



News

July 2021

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This is an abbreviated version of the 2020 annual report of the pension fund. The full annual report is available on our website www.pensioenfondsstaples.nl. If you prefer a printed version, contact us at +31 (0)20 426 63 20.

Abbreviated Annual Report

On track in a turbulent period

The corona crisis has left its mark on 2020, and has of course also affected our pension fund. Fortunately, we were able to continue to work effectively thanks to the efforts of many people, even though this was mainly in digital form and online.

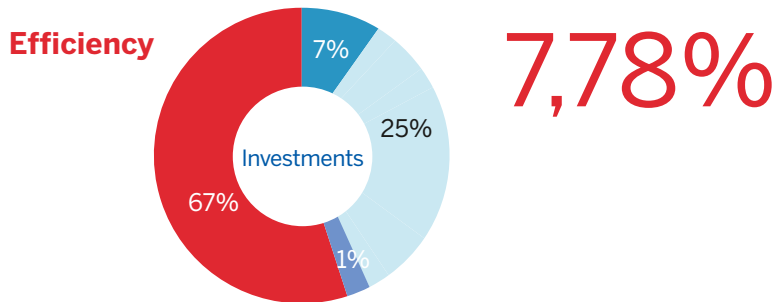
Regarding investments, 2020 was a volatile year due to the corona crisis. But looking back on the year as a whole, our investment return of 7.78% was a relatively good result. Our current funding ratio rose from 118.3% at the end of 2019 to 120.6% at year-end 2020. There was also room for a modest amount of indexation of 0.24% on 1 January 2021. Our financial position continued to improve in the early months of 2021,

But we are not out of the woods yet. The new pensions system is on the way, which will require a new evaluation of the future of the pension fund. You can rely on us to consider all the implications carefully and in a balanced way, taking account of the interests of all our participants. We will do this from a relatively sound starting position. We therefore look forward to the future with confidence.

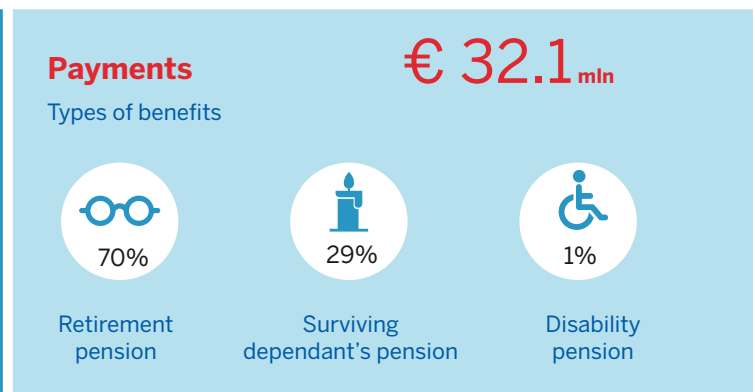
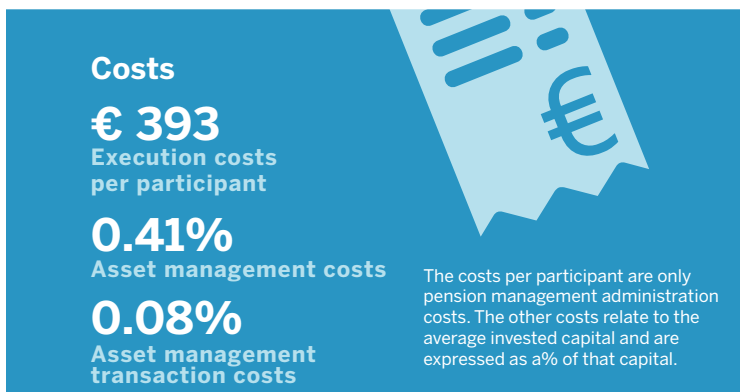
On behalf of the Board of Trustees,
E.G.M. Donders (chair) en **P.A.H. Martens** (secretary)

