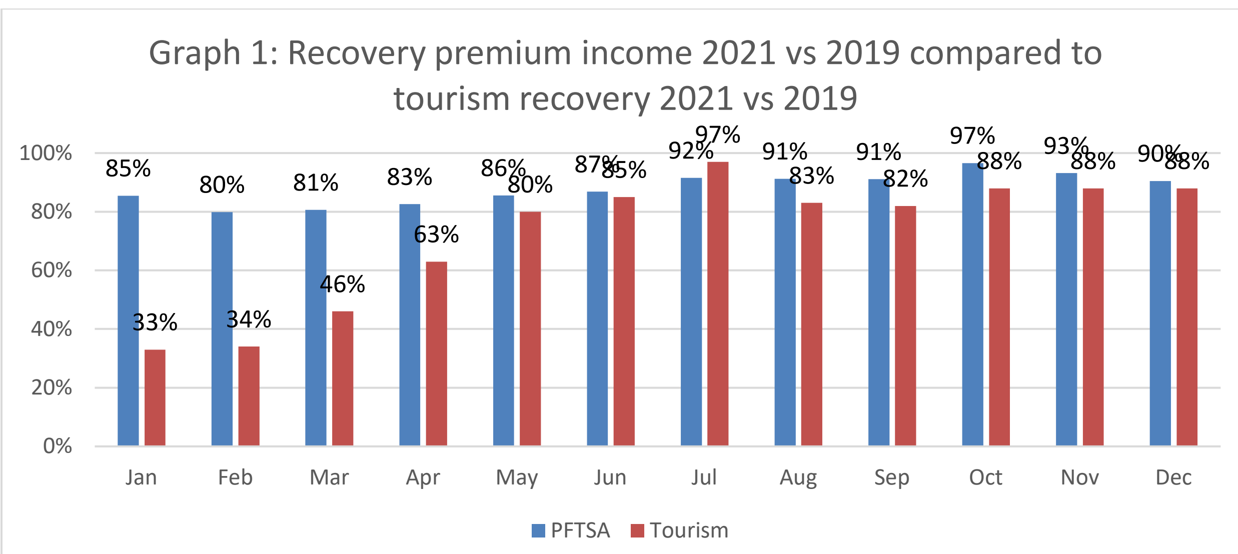
Pension Premium

Like the year before, 2021 was marked by the global coronavirus (Covid-19), rather widespread vaccination programs, extensive testing and sensible conduct made it possible to reopen society, although a new coronavirus variant rendered new restrictions necessary and rekindled uncertainty towards the end of the year.

Fortunately, Aruba has been working on a comprehensive recovery strategy to rebuild its tourism, which has seen many tourists find their way back to Aruba. Compared to 2019, tourism recovered 72%[10] in 2021, making 2021 a pretty good year for tourism.

Cruise tourism remains affected by the pandemic. It was not until 2021 that we saw the first Cruise ship in Aruba. This industry started slowly but is gradually moving forward.

These positive numbers are also illustrated in the monthly pension premium income in 2021 vs monthly pension premium income in 2019 for the Fund as shown in graph 1 below.



The above figures illustrate a fast recovery from a crisis that has had and continues to have an impact on Aruba.

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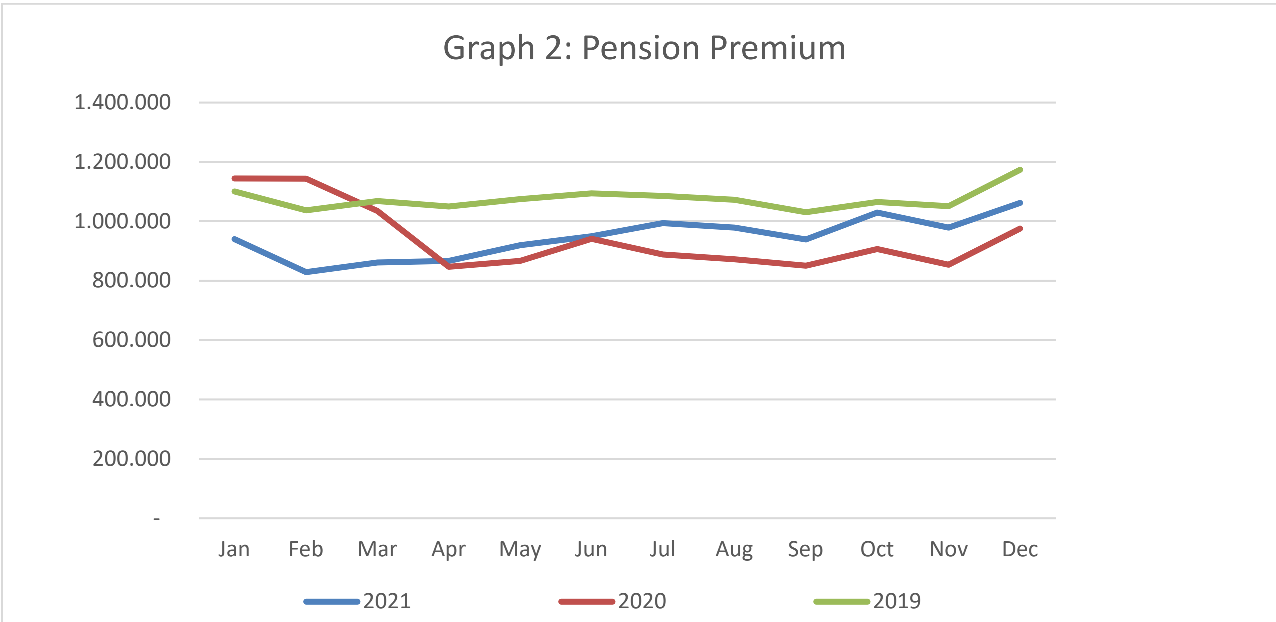
10 https://www.government.aw/news/news_47033/item/tourism-recovered-72-in-2021-compared -to-2019_58956.html

In 2021 the contribution of the participants decreased with 1.6% compared to 2020, even though there was a 12-month pandemic in 2021 and 9 months in 2020. The graph 2 shows an increasing line of the premium income in 2021. Thanks to this development, the Fund is very positive for a total recovery on short term.



Staff numbers were relatively high and stable in most of the companies whose employees have their pension with the Fund despite the Covid-19. The number of active participants decreased by 167 to 4,790 in 2021 (2020: 4,957). The total annuitant policies increased to 501 in 2021 (2020: 423).

As the fund continues to recover, the rate of return of the Defined Contribution plan was increased from 3.0% in 2020 to 3.5% in 2021, while allowing for the coverage ratio to remain quite stable for the three-year period 2019-2021 and complying with the minimum threshold requirements.

Key performance indicators

	2021	2020	2019
Coverage ratio in %			
Gross coverage ratio	108.5	108.9	109.1
Net coverage ratio	102.6	102.8	102.4
Investment performance in %			
Return on total portfolio	4.5%	4.2%	6.1%
Return on local investments	4.1%	4.3%	6.0%

Return on regional investments	5.9%	2.4%	3.1%
Return on international listed investments	12.3%	2.0%	11.3%

The annual return net of fees and expenses calculated over the average total investment portfolio amounted to an average of 4.5% compared to an average of 4.2% in 2020. The return on local investments (comprising 90.5% of the total investment portfolio) amounted to 4.1% (2020: 4.3%), whereas the return on the regional and international listed investments increased by respectively 5.9% (2020: 2.4%) and 12.3% (2020: 2.0%).

The investment income net of fees and expenses increased by Afl. 1.1 million whereas the investment portfolio increased from Afl. 141.3 million to Afl. 156.2 million.

Risk Management

In 2021, the Fund implemented an enterprise risk management process. The Executive Board has responsibility for internal controls and risk management. According to the current regulatory requirements the Fund is required to have an active person monitoring the risk & control function at the Fund and who is assigned to monitor and advice the implementation, amongst others, of the risk charter, which has been adopted by the Fund in 2020. The Fund has outsourced this function and appointed Mr. G. C. Croes CPA as the risk & control officer.

Regulatory Compliance

The Fund's compliance framework is comprised of policies and procedures in the areas of Sound Business Operations as well as robust Anti-Money Laundering and Anti-Financing of Terrorism/Proliferation as per Aruba regulatory legislations. Internal controls with a multi-tier defense system ensure that the policies and procedures are adhered to in an effective manner. The Fund's compliance officer and reporting officer are tasked with the day-to-day compliance workflows. They work closely with the business units and executive management to implement the policies and procedures and report directly to the risk and compliance committee and the Executive Board.

Periodic risk assessments are performed to improve on the compliance policies and procedures and to diminish risks for the Fund. Ongoing review is performed by the compliance officer and the status of effective implementation is reported periodically to executive management, the compliance committee, and the Executive Board. This enables pro-active adjustments and/or reactions to external triggers which are swiftly and efficiently addressed by the Fund.

As part of the new governance structure the Executive Board has three active committees. Each committee consists of three members (refer to table 3) and each committee has been assigned to one or two external persons to support each of the three committees.

Table 3: The Fund Committee Members

Committee membership	Name and position
Audit Committee	Mr. G.K. Farro (Chairman) Mr. E. O. Croes Mr. P. D. Vandormael (external member)
Risk & Compliance	Mr. E. F.C. Albertus (Chairman) Mr. C. E. Heyliger Mr. D. J. M. J. Coenen (external member)
Investment Committee	Mrs. M. R. Croes (Madam Chair) Mr. G.K. Farro Mr. R. K. Kock (external member)

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2. Management and Supervision

Legal structure

General

Pension Fund Tourism Sector Aruba Foundation ("PFTSA", "the Fund"), with registered offices in Oranjestad, ARUBA, was established on March 27, 1992. The Fund is registered at the Chamber of Commerce under number S171.

The Fund is responsible for implementing a pension plan for employees of member companies and is responsible for proper implementation of the pension plan for vested participants and retirees in accordance with existing laws and regulations and works based on an ABTN report. The Fund registers and archives all signed contracts and / or other commitments with (former) member companies.

The Fund currently manages two plans, namely a Defined Benefit plan (“DB”) and a Defined Contribution plan (“DC”). As of January 1, 2004, the Fund ceased allowing participation into the DB-Plan and the participants could continue only with the DC-plan. The pensions built up in the DB-Plan until December 31, 2003 have not been transferred to the new pension plan (DC-plan).

The Fund has an Executive Board that is composed out of employer’s and participant’s representatives who elect the independent chairman of the Executive Board. The Executive Board is assisted upon request by an external actuary. The Fund has 10 permanent employees, including the Executive Director, who together with the Executive Board are responsible for all the work (pension administration, payout, investment portfolio, communication, etc.) at the Fund.

Articles of Foundation

The current Articles of Foundation have been revised and notarized as of May 18, 2018.

Affiliated companies

During 2021, 4 (2020: 8) new companies have joined and 4 (2020: 3) companies became vested. At the end of 2021, a total of 180 (2020: 176) companies were affiliated with the Fund of which 126 (2020: 126) are active and 54 (2020: 50) are vested.

Composition of the Executive Board and committees

Executive Board

The Executive Board (“Board”) consists since July 1, 2012 of 2 employer representatives and 2 participant’s representatives. The composition of the Executive Board for the financial year 2021 is as stated here below (refer to table 4).

Table 4: The Fund Executive Board members

Executive Board members	Name
Independent Chairman of the Executive Board	Mr. G.K. Farro
Appointed by the employers	Mr. E.F.C. Albertus Mr. E.O. Croes
Appointed by the participants	Mr. C.E. Heyliger Mrs. M.R. Croes

As per August 6, 2021, Mr. E. O. Croes joined the Fund as a temporarily Executive Board member and whose term ended on December 31, 2021. Mr. Croes was replaced by Mrs. Thais Nierop effective January 1, 2022.

The Executive Board members on behalf of the employers are elected for a period of four years by nomination of member employers. Procedures regarding the election of Executive Board members are defined in the articles of foundation under article 8.

Executive Board and daily management

The Executive Board has appointed an Executive Director (Mr. Marion M. Agunbero) for the daily management of the Fund on November 1, 2019. The responsibilities of the Executive Board are in accordance with the article of foundation, the Rules and Regulations of the Fund as well the "Actuariële Bedrijfstechnische Nota" ("ABTN").

Executive Board committees

As part of the new governance structure of the Fund, the Executive Board has appointed in 2020 three committees, being the Risk and Compliance Committee, the Investment Committee, and the Audit Committee.

Risk and Compliance Committee

The primary tasks of the risk and compliance committee include preparing decision-making by the Executive Board regarding the risk management process of the Fund and the risk and compliance aspects of other (draft) Executive Board decisions (the risk section). Preparing decision-making for the Executive Board regarding the process that the Fund has regarding compliance with legislation and regulations and the code of conduct. Advising the Executive Board on the structure of the Fund's risk management including policies and processes.

Investment Committee

The primary tasks of the committee are to prepare decision-making by the Executive Board regarding the strategic (long-term) investment policy, the investment analysis policy (especially of local investments) and the annual investment plan.

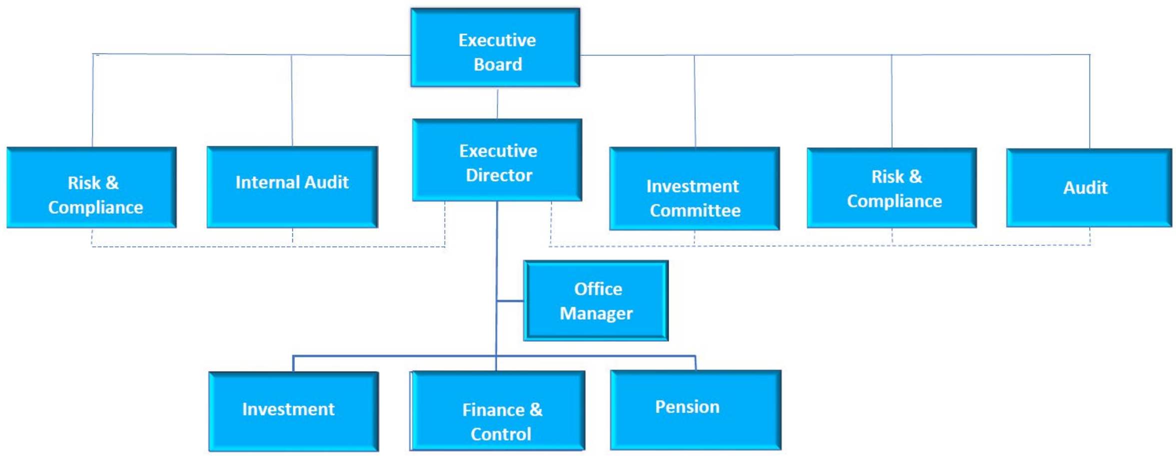
Audit Committee

The primary tasks of the Audit Committee are to prepare decision-making by the Executive Board regarding financial reporting and to test the operation or compliance with the system of internal control and the audit process of the Fund and the process of the Fund regarding compliance with legislation, regulations and rules of conduct.

Organization

The organization of the Fund is as shown in figure 1 below.

Figure 1: the organization chart of the Fund



The three core activities (investments, pensions, finance & control) are incorporated in the organization of the Fund. The Executive Board is ultimately responsible for the Fund. The management of the executive organization is provided by the Executive Director.

The Executive Board has established the following committees:

- Investment Committee
- Risk & Compliance Committee
- Audit Committee

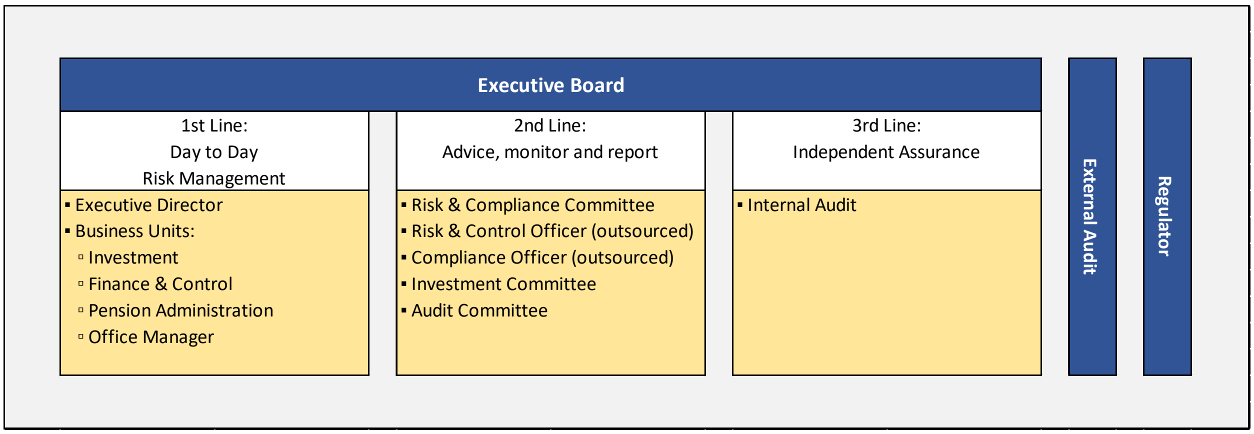
The committees have an advisory role and prepare policy recommendations. In addition, the committees monitor the implementation and progress of the follow-up of the Executive Board decisions based on reports that they receive from the Executive Director. Each committee has three members, at least one is a member of the Executive Board of the Fund. The Executive Board can appoint one or more external members to each committee.

