



PSPB
PUBLIC SERVICE
PENSIONS BOARD
Securing Tomorrow Together

PUBLIC SERVICE PENSIONS BOARD 2025

ANNUAL REPORT & ACCOUNTS



Vision

Deliver excellence in member services – securing tomorrow, together

Mission

Be recognized as best in class for investments and member services

Values

Kindness
Integrity
Respect
Professionalism
Innovation
Partnership
Performance

2025 Annual Report Feature – A Focus on Cayman's Dedicated Police Professionals

The PSPB is proud to provide pension administration services to our active, deferred and retired public and civil servants. As part of this honour we have in serving our Caymanian citizens, we are continuing our recent tradition of using our annual report to feature one key ministry, portfolio, statutory authority or government owned company through our photos and features. This year, we are excited to recognize retired police officers who have previously served for this country with the Royal Cayman Islands Police Service. Our Board of Directors and staff of the PSPB are grateful for all the dedicated service and safety our police members and pensioners have demonstrated throughout their careers, and we are honoured to feature you in our annual report.

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2025 Mi

Administration

3,477
Plan Member Files Processed

449
New Members Enrolled in the Plan

212
New Retirements Processed

123
Cash-outs and Transfers Processed

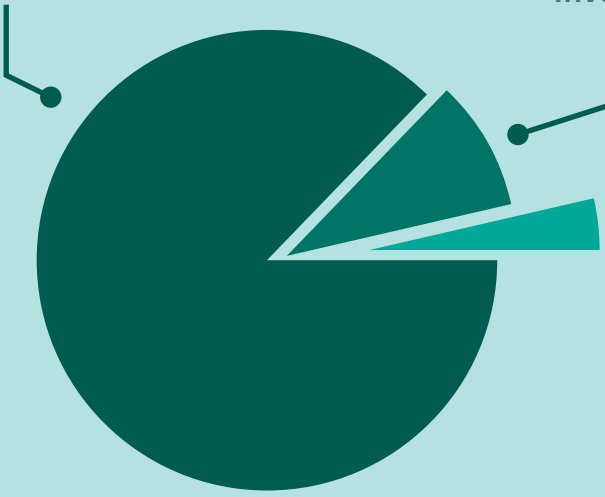
24
Transfers into the Plan Received

lestones

Investment

>$1.59
KYD Billion in Assets

$226
KYD Million Gross Investment Income



16.3%
PSPB Fund Return

$80
KYD Million in Contributions Received

<$8.4
KYD Million in Total Investment Expenses

Message from the Chair and CEO

On behalf of the Public Service Pensions Board (PSPB or the Authority), we are pleased to present the Annual Report for the year ended 31 December 2025.

Following a successful 2025, stakeholder confidence in the PSPB remains firmly established, as our Board, management team, and staff consistently demonstrate our strength as a leading pension plan. The previous year was not merely a transition period focused on key projects and staffing adjustments; instead, the Board championed enhancements, and the administration team effectively executed a staffing reorganization and delivered several key initiatives that supported the Authority's mission. Beyond administration, the Board oversaw substantial growth and expansion of our investments, ensuring the PSPB continued to thrive despite the unprecedented challenges and pressures faced by pension plans worldwide, particularly in terms of sustainability and maintaining a positive financial outlook.

As of 31 December 2025, the market value of the Public Service Pensions Fund was $1.59 Billion KYD. Notably, for the third straight year, the Fund delivered a double-digit return. Specifically, the Fund achieved an outstanding return of 16.3% for the year, which compares favourably to our peers, and beat our plan benchmark since inception by 0.9%. As you will read later in the report, our investments in key areas continued to show our balance and execution, which is why we again boast our position as a pension leader not only in the Cayman Islands, but also against our peers internationally.

Over the course of the prior year, the PSPB navigated a challenging market with several factors influencing key areas of volatility. The Board of Directors closely monitored many of the impacts and changes, such as several key rate changes to the United States Federal Reserve rate, continued inflation pressures on consumer spending, and how tariff introductions would change trade and subsequent markets. In the face of these pressures, the PSPB achieved a stellar year through diverse investment and yielded exceptional returns. Some of the Authority's growth was realized in key measures, such as global markets rallying across the board in 2025, as non-US equities delivered the strongest performance. It is this ongoing oversight from the PSPB that ensured growth in 2025, as the Board maintained our diversified approach to end the year in a leading position.

In our administration and operations, looking back at 2025, the Authority realized a significant vision in relocating the Grand Cayman office to its permanent location in Pavilion East Building in Cricket Square. The Authority's leadership worked to ensure this new space is the "Centre of Excellence" of PSPB's long-term office solution. Our new location is tailored to be a service-oriented platform to deliver exceptional value and service for all members. As we grow into this space, we will continue to explore ways to improve our front-facing office experience to keep the PSPB the leading member services pension provider in the Cayman Islands.

Additional achievements in 2025 were realized in key initiatives around projects and information technology. The Authority implemented a world-class performance management programme, solidified key risks in Artificial Intelligence policies, and finalized the digitization of records for the PSPB. One other major milestone from the prior year was that the PSPB worked to progress the implementation of self-service functions for our participating employers and members in 2026. As we move into 2026, we are now prepared to expand this functionality to additional employers and to our broad membership group. This delivery will improve real-time access to information for employers and members and the ability to meet increasing demands for timely and accurate service delivery in our complex environment.

Looking ahead to 2026, our Authority is trending to have a substantial year in building on our brand of "Excellence in Member Services". This will be achieved by completing the delivery of key projects that will enhance the member experience. Further, the PSPB will round out our staffing complement by filling a few key roles in the organization and this will bring the Authority to its full staffing capacity. With roles filled and having leading professionals in place, the PSPB will deliver a member engagement strategy, enhance our education presentation programme and work towards developing a new website.



On behalf of our Board of Directors, we feel proud of the achievements from the past year and know that our Board, management team and staff are ready and excited to have an exceptional 2026, where we will continue to build positive retirement outcomes for our plan members and pensioners.

Mrs. Sheree Ebanks, Cert. Hon.
Chair of the Board

Mrs. Jewel Evans Lindsey, Cert. Hon.
Chief Executive Officer

Governance Information and Highlights



Burman Scott

Retired on 1 Aug 2005

28 years and 2 months of public service in the Cayman Islands

Board of Directors

The Public Service Pensions Board (PSPB or the Authority), which was originally established in 1992, is responsible for the administration of the Fund and the payment of all pensions and other benefits in accordance with the Act. The Board is the corporate body charged with governance, and its fiduciary responsibilities focus on strategy and ensuring accountability of the Chief Executive Officer (CEO) and executive management. The Board is also responsible for oversight over the administration of the Public Sector Pension Plans of the PSPB and management of the Fund. Pension corporate governance dictates that the Board be comprised of industry experts and other professionals skilled and qualified to act prudently on behalf of and in the best interests of all plan members.

The work of the Board is reflective of the broad spectrum of long-term risks and opportunities in the global economy and the financial markets, taking into account the actuarial assumptions and funding requirements of the Plans, and maintaining adequate liquidity to meet the required benefit payments to plan members and expenses of the Plans. At 31 December 2025, the Board was comprised of the members noted below.



Mrs. Sheree Ebanks, Cert. Hon.
Chair of the Board



Mrs. Jewel Evans Lindsey, Cert. Hon.
Chief Executive Officer
Administrator
All Board Committees



Mr. Robin Ellison
Governance Committee Chair



Mr. Simon Cawdery, CFA
Investment Committee Chair



Mr. Bryan Bothwell, MBE
Audit and Risk Committee Chair



Mrs. Gloria McField-Nixon, Cert. Hon., JP
Governance Committee



Mr. Kenneth Jefferson, JP, FCA
Audit and Risk Committee
Investment Committee



Mr. James Watler, MBE, JP,
M.ED., CaribeDE-6
Investment Committee



Mr. Orrett Connor, MBE, JP
Audit and Risk Committee



Ms. Pamela Greene, GDL, CISA, CRISC
Audit and Risk Committee

In 2025, the PSPB processed a total of 212 new retirements

and these pensioners are now receiving a lifetime monthly benefit.

PSPB Board Meeting

	14 March	13 June	18 September	12 December
Mrs. Sheree Ebanks	✔	✔	✔	✔
Mrs. Jewel Evans Lindsey	✔	✔	✔	✔
Mr. Kenneth Jefferson	✔	✖	✖	✖
Mr. James Watler	✔	✔	✔	✔
Mrs. Gloria McField-Nixon	✔	✔	✔	✔
Mr. Orrett Connor	✔	✔	✔	✔
Mr. Robin Ellison	✔	✔	✔	✔
Mr. Simon Cawdery	✔	✔	✔	✔
Mr. Bryan Bothwell	✔	✔	✔	✔
Ms. Pamela Greene	**N/A**	**N/A**	✔	✔

PSPB Audit and Risk Committee

	25 February	11 March	26 June	12 September	08 December
Mr. Bryan Bothwell	✔	✔	✔	✔	✔
Mr. Kenneth Jefferson	✔	✔	✔	✔	✔
Mrs. Jewel Evans Lindsey	✔	✔	✔	✔	✔
Mr. Orrett Connor	✔	✔	✔	✔	✔
Ms. Pamela Greene	**N/A**	**N/A**	**N/A**	✔	✔

PSPB Investment Committee

	13 March	12 June	18 September	11 December
Mr. Simon Cawdery	✔	✔	✔	✔
Mrs. Sheree Ebanks	✔	✔	✔	✔
Mrs. Jewel Evans Lindsey	✔	✔	✔	✔
Mr. James Watler	✔	✔	✔	✔
Mr. Kenneth Jefferson	✔	✖	**N/A**	**N/A**
Mrs. Camilla Anderson	✔	✔	✔	✔
Mr. Robin Ellison (Invitee)	✔	✔	✔	✔

PSPB Governance Committee

	12 March	11 June	26 September	10 December
Mr. Robin Ellison	✔	✔	✔	✔
Mrs. Jewel Evans Lindsey	✔	✔	✔	✔
Mrs. Gloria McField-Nixon	✔	✔	✔	✔
Mrs. Sheree Ebanks 'Chair of the Board' (Invitee)	✔	✔	✔	✔

✔ = Attendance ✖ = Apologies
N/A = Not Appointed to Attend

PSPB Long-Term Strategic Plan: Destination 2030

A longer-term strategic plan culminating in 2030 is critical for a number of reasons. The composition of our membership and their needs have changed over these past decades and this strategic plan creates a unique opportunity to re-evaluate the Authority – its purpose, vision, mission, values and culture – through the lens of its membership and the Government, its principal sponsor and stakeholder. A fresh, bold vision should emerge as we establish:

- A "member-first" service-oriented platform, delivering exceptional value and service
- A governance model that is effective and collaborative
- A world-class investment platform, highly focused on the right strategic markets and partners
- A disciplined, prudent and risk-conscious stewardship that meets the changing needs of stakeholders
- An Authority that is an industry-leading employer with an exceptional workplace environment

The PSPB Business Plan for 2026 covers a set of strategic activities and the fourth year of the 7-year strategic plan. When you examine Destination 2030, the PSPB continues to forge our strategic objectives around alignment with our vision, mission, and values.

New Board Member – Pamela Greene

Ms. Pamela Greene was appointed to the Board on 9 July 2025 and since joining as a Director, she has served as a key addition to the Audit and Risk Committee. Ms. Greene is presently the Director & Chief Information Security Officer with the Cayman Islands Government and has previously worked for global technology and telecommunications companies in the United Kingdom and Europe. As a Certified Cybersecurity Expert with over 25 years of experience in the global digital technology industry, Ms. Greene has extensive experience in the areas of Cyber Security Investigations, Forensic Evidence Handling and Analysis as well as Incident Responses to the Board of Directors. In an ever-adapting technological environment, Ms. Greene's specialism has rounded out the necessary risk management and IT controls focus of the Board overall, and specifically in her appointment to the Audit and Risk Committee.

Board Governance Outlook for 2026

In 2026, the Board of Directors is continuing to support the Authority's work on some key multi-year priorities. One of the initiatives is finalizing the framework and necessary legislation to allow additional voluntary contributions in the plan design. For a couple of years, this has been a major goal for the Authority and with the project underway to explore how this can be delivered, the Board will be close to delivering this unique opportunity to participating plan members. The final pieces of this work for the year will be delivering the necessary governance and legislative framework to support the formal implementation, which is aimed for 2027.

Over the past couple of years, the Board started to work with a third-party to conduct a full review of all Board governance policies. In 2026, the full review will be complete as this will ensure accuracy and due diligence of critical functions are in place for matters relating to compliance, risk, oversight and reporting. The Board will now transition in 2026 to have an ongoing calendar review of policies to ensure we deliver a routine review and oversight of these policies.

The Board continues to focus on the Authority being a leading modern organization in a developing technological world. To that, in 2026, the Board will continue to enhance controls and risk oversight in key areas of information technology, such as Artificial Intelligence, to ensure that the PSPB governance balances growth opportunities of our business objectives, while demonstrating care and necessary due diligence for our critical operations.

Ongoing Risk Management

The Board takes its responsibility for risk seriously and, as a result, risk management is a standing agenda item at every Audit and Risk Committee (ARC) meeting. The ARC reports quarterly on all matters under its auspices to the Board. The Board operates under an Integrated Risk Management Framework (IRMF) and Risk Appetite Statement, including the agreed risk categories, associated metrics, targets, and tolerance levels. Multiple iterations of modeling and analysis have now been performed for the more developed metrics on funding, investment and covenant risk, while there have been some delays with other risk categories.

Preliminary considerations in the event that tolerance levels are breached have also been drafted. From a Board perspective, the IRMF currently assigns general responsibility for risk identification, monitoring and reporting to Management, and it is intended that more targeted assignment to Management roles will occur as the process evolves and matures. The Board, under the auspices of the ARC, and Management, with critical support from an external third-party vendor, continue to refine the IRMF and Risk Appetite Statement over time.

Plan Information and Administration Report



Denzie Carter

Retired on 1 Aug 2007

26 years and 7 months of public service in the Cayman Islands

About the PSPB

The Public Service Pensions Board is responsible for administering the Public Sector Pension Plans (the Plans), investing the Public Service Pensions Fund (the Fund), communicating with the Plans employers and plan members, recommending contribution rates in accordance with the latest actuarial valuation, providing policy advice to the Cayman Islands Government, leading public sector pension legislative reform and quantifying their financial impact, as needed.

The main functions of the Fund are to receive prescribed contributions, invest and pay-out pension benefits as they become due under the Act. The Fund is vested in the Board.

The PSPB is a Statutory Authority that was first established in 1992. The PSPB is governed by the Public Service Pensions Act (2023 Revision) (the Act) and also falls under the governance umbrella of the Public Authorities Act (2020 Revision) and the Public Management and Finance Act (2020 Revision).

Since the Authority's inception, the PSPB administration team has worked to provide quality and timely service to plan members and stakeholders. In order to best serve these groups, the PSPB leadership creates a culture that shapes beliefs, values and norms with a focus on our plan members. It is a culture of "Excellence and Pride in PSPB" that guides the work of the PSPB team to have high levels of participation, feedback, engagement and cooperative teamwork in order to achieve organizational strategies and business objectives.

Our Offices

Serving All of Our Islands!

The PSPB is proud to serve all plan members and stakeholders at our two office locations. The main administration office for the PSPB is located in Grand Cayman. The PSPB office is located at 205 Elgin Avenue, Pavilion East Building in Cricket Square in George Town. The PSPB is also serving the Sister Islands out of our Cayman Brac office, located at 5 Dennis Foster Road in Stake Bay. Of note, walk-in and appointment services are available for all members at both of our offices during all operational hours.

Membership Data as of 31 December 2025



Active Contributing Members

7,562



Pensioners/ Beneficiaries

2,504



Deferred Members

4,085



The PSPB had 3,780 one-on-one meetings

with members in 2025.

