2024 Annual Report

Your Pension | Your Future

Municipal Employees' Pension Plan

Purpose • Mission • Vision

Purpose	Mission	Vision
Provide retirement income and pension services to members.	Provide secure and predictable retirement income to plan members.	Sustain the value of the Plan and the retirement income it provides.

The Municipal Employees' Pension Plan (MEPP, the Plan) provides retirement benefits to the employees of school divisions, urban and rural municipalities, regional colleges, regional public libraries and other local authorities within the province of Saskatchewan.

Mepp

Cover image: Wes, Dwayne and Sanmig, MEPP Members

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Rong
MEPP Member

Letters of Transmittal

Jim Reiter
Minister of Finance

Her Honour the Honourable Bernadette McIntyre, S.O.M.,
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I respectfully submit the Annual Report of the Municipal Employees' Pension Plan for the year ending December 31, 2024.

Jim Reiter
Deputy Premier and Minister of Finance

The Honourable Jim Reiter,
Deputy Premier and Minister of Finance

Sir:

On behalf of the Municipal Employees' Pension Commission, I have the honour of submitting the Annual Report of the Municipal Employees' Pension Plan for the year ending December 31, 2024.

Ashley Stradeski
Chair

Message from the Chair

Ashley Stradeski
Chair

MEPP's purpose of providing predictable lifetime pension benefits for members remains unchanged. Not only are we providing members with peace of mind, but financial stability as well.

As Chair of the Municipal Employees' Pension Commission (the Commission), we remain committed to the Plan's purpose. To that end, here are the key initiatives completed in 2024 to ensure MEPP is here for members today and in the future.

MEPP is financially strong

The Plan remains in a healthy financial position with $4 billion in assets. This is due to MEPP's prudent investment management and sound governance. The Plan's latest actuarial valuation (December 31, 2023) shows the solvency rate is 124% and the going-concern rate is 125.7%. This means MEPP can meet all current and future pension obligations.

A key contributor to MEPP's strong financial position is the Plan's investment strategy. In 2022, we reviewed the Plan's current asset mix and in 2023, approved a new one. This spring, we gave permission to roll-out the new asset strategy. These investment reviews are key to the governance process.

Plan design keeps MEPP secure

Plan design also plays a key role in providing secure and reliable retirement income. This year, we reviewed the Plan's design to ensure benefits are meeting both member and employer needs. In 2023, our actuary collaborated with us to clarify benefit objectives and reaffirm our guiding principles. This too aligns with our strategic goal of maintaining plan integrity.

In October, we held our first Professional Development Day. We gained a deeper understanding of the Plan, explored sustainability and the latest investment trends.

Member engagement is important to us

We continued to engage with MEPP members and employers. Along with regular communications, we also surveyed each group. It was reassuring to learn customer service satisfaction levels remain strong for members and employers. We also continue to survey members through our online community known as MEPPConnects, which continued to grow. And we launched a series of online workshops to help our valued employers.

In closing, I'm grateful to members of the Commission and the staff at Plannera Pensions & Benefits – MEPP's administrator, for another successful year. I would like to thank former Chair, Rod Quintin, for his steadfast leadership over these past two years. And, I would like to thank fellow Commission member, Mark Fedak, for serving two four-year terms – reflecting his dedicated service. I also welcome Wendy Gowda as Vice Chair of the Commission.

I am honoured to recognize the accomplishments of the Plan for 2024 and on behalf of the Commission, I present the Annual Report for the year ending December 31, 2024.

Plan Highlights (as at December 31, 2024)

over
$4.0 billion
plan **Assets**

over
$115.4 million
total **Pension Payroll**

over
$135.4 million
plan **Contributions**

125.7%
going concern **Funded Ratio***

*According to the Actuarial Valuation as at December 31, 2023. The going concern funded ratio includes explicit margins to protect the Plan against adverse deviations.

total **Fund Return** (return net of fees)(1-year return)
13.9%

total **Investment and Administration** costs
$51.2 million

total **Transfers, Refunds and Termination** payments
$30.0 million

29,619
plan Members

17,379 Active
4,534 Inactive
7,706 Pensioners

90% customer service Satisfaction*

Our members continue to rate our customer service highly, recognizing our efforts to make them feel like a valued customer and our ability to resolve their issues.

81% plan administration Satisfaction*

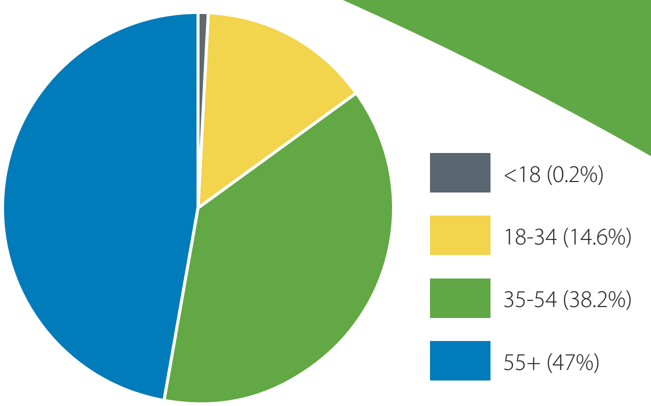
MEPP members are satisfied with how their pension plan is administered. MEPP is administered by Plannera Pensions & Benefits.

99% employer customer service Satisfaction*

Our 752 employers give high praise for the administrative support services they receive. They value the tools and resources available to help them perform employer-related duties and provide information to their employees.

264 online community Members

The MEPP Connects online community is an engaging platform where members can connect, collaborate, and share feedback with other MEPP members.



membership **Distribution by age**

* Member and Employer satisfaction surveys are conducted yearly.

PLAN profile

Sarah
MEPP Member

Municipal Employees' Pension Plan

MEPP's history began in the 1940s. Initially, the Rural Municipal Secretary Treasurers' Superannuation Plan was established in 1941. In 1949, the Urban Employees' Superannuation Plan was established. In 1959, these two plans joined to form the Municipal Employees' Superannuation Plan (MESP), which became a defined benefit plan in 1973. In 1995, MESP changed its name to the Municipal Employees' Pension Plan (MEPP).

MEPP is a defined benefit pension plan providing retirement benefits to municipal employees in Saskatchewan, unless they participate in another pension plan.

Plan membership includes the employees of:

- urban and rural municipalities;
- school divisions (other than teachers);
- le Conseil des écoles fransaskoises;
- regional libraries and colleges; and
- any other groups or organizations that may be designated by regulation of the Lieutenant Governor in Council.

Pensions are based on a formula that provides pension, disability, death and termination benefits for all eligible members.

The formula is based on highest average salary, pensionable service and the accrual rate in effect during the years of service.

Members contribute a fixed percentage of salary. Employers match these contributions.

The amount of pension a member will receive is not directly related to investment returns.

An adequate level of contributions and positive investment returns are necessary to secure the Plan's ability to pay benefits.

Under normal retirement rules, members may retire and receive a pension with no reduction if they are 65 years of age or if their age and eligibility service equal at least 80 years.

Members may retire and receive a reduced pension if they have reached age 55 and have at least 15 years of eligibility service.

Designated firefighters and police officers may receive an unreduced pension if their age and eligibility service equal at least 75 years, they are 55 years of age or they have at least 25 years of eligibility service.

These members may retire and receive a reduced pension if they have reached age 45 and their age and eligibility service equal at least 70.

MEPP is registered under the *Income Tax Act* (Canada) and *The Pension Benefits Act, 1992*. It is governed by *The Municipal Employees' Pension Act* (the Act) and regulated regulations.