The mandate of the committees, as well as the composition and working method, are laid down in regulations for each committee. The committee regulations are established by the Executive Board.

The Fund's risk management is structured according to the Three Lines Model (previously known as the Three Lines of defense model). The Three Lines Model distinguishes three lines of defense for managing risks (refer also to figure 2):

- The first line is responsible for good administrative and accounting procedures and adequate internal control mechanisms and is involved in day-to-day activities.
- The second line concerns the management of the process and deals with the identification, analysis, evaluation, treatment, monitoring, and assessment of the risks. The second line is independent of day-to-day activities and has the mandate to review the front-line defense activities.
- The third line independently assesses the effectiveness of internal control and risk management, including the operation of risk management. This means that the third line tests the adequacy and effectiveness of both the first and the second line in the implementation of internal control and risk management.

Figure 2: The Fund's Three Lines Model



In 2020 WTW conducted two sets of analysis for the Fund, being the risk charter and the investment cycle review. The risk charter analysis was completed in October 2020 and adopted by the Executive Board in December 2020. The risk charter describes the design and implementation of the integral risk management (IRM) regarding the financial and non-financial risks of the Fund. As the result of this document a risk definition document was outlined. The purpose of the risk definition document is to define the terms as described in the approved Risk Charter of Pension Fund Tourism Sector Aruba Foundation ("PFTSA" or "organization") and terms applicable in the risk management process of the Fund.

As mentioned earlier in 2021, the Fund implemented an enterprise risk management process. The Executive Board has responsibility for internal controls and risk management.

The strategic investment policy has been prepared and approved by the Executive Board of the Fund in October 2021. The strategic investment policy is based on the earlier mentioned ALM study conducted by WTW in which assessment was carried out on the optimal balance between the allocation of the investments portfolio and the projected future obligations of the Fund towards its members.

The Fund does not have an explicit policy in place in which the allocation of the investments and costs related to the current DC and DB plan are determined. This policy is necessary because each plan operates based on different requirements/assumptions and characteristics and as is the case in the Netherlands "cross subsidy" is not allowed (e.g. costs of one fund is covered by the other fund). In this regard, the Fund has approached WTW at the end of 2020. During 2021 this matter was discussed with various parties (including the actuary) on the draft ring-fencing policy. It is the intention to complete this policy document in 2022.

3. Financial position

Financial position and funding development

As of January 1, 2021, the Fund's actuarial interest is for the Defined Benefit plan 4% (2020: 4%) and for the Defined Contribution plan the rate of return is 3.5% (2020: 3%). The mortality table in use is GBM /GBV 2005-2010 (2020: GBM /GBV 2005-2010) and the applied age correction factor -1 in 2021 (2020: -1).

The Fund kept operating expenses in 2021 within budgeted margins to maintain the Fund's financial position.

The investment portfolio consisted in 2021 mainly of government bonds, secured loan facilities and real estate investments resulting in a steady flow of interest income.

4. Risk Management

The Executive Board has adopted the Risk Charter, which describes the structure and implementation of the Enterprise Risk Management (ERM) regarding the financial and non-financial risks of the Fund as shown in table 5.

Table 5: Financial & non-financial risk

Financial Risk categories	Non- Financial Risk categories
Discount Rate Risk	Environment Risk
Equity Risk	Operational Risk
Valuation Risk	Outsourcing Risk
Credit Risk	IT Risk
Technical Insurance Risk	Integrity Risk
Liquidity Risk	Legal Risk
Concentration Risk	Governance Risk

The Risk Officer is committed to identifying, evaluating, and managing risks to the Fund and to implement and maintain control procedures to reduce significant risks to an acceptable level.

To meet this responsibility, a Risk Register is maintained, and its purpose is to:

- highlight the scope of the risks to which the Fund is exposed and the tolerance which the Risk Officer (and the Fund) have for those risks;

- rank those risks in terms of likelihood and impact; and
- identify management actions that are either currently being taken, or that it is believed should be taken, to mitigate the identified risks to an acceptable level.

The Risk Register is reviewed by the Risk Officer quarterly, and any proposed changes are then referred to the Risk & Compliance Committee and the Executive Board at each quarterly meeting.

The main risks to which the Fund is exposed are:

Credit risk: the Fund invests most of its assets in local investments due to supervisory requirements. Due to the limited nature of local investments, there are risks that the portfolio does not match the liabilities closely enough or that as the portfolio matures there is a risk that the Fund cannot reinvest the assets at the assumed rates. The Investment Committee reviews the structure of the portfolio regularly to minimize these risks. At the end of the fiscal year 2021, the Executive Board approved an updated Investment Strategy, which will be monitored for adherence.

Operational risk: there is a risk that administrative expenses are not covered by premiums contributions, resulting in prospective fewer benefits for the participants due to reduced returns of assets. The small size of the entity may also affect the efficiency of the operations and the Fund's necessity to outsource activities. Furthermore, untimely identification of transactions exceeding budget affects the plan assets and non-plan assets management. Moreover, a lack of oversight on investment property management may result in a reduction of asset value either through loss of future income or maintenance quality of the asset.

IT Risk: the reliability of the mortgage program may result in adequate reporting or inefficient use of human resources.

Credit risk: adverse economic conditions affecting mortgage holders, dependency on one economy may affect the repayment capacity of mortgage holders or bondholders.

Governance risk: strategic Objectives have not been set as they would steer the organization in desired objectives and goals.

Valuation risk: the accuracy of the appraiser's reports and the proper valuation of investments pose a risk that the correct valuation is included in the figures of the Fund and thus potentially affecting returns and supervisory ratios.

Liquidity risk: investment Strategy is inconsistent with Funding Strategy may lead to the Fund not being managed properly through setting employer contribution rates incorrectly and thus resulting in the future liabilities of the Fund not being able to be covered by its assets.

Outsourcing risk: key functions that are outsourced may affect the loss of control, loss of innovation, loss of organizational trust, and higher-than-expected transaction costs.

Risk related to interest rate, concentration, liquidity, and other price sensitivity related to equities are considered in the risk management process but have not been categorized as requiring immediate attention. For reporting purposes, the effects of these risks are disclosed in the notes of the financial statements.

The basis for effective ERM of the Fund is a clear and appropriate division of tasks, responsibilities, and powers. The Executive Board is ultimately responsible for the ERM and responsible for appropriate management of all risks associated that the Fund faced.

5. Information on state of affairs

The Fund has shown a growth in 2021 in the number of policies and participants. The number of policies increased from 12,124 to 12,489 during 2021 and the number participants increased from 10,809 in 2020 to 11,075 in 2021.

Of the total policies 4,811 (2020: 5,002) are active policies of the DC Fund. The change in the active policies is specified in the following table.

Table 6: Movement in active policies	**2021**	2020
Active policies as of January 1	**5,002**	**4,987**
New policies from new participants from existing and new affiliated companies	537	511
Less: Allocation to the following categories: vested policies, new annuitant's policies and policies related to one-time payments and transfers	(728)	(496)
Active policies as of December 31	**4,811**	**5,002**

The project for granting mortgages to the participants, which started in 2008, has further expanded in 2021. At the end of 2021 there were 77 (2020: 72) mortgages issued, with a total value of AWG 13,340,603 (2020: AWG 12,139,007) of which AWG 412,496 is still pending to be disbursed for construction mortgages. Overdue mortgage loans are monitored, and necessary action is taken. As of December 31, 2021, a provision for AWG 109,933 is necessary. Of one construction property the sale was not closed. This property is now for sale.

6. Investment development

General economic developments have a direct impact on the investments of the Fund. As a result, thereof, the following developments have had an impact on the investments of the Fund.

Developments in the investments

The Fund's investment approach is embedded in maximizing the return on investment while minimizing the possible negative impact on the continuity of the Fund.

Table 7 illustrates the allocation into different categories of the total investment of the Fund:

Table 7: Investment category	**2021**	2020
	%	%
Bonds	40	40
Loans	21	20
Time deposits	4	7
Mortgages	9	9
Fixed income investments	**74**	**76**
Investment property	14	14
Shares	12	10
Balance as of 31 December	**100**	**100**

7. Actuarial developments

Actuarial analysis

In calculating the technical pension provision for risk of the Fund, the Fund makes assumptions for interest, mortality, and costs. During the year, these parameters may deviate from the assumptions previously used. Consequently, these changes may result in the realization of a gain or loss. The total result on the income and expenses consists of the sum of the result on each of the individual assumptions. An actuarial analysis of the total result is displayed in the following table 8.

Table 8: Actuarial analysis

in AWG	2021	2021	2020	2020
Result on the contributions and others				
Contribution by the employers and participants	11,353,138		11,542,611	
Calculated premium	11,351,732		11,542,611	
		1,406		0
Result on investments				
Result on investments	6,662,537		5,642,078	
Yield on pension for the risk of the fund including DC pensioners	(873,338)		(799,906)	
Yield on pension for the risk of the participants	(4,039,923)		(3,091,704)	
Impairment mortgages	-		-	
		1,749,275		1,750,468
Result on mortality and others				
Result on disability	-		-	
Result on mortality	(231,738)		(89,182)	
		(231,738)		(89,182)
Result on distribution cost				
Pension administrative expenses	(2,293,812)		(2,238,791)	
Cost component included in premium	1,251,909		1,215,014	
Release calculated cost	16,800		14,269	
		(1,025,103)		(1,009,508)
Result on value transfers and refunds				
Release due to value transfers and refunds	1,486,531		1,097,872	
Refunds and value transfers	(1,418,828)		(998,983)	
		67,703		98,889
Other results				
Result on change in actuarial assumptions	-		-	
Result on others	93,971		76,628	
		93,971		76,628
Net result according to financial statements		**655,514**		**827,295**

Actuarial developments

In 2021 the Fund maintained the mortality tables GBM /GBV 2005-2010 (2020: GBM /GBV 2005-2010). For further details on the actuarial developments, we refer to the actuarial declaration for the Financial year 2021 as issued by Actuarial Consultancy Caribbean (AC²) B.V and page 36 – 37 (provision).

Developments in 2021

Details of the pension portfolio

As per year-end, the Fund has a total of 12,489 (2020: 12,124) policies; of which the composition is specified in the following table 9.

Table 9: Pension Portfolio

DB policies	**2021**	2020
Active policies	190	199
Vested policies	312	321
Annuitants' policies	161	148
Partners pension policies	10	8
Orphan policy	-	-
Total policies	**673**	**676**

DC policies	2021	2020
Active policies	4,811	5,002
Vested policies	6,497	6,038
Annuitants' policies	479	391
Partners pension policies	27	15
Orphan policy	2	2
Total policies	**11,816**	**11,448**
Total policies	**12,489**	**12,124**

The number of participants can be specified in the following table 10.

Table 10: Number of participants

Group	**DC participants**		**DB participants**		**Total participants**	Total participants
	2021	2020	**2021**	2020	2021	2020
Active	4,606	4,764	184	193	4,790	4,957
Vested	5,444	5,092	303	312	5,747	5,404
Annuitants' policies	354	289	147	134	501	423
Partners and orphan pension	27	17	10	8	37	25
Total participants	**10,431**	**10,162**	**644**	**647**	**11,075**	**10,809**

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Interest rate, technical provision of the risk of the pension Fund and Fund's equity

For the year 2021 the actuarial interest percentage was for the Defined Benefit plan 4% (2020: 4%). For the Defined Contribution plan a rate of return percentage of 3.5% (2020: 3%) was granted to the active participants. For the vested participants, the Fund deducts 0.5% for cost loading from the interest granted.

The annual rate of return percentage, however, will be evaluated each year by the Executive Board of the Fund and depends among others on the performance of the Fund's investments.

8. Pension Fund Governance of the Centrale Bank van Aruba ("CBA")

General

According to the CBA's Sound Governance Practices, members of the Executive Board of a financial institution falling under its supervision should follow the practices as outlined below:

- ensure competent management on an ongoing basis;
- ensure appropriate plans and policies for the institution;
- monitor operations to ensure compliance and adequate control;
- oversee business performance.

The Executive Board's responsibilities

To ensure competent management on an ongoing basis

The Fund has an experienced Executive Director who is being assisted by a team of qualified staff. The Fund keeps investing in its staff to maintain quality, while integrity and sound technical skills are a must.

To ensure appropriate plans and policies for the Fund

- Planning

The rapid changes in the financial industry call for clear strategies and swift decision making. Long-term strategic planning at the Fund is carried out in close contact between the Executive Director and the Executive Board and is deduced from the ALM study (dated January 2021).

- Investment Policy and an AO/IC-Manual

The investment activities are laid down in the Investment Policy Statement (IPS) dated October 2021. All major investment decisions are initiated by following written policies and procedures. The IPS is communicated through all levels within the Fund. The Administrative and Internal Control Procedures are contained in an AO/IC manual. The update of the AO/IC manual was completed in September 2020 and the IPS was updated in October 2021.

- To monitor operations to ensure compliance and adequate control.

The Executive Board meets monthly to ensure that management exercises adequate internal controls on the institution's operations. Upon the Executive Board's request all reports are generated.

The Executive Board receives the following information quarterly to evaluate the Fund's performance:

  - analysis of actual versus budgeted income and costs, including key ratios and trends;
  - information on accounting, policy and compliance matters (relevant laws and regulations);
  - information of investments opportunities and ongoing investments of the Fund;
  - information on important external developments;
  - internal and external audit reports (management letter, management's comments); and
  - on-site examination letters of CBA and other relevant correspondence.

Remuneration of the Executive Board

All Executive Board members receive a monthly remuneration.

Approval financial statements

On June 15, 2022, the Executive Board approved the 2021 financial statements of the Fund to be presented for approval at the General Assembly. Also, the 2021 financial statements were reviewed by the Audit Committee. During the General Assembly Meeting held on June 17, 2022, the members approved these financial statements.

Aruba, June 17, 2022

Mr. G.K. Farro
Chairman of the Executive Board

Mr. C.E. Heyliger
Secretary of the Executive Board
Executive Board Member representing participants

Mr. E.F.C. Albertus
Executive Board Member representing employers

Mrs. M.R. Croes
Executive Board Member representing participants

Mr. E.O. Croes
Executive Board Member representing employers

Pension Fund
Tourism Sector Aruba

Financial Statements

Grant Thornton

Statement of financial position

As at December 31, 2021 *in AWG*	***Note***	**December 31, 2021**	December 31, 2020
PLAN ASSETS			
Investments for the risk of the Fund	*5*	12,583,492	12,618,651
Investments for the risk of the participants	*6*	97,145,236	87,474,690
Investment properties for the risk of the participants	*9*	19,299,663	19,288,936
Total non-current plan assets		**129,028,391**	**119,382,277**
Short term Investments for the risk of the Fund	*5*	2,032,863	1,871,510
Short term Investments for the risk of the participants	*6*	11,979,473	14,932,436
Receivables	*7*	2,778,491	3,157,997
Cash and cash equivalents	*8*	13,366,602	5,588,091
Total current plan assets		**30,157,429**	**25,550,034**
TOTAL PLAN ASSETS		**159,185,820**	**144,932,311**
NON-PLAN ASSETS			
Property, plant, and equipment	*10*	499,322	648,354
Total non-current non-plan assets		**499,322**	**648,354**
Receivables and prepaid expenses		13,939	22,059
Cash and cash equivalents		682	650
Total current non-plan assets		**14,621**	**22,709**
TOTAL NON-PLAN ASSETS		**513,943**	**671,063**
Total assets		**159,699,763**	**145,603,374**

Statement of financial position (continued)

As at December 31, 2021 *in AWG*	***Note***	**December 31, 2021**	December 31, 2020
CAPITAL AND LIABILITIES			
Fund capital		-	-
Reserves	*11*	12,338,741	11,683,227
Total Fund capital		**12,338,741**	**11,683,227**
PLAN LIABILITIES			
Provision for pension liabilities for risk of the Fund	*12*	13,832,949	13,569,222
Provision for pension liabilities for risk of the participants	*13*	130,799,616	117,618,803
		144,632,565	131,188,025
Lease liabilities	*14*	893,361	994,703
Total non-current plan liabilities		**145,525,926**	**132,182,728**
Provision for pension liabilities for risk of the Fund	*12*	266,209	245,817
Provision for pension liabilities for risk of the participants	*13*	700,905	575,069
Current lease liabilities	*14*	101,342	95,625
Other liabilities and accrued expenses	*15*	391,832	402,068
Total current plan liabilities		**1,460,288**	**1,318,579**
NON-PLAN LIABILITY			
Other liabilities and accrued expenses	*15*	374,808	418,840
Total current non-plan liabilities		**374,808**	**418,840**
Total capital and liabilities		**159,699,763**	**145,603,374**
Pension liability reserve funding ratio - CBA		**102.60%**	**102.80%**
Pension liability reserve funding ratio		**102.50%**	**102.70%**