PSPB Participating Employers

Cayman Islands Government (22 Ministries and Portfolios)

Statutory Authorities and Government Owned Companies

- Cayman Islands Airports Authority
- Cayman Islands Development Bank
- Cayman Islands Monetary Authority
- Cayman Turtle Centre
- CAYS Foundation
- Civil Aviation Authority
- Health Services Authority
- Maritime Authority of the Cayman Islands
- Cayman Islands National Insurance Company
- Water Authority of the Cayman Islands
- Public Service Pensions Board
- National Roads Authority
- Utility Regulation and Competition Office of the Cayman Islands
- Cayman Stock Exchange
- Cayman Islands National Attractions Authority

Plans Under Administration

Public Service Pensions Plan

Employees of the Civil Service and the wider Public Sector participate in the Public Service Pensions Plan (PSPP) which is governed by the Act.

The PSPP has a Defined Benefit and a Defined Contribution component. All employees who joined the PSPP prior to 14 April 1999 were enrolled in the Defined Benefit Part. Those employees joining after 14 April 1999 were enrolled in either one of the two components depending on their circumstances. The main functions of the Funds are to receive and invest prescribed contributions and to pay out pension benefits as they fall due under the Act. The Funds are vested in the Board.

Contribution Rates

Public servants who participate in the PSPP contribute at the rate of 6% of pensionable earnings and employers contribute a matching 6%.

Contribution rates to cover additional normal Defined Benefit costs are recommended by the Board based on the latest funding Actuarial Valuation. This additional Defined Benefit cost largely reflects the eventual liability of benefits related to the past service at the valuation date. The full liability for additional Defined Benefit costs is borne by each respective employer. The current rate of additional contributions paid by employers to cover Death Benefit costs is 0.4% pensionable earnings.

Payment of Benefits

The Act provides for payment of retirement benefits to eligible members. The normal retirement age with effect from 9 September 2016 is age 65. Prior to this, the normal retirement age was age 60.

However, members with at least 10 years of qualifying service may elect for early retirement from age 50 if they joined the service prior to 9 September 2016 or age 55 if they joined the service on or after 9 September 2016.

Parliamentary Pensions Plan

The Board began to administer the Parliamentary Pensions Plan (the PPP) with effect from 1 September 1999.

Benefits under the PPP were paid directly from the Government's General Revenue on a monthly basis for the first eight months of 1999. For the remainder of 1999, the Government made quarterly pre-payments to the Fund to cover the payment of PPP pensions. This "pay as you go" arrangement continued until the passage of the amendment to the Parliamentary Pensions Act in August 2004, which mandated that the payment of parliamentary pensions be made from the Fund. Under this arrangement monthly pension contributions are made to the Fund in accordance with the latest Actuarial Valuation.

The Elected Members of Parliament participate in the PPP as governed by the Parliamentary Pensions Act, (2016 Revision). The Defined Contribution and Defined Benefit members contribute at a rate of 6% of pensionable earnings and the Government contributes a matching 6%. Contribution rates to cover additional Defined Benefit costs are prescribed by the latest Actuarial Valuation and are borne by the Government. These contributions have been pooled for investment purposes with those of the Public Service Pensions Fund.

Judicial Pensions Plan

Judges of the Grand Court of the Cayman Islands and Magistrates participate in the Judicial Pension Plan (JPP). Judges' pensions fall under the remit of Her / His Excellency the Governor as set out in The Judges' Emoluments and Allowances Act (2018 Revision). There are no active members in the Defined Benefit part of the JPP. Judges in the Defined Contribution part of the JPP contribute at a rate of 10% of pensionable earnings while the Government pays at a rate of 20%. The assets of the JPP are under the administration of the Board and pooled with the assets of the other Plans for investment purposes.

The JPP started in 1997, notwithstanding the absence of the requisite order setting out plan details and specifics relating to administration of the JPP. The Judges Emoluments and Allowances Order was effected by His Excellency the Governor in 2005.

Ex-Gratia Pensions

The Board administers the payment of Ex-Gratia Pensions on behalf of the Cayman Islands Government under Section 6(1)(i) of the Public Service Pensions Act (2023 Revision). Provisions contained in the Public Service Pensions (Ex-Gratia Pensions). (Amendment) Regulations, 2025 are also applicable to the administration of Ex-Gratia Pensions. The Ex-Gratia recipients are former Caymanian Civil Servants over the age of 65, who were not in receipt of any pension, allowance, gratuity or other retirement or termination benefit for service prior to 2000. Those with an aggregate of four or more years but less than 10 years of service receive a minimum Ex-Gratia pension of $300 per month. Those with 10 or more years of service receive a minimum Ex-Gratia pension of $450 per month. Ex-Gratia payments are not subject to increase for cost of living nor augmented annually across the board.

In May 2025, Government published the amended regulations enhancing ex gratia pension benefits for Caymanian Civil Servants who:

- Held an office in the public service prior to, and continued to be employed after, 1 January 2000, and
- were eligible but failed to receive a Contracted Officers Supplement for their period of service prior to 1 January 2000.

The regulations allow for such persons to have an ex-gratia Defined Benefit Pensions calculation apply not only to their pre-2000 period of service, but equally for all subsequent service until their retirement date. The PSPB successfully worked to update application and review processes for this new benefit consideration that allows eligible individuals with a structured pathway to access this ex-gratia defined benefits pension for their full years of service.

The Government makes a quarterly pre-payment into the Fund to cover all expected payments for Ex-Gratia Pensions for each quarter.

Ex-Gratia Uplift Pensions

The Authority administers the payment of Ex-Gratia Uplift Pensions on behalf of the Cayman Islands Government under Section 6(1)(i) of the Public Service Pensions Act (2023 Revision) and by provisions contained in the Public Service Pensions (Ex-Gratia Uplift Payments) Regulations (2025 Revision).

Ex-Gratia Uplift Pensions are a minimum pension threshold payment that ensures eligible retirees receive a top up on their existing pension to receive a total minimum payment of $1500 per month. Uplift payments are provided to former Caymanian civil servants who are over the age of 65 and had a minimum of 10 years of pensionable service at retirement.



In 2025, 449 new plan members joined or re-enrolled

in the Public Service Pensions Plan.

The PSPB Senior Management Team

The PSPB employs a senior management team and staff that is heralded as among the best in the entire Caribbean. Being viewed as the Cayman standard in pension administration, the PSPB employs a group with dynamic backgrounds and expertise that allows operations to be agile, seamless and committed to best serving plan members.

Drawn from diverse backgrounds, the PSPB Senior Management Team consists of highly skilled professionals, all of whom have been recognized as top achievers in their respective professions. Our Senior Management Team has over 140 years of accumulated widespread experience in Leadership and Business Development, Management, Pension Administration, Research, Finance, Banking, Human Resources, Risk Management, Information Technology, Communications, Investments, Marketing, Auditing and Corporate Services.

The CEO and the PSPB administration team are responsible for administering the Public Sector Pension Plans, managing the cash flow of the Fund, delivering specialized outputs through consultants, communicating with the Plans' employers and members, recommending contribution rates in accordance with the latest actuarial valuation, benefit plan design and structure, developing policy and providing policy advice to the Cayman Islands Government and the Board, risk management, and the many other operational and strategic functions of a medium-sized pension fund. As such, the administration team handles significant financials and this includes collection of prescribed contributions annually across all categories, investing and paying out pension benefits and providing quality and timely service to plan members and stakeholders while working to achieve organizational strategies and business objectives. The PSPB Senior Management Team and staff ensure that pension schemes under the administration of the PSPB operate effectively and sustainably, while working to deliver industry leading services and support to plan members.



Mrs. Jewel Evans Lindsey, Cert. Hon.
Chief Executive Officer and Administrator



Mr. Richard Moody, APMI
Chief Pensions Officer and Chief Strategy Officer



Ms. Ledra Lawrence, MBA
Chief Pensions Officer (Designate)



Ms. Whitney Dykeman, MIM
Chief Information Officer and
Chief Programme Manager



Ms. Angella Bent-Thomas, MSc. HRM
(with Distinction)
Chief Human Resources Officer



Mr. David Downes, CPA, CGA
Deputy Chief Financial Officer

2025 Year in Review and Highlights



Buel Braggs

Retired on 9 Sep 2007

31 years and 6 months of public service in the Cayman Islands

2025 Highlights

Consolidation and Improved Member Services

The 2025 calendar year brought about internal consolidation of staffing resources for the PSPB with two key leadership positions being filled. In June, Mr. Richard Moody returned to PSPB as Chief Pensions Officer and Chief Strategy Officer, having previously been with PSPB from 2009 to 2015. In addition, Ledra Lawrence moved to the Pension Administration and Member Services (PAMS) team in November as Chief Pensions Officer Designate. The addition of these two seasoned pension leaders has allowed the operations to refocus on key functions and improved member service delivery.

In 2025, the PAMS team concentrated on reducing any backlog of work that had built up due to previous years of understaffing and the impact of maturing pension plans. During the second half of the year, some efficiencies in the administration processes were identified and improvements implemented. Further improvements will be implemented as they are identified in 2026, including areas around member and employer presentation, legislation changes and general day-to-day administration practices and procedures.

Projects & IT

During 2025, the Projects & IT function focused on strengthening governance, advancing digital transformation, and supporting the efficient delivery of core pension services. Key activities included the completion of the Information Management Strategy and associated policies to support the expanded use of Microsoft Teams, SharePoint, and the Enterprise Content Management (ECM) platform. Progress was made on the implementation of the ECM solution, including Board approval of the functional file plan and continued engagement with CINA toward Cabinet submission.

Operational priorities included the successful distribution of all 2025 Pension Cost of Living Certificates, advancement of the IAS 19 valuation exercise, and ongoing data remediation activities to address enrolment and resignation backlogs. The team also progressed digital service delivery through testing, training, and pilot implementation of the Employer and Member Self-Service portals, alongside system enhancements to support improved correspondence, identity verification, and data integrity, including preparations for biometric authentication. Cybersecurity, disaster recovery planning, and continued compliance with Data Protection legislation remained ongoing priorities throughout the year.

Employer and Member Self-Service Functions

In 2025, the Authority transformed to expand the value-added components of its pension administration system by rolling out additional self-service functions for members and employers. Work in 2025 started with training and education sessions of the self-service tools for members and employers through pilot groups. Specifically for the employer portal, this included delivering roll-out training and support tools to four statutory authorities. From these sessions, additional components such as videos and other procedural documents for employers were created. Once the pilot phase was completed, subsequent work sessions with Government were completed to determine the way forward regarding the employer self-service and member self-service tools. Work will continue in 2026 to expand these tools to a further reaching audience to improve efficiency for the PSPB and ease of use for participating employers and members in accessing and completing their own related pension functions.

Performance Management and Renumeration Programme Updates

In 2025, the PSPB completed work to implement a new performance management and renumeration programme within the Authority. In alignment to bringing in this new programme, the PSPB team also completed work in the year on the recruitment of some key positions to support pension administration and information technology. With an application now improving efficiency in day-to-day functions, work can continue on attracting and retaining the best talent for the entire organization. Work also recommenced in 2025 on succession plans and career paths for staff and roles in the naturally competitive local environment and this will continue in 2026, once the remaining key roles are filled through formal recruitment processes.

New Grand Cayman Office in Cricket Square

On Monday, 30 June 2025, the Authority relocated to our new permanent office location in Grand Cayman at Pavilion East Building in Cricket Square. Since September 2021, the PSPB completed significant progress to negotiate, plan and finalize all necessary details to relocate from Athena Tower to the organization's permanent office in Cricket Square. This new location is tailored to be a service-oriented platform to deliver exceptional value and service.

The new space has already improved how the Authority can deliver higher quality in-person service to plan members and pensioners. The front facing part of the office is again becoming the 'Center of Excellence' for the PSPB and efforts will continue to further enhance the accessibility by expanding technology driven services that support our plan members and pensioners.

2025 CIG Partnership and Increased Uplift Payment Support

The Authority's ongoing partnership with and seamless support of the Cayman Islands Government continued in 2025. As noted earlier in this report, in May 2025, the Authority was relied upon to revise Ex-Gratia application details to support amended regulations introduced by Government. These new provisions have been successfully implemented by the PSPB to support applying Caymanians with this new provision.

In March, Government announced the threshold for Ex-Gratia Uplift payments for eligible public service pensioners would move from $1250 to $1500. The PSPB was required to process this change in uplift for all qualifying pensioners as part of the March payroll and have this paid retroactive to January 2025. The PSPB delivered this revised payment on schedule to support our Caymanian pensioners.

Community and Charity Support for PSPB Pensioners & Plan Members

The PSPB works to regularly connect with our pensioners, and this includes supporting community events. Members of the PSPB administrative team make it a priority to participate in various events where our pensioners and plan members will be present throughout the year.

Formal participation exists in events such as Older Persons Month, senior citizen celebrations and other events designed to engage PSPB pensioners. For all events, PSPB team members attend these events in both Grand Cayman and Cayman Brac, and the organization provided key support through sponsorship of prizes and meals.

Private Sector Sponsorship and Partnering by the PSPB

Through in person participation by staff members and also by financial sponsorship donations, the PSPB also sponsored or participated in other Cayman events. In 2025, this included supporting events and/or organizations such as the Cayman Islands Earth Day, the Cayman Islands Chamber of Commerce, Meals on Wheels, Cayman Brac Seniors Citizens' Quarterly Birthday Parties, and so many others throughout the year.

Membership and Activity

Over the course of the reporting period, the pension administration division of the PSPB processed 3,477 member files. Of the files, this included the following key highlights:

2025 Key Administration Files Processed	
Interim Benefit Statements	1,023
Cash Outs and Transfers	123
Benefit Projections	169
Retirements	212

One-on-One Member Meetings

If members want information specific to their pension, they can meet one-on-one with a Member Services Officer. Walk-in or by appointment service is available at both the Grand Cayman and Cayman Brac offices to all plan members and pensioners. This is a very popular service.

During the reporting period the following visits were recorded:

2025 One-on-One Member Meetings	
Grand Cayman Meetings	2,940
Cayman Brac Meetings	840
Total One-on-One Meetings	3,780

Annual Events

Pension Continuation Confirmation Certificates

As required by statute, annually the PSPB distributes by mail pension continuation confirmation certificates (PCCCs) to all of our pensioners in receipt of a monthly benefit. The PCCCs ensure that pension benefits are paid to the right recipients and also ensures proof of life for each pensioner. The PCCCs are to be signed by the pensioner and witnessed by a Justice of the Peace, a Notary Public, a minister of religion, an attorney licensed to practice law in the Cayman Islands, a Member of Parliament or the Administrator (which is the Chief Executive Officer, Public Service Pensions).

If the certificate is not returned within the specified timeline, monthly benefit payments will be stopped until the certificate is received.

For 2025, a total of 2,346 PCCCs were distributed to pensioners in October 2025.

Pension Augmentation

Each year, the PSPB considers the annual movement of the Consumer Price Index (CPI) (as determined by the Economic and Statistics Office (ESO)) in conjunction with its inflation protection legislation to determine the level of pension augmentation for its pensioners. In accordance with the Public Service Pensions Act, the augmentation applied for 2025 was calculated at 2.6%, reflecting the average annual movement in the Consumer Price Index for the 2024 calendar year as published by the ESO. As a result, pensions in payment as at 31st December 2024 were adjusted for inflation as of the first day of 2025 for all retired plan members.

Annual Benefit Statements

Annually, the PSPB distributes benefit statements to all active plan members. The statements aid plan members in planning for their retirement. The benefit statement confirms:

- The personal details on file for the member;
- The contributions paid-in during the statement period for the member;
- The interest credited during the statement period;
- The member's account balance as at the end of the statement period;
- Outstanding contributions (to be remitted by the employer) for the statement period; and
- The Credited Rate of Return applied to the member's account during the statement period.

If members disagree with any of the information on their statement, they should advise PSPB as soon as possible.
For 2025, a total of 6,275 statements were mailed to our active membership.

Employer and Member Presentations

Employer and member presentations are available upon request. The presentations are delivered by PSPB staff and designed to give a good understanding of the operation of the pension plan. These presentations have proved to be very successful in educating our members on their benefits and employers on our changing requirements.