Review of 2020

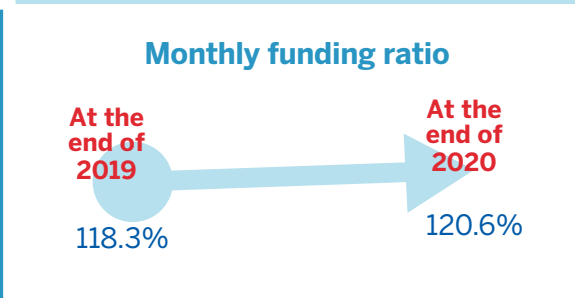
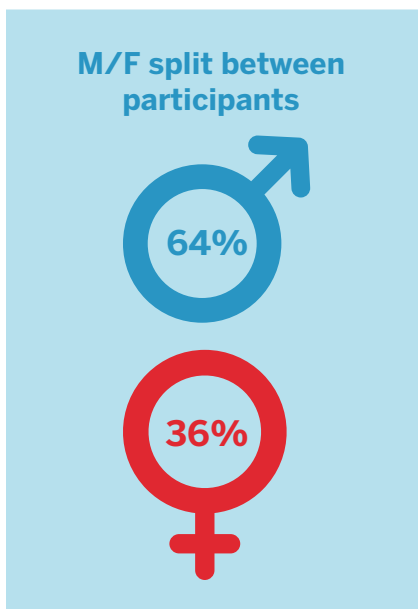
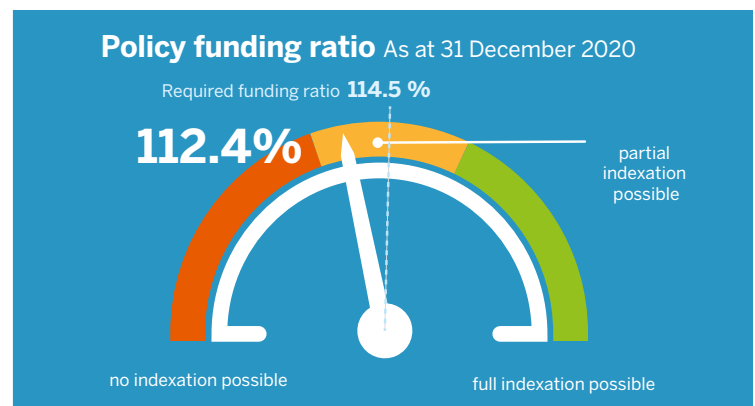
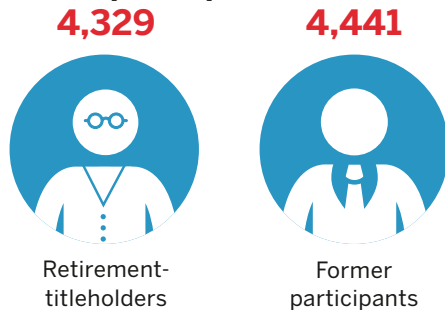
How did your pension fund perform last year?