MEPP provides retirement benefits to the employees of school divisions, urban and rural municipalities, regional colleges, regional public libraries and other local authorities within the province of Saskatchewan.

Municipal Employees' Pension Commission (as at December 31, 2024)

The Commission has 12 members, six appointed by participating employers and six by organizations that represent employee groups. The full term of office for Commission members is four years. A member may be appointed for two terms.

Every two years, the Commission members elect a Chair and a Vice-Chair. In November 2024, the Commission selected Ashley Stradeski and Wendy Gowda as Chair and Vice-Chair for 2025 and 2026.

The Commission has the fiduciary responsibility for administering MEPP and managing the investment activities in the best interests of all MEPP members.

Rod Quintin, Chair
Appointed in 2019
The Saskatchewan Association of School Business Officials

Ashley Stradeski, Vice-Chair
Appointed in 2018
Employers that employ designated members

Richard Beck
Appointed in 2021
Saskatchewan Urban Municipalities Association

Joe Couture
Appointed in 2022
Saskatchewan School Boards Association

Mark Fedak
Appointed in 2017
Saskatchewan School Boards Association

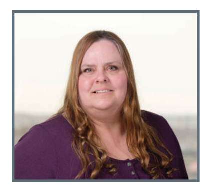
Wendy Gowda
Appointed in 2020
The Rural Municipal Administrators' Association of Saskatchewan

Evan Handley
Appointed in 2021
Associations representing designated firefighters and police officers

Beverley Lawreniuk
Appointed in 2021
Regional colleges/ Regional libraries

Glenda Lemcke
Appointed in 2021
The Urban Municipal Administrators Association of Saskatchewan

Bob Moulding
Appointed in 2022
The Saskatchewan Association of Rural Municipalities



Marney Robinson
Appointed in 2018
Trade unions other than CUPE, police and fire unions

Janice Wolfmueller
Appointed in 2016
Canadian Union of Public Employees (CUPE)

Goals • Mission • Vision • Values

Guiding all we do for you.

GOALS

Customer Service Excellence

The Commission is determined to identify, assess, and implement opportunities where appropriate that add value to the communication and service provided to Plan members and employers.

Plan Integrity

The Commission is committed to achieving the needs of Plan members and employers through affordable, sustainable Plan benefits and services.

Governance Leadership

The Commission strives to demonstrate leading practices in pension plan governance.

Transparent Accountability

The Commission informs the Plan's members and stakeholders about its strategy, operations and values, as well as how Plan performance is measured, managed and reported.

MISSION

Provide secure and predictable retirement income to plan members.

VISION

Sustain the value of the plan and the retirement income it provides.

VALUES

Accountability

We are accountable to the members and stakeholders of the Municipal Employees' Pension Plan for our administration of the Plan. We operate in a transparent manner.

Professionalism

We strive for excellence in our administration of the Municipal Employees' Pension Plan by being diligent and making informed decisions.

Integrity

As trustees of the Municipal Employees' Pension Fund (the Fund), we hold ourselves to the highest standards of integrity. We strive to act always with honesty and in a manner worthy of the trust our members have placed in us.

Fairness

We administer the Municipal Employees' Pension Plan in the best interests of all members of the Plan. We strive to ensure that our decisions are equitable for all Plan members by adhering to decision making that is fair and open-minded. Our actions are courteous, considerate and responsive.

Contracted Services

The Commission is ultimately responsible for the Plan's administration, communication and investment activities. To discharge these responsibilities, the Commission uses the services of various organizations.

The Commission contracts with Plannera to provide executive management and administrative services for the Plan. Plannera administers a wide range of pension and benefit plans.

Under contract with the Commission, Plannera:

- maintains all member and accounting records;
- collects and deposits contributions to the Fund;
- transfers contributions to the custodian of the Fund for investment;
- monitors, administers and assists in the execution of the Plan's investment program in accordance with the investment policy;
- calculates and pays all pension benefits;
- communicates with members and participating employers;
- recommends an actuary as an advisor to Plannera and the Commission, and retains an actuary selected on behalf of the Commission;
- recommends policy regarding calculating rates of interest and implements and calculates the rates of return for the Plan; and
- prepares the annual report.

Plannera is responsible for ensuring that all transactions are made in accordance with the Act, *The Pension Benefits Act, 1992,* and their related regulations.

The Commission retains CIBC Mellon Trust Company as the Plan custodian, KPMG as Plan auditor, TELUS Health as Plan actuary, Aon as strategic investment consultant, Hamilton Lane Advisors L.L.P as private markets investment consultant and Mintz as legal consultant.

The Commission also retains the investment managers listed on pages 23 and 24 of this report.

Commission Education

The Commission has an education program in place for members which they are required to attend. The purpose of the program is to ensure Commission members possess a sound knowledge and understanding of pension funding, investments, and governance related information.

Within one year of being appointed, members must attend education sessions on basic investment and actuarial principles, as well as a basic or introductory level course on board governance, trust management, administration and/or fund investment provided by a recognized school or industry expert.

Within two years of being appointed to the Commission, members are to complete a more advanced course on board governance, trust management and administration, and/or fund investment provided by a recognized school or an industry expert.

Commission members who have completed the formal education program are required to attend one educational event annually that is facilitated by an industry-recognized pension and benefits organization.

As part of their ongoing education, conferences and other events attended by Commission members provide them with information on the current governance, investment and legal environment affecting pension plans. These also provide opportunities for Commission members to meet with pension experts and trustees from other plans to discuss common issues.

As part of a comprehensive education program, sessions delivered by industry professionals were provided throughout the year as agenda items during Commission meetings and at the Commission's Professional Development Day in October.

During meetings in 2024, Commission members were provided education on:

- phased retirement;
- intergenerational equity;
- future mergers;
- energy transition;
- actuary and risk management;
- pension plan risks; and
- cybersecurity.

Table 1.3 on page 15 lists education events attended by Commission members in 2024.

To understand governance issues

Upon appointment, new Commission members receive the following:

- information outlining the documents that come before the Commission;
- MEPP member booklet;
- current annual report;
- information on the budget;
- Funding Policy;
- Statement of Investment Policies and Procedures (SIP&P);
- Strategic Business Plan;
- Risk Management Plan and review of the previous year's Risk Management Plan; and
- meeting minutes for the past year.

Within three months of appointment, members will receive an orientation provided by Plannera.

To understand pension investment

The purpose of the education program is to ensure Commission members possess sound knowledge and understanding of pension, investment and governance issues. The Commission budgets $5,000 per year for each Commission member for educational registration fees.

Meeting Attendance and Remuneration

Members of the Commission receive no compensation for the performance of their roles as Commission members. They are remunerated for expenses incurred while on Commission business and for education costs. Commission members are also remunerated for the time necessary to prepare for and conduct Commission business.

Remuneration is made according to Table 1.1.

	Chair	Member
Per Diem - meeting attendance	$450	$250
Per Diem - meals	$111.80	$111.80
Preparation for meeting attendance	$450	$250
Per Diem - education	$250	$250
Preparation for and attendance at sub-committee meetings	Sub-committee Chair, $225	$125
Travel - mileage	$0.565/km	$0.565/km
Travel - wear and tear	$0.30/km	$0.30/km
Course registrations - maximum/year	$5,000[1]	$5,000[1]
Expenses	reimbursement as incurred	reimbursement as incurred
Preparation for education attended, if required	$250	$250
Education - Exam	$125	$125

Table 1.1

[1] The course registrations limit can be exceeded with commission approval.

The Commission held nine regular meetings and two strategic planning sessions in 2024. There were also nine Private Market Committee meetings (only certain Commission members are part of this committee). Table 1.2 shows the number of meetings each Board member attended for the year.