During the reporting period, the PSPB continued with employer and PSPB staff training on provisions within the Public Service Pensions Act (2023 Revision). Monthly presentations were given to new members in association with the Portfolio of the Civil Service new staff orientation sessions. Further, education sessions on the pension plans under administration and details of them and online tools was provided to participating groups such as Cayman Water Authority, Cayman Islands Fire Service and the Cayman Islands Monetary Authority.



The PSPB approved 207 new Ex-Gratia and Ex-Gratia Uplift applications in 2025.

As a result, these pensioners are now receiving lifetime monthly benefits.

Staff and Board Director Training

The PSPB has demonstrated that training and development play a vital role in its effectiveness. It is one of the most effective techniques for improving employees' performance and enhancing organization productivity. In 2025, the following training courses/learning forums were attended by one or more Board Directors or members of staff:

- CIBC Mellon Governance Summit 2025
- International Federation of Employee Benefit Plans - Trusteeship Seminar 2025
- International Federation of Employee Benefit Plans - Trustee Handbook Training
- Office of the Deputy Governor of the Cayman Islands: Board Governance Law & Practice Training
- EShoreCrowdStrike Workshop
- Artificial Intelligence Public Service Awareness Training
- International Centre for Parliamentary Studies - Leadership and Management Course
- International Business & Economic Forum (IBEForuM) – Certified Chief Human Resource Officer training
- Neospin training on Employee Self-Service and Member Self-Service modules
- PIMCO Webcast: Tariffs Outlook
- Cayman Islands Credit Union – Cyber Security Managing Risk of Digitalization
- Pensions UK Annual Conference

2026 Outlook

Projects and IT

In 2026, the Projects & IT function will focus on the delivery of strategic initiatives established in 2025. These include the commencement of the Business Process Re-Engineering project to improve efficiency across organizational functions, continued rollout of the Member Service Portal, implementation of biometric solutions to strengthen security and service delivery, completion of the IAS 19 exercise, and full migration to the Electronic Content Management (ECM) platform. Additional priorities include implementation of the approved Artificial Intelligence (AI) Strategy, advancement of Business Continuity Planning, and continued modernization of HR systems and data analytics capabilities to support informed decision-making.

Pension Administration Operations and Initiatives

There will be further recruitment for the Pension Administration and Member Services team in 2026. Specifically, this will include completing the recruitment of a Director, Plan Member Services and a Communications and Public Relations Manager. These roles require candidates to demonstrate expertise in pension administration specialisms, reflecting the technical demands of the positions. In line with the legislative requirements, recruitment and shortlisting will take deliberate steps and this approach underscores the PSPB's commitment to compliance, fairness and promotion of local talent. Once these positions are filled, work will then transition to begin recruiting three Member Services Officers to bring the operational team up to full complement.

As work continues to fill staffing vacancies, priorities will continue to deliver day-to-day business work and some key projects. For projects in 2026, a focus will be on completing a pension administration delivery model review, undertaking a data validation and rectification process and completing an analysis of business processes to identify areas of improvement. One key deliverable in 2026 will include work starting on implementing additional voluntary contributions (AVC) into the plans. To support that, a working group has been established internally and includes key third parties to work on the design and implementation of a new AVC fund. The end result of this work will lead to suggested legislative modifications that will be submitted to Cabinet for approval.

A Continued Focus on Member Services

Every year, member services remains our main focus as we aim to progress in this area and adapt to ever-changing demands and priorities. Our Authority maintains our commitment to build on our reputation of "Excellence in Member Services".

In 2026, the PSPB will expand member engagement through the development of a formal multi-year communications strategy. Further, key deliverables will also include a new member handbook/guide and holding member/pensioner appreciations events on Grand Cayman and Cayman Brac. Work will also commence to transform the member presentation program to include a new mid-career workshop for members and other presentations will also expand to highlight plan provisions and key administrative matters as it relates to self-service options. One last matter of focus in 2026 will be efforts to start revamping the PSPB website to offer information to members in an easy to navigate function and that provide educational components.

Investment Report



Rudi Evans

Retired on 20 Aug 1989

24 years and 6 months of public service n the Cayman Islands

Investment Overview

Investment Policy

The stated investment objective of the Board is "To preserve capital while adding value above its policy benchmark." The Board is committed to the investment objective, and has actively managed investment portfolios which are diversified, within the constraints of the Act as well as the Board's investment policy, to ensure that risk is not unduly concentrated in any one type of investment or area of currency.

The Board adheres to internationally recognized benchmarks, and has established an asset mix policy, in collaboration with its investment advisors, for the purpose of achieving long-term returns of 3-4% above inflation. The asset mix policy establishes the percentage holdings by asset class and permissible ranges within the broad classes of investments. Within this framework, each investment manager is not limited by sector or country restrictions and is able to make discretionary decisions to capitalize on market opportunities.

The Funds are biased to equities over the long term in order to achieve optimum returns. Equities, when compared to other classes of investments over the long term, have historically proven to generally outperform other forms of investments. The PSPB invests in a manner to best serve members, and this means working to invest in a value-added manner.

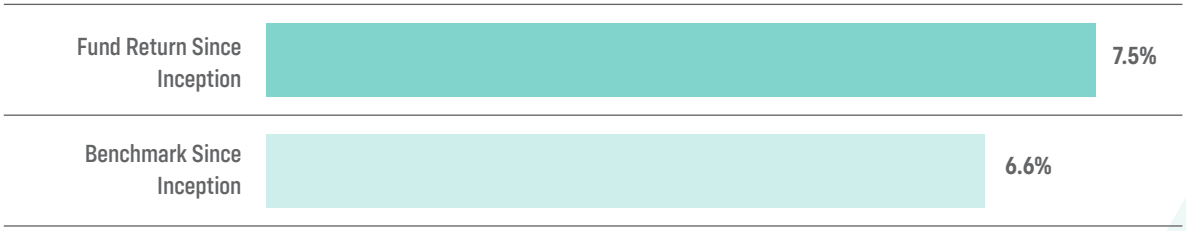
Growth and Outlook of the Fund

The 2025 calendar year brought about another double-digit return for the Fund and the Authority's investments continued to show real strength, especially in the areas of global equity investments. In 2025, global equities extended their rally throughout the year, with international stocks outperforming US stocks by a significant margin. Notably, this continued despite considerable trade, political and policy uncertainty. As with the past few years, the PSPB navigated these variables to secure a top percentile return.

Specific to the PSPB, the Fund increased by 16.3% in 2025. As noted in this report, the Fund had a balanced year. The Fund's Global Equity portfolio returned 20.4%, and the Fund's Fixed Income investments returned 6.7% for 2025. The Fund also held assets in the Global Real Assets category, generating 10.7% in return for the year, which easily beat the benchmark by 5% for the PSPB's peer group.

In order to continue to build on a strong year, the Fund continues to hold a diversified portfolio of bonds and equity securities. It is this approach that, over the long term, provides above-average returns with minimized variability. Further, this portfolio helps achieve outstanding returns and it protects from significant downside risk in years with more investment challenges.

Fund Return and Benchmark Since Inception



Fund Performance

2025 Return and Overall Performance

Over the one-year period ending 31 December 2025, the PSPB Fund delivered a return of 16.3%, versus the benchmark return of 16.4%. Relative to peers, the Fund ranked in the 10th percentile for the trailing year, versus a median peer return of 13.4%. As with the prior year, the PSPB's higher allocation to global equities versus our peer group factored into the Authority's higher ranking.

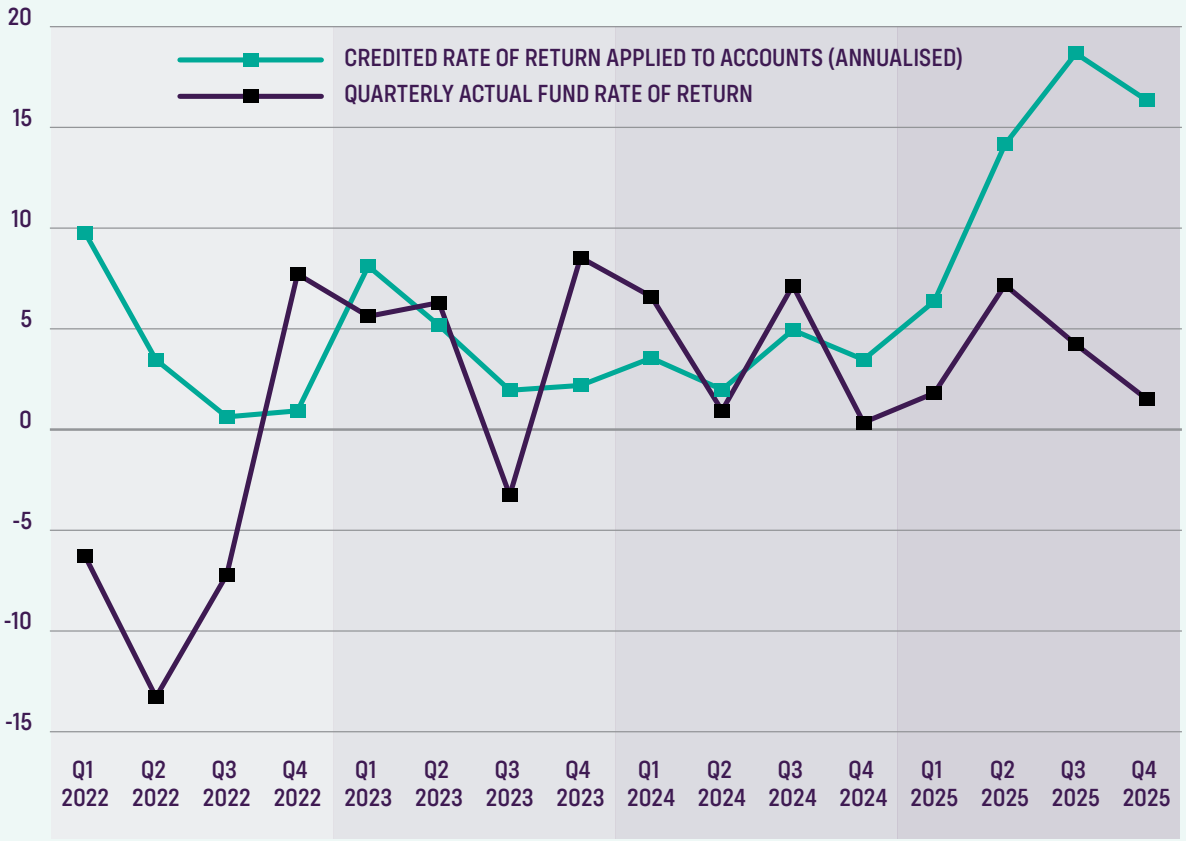
The PSPB has outperformed its policy benchmark by 0.9% since inception and outperformed its actuarial target return by 1.75% p.a. since inception. The PSPB ranks in the 3rd percentile of the peer group since inception.

The overall outlook of the Fund remains positive and well positioned to experience growth, based on the balance of the investments within the Fund.

Credited Rate of Return

The Credited Rate of Return (CRR) is how the PSPB calculates investment returns based on a three-year geometric average of actual returns, net of expenses, and then applies an interest return rate to all plan member accounts. At the end of each quarter, the PSPB determines the rate at which interest is credited on every plan member's account. This is done by calculating the average of the rates of return received on investments for the previous 12 quarters (three years), net of expenses. Once the quarterly rate was calculated, the applicable interest was added to account balances.

Credited Rate of Return vs. Actual Fund Rate of Return



The above chart reflects a comparison between the actual rates of return for the plan compared to the annual credited rate of return (CRR) for the same quarterly period. Of note, annualised CRR rates are then adjusted to apply a quarterly CRR to member accounts.

2025 Market Summary and 2026 Outlook

In a reversal from the prior year, US equity markets lagged international markets in 2025. Almost all segments of US markets saw double digit returns (with the exception of Mid Cap Growth), and the highest returning benchmark generated a 18.6% return for 2025. The MSCI All Country World Index, measuring the performance of developed and emerging markets, including U.S., generated a 22.3% return for the year.

Most major bond markets finished the fourth quarter in positive territory with strong overall results for the year, particularly for riskier bonds. The Bloomberg US Aggregate generated a 7.3% return for the year, while the Bloomberg Global Aggregate earned 8.2%. Higher yielding bonds, such as emerging market debt, returned an impressive 19.3% for the year.

The U.S. Federal Reserve implemented three 25 basis point interest rate reductions in 2025 (September, October, and December). The Fed Funds target rate range ended the year at 3.50% – 3.75%. Cumulative rate cuts since the peak in 2023 total 175 basis points. Questions remain though about the timing and magnitude of additional interest rate cuts by the Federal Reserve.

In the US, core inflation year-over-year fell from 3.0% to 2.6% in Q4 largely due to a decline in services costs, particularly shelter costs. Long-term inflation expectations fell slightly over the quarter (2.4% to 2.2%) and remain well anchored close to their long-run average of 2.1%. The US dollar weakened by over 9% in 2025 on lower rate expectations, slowing growth, and fiscal deficit concerns.

Looking ahead to 2026, US stocks are generally expected to benefit from expected rate cuts. Significant tax changes in the US also went into effect at the beginning of 2026 and are expected to provide an additional tailwind to businesses and consumers, at least in the near-term. Foreign investment in the US could wane despite a weakening dollar, due to rising geopolitical tensions and related tariff uncertainty. Additionally, concerns are mounting regarding the continued ability in the United States to service its debt, given the rising fiscal deficit (and additional tax cuts beginning 2026).

In Europe, increased defense spending may be additive to economic growth in the near-term. Additionally, relative valuations for European stocks remain attractive compared to US stocks. While most major central banks are anticipated to hold rates steady or increase rates in 2026, investors generally expect two further rate cuts by the US Federal Reserve and the Bank of England during the year. Risks to economic growth and to inflation from tariffs, as well as elevated borrowing costs, could put further pressure on consumers and lead to an even weaker job market. Global power demand is expected to increase at its fastest rate in history through 2027, potentially providing opportunities for growth in related infrastructure assets.

Financial Statements

Audited financial statements for the financial year ended 31 December 2025



Harlon Powery

Retired on 5 Nov 2022

40 years of public service in the Cayman Islands

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Statement of responsibility for the financial statements

These financial statements have been prepared by the Public Service Pensions Board in accordance with the provisions of the *Public Management and Finance Act (2020 Revision), (the "Act").*

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the *Act*.

As Chair and Chief Executive Officer, we are responsible for establishing, and have established and maintained, a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by the Act, and properly record the financial transactions of the Public Service Pensions Board.

As Chair and Chief Executive Officer we are responsible for the preparation of the Public Service Pensions Board financial statements and for the judgements made in them.

The financial statements fairly present the statement of net assets available for benefits, statement of changes in net assets available for benefits, judicial pension plan: supplemental information, parliamentary pension plan: supplemental information, supplemental statement of accumulated plan benefits and statement of cash flows for the financial year ended 31 December 2025.

To the best of our knowledge, we represent that these financial statements:

(a) completely and reliably reflect the financial transactions of the Public Service Pensions Board for the year ended 31 December 2025;

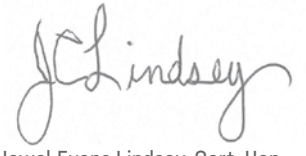
(b) fairly reflect the financial position as at 31 December 2025 and performance for the financial year ended 31 December 2025;

(c) comply with International Financial Reporting Standards under the responsibility of the International Accounting Standards Board.

The Office of the Auditor General conducts an independent audit and expresses an opinion on the accompanying financial statements. The Office of the Auditor General has been provided access to all the information necessary to conduct an audit in accordance with International Standards on Auditing.