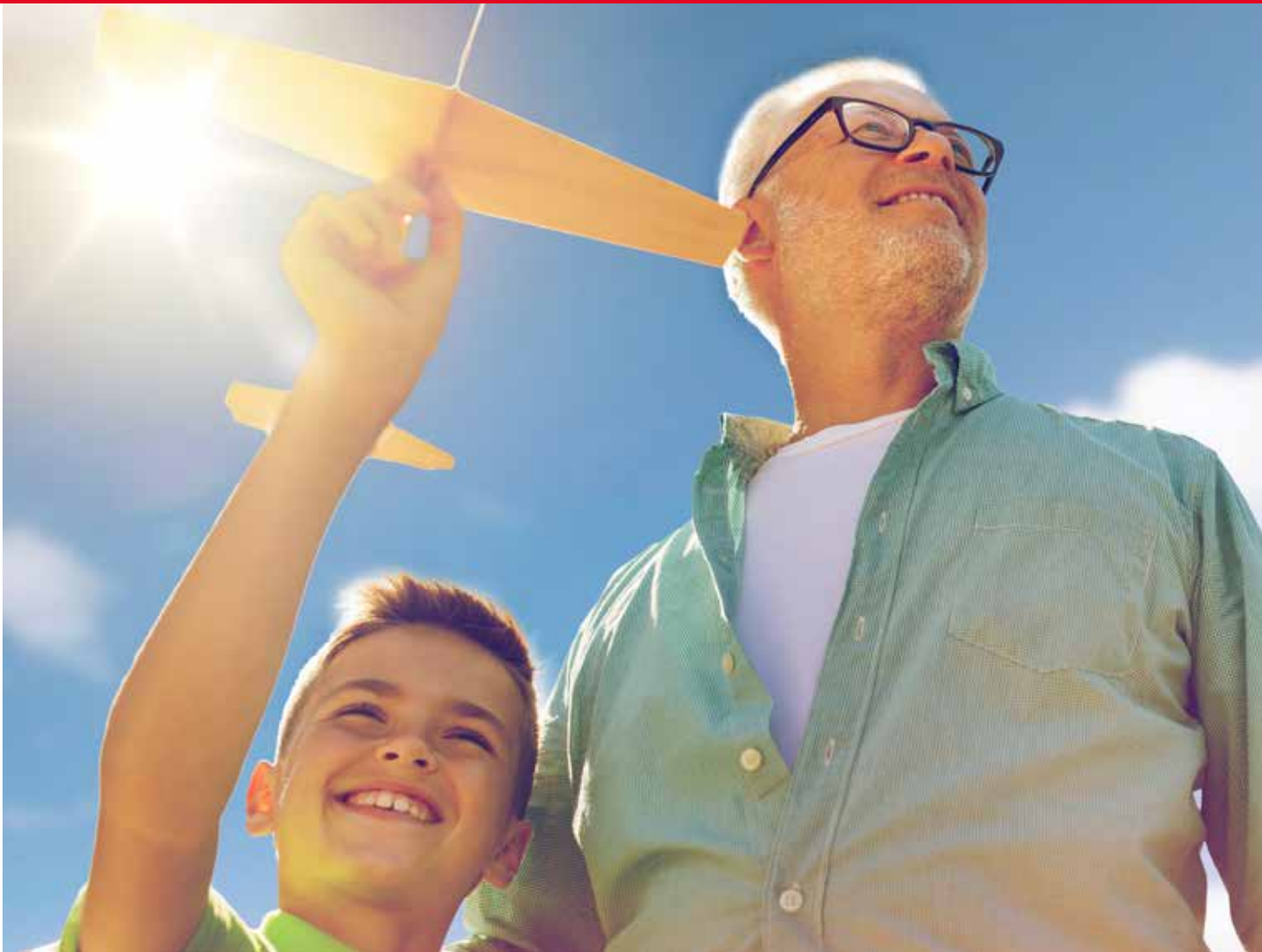


Fixed rate values	€ 622,0 mln
Shares	€ 228,9 mln
Real estate	€ 61,2 mln
Other	€ 13,3 mln



Number of participants





Restoring a sound financial

These were the most important developments in 2020 for the financial soundness of the pension fund.

Further improvement in financial position

If there is exactly enough money (assets) to fund all current and future pensions (the liabilities), the coverage ratio will be 100%. But the future is uncertain, and the government therefore requires pension funds to have a financial buffer. This mandatory buffer is shown in the required funding ratio.

We started 2020 with a policy funding ratio (the average funding ratio over the previous 12 months) of 117.6%. However in June 2020, our funding ratio fell below the required funding ratio of 114.8%. This situation is known as a reserve shortfall, and the pension fund has to submit a recovery plan to De Nederlandsche Bank. This recovery plan showed that the pension fund expected to have restored this reserve shortfall in 2022. Due to positive international developments, this happened faster than expected. At the end of March 2021, the policy funding ratio was 115.4%, above the required funding ratio, and one month later it stood at 117.1%. We are thus almost back to the level seen at the start of 2020.

Investments recover after a decline

2020 was also a volatile year for investments as a result of the corona crisis. The value of the fund's investments declined in the first half of the year, followed by a recovery. This was due to the interventions of governments and central banks, and confidence that effective vaccines would bring corona to an end. The pension fund was therefore able to close the year with an investment return of 7.78%.

Partial indexation possible

The pension fund strives to increase pensions each year in line with the increase in prices (or inflation) by allocating indexation. This is only possible if the fund has sufficient buffers in place. The pension fund also has to take account of its future financial position. The pension fund board assesses whether an increase is possible each year. In December 2020, the Board of Trustees decided to allocate partial indexation, as a result of which the pensions of all participants were increased by 0.24% with effect from 1 January 2021 (relevant price index: 1.12%).