Statement of comprehensive income

in AWG	*Note*	**2021**	2020
REVENUES			
Premium Contribution for the risk of the participants	*19*	11,353,138	11,542,611
Net investment result for risk of the participants	*20*	5,748,101	4,981,947
Net investment result for risk of the Fund	*21*	914,436	660,131
Total revenues		**18,015,675**	**17,184,689**
EXPENSE			
Retirement benefits and refunds	*22*	1,418,828	998,983
Changes in pension provision for risk of the Fund	*12*	284,119	312,947
Changes in pension provision for risk of the participants	*13*	13,306,649	12,803,230
Pension administrative expenses	*23*	2,293,812	2,238,791
Net value of transfers		56,753	3,443
Total operating expenses		**17,360,161**	**16,357,394**
Total net income for the period		**655,514**	**827,295**
Other comprehensive income for the period		-	-
Total comprehensive income for the period		**655,514**	**827,295**

APPROPRIATION OF COMPREHENSIVE INCOME			
Added to the reserve for risk of the Fund	*11*	349,147	44,239
Added to the reserve for risk of the participants	*11*	306,367	783,056
		655,514	**827,295**

Statement of changes in Fund capital

For the year ended December 31				
in AWG	*Note*	Fund capital	Reserves	Total Fund capital
Balance as of January 1, 2020		-	**10,855,932**	**10,855,932**
Net income for the period		-	827,295	827,295
Total comprehensive income for the period		**-**	**827,295**	**827,295**
Balance as of December 31, 2020	*11*	-	**11,683,227**	**11,683,227**
Net income for the period		-	655,514	655,514
Total comprehensive income for the period		**-**	**655,514**	**655,514**
Balance as of December 31, 2021	*11*	-	**12,338,741**	**12,338,741**

Statement of cash flows

For the year ended December 31			
in AWG	*Note*	2021	2020
Cash flow from pension activities			
Net contributions for the risk of the participants		11,687,446	11,407,455
Disbursement due to refunds and transfers		(56,753)	(3,443)
Disbursements due to retirement benefits and refunds	*22*	(1,418,828)	(998,983)
Paid administrative expenses		(2,536,231)	(1,830,615)
Net cash from pension activities		**7,675,634**	**8,574,414**
Cash flow from investing activities			
Proceeds from investments for risk of the Fund		681,358	748,801
Proceeds from investments for risk of the participants		5,458,465	4,678,216
Investments redeemed for risk of the Fund		738,098	2,148,720
Investments redeemed for risk of the participants		9,983,683	14,058,353
Acquisition of investments for risk of the Fund		(631,214)	(1,898,190)
Acquisition of investments for risk of the participants		(16,080,950)	(32,323,766)
Acquisition of property, plant and equipment	*10*	(46,531)	(104,770)
Net cash used in investing activities		**102,909**	**(12,692,637)**
Net decrease of cash and cash equivalents		**7,778,543**	**(4,118,223)**
Cash and cash equivalents as of January 1	*8*	**5,588,741**	**9,706,964**
Effect of exchange rate fluctuations on cash held		-	-
Cash and cash equivalents as of December 31	*8*	**13,367,284**	**5,588,741**

Pension Fund
Tourism Sector Aruba

Notes to the Financial Statements

Grant Thornton

Notes to the financial statements for the year ended December 31, 2021

1. General information

Fund information

Pension Fund Tourism Sector Aruba Foundation ("PFTSA" or "the Fund") was founded in 1992 on the initiative of Aruba Hotel And Tourism Association ("AHATA") and the Federacion di Trahadornan di Aruba ("FTA"), as they both shared the same vision for the need to create a pension plan that would provide workers in the tourism industry with additional income after retirement on top of the general old age pension provided by the government.

Currently there are 180 (2020: 176) member companies affiliated with the Fund, who together represent 12,489 policies and 11,075 participants.

The Fund is under supervision of the "Centrale Bank van Aruba" ("CBA").

The Fund is a foundation Pension Fund as described in the State Ordinance for Company Pension Funds ("SOCPF") (in Dutch: "Landsverordening Ondernemingspensioenfondsen (LOP)"). The SOCPF rules, among others, the character, contents, regulation, reporting and form of pension funds. Its main objective is to protect the participants' interests.

The Fund's registered and principal place of business is Avenida E.J. Watty Vos 24, Oranjestad, Aruba.

Activities of the Fund

The objective of the Fund is to provide old age, widow/widower/orphan pension benefits to the participants and their families.

Managed Pension Plans

As of January 1, 2004, the Fund administers two plans, namely, a Defined Benefit (DB) Plan ("for the risk of the pension Fund") and a Defined Contribution (DC) Plan ("for the risk of the participants"). As of this date the Fund ceased allowing participation into the DB-Plan and the participants can continue only with the DC-plan. The pensions built up in the DB-Plan until December 31, 2003 have not been transferred to the new pension plan (DC-plan).

The CBA in her Supervisory role regarding Pension Funds issues directives and guidelines. Among others it regulates the actuarial calculation of the pension plan as mentioned in its actuarial directive. In this respect the usage of an actuarial calculation rate of maximum 4% ("rekenrente") is required. The technical provisions and pension liabilities are in principle not stated at market value but are determined in accordance with the actuarial directives prescribed by the CBA.

Starting from January 1, 2009, the Fund changed the actuarial calculation rate previously used in the calculation of the defined benefit plan. Based on this new approach the rate used equals the average interest percentage earned on all investments pertaining to the defined benefit plan. Consequently, applying this interest rate is considered an equivalent to using an interest market rate approach for the calculation of the technical provision for the defined benefit plan.

2. Significant accounting policies

Basis of preparation

The Fund's financial statements for the year ended December 31, 2021 have been prepared on an accrual basis and under the historical cost convention except for the revaluation of properties and investments. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), as issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standard Board (IASB). They have been prepared under the assumption that the Fund operates on a going concern basis.

Foreign currency translation

Functional and presentation currency

These financial statements are presented in Aruban florin ("AWG"), which is the Fund´s functional currency.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective Fund entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognized in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

The following foreign currencies are translated into AWG at the following fixed exchange rates:

- 1 USD: AWG 1.80
- 1 ANG: AWG 1.00.

Comparative figures

The classification of comparative figures for the previous financial year has only been adjusted, where applicable, for comparison.

Impairment

Impairment of Financial Assets – Non-plan assets

The financial instruments related to the Fund's operational activities are accounted for in accordance with IFRS 9 and are classified as financial instruments at amortized cost. IFRS 9's impairment requirements use more forward-looking information to recognize expected credit losses - the "expected credit loss (ECL) model". 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') and

- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2')
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognized for the first category while 'lifetime expected credit losses' are recognized for the second category.

The Fund assessed impairment of plan-assets based on the incurred loss model as promulgated by IAS 39. The incurred loss model assumes when a loss or trigger event is identified, an impaired investment is written down to a lower value.

Impairment of Non-Financial Assets – Plan Assets

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment of Financial Assets – Plan assets

Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows on the asset than can be estimated reliably. Objective evidence that investments are impaired can include:

- delinquency by a borrower or issuer, restructuring of a loan or advance by the Pension Fund on terms that the Pension Fund would otherwise consider
- indications that a borrower or issuer will enter commercial bankruptcy
- indications that a borrower or issuer will encounter loss of income, either as borrower or co-borrower.
- indications that economic conditions will impact the borrower's or issuer's business or industry
- indications of significant recession in the borrower's or issuer's country
- other observable data relating to an individual asset

Delinquency is defined as payments that are 90 days in arrear or greater.

Investments

Investments for the risk of the Fund, investments for the risk of the participants and their related investment income receivables are accounted for in accordance with IAS 26 and are categorized as financial instruments at fair value through profit and loss.

The Fund classifies these financial instruments in the following categories:

A. Investments for the risk of the Fund (refer to note 5):

A1. investments in unlisted fixed investments;

A2. investments in unlisted investment funds; and

A3. investments in listed investment funds.

B. Investments for the risk of the participants (refer to note 6):

B1. investments in unlisted fixed investments;

B2. investments in unlisted investment funds; and

B3. investments in listed investment funds.

1. Investments in unlisted fixed investments

These are assets with a fixed repayment value that have been purchased to be held until maturity to match the 'obligations of the plan'.

These assets are valued at first recognition at fair value plus any directly attributable transaction costs. After initial recognition, they are valued at amortized cost using the effective interest method.

Investments in unlisted fixed investments consist of issued private loans and purchased Land Aruba government bonds, corporate bonds, term deposits, mortgages and other. The latter category contains two investment accounts. These investments, which are not listed on an active market, are characterized by fixed or determinable payments (interest and repayments) and by a fixed maturity. The Fund intends to hold these fixed investments until the end of the term. Since these investments were acquired with the aim of meeting the obligations with IAS 26.33, based on the final redemption value at the end of the maturity.

Changes in the value of these investments in unlisted fixed investments, as well as the interest income earned, are accounted for as investment income in the statement of comprehensive income.

2. Investments in unlisted investment funds

These investments are recognized at their fair value at first recognition and then revalued at the last known fair value and increased or reduced by any (de)investments until the end of the financial year.

Changes in the value of these investments in unlisted investment funds, as well as dividend yields, are accounted for as net investment result for risk of the participants in the statement of comprehensive income.

3. **Investments in listed investment funds**

Investments in listed investment funds, consisting of foreign bond and equity funds, are valued at their fair value at first recognition and then revalued at the last known fair value. In this respect, these investments are valued at fair value at the end of the financial year as provided by the asset manager.

Changes in the value of these investments in listed investment funds, as well as the interest and dividend income earned, are accounted for as net investment result for risk of the participants in the statement of comprehensive income.

Investment property

Investment properties are properties held to earn rentals or for capital appreciation, or both, and are accounted for using the fair value model. Investment properties are revalued annually with resulting gains and losses recognized in the statement of comprehensive income based on comparable market values or based on the cash flow model. These are included in the statement of financial position at their fair values.

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.

Leased assets

The Fund as a lessee

For any new contracts entered on or after 1 January 2019, the Fund considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period in exchange for consideration'. To apply this definition the Fund assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Fund.
- the Fund has the right to obtain substantially all the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Fund has the right to direct the use of the identified asset throughout the period of use. The Fund assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Fund recognizes a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Fund, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Fund depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Fund also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Fund measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Fund's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

After initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Fund has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade and other payables.

The Fund as a lessor

The Fund's accounting policy under IFRS 16 has not changed from the comparative period.

As a lessor the Fund classifies its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

Receivables

The Fund makes use of a simplified approach in accounting for trade and other receivables for plan assets. The Fund's receivables as non-plan assets include deposits and other non-trade receivables. The impairment of plan and non-plan assets are based on the policies as defined in the impairment of Financial Assets.

Cash and Cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value.

Property, plant, and equipment

Property, plant, and equipment are stated at historical cost, less straight-line depreciation. All repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

The depreciation is calculated based on historical cost less estimated residual value and the related useful life of the asset. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The estimated useful lives are:

-	Right of use of assets building and equipment	4 – 5 years
-	Leasehold	5 years
-	Vehicles	5 years
-	Furniture & equipment	3 – 5 years
-	Computer equipment	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

Fund Capital

Fund capital consists of a capital contribution by the members of the Fund and the accumulation of results retained by the Fund.

Provision

A provision is recognized if, as a result of a past event, the Fund has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The calculation of the pension provision is determined by the following assumptions:

Provision for pension liabilities for the risk of the Fund (defined benefit)

- Discount rate: 4% (2020: 4%).
- Mortality table: The mortality table used is, GBM/GBV 2005-2010 (2020: GBM/GBV 2005-2010), as drafted by the Society of Actuaries and in conformity with the CBA actuarial directives, with an age correction of -1 year for non-retirees and age correction of -1 year (2020: -1 year) for retirees. For children, the mortality risk was set at zero.
- Age difference: All participants are assumed to be married. Male participants are assumed to be 2 years older than female participants; the provision is set at the net cash value of the regulatory benefits accrued until statement of financial position date. The age at statement of financial position date is determined by deducting the date of birth from the statement of financial position date. The period until retirement date is determined by deducting the age at statement of financial position date from the retirement age.
- Exit costs: The Fund applies a 2% exit costs.
- Cost deduction: 0.5% (2020: 0.5%).

Due to the method of payment chosen (monthly in arrears), pension premiums due or pension premiums prepaid have not been considered for the calculation of the provision.

Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of additional benefits to the participants based on the Executive Board discretion.

The Fund sponsors defined benefit plans for qualifying participants of qualifying companies from the hospitality industry. The defined benefit plans are administered by a separate fund. The Executive Board is responsible for the investment policy about the assets of the Fund.

All the participants of defined benefit plan are vested. Since January 1, 2004, the qualifying employers do not provide contributions to the defined benefit plan anymore as the Fund ceased participation on December 31, 2013.

The plan typically exposes the entity to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	• The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to non-traded loans and bonds of Land Aruba and certain traded stocks and bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in debt securities and equity instruments. Due to the long-term nature of the plan liabilities, the trustees of the Fund consider it appropriate that reasonable portion of the plan assets should be invested in equity securities and in real estate to leverage the return generated by the Fund.
Interest risk	• A decrease in the interest rate of the plan assets will increase the plan liability.
Longevity risk	• The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Provision for pension liabilities for the risk of the participants (defined contribution)

- Discount rate after retirement: 3.75% (2020: January 2020 until May 2020: 4%. As of June 2020, only for new pensioners 3.75%).
- Mortality table: the mortality table used is, GBM/GBV 2005-2010 (2020: GBM/GBV 2005-2010), as drafted by the Society of Actuaries and in conformity with the CBA actuarial directives, with an age of -1 year (2020: -1 year) for retirees. For children, the mortality risk was set at zero.
- Cost deduction: 10% (2020: 10%).
- Cost retention for pension acquisition at retirement date: 2% acquisition of pension based on actual marital status.
- Exit costs: the Fund applies a 2% exit costs.
- Interest granted: 3.5% (2020: 3%).

Due to the method of payment chosen (monthly in arrears), pension premiums due or pension premiums prepaid have not been considered for the calculation of the provision.

Other liabilities and accrued expenses

The Fund initially recognizes other liabilities on the trade date at which the Fund becomes a party to the contractual provisions of the instrument. The Fund derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Fund has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Fund has the following non-derivative financial liabilities: trade and other payables are recognized initially at fair value plus any directly attributable transaction costs. After initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Revenues

Premium contributions

Premium contributions are attributed to the period to which they relate. An estimate is made based on extrapolation if the necessary information has not been received from employers. The amount allowed to cover the costs of collection is accounted for in the benefit payments and administrative expenses.

Net investment result

Investment results for the risk of the Fund and for the risk of participants are attributed to the period to which they relate. Capital gains and losses are accounted for in the period in which they occur.

Other income

Other income consists of commitment fees and investments income fees (if any) and is attributed to the period to which it relates.

Expenses

Retirement benefits and refunds

The benefits represent payments made to the participants and annuitants and are based on actuarial principles and are allocated to the year in which the liability was incurred.

Changes in pension provision for risk of the Fund (defined benefit)

Pension accruals are attributed to the period in which the accrual of pension rights takes place. An exception to this is the assumed continuation of active service for the purposes of pension accrual in the case of a participant dying. This future accrual of pension rights is recognized immediately in the year in which the participant dies. The change in the pension provision for the risk of the Fund consists of the following items:

- Interest addition: the interest cost added is calculated based on the nominal interest rate for a period of one year included in the interest rate structure published by CBA for pension funds. The interest is calculated on the opening balance and the movements during the year.
- Retirement benefits and other claims: the amount released from the provision for pension is credited to the statement of income and expenses in the period for which provision for the expenses concerned was made in the calculation of the provisions.
- Pension rights transfers: changes in respect of transfers of pension rights are attributed to the period to which they relate.

- Change in interest rate: the effect which the adjustment of the actuarial interest rate in line with guidelines has on the provisions for pension is recognized in the statement of income and expenses at the end of the reporting period.
- Change in actuarial assumptions: the effect which the adjustment of the actuarial assumptions has on the provision for pension is recognized in the statement of income and expenses at the end of the reporting period.

Changes in pension provision for risk of the participants (defined contribution)

The changes reflect the difference between the beginning and ending values at statement of financial position date of the provision.

- Interest addition: the interest cost added is calculated based on the nominal interest rate for a period of one year included in the interest rate structure maintained by the Fund. The interest is calculated on the opening balance and the movements during the year.
- Retirement benefits and other claims: the amount released from the provision for pension is credited to the statement of income and expenses in the period for which provision for the expenses concerned was made in the calculation of the provision.
- Pension rights transfers: changes in respect of transfers of pension rights are attributed to the period to which they relate.
- Change in interest rate: the effect which the adjustment of the actuarial interest rate in line with guidelines has on the provisions for pension and insurance liabilities is recognized in the statement of income and expenses at the end of the reporting period.
- Change in actuarial assumptions: the effect which the adjustment of the actuarial assumptions has on the provision for pension is recognized in the statement of income and expenses at the end of the reporting period.