Sheree Ebanks, Cert. Hon.
Chair
Public Service Pensions Board
August 26th 2026



Jewel Evans Lindsey, Cert. Hon.
Chief Executive Officer
Public Service Pensions Board
August 26th 2026

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AUDITOR GENERAL'S REPORT

To the Board of Directors of the Public Service Pensions Board

Opinion
I have audited the financial statements of the Public Service Pensions Board (the "Authority"), which comprise the statement of net assets available for benefits as at 31 December 2025 and the statement of changes in net assets available for benefits, judicial pension plan: supplemental information, parliamentary pension plan: supplemental information, statement of cash flows and supplemental statement of accumulated plan benefits for the year ended 31 December 2025, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 11 to 53.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Public Service Pensions Board as at 31 December 2025 and its financial performance and its cash flows for the year ended 31 December 2025 in accordance with International Financial Reporting Standards.

Basis for Opinion
I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Authority in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, together with the ethical requirements that are relevant to my audit of the financial statements in the Cayman Islands, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority'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 management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

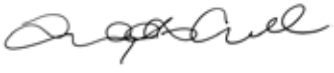
Auditor's Responsibilities for the Audit of the Financial Statements
My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable 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.

AUDITOR GENERAL'S REPORT (continued)

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I have undertaken the audit in accordance with the provisions of Section 60(1)(a) of the *Public Management and Finance Act (2020 Revision)*. I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Angela Cullen, CPFA
Acting Auditor General

26 August 2026
Cayman Islands

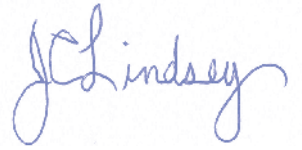
Statement of Net Assets available for Benefits

as at 31 December 2025 (Expressed in Cayman Islands Dollars)

	31 December 2025 $000		31 December 2024 $000	
Assets				
Current assets				
Cash and cash equivalents				
Cash on hand and in bank (Note 3)		17,378		13,351
Investments, at fair market value (Note 4)		1,560,248		1,332,439
Receivables				
Contributions receivable (Note 1c)				
Employers' contributions	1,971		1,801	
Employees' contributions	1,973		1,777	
Employers' - Additional defined benefit costs	(57)		56	
Additional normal costs (ANC)	1,294		1,574	
Ex-Gratia receivables (Note 7 & 8)	-		(105)	
Other receivables	441	5,622	214	5,317
Prepaid expenses				
Prepaid expenses		72		34
Total current assets		**1,583,320**		**1,351,141**
Non-current assets				
Property, Plant & Equipment (Note 5)		2,837		2,571
Intangibles (Note 6)		557		1,048
PSP deferred benefits asset (Note 22)		99		404
Right-of-use asset (Note 18)		5,549		101
Other non-current assets		38		38
Total non-current assets		9,080		4,162
Total assets		**1,592,400**		**1,355,303**
Liabilities				
Current liabilities				
Benefits due (Note 13)		8,713		7,603
Investment management fees payable		658		710
Accounts payable		800		719
Other liabilities		363		726
Lease liability (Note 18)		163		102
Total current liabilities		**10,697**		**9,860**
Non-current liabilities				
Post-retirement healthcare obligation (Note 23)		1,429		1,230
Lease liability (Note 18)		5,502		-
Total Non-current liabilities		**6,931**		**1,230**
Total liabilities		**17,628**		**11,090**
Net assets		**1,574,772**		**1,344,213**
Represented by:				
Net assets available for benefits:				
Accumulated fund (Note 24)		**1,574,772**		**1,344,213**



David Downes, CPA, CGA
Deputy Chief Financial Officer



Jewel Evans Lindsey, Cert. Hon.
Chief Executive Officer

Public Service Pension Plan:

Statement of Changes in Net Assets Available for Benefits for the year ended 31 December 2025 (Expressed in Cayman Islands Dollars)

	31 December 2025 $000	31 December 2024 $000
Pensions		
Contributions (Note 1c)		
Employer	27,639	25,474
Employee	27,661	25,124
Additional normal costs	5,498	7,685
Employers - Additional defined benefit costs (Note 14)	17,116	15,728
Total	**77,914**	**74,011**
Transfers In	985	833
Pre-funded Ex-Gratia pensions (Notes 7 & 8)	8,391	6,266
Total contributions	**87,290**	**81,110**
Benefits paid to participants (Note 11)		
Public service pensions (Note 11)	(57,805)	(57,703)
Ex-Gratia pensions (Notes 7 & 8)	(8,669)	(6,079)
Total benefits paid to participants	**(66,474)**	**(63,782)**
Net pensions	**20,816**	**17,328**
Investing		
Investment income		
Realized gain on sale of investments – net	148,346	97,445
Dividends earned on investments	9,903	9,271
Unrealized gain on investments – net	68,054	89,408
Loss on foreign exchange	(1,131)	(798)
Interest earned on investments	1,332	668
Interest income other	2	1
Interest earned on term deposits and call accounts	1	1
Total investment income	**226,507**	**195,996**
Investment expenses		
Investment management and custodial fees (Note 16)	(8,332)	(7,219)
Total investment expenses	**(8,332)**	**(7,219)**
Net investment income	**218,175**	**188,777**
Operating		
Operating income		
Other income (Note 26)	928	1,039
Total operating income	**928**	**1,039**
Operating expenses		
Administrative expenses (Note 12)	**(7,363)**	**(6,067)**
Depreciation (Notes 5, 6 & 18)	(1,069)	(969)
Total operating expenses	**(8,432)**	**(7,036)**
Net operating loss	**(7,504)**	**(5,997)**
Other comprehensive (loss)/income	**(464)**	**142**
Net change in net assets available for benefits	**231,023**	**200,250**
Allocation of net increase in assets		
Attributable to PPP (Note 9)	**157**	**7**
Attributable to JPP (Note 10)	**(612)**	**(117)**
Attributable to PSPP	**230,568**	**200,140**
Net assets available for benefits at start of year (Note 24)	**1,333,697**	**1,133,557**
Net assets available for benefits at end of year (Note 24)	**1,564,265**	**1,333,697**

The accounting policies and notes on pages 36 to 81 form part of these financial statements.

Judicial Pension Plan: Supplemental Information

Statement of Changes in Net Assets Available for Benefits for the year ended 31 December 2025 (Expressed in Cayman Islands Dollars)

	31 December 2025 $000	31 December 2024 $000
Assets		
Net assets available for benefits at beginning of year (Notes 10 & 24)	7,084	6,710
Pension		
Contributions (Note 1c)		
Employers	589	522
Employees	298	262
Total contributions	**887**	**784**
Benefits paid to participants (Note 11)	(436)	(527)
Net pensions	451	257
Net investment income	612	117
Net change in net assets available for benefits	1,063	374
Net assets available for benefits at end of year (Notes 10 & 24)	**8,147**	**7,084**

The accounting policies and notes on pages 36 to 81 form part of these financial statements.

Parliamentary Pension Plan: Supplemental Information

Statement of Changes in Net Assets Available for Benefits for the year ended 31 December 2025 (Expressed in Cayman Islands Dollars)

	31 December 2025 $000	31 December 2024 $000
Net assets available for benefits at beginning of year (Notes 9 & 24)	3,432	3,996
Pensions		
Contributions		
Employees	226	182
Employers	226	182
Past service liability (PSL)	1,049	1,049
Total contributions	**1,501**	**1,413**
Prior Year ANC receivables	34	94
Liabilities		
Additional normal costs (ANC)	(17)	(33)
Benefits paid to participants (Note 11)	(2,433)	(2,031)
Net pensions	(915)	(557)
Net investment (los)/income	(157)	(7)
Net change in net assets available for benefits	(1,073)	(564)
Net assets available for benefits at end of Year (Notes 9 & 24)	**2,360**	**3,432**

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The accounting policies and notes on pages 36 to 81 form part of these financial statements.

Statement of Cash Flows

for the year ended 31 December 2025 (Expressed in Cayman Islands Dollars)

	31 December 2025 $000	31 December 2024 $000
Cash flows from operating activities		
Receipts		
Contributions received from employees	28,522	25,963
Contributions received from employers	27,540	25,456
Contributions received from employers - Additional defined benefit	23,351	23,165
Contribution received for special pensioners stipend payments	205	789
Ex-Gratia grant and prepaid Ex-Gratia grant	8,286	7,066
Other income received	(23)	(11)
Net investment income received	1,327	1,282
Total	**89,208**	**83,710**
Payments		
Benefits paid to participants - Public Service	(56,748)	(55,970)
Administrative expenses paid	(7,333)	(6,165)
Investment management fees and other expenses paid	(3,778)	(3,685)
Benefits paid to participants - Ex-Gratia	(8,665)	(6,079)
Special pensioners stipend payments	(1,299)	(1,174)
Total	**(77,823)**	**(73,073)**
Net cash generated from operating activities	**11,385**	**10,637**
Cash flows from investing activities		
Net purchase of investments	(6,081)	(6,779)
Purchase of fixed assets and intangibles	(937)	(2,297)
Net cash applied to investing activities	**(7,018)**	**(9,076)**
Cash flows from judiciary contributions		
Contributions received from employer	589	522
Contributions received from employees	298	262
Benefits paid to participants	(436)	(528)
Net cash received judiciary contributions	**451**	**256**
Cash flows from parliamentary contributions		
Contributions received from employer	226	183
Contributions received from employees	226	182
Contributions received from employer - defined benefit	1,189	1,158
Benefits paid to participants	(2,432)	(2,031)
Net cash paid to parliamentary contributions	**(791)**	**(508)**
Net increase in cash and cash equivalents during the year	4,027	1,309
Cash and cash equivalents at beginning of year	13,351	12,042
Cash and cash equivalents at end of year (Note 3)	**17,378**	**13,351**

The accounting policies and notes on pages 36 to 81 form part of these financial statements.

Supplemental Statement of Accumulated Plan Benefits

for the year ended 31 December 2025 (Expressed in Cayman Islands Dollars)

	31 December 2025 $000	31 December 2024 $000
Actuarial present value of accumulated plan benefits (Note 14)		
Inactive and Active Participants	(1,284,069)	(1,284,069)
Total actuarial present value of accumulated plan benefits	(1,284,069)	(1,284,069)
Fund's net assets available for benefits at year-end (Note 24)	1,574,772	1,344,213
Fund income	**290,703**	**60,144**

The accounting policies and notes on pages 36 to 81 form part of these financial statements.

Notes to the Financial Statements

for the year ended 31 December 2025 (Expressed in Cayman Islands Dollars)

1. Introduction and Background Information

a. Introduction

The Public Service Pensions Board (the "Authority") was re-established as a Statutory Authority of the Cayman Islands Government (the "Government") on 14 April 1999. The principal place of business is 205 Elgin Avenue, George Town, Grand Cayman, Cayman Islands. The Authority's responsibilities include, but are not limited to, administering the Government-sponsored pension plans which consist of the Public Service Pensions (PSP), Parliamentary Pensions (PPP), Judicial Pensions (JPP) and Ex-Gratia Pension Plans, administering the combined pension funds (the "Fund"), investing all funds available into the Fund, providing pension benefits as required under the Act, communicating with the Plans' stakeholders, recommending contribution rates to the Government in accordance with the latest actuarial valuation and determining the financial implications of any amendments to the Plans. The Fund is governed by the *Public Service Pensions Act (2023 Revision)* (the "Act").

b. General background information

The PSPP, the PPP and the JPP plans each consist of two parts: a Defined Benefit (DB) part and a Defined Contribution (DC) part. For the main PSPP, all employees who joined prior to 14 April 1999 were enrolled in the Defined Benefit part of the PSPP. Those employees joining after 14 April 1999 were enrolled in either one of the two parts depending on their circumstances. The Public Service Pensions (Amendment and Validation) Act, 2000, which was passed on 20 June 2000, amended the date after which all new employees were to be enrolled in the Defined Contribution part of the Plan to 1 January 2000. Employees who received Contracted Officers Supplement (COS) were exempted from participation in the PSPP through the Public Service Pensions (Amendment and Validation) Act, 2000. However, when existing contracts were renewed, employees no longer provided with COS became eligible to join the Defined Contribution part of the PSPP.

c. Contributions

The JPP DB part is fully funded, and therefore no contributions are required by Plan members or the Government. However, Plan members participating in the JPP DC part contribute at the rate of ten percent of pensionable earnings and the Government contributes twenty per cent. Plan members of the PPP and the PSPP contribute at the rate of six per cent of pensionable earnings and employers contribute a matching six percent. Contribution rates to cover additional defined benefit costs are recommended by the Board of Directors (the "Board") based on the last approved actuarial results and were as follows:

1. Introduction and Background Information (continued)

Code	Employer	DB Additional *Normal Cost* Contribution	DB PSL Contributions
AA	Cayman Islands Airports Authority**	6.30%	229,000
AO	Office of the Auditor General	11.50%	n/a*
CA	Civil Aviation Authority**	6.10%	0%
UC	The University College of The Cayman Islands	0%	148,000
CF	CAYS Foundation **	0%	n/a*
CG	Central Government	11.50%	16,659,000
CI	CINICO	5.50%	0%
CO	Cabinet Office	11.50%	n/a*
CS	Portfolio of the Civil Service	11.50%	n/a*
DH	Ministry of District Administration and Home Affairs	11.50%	n/a*
DB	Cayman Islands Development Bank**	0%	n/a*
OR	Utility Regulation and Competition Office**	4.30%	n/a*
FD	Ministry of Finance & Economic Development	11.50%	n/a*
FO	Foreign Office (UK Office)	11.50%	n/a*
MI	Ministry of Social Development and Innovation	11.50%	n/a*
HS	Health Services Authority**	7.60%	0
MB	Ministry of Caymanian Employment and Immigration	11.50%	n/a*
JD	Judicial Administration	11.50%	n/a*
JP	JPP Employees	n/a*	n/a*
LA	Portfolio of Legal Affairs	11.50%	n/a*
MA	Cayman Islands Monetary Authority**	8.10%	0%
ME	Ministry of Education and Training	11.50%	n/a*
SH	Ministry of Health, Environment and Sustainability	11.50%	n/a*
MP	Ministry of Planning, Lands, Agriculture, Housing & Infrastructure	11.50%	n/a*
MT	Ministry of Tourism & Trade Development	11.50%	n/a*
PB	Public Service Pensions Board**	10.20%	0%
PP	Parliamentary Plan	71.00%	1,049,000
RA	National Roads Authority**	6.80%	0%
SR	Maritime Authority of the Cayman Islands **	8.50%	0%
TF	Cayman Turtle Conservation and Education Centre**	9.20%	0%
WA	The Water Authority of the Cayman Islands**	8.40%	80,000
DP	Director of Public Prosecutions	11.50%	n/a*
FS	Ministry of Financial Services & Commerce	11.50%	n/a*
GO	Governor's Office	11.50%	n/a*
SE	Cayman Islands Stock Exchange	n/a*	n/a*
BP	Botanic Park	n/a*	n/a*
PC	Pedro Castle	n/a*	n/a*
TB	Cayman Islands National Attractions Authority	n/a*	n/a*
CP	Office of the Commissioner of Police	11.50%	n/a*
OO	Office of the Ombudsman	11.50%	n/a*
MY	Ministry Youth, Sports, Culture and Heritage	11.50%	n/a*

Key
*Incl. in PSL for Central Government of 16.659 million per annum
**Statutory Authority or Government company

1. Introduction and Background Information (continued)

The full liability for any additional defined benefit costs are borne by each respective employer.

Contribution rates for the additional defined benefit costs are based on pensionable earnings as of the valuation date and reflect the following:

i. with respect to the defined contribution participants, the cost of certain benefits provided that are of a defined benefit nature;

ii. with respect to the defined benefit participants, the excess over and above the 12% of pensionable earnings which is the additional normal cost and the annual amortization of the unfunded past service liabilities.

d. Investment Policy

The investment objective of the Board is for the Fund to earn returns that will, in conjunction with the financing plan, result in the Plans becoming fully funded or self-sustaining. The investments are diversified within the constraints of the Act to ensure that risk is not unduly concentrated in any one type of investment or geographical location and, when appropriate, currencies are hedged into U.S. dollars. The Board has established an asset mix policy aligned with the underlying pension plans' liabilities to achieve a long-term rate of return of three to four percent above long-term inflation expectations. The asset mix policy dictates the policy benchmark mix and permissible ranges of participation across the broad classes of stock and bond investments. The asset classes were expanded in 2024 to include Real Estate (Core Private) and Infrastructure (Core). In the longer term, the investment portfolio will have a bias towards equities because these investments have demonstrated a better potential for return enhancement along with protection from inflation when compared to other classes of investments. The table below summarizes the permissible range within each asset class.