Name	Meetings Attended	Meeting Honorariums, Fees and Expenses ($)
Rod Quintin, Chair	11	$ 13,372.22
Ashley Stradeski, Vice Chair*	16	9,058.96
Richard Beck*	13	10,569.81
Joe Couture	11	5,000.00
Mark Fedak*	19	11,292.40
Wendy Gowda	11	10,476.73
Evan Handley	9	6,925.45
Beverley Lawreniuk	11	7,556.72
Glenda Lemcke	11	9,202.91
Bob Moulding*	13	7,175.77
Marney Robinson	10	9,736.75
Janice Wolfmueller*	20	8,594.16
Total		**$108,961.88**

Table 1.2

* Private Market Committee member

Total Commission Remuneration in 2024

$150,312.71

Seminars, Courses and Other Events Attended in 2024

Name	Education Events Attended	Total Expenses Registrations, Honorariums and Travel Time[1] ($)
Rod Quintin, Chair	• Association of Canadian Pension Management National Conference	$ 5,915.16
Ashley Stradeski, Vice-Chair	• School of Pension Investment Management	7,150.66
Richard Beck	• Advanced Trust Management Standards Session B	2,547.50
Mark Fedak	• Canadian Pension and Benefits Institute Saskatchewan Regional Conference	1,786.81
Wendy Gowda	• Implementing a Practical Financial Wellness Approach (IFEBP)	0.00
Beverley Lawreniuk	• Advanced Trust Management Standards Session B	6,245.88
Bob Moulding	• Advanced Trust Management Standards Session B	5,753.83
Marney Robinson	• Association of Canadian Pension Management National Conference	6,167.22
Janice Wolfmueller	• Association of Canadian Pension Management National Conference	5,783.77
	Total Expenditures	**$41,350.83**

Notes: In addition to the ongoing education events listed above, comprehensive education sessions on private debt; global real estate; environmental, social and governance integration; guiding principles for sustainable investing; and co-investment were offered within the Commission meetings during 2024.

Table 1.3

[1] Cost variances are related to travel cost and honorariums per member.

ADMINISTRATION

Sheanna
MEPP Member

The Commission has contracted Plannera to carry out the day-to-day administration of MEPP and management of its assets. The cost for this is charged to the Plan.

Plannera provides all services required to operate, administer and manage the Plan in a manner consistent with and according to all statutory provisions and regulations that apply to the Plan.

To administer the Plan, Plannera:

- maintains all member and accounting records;
- collects and deposits contributions to the Fund (member accounts);
- transfers contributions to the custodian of the Fund for investment;
- handles all questions regarding plan provisions and methods of providing or arranging for the provision of pension benefits;
- calculates and pays all pension benefits;
- communicates with members and participating employers; and
- prepares the annual report.

Plannera also provides senior executive officer services and executive secretary services to the Commission.

The Commission and Plannera engage other service providers as required.

Income Allocation

In 2024, the Commission allocated interest to members' accounts at the rate of three per cent for the year.

New Pensions Started

	2024	2023
Normal Retirements	57	49
Early Retirements	189	189
Postponed Retirements	203	172
Survivor Pensioners	1	1
Total	**450**	**411**

Table 1.4

Operating Expenses (for the year ended December 31, 2024)

	Total Cost ($ thousands)	(%)
Administration costs	$11,047	21.52
Custodial fees	583	1.13
Investment management fees		
TD Asset Management Inc.	847	1.65
BlackRock Asset Management Canada Ltd.	163	0.32
Insight Investment Management Ltd	103	0.20
Foyston, Gordon & Payne Inc.	404	0.79
Snyder Capital Management, LP	792	1.54
Oberweis Asset Management, Inc.	660	1.28
Morgan Stanley Investment Management	1,248	2.43
Pzena Institutional Management	1,199	2.34
Robeco Institutional Asset Management	665	1.30
Neuberger Berman Investment Advisers LLC	306	0.60
Fidelity Investments Canada ULC	345	0.67
Infrastructure*	6,540	12.74
Canso Investment Council Ltd.	767	1.49
PIMCO Canada Corp.	764	1.49
Vontobel Asset Management Inc.	329	0.64
Private Credit*	353	0.69
Private Equity*	3,627	7.06
Farmland*	161	0.31
Performance fees		
Infrastructure*	8,497	16.55
Private Credit*	-	0.00
Private Equity*	3,637	7.08
BlackRock Asset Management Canada Ltd.	806	1.57
Other Investment fees	7,501	14.61
Total	**$51,344**	**100.00**

Table 1.5

*Infrastructure, Private Credit, Private Equity, and Farmland have multiple managers. Please see complete list on page 23.

Administration Service Standards

Plannera reports performance measurement against standards to the Commission quarterly. Table 1.6 provides measurement results for the 2024 year.

Service Standards (January 1, 2024 to December 31, 2024)

Task	Completed	Met or Exceeded Standard		Standard Business Days and %Target	
		Number	%	Days	Target %
Statement on Termination (Option Letter)	2,090	1,975	94.5	20	75
Statement on Death (Active/Deferred) (Option Letter)	42	41	97.6	10	80
Statement on Death (Pensioners) (Option Letter)	244	189	77.5	10	80
Payments (includes on termination and death)	1,445	1,370	94.8	10	80
Payment of New Retirements	458	437	95.4	15	80
Pension Estimates (Retirement Option Letter)	502	455	90.6	10	90
Marriage Breakdown Calculations	32	30	93.8	10	75
Purchase of Service	57	53	93.0	20	80
Portability Transfer Values	36	34	94.4	30	80
Total	**4,906**	**4,584**	**93.4**		

Table 1.6

15,505

email and phone inquiries were answered by the MEPP member service team

90%

of members rate the MEPP member service team highly in their ability to answer inquiries*

89%

of members feel like they are a valued customer when dealing with MEPP.*

392

meetings were held with MEPP employers

476

attendees at 33 virtual and in-person workshops

98%

satisfaction of 1:1 consultation with MEPP's Retirement Information Consultants

* Member satisfaction surveys are conducted yearly.

Employers

752
active employers

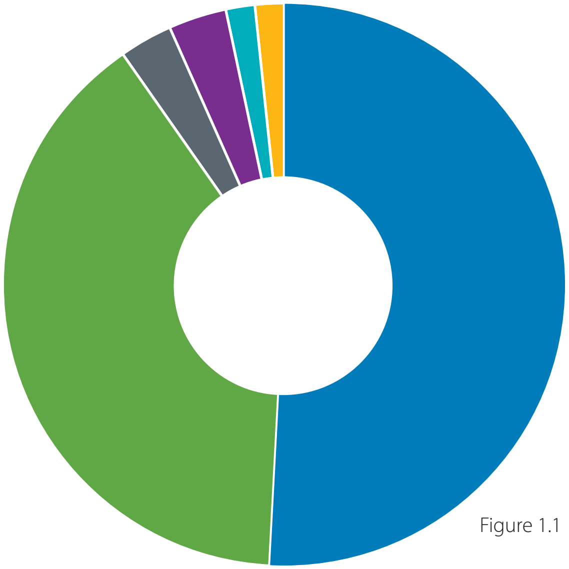


Figure 1.1

50.9% Towns and Villages (383)
39.4% Rural Municipalities (296)
3.2% School Divisions (24)
3.2% Other (24)
1.7% Regional Colleges & Libraries (13)
1.6% Cities (12)