Administrative expenses

Administrative expenses are attributed to the period to which they relate. The Fund is further exempted from profit tax, but pays BBO, BAZV, and BAVP taxes on its rental income. In 2021 as in 2020, part of the salary costs, Accounting, Administrative and Consultants fees, legal fees and Information and Technology costs have been allocated to the investment as part of the investment charges, as these charges are directly linked to investment activities of the Fund.

Net value of transfers

The net value of transfers reflects the value of the pension rights of the participants that have decided to transfer these to another pension fund.

Related parties

Parties are related if one party can control the other party or exercise significant influence over the other party in making financial or operational decisions. All transactions, outstanding balances and other relationships with entities identified as related parties are disclosed in accordance with International Accounting Standard 24 Related Party Disclosures.

Key management personnel comprise of the members of the Executive Board and the members of the management team who have authority and responsibility for planning, directing, and controlling the activities of the Fund, directly or indirectly.

The key management officers of the Fund deemed to be able to materially influence the performance and the future of the Fund are provided salary, benefits and incentives based on individual performance.

Cash-flow statement

The statement of cash flows has been prepared using the direct method. The notes to the statement of cash flows explain the variances between movements in the items in the statement of comprehensive income and the items in the statement of cash flows. Receipts and expenditures in foreign currencies are translated into Aruban Florin (“AWG”) at transaction date exchange rates. The differences arising because of differences between the transaction rate of exchange and the settlement rate of exchange are included in the direct investments income received.

3. Critical accounting judgements and key sources of estimation uncertainty

In applying the Fund's accounting policies, which are described in note 2, the Executive Board is required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Fund's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the Executive Board has made in the process of applying the Fund's accounting policies and that have the most significant effect on the amounts recognized in financial statements.

Impairment testing

Following the assessment of the recoverable amount of plan financial assets, for which have determined to be impaired, the Executive Board consider the recoverable amount of plan financial assets to be most sensitive to the market value of appraisal report. Appraisal reports comprise of estimated cost per square meter for construction and land, estimated fencing cost, estimated market values per square meter, foreclosure percentage from market value based on current and anticipated market conditions that have been considered and approved by the Executive Board. The estimates have historically been relatively stable, however due to the uncertain nature of assets and unstable market conditions, the estimates may be more sensitive. The effects of COVID-19 and the global supply chain has an indirect impact on the real estate industry and on the construction costs. The sensitivity analysis in respect of the recoverable amount of plan financial assets is presented in note 16.

Discount rate used to determine the carrying amount of the Fund's defined benefit obligation

The determination of the Fund's defined benefit obligation depends on certain assumptions, which include selection of the discount rate. The discount rate is set by reference to market yields at the end of the reporting period on high quality corporate bonds. Significant assumptions are required to be made when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the issue size of the corporate bonds, quality of the bonds and the identification of outliers which are excluded. These assumptions are considered to be a key source of estimation uncertainty as relatively small changes in the assumptions used may have a significant effect on the Fund's financial statements within the next year. Further information on the carrying amounts of the Fund's defined benefit obligation and the sensitivity of those amounts to changes in discount rate are provided in note 16.

Determination of fair values

Certain accounting policies and disclosures require the determination of fair values, both for financial instruments and for non-financial assets and liabilities.

In estimating the fair value of an asset or a liability, the Fund uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Fund engages third party qualified valuers to perform the valuation. The valuation committee works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Finance and Control manager reports the valuation committee's findings to the Executive Board of the Fund every quarter to explain the cause of fluctuations in the fair value of the assets and liabilities. The valuations of private equity investments, contingent consideration in business combinations and nonderivative financial assets held for trading are particularly sensitive to changes in one or more unobservable inputs which are considered reasonably possible within the next financial year. Various valuation methods are used to determine the fair value of the financial instruments. The levels below provide an overview of the valuation method used to determine the fair value in each level.

Related to published price quotations in an active market (Level 1)

This category includes financial instruments, the fair value of which is determined directly based on published quotations in an active market. A financial instrument is considered to be quoted in an active market if the quoted price is readily and regularly available from a stock exchange, trader, stockbroker, industry group, pricing institution or supervisory institution and these prices reflect current and regularly occurring market transactions.

Valuation method based on market information (Level 2)

This category includes financial instruments, the fair value of which is not determined directly based on published quotations in an active market but uses variables from an active market or which are observable in the market. When certain variables are not observable in the market, but all other significant variables are, this instrument is still classified in this category, assuming the impact of these elements on the overall valuation is insignificant. This includes instruments whose value is derived from quoted prices or comparable instruments.

Valuation method not based on market information (Level 3)

This category includes financial instruments whose fair value has been determined using a valuation technique (a model) and for which more than a non-significant part of the variables for the purpose of the total valuation are not observable in the market.

If the variables used to determine the fair value of an asset or liability fall within different levels of the fair value hierarchy, the determined fair value is classified in the same level of the fair value hierarchy as the lowest-level variable relevant to the entire measurement. The Fund recognizes any reclassifications between the levels of the fair value hierarchy at the end of the reporting period in which the change occurred.

For determination of fair value for level three plan financial assets, the Executive Board consider the fair value amounts of plan financial assets to be most sensitive to the market value of appraisal report. Appraisal reports comprise of occupancy rates, discount rates, future rental income, estimated maintenance expenditures that have been considered and approved by the Executive Board. The occupancy rate and the discount rate are most sensitive to changes due to nature of the investment properties.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may 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.

Provision for pension liabilities for the risk of the Fund (defined benefit)

The Executive Board's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the defined benefit obligation amount and the annual defined benefit expenses amount. The information about assumptions and estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year in relation to the provision for pension liabilities for the risk of the Fund are described in note 2 'Provision'.

Provision for pension liabilities for the risk of the participants (defined contribution)

The Executive Board's estimate of the defined contribution obligation is based on a number of critical underlying assumptions such as mortality and discount rate. Variation in these assumptions may significantly impact the defined contribution obligation amount and the annual defined contribution expenses amount. The information about assumptions and estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year in relation to the provision for pension liabilities for the risk of the participants are described in note 2 'Provision'.

4. New or revised Standards or interpretations

Standards, amendments, and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Fund

Impact on the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7

In September 2019, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7). These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The adoption of the Standards listed above is not applicable and hence does not have a material impact on the financial statements of Fund.

Impact of the initial application of COVID-19-Related Concessions Amendment to IFRS 16

In May 2020, the IASB issued *Covid-19-Related Rent Concessions* (*Amendment to IFRS 16*) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The adoption of the Standards listed above is not applicable as it applies to lessees only and hence does not have a material impact on the financial statements of Fund.

Impact of the initial application of other new and amended IFRS Standards that are effective for the current year

In the current year, the Fund has applied the below amendments to IFRS Standards and Interpretations issued by the Executive Board that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

IFRS Standards and Interpretations	Commentary
Amendments to References to the Conceptual Framework in IFRS Standards	The Fund has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework

IFRS Standards and Interpretations	Commentary
	adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework. The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.
Amendments to IFRS 3 Definition of a business	The Fund has adopted the amendments to IFRS 3 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired. The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or Fund of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.
Amendments to IAS 1 and IAS 8 Definition of material	The Fund has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term ‘material’ to ensure consistency.

New and revised IFRS Standards in issue but not yet effective

At the date of authorization of these financial statements, the Fund has not applied the following new and revised IFRS Standards that have been issued but are not yet effective.

Standard number	Standard name
IFRS 17 (including the June 2020 amendments to IFRS 17)	Insurance Contracts
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment—Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to IFRS Standards 2018-2020 Cycle	Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Fund does not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Fund in future periods.

Pension Fund
Tourism Sector Aruba

Notes to the Financial Position

Grant Thornton

Notes to the financial position

5. Investments for the risk of the Fund

The Investments for risk of the Fund are assets relating to the Defined Benefit plan and consist of investments at fair value through statement of comprehensive income. The classification depends on the nature and the purpose of the investments and is determined at the time of initial recognition.

The Fund intended to hold the investments to profit from the changes in fair value change as well as income derived from these assets. When needed these will be converted (net of transaction costs) into cash and cash equivalents. The total carrying amount of the investments is based on external estimates and confirmations. The value of the investment portfolio is therefore largely based on data from independent sources. The investments for risk of the Fund can be classified in the following categories, including the applied valuation methods of the three levels of fair values:

in AWG	**Level 1**	**Level 2**	**Level 3**	**December 31, 2021**
Non-current Plan Assets				
5.1 Listed investment funds	1,998,501	-	-	**1,998,501**
5.2 Unlisted fixed investments	-	-	12,617,854	**12,617,854**
Balance as of December 31, 2021	1,998,501	-	12,617,854	**14,616,355**
Minus: Short term investments	(1,998,501)	-	(34,362)	**(2,032,863)**
	-	**-**	**12,583,492**	**12,583,492**

in AWG	**Level 1**	**Level 2**	**Level 3**	**December 31, 2020**
Non-current Plan Assets				
5.1 Listed investment funds	1,814,074	-	-	1,814,074
5.2 Unlisted fixed investments	-	-	12,676,087	1,2676,087
Balance as of December 31, 2020	1,814,074	-	12,676,087	14,490,161
Minus: Short term investments	(1,814,074)	-	(57,436)	(1,871,510)
	-	**-**	**12,618,651**	**12,618,651**

Reconciliation of Level 3 fair value measurements of financial instruments

The following table only includes financial assets:

	Unlisted fixed investments
Balance at January 1, 2020	**12,956,020**
Total gains and losses:	-
In profit and loss	-
In comprehensive income	-
Purchases	1,000,000
Issues	-
Settlements	(1,279,933)
Transfers out of level 3	-
Transfers into level 3	-
Balance at January 1, 2021	**12,676,087**
Total gains and losses:	-
In profit and loss	-
In comprehensive income	-
Purchases	-
Issues	-
Settlements	(58,233)
Transfers out of level 3	-
Transfers into level 3	-
Balance at December 31, 2021	**12,617,854**

5.1 Investment in listed investment funds

This concerns the financial assets managed by Solar Asset Management N.V. and held for trading. These financial assets can be specified as follows:

in AWG	Bonds	Shares	Alternative investment	**Total**
Balance as of December 31, 2020	525,196	1,145,424	143,454	**1,814,074**
Acquisitions	-	532,017	99,197	**631,214**
Redemption	(265,054)	(414,811)	**-**	**(679,865)**
Change in fair value of investment	(6,036)	275,985	(36,871)	**(233,078)**
Balance as of December 31, 2021	254,106	1,538,615	205,780	**1,998,501**
Minus: Short term investments	(254,106)	(1,538,615)	(205,780)	**(1,998,501)**
Long-term portion	**-**	**-**	**-**	**-**

5.2 Investment in unlisted fixed investments

The governments bonds have a maturity period that varies between 1 to 15 years. These bonds earn, depending on terms, between 4.25% and 6.5% interest per annum.

At the end of 2021, the time deposits have a maturity period that varies between 3 to 4 years. These deposits earn between 4.0 to 5.0% interest per annum. The loan has a maturity of 25 years. The terms and conditions of the bonds, loans and time deposits were as follows:

in AWG	Bonds	Time deposits	Loans	**Total**
Balance as of December 31, 2020	8,181,982	2,000,000	2,494,105	**12,676,087**
Acquisitions	-	-	-	**-**
Redemption	(25,000)	-	(33,233)	**(58,233)**
Balance as of December 31, 2021	8,156,982	2,000,000	2,460,872	**12,617,854**
Minus: Short term investments	-	-	(34,362)	**(34,362)**
Long-term portion	**8,156,982**	**2,000,000**	**2,426,510**	**12,583,492**

in AWG	Type	Maturity	Interest %	Outstanding 12-31-2021	Outstanding 12-31-2020
Land Aruba	Bonds	2021 -2033	4.25 – 6.5	8,156,982	8,181,982
Volkskredietbank van Aruba	Time Deposits	Jul - 2024	5.0	1,000,000	1,000,000
Volkskredietbank van Aruba	Time Deposits	Dec - 2025	4.0	1,000,000	1,000,000
SOGA – HOH	Loan	Jan -2043	6.5	2,460,872	2,494,105
				12,617,854	12,676,087

6. Investments for the risk of the participants

The Investments for risk of the Fund are assets relating to the Defined Contribution plan and consist of investments at fair value through statement of comprehensive income. The classification depends on the nature and the purpose of the investments and is determined at the time of initial recognition.

The Fund intended to hold the investments to profit from the changes in fair value change as well as income derived from these assets. When needed these will be converted (net of transaction costs) into cash and cash equivalents. The total carrying amount of the investments is based on external estimates and confirmations. The value of the investment portfolio is therefore largely based on data from independent sources. The investments for risk of the participants can be classified in the following categories, including the applied valuation methods of the three levels of investments:

in AWG	Level 1	Level 2	Level 3	December 31, 2021
6.1 Listed investment funds	3,523,100	-	3,128,008	**6,651,108**
6.2 Unlisted fixed investments	-	-	90,785,352	**90,785,352**
6.3 Unlisted investment funds	-	-	11,688,249	**11,688,249**
Balance as of December 31	**3,523,100**	**-**	**105,601,609**	**109,124,709**
Minus: Short term investments	**(3,523,100)**	**-**	**(8,456,373**	**(11,979,473)**
	-	**-**	**97,145,236**	**97,145,236**

in AWG	Level 1	Level 2	Level 3	December 31, 2020
6.1 Listed investment funds	2,095,036	-	3,022,608	**5,117,644**
6.2 Unlisted fixed investments	-	-	85,699,967	**85,699,967**
6.3 Unlisted investment funds	-	-	11,589,515	**11,589,515**
Balance as of December 31, 2020	**2,095,036**	**-**	**100,312,090**	**102,407,126**
Minus: Short term investments	**(2,095,036)**	**-**	**(12,837,400)**	**(14,932,436)**
	-	-	**87,474,690**	**87,474,690**

Reconciliation of Level 3 fair value measurements of financial instruments

The following table only includes financial assets:

	Listed Investments Funds	Unlisted fixed investments	Unlisted Investment Funds	Total
Balance at January 1, 2020	**2,516,000**	**67,286,030**	**11,780,329**	**81,582,359**
Total gains and losses:				
In profit and loss	(33,590)	622,035	(190,814)	397,631
In comprehensive income	-	-	-	-
Purchases	-	28,414,656	-	28,414,656
Issues	-	-	-	-
Settlements	-	(10,622,754)	-	(10,622,754)
Transfers out of level 3	-	-	-	-
Transfers into level 3	540,198	-	-	540,198
Balance at January 1, 2021	**3,022,608**	**85,699,967**	**11,589,515**	**100,312,090**
Total gains and losses:				
In profit and loss	118,150	(376,033)	322,565	**64,682**
In comprehensive income	-	-	-	**-**
Purchases	21,250	13,888,446	-	**13,909,696**
Issues	-	-	-	**-**
Settlements	(34,000)	(8,427,028)	(223,831)	**(8,684,859)**
Transfers out of level 3	-	-	-	-
Transfers into level 3	-	-	-	-
Balance at December 31, 2021	**3,128,008**	**90,785,352**	**11,688,249**	**105,601,609**

6.1 Investment in listed investment funds

in AWG	Bonds	Shares	**Total**
Balance as of December 31, 2020	3,745,934	1,371,710	**5,117,644**
Acquisitions	335,792	2,011,554	**2,347,346**
Redemption	(924,272)	(449,835)	**(1,374,107)**
Capitalization	21,250	-	**21,250**
Change in fair value of investment	(24,971)	563,946	**538,975**
Balance as of December 31, 2021	3,153,733	3,497,375	**6,651,108**
Minus: Short term investments	(629,233)	(2,893,867)	**(3,523,100)**
Long-term portion	**2,524,500**	**603,508**	**3,128,008**

Bonds

In AWG	Maturity	Cost	Interest %	Outstanding 12-31-2021	Outstanding 12-31-2020
Building Depot Curacao B.V.	Nov-29	1,700,000	5.0	1,632,000	1,666,000
Kovack Securities Inc.[11]	-	630,937	-	629,233	1,208,684
Prime Real Estate Fund Brion B.V. dba Curaçao Heritage Fund	Nov-23	850,000	5.0	892,500	871,250
				3,153,733	**3,745,934**

The bonds are secured, and share pro rata based on the participation, by the following collaterals:

Entity	Collateral Description
Building Depot Curacao B.V.	First rank collateral: • a first ranking mortgage deed on the real estate located at Zeelandia, Curaçao – market value ANG 47.5 million. • a first ranking mortgage deed on the real estate located at Industrial Park Brievengat, Curaçao – market value ANG 6.75 million. • First pledge on furniture, fixtures, and equipment – market value ANG 2.0 million. Second source of collateral: • Debt service shortfall guarantee of BDC in an amount of ANG 2.4 million which is the equivalent of 1-year debt service. Third source of collateral assets: • First ranking omnibus pledge agreement in respect of: ○ All cash and accounts receivables ○ All moveable assets ○ The Debt Service Reserve Account with the paying Agent to which BDC will make monthly standing order payments of ANG 200,000.
Prime Real Estate Fund Brion B.V. dba Curaçao Heritage Fund	First mortgage right on the real estate Pledge on Accounts Receivables First loss Payee on relevant insurance coverage

Shares

In AWG	Type	Cost	Outstanding 12-31-2021	Outstanding 12-31-2020
Kovack Securities Inc.	Shares	2,386,796	2,893,867	886,352
Prime Real Estate Fund Brion B.V. dba Curaçao Heritage Fund	Shares	500,000	603,508	485,358
			3,497,375	**1,371,710**

[11] Investment in bonds through the asset manager Kovack Securities Inc. are held for trade, therefore the maturity date is not considered.