Asset Class	Minimum	Benchmark	Maximum
Global Equities	55%	70%	85%
Global Fixed Income	15%	20%	45%
Real Estate (Core Private)	0%	5%	10%
Infrastructure (Core)	0%	5%	10%
Cash & Equivalents	0%	0%	10%

2. Significant Accounting Policies

Basis of preparation

These financial statements are prepared on a going concern basis under the historical cost convention and in accordance with International Financial Reporting Standards (IFRS) and present the aggregate financial position of the Fund as a separate financial reporting entity independent of the plan sponsors and plan participants.

They are prepared to assist participants and others in reviewing the activities of the Fund for the fiscal period, but they do not portray the funding requirements of the Fund or the benefits security of individual plan participants.

Reporting and functional currency

The financial statements are presented in Cayman Islands dollars, rounded to the nearest thousand.

Changes in accounting policies

When presentation or classification of items in the financial statements is amended or accounting policies are changed, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

Reporting period

The reporting period is the year ended 31 December 2025.

Critical Judgments and estimates in applying Accounting Principles

The preparation of financial statements in conformity with IFRS requires judgments, estimates and assumptions affecting the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. 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.

Pension Fund Liability

The Pension Fund liability is calculated every three years by the Fund's Actuary in line with the relevant legislation, with annual updates in the intervening years. The methodology used is in accordance with International Accounting Standard (IAS) 19. Assumptions underpinning the valuations are agreed between the Fund and the Actuary and are summarized in Note 14. This estimate is subject to significant variances based on changes to the underlying assumptions.

Actuarial revaluations are used to set future contribution rates and underpin the Fund's most significant investment management policies, for example in terms of the balance between longer term investment growth and short-term yield/return.

Unquoted Investments

The fair value of unquoted securities is estimated by the Fund's investment managers and subject to the professional judgement and assumptions used by those managers. It is considered that changes in those assumptions would not produce significant variations in the value of those assets other than normal market fluctuations.

2. Significant Accounting Policies (continued)

Adoption of New and Revised IFRS Accounting Standards

a. New and amended standards adopted in the current year

The following new or amended IFRS Accounting Standard became effective for annual periods beginning on or after 1 January 2025, and has been adopted in the preparation of these financial statements:

Amendments to IAS 21 – Lack of Exchangeability – These amendments, issued in August 2023, clarify when a currency is exchangeable into another currency and how an entity estimates a spot rate when exchangeability is lacking. The amendments also introduce disclosure requirements regarding the nature and financial effects of a currency not being exchangeable.

The adoption of these amendments did not have any impact on the Authority's financial statements. The Authority 's assets, liabilities and transactions are denominated in a currency that is freely exchangeable, and as such these amendments are not relevant to the Authority's operations.

b. Standards and amendments issued but not yet effective

A number of new and amended IFRS Accounting Standards have been issued by the IASB but are not yet mandatory for the year ended 31 December 2025. The Authority has not early adopted any of these standards or amendments and does not plan to do so.

2. Significant Accounting Policies (continued)

The following table summarises these standards and amendments, together with the Authority's assessment of their expected impact:

Standard / Amendment	Effective Date	Description	Expected Impact on the Plan
Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026	Clarifies classification and measurement requirements for financial instruments, including derecognition of settled financial liabilities via electronic transfer and ESG-linked loan features. Introduces additional disclosure requirements.	No material impact expected. The Authority's financial instrument holdings are measured at fair value. The clarifications are not expected to change the Authority's current accounting treatment.
Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature dependent Electricity	1 January 2026	Addresses classification and measurement of contracts referencing nature-dependent electricity, including clarification of the own-use exemption under IFRS 9.	No impact expected. The Plan does not hold contracts referencing nature dependent electricity.
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026	Narrow-scope amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 addressing minor inconsistencies and clarifying existing guidance.	No significant impact expected. The narrow-scope amendments do not affect the standards most relevant to the Authority's financial reporting.
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027	Replaces IAS 1 and introduces new requirements for the structure of the income statement with defined subtotals, new aggregation and disaggregation principles, and disclosures for management-defined performance measures. Includes consequential amendments to IAS 19 and IFRIC 14.	Presentation impact expected. While core recognition and measurement under IAS 19 and IAS 26 are unchanged, IFRS 18 may require the Authority to reassess the presentation format of its statement of changes in net assets available for benefits and related disclosures. The Authority's is currently assessing the extent of presentational changes required.
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 January 2027	Permits eligible subsidiaries without public accountability to apply reduced disclosure requirements when their parent prepares IFRS consolidated financial statements.	No impact expected. The Authority is not an eligible subsidiary under IFRS 19.
Amendments to IAS 21 – Translation to a Non-hyperinflationary Presentation Currency	1 January 2027	Addresses the translation of financial statements from a functional currency not subject to hyperinflation into a presentation currency.	No impact expected. The Authority's functional currency and presentation currency are the same.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

The significant accounting policies of the Authority, which have been consistently applied to all years presented (unless otherwise stated), are as follows:

Contributions

Contributions are accounted for on the accrual basis in the month to which the associated salaries and wages relate. Both contributions received and contributions receivable in these financial statements are reflective of the contribution rates recommended in the 1 January 2022 actuarial valuation.

Transfers in and out

Transfers in or out are accounted for when paid or received, which is normally when member liability is accepted/discharged.

2. Significant Accounting Policies (continued)

Benefits Paid

Benefits are accounted for in the period in which they fall due for payment. Where there is a choice, benefits are accounted for in the period in which the member notifies the Authority of his or her decision on the type or amount of benefit to be taken or, if there is no member choice, they are accounted for on the date of retirement or leaving.

Investments

Investments are stated in the Statements of Net Assets Available for Benefits on a fair value basis as at the reporting date, in accordance with the requirements of IFRS13.

Realized and unrealized gains and losses are recognized in the Statements of Changes in Net Assets Available for Benefits.

Investment income

Income from Investments is accounted for on the accrual basis.

Property, Plant and Equipment

Fixed assets are initially recorded at cost. Subsequently, depreciation is charged to operations per annum on a straight-line basis as follows:

Furniture and fixtures	10%
Computer equipment	20%
Office equipment	20%
Vehicle	20%
Leasehold Improvements	15 years

Intangibles

Intangible assets are comprised of externally acquired software for internal use. They are measured at cost and amortized on a straight-line basis over its useful life over a period not exceeding 5 years.

Lynchval Capitalization	20%
Sagitec Capitalization	20%
Computer Software	20%

Disposals

Gains and losses on disposals of fixed assets are determined by comparing the sale proceeds with the carrying amount of the asset. Gains and losses on disposals during the year are included in the Statement of Changes in Net Assets Available for Benefits.

Foreign currency transactions

Transactions in foreign currencies, other than in US Dollars, are translated at the rate of exchange prevailing at the date of the transaction. For these financial statements, exchange rates in respect of US Dollars are as follows: KYD to USD 0.8348. USD to KYD 1.198. Exchange gains and losses are recognized in the Statement of Changes in Net Assets Available for Benefits.

Leases

The objective of IFRS 16 is to report information that (i) faithfully represents lease transactions and (ii) provides a basis for users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. To meet the objective, the Authority has recognized assets and liabilities arising from its lease agreements.

3. Cash and Cash Equivalents

Cash and cash equivalents consist of the following:

Cash and cash equivalents	31 December 2025 $000	31 December 2024 $000
Scotiabank Cash Accounts	10,723	9,774
CIBC Mellon Cash Reserve	6,655	3,577
Total	**17,378**	**13,351**

4. Investments

Investments are selected in accordance with the criteria and limitations set out in the Statement of Investment Policies and Procedures and all other relevant legislation. The appointed Investment Managers manage their respective portfolios under discretionary investment agreements that conform to the list of Approved Investments detailed in Schedule 2 of the *Public Service Pensions Act (2023 Revision)*.

a. Investment portfolios

The investment portfolios are summarized below:

	31 December 2025		31 December 2024	
Description	**$ 000**	**%**	**$ 000**	**%**
Global Equities	1,040,620	66.7	1,050,497	78.84
Global Fixed Income	384,189	24.6	237,485	17.82
Global Infrastructure	67,639	4.3	44,457	3.34
Real Estate (Limited Partnership)	67,800	4.4	-	-
Total	**1,560,248**	**100.00**	**1,332,439**	**100.00**

b. Investment managers

Investment managers analyzed by investment type are summarized below:

	31 December 2025		31 December 2024	
Description	**$ 000**	**%**	**$ 000**	**%**
Global Equities				
IFP Global Franchise	404,170	25.90	434,964	32.64
Blackrock Developed World Index	194,197	12.45	262,520	19.70
Wellington Global Quality Growth	218,898	14.03	210,079	15.77
WCM Quality Global Growth	156,816	10.05	99,687	7.48
GQG Partners Global Equity	66,539	4.26	43,247	3.25
Fixed Income				
Pimco Global Investment Grade Credit	216,020	13.84	188,450	14.14
Pimco US Short-Term	168,169	10.78	49,035	3.68
Global Infrastructure				
IFM Global Infrastructure (Offshore)	67,639	4.33	44,457	3.34
Real Estate				
TA Realty Core Property Fund	67,800	4.35	-	-
Total	**1,560,248**	**100.00**	**1,332,439**	**100.00**

4. Investments (continued)

c. Fair Value hierarchy

IFRS13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement that should be determined based on the assumptions market participants would use in pricing the asset or liability.

Valuation techniques used to measure fair value shall maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels, as follows:

Level 1

Financial instruments where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide information on an ongoing basis.

Level 2

Financial instruments where quoted market prices are not available, for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value. If the asset or liability has a specified contractual term, a Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

Financial instruments where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Such instruments would include private equity investments and infrastructure funds which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

The Authority's investment in IFM infrastructure fund and TA Realty Core Property Fund are classified at Level 3. IFM Infrastructure Fund holds various infrastructure assets, including equity and debt, held either directly or through wholly owned holding companies. These investments are valued quarterly by an external valuer, with the most recent valuations completed as at 31 December 2025.

4. Investments (continued)

d. Fair Value - Basis for valuation

The basis of the valuation of each class of investment asset is set out below. All assets have been valued using fair value techniques.

Investment Type	Valuation Hierarchy	Basis of Valuation	Observable & Unobservable inputs	Key Sensitivities Affecting the Valuations Provided
Global Equity Funds	Level 1	Closing bid price where bid and offer prices are published. Closing single price where single price published.	Not required	Not required
Global Fixed Income Funds	Level 1	Closing bid price where bid and offer prices are published. Closing single price where single price published	Not required	Not required
Infrastructure Funds	Level 3	Discounted cashflow applied to equity and debt instruments. The Fund determines the fair value of these investments by engaging external valuation services.	Cashflow forecasts and discount rate	Valuations include assumptions based on non-observable market data, such as discounts applied either to reflect changes in the fair value of financial assets or to adjust earnings multiples. Significant increases or decreases to either the cash flow forecasts or the discount rate in isolation would result in a significantly lower or higher fair value measurement
Real Estate	Level 3	Discounted cashflow applied to equity and debt instruments. The Fund determines the fair value of these investments by engaging external valuation services.	Cashflow forecasts and discount rate	Valuations include assumptions based on non-observable market data, such as discounts applied either to reflect changes in the fair value of financial assets or to adjust earnings multiples. Significant increases or decreases to either the cash flow forecasts or the discount rate in isolation would result in a significantly lower or higher fair value measurement

4. Investments (continued)

e. Investments Leveling Table

The table below provides an analysis of the investment assets of the Public Service Pensions Fund grouped into Levels 1 to 3, based on the level at which the fair value is observable.

Investment Type	Quoted Market	Observable Inputs	Unobservable Inputs	Fair Value 2025	Fair Value 2024
	Level 1 $ 000	Level 2 $ 000	Level 3 $ 000	$ 000	$ 000
Global Equity funds	1,040,620	-	-	1,040,620	1,050,497
Global Fixed income funds	384,189	-	-	384,189	237,485
Real Estate	-	-	67,800	67,800	-
Infrastructure fund	-	-	67,639	67,639	44,457
Total Investments	**1,424,809**	**-**	**135,439**	**1,560,248**	**1,332,439**

f. Reconciliation of fair value measurement for Level 3 investment

	Fair Value at date of initial recognition April 2025	Fair Value at date of initial recognition April 2024	Unrealized gains/(losses)	Realized gains/(losses)	Fair Value at 31 December 2025
Real Estate	66,544	n/a	1,256	-	67,800
Infrastructure fund	n/a	41,590	24,190	1,859	67,639

g. Investment Returns

Total Returns to 31 December 2025 Annualized for periods exceeding 1 Year					
Last 3 Months	1 Year	3 Years	5 Years	10 Years	From Inception
0.5%	16.30%	17.2%	8.1%	9.7%	7.5%

The Real Estate and the Infrastructure portfolios have a fair value of $67.8 million and $67.6 million respectively, as on 31st December 2025. As with all our portfolios, our investment consultant, Meketa, oversees the independent third-party investment managers. Under the terms of the Investment Management agreement, the Public Service Pensions Board Authority has delegated full discretion and authority to the consultant. This includes, but, not limited to Asset Selection, Risk Management and Mitigation, Monitoring and Oversight.

5. Property, Plant and Equipment

Property, plant and equipment consist of the following components:

	Leasehold Improvements	Furniture & Fixtures	Office Equipment	Work in progress	Computer Equipment	Vehicles	Total
	$000	$000	$000		$000	$000	$000
Cost							
As at 31 December 2024	**733**	**35**	**67**	**2,454**	**440**	**16**	**3,745**
Additions	412	349	2	-	66	-	829
Transfers in/ (out)	2,454	-	-	(2,454)	-	-	-
Write off in the period	*(713)	-		-	-	-	(713)
Adjustments	**(386)	-	-	-	-	-	(386)
As at 31 December 2025	**2,500**	**384**	**69**	**-**	**506**	**16**	**3,475**
Accumulated Depreciation							
As at 31 December 2024	**733**	**26**	**48**	**-**	**351**	**16**	**1,174**
Depreciation	83	38	9	-	47	-	177
Adjustments	(713)	-	-	-	-	-	(713)
As at 31 December 2025	**103**	**64**	**57**	**-**	**398**	**16**	**638**
Carrying value at 31 December 2025	**2,397**	**320**	**12**	**-**	**108**	**-**	**2,837**
Carrying value at 31 December 2024	**-**	**10**	**18**	**2,454**	**89**	**-**	**2,571**

*$713K Leasehold improvement costs fully written down and no longer in use as PSPB changed location.

** $356K Landlord's contribution towards costs plus $30K net change to record retention held of $72K.

6. Intangibles

Intangibles consist of the following components:

	Lynchval Capitalization	Sagitec Capitalization	Computer Software	Total
	$000	$000	$000	$000
Cost				
As at 31 December 2024	**571**	**2,979**	**56**	**3,606**
Additions	**-**	**102**	**7**	**109**
As at 31 December 2025	**571**	**3,081**	**63**	**3,715**
Accumulated Amortization				
As at 31 December 2024	**571**	**1,936**	**51**	**2,558**
Amortization	**-**	**596**	**4**	**600**
Adjustments	**-**	**-**	**-**	**-**
As at 31 December 2025	**571**	**2,532**	**55**	**3,158**
Carrying value at 31 December 2025	**-**	**549**	**8**	**557**
Carrying value at 31 December 2024	**-**	**1,043**	**5**	**1,048**

The Authority has entered a Core System Agreement with Sagitec Solutions LLC for the provision of a Core customized cloud-based solution pension administration system. The system was fully implemented and went live on 1 October 2021.

Hosting, support and maintenance fees are recognised as an expense as the services are received.