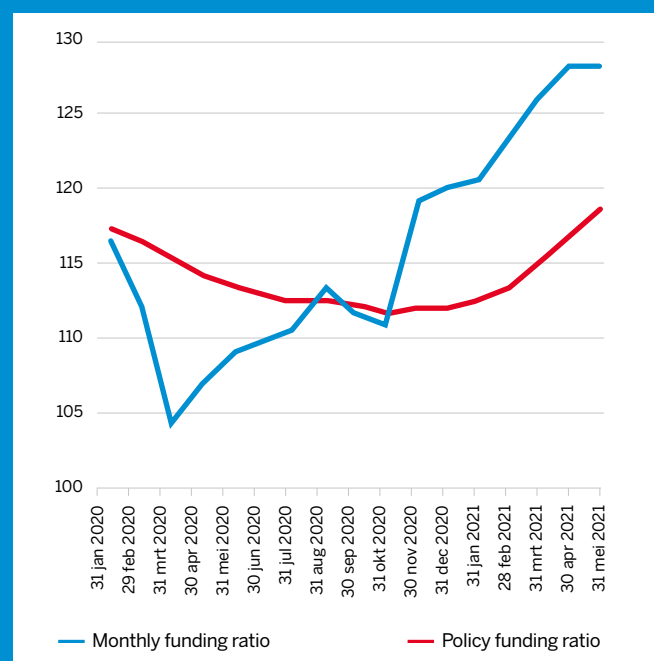
position

Pension fund passes the feasibility test 2021

The pension fund carries out a feasibility test every year. This test provides information on the connection between the financial structure, the expected pension result and the associated risks. The board established the (long term) risk appetite for the pension fund in 2015, in which lower limits for the pension result have been set. The expected pension result is then compared to these limits each year. The results of the test show that the expected pension result meets the previously set limits. Even in a difficult scenario, the result remains within these limits.

Further information on our feasibility test is available on www.pensioenfondsstaples.nl in the feasibility test Q&A.

Development of funding ratios from 2020 onwards



The policy funding ratio is an average of the current monthly funding ratios for the previous 12 months.



Findings of the satisfaction survey

The pension fund held a survey in April to find out how satisfied you are with your pension fund. We were keen to find out from you what we are doing right and where we can improve.

A total of 540 participants took part in the survey. This has given us a good idea of what you think of the fund. We very much appreciate your cooperation.

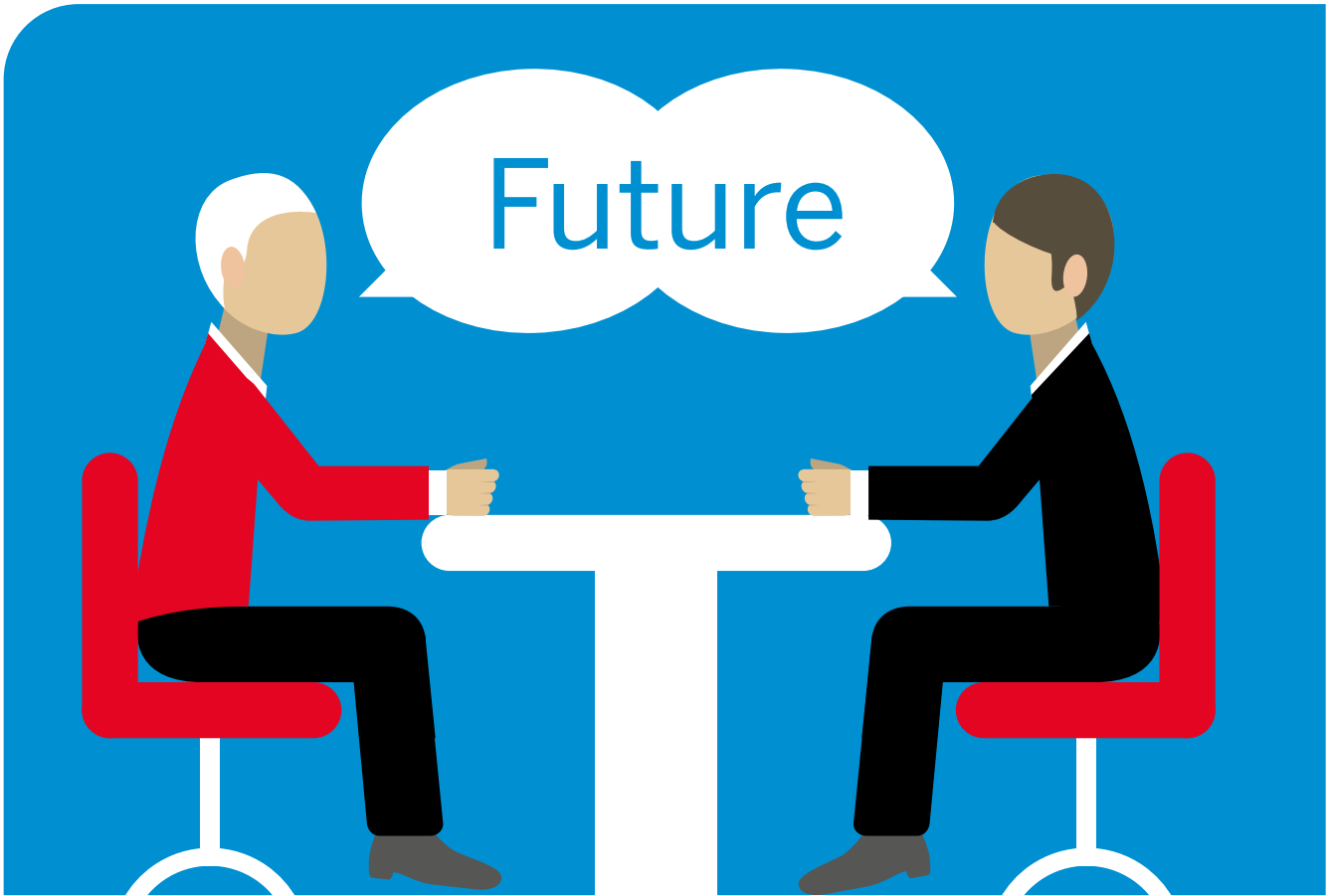
The overall impression is very positive. Participants who have already retired were more satisfied with the pension fund than those who are not yet receiving pension. The pensioners gave the pension fund an average score of 8.4, compared to 7.6 in 2017. The average score from participants not yet receiving pension was 7. In 2017, their average score was 6.4.