COVID-19 Impact

Based on the current year review of the investments in listed investments funds and its related financial covenants, we noted that investments of Curacao Heritage Fund have been affected by COVID-19 as interest payments have been deferred. Since, shareholder's equity has increased during the period, the valuation of the investment has not been affected.

6.2 Investment in unlisted fixed investments

in AWG	Bonds	Time deposits	Loans	Mortgages	**Total**
Balance as of December 31, 2020	41,976,000	7,500,000	24,226,610	11,997,357	**85,699,967**
Acquisitions	5,019,650	2,000,000	4,581,187	2,042,752	**13,643,589**
Redemption	(685,714)	(5,500,000)	(1,025,487)	(1,174,544)	**(8,385,745)**
Amortization, Capitalization and impairment	(30,253)	-	(78,715)	(63,491)	**(172,459)**
Balance as of December 31, 2021	46,279,683	4,000,000	27,703,595	12,802,074	**90,785,352**
Minus: Short term investments	(1,371,429)	-	(6,500,255)	(584,689)	**(8,456,373)**
Long-term portion	**44,908,254**	**4,000,000**	**21,203,340**	**12,217,385**	**82,328,979**

Bonds

The bonds have a maturity period that varies between 1 to 15 years. These bonds earn, depending on the terms, between 4.00% and 7.25% interest per annum.

In AWG	**Maturity**	**Interest %**	**Outstanding 12-31-2021**	Outstanding 12-31-2020
Several Land Aruba issuing	2021-2035	4.00 -6.125	31,283,397	26,294,000
AIB Bank N.V.	Jul -2027	4.375	5,000,000	5,000,000
AIB Bank N.V.	Nov -2027	4.375	5,000,000	5,000,000
NuCapital Beheer Aruba N.V.	Dec-2024	7.25	4,114,286	4,800,000
Trinidad & Tobago Republican	Aug-2026	4.50	882,000	882,000
			46,279,683	**41,976,000**

Time Deposits

At the end of 2021, the time deposits have a maturity period that varies between 3 to 4 years. These deposits earn, depending on the terms, between 3.0% and 5.0 % interest per annum.

In AWG	**Maturity**	**Interest %**	**Outstanding 12-31-2021**	Outstanding 12-31-2020
FirstCaribbean International Bank (Cayman) Limited – Aruba Branch	Feb-21	3.0	-	1,000,000
Aruba Bank N.V.	Jul-21	2.4	-	4,500,000
Volkskredietbank van Aruba	May-24	5.0	1,000,000	1,000,000
FirstCaribbean International Bank (Cayman) Limited – Aruba Branch	Dec-25	3.0	1,000,000	1,000,000
FirstCaribbean International Bank (Cayman) Limited – Aruba Branch	Feb-24	3.125	2,000,000	-
			4,000,000	**7,500,000**

Loans

At the end of 2021, the loans have a maturity period that varies between 2½ to 25 years. These loans earn, depending on the terms, between 4.5% and 8.5% interest per annum.

In AWG	**Maturity**	**Interest %**	**Outstanding 12-31-2021**	Outstanding 12-31-2020
Stichting Onroerend Goed Aruba (HOH)	Jan-43	6.5	7,776,919	7,019,141
Servicio di Telecomunicacion di Aruba (SETAR) N.V.	Oct-21	5.5	-	142,857
Aruba Ports Authority N.V.	Oct-32	5.4	3,951,404	4,219,974
Aruba Ports Authority N.V. (tugboat)	Oct-33	5.4	1,121,970	1,190,326
Stichting Fundacion Cas pa Comunidad Arubano (FCCA)	Sep-32	5.0	4,583,333	5,000,000
Wondersea Investment N.V.	Sep 21	8.5	5,585,114	5,729,765
AAA N.V. – Gateway 2030 project	Dec-38	4.5	1,216,859	924,547
Makija Holding N.V.	Aug - 36	5.5	3,467,996	-
			27,703,595	**24,226,610**

The redemption for the loans in 2022 amounts to AWG 6,750,255

The loans are secured, and share pro rata based on the participation, by the following collaterals:

Entity	Collateral Description

Stichting Onroerend Goed Aruba (HOH)	• First priority credit mortgage established in the amount of AWG 256,200,000 plus 40% interest and costs on the rights of long lease land and the HOH building thereon;
	• Second priority credit mortgage is established in the amount of AWG 83,259,011 plus 40% interest and costs on the right of long lease and the HOH building thereon:
	  ○ of an aggregated 79,974 m² of land, with the facilities of the Hospital Complex thereon;
	  ○ on two parcels located on Juan Irausquin Boulevard at Eagle Beach totaling 32,721 m² ;
	• Assignment of claims to the Lease Agreement, present and future;
	• Specific assignment of movable properties related to the Hospital Complex;
	• Project including furniture, fixtures & equipment and all building materials belonging to the Borrower, present and future;
	• Assignment of extended fire and burglary insurance naming the Security Agent as loss payee on all assets assigned as security;
	• Assignment of all rights and claims arising from the performance bond extended to the Borrower by the general contractor related to the Project;
	• Assignment of the Construction All Risk Insurance;
	• Assignment of all bank accounts held by the Borrower in relation to the Project and the Hospital Complex including the Project Account, Debt Service Reserve Account, and the Maintenance Reserve Account.

Prime Real Estate Fund Brion B.V. dba Curaçao Heritage Fund	• A First Charge by way of Legal Mortgage over all Real Estate and Buildings of the Issuer and the assignment of all leases over the Poles and Transfer Houses used by the Issuer For the provision of all services, stamped to cover the amount of the Issue [AWG]; • A First Priority Right of Pledge over all the Fixed and Floating Assets of the Issuer stamped to cover the amount of the Issue; • Assignment of material contracts; • A First Priority Right of Pledge over all valid Property, third party liability as well as business interruption insurance policies underwritten by acceptable insurance companies; • Other such security as reasonably recommended by the Lender's council.
Aruba Ports Authority N.V.	• First Mortgage established in the amount of AWG 62,650,000 plus 40% interest and costs on 34 plots of the aggregate of approximately 237,727 m2 located at Oranjestad; • First Mortgage established in the amount of AWG 1,700,000 plus 40% interest and costs on the tugboat Andicuri; • First Mortgage established in the amount to be determined plus 40% interest and costs on the new tugboat; • First Mortgage established in the amount to be determined plus 40% interest and costs on the new pilot boat; • General assignment of monies and claims of the Borrower present and future including insurances naming the Security Agent as loss payee on all assets assigned as security;

Entity	Collateral Description
	• Fiduciary transfer of ownership of all movable properties, furniture, fixtures and equipment belonging to the Borrower, present and future including the pilot boat Urirama; • Assignment of all rights arising out of the Concession Agreement; • Assignment of all rights arising out of the Direct Agreement.
Aruba Ports Authority N.V. (tugboat)	• First Mortgage established in the amount of AWG 17,000,000 plus 40% interest and costs on the new tugboat; • Pledge on security provided to Aruba Ports Authority N.V. by seller of the vessel.
Stichting Fundacion Cas **pa Comunidad Arubano (FCCA)**	• A limited silent pledge up to a maximum amount of AWG 95,000,000 on the mortgage loan portfolio of the issuer.
Wondersea Investment N.V.	• First credit mortgage established on the property land plot of 7,260 m2 known as Noord, parcel 2-D-247; • Assignment of cash and receivables arising out of sales contract and claims arising out of the reservation agreements; • Assignment on all relevant insurances; • Pledging of shares of Wondersea Investments N.V.
AAA N.V. – Gateway 2030 project	• First ranking credit mortgage plus 50% interest and costs on all the real property and assets of the borrower; • First Priority pledge by AAA to the Security Agent on all receivables present and future; • First Priority pledge by AAA to the Security Agent on all bank accounts; • First Priority pledge of by AAA to the Security Agent on all movable properties, furniture, fixtures & equipment belonging to the borrower and all construction/ installation materials, present and future; • First Priority pledge by AAA to the Security Agent on the rights from the installation/ construction contracts; • Non-notarized positive-negative undertaking to establish a second ranking credit mortgage for an amount equal to the aggregate of the then outstanding Principal Obligation minus the amount of the first ranking mortgage, plus 50% interest and costs.
Makija Holding N.V.	• First credit mortgage on the property known as Arawak Gardens, cadastral described as 2-C-150 and 2-C-1291. • Pledge of receivables (including insurances and leases) • Assignment of shares of (co-)borrower(s) • Positive/negative Pledge with an irrevocable Power of Attorney to establish a second credit mortgage on property known as Mercurius Building, cadastral described as 5-m-76/1964, 5-m-77/1964, 5-m-28/2002, 5-m-32/2014

Mortgages

Residential mortgages are granted to participants of the Fund. They have a maturity period that varies between 3-30 years. The mortgages earn, depending on terms, between 5.95% to 7.0% interest per annum.

COVID-19 Impact

Based on the current year review of the investments in unlisted fixed investments and its related financial covenants, we noted that investments of FCCA, Aruba Ports Authority N.V. and Airport Aruba Authority N.V. have been affected by COVID-19 as they were not able to meet the debt service coverage ratio. Nevertheless, the fixed investments have received waivers. The valuation of the investments has not been affected.

6.3 Investment in unlisted investment funds

Shares

in AWG	Shares		**Total**
	AGF	Mack's Total Finance	
Balance as of December 31, 2020	**5,089,515**	**6,500,000**	**11,589,515**
Acquisitions	-	-	**-**
Distribution paid/ Capital returned	(223,831)		**(223,831)**
Change in fair value of investment	322,565	-	**322,565**
Balance as of December 31, 2021	**5,188,249**	**6,500,000**	**11,688,249**
Cost as of December 31, 2021	**3,685,198**	**6,500,000**	**10,185,198**

Aruba Growth Fund C.V.

From July 27, 2015 the Fund participates as a limited partner in Aruba Growth Fund C.V. ("AGF"). The Fund has committed itself to a total investment of AWG 4.2 million.

The underlying portfolio of AGF contains some investments that are sensitive to the development of tourism. The Net Asset Value (NAV) of the investment in private equity is determined every six months by an independent party in accordance with the agreement and is verified once a year by the external auditor of the private equity vehicle. The Fund records the NAV as determined by the independent party. The NAV was adjusted downwards in the lastly available valuation that was carried out by the independent party per the end of December 31, 2021.

Mack's Total Finance VBA

From November 2016 the Fund participates in Mack's Total Finance VBA. The Fund has bought 20,000 shares with a nominal value of AWG 100 with a fixed annual cumulative preferred dividend with a rate of return of 8%. This rate of return is fixed for the period 2021 - 2026. After 2026, the current rate of return will be re-evaluated. These shares do not have voting rights and only receive annual cumulative interest. In June 2018, the Fund has increased the investment with AWG 1.5 million. The total cumulative preferred shares participation in Mack's Total Finance is valued against purchase price for AWG 6.5 million.

COVID-19 Impact

Based on the current year review of the investments in unlisted investments funds and its related financial covenants, Covid-19 has not affected these investments.

7. Receivables

The receivables can be specified as follows:

Current plan receivables

in AWG	**December 31, 2021**	December 31, 2020
Premium receivables	950,544	1,284,851
Interest receivables – for the risk of the Fund	209,700	209,700
Interest receivable – for the risk of the participants	1,551,605	1,532,439
Prepaid mortgage insurances	15,169	94,817
Other	51,473	36,190
Balance as of December 31	**2,778,491**	**3,157,997**

8. Cash and cash equivalents

The cash and cash equivalents can be specified as follows:

Current plan cash and cash equivalent

in AWG	**December 31, 2021**	December 31, 2020
Caribbean Mercantile Bank N.V.	4,579,361	911,635
Aruba Bank N.V.	3,303,447	2,282,388
FirstCaribbean International Bank (Cayman) Limited, Aruba Branch	31,545	591,827
FirstCaribbean International Bank Curaçao N.V.	4,603,295	4,281
RBC Bank – WISE, Trinidad & Tobago	176,732	138,142
RBC Bank N.V.	140,501	299,476
Kovack Securities – bank accounts	94,066	1,106,121
VP Bank (Switzerland) AG, Zurich	127,033	56,066
Vidanova Bank N.V.	310,622	198,155
Balance as of December 31	**13,366,602**	**5,588,091**

The bank balances consist of current accounts and savings accounts. The savings accounts earn an interest of 0.1%. The interest is paid quarterly. The account held at the FirstCaribbean International Bank (Cayman) Limited, Aruba Branch, was transferred to Aruba Bank N.V. in February 2022 due to the closure of the Aruba Branch. Some of the current plan cash and cash equivalent bank balances are used to cover operation expenses. Furthermore, the cash and cash equivalents are not restricted.

9. Investment properties for the risk of the participants

The properties with a leasehold provision have valued the right of use assets according to IFRS 16. The value of this is shown in the overview below. Other information regarding these long land lease rights can be found under Note 14. The movement in the category of investment property is specified as follows:

in AWG	Investment property (excluding project in Progress)	Project in progress	**Total 2021**	Investment property (excluding project in Progress)	Project in progress	Total 2020
Balance as of January 1	**10,515,224**	**8,171,686**	**18,686,910**	**10,518,000**	**7,900,881**	**18,418,881**
Change in fair value	(53,059)	(13,086)	**(66,145)**	(135,435)	205,622	**70,187**
Completed projects	350,000	(350,000)	**-**	-	-	**-**
Project in progress	-	-	**-**	-	-	**-**
Investments	87,835	2,180	**90,015**	132,659	65,183	**197,842**
Balance as of December 31	**10,900,000**	**7,810,780**	**18,710,780**	**10,515,224**	**8,171,686**	**18,686,910**
Land right-of-use	357,516	231,367	588,883	365,401	236,625	602,026
Balance as of December 31	**11,257,516**	**8,042,147**	**19,299,663**	**10,880,625**	**8,408,311**	**19,288,936**

Investment properties currently consist of 5 commercial properties of which two are leased to third parties.

The investment properties are valued based on the fair value valuation method. The fair value of the Fund's main property assets is estimated based on appraisals performed by an independent, professionally qualified real estate appraiser. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the Executive Board at each reporting date.

The range of yields applied to the net annual rentals to determine the fair value of properties for which current prices in an active market are unavailable vary between 6.5% -7.00% (2020: 6.75% -7.00%).

The Fund entered operating leasing arrangements as a lessor for its investment properties. The average term of operating leases entered is between one and three years. Generally, these lease contracts do include extensions. As a result, the Fund is exposed to occupancy risk. The risk is mitigated by the location and price of the properties resulting in the timeframe to re-occupy the space being relatively instant. The Fund is not exposed to foreign currency risk because of the lease arrangements, as all leases are denominated in local currency. The Fund is exposed to collection risk, which managed by the Investment Account Manager.

The commercial properties are as followed:

1) Orange Plaza Mall:

On July 2nd, 2018, the Fund purchased the Orange Plaza Mall property. This property consists of 18 units. Due to the chosen valuation method, the value of the building has been adjusted upwards with an amount of AWG 46,704.

2) Fundacion Servicio Laboratorio Medico Aruba (FSLMA):

The lease contract will expire on December 31, 2022. Due to the chosen valuation method, the value of the building has been adjusted downwards with an amount of AWG 67,763.

3) Bloemond project:

On June 21, 2019, the Fund purchased a lot in the Bloemond area. The Fund is contemplating to develop this land in a small-scale housing project for elderly care. Due to the chosen valuation method, the value of the property has been adjusted downwards with an amount of AWG 13,086.

4) Eagle centre project:

On June 14, 2017, the Fund purchased a partially constructed property in Eagle. The plan is to furnish and rent out the building to be able to offer specific care. Detailed plans for a dialysis center have been worked out and negotiations are ongoing with the care provider to complete this project. The property has been valued at cost as the building is under construction.

5) Jan Flemming Project:

Furthermore, during the fiscal year 2014 the Fund started with a real estate housing project aimed at its participants. The project is divided into 11 parcels, of which 11 houses are completed. Participants that purchase a parcel are financed by means of a mortgage granted by the Fund for which the parcel is granted as collateral. Upon completion of a portion of the project, this part is considered realized (sold) and the related income and expenses are recognized in the statement of comprehensive income. The completed house in 2020, remains unsold and is offered for sale. Due to the chosen valuation, the property has been adjusted downwards with an amount of AWG 32,000.