Members by Employers

17,654
active members
by employers

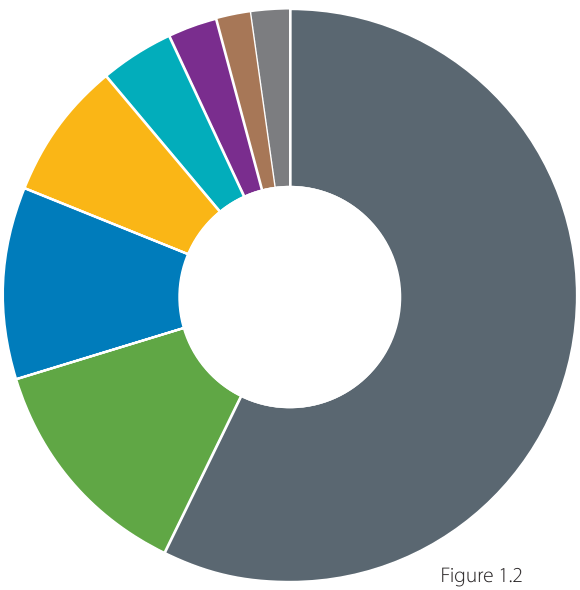


Figure 1.2

58.0% Schools (10,237)
13.0% Rural Municipalities (2,285)
11.0% Cities (1,849)
8.0% Towns (1,427)
4.0% Regional Colleges (612)
3.0% Villages (583)
2.0% Regional Libraries (403)
1.0% Other (258)

The above includes the number of active members working for each employer. Some members work for more than one MEPP employer (i.e., a rural municipality and a village), and as a result are counted more than once.

INVESTMENTS

Tina, MEPP Member

Investment Consultant

The Plan's Strategic Investment Consultant (SIC) is Aon. As the Commission's SIC, AON provides advice and guidance on strategic asset allocation based on periodic strategic reviews. In 2024, Aon provided strategic investment guidance and education to the Commission.

Mercer, as the General Investment Consultant (GIC), provides advice on a broad range of investment options with a focus on strategies resulting from market trends. In 2024, Mercer collaborated with Plannera and provided regular investment consulting services on the Plan's equity and fixed income managers, including performance monitoring, as outlined on pages 23 and 24.

The Plan's Private Markets Consultant is Hamilton Lane. In 2024, Hamilton Lane and Plannera worked together to continue to build out the Plan's private markets program by making commitments to new private equity, private credit, farmland and infrastructure funds. Hamilton Lane also assisted Plannera in providing regular investment consulting services on the Plan's private equity, private credit, farmland, and infrastructure managers, as outlined on pages 23 and 24.

Investment Managers

The Commission delegates responsibility for investing fund assets to professional investment managers. Each manager invests within a specific mandate, as outlined on pages 23 and 24.

Investment Policy

The investment policy is set out in the Statement of Investment Policies & Procedures (SIP&P), which the Commission reviews annually.

The SIP&P contains guidelines for the investment of Plan assets, and includes:

- investment and risk philosophy;
- asset mix and diversification policy, including portfolio return expectations;
- benchmarks for each investment manager and for the Fund;
- permitted investments and quality guidelines;
- monitoring and control responsibilities, including performance targets;
- compliance reporting and monitoring requirements; and
- conflict of interest guidelines.

Trustees

As trustees, the Commission is responsible for prudently investing the Fund's assets.

Custodian

The Commission retains CIBC Mellon as the custodian of the Plan. The custodian is responsible for:

- safekeeping of assets;
- collection of income;
- settlement of investment transactions; and
- recording and verifying investment transactions.

CIBC Mellon received $583,000 in custodial fees in 2024. (Table 1.5)

Fees for Investment Management

$32,907,000

Investment Managers	$19,273,000
Investment Management Performance	$12,940,000
Investment Consultant	$694,000

Table 1.7

Investment Managers

The use of different managers allows for diversification of the investments. This practice allows the Plan to employ multiple investment styles that can focus on separate regions or sectors for investment, reducing the risk that any one region, sector or style may suffer during any economic cycle or event.

Private Equity

- Avista Healthcare Partners
- Centerbridge Capital
- CD&R
- Clarion Investors
- CVC Capital
- ECI Partners
- FSN Capital Partners
- General Catalyst Partners
- Genstar Capital Partners
- Great Hill Partners
- Harvest Partners
- H.I.G. Advantage Advisors
- Insight Venture Management Ltd.
- K1 Investment Management
- L Catterton
- Latour Capital Management
- Lexington Partners
- Lovell Minnick Equity Partners
- Main Capital
- Neuberger Berman Group
- New Mountain Capital
- Saw Mill Capital
- Silver Lake Management
- SKCP Catalyst Fund
- Stirling Square Capital Partners
- The Jordan Company Partners
- Technology Crossover Ventures
- Thompson Street Capital Manager
- Torquest Partners
- Vista Equity Partners
- Wynnchurch Capital

Infrastructure

- 3i Investments
- Antin Infrastructure Partners
- Arcus Infrastructure Partners
- Ardian Infrastructure
- Arroyo Energy Group
- Brookfield Infrastructure Partners
- CIM Group
- DIF Infrastructure Coöperatief
- Global Infrastructure Partners Fund
- IFM Global Infrastructure
- ISQ Global Infrastructure Fund III
- KKR Global Infrastructure Investors
- Macquarie Asia Infrastructure Management Limited
- Northleaf Capital Partners
- Novacap Digital Infrastructure
- Q-energy
- Starwood Energy Group
- Stonepeak Associates
- Tiger Infrastructure Partners

Global Equity

- Morgan Stanley Investment Management
- Pzena Institutional Management
- Robeco Institutional Asset Management
- Vontobel Asset Management Inc.

Investment Managers (continued)

Private Credit

- Ares Management
- BC Partners
- Castlelake
- Falcon Investment Advisors
- Fiera Private Debt
- FP Credit Partners
- New Mountain Capital
- North Haven Credit Partners IV
- Oak Hill Advisors
- Plexus Capital

Canadian Equity

- Foyston, Gordon & Payne Inc.
- Fidelity Investments Canada ULC

Farmland

- PGIM
- Tiverton
- U.S. Agriculture

Single Mandates

BlackRock Asset Management Canada Ltd.	Long Bonds Plus
Canso Investment Council Ltd.	Corporate Bonds
PIMCO Canada	Core Plus Bonds
BlackRock Asset Management Canada	U.S. Equities
Oberweis Asset Management, Inc.	EAFE Small Cap Equities
Numeric Investors	Emerging Markets Equities
Snyder Capital Management, LP	U.S. Small Cap Equities
Insight Investment Management	Currency
TD Asset Management	Canadian Real Estate

Investment Objectives

The Fund's primary objective is to grow at a rate which exceeds the growth of the Plan's liabilities.

To achieve its goal, the Commission has established:

- a long-term strategic asset mix that is reflected by the Plan's benchmark (a standard against which performance is measured);
- an investment management structure consisting of one or more investment managers in each major asset class; and
- a liability benchmark to approximate the growth of the Plan's going-concern pension liabilities.