The pensioners were satisfied with the information they receive from the pension fund, giving an average reporting score of 8.3. They also gave a very good score on service of 8.4. The information provided by e-mail and the digital newsletter were the most widely read. The pensioners stated that they wished to continue to be well informed regarding the pension fund, the risks and the costs. At the pension fund, we will take this into account.

Participants not yet receiving a pension gave a clearly lower score of 6.6 on the information provided. We will look at how we can improve our provision of information for these participants. We started organising online pension webinars at the end of last year. These webinars are possibly not yet sufficiently widely known, or they do not adequately meet requirements. We will investigate this further.

Thank you for your feedback

To continue monitoring your opinion regarding the service provided by the pension fund, since the end of 2020 we have been sending an e-mail to participants who have been in contact with the fund by telephone or e-mail with brief questions regarding their experiences with the fund. In the first half of 2021, the average score you gave us was 8.2.



Choices for **the future**

Since 2014, the pension fund has been assessing each year what will be the best possible future for the fund. The Board of Trustees has set up a special Future Committee for this, and it is a permanent agenda item for Board meetings. We continue to evaluate our strengths and our weaknesses.

So far, continuing as an independent pension fund has turned out to be the best option, compared for example to migration to an industry pension fund, a General Pension Fund (GPF) or an insurer. The Board reached the same conclusion in 2020.

But this may change in the years to come. The new pensions system is an important factor here, partly because transition to the new system could involve additional costs. Work on the new legislation is currently ongoing, and all pension funds will have to migrate to the new system by the beginning of 2027. The Board discussed the Pensions Agreement at a special themed meeting in December 2020 as well as in various Board meetings in 2021.

Careful decision

A new assessment of the fund's vulnerability in the coming period could lead to the conclusion that continuing the pension fund's independent existence is no longer in the interests of the participants.

The Board will decide on this issue carefully, taking balanced account of the interests of all participants. We understand that this uncertainty regarding the fund's future may be of concern to you. We will therefore keep you informed at every new stage as quickly and as clearly as possible.

Questions?

Want to know more about the future of the pension fund? A full list of Q&A is provided on the pension fund website.

If you have questions or would like more information, contact us at 020 426 63 20 or by e-mail to pensioenservice@pensioenfondsstaples.nl

Colophon

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