Under the agreement the Authority holds a perpetual, irrevocable, enterprise-wide licence to use the licensed products, which is not limited by the number of authorised users, or by the locations, computers or networks on which the Authority may operate them. This component is identifiable, controlled by the Authority and expected to generate future economic benefits, and is therefore recognised as an intangible asset under IAS 38.

7. Ex-Gratia Pensions

The Authority administers the payment of Ex-Gratia Pensions on behalf of the Cayman Islands Government under Section 6(1)(i) of the Public Service Pensions Act (2023 Revision) and by provisions contained in the Public Service Pensions (Ex-Gratia Pensions) Regulations (2019 Revision).

Eligibility for Ex-Gratia Pension as set out by said Acts:

"(1) Any Caymanian (as defined in the Immigration Act (2022 Revision) who-

(a) is sixty-five years of age or older; or

(b) is not sixty-five years of age but who has been certified by the Chief Medical Officer as being permanently disabled, and who —

i. held an office in the Public Service or the Other Public Service for any period of at least four or more years in the aggregate; and

ii. during at least four years (in the aggregate) of his said service, was not entitled to a pension or did not receive a contracted officer's supplement or similar compensation, may, in accordance with these regulations, apply for an Ex-Gratia pension in respect of the period of his said service that is prior to the date when he attained the age of sixty years and in respect of which he was not entitled to a pension and did not receive a contracted officer's supplement or similar compensation.

An estimate of the payments to be administered during the year are appropriated to and received by the Authority and reported as Pre-Funded Ex-Gratia Pensions. The activity reported below represents funding received and benefit payments made only during the 2025 and 2024 reporting periods only. Accumulated Ex-Gratia bank balances are included in the cash balances reported on the Statement of Net Assets Available for Benefits and used to offset any shortfalls in funding during the year. Payments administered during each year are reported as Ex-Gratia Pensions.

Ex-Gratia pension activity:

Description	31 December 2025 $000	31 December 2024 $000
Pre-Funded Ex-Gratia Pensions	1,278	1,416
Ex-Gratia Pensions Payments	(1,368)	(1,356)
(Underfunded)/Overfunded	(90)	60

8. Ex-Gratia Uplift Payments

The Authority administers the payment of Ex-Gratia Uplift Pensions on behalf of the Cayman Islands Government under Section 6(1)(i) of the Public Service Pensions Act (2023 Revision) and by provisions contained in the Public Service Pensions (Ex-Gratia Uplift Payments) Regulations (2020 Revision).

The minimum pension threshold was increased under the Public Service Pensions (Ex-Gratia Uplift Payments) (Amendment) Regulations 2023, to $1,250 per month with effect from December 2023.

Ex-Gratia Uplift Payment activity:

Description	31 December 2025 $000	31 December 2024 $000
Pre-Funded Ex-Gratia Uplift pensions	7,113	4,850
Ex-Gratia Uplift pension payments	(7,301)	(4,724)
Overfunded/(Underfunded)	(188)	126

The activity reported above represents funding received and benefit payments made during the 2025 and 2024 reporting periods only. Accumulated Ex-Gratia bank balances are included in the cash balances reported on the Statement of Net Assets Available for Benefits and utilized in the subsequent year.

9. Parliamentary Pensions Plan (PPP)

The Members and the Speaker of the Parliament participate in the (PPP) as governed by the Parliamentary Pensions Act (2016 Revision) (the "Parliamentary Pensions Act"). Members contribute at a rate of 6% of pensionable earnings and employers contribute a matching 6%.

An additional contribution as prescribed by the latest Actuarial Valuation is made by the employer to cover the additional defined benefit cost associated with the PPP. In practice, the Authority administers the PPP and the related fund balances.

The Parliamentary Pensions Act since 2004 provides for payment of retirement benefits to eligible members with one or more parliamentary terms. Normal retirement age under the Parliamentary Pensions Act is 55. The maximum amount of pension payable to the Parliamentarians cannot exceed two-thirds of their highest salary earned whilst a Member of Parliament.

Due in Respect of Parliamentary Pensions Plan

All contributions received, since inception, have been pooled for investment purposes with those of the larger Public Service Pensions Fund and the Judicial Pension Fund for greater investment return opportunities and to contain administrative costs. In addition, this also reflects benefits paid to participants and an element of net Investment Income and Operating Expenses allocated (on the net of the contributions received and benefits paid) based on the Fund's annual rate of return.

To clearly account for the amounts in respect of the separate Plans; supplementary information to the Statement of Net Assets Available for Benefits is presented for the PPP on page 33, showing beginning and ending balances, as well as contributions, benefits paid and investment returns recognized for the PPP during the year.

Net assets available for benefits for PPP at end of year amounted to $2.377 million (2024: $3.432 million). The Authority does not charge any additional fees for acting as administrators of the Parliamentary Pensions Plan. The assets, which duly belong to the Members of Parliament, are under the administration of the Authority.

10. Judicial Pensions Plan (JPP)

The Judges of the Grand Court of the Cayman Islands and Magistrates participate in the Judicial Pension Plan (JPP) as governed by the Judges' Emoluments and Allowance Act, (2018 Revision) and the Judges' Emoluments and Allowances Order, (2021 Revision). In respect of the DC Plan, participants contribute at a rate of 10% of pensionable earnings and the Government contributes 20%. In accordance with the 2022 funding valuation, 0% is contributed for those in the Defined Benefit part of the Plan, as the Actuarial valuations as at 1 January 2022 concluded that existing contribution rates to the plan are sufficient.

Normal retirement age under the Judicial Pensions Act is 65. The maximum amount of pension payable to a participant cannot exceed an annual 80% of the participant's final average pensionable earnings.

Due in Respect of Judiciary Pensions Plan

All contributions received since inception have been pooled for investment purposes with those of the larger Public Service Pensions Fund and the Parliamentary Pension Fund for greater investment return opportunities and to contain administrative costs. In addition, this also reflects benefits paid to participants and an element of net Investment Income and Operating Expenses allocated (on the net of the contributions received and benefits paid) based on the Fund's annual rate of return.

To clearly account for the amounts in respect of the separate Plans, supplementary information to the Statement of Net Assets Available for Benefits is presented for the JPP on page 32, showing beginning and ending balances, as well as contributions, benefits paid and investment returns recognized for the JPP during the year.

Net assets available for benefits for JPP at end of year amounted to $8.147 million (2024: $7.084 million). The Authority does not charge any additional fees for acting as administrators of the Judicial Pensions Plan. The assets duly belong to the Judges of the Grand Court of the Cayman Islands and Magistrates are under the administration of the Authority.

11. Benefits Paid to Participants

Beginning in April 1999, payments were paid directly out of the Fund for pensioners of the PSPP. The Government is required to pre-fund payments made to recipients of the Ex-Gratia pensions. Pension payments in respect of the PPP were pre-funded by payments from the Government up until the passage of the Parliamentary Pensions Act (2004) on 23 August 2004, which required benefit payments to be paid directly from the Parliamentary Pensions Fund.

Benefits Paid to Participants from the PSPP, for 2025 and 2024 are as follows:

	31 December 2025 $000	31 December 2024 $000
Monthly pension payments	37,176	36,217
Commutations	14,008	13,542
Cashouts	5,339	5,984
Transfers	1,282	1,960
Total Benefits Paid	**57,805**	**57,703**

12. Administrative Expenses

Description	31 December 2025 $000	31 December 2024 $000
Salaries, benefits & other staff related expenses	3,897	3,181
Pension administration system support	809	701
Actuarial fees	487	423
Office accommodation and related expenses	527	331
IT Support	277	304
Professional fees	689	639
Board of Directors related expenses	189	214
General administrative expenses	101	108
Audit fees	127	110
Other administrative expenses[1]	260	56
Total	**7,363**	**6,067**

[1] Previously included in other investment expenses

13. Benefits Due

Benefits Due represents the liability to pay participants who have attained the Normal Retirement Age and participants who have applied for early retirement prior to 31 December 2025, but whose pension payments have not commenced as at the fiscal year end. Benefits due also relate to cashouts and transfers that were approved during the financial year and paid after the financial year end.

14. Funding Actuarial Valuation Reports - 1 January 2025

In accordance with the Public Service Pensions Act (2023 Revision), the Board fulfilled its statutory obligations by commissioning the Authority's actuaries to carry out the 1 January 2025 Funding Actuarial Valuations for each of the three Government sponsored pension plans. The 1 January 2025 Funding Actuarial Valuation reports were approved by the Board on 14th March 2025 and submitted to the Financial Secretary on 24 February 2026 for further submission by the Minister to the Cabinet. As the 2025 reports have not yet been submitted to Cabinet for acceptance and approval, the actuarial present value of accumulated plan benefits as well as the recommended rates of contribution contained therein, both Contributions Received and Contributions Receivable in the 2025 Financial Statements are reflective of the 2022 Report, which are the last approved rates.

1 January 2022

In accordance with the respective legislation, the Authority's Actuaries, Mercer, carried out the tri-annual funding Actuarial Valuation as at 1 January 2022 for each of the three Government sponsored pension plans.

The principal assumptions for the 2022 funding actuarial valuations (excluding the estimated retirement age which varied with each Plan) used in the computation of the actuarial estimate of the pension liability for each of the three named Pension plans are as follows:

i. annual salary increases of 4.0% in 2022, 3.5% in 2023, 3:00% in 2024 and 2.5% per annum from 2025 onwards.

ii. long-term inflation rate of 5.8% in 2022, 3.2% in 2023, 2.30% in 2024 and 2.00% per annum from 2025 onwards;

iii. valuation interest rate to discount future benefit payments as at 1 January 2022 is 5.75%

iv. expected long-term rate of return on the Fund's invested assets of 5.75%

v. anticipated future pensions payments increases of 5.64% in 2022, 3.2% in 2023, 2.30% in 2024 and 2.00% per annum from 2025 onwards; and

vi. estimated retirement ages for the three plans are as follows:

   a. Parliamentary Pensions Plan: 55 years and 10 months

   b. Public Service Pensions Plan: Age-related table (see below)

   c. Judiciary Pension Plan: N/A

Age Related Tables

Age	Termination Male	Termination Female	Retirement
20	7.50%	12.50%	0.00%
25	5.00%	12.50%	0.00%
30	3.50%	7.50%	0.00%
35	2.50%	4.50%	0.00%
40	1.50%	2.50%	0.00%
45	0.50%	0.50%	0.00%
50	0.00%	0.00%	0.00%
55 to 59	0.00%	0.00%	8.00%
60 to 64	0.00%	0.00%	15.00%
65	0.00%	0.00%	100.00%

14. Funding Actuarial Valuation Reports - 1 January 2025 (continued)

a. Public Service Pensions Plan actuarial valuation – 1 January 2022

The funding actuarial valuation calculated a Fund deficiency as at 1 January 2022 as follows:

Public Service Pensions Plan (actuarial estimate)	**Amount $000**
Value of pension fund allocated assets	1,118,250
Past service liability	(1,249,068)
Fund deficiency	**(130,818)**

Public Service Pensions Plan (actuarial estimate)

The Actuarial valuation calculated a normal cost during the year as follows:

Attributable to the Defined Contribution component of the Plan	12.4%
Attributable to the Defined Benefit component of the Plan	16.6%

The Plan was in a deficit position as of 1 January 2022. Based on an ultimate discount rate of 5.75%, the Plan had a deficit of $130.8 million at 1 January 2022, and the funded ratio of the DB Part of the Plan is 82% and when combined with the DC part of the Plan is 90%.

The Board has established an objective that the Plan be fully funded in 20 years from the valuation date. Based on the assumptions and methods described in this report, in order to achieve this objective, contributions should be made on the basis of the valuation results prepared based on an ultimate discount rate of 5.75%.

14. Funding Actuarial Valuation Reports – 1 January 2025 (continued)

b. Parliamentary Pensions Plan actuarial valuation – 1 January 2022

The funding actuarial valuation calculated a Fund deficiency as at 1 January 2022 as follows:

Parliamentary Pensions Plan (actuarial estimate)	**Amount $000**
Value of pension fund allocated assets	15,724
Deferred investment gain not reflected in DC account	(143)
Past service liability	(27,561)
Fund deficiency	**(11,980)**

The funding actuarial valuation calculated a normal cost during the year as follows:

Attributable to the Defined Contribution component of the Plan	12.4%
Attributable to the Defined Benefit component of the Plan	71.0%

The Board has established an objective that the Plan be fully funded in 20 years from the valuation date. Based on the assumptions and methods described in this report, in order to achieve this objective, contributions should be made on the basis of the valuation results prepared based on an ultimate discount rate of 5.75%.

The Plan was in a deficit position as of 1 January 2022. Based on an ultimate discount rate of 5.75%, the Plan had a deficit of $11.98 million at 1 January 2022, and the funded ratio of the DB Part of the Plan is 53% and when combined with the DC part of the Plan is 57%.

14. Funding Actuarial Valuation Reports – 1 January 2025 (continued)

c. Judicial Pensions Plan actuarial valuation – 1 January 2022

The actuarial valuation calculated a Fund surplus as at 1 January 2022 as follows:

Judicial Pensions Plan (actuarial estimate)	**Amount $ 000**
Value of pension fund allocated assets	10,023
Past service liability	(7,440)
Fund surplus	**2,583**

The actuarial valuation calculated a normal cost during the year as follows:

Judicial Pensions Plan (actuarial estimate)	
Attributable to the Defined Contribution component of the Plan	30.0%
Attributable to the Defined Benefit component of the Plan	00.0%

The Board has established an objective that the Plan be fully funded in 20 years from the valuation date. The Plan is currently fully funded, as such, in accordance with the Board's objective; contributions should be made on the basis of the valuation results prepared based on an ultimate discount rate of 5.75%.

The DB Part of the Plan has a surplus as at 1 January 2022 hence, no further Employer contributions are required to fund the DB accrual until the next valuation review. The funded ratio of the DB Part of the Plan is 164% and when combined with the DC part of the Plan is 135%.

15. Pension Contributions

(Re: Funding Actuarial valuations – effective 1 January 2022)

The recommended rates of contribution contained in the 2022 funding actuarial valuations became effective by Regulations on 19 November 2024, retroactive to 1 January 2022.

16. Investment Management and Consultancy Fees

The Authority utilizes the services of various Investment Managers, a Global Custodian and an Investment Advisor in the course of its business. During the year, the Board employed the services of the following:

a. Independent Franchise Partners ("IFP", Investment Manager)
b. PIMCO Global Investment Grade Credit ("PIMCO", Investment Manager)
c. PIMCO US Short-Term Fund ("PIMCO", Investment Manager)
d. Wellington Global Quality Growth ("Wellington", Investment Manager)
e. BlackRock IShares Developed World Index Fund ("BlackRock", Investment Manager)
f. IFM Global Infrastructure (Offshore), LP ("IFM", Investment Manager)
g. CIBC Mellon Global Securities Company ("CIBC Mellon", Global Custodian)
h. Meketa Investment Group, Inc. ("Meketa", Investment Advisor)
i. WCM Investment Management, LLC ("WCM", Investment Manager)
j. GQG Partners Global Equity Fund ("GQG", Investment Manager)
k. TA Realty LLC ("TA Realty", Investment Manager)

16. Investment Management and Consultancy Fees (continued)

The Authority incurred Investment management and consultancy expenses as follows:

	31 December 2025 $000	31 December 2024 $000
Investment managers		
IFP	2,438	2,695
Wellington	1,569	1,482
PIMCO	1,448	1,111
WCM	691	415
Morgan Stanley	-	120
Blackrock	284	299
IFM	485	492
GQG	433	147
TA Realty	418	-
Custodian		
CIBC Mellon	160	132
Investment advisor/consultant		
Meketa	179	179
Legal fees		
Pillsbury, Winthrop, Shaw, Pittman LLP	227	147
Total	**8,332**	**7,219**

17. Financial and Actuarial Risk Management

In order to meet the investment objective for the Fund, namely, to earn returns that will, in conjunction with the financing plan, result in the Plans becoming fully funded or self-sustaining (see note (1d)), the investments will be subject to a variety of inherent risks. An overarching strategy for management of these risks is asset diversification, to manage concentration using various investment criteria and, within the Board's risk appetite, to minimize the impact of portfolio losses and optimize the opportunity for long-term gains.