Assets by Investment Managers

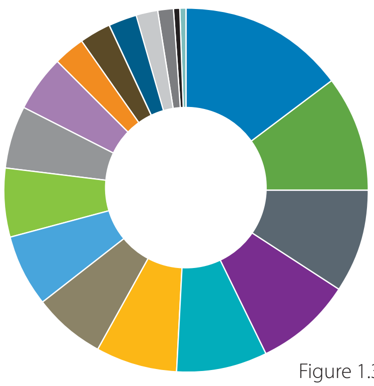


Figure 1.3

14.9%	Infrastructure (Various)
10.1%	Private Equity (Various)
9.4%	Canso Investment Council
8.5%	PIMCO Canada
8.2%	BlackRock Asset Management Canada
7.0%	Morgan Stanley Investment Management
6.5%	Vontobel Asset Management
6.5%	Robeco Institutional Asset Management
6.0%	Pzena Institutional Management
5.6%	Numeric Investors
4.8%	TD Asset Management
3.0%	Fidelity Investments Canada
2.8%	Foyston, Gordon & Payne
2.3%	Snyder Capital Management
2.1%	Oberweis Asset Management
1.2%	Cash & Misc.
0.8%	Private Credit (Various)
0.3%	Farmland (Various)

MEPP Asset Mix

27.3%	Fixed Income and Cash
26.0%	Global Equities
14.9%	Infrastructure
10.1%	Private Equity
5.7%	Canadian Equities
5.6%	Emerging Markets Equities
4.9%	Real Estate
4.4%	Foreign Small Cap Equities
0.8%	Private Credit
0.3%	Farmland

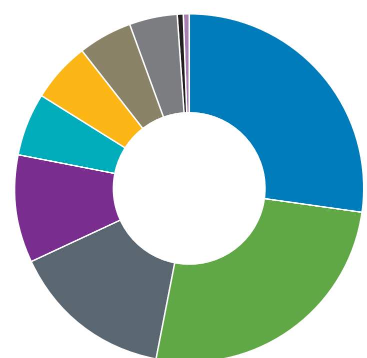


Figure 1.4

Performance by Asset Class

Asset Class	One-year Return Net as at December 31, 2024	One-year Benchmark
Fixed Income	5.7%	5.0%
Canadian Equities	19.0%	21.7%
Foreign Large Cap Equities	25.1%	29.0%
Foreign Small Cap Equities	21.2%	17.4%
Emerging Market Equities	21.5%	17.3%
Real Estate	-0.1%	0.6%
Infrastructure	16.5%	6.6%
Private Credit	4.9%	11.6%
Private Equity	17.5%	35.9%

Table 1.8

Foreign Currency Investment Manager

In 2024, this strategy had an impact of negative three per cent on foreign equities exposure, consistent with the benchmark.

Overall, the fund outperformed the benchmark on both a one-year and a four-year basis.

The total one-year return (13.9 per cent) outperformed the benchmark (13.1 per cent) by 0.8 per cent.

The total four-year return (7.0 per cent) outperformed the benchmark (5.9 per cent) by 1.1 per cent.

Asset Class	Four-year Return Net as at December 31, 2024	Four-year Benchmark
Fixed Income	-0.9%	-1.4%
Canadian Equities	14.4%	12.5%
Foreign Large Cap Equities	11.3%	13.2%
Foreign Small Cap Equities	3.6%	6.1%
Emerging Market Equities	-0.8%	0.9%
Real Estate	5.1%	4.3%
Infrastructure	14.1%	9.2%
Private Credit	n/a	n/a
Private Equity	21.0%	17.6%

Table 1.9

GOVERNANCE

Kerri
MEPP Member

Key Performance Indicators

Critical Success Factors

The Plan needs to measure its performance in areas that are critical for success if it is to deliver the services that members expect. The Plan measures these critical success factors in four categories:

Customer measures track the performance of key customer-related tasks and member feedback on how well the Plan is doing in terms of the information and services it provides members.

Financial measures track the Plan's performance in the areas of administration costs and investment performance.

Innovation and Learning measures track the Commission's performance of educational activities supporting its oversight of the Plan's administration and investment activities.

Internal measures track the Plan's performance in the area of internal administration and governance processes.

Establishing targets ensures that the Commission is able to:

- review the Plan's performance of key administrative tasks against a standard of practice;
- track any changes in performance over time; and
- be aware of the areas of strength and weakness in the Plan's administration.

The Commission reviews these key performance indicators semi-annually. A review of the Plan's performance in 2024 is provided on the following pages.

Summary

The Plan met 12 of 13 key performance indicators in 2024. All measures in the Customer, Internal and Innovation and Learning quadrants met or exceeded targets.

Member transactions met the service standard targets set for Plan administration.

Member satisfaction with the quality of customer service and communications met targets as measured by the annual member survey.

Within the financial category, a supplementary budget request was required to cover administrative costs, and the fund rate of return exceeded the benchmark.

All of the Commission's key service providers were evaluated during the year and rated as "satisfactory".

The Plan demonstrated 100 per cent compliance with the best practice governance principles set out by the Canadian Association of Pension Supervisory Authorities (CAPSA).

Within its 2024 meetings, the Commission received education on phased retirement, intergenerational equity, future mergers, energy transition, actuarial principles, risk management, pension plan risks, and cybersecurity.

Customer

Critical Success Factor	Measure	Target	Result
Provide service within service standard	Member transactions within service standards	More than 80 per cent of transactions meet the service standard.	Met
Effective communication (Member)	Member satisfaction with information sessions	More than 90 per cent of member survey responses indicate satisfaction with information sessions.	Met
Quality of customer service (Member)	Member satisfaction with quality of customer service	More than 80 per cent of member survey responses indicate satisfaction with customer service.	Met
Effective communication (Member)	Member satisfaction with quality of communication materials	More than 80 per cent of member survey responses indicate satisfaction with Plan materials.	Met
Quality of customer service (Employer)	Employer satisfaction with quality of customer service	More than 90 per cent of employer survey responses indicate satisfaction with customer service.	Met

Table 1.10

Financial

Critical Success Factor	Measure	Target	Result
Returns greater than benchmarks	Measure of the value-add in relation to the benchmark for the Fund	Rolling four-year rate of return is greater than the Fund benchmark.	Met
Plan sustainability	Management valuation target funding ratio	Management valuation target funding ratio ensures sufficient assets to pay for future benefits.	Met
Performance to budget	Administration costs are less than budgeted	Administration costs are within budgeted amount.	Not met[1]

[1] The Commission's budget cycle is April 1, 2024 to March 31, 2025. At December 31, 2024, Plan expenses were anticipated to exceed the original approved budget. A supplementary budget request is required to cover costs.

Table 1.11

Innovation and Learning

Critical Success Factor	Measure	Target	Result
Commission leadership	Commission engages in ongoing education	At least 80 per cent the Commission undertakes a course.	Met

Table 1.12

Internal

Critical Success Factor	Measure	Target	Result
Governance excellence	Compliance with CAPSA Guidelines	Plan demonstrates 100 per cent compliance with CAPSA guidelines.	Met
Plannera leadership	Satisfactory rating for executive management services	Commission's evaluation of its administrator shows satisfaction with the executive management services provided.	Met
Supplier management	Investment manager compliance reporting, annually	All required compliance reports are submitted.	Met
Supplier management	Service provider performance is satisfactory	Performance of all service providers is satisfactory.	Met

Table 1.13

Strategic Goals

Customer Service Excellence

The Commission is determined to identify, assess, and implement opportunities where appropriate that add value to the communication and service provided to Plan members and employers.

Plan Integrity

The Commission is committed to achieving the needs of Plan members and employers through affordable, sustainable Plan benefits and services.

Governance Leadership

The Commission strives to demonstrate leading practices in pension plan governance.

Transparent Accountability

The Commission informs the Plan's members and stakeholders about its strategy, operations and values, as well as how Plan performance is measured, managed and reported.

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MEPP Member

Strategic Initiatives

The Commission conducts periodic strategic planning sessions and reviews the strategic plan at least annually. On April 19, 2024, the Commission held a strategic business planning session and developed a strategic business plan for 2024-2025.