10. Property, plant and equipment

Details of the Funds property, plant and equipment and their carrying amounts are as follows:

in AWG	*Right of use of assets- Building and equipment*	*Leasehold*	*Furniture and Equipment*	*Vehicles*	*Computer equipment*	**Total**
Balance as of January 1, 2020						
Cost	-	-	115,954	137,000	244,582	**497,536**
Accumulated depreciations	-	-	(63,791)	(42,210)	(165,097)	**(271,098)**
Carrying amount	**-**	**-**	**52,163**	**94,790**	**79,485**	**226,438**
Changes in 2020						
Investments	486,378	44,107	38,834	-	21,829	**591,148**
Depreciation	(64,374)	(5,729)	(21,105)	(24,660)	(53,364)	**(169,232)**
Total change	**422,004**	**38,378**	**17,729**	**(24,660)**	**(31,535)**	**421,916**
Balance as of December 31, 2020						
Cost	486,378	44,107	154,788	137,000	266,411	**1,088,684**
Accumulated depreciations	(64,374)	(5,729)	(84,896)	(66,870)	(218,461)	**(440,330)**
Carrying amount	**422,004**	**38,378**	**69,892**	**70,130**	**47,950**	**648,354**
Changes in 2021						
Investments	-	-	3,407	-	43,124	**46,531**
Investments disposal	-	-	(10,862)	-	(25,967)	**(36,829)**
Depreciation	(100,133)	(8,822)	(22,470)	(24,660)	(39,013)	**(195,098)**
Depreciation disposal	-	-	10,862	-	25,502	**36,364**
Total change	**(100,133)**	**(8,822)**	**(19,063)**	**(24,660)**	**3,646**	**(149,032)**
Balance as of December 31, 2021						
Cost	486,378	44,107	147,333	137,000	283,568	**1,098,386**
Accumulated depreciations	(164,507)	(14,551)	(96,504)	(91,530)	(231,972)	**(599,064)**
Carrying amount	**321,871**	**29,556**	**50,829**	**45,470**	**51,596**	**499,322**

The property, plant and equipment are not encumbered. All depreciation and impairment charges are included within depreciation, amortization, and impairment of non-financial assets.

11. Pension Fund capital and reserves

The pension fund capital and reserves can be specified as follows:

	Fund Capital	Risk of the Fund	Risk of the participants	**Total**
Balance as of January 1, 2021	**-**	**442,430**	**11,240,797**	**11,683,227**
Net income for the period	-	349,147	306,367	**655,514**
Balance as of December 31, 2021	**-**	**791,577**	**11,547,164**	**12,338,741**

12. Provision for pension liabilities for risk of the Fund

The movements in the provision for the risk of the Fund were as follows:

in AWG	Retirement benefits	Survivor benefits	**2021**	**2020**
Balance as of January 1	**11,801,338**	**2,013,701**	**13,815,039**	**13,502,092**
Correction	**-**	**-**	**-**	**-**
Interest	466,434	79,990	**546,424**	**535,358**
Retirement benefits	(231,431)	(16,555)	**(247,986)**	**(231,641)**
New partner pension	-	45,756	**45,756**	**-**
Surrender value	(29,392)	(2,625)	**(32,017)**	**(14,403)**
Deceased members with or without partners	(44,919)	(10,994)	**(55,913)**	**-**
Risk premiums	66,257	(33,442)	**32,815**	**28,264**
Paid out costs	(4,629)	(331)	**(4,960)**	**(4,633)**
Correction by change mortality table	-	-	**-**	**-**
Balance as of December 31	**12,023,658**	**2,075,500**	**14,099,158**	**13,815,039**
Less: short term portion			**(266,209)**	**(245,817)**
Long term portion			**13,832,949**	**13,569,222**

The technical provision for the risk of the Fund can be specified per category as follows:

in AWG	2021	2021	2020	2020
	Policies	*AWG*	*Policies*	*AWG*
For active members – regular / additional	190	4,057,289	199	4,094,415
Vested members – regular / additional	312	6,578,829	321	6,474,091
For existing pensioners	161	3,219,454	148	3,052,201
Widows / Widowers / Orphans	10	243,585	8	194,332
Balance as of December 31	**673**	**14,099,158**	**676**	**13,815,039**

13. Provision for pension liabilities for risk of the participants

The movements in the provision for the risk of the participants were as follows:

in AWG	Defined contribution	Defined contribution (pensions)	2021	2020
Balance as of January 1	**110,947,584**	**7,246,289**	**118,193,873**	**105,390,642**
Corrections prior year	(85,951)	17,590	**(68,361)**	**(4,206)**
Pension accrual and contribution	11,351,732	-	**11,351,732**	**11,542,611**
Surrender value	(450,263)	-	**(450263)**	**(280,712)**
Result on Surrender	(220,979)	-	**(220,979)**	**(92,764)**
Deceased	(67,997)	(60,944)	**(128,941)**	**-**
Interest	4,039,923	326,914	**4,366,837**	**3,356,252**
Pensioners	(2,246,342)	2,470,928	**224,586**	**(72,422)**
Retirement benefits	-	(592,039)	**(592,039)**	**(481,796)**
Disbursements expenses	(1,251,909)	(11,841)	**(1,263,750)**	**(1,224,650)**
Risk premiums	-	81,097	**81,097**	**60,917**
Correction	6,729	-	**6,729**	**-**
Balance as of December 31	**122,022,527**	**9,477,994**	**131,500,521**	**118,193,872**
Less: short term portion			**(700,905)**	**(575,069)**
Long term portion			**130,799,616**	**117,618,803**

The provision for pension liabilities for the risk of the participants can be specified per category as follows:

in AWG	2021	2021	2020	2020
	Policies	*AWG*	*Policies*	*AWG*
For active members – regular	4,811	84,739,471	5,002	78,614,258
Vested members – regular	6,497	37,283,056	6,038	32,333,325
Annuitants, partner, and orphan	508	9,477,994	408	7,246,289
Balance as of December 31	**11,816**	**131,500,521**	**11,448**	**118,193,872**

14. Lease liabilities

in AWG	**December 31, 2021**	December 31, 2020
Current	**101,342**	95,625
Non-current	**893,361**	994,703
Balance as of December 31	**994,703**	**1,090,328**

Long lease right

The Fund has in connection with the ownership of the investment properties obligations arising from the use of long land lease rights. Each lease is reflected on the statement of financial position as a right of use – asset under the investment properties for risk of the participant and a lease liability. The long land lease right can be specified as follows:

- Parcel 1K-3334 also known as FSLMA at Sasaki: the long lease right will expire on July 8, 2068. The annual long lease term amounts to AWG 9,960.
- Parcel 1K-2429 also known as Eagle Center: the long lease right will expire on September 1, 2065. the annual long lease term amounts to AWG 16,290.
- Parcel 1K-2431 also known as Orange Plaza Mall: the long lease right will expire on June 8, 2066. The annual long lease term amounts to AWG 16,053.

The Fund has two other lease obligations in connection with property, plant and equipment which are further explained in note 17.

Future minimum lease payments at 31 December 2021 were as follows:

Minimum lease payment due	Within 1 year	1-2 years	2–3 years	3-4 years	4-5 years	After 5 years	Total
in AWG							
Lease payments	160,535	160,535	152,300	76,223	42,303	1,685,790	**2,277,686**
Finance charges	(59,193)	(53,149)	(46,642)	(39,753)	(38,309)	(1,045,937)	**(1,282,983)**
Net present values	**101,342**	**107,386**	**105,658**	**36,470**	**3,944**	**639,853**	**994,703**

15. Other liabilities and accrued expenses

The other liabilities and accrued expenses can be specified as follows:

PLAN LIABILITY

in AWG	**December 31, 2021**	December 31, 2020
Insurances	260,548	350,918
Deposits and rent received in advance	40,563	51,150
One-time pension payment payables	90,721	-
Balance as of December 31	**391,832**	**402,068**

NON-PLAN LIABILITY

in AWG	**December 31, 2021**	December 31, 2020
Accrued liability	362,568	404,169
Payroll and related accruals	12,240	14,671
Balance as of December 31	**374,808**	**418,840**

16. Risk management

Risk management

In the report by the Executive Board of the Fund, the Executive Board sets out what the risks are that the Fund faces and what policy has been implemented to control, manage, and mitigate those risks. This section discusses the quantitative and qualitative aspects of the control measures.

Risk management, the Executive Board has the following policies available:

- Coverage Policy;
- Financing Policy;
- Premium Policy;
- Reinsurance Policy.

Which policy the Executive Board will use and how it will apply this will be based on extensive analysis of the likely future developments of the obligations and developments in financial markets. Management and Executive Board of the Fund prepared in 2018 an Asset-Liability Management Study (ALM) in cooperation with the actuary. Based on the results of the analysis, the investment guidelines established by the Fund, management and the Executive Board will be amended. There are no changes from previous periods in the exposure to risk and how they arise.

Interest rate risk

i) Profile of interest rate risk

Interest rate risk is the risk that the value of the portfolio of fixed income securities and pension changes, due to unfavorable changes in market interest rates. The interest rate risk is limited as most of the investments are in fixed interest securities, such as time deposits issued by banks, government bonds, secured loan facilities and secured mortgages.

At the reporting date the interest rate profile of the Fund's interest-bearing financial assets was as follows:

in AWG	**December 31, 2021**	December 31, 2020
Bonds	57,844,504	54,429,112
Loans	30,164,467	26,720,715
Mortgages	12,802,074	11,997,357
Time deposits	6,000,000	9,500,000
Total fixed rate financial assets	**106,811,045**	**102,647,184**

ii) Sensitivity analysis

The Fund's policy is to minimize interest rate cash flow risk exposures on long-term investments. Long-term investments are therefore usually at fixed rates. On December 31, 2021, the Fund is exposed to changes in market interest rates through investments at variable interest rates. The Fund's investments in bonds and debentures all pay fixed interest rates. The exposure to interest rates for the Fund's money market funds is considered immaterial.

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% (2020: +/- 1%). These changes are reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

In AWG	**Profit for the year**	
	+ 1%	**- 1%**
31 December 2021	**997,238**	**(990,486)**
31 December 2020	809,887	(875,561)

Other price risk

The Fund is exposed to other price risk in respect of its listed equity securities. For the listed equity securities, an average volatility of 6.34% has been observed during 2021 (2020: -2.15%). This volatility figure is a suitable basis for estimating how profit or loss and equity would have been affected by changes in market risk that were reasonably possible at the reporting date. If the quoted stock price for these securities increased or decreased by that amount, profit or loss and equity would have changed by AWG 467,126 (2020: AWG -153,777).

The investments in listed equity securities are considered long-term, strategic investments. In accordance with the Fund's policies, no specific hedging activities are undertaken in relation to these investments.

Currency risk

Currency risk is the risk that the value of a financial instrument will change due to changes in foreign currency exchange rates. The Fund transacts in the following foreign currencies:

- The United States Dollar ("USD"), and the
- Netherlands Antilles Guilder ("ANG").

Currently the investments of the Fund are denominated for 89% (2020: 87%) in local currency and for 11% (2020: 13%) in foreign currency (ANG and USD). The local currency has historically been linked to the United States Dollars and to ANG and has a fixed exchange rate with AWG. Consequently, the Fund currency risk is considered limited.

The total investment of the Fund into local and foreign currencies can be specified as follows:

in AWG	2021	2021	**Total**	2020	2020	**Total**
	Local	*Foreign*		*Local*	*Foreign*	
	89%	*11%*	***100%***	*87%*	*13%*	***100%***
Bonds	53,554,665	4,289,839	**57,844,504**	49,275,982	5,153,130	**54,429,112**
Time deposits	6,000,000	-	**6,000,000**	5,000,000	4,500,000	**9,500,000**
Loans	24,579,353	5,585,114	**30,164,467**	20,990,950	5,729,765	**26,720,715**
Mortgages	12,802,074	-	**12,802,074**	11,997,357	-	**11,997,357**
Investment property	19,299,663	-	**19,299,663**	19,288,936	-	**19,288,936**
Shares	11,688,249	5,035,990	**16,724,239**	11,589,515	2,517,134	**14,106,649**
Alternative investments	-	205,780	**205,780**	-	143,454	**143,454**
Balance as of December 31	**127,924,004**	**15,116,723**	**143,040,727**	**118,142,740**	**18,043,483**	**136,186,223**

The investments in foreign currencies are denominated in ANG and USD. The ANG is also pegged to the USD. The Fund is not exposed to any fluctuations in these currencies and therefore a sensitivity analysis is not required.

Credit risk

i) Sector risk

Credit risk is the risk of financial loss to the Fund because of (potential) bankruptcy or insolvency of the Fund's counterparties in which it has investments. This can include parties which are considered bond issuers, banks where deposits are placed and others.

To reduce this risk, the Fund sets requirements for the creditworthiness of counterparties, ensuring adequate coverage or additional collateral required. The spread is partly reflected in the different sectors in which it invests. The following table gives a breakdown of the investments by sector:

in AWG	%	Government	Financial institutions	Bank like financial institutions	Real Estate	Others	**Total**
2021							
Bonds	40%	40,322,379	883,339	10,000,000	2,524,500	4,114,286	**57,844,504**
Time deposits	4%	-	3,000,000	3,000,000	-	-	**6,000,000**
Loans	21%	6,290,233	-	4,583,333	9,053,110	10,237,791	**30,164,467**
Mortgages	9%	-	12,802,074	-	-	-	**12,802,074**
Investment property	14%	-	-	-	19,299,663	-	**19,299,663**
Shares	12%	-	9,620,731	6,500,000	603,508	-	**16,724,239**
Alternative investments	0%	-	205,780	-	-	-	**205,780**
Balance as of December 31	**100%**	**46,612,612**	**26,511,924**	**24,083,333**	**31,480,781**	**14,352,077**	**143,040,727**

in AWG	%	Government	Financial institutions	Bank like financial institutions	Real Estate	Others	**Total**
2020							
Bonds	40%	35,357,982	1,733,880	10,000,000	2,537,250	4,800,000	**54,429,112**
Time deposits	7%	-	6,500,000	3,000,000	-	-	**9,500,000**
Loans	20%	6,477,704	-	5,000,000	5,729,765	9,513,246	**26,720,715**
Mortgages	9%	-	11,997,357*	-	-	-	**11,997,357**
Investment property	14%	-	-	-	19,288,936	-	**19,288,936**
Shares	10%	-	7,121,292	6,500,000	485,357	-	**14,106,649**
Alternative investments	0%	-	143,454	-	-	-	**143,454**
Balance as of December 31	**100%**	**41,835,686**	**27,495,983**	**24,500,000**	**28,041,308**	**14,313,246**	**136,186,223**

*The sector has been reclassified to financial institution.

The values represent the direct investments held by the Fund. Furthermore, these values exclude the interest receivables.

Regarding the creditworthiness of borrowers of fixed-income portfolio, these are held in the form of government bonds and corporate bonds, time deposits and loans at local banks or comparable institutions that fall (partially) under the supervision of either the CBA or the CBCS.

The credit risk of the secured loan facilities is also limited by the fact that these loans are secured by tangible assets.

The credit risk of the mortgages is limited as these mortgages are extended up to 100% of the execution value of the property. Contrary to the other types of investments, these mortgages provide protection to the Fund through sale of the mortgaged property in the event of default in payments by the participant.

The Fund participated in a corporate bond issued by "NuCapital Beheer Aruba N.V." for an amount of AWG 4,800,000 (2020: AWG 4,800,000). This bond is included in the category "Others". This corporation invests in several alternative energy projects in the Caribbean. This investment is currently not quoted. The Fund will continue to monitor the results closely. As at the date of the statement of financial position there is no indication that the third party is unable to meet its payment obligations.

During the year, the Fund did not experience significant increase in credit risk as indicated in the following section.

ii) Impairment losses

The ageing of loans and receivables (including other receivables) at the reporting date for respectively risk of the fund and risk of the participants, was:

Loans and receivables for risk of the fund (including other receivables)

	December 31, 2021		December 31, 2020	
in AWG	**Gross**	**Impairment**	Gross	Impairment
Not past due	2,670,572	-	2,703,805	-
Past due less than a year	-	-	-	-
Past due more than a year	-	-	-	-
Total	**2,670,572**	**-**	**2,703,805**	**-**

Loans and receivables for risk of the participants (including other receivables)

	December 31, 2021		December 31, 2020	
in AWG	**Gross**	**Impairment**	Gross	Impairment
Not past due	37,498,164	-	38,898,710	-
Past due less than a year	6,404,981	828,685	273,554	-
Past due more than a year	32,846	32,846	-	-
Total	**43,935,991**	**861,531**	**39,172,264**	**-**

Management considered an allowance for impairment in respect for amounts past due less than a year. Management has taken measures to pursue the collection of the amounts past due less than a year.