In addition, the Board employs rigorous investment manager selection, monitoring and due diligence processes. Asset classes are managed by separate internationally recognized investment managers, who are recommended by the Investment Committee of the Board, with the guidance of the independent Investment Advisor (Meketa) and approved by the Board. Performance of each investment manager is monitored and measured against international benchmarks by the Investment Committee and the Investment Advisor. Members of the Investment Committee, along with the Investment Advisor, also perform annual due diligence visits to each of the investment managers.

Major risk exposures include market risk, interest rate risk, credit risk, liquidity risk and currency risk, and these are discussed further in the following sections.

Market risk

Market risk is the risk that the value of a financial instrument, such as an equity security, will fluctuate as a result of changes in market prices, whether or those changes are caused by factors specific to the individual instrument or its issuer, or by factors affecting all instruments traded in the markets. Market risk is managed mainly by diversification across issuers, industries, geographies and investment strategies.

Interest rate risk

Interest rate risk is the potential for financial loss arising from changes in interest rates. Interest rate changes may affect the values of the fixed income and credit investments and, indirectly through impacts on the liability discount rates, the funding liabilities. Interest rate risk is managed mainly by the allocation to bonds under the Fund's target asset mix, as well as the duration of the fixed income investments.

Credit risk

Credit risk is the risk that one party to a financial instrument, such as a bond, will fail to discharge an obligation, causing the other party to incur a financial loss. Credit risk, with respect to the fixed income investments, is managed by placing deposits with high-credit quality institutions, minimum requirements for counterparties' credit ratings, diversifying counterparties and monitoring counterparties and exposures. In relation to Receivables, expected credit losses are nil. These are straightforward and therefore are recognised/measured at amortised cost.

Liquidity risk

Liquidity risk is the risk of encountering difficulty in meeting payment obligations when due or supporting investment opportunities, through cash flows or asset sales, without incurring financial loss. Liquidity risk is managed by monitoring net cash flows, including required pension contributions, and maintaining a generally liquid investment portfolio, with the ability to divest on relatively short notice.

Currency risk

Currency risk arises from investment in global assets denominated in foreign currencies, whereas the pension payments and liabilities are based in Cayman Islands dollars. Currency risk is mitigated by strong economic and currency links between the United States of America and the Cayman Islands and, when appropriate, other foreign currencies deemed are hedged into U.S. dollars.

17. Financial and Actuarial Risk Management (continued)

Fair values

The carrying amounts of current, call, and fixed deposits, accounts receivable and other receivables, demand liabilities, and other liabilities and payables approximated their fair value due to the short-term maturities of these assets and liabilities. The market value of investments is presented in Note (4). The fair values of other assets and liabilities are not materially different from the carrying amounts.

Actuarial risk management

Actuarial risks relate to changes in plan liabilities or costs which detract from the goal of the Plans becoming fully funded or self-sustaining. The actuarial risk management framework includes mandated triennial actuarial valuations performed by an internationally reputable actuarial firm (Mercer) and the implementation of the recommended contribution rates. In addition, the Board has commissioned annual interim updates from the Actuary in years between the triennial reports.

Notwithstanding the actuarial risk management framework, plan funding is ultimately at the discretion of the government. In practice, plan funding can be affected by delays in tabling the actuarial valuation reports and in enabling regulations to prescribe the recommended rates, as well as any other inefficiencies in governmental processes.

Regular actuarial reporting will reveal impacts of any aspects of evolving plan experience which differ from the underlying assumptions. Furthermore, changes in the actuarial assumptions used, to better reflect plan experience and future expectations, can have a significant effect on plan liabilities and costs. Key actuarial assumptions with significant liability and cost impacts include:

a. Discount rate – This is one of the most important assumptions, and the Plans face significant risk of the long-term returns on plan investments not meeting the discount rate, as well as changes in discount rates based on evolving market conditions and outlooks or changes in target asset mix.

b. Pensionable earnings increases and post-retirement pension increases (inflation rate) – Risks relate to potential increases higher than levels assumed, and changes in the assumptions adopted.

c. Mortality – Longevity risk is the potential that retirees and spouses live longer than assumed based on the mortality assumptions. Changes in mortality assumptions are also a source of plan risk.

Other demographic experience and assumptions, such as retirement rates, also contribute to actuarial risk.

The Defined Contribution (DC) part of the plans operates on a self-insured basis whereby DC account balances are generally converted into guaranteed indexed annuities payable from plan assets upon retirement. This approach imposes cost and risk for plan funding, which requires monitoring over time. The actuarial basis used for these conversions is a key consideration from a cost, risk and benefit adequacy perspective and reflects a discount rate somewhat less than the expected returns on the underlying assets.

Quantitative sensitivity disclosures in relation to key assumption changes may be included in periodic actuarial valuation reports. Note 22 includes certain quantitative disclosures related to the PSPB's staff participation in the Defined Benefit Part of the Public Service Pensions Plan, under an accounting ("IAS19 R") basis.

18. Lease of Premises

Short Term and Immaterial Leases

The Authority has elected not to recognize the right-of-use assets and lease liabilities for short-term leases with 12 months or less and leases of immaterial (with an annual cost under $25 thousand) to the Authority. The Authority recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Authority has the following leases which meets the above:

- A warehouse storage facility with Artemis Property Services for the period 1 June 2025 to 31 May 2027, at an annual cost of CI$11,400 per annum ($950 monthly). Unit No. 13 is located within the property known as Highgrove Business Park, Building A, and consists of 300 square feet, situated at Sparky Drive, George Town.
- A warehouse storage facility with Artemis Property Services for the period 1 March 2025 to 28 February 2027, at an annual cost of CI$9,000 per annum ($750 monthly). Unit No. 8 is located within the property known as Highgrove Business Park, Building A, consisting of 225 square feet situated at Sparky Drive, George Town.
- Office accommodation with CAYBRAC Ltd. located on Dennis Foster Road in Cayman Brac. A new five-year lease was signed effective 1 April 2025 (with the option to renew for an additional five years) at an annual cost of CI$15,180 ($1,265 monthly).

18. Lease of Premises (continued)

Right-of-Use Asset

The Authority signed an agreement with Cricket Square Four Ltd. To lease a rentable area of 10,275.43 square feet for a 10-year period with an option to renew for 5 years, for the first year of the period, rent is at US$55 per square foot and a security deposit of US$45,000 (CI$37,500) was placed. Occupancy of the premises in Cricket Square was taken up on 27 June 2025.

After year 1 cash outflows over the 10-year period will increase annually by the CICPI for the previous year. Where the CICPI is less than 3% or more than 6%, the minimum rent increase will be 3%, and the maximum will not exceed 6%.

The Right-of-Use Assets and the Lease Liability balances are reflected in the financial statements as follows:

Right-of-Use Asset	**31 December 2025 $000**	**31 December 2024 $000**
Balance as 1 January	101	754
Adjustments	-	(329)
Additions (New Lease)	5,740	-
Amortization charge for the year	(292)	(323)
Balance at 31 December	**5,549**	**101**

Lease Liability	**31 December 2025 $000**	**31 December 2024 $000**
Balance as 1 January	102	747
Adjustments	-	(354)
Additions	5,740	-
Interest Expense	226	40
Lease Payments	(403)	(331)
Balance at 31 December	**5,665**	**102**

18. Lease of Premises (continued)

Lease liabilities at 31 December 2025 are payable as follows:

	Future minimum lease payments (Undiscounted) $000	Interest $000	Present value of minimum lease payments $000
Not later than 1 year	479	(316)	163
Over 1 year but less than 5 years	2,619	(1,400)	1,219
Over 5 years	5,441	(1,158)	4,283
	8,539	**(2,874)**	**5,665**

Amounts recognized in Statement of Changes in Net Assets Available for Benefits:

	2025	2024
Amortization of Right-of-Use Asset	292,631	323,981
Interest on Lease Liabilities	225,990	40,121

The total cash outflows for leases for 2025 was $410,872 (2024: $330,792).

During the current year, the lease between the Public Service Pensions Board and Commercial Properties Ltd expired on its scheduled date of 31 May 2025. The Board continued to occupy the premises on a month-to-month basis until 26 June 2025, after which it vacated the facility. All obligations under the lease agreement were fully settled, and as at the reporting date no future lease commitments, right-of-use assets or lease liabilities remain in respect of that facility.

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19. Related Party Transactions

Key management personnel

There are seven (2024: six) full-time equivalent personnel considered as "Key management personnel" covering eight senior management roles. The senior management posts consist of the Chief Executive Officer, Chief Operating Officer, Chief Pensions Officer, Chief Strategy Officer, Chief Human Resources Officer, Chief Information Officer, Chief Programme Manager and Deputy Chief Financial Officer. The responsibilities for the Chief Pensions Officer & Chief Strategy Officer roles are handled by one individual. Also, another individual handles the responsibilities of the Chief Information Officer & Chief Programme Manager roles. Also note that the Chief Financial Officer position is vacant. Duties and responsibilities of this role are executed by the Deputy Chief Financial Officer and the Chief Executive Officer.

The total remuneration includes regular salary, pension contributions, and health insurance contributions, acting allowances, duty allowances, honorarium, bonuses, payment in-lieu of vacation and motor car upkeep/allowance. Total remuneration for Key management personnel in FY 2025 was $1.53 million (FY 2024: $1.039 million). Each Director, except for ex-officio members, is paid a Monthly Director Remuneration.

Benefit Categories	31 December 2025 $000	31 December 2024 $000
Short term employee benefits	1,235	805
Post-employment benefits	295	234
Total	**1,530**	**1,039**

In 2025 amounts paid relates to disbursements for 2024 annual incentive plan and accrued amounts for the annual incentive plan in 2025. There was not an accrual for these payments at the end of 2024.

Total remunerations paid to Board Directors of the PSPB for the fiscal year 2025 was $162 thousand (FY 2024: $162 thousand). The Monthly Director Remunerations are based on the following rates:

Position	Monthly Director Remuneration
Board Chair	CI $4,000
Independent Professional Trustee	CI $2,000
Board Director x2	CI $2,000
Governance Committee Chair	CI $1,000
Investment Committee Chair	CI $2,000
Audit Committee Chair	CI $2,000
Non-Board Director Appointees to Committees for specialist expertise	An amount not to exceed CI $750

Intra-government agencies

The Authority engaged the services of the HR IRIS and the Office of the Auditor General, during the year. The transactions amounted to $3 thousand and $127 thousand (Note 12), respectively (2024: $3 thousand, $110 thousand, respectively). The services are deemed to have been engaged at arm's length.

20. Contingent Liabilities and Contractual Commitments

There were no contingent liabilities as of 31 December 2025.

21. Plan Participants

IAS 19 Accounting policy requires the Public Service Pensions Board to disclose the entities to which the assets of the Fund belong and the amounts for each participant. The current pension administration system does not allow for the breakdown of this information. The ministries and portfolios in the Public Service Pensions Plan are the following:

a. Office of the Auditor General
b. Cabinet Office
c. Judicial Administration
d. Ministry of Health, Environment & Sustainability
e. Ministry of District Administration & Home Affairs
f. Ministry of Finance & Economic Development
g. Ministry of Education & Training
h. Ministry of Financial Services and Commerce
i. Office of the Director of Public Prosecutions
j. Portfolio of Civil Service
k. Portfolio of Legal Affairs
l. Office of the Ombudsman
m. Ministry of Social Development & Innovation
n. Office of the Commissioner of Police
o. Ministry of Caymanian Employment & Immigration
p. Ministry of Youth, Sports, Culture & Heritage
q. Ministry of Planning, Lands, Agriculture, Housing & Infrastructure
r. Ministry of Tourism & Trade Development
s. Governor's Office
t. Foreign Office (UK Office)
u. Judges (JPP)
v. Parliamentarian (PPP)

21. Plan Participants (continued)

The statutory authorities and government companies that participate in the Public Service Pensions Plan are the following:

a. Cayman Islands Airports Authority
b. Cayman Islands Development Bank
c. Cayman Islands Health Services Authority
d. Cayman Islands Monetary Authority
e. Cayman Turtle Conservation and Education Centre
f. CAYS Foundation
g. CINICO
h. Civil Aviation Authority
i. Utility Regulation and Competition Office
j. Maritime Authority of the Cayman Islands
k. National Housing Development Trust
l. National Roads Authority
m. Public Service Pensions Board
n. University College of the Cayman Islands
o. Water Authority of the Cayman Islands
p. The Cayman Islands Stock Exchange
q. Cayman Islands National Attractions Authority
r. Queen Elizabeth II Botanic Park
s. Pedro St. James Castle

Contribution rates paid in by each Plan Participant is in accordance with the default rates as set out in the Public Service Pensions Act.

22. IAS 19R Post-Retirement Pension Liabilities for PSPB Staff

The Authority's Actuary, Mercer, has calculated Public Service Pensions Board ("PSPB") actuarial estimates of liabilities as at 31 December 2025 related to the PSPB's staff participation in the Defined Benefit Part of the Public Service Pensions Plan under IFRS - International Accounting Standard 19 (Rev June 2011) ("IAS19 R"). IAS 19 was revised in June 2011 and became effective for reporting periods commencing on or after 1 January 2013. For the purpose of PSPB reporting, IAS19 R for the year ended 31 December 2025 reflects the following:

The amounts recognized in the statement of net assets available for benefits is as follows:

	31 December 2025 $000	31 December 2024 $000
Defined benefit obligation	(3,379)	(2,488)
Fair value of plan assets	3,478	2,892
Funded status	99	404
Net Asset	**99**	**404**

The change in defined benefit obligation is as follows:

	31 December 2025 $000	31 December 2024 $000
Defined benefit obligation at end of prior year	2,488	2,077
Current service cost	61	45
Interest expense	136	106
Transfer between other participating employers	-	(45)
Cashflows - participant contribution	19	18
Effect of changes in financial assumptions	107	(223)
Effect of experience adjustments	568	510
Defined benefit obligation at end of year	**3,379**	**2,488**

22. IAS 19R Post-Retirement Pension Liabilities for PSPB Staff (continued)

The change in fair value of plan assets is as follows:

	31 December 2025 $000	31 December 2024 $000
Fair value of plan assets at end of prior year	2,892	2,470
Interest income	159	127
Cash flows		
Employer and participant contributions	85	61
Transfer between other participating employers	-	(45)
Remeasurements		
Return on plan assets (excluding interest income)	342	279
Fair value of plan assets at end of year	**3,478**	**2,892**

The net defined benefit (asset) reconciliation is as follows:

	31 December 2025 $000	31 December 2024 $000
Net defined benefit (asset) as of beginning of year	(404)	(393)
Defined benefit cost included in P&L	38	24
Total remeasurements included in OCI	333	8
Cash flows – employer contributions	(66)	(43)
Net defined benefit liability (asset) as of end of year	**(99)**	**(404)**

22. IAS 19R Post-Retirement Pension Liabilities for PSPB Staff (continued)

The components of defined benefit cost is as follows:

	31 December 2025 $000	31 December 2024 $000
Current service Cost	61	45
Net interest cost		
Interest expense on DBO	136	106
Interest (income) on plan assets	(159)	(127)
Total net interest cost	(23)	(21)
Defined benefit cost included in statement of changes in net assets available for benefits	38	24
Remeasurements (recognized in other comprehensive income)		
Effect of changes in financial assumptions	107	(223)
Effect of experience adjustments	568	510
Return on plan assets (excluding interest income)	(342)	(279)
Total remeasurements included in other comprehensive income	333	8
Total defined benefit cost recognized in statement of changes in net assets available for benefits and other comprehensive income	**371**	**32**

22. IAS 19R Post-Retirement Pension Liabilities for PSPB Staff (continued)

The sensitivity analysis on defined benefit obligation is shown below:

	31 December 2025	31 December 2024
1. Discount rate		
a. Discount rate - 25 basis points	3,481	2,571
b. Discount rate + 25 basis points	3,281	2,410
2. Inflation rate		
a. Inflation rate - 25 basis points	3,309	2,415
b. Inflation rate + 25 basis points	3,451	2,565
3. Mortality		
a. Mortality - 10% of current rates	3,439	2,531
b. Mortality + 10% of current rates	3,323	2,449

The expected cash flow for the following year is as follows:

	31 December 2025 $000	31 December 2024 $000
Expected employer contributions	40	34

The significant actuarial assumptions are presented below:

Weighted-average assumptions to determine benefit obligations

	31 December 2025	31 December 2024
1. Discount rate	5.65%	5.75%
2. Rate of salary increase	3.0% in 2026, 6.5% in 2027 and 2.5% thereafter	5.0% in 2025, 4.0% in 2026 and 3.0% thereafter
3. Rate of price inflation	3.1% in 2026, 2.4% in 2027 and 2.2% thereafter	2.9% in 2025, 2.5% in 2026, 2.2% in 2027 and 2.0% thereafter
4. Rate of pension increases	3.1% in 2026, 2.4% in 2027 and 2.2% thereafter	2.9% in 2025, 2.5% in 2026, 2.2% in 2027 and 2.0% thereafter
5. Post-retirement mortality table	100% RP-2014 generationally projected using Scale MP-2021	100% RP-2014 generationally projected using Scale MP-2021
6. Cost Method	Projected Unit Credit	Projected Unit Credit
7. Asset valuation method	Market Value	Market Value

22. IAS 19R Post-Retirement Pension Liabilities for PSPB Staff (continued)

Weighted-average assumptions to determine defined benefit cost

	31 December 2025	31 December 2024
1. Discount rate	5.45%	5.10%
2. Rate of salary increase	5.0% in 2025, 4.0% in 2026 and 3.0% thereafter	4.0% in 2024, and 3.7% thereafter
3. Rate of price inflation	2.9% in 2025, 2.5% in 2026, 2.2% in 2027 and 2.0% thereafter	2.5% in 2024, 2.4% in 2025 and 2.0% thereafter
4. Rate of pension increases	2.9% in 2025, 2.5% in 2026, 2.2% in 2027 and 2.0% thereafter	2.5% in 2024, 2.4% in 2025 and 2.0% thereafter
5. Post-retirement mortality table	100% RP-2014 generationally projected using Scale MP-2021	100% RP-2014 generationally projected using Scale MP-2021

Plan Assets

The Defined Benefit assets as well as Defined Contribution assets of the Plan are held as part of the Public Service Pensions Fund ("the Fund") and managed by the Public Service Pensions Board. The assets of two other pension plans are pooled together to constitute the Fund.

The assets are notionally allocated to each of the three participating pension plans through an internal accounting mechanism that tracks, for each accounting period, actual cash flow, and allocates investment income based on the rate of return earned by the Fund. Based on the data provided, the gross rate of return earned by the Fund over the 12-month period, 1 January 2025 to 31 December 2025, was 16.78% per annum. Similar internal accounting is used for developing each participating entity's share of the asset portfolio of the Fund.

The valuations are based on the asset value at 31 December 2025, provided to Mercer by PSPB, along with cash flow and other supplemental asset information provided. The assets are held in trust by CIBC Mellon. The Fund currently has investment policy with a target asset mix of 70% equities, 20% bonds, 5% real estate and 5% Infrastructure. As at 31 December 2025 and 31 December 2024, the Fund was invested as follows:

	31 December 2025		31 December 2024	
Plan Assets by Asset Category	**($000)**	**Percentage**	**($000)**	**Percentage**
Equities	1,040,620	67%	1,050,497	78%
Debt securities	384,189	24%	237,485	18%
Infrastructure	67,639	4%	44,457	3%
Real Estate	67,800	4%	-	0%
Cash and Receivables	16,015	1%	11,850	1%
Total Invested Assets	1,576,263	100%	1,344,289	100%

The Defined Contribution portion of the Fund (excluding in transit amounts) totalled **$753,599,600** as at, 31 December 2025, and $651,887,200 as of 31 December 2024 as provided by PSPB.

The share of the Fund that has been notionally allocated to PSPB with regards to its participation in the Defined Benefit Part of the Plan is $3,477,800 as at 31 December 2025 and **$2,891,500** as at 31 December 2024.

22. IAS 19R Post-Retirement Pension Liabilities for PSPB Staff (continued)

The Actuarial Assumptions

We have used actuarial assumptions approved by the Financial Secretary, the Plan's main sponsor. The principal financial and demographic assumptions used on 31 December 2025, and 31 December 2024 are shown in the table below. The assumptions as at the reporting date are used to determine the present value of the benefit obligation at that date and the defined benefit cost for the following year.

Measurement Date	**31 December 2025**	**31 December 2024**
Discount rate		
- BOY disclosure and current year expense	5.75% per year	5.15% per year
- EOY disclosure and following year expense	5.65% per year	5.75% per year
- Following year current service cost	5.80% per year	5.80% per year
- Rate used to determine interest on defined benefit obligation and plan assets for following year expense	5.05% per year	5.45% per year
- Rate used to determine interest on current service cost for following year expense	5.40% per year	5.65% per year
- Increases in pensionable earnings	3.0% in 2026, 6.5% in 2027 and 2.5% per year thereafter	5.0% in 2025, 4.0% in 2026 and 3.0% per year thereafter
- Rate of pension increases	3.1% in 2026, 2.4% in 2027 and 2.2% per year thereafter	2.9% in 2025, 2.5% in 2026, 2.2% in 2027 and 2.0% per year thereafter
Mortality		
- BOY disclosure and current year expense	100% of the rates of the RP-Mortality Table, Scale MP-2014, generationally projections using Scale MP-2021	100% of the rates of the RP-Mortality Table, Scale MP-2014, generationally projections using Scale MP-2021
- EOY disclosure and following year expense	100% of the rates of the RP-Mortality Table, Scale MP-2014, generationally projections using Scale MP-2021	100% of the rates of the RP-Mortality Table, Scale MP-2014, generationally projections using Scale MP-2021
Disability	None	None
Turnover Rates	Age related table	Age related table
Retirement	Age-related retirement rates used. See table below.	Age-related retirement rates used. See table below.
Assumed life expectations on retirement	Retiring today (member age 57) 29.02 Retiring in 25 years (at age 57): 31.13	Retiring today (member age 57) 28.78 Retiring in 25 years (at age 57): 31
Liability Cost Method	Projected unit credit method	Projected unit credit method
Asset Value Method	Market Value of Assets	Market Value of Assets
Commutation of pension	All members commute 25% at retirement	All members commute 25% at retirement

22. IAS 19R Post-Retirement Pension Liabilities for PSPB Staff (continued)

Turnover Rates at sample ages:

Age	Males	Females
20	7.5%	12.5%
25	5.0%	12.5%
30	3.5%	7.5%
35	2.5%	4.5%
40	1.5%	2.5%
45	0.5%	0.5%
50	0.0%	0.0%

Retirement Rates:

Age	
Below 55	0%
55-59	8%
60-64	15%
65	100%

There have been no changes in actuarial assumptions since the prior valuation other than the changes to the principal assumptions shown in the table above.

23. PSPB Post-Retirement Healthcare Obligation

The Authority's Actuary, Mercer, has calculated actuarial estimates of liabilities as at 31 December 2025 and actuarial estimates of the defined benefit cost for the year ended 31 December 2025, for the Post-Retirement Healthcare Program ("the Health Plan"). For purposes of PSPB reporting, IAS 19R for the year ended 31 December 2025 reflects the following:

The amounts recognized in the statement of net assets available for benefits are as follows:

	31 December 2025 $000	31 December 2024 $000
Defined benefit obligation	1,429	1,230
Net defined benefit liability	**1,429**	**1,230**

The change in defined benefit obligation are as follows:

	31 December 2025 $000	31 December 2024 $000
Defined benefit obligation at beginning of year	1,230	1,313
Interest expense	68	67
Effect of changes in demographic assumptions	(142)	-
Effect of changes in financial assumptions	295	(124)
Effect of experience adjustments	(22)	(26)
Defined benefit obligation at end of year	**1,429**	**1,230**

The net defined benefit liability reconciliation are as follows:

	31 December 2025 $000	31 December 2024 $000
Net defined benefit liability (asset) at beginning of year	1,230	1,313
Defined benefit cost included in P&L	68	67
Total remeasurement included in OCI	131	(150)
Net defined benefit liability as of end of year	**1,429**	**1,230**

23. PSPB Post-Retirement Healthcare Obligation (continued)

The components of defined benefit cost are as follows:

	31 December 2025 $000	31 December 2024 $000
Interest expense on DBO	68	67
Defined benefit cost included in P & L	68	67
Remeasurements (recognized in other comprehensive income)		
Effect of changes in demographic assumptions	(142)	-
Effect of changes in financial assumptions	295	(124)
Effect of experience adjustments	(22)	(26)
Total Remeasurement included in OCI	131	(150)
Total defined benefit cost recognized in P&L and OCI	199	(83)

The sensitivity analysis on defined benefit obligation is shown below:

	31 December 2025 $000	31 December 2024 $000
1. Discount rate		
a. Discount rate – 25 basis points	49	41
b. Discount rate + 25 basis points	(47)	(39)
2. Health care cost trend rates		
a. Health care cost trend rates – 100 basis points	(194)	(152)
b. Health care cost trend rates + 100 basis points	232	182
3. Mortality		
a. Post-retirement mortality assumption + 10%	(51)	(41)

The estimated defined benefit cost for the following year (FY 2026) is as follows:

	Amount ($000)
Interest expense on DBO	76

23. PSPB Post-Retirement Healthcare Obligation (continued)

The significant actuarial assumptions are presented below:

Weighted-average assumptions to determine benefit obligations

	31 December 2025	31 December 2024
Discount rate	5.85%	5.80%
Health care cost trend rates		
Immediate trend rate	7.22%	5.15%
Ultimate trend rate	4.00%	4.00%
Year rate reaches ultimate trend rate	2048	2045
Post-retirement mortality assumption	RP-2014 projected w/ MP-2021	RP-2014 projected w/ MP-2021

Weighted-average assumptions to determine defined benefit cost

	31 December 2025	31 December 2024
Discount rate	5.80%	5.15%
Health care cost trend rates		
Immediate trend rate	5.15%	5.19%
Ultimate trend rate	4.00%	4.00%
Year rate reaches ultimate trend rate	2045	2045
Post-retirement mortality assumption	RP-2014 projected w/ MP-2021	RP-2014 projected w/ MP-2021

23. PSPB Post-Retirement Healthcare Obligation (continued)

Actuarial Assumptions:

The assumptions as at the reporting date are used to determine the present value of the Defined Benefit Obligation (DBO) at that date and the defined benefit cost for the following year. The Actuary used actuarial assumptions selected by the PSPB, which are consistent with the assumptions used to determine the results for the Government's post-retirement healthcare program. The principal financial and demographic assumptions used at 31 December 2025 and 31 December 2024 are shown in the following table below.

Economic Assumptions	Post-Retirement Healthcare	Basis of Development – Accounting Specific Assumptions
Discount rate (p.a.) • 31 December 2024 • 31 December 2025	 5.80% 5.85%	Per IAS 19 para. 83, determined by reference to market yields on high-quality corporate bonds (consistent with the term of the benefit obligations) at the fiscal year-end date. Mercer US Above Mean Yield Curve (referencing US corporate bond yields) used to determine discount rates due to strong economic and currency links between the US and Cayman Islands.
Administrative expenses at Year end	2.80% (excluded in claim cost assumptions below)	-
Rate of Medical Inflation (p.a.)	12.00% per annum in 2024 grading down to 4% in and after 2048 for drugs 7.00% per annum in 2024. 4.00% per annum for dental costs. 5	Based on Mercer U.S. November 2021 Retiree Medical Trend Model.
Current mortality rates	RP-2014 Mortality Table scaled back to 2006 using MP-2014	Reasonable reflection of pensioner mortality experience, subject to the mortality improvement rates described below. The same table was used for the prior financial reporting valuation.
Mortality improvements • 31 December 2025 • 31 December 2024	 Scale MP-2021 Scale MP-2021	Broad consensus amongst longevity experts that mortality improvement will continue in the future. In the U.S., the latest future mortality improvement scale issued by the Society of Actuaries is Scale MP-2021. There was no new mortality improvement scale published in 2024.
Disability rates	None	-
Retirement Age	Age 50 & 10 years of service	-
Marital assumption	80% married, wife 3 years younger	-
HealthCare claims cost assumption at Year End	Drugs - $1,900 per participant per annum: Health - $14,030 per participant Dental - $190 per participant per annum	Based on actual Cayman Island Government pensioner experience from 1 January 2021 to 31 December 2022, in 2024 dollars, adjusted to age 65 using healthcare utilization differences due to age. Claim costs have been adjusted to reflect new aging assumptions
Healthcare coverage - future pensioners	Male - 27% single, 73% family Female - 50% single, 50% family	Based on Cayman Islands Government experience.
Healthcare utilization changes due to age	Mercer standard healthcare aging assumptions for medical and dental	Based on analysis of healthcare utilization for Mercer clients in Canada and US.

23. PSPB Post-Retirement Healthcare Obligation (continued)

Actuarial Methods

Benefit obligations are estimated using the Projected Unit Credit method. Under this methods each participant's benefits under the Plan are attributed to years of service, taking into consideration projection of benefit costs. Thus, the estimated total benefit to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A description of the calculation follows:

- An individual's estimated accrued benefit for valuation purposes is the projected benefit at the full eligibility date, or current age if later, multiplied by the ratio of service at the valuation date over service at the full eligibility date. Service for this purpose is measured from 10 years prior to full eligibility. The full eligibility date for this plan is the minimum age of 50 with 10 years of continuous service.
- The benefit attributed to an individual's service during a plan year is the excess of the attributed benefit for valuation purposes at the end of the plan year over the attributed benefit for valuation purposes at the beginning of the plan year. Both attributed benefits are estimated from the same projections to the various anticipated separation dates.
- An individual's estimated benefit obligation is the present value of the attributed benefit for valuation purposes at the beginning of the plan year, and the service cost is the present value of the benefit attributed to the year of service in the plan year.

In all cases, the Defined Benefit Obligation is the total present value of the individuals' attributed benefits for valuation purposes at the measurement date, and the Service Cost is the total present value of the individuals' benefits attributable to service during the year.

Participant Data

	31 December 2025	31 December 2022
Active Members		
Number	2	2
Average years of service	43 years	40 years
Average years of service after age 40	24 years	21 years
Average age	64	61
Pensioners		
Number	0	0
Average Age	0	0

24. Balances Attributable to Each Plan in Respect to Total Net Assets Available for Benefits

Net assets available for benefits accumulated fund consist of the following components:

	31 December 2025 $000	31 December 2024 $000
Public Service Pension Plan	1,564,265	1,333,697
Judiciary Pension Plan	8,147	7,084
Parliamentary Pension Plan	2,360	3,432
Total	**1,574,772**	**1,344,213**

Having completed a full cycle with the IAS 19 and Funding valuations at the same year end, (31 December), our Actuary, Mercer, performed some additional checks of the cash flow and membership movements reflected in the IAS 19 reports in comparison with those captured in the funding valuation.

The true-up reallocations from CIG to Statutory Authorities and Government Companies (the SAGCs) are driven largely by the difference in IAS19 and funding valuations in respect of:

1) Benefit payouts attributed to SAGCs captured as CIG benefit payments
2) Asset transfer from SAGCs to CIG in respect of some retiring members not captured in the IAS19 asset allocation

25. Subsequent Events

Management is not aware of any events after the reporting date that will materially impact the

financial statements.

26. Other Income

The Public Service Pensions Board records writebacks of receivables, stale-dated cheques and other administrative fees charged to entities.

	31 December 2025 $000	31 December 2024 $000
Gain on disposal of assets	9	-
Writeback on stale-dated cheques & receivables	867	200
Administrative fee income	52	489
Funding for leasehold improvements	-	350
Total	**928**	**1,039**

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