The strategic business plan is developed as part of the Commission's comprehensive governance process, and includes regular strategic business planning and risk management planning. It is developed within the context of the Plan's purpose, mission, vision and goals, and the Commission's values of accountability, professionalism, integrity and fairness.

The updated strategic business plan considers a number of internal and external factors. A summary of the strategic business plan for 2024-2025 is available on the Plan website.

Customer Service Excellence

The Commission is determined to identify, assess, and implement opportunities where appropriate that add value to the communication and service provided to Plan members and employers.

Objectives

- Provide members with information about the Plan, including individual member benefits and responsibilities, that is easy to understand, relevant, accurate, and timely;
- Support participating employers in their responsibilities; and
- Maintain an up-to-date suite of services that meet evolving member needs.

Activities accomplished in 2024

- Plannera's Retirement Information Consultants offered in-person *Your Path to Retirement* workshops across the province, including virtual and employer-driven options.
- Plannera provided virtual and in-person workshops and one-to-one meetings to help MEPP members prepare for a successful retirement.
- The Commission updated its strategy for engagement with members and stakeholders designed to improve members' awareness through education and the resources available to them.
- Plannera engaged with members and employers to determine their needs through regular research, including member and employer satisfaction surveys.

Plan Integrity

The Commission is committed to achieving the needs of Plan members and employers through affordable, sustainable Plan benefits and services.

Objectives

- Assess, manage, and monitor risk in the context of the interdependence that exists between the Plan's assets and liabilities;
- Preserve the accrued benefits for active and retired members and their beneficiaries; and
- Provide sustainable benefits that are supported by the contributions required to meet the funding needs of the Plan.

Activities accomplished in 2024

- The Commission conducted an Asset Liability Study and reviewed the asset mix to assess, manage, and monitor risk that exists between the Plan's assets and liabilities. Recommendations have been implemented.
- The Commission completed a Plan Design Review of benefits including uptake of options, costs, and inter-member equity. The Commission approved the *Statement of Benefits Objectives and Beliefs* to be used as an internal governance document.
- The Commission approved 19 private market investments in Private Equity, Infrastructure, Private Credit and Farmland funds.

Governance Leadership

The Commission strives to demonstrate leading practices in pension plan governance.

Objectives

- The Plan's business model, including roles and responsibilities of both the Commission and the contracted service providers, is consistent with the Plan's strategy and operations;
- Continuous improvement in the Commission's oversight of the Plan; and
- Organizations that appoint people to the Commission understand the Commission's needs when making their appointments.

Activities accomplished in 2024

- The Commission has established service standards and completed a formal evaluation of the performance of all its service providers.
- The Commission approved amendments to its governance policies in March and November 2024.
- The Commission made decisions to support Plannera's new corporate structure. All governance and legislative requirements have been met.
- The President and Chief Executive Officer (CEO) of Plannera, Commission's Chair and Plannera's Corporate Board Chair meet quarterly.

Transparent Accountability

The Commission informs the Plan's members and stakeholders about its strategy, operations and values, as well as how Plan performance is measured, managed and reported.

Objectives

- Members, employees and other stakeholders receive relevant and timely reporting on the performance of the Plan, the Commission, and service providers; and
- Members, employers and other stakeholders are informed about how the Commission's strategy, operations, and values impact the operation of the Plan.

Activities accomplished in 2024

- Information about Key Performance Indicators is available within this annual report.
- Activity reports to stakeholders are made available on the Plan website after each regular Commission meeting.
- The Commission's governance manual, a summary of its strategic business plan, and the Governance Self-Assessment Questionnaire are made available on the Plan website.
- The annual report is published on the Plan website.
- The development and implementation of a strategic business plan.

Risk Management

Risk Management Philosophy

Annually, the Commission will conduct a risk management review. This review is designed to identify potential events and trends that may positively or negatively affect the Commission's ability to achieve its strategic goals or maintain its operations. These events and trends are defined as risks.

The risk management process and review ensures that the Commission identifies and evaluates risks, ensures appropriate strategies are in place to manage these risks, and reviews the performance of the risk management strategies for the previous year.

The Risk Management Plan and its annual review ensure that a regular, documented process is in place for the management of the Plan's foreseeable risks. Documenting the rationale for arriving at decisions strengthens accountability and demonstrates due diligence.

The Commission is committed to creating and maintaining value for the stakeholders of the Plan. The Plan faces risks as the Commission fulfills this commitment. Therefore, the Commission is responsible for managing all foreseeable risks that could affect the operation of the Plan and its stakeholders. Through its risk management process, the Commission identifies, measures, monitors and manages these risks in a manner that is consistent with the Commission's governance model.

Broad-based Risks

Broad-based Risks	Definition of Risk	Key Risks
Strategic Risk	Encompasses the potential risks as they relate to communications and service delivery, plan design suitability, plan reputation, plan governance, and accountability.	Communications Governance Plan structure
Financial Risk	Relates to the investment, funding and benefit policies, plan design costs, and demographic considerations.	Investment structure Employers withdrawing from the Plan Risk of losses
Regulatory Risk	Is associated to non-compliance with legislation, fiduciary obligations and the legal requirements of pension plan management.	Non-compliance
Operational Risk	Includes operational emergencies and non-compliance with governance policies.	Performance by investment managers Plannera as service provider Other service providers Adverse deviations

Table 1.14

The Commission developed and implemented these strategies and business practices to manage the identified risks:

- The Commission **consults with stakeholders periodically.** A stakeholder consultation process provides employers and Plan members with the opportunity to consider the affordability of the benefits provided and the contributions needed to fund these benefits.
- The Commission **regularly reviews plan design.** A formal funding policy as part of the design enables the Commission to be proactive in managing the financial status of the Plan.
- The Commission is **committed to communication that informs members and employers on the Plan.**

  The Commission's administrator provides retirement information seminars and individual information to Plan members.

  Information tools include: member and employer seminars, employer bulletins and guides, written materials, focus groups and online resources such as the Plan website, social media, videos, webinars, surveys, member online account, and the MORe retirement calculator.
- The Commission **receives regular reports on administrative activities**, including service standards and key performance indicators.
- The **Periodic Checklist is a list of major items** identified by the Commission that are necessary for the administration of a pension plan. The checklist allows verification that an activity has been carried out.

  The completed Periodic Checklist is provided to the Commission on a semi-annual basis.
- The Commission **strives to demonstrate leading practices in pension plan governance**. This includes regular review of its Governance Manual to ensure it is comprehensive and effective.
- The Commission formally **reviews its Strategic Business Plan** annually.
- The Commission has an **Acquisition and Retention of Services policy** that details how the Commission is to retain and evaluate service providers. The Commission retains service providers who are experts in the responsibilities to which they are assigned with respect to the Plan.
- The Commission **evaluates the performance of the executive management services provided by its administrator, strategic investment consultant, private markets consultant, actuary, investment managers, custodian, legal service provider, and auditor** at least annually unless the Commission is transitioning to a new service provider or the current service provider has provided an insufficient length of service to evaluate.
- The Commission has a **SIP&P that outlines the Commission's investment beliefs and provides for risk management through diversification of asset classes, capital markets and investment managers**.

  The SIP&P defines the benchmark to which investment performance is measured. The Commission annually reviews the SIP&P and monitors investment performance.
- The Commission **ensures initiatives and Plan-related activities are adequately funded** through its budgeting process.
- The **Commission's administrator has internal controls in place**, which are reported on annually by the external auditors.
- Commission members are required to **review and sign the Commission's Code of Conduct and Conflict of Interest Procedures** annually.
- The Commission requires that **service providers confirm that they maintain business continuity plans and adhere to a code of conduct**.
- In order to identify and mitigate risks that affect the Plan, the Commission **undertakes an annual risk management process**.
- The Commission **consults with legal counsel and other expert advisors** regarding issues on which it is deliberating.
- Periodically, the Commission **reviews existing products, services and practices** the Plan offers to its members.

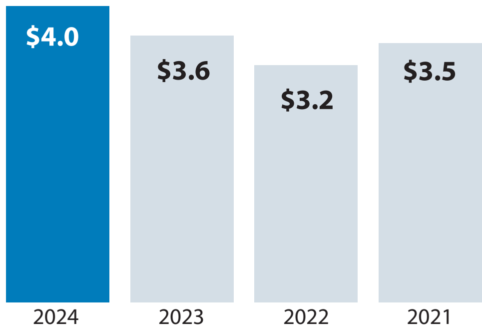
Activities Completed in 2024

The following risk management activities were completed in 2024:

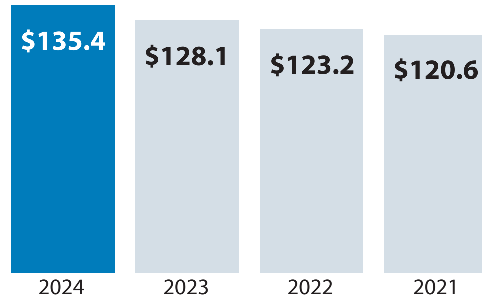
- The Commission **received the results of the annual member satisfaction survey** in February 2024, which provides an opportunity to assess member needs, improve services and ensure alignment with member expectations.
- The Commission **communicated with members using a variety of communication channels** and, where appropriate, targeted messages were employed for various demographic groups within the Plan's membership.
- The Commission **enhanced the Employer Engagement Strategy** to effectively utilize communication channels for disseminating Plan information to members. These included Employer Bulletins, on-site consultations, trade shows, presentations, email and telephone inquiries.
- The Commission **evaluates all its service providers against established performance standards** annually.
- All service providers are required to **maintain a business continuance plan and, every two years, certify that their staff abide by a code of conduct and/or conflict of interest policy**.
- Plannera has a **Service Level Agreement with MEPP** with clearly defined service expectations.
- The Commission effectively **assessed and managed its financial, legal, and reputational risks through annual third-party audits**. Plannera continues to invest in a comprehensive insurance program that covers potential financial and reputational damages.
- The Commission **completed an Asset Liability Study** that reviewed the alignment of the Plan's assets and investment risk with its underlying liabilities. The study concluded with approval of a new asset mix in February 2023 and implementation activities were completed in 2024.
- The Commission **monitored the Plan's liquidity, investments and asset mix**, acting as required.
- The Commission **periodically reviews the Plan design and administrative practices** in an effort to efficiently improve services to members.
- The Commission **reviewed a report benchmarking the Plan's investment performance** as compared to other similar pension plans.
- The Commission **reviewed the activities undertaken as part of its 2023 Risk Management Plan**, and approved its Risk Management Plan for 2024.
- The Commission **reviewed and updated its Governance Manual** to incorporate legislative or regulatory updates.
- The Commission **filed all reporting requirements** in a timely manner with regulators.
- Within regular meetings, the **Commission received education on cybersecurity,** which is designed to inform the Commission about current cyber risks, focusing on ISO27001 standards and best practices. The Commission also **participated in a Risk Management learning and development session** in October 2024.

Looking Back

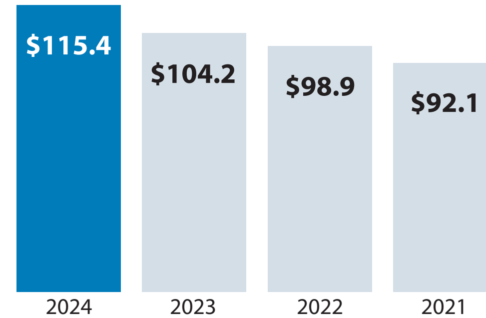
Plan Assets (billions)



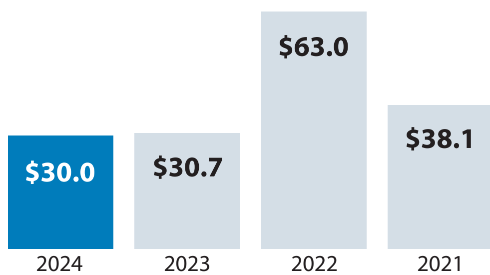
Total Contributions (millions)



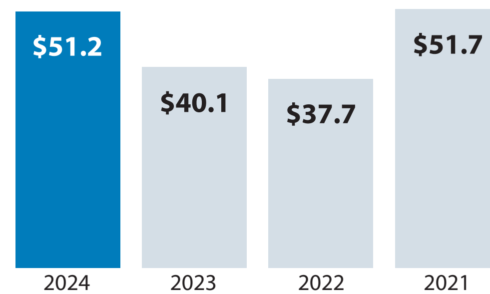
Pension Payroll (millions)



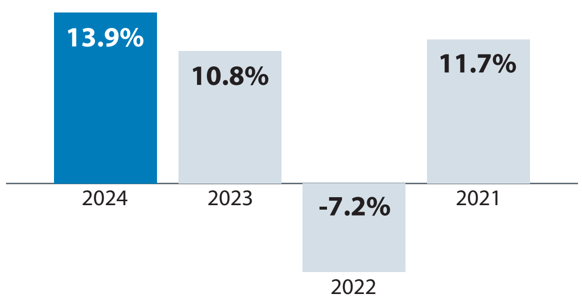
Transfers, refunds & termination payments (millions)



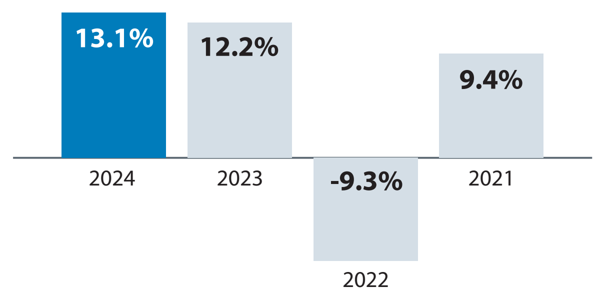
Investment & Administration Costs (millions)



Fund Return



Fund Benchmark



Management's Report

To the Members of the Legislative Assembly of Saskatchewan

Administration of MEPP is presently assigned to Plannera Pensions and Benefits. Management is responsible for financial administration, administration of funds and managing of assets.

The financial statements which follow have been prepared by management in conformity with Canadian accounting standards for pension plans. Management uses internal controls and exercises its best judgment in order that the financial statements fairly reflect the financial position of the Plan.

The Commission reviews and approves the financial statements. In doing so, the Commission has had the opportunity to discuss the statements with management throughout the year.

The provision for annuity benefits and the accrued pension benefits are determined by an actuarial valuation. Actuarial valuation reports require best estimate assumptions about future events and require approval by management.

The financial statements have been audited by KPMG whose report follows.

Jeremy Phillips
President and Chief Executive Officer
Plannera Pensions and Benefits

Regina, Saskatchewan
March 21, 2025

TELUS Health

Actuarial Opinion

This opinion is given with respect to the Municipal Employees' Pension Plan (the "Plan").

We performed a valuation based on the Plan provisions and assumptions as at December 31, 2024. The membership data was determined as at December 31, 2023. The valuation was prepared to provide the 2024 year-end information to be disclosed in the Plan's financial statements and the actuarial opinion required by the auditor in accordance with Section 4600 of the Chartered Professional Accountants Canada Handbook – Accounting ("CPA 4600").

In our opinion, for the purposes of this actuarial valuation:

- The membership data on which the valuation is based are sufficient and reliable for the purposes of the valuation.
- The assumptions are appropriate for the purposes of the valuation.
- The calculations have been made in accordance with our understanding of the requirements of CPA 4600.

This report has been prepared, and our opinions given, in accordance with accepted actuarial practice in Canada.

Actuarial valuation results are only estimates. Actuarial valuations are performed based on assumptions and methods that are in accordance with sound actuarial principles. Emerging experience differing from these assumptions may result in gains or losses. These gains or losses will be revealed in future actuarial valuations.

Douglas Stafford
Fellow, Canadian Institute of Actuaries

Henry Yuen
Fellow, Canadian Institute of Actuaries

TELUS Health
768 Seymour Street, 11th Floor
Vancouver, BC V6B 3K9

February 11, 2025

FINANCIAL statements

Chaun, Dagmar, Tina and Jessicah
MEPP Members

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Legislative Assembly, Province of Saskatchewan

Opinion

We have audited the financial statements of the Municipal Employees' Pension Plan (the Plan), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of changes in net assets available for benefits for the year then ended
- the statement of changes in pension obligations and provision for annuity obligations for the year then ended
- and notes to the financial statements, including a summary of material accounting policies (Hereinafter referred to as the "financial

statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Plan as at December 31, 2024, and its changes in net assets available for benefits and its changes in pension obligations and provision for annuity obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditor's Responsibilities for the Audit of the Financial Statements"** section of our auditor's report.

We are independent of the Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises:

- the 2024 Annual Report

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor’s report thereon, included in the 2024 Annual Report document as at the date of this auditor’s report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor’s report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for pension plans, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion.

Page 3

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards 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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan'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 Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Plan's to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- 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 we identify during our audit.

KPMG LLP

Chartered Professional Accountants Regina, Canada
March 21, 2025

Municipal Employees' Pension Plan
Statement of Financial Position

Statement 1

(in thousands)

As at December 31		2024		2023
	Defined Benefit	Retirement Annuities	Total	Total
ASSETS				
Investments (Note 4)	$ 3,856,669	$ 13,935	$ 3,870,604	$ 3,362,706
Investments under securities lending program (Note 4)	103,126	373	103,499	139,756
	3,959,795	14,308	3,974,103	3,502,462
Plannera prepaid (Note 6)	4,675	17	4,692	-
Accounts receivable				
Employees' contributions	4,082	-	4,082	3,520
Employers' contributions	4,082	-	4,082	3,520
Accrued investment income	8,743	32	8,775	9,805
Investment receivables	1,315	5	1,320	2,298
Other receivables	125	-	125	222
Plannera loan receivable (Note 7)	1,694	6	1,700	-
	20,041	43	20,084	19,365
Due from General Revenue Fund (Note 8)	-	-	-	8,935
Cash (Note 8)	91,596	331	91,927	72,060
Total assets	4,076,107	14,699	4,090,806	3,602,822
LIABILITIES				
Accounts payable	7,512	27	7,539	7,812
Investment liabilities	4,367	16	4,383	3,867
Derivative liability (Note 5)	13,234	48	13,282	-
Provision for annuity obligations (Statement 3, Note 11)	-	6,558	6,558	7,541
Total liabilities	25,113	6,649	31,762	19,220
NET ASSETS AVAILABLE FOR BENEFITS (Statement 2)	4,050,994	8,050	4,059,044	3,583,602
Pension Obligations (Statement 3, Note 12)	2,539,396	-	2,539,396	2,422,265
SURPLUS	$ 1,511,598	$ 8,050	$ 1,519,648	$ 1,161,337

(See accompanying notes to financial statements)

Municipal Employees' Pension Plan
Statement of Changes in Net Assets Available for Benefits

Statement 2

(in thousands)

Year Ended December 31	2024 Defined Benefit	2024 Retirement Annuities	2024 Total	2023 Total
INCREASE IN ASSETS				
Investment income (Note 4)	$ 74,845	$ 281	$ 75,126	$ 85,442
Security lending income	191	1	192	146
	75,036	282	75,318	85,588
Change in fair value of investments	459,386	1,723	461,109	300,574
Contributions				
Employee contributions	67,284	-	67,284	63,774
Employer contributions	67,208	-	67,208	63,736
Reciprocal transfers in	901	-	901	519
Arrears contributions and interest	27	-	27	27
	135,420	-	135,420	128,056
Net decrease in provision for annuity benefits (Statement 3, Note 11)	-	983	983	902
Total increase in assets	669,842	2,988	672,830	515,120
DECREASE IN ASSETS				
Transfers and refunds (Note 10)	26,044	-	26,044	25,216
Benefit payments (Note 10)	3,939	-	3,939	5,527
Pension obligations payments	114,174	-	114,174	102,861
Annuities	-	1,212	1,212	1,366
Investment transaction costs	791	3	794	993
Administrative expenses (Note 14)	51,034	191	51,225	39,123
Total decrease in assets	195,982	1,406	197,388	175,086
INCREASE IN NET ASSETS	473,860	1,582	475,442	340,034
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	3,577,134	6,468	3,583,602	3,243,568
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	$ 4,050,994	$ 8,050	$ 4,059,044	$ 3,583,602

(See accompanying notes to financial statements)

Municipal Employees' Pension Plan
Statement of Changes in Pension Obligations and Provision for Annuity Obligations

Statement 3

Year Ended December 31		(in thousands) 2024		2023
PENSION OBLIGATIONS, BEGINNING OF YEAR	$	2,422,265	$	2,222,267
Increase in pension obligations				
Interest on pension obligations		151,522		143,349
Pension obligations accrued		108,958		99,296
Transfers-in		901		519
Change in assumptions		27,783		47,998
Ad-hoc pension increase (Note 1)		-		62,721
		289,164		353,883
Decrease in pension obligations				
Transfers, refunds and defined pension obligations paid		144,157		133,604
Experience gain		27,876		20,281
		172,033		153,885
PENSION OBLIGATIONS, END OF YEAR (Note 12)	$	2,539,396	$	2,422,265
PROVISION FOR ANNUITY OBLIGATIONS, BEGINNING OF YEAR	$	7,541	$	8,443
Increase in provision for annuity obligations				
Interest on annuity obligations		437		504
Change in assumptions		34		75
		471		579
Decrease in provision for annuity obligations				
Annuities paid		1,212		1,366
Experience gain		242		115
		1,454		1,481
PROVISION FOR ANNUITY OBLIGATIONS, END OF YEAR (Note 11)	$	6,558	$	7,541

(See accompanying notes to financial statements)

December 31, 2024

1. Description of the Municipal Employees' Pension Plan

General

The Municipal Employees' Pension Plan (the Plan) which is domiciled in Regina, Saskatchewan, is comprised of three components: defined benefit, defined contribution benefit and retirement annuities. The following description of the Plan is a summary only. For more complete information, reference should be made to *The Municipal Employees' Pension Act* (the Act).

The Act provides authority for the Plan. The Act directs that all allowances, payments and refunds under the Act shall be payable out of the Plan in the manner provided in the Act together with all benefits granted under a former Act. The Municipal Employees' Pension Commission (the Commission) is responsible for holding in trust and investing the monies of the Plan. The Commission's composition and authority to administer the Plan are provided in Section 7 of the Act. The Plan was administered by the Public Employees Benefits Agency (PEBA) until December 31, 2023. Effective January 1, 2024, The Public Pension and Benefits Administration Corporation, operating as Plannera Pensions