Concentration risk

In general, concentration risk may occur if an appropriate diversification of assets and liabilities is missing. Concentration risks can occur when there is among others a concentration of the portfolio in the regions, economic sectors, and counterparties. A portfolio of loans that are highly sector-specific, sector concentration can be at increased risk. Approximately 7% (2020: 6%) of the investment portfolio is located abroad (i.e., United States, Trinidad & Tobago, Curacao) and consists of corporate bonds, shares and traded securities. This region is stable (economically and politically) and as such the concentration risk is considered low.

in AWG	2021	2021	**Total**	2020	2020	**Total**
	Local	*Foreign*		*Local*	*Foreign*	
	93%	*7%*	***100%***	*94%*	*6%*	***100%***
Bonds	53,554,665	4,289,839	**57,844,504**	49,275,982	5,153,130	**54,429,112**
Time deposits	6,000,000	-	**6,000,000**	9,500,000	-	**9,500,000**
Loans	30,164,467	-	**30,164,467**	26,720,715	-	**26,720,715**
Mortgages	12,802,074	-	**12,802,074**	11,997,357	-	**11,997,357**
Investment property	19,299,663	-	**19,299,663**	19,288,936	-	**19,288,936**
Shares	11,688,249	5,035,990	**16,724,239**	11,589,515	2,517,134	**14,106,649**
Alternative investments	-	205,780	**205,780**	-	143,454	**143,454**
Total	**133,509,118**	**9,531,609**	**143,040,727**	**128,372,505**	**7,813,718**	**136,186,223**

Liquidity risk

Liquidity risk is the risk that the Fund is not able to obtain the financial resources needed to comply with its obligations. The liquidity risk within the Fund is limited. Virtually all investments have a direct or indirect quotation.

Premium revenues are higher than the pension benefits and the costs of the Fund. Therefore, it is unlikely that the Fund will face payment problems in the short and medium-term.

The following are the contractual maturities of financial liabilities:

in AWG	Carrying Amount	Less than 1 year	More than 1 year
Pension liabilities for risk of the Fund	14,099,158	266,209	13,832,949
Pension liabilities for risk of the participants	131,500,521	700,905	130,799,616
Other liabilities	766,640	766,640	-
Balance as of December 31, 2021	**146,366,319**	**1,733,754**	**144,632,565**

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in AWG	Carrying Amount	Less than 1 year	More than 1 year
Pension liabilities for risk of the Fund	13,815,039	245,817	13,569,222
Pension liabilities for risk of the participants	118,193,872	575,069	117,618,803
Other liabilities	820,908	820,908	-
Balance as of December 31, 2020	**132,829,819**	**1,641,794**	**131,188,025**

Insurance risk (actuarial risk)

i) Profile of insurance risk (actuarial risk)

The main insurance risks are longevity, and mortality risk. The principal actuarial risk is longevity risk (the risk that participants are living longer than average which is considered when determining the provision for pension).

The Fund applies the published Dutch mortality tables GBM /GBV 2005-2010 (2020: GBM /GBV 2005-2010) which is based on the whole Dutch population with sampling years 2005 – 2010, and with an age correction of -1 in 2021 (2020: -1). These tables, in accordance with the actuary of the Fund, provide a prudent insight into the life expectancy of (former) participants, pension earners and / or survivors. By applying these tables, the longevity risk for the Fund is greatly reduced.

Mortality risk means that in case of death, the Fund may grant a survivor's benefit for which the funds have not been provided. This risk can be expressed as capital risk. The Fund manages this risk in house.

For the financial year 2021, the Fund's Executive Board has decided to apply a rate of return of 3.5% (2020: 3%) for the Direct Contribution plan. The same rate of return is used to determine the Fund's technical provision. For the Direct Benefit plan an actuarial interest rate of 4% (2020: 4%) has been applied. For both plans a 0.5% is deducted for costs for the vested participants.

ii) Sensitivity analysis

The following table illustrates the sensitivity of provision to a reasonably possible change in interest rates of +/- 1% and +/- 0.50%). These changes are reasonably possible based on observation of current market conditions. All other variables are held constant.

	-0.50%	**basis**	**+0.50%**
Discount rate	**3.50%**	**4.00%**	**4.50%**
Defined Benefit Provision	15,259,177	14,099,158	13,058,992
Defined Contribution Provision	131,967,240	131,500,521	131,069,228

	-1.00%	**basis**	**+1.00%**
Discount rate	**3.00%**	**4.00%**	**5.00%**
Defined Benefit Provision	16,556,195	14,099,158	12,123,956
Defined Contribution Provision	132,473,168	131,500,521	130,669,998

17. Contingent liabilities, assets, and commitments

Commitments

The commitments consist of signed agreements regarding investment and related investment property. The total committed amounts are specified in the following overview.

in AWG	Commitments
Commitments as of December 31, 2020	**4,590,254**
New Commitments	8,200,460
Less: realized commitments	(292,311)
Commitments as of December 31, 2021	**12,498,403**

The commitments are expected to be disbursed in the following one to two and half years.

Lease contracts

As of March 2020 the Fund has a lease agreement for an office building at the Watty Vos Boulevard. The Fund signed on July 1, 2020 an equipment lease agreement for the period of 4 years. The lease of the building and the equipment are capitalized as capitalized leased assets.

in AWG	Within 1 year	1 to 5 years	Later than 5 years
Building WVB lease	101,760	237,440	-
Equipment lease	16,472	24,709	-
	118,232	**262,149**	**-**

Property tax and land lease (investment property)

in AWG	Within 1 year	1 to 5 years	Later than 5 years
Property tax	92,604	358,727	3,276,269
Property land lease	42,303	169,212	1,685,790
	134,907	**527,939**	**4,962,059**

18. Related parties

Transactions with members of the Executive Board and management of the Fund

All personnel including some key management officers participate in the defined contribution pension plan. In 2021, the basic salaries, social security contributions and other short-term benefits to the key officers of the Fund are as follows:

in AWG	**2021**	2020
Short-term employee benefits:		
Salaries including bonuses	389,261	346,343
Social security costs	53,770	30,456
	443,031	**376,799**
Post-employment benefits:		
Defined contribution pension plans	15,285	14,117
Termination benefits	-	-
Total remuneration	**458,316**	**390,916**

Furthermore, the Fund has granted one mortgage to one of the Executive Board members with an interest rate of 5.95% and a loan period of 15 years. As of December 31, 2021, the outstanding balance of this mortgage amounts to AWG 59,929 (2020: AWG 85,230).

Pension Fund
Tourism Sector Aruba

Notes to the Statement of Comprehensive Income

Notes to the statement of comprehensive income for the year ended December 31, 2021

19. Premium contribution for risk of the participants

The premium contribution consists of contributions made by the employers and participants (including additional premium contributions that they have made).

The premium contribution to the Fund, as described in the rules and regulations (RRDC172018), is based on a minimum fixed percentage of 6% (employer 3% and employee 3%) of the participant's annual pension salary. Participants are given the opportunity to make an additional premium contribution of a minimum of 1% up to a maximum of 19%. Employers may also contribute with additional premium; however, the total contribution may not exceed 25%.

The contribution made by employers and participants can be specified as follows:

in AWG	**2021**	2020
Employers' contributions	5,551,415	5,514,259
Regular contributions by the participants	5,551,415	5,514,259
Additional contribution by the participants	250,308	514,093
	11,353,138	**11,542,611**

Concentration

The top 10 participating employers with the Fund represent approximately 72% (2020: 68%) of the annual premium contributions.

20. Net investment result for risk of the participants

The result of the investments of the risk of the participants can be specified as follows:

in AWG	**2021**	2020
Interest income	4,721,361	4,276,070
Investment property income	887,644	894,541
Dividend income	547,394	534,842
Change in fair value of investment properties	(66,145)	70,187
Change in fair value of investment in shares and, bonds	861,541	(177,486)
Allowance for credit losses	(376,033)	-
Other income	32,648	4,143
	6,608,410	5,602,297
Direct expenses investment properties, shares and bonds	(860,309)	(620,350)
	5,748,101	**4,981,947**

Interest income:

in AWG	**2021**	2020
Bonds	2,472,731	1,761,811
Time deposits	192,360	223,251
Mortgages	739,521	727,649
Loans	1,305,181	1,549,221
Savings	11,568	14,138
	4,721,361	**4,276,070**

21. Net investment result for risk of the Fund

The result of the investments of the risk of the Fund can be specified as follows:

in AWG	**2021**	2020
Interest income bonds, time deposits and loans	680,416	741,450
Dividend income	18,259	22,520
Change in fair value of bonds, shares, and alternative investments	233,078	(88,670)
	931,753	675,300
Direct expenses	(17,317)	(15,169)
	914,436	**660,131**

22. Retirement benefits and refunds

The retirement benefits consist of the following:

in AWG	**2021**	2020
For risk of the Fund		
Retirement benefits	260,568	223,097
Partner pension	20,260	12,769
Orphan pension	343	343
Deceased benefit	-	-
Emigration	-	-
For the risk of the Participants		
Retirement benefits	823,283	635,636
Partner pension	25,709	17,492
Orphan pension	20,803	1,412
Deceased benefit	116,397	70,689
Emigration	151,465	37,545
	1,418,828	**998,983**

There was a substantial increasement in the retirement benefits, orphan pension and emigration for the risk of the participant. The increase is due to the fact that each year new pensioners are added to the retirement benefits and 2021 we had a new orphan. In 2021 we have more requests for surrender of the accumulated capital due to emigration.

23. Pension administrative expenses

The pension administrative expenses can be specified as follows:

in AWG	**2021**	2020
Salaries and remuneration (excluding Executive Board)	1,078,058	898,935
Accounting, administrative and consultants' fees	158,366	334,199
Information and technology	178,284	200,217
Depreciation	195,098	169,232
Office expenses	100,192	154,638
Executive Board fee and expenses	206,347	140,558
Audit fees	185,747	140,519
Actuary fees	37,932	54,606
Other operating expenses	70,380	58,874
Legal fees and expenses	39,886	32,214
Product promotion	7,832	28,860
Car expenses	29,257	18,574
Bank charges and fees	6,433	7,365
	2,293,812	**2,238,791**
Number of permanent employees employed by the Fund	10	10

The salaries and remuneration (excluding Executive Board) can be specified as follows:

in AWG	**2021**	2020
Salaries and wages	968,406	792,508
Social premiums	116,334	103,374
Other staff expenses	67,414	46,045
Pension premium contribution	50,447	41,020
Allocation to investment charges	(124,543)	(84,012)
	1,078,058	**898,935**

The 2020 figures have been reclassified for comparative purposes. Please refer to the table below for the reclassification:

in AWG	**2020 Reclassified**	2020 as previously issued
Salaries and wages	792,508	724,438
Social premiums	103,374	91,201
Other staff expenses	46,045	46,045
Pension premium contribution	41,020	37,251
Allocation to investment charges	(84,012)	-
	898,935	**898,935**

24. Changes in the technical pension provision for risk of the Fund

Pension accrual

This item reflects the effect of mortalities on the pension liabilities for active participants calculated on a nominal interest rate basis.

Added interest

The value of the participants' pension rights also increases annually with the accrual of interest, in addition to the actual pension accruals. This means an increase in liabilities and hence requires an addition to the provision for pension liabilities, which represents an expense. The expenses relating to the increased liabilities should generally be met from the results achieved on the investment of the pension capital.

Provision utilized for benefit payments and administrative expenses

Future benefits payments are calculated actuarially in advance, based on probability systems, and are included in the provision for pension liabilities. This provision represents the present value of the expected future benefits. Each year, an amount of the provision is utilized to fund the benefits for that year. This item also includes the results on probability systems.

25. Changes in the provision for pension liabilities for risk of participants

The changes in the provision for pension liabilities for the risk of participants are calculated by deducting the ending balance of the provision from its beginning balance.

26. Going concern and assessment of the impact of the Coronavirus (COVID-19) pandemic

The COVID-19 pandemic has had a significant impact on the Fund's operations and results and as per the date of issuance of these financial statements, it is still not certain to estimate what the eventual impact of this pandemic will be on the (Aruban) economy and the Fund's future results, cash flows and financial position.

The Fund's liquidity is expected to remain adequate. The budget for the year 2022 projects available cash to increase from AWG 13.4 million per end 2021 to AWG 20.7 million per end 2022, evidently depending on the investment opportunities becoming available during the year.

The Fund stress tested the level of cash by assuming lower premium receipts compared to the budget (-21%), 60% less investment receipts and 32% less other income while maintaining the expenses at the budgeted level. Based on this assessment the cash still end the year 2022 with AWG 5.8 million. Based on its assessment of the impact of the pandemic for the year 2022 and beyond and considering the uncertainties that exist as per the date of issuance of these financial statements, the Executive Board concludes that it does not consider the impact to cast significant doubt upon the Fund's ability to continue as a going concern.

27. Subsequent events

The loan to Wondersea is non-performing and was past due since June 30, 2021, for more than 90 days. Consequently, the loan has been classified as non-interest bearing by AIB and the Fund. On September 2, 2021, the borrower was notified that the loan had matured, and a period of one month was provided to pay-off the loan including additional interest, penalty fee and any other expenses. On October 7,2021 and November 12, 2021, the lawyer appointed by the lenders, requested the borrower once more to pay-off the outstanding balance. In absence of the repayment, the foreclosure process was initiated. At the end of December 2021, the outstanding loan amounted to AFL 13,833,084 (USD 7,685,046.90). The pro rata part of the loan for the Fund is AFL 6,287,766, including AFL 452,652 interest not recognized in the profit and loss account. The execution of the property is expected to place in June 2022. Based on the expected foreclosure and considering the recoverable amount of the collateral, an additional impairment of AWG 250,000 has been recognized in 2021, resulting in a total impairment of AWG 706,225 (including the previously deferred interest of AWG 452,652).

Other information

Proposition for the appropriation of net result for the year 2021

According to the Articles of Foundation of Pension Fund Tourism Sector Aruba Foundation, the appropriation of the net result is at the disposal of the Executive Board.

The profit for the year 2021 amounting to AWG 655,514 is added to the Fund's equity. The financial position as of December 31, 2021 has been prepared taking this decision into account.

Aruba, June 17, 2022.

Mr. G.K. Farro
Chairman of the Executive Board

Mr. C.E. Heyliger
Secretary of the Executive Board
Executive Board Member representing participants

Mr. E.F.C. Albertus
Executive Board Member representing employers

Mrs. M.R. Croes
Executive Board Member representing participants

Mr. E.O. Croes
Executive Board Member representing employers

Independent Auditor's Report

Grant Thornton

Independent auditor's report

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Our reference: 138788/ A-32583

To the Executive Board and Executive Director of
Pension Fund Tourism Sector Aruba Foundation
Aruba

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 Pension Fund Tourism Sector Aruba Foundation, Aruba (the Foundation) as at December 31, 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Foundation's financial statements comprise:

- the statement of financial position as at December 31, 2021;
- the statement of comprehensive income for the year ended December 31, 2021;
- the statement of changes in Fund capital for the year ended December 31, 2021;
- the statement of cash flows for the year ended December 31, 2021;
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for 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.

Emphasis of Matter – Impact of COVID-19

We draw attention to note 6 of the financial statements which includes the Executive Board's assessment of the impact of the COVID-19 pandemic in 2021 as well of its impact on the future results, cash flows and financial position of the Foundation.

Our opinion is not modified in respect of this matter.

Independence

We are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA – Dutch Code of Ethics).

Report on the other information included in the annual report

The Executive Board is responsible for the other information. The other information comprises the following:

- Report by the Executive Board;
- Other information;
- Independent Actuary's Report.

(but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Board for the Financial Statements

The Executive Board is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as the Executive Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Board is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Board either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

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, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board.

- Conclude on the appropriateness of the Executive Board'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 Foundation'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 Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Executive 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.

Aruba,June 17, 2022
Grant Thornton Aruba

Original signed by Edsel N. Lopez

Independent Actuary's Report

Pension Fund Tourism Sector Aruba

Actuarial Report 2021

Aruba, June 15, 2022

Inhoudsopgave

Actuarial Declaration

Aruba, June 15, 2022

Assignment

The assignment to issue an actuarial declaration for the Pension Fund Tourism Sector Aruba for the year 2020 is granted to Actuarial Consultancy Caribbean.

Data

The data on which this audit was based were provided by and were compiled under the responsibility of the management board of the pension fund. In evaluating the assets of the pension fund and in assessing its financial position, we have based ourselves on the financial data in the annual DRAFT report of June 01, 2022. The pension fund's auditor has signed a declaration regarding the correctness and completeness of the basic administrative data and other assumptions which are of importance to our assessment. We received the signed declaration on April 08, 2022 from Grant Thornton Aruba.

Activities

In carrying out the assignment, we have calculated the provisions referred to in the Actuarial Report. The actuarial assumptions were set up by the Board of the fund.

As part of the activities pertaining to the assignment:

- We have assessed whether the technical provisions have been determined adequately; and
- We have formed an opinion on the financial position of the pension fund.

Our audit was carried out in such a way that with a reasonable degree of certainty the results do not contain any inaccuracies of material importance. We have formed an opinion on the probability with which the pension fund will be able to meet its liabilities incurred until the balance-sheet date, also considering the financial policy of the pension fund.

Opinion

The technical provisions are equal to Afl. 145,599,679 as per December 31, 2021. This is inclusive of 3.5% interest added in 2021 to the Defined Contribution capitals. The provisions are calculated on sufficiently prudent assumptions. The amount of the provision is prudent.

The assets of the fund are enough to cover the liabilities. The funding ratio, considering the necessary solvency margin, amounts to 102.5% per December 31, 2021. The financial position of the fund is sufficient.

Elma Velgersdijk, actuary AG
Managing Director

1. Management summary

Provision

The technical (pension) provision amounts Afl. 145,599,679 as per December 31, 2021. This is inclusive of 3.5% interest added in 2021 to the Defined Contribution capitals. This provision is calculated with assumptions that in our opinion are prudent (see appendix A). In this provision is taken into account no amount for indexation. The amount of the provision is prudent on the reporting date.

Disability reserve

There also used to be a reserve for disability. At the end of 2017, this reserve amounts to Afl. 266,222.

The Board of PFTSA has decided (after obtaining the approval of the members at the General Assembly Meeting in 2018) to abolish the benefit regarding disability as per January 1, 2019. So, onwards no benefits for disability will be paid out and the premium has been stopped from January 1, 2018.

Taking this into account, the decision has been made to eliminate the reserve for disability.

Result

According to the DRAFT annual report of June 1, 2022, the fund has a positive result of Afl. 655,514 over the year 2021. This is mainly caused by the positive result on interest.

Funding ratio

The total amount of assets on December 31, 2021 is Afl. 159,699,763. The liabilities of the fund amount to Afl. 1,761,343 and from 2019 on there is no reserve for disability anymore. So, an amount of Afl. 157,938,420 is left to cover the pension liabilities. This is enough to cover these liabilities (Afl. 145,599,679). Based on this, the funding ratio amounts to 108.4% (last year 108.8%).

Necessary solvency margin and custom funding ratio

The necessary solvency margin is calculated by the fund and amounts Afl. 8,589,227. Considering the rules of the Central Bank the funding ratio corrected with the necessary solvency margin amounts to 102.5% (last year 102.7%).

2. Pension Plan

The fund changed its pension plan on January 1, 2004. The DB plan is a defined benefit plan that stopped in 2004 for active members. The members who have pension rights in this plan keep their right but pension to build up from that date on will take place in the new pension plan, the defined contribution (DC). The rights in the old pension plan will never be raised as a result of indexation.

In 2014 the DC plan has been revised and updated in accordance with the LAP and in 2019 in accordance with the decision to abolish the benefit regarding disability.

Hereafter you will find the most important characteristics of the DC plan.

System	Defined Contribution
Entry age	18 years
Salary	12 times the fixed monthly salary plus holiday allowance plus fixed bonuses if applicable
Defined contribution	6% of the salary, extra voluntary payments are possible
Retirement age	65[1]
Capital	The premiums, minus costs will be used to save for a capital on retirement date
Pension	The capital must be used to buy an old age pension, eventually combined with a partner pension
Death benefits	In case a member of the fund deceases, the accrued capital will be used to buy a partner pension for the affirmed partner
Premium employee	Minimum of 3% of the salary
Premium employer	Minimum of 3% of the salary

[1] The retirement age by the law is between 60 and 70. Members have the option to retire earlier or later than 65.

3. Financial organization of the fund

The financial organization of the fund is stated in the so-called “Actuariële en Bedrijfstechnische Nota (ABTN)”. The latest version is of June 2018 and will be updated next month.

The premiums received amount to a minimum of 6% of the salary (3% of the employer and 3% of the employer). These premiums are used to:

- Cover the costs of the fund
- Accumulate the saving capital of the participant

Besides this the capital will be increased with an interest. The amount of this interest depends on the yearly decision of the board.

The pension rights in the old plan are based on a defined benefit plan and will never be increased with an indexation.

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4. Pension liability

The pension liability is calculated using the actuarial assumptions as stated in appendix A. We received the basic administrative data from the Fund. These data are verified by the accountant (Grant Thornton). The accrued pensions are a part of the verified basic data. The findings of the accountant were for our calculations. These basic administrative data are not checked by us on correctness and completeness.

Hereafter you find a specification of the pension liabilities (all amounts are in Afl.).
In 2021 the actuarial assumptions were:

- Mortality rates GBM/V05-10 (-1/-1).
- Discount rate is 4%, for new pensioners from June 2020 3.75%.

Defined Contribution

Pension Liabilities					
	12/31/2021	***12/31/2020***	***31-12-2019***	***31-12-2018***	***31-12-2017***
Active members	84,739,471	78,614,258	70,497,132	62,531,069	53,647,974
Vested members	37,283,056	32,333,325	28,597,633	22,662,699	18,758,115
Pensioners	9,477,994	7,246,289	6,295,878	5,162,074	4,109,361
	131,500,521	**118,193,872**	**105,390,642**	**90,355,842**	**76,515,450**

Defined benefit

Pension Liabilities					
	12/31/2021	***12/31/2020***	***12-31-2019***	***12-31-2018***	***12-31-2017***
Active members	4,057,289	4,094,415	4,148,727	3,942,840	3,891,637
Vested members	6,578,829	6,474,091	6,193,363	5,789,487	5,794,935
Pensioners	3,219,454	3,052,201	2,958,189	2,883,535	2,709,417
Partners/orphans	243,585	194,331	201,813	189,277	193,998
	14,099,158	**13,815,039**	**13,502,092**	**12,805,137**	**12,589,987**

The change in liabilities is shown in the table below (all amount is in Afl.)

Defined contribution without pensioners

Annual report 2020	**110,947,584**
Correction	-85,951
Primo 2021	**110,861,632**
Premium	11,351,732
Surrender Value	-450,263
Result on Surrender	-220,979
Deceased	-67,997
New pensioners	-2,246,342
Interest	4,039,923
Costs	-1,251,909
Risk Premium	0
Correction ultimo	6,729
Ultimo 2021	**122,022,527**

There has been a correction on the provision primo 2021 of Afl. -85,951.

The interest in the Defined Contribution plan in 2021 is equal to 3.5% of the accrued capitals. For the vested members 0.5% of this interest will be used to cover the costs.

Defined contribution pensioners

Liability annual report 2020	**7,246,289**
Correction	17,590
Liability as per December 31, 2020	**7,263,878**
New pensioners	2,214,005
New partners/orphans	256,924
Deceased pensioners	-60,944
Interest	326,914
Paid out pensions	-592,039
Pay out costs	-11,841
Risk premiums	81,097
Liability as per December 31, 2021	**9,477,994**

There has been a correction on the provision primo 2021 of Afl. 17,590.

Defined benefit

	Old age pension	Partner pension	Total
Liability per 2020 annual report	**11,801,338**	**2,013,701**	**13,815,039**
Correction	0	0	0
Liability per December 31, 2020	**11,801,338**	**2,013,701**	**13,815,039**
Interest	466,434	79,990	546,424
Paid out pensions	-231,431	-16,555	-247,987
Pay out costs	-4,629	-331	-4,960
Deceased members with/without partner	-44,919	-10,994	-55,913
New partner pension	0	45,756	45,756
Surrender value	-29,392	-2,625	-32,017
Risk premiums	66,257	-33,442	32,814
Liability per December 31, 2021	**12,023,658**	**2,075,500**	**14,099,158**

The short-term pension liability less than 1 year (included in the liabilities above) amounts to:

Defined Benefit : 266,209
Defined Contribution : 700,905
Total : 967,114

5. Analysis of the accounting year

The result of the accounting year 2021 amounts to Afl. 655,514 in accordance with the draft annual report we received on June 1, 2022. In the table below the result is split in different sources. All amounts are in Aruban guilders.
By rounding some small differences with the annual report can appear.

Result on premiums	1,406
Result on costs	-1,025,103
Result on interest	1,749,275
Result on paid out pensions and surrender values	67,703
Result on mortality	-231,738
New pensioners	32,338
Correction primo	68,362
Correction ultimo	-6,729
	655,514

Hereafter we declare every result per source.

Result on premiums

There is a difference between the premiums in the annual report and the premiums taken into account in the liability. This causes a minor result.

Premium annual report	11,353,138
Premium liability	-11,351,732
Result	**1,406**

Result on costs

The difference between the real administrative expenses of the fund and the costs that can be paid of the cost loading causes a result. The result on costs shows a larger negative amount than the previous year, namely caused by a decrease in cost loading.

Real costs	-2,293,812
Cost loading	1,251,909
Paid out costs	16,800
Result	**-1,025,103**

Result on interest

The difference between the interest on investments and the interest that has to be added to the liabilities is the result on interest.

Interest on investments	6,662,537
Interest needed in liabilities defined benefit	-873,338
Interest in liabilities defined contribution	-4,039,923
Result	**1,749,275**

Result on paid out pensions and surrender values

There is a difference between the paid-out amounts in the annual report and the expected paid out amounts. This causes a result.

Paid out annual report	-1,418,828
Paid out liability	840,025
Surrender values liability	482,280
Result on surrender net value transfer	164,226
Result	**67,703**

Besides the result on surrender value, we would not expect another result here.
The result of Afl. 96,523 is more than 6.8% and can partly be explained by the pension payments being held (Afl. 34,968). The remaining portion of Afl. 61,555 has yet to be declared.

Result on mortality

The risk premiums are a negative result for the fund. The result can be divided as follows.

Result on mortality

Risk premium defined contribution	-81,097
Risk premium defined benefit	-32,814
Capital of deceased members	139,098
New partner/orphan pensions	-256,924
	-231,738

Correction primo

There has been a correction on the provision primo 2021 of Afl. 68,362.
This correction is due to unclaimed pensions entitled to one-time payments, which this year were taken out of the participants file and a separate liability has been booked for them. There is also a correction for the group of pensioners with a retirement date from June 2020. For this group, the pensions are valued at an interest rate of 3.75% instead of 4%.

Result on new pensioners

There is a difference between the “released” pension capitals of the retired members during this year and the pension provision needed for their pension payments. This caused a positive result of Afl. 32,338. This result is caused by the fact that we compare the provision of the pensions at the end of the year with the capitals on the retirement date. The difference in timing causes a result.

Correction ultimo

There has been a correction on the provision ultimo 2021of Afl. 6,729. This will be corrected in 2022.This correction is due to corrections made on the opening balance of an active participant.

6. Financial position of the fund

Provision

The pension provision amounts Afl. 145,599,679 as per December 31, 2021. For the accrued pensions in the defined benefit plan the cash value is taken into account and for the defined contribution the provision is equal to the accrued saved capital as per December 31, 2021. This is inclusive of 3.5% interest added in 2021 to the Defined Contribution capitals (for the vested members 0.5% of this interest will be used to cover the costs) and exclusive a disability reserve. The provision is calculated with assumptions that are prudent in our opinion (see appendix A). The amount of the provision is prudent on the reporting date.

Funding ratio

The total amount of assets on December 31, 2021 is Afl. 159,699,763 according the draft annual report of June 1, 2022.The liabilities of the fund amount to Afl. 1,761,343 and from 2019 on there is no reserve for disability anymore, so an amount of Afl. 157,938,420 is left to cover the pension liabilities. This is enough to cover these liabilities (Afl. 145,599,679). Based on this, the funding ratio amounts to 108.4% (last year 108.8%).

Necessary solvency margin and custom funding ratio

Considering the guidelines for solvency of the Central Bank of Aruba a pension fund has to keep a solvency margin to take into account the volatility risk of the assets.
The necessary solvency margin is calculated by the fund and amounts Afl. 8,589,227
Considering the rules of the central bank the funding ratio corrected with the necessary solvency margin amounts to 102.5% (last year 102.7%).

Financial position

The assets of the fund are at the end of 2021, taken into account the solvency margin, enough to cover the pension liabilities of the fund. So, the financial position of the fund is sufficient.

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7. Scenario's

	-0.50%	basis	+0.50%
Discount rate	**3.50%**	**4.00%**	**4.50%**
Defined Benefit Provision	15,259,177	14,099,158	13,058,992
Defined Contribution Provision	131,967,240	131,500,521	131,069,228

	-1.00%	basis	+1.00%
Discount rate	**3.00%**	**4.00%**	**5.00%**
Defined Benefit Provision	16,556,195	14,099,158	12,123,956
Defined Contribution Provision	132,473,168	131,500,521	130,669,998

8. Recommendations

We recommend the following:

1. There is a structural loss on costs.
   This has already been discussed and therefore from the year 2020 and on the next steps regarding the results on costs should be made:
   a. The costs that can be assigned to the investments will be accounted to the investment result
   b. An extra provision will be brought up by the fund for the nonstructural costs
   Point (a) has been applied from 2020 on, but point (b) still has to be done.
   The problem has been mentioned in the risk report of the fund, and in 2021 there were less contributions and the fixed costs remain the same. This year it will be worked out together with the board.

2. In the beginning of last year, we agreed to put the amount of pensions that has not been reclaimed on the balance sheet. This is not introduced completely yet, we expect it to happen next year.

Appendix A: Assumptions

Hereafter you will find the actuarial assumptions we used by calculating the pension liabilities

For the defined benefit plan

Discount rate	4%
Mortality tables	GBM/GBV 05-10
Age	In months
Age correction	-1 years
Age difference	Woman 2 years younger than a man
Orphans' pension	For orphans' pension not paid out the fund doesn't provide.
Costs	2% (pay out-costs)
Pay out frequency	Continuous

For the defined contribution plan

Discount rate after retirement	4% for pensioners before June 2020 3.75% for pensioners from June 2020
Mortality tables	GBM/GBV 05-10
Age	In months
Age correction	-1 years
Age difference	Woman 2 years younger than a man
Orphans' pension	For orphans' pension not paid out the fund doesn't provide.
Costs	2% (pay out-costs)
Pay out frequency	Continuous
Costs	10% of the premium
Risk premium for waiver of premium	0% of the premium
Interest granted in 2021	3.5%

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Appendix B: Liabilities

	Group	Mortality Tables	Interest	Number of participants	Paid out pension	Pension liability
A	**Active and vested members**					
	Active members					
1	Capitals men	GBM0510 -1	3.5%	2188		42,380,088
2	Capitals women	GBM0510 -1	3.5%	2418		42,359,383
3	Old age pension DB men	GBM0510 -1	4%	116		2,097,703
4	Old age pension DB women	GBM0510 -1	4%	68		1,362,939
5	Partner pension DB men	GBM0510 -1	4%	0		485,716
6	Partner pension DB women	GBM0510 -1	4%	0		110,931
	Total			**4790**		**88,796,760**
	Vested members					
7	Capitals men	GBM0510 -1	3.5%	2646		19,896,742
8	Capitals women	GBM0510 -1	3.5%	2799		17,386,314
9	Old age pension DB men	GBM0510 -1	4%	164		3,138,745
10	Old age pension DB women	GBM0510 -1	4%	139		2,500,370
11	Partner pension DB men	GBM0510 -1	4%	0		727,268
12	Partner pension DB women	GBM0510 -1	4%	0		212,446
	Total			**5748**		**43,861,885**
B	**Pensioners**					
15	Old age pension DC men	GBM0510 -1	4%	181	374,521	4,528,834
16	Old age pension DC women	GBM0510 -1	4%	174	272,103	3,726,989
17	Partner pension DC men	GBM0510 -1	4%	0	0	629,940
18	Partner pension DC women	GBM0510 -1	4%	0	0	104,437
19	Paid out partner and orphan's pension DC men	GBM0510 -1	4%	5	4,780	83,134
20	Paid out partner and orphan's pension DC women	GBM0510 -1	4%	21	28,924	404,661
21	Old age pension DB men	GBM0510 -1	4%	73	137,569	1,567,995
22	Old age pension DB women	GBM0510 -1	4%	74	101,926	1,355,907
23	Partner pension DB men	GBM0510 -1	4%	0	0	226,567
24	Partner pension DB women	GBM0510 -1	4%	0	0	68,986
25	Paid out partner and orphan's pension DB men	GBM0510 -1	4%	2	2,719	40,337
26	Paid out partner and orphan's pension DB women	GBM0510 -1	4%	8	14,986	203,248
	Total			**538**	**937,528**	**12,941,034**
	Grant total			**11,076**	**937,528**	**145,599,679**

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Appendix C: Policies

DB policies 2021	Male	Female	Total
Active policies	121	69	190
Vested policies	172	140	312
Annuitants policies	82	79	161
Partner pension policies	2	8	10
Orphan policies	0	0	0
Total	**377**	**296**	**673**

DC policies 2021	Male	Female	Total
Active policies	2300	2511	4811
Vested policies	3223	3274	6497
Annuitants policies	250	230	480
Partner pension policies	4	22	26
Orphan policies	1	1	2
Total	**5778**	**6038**	**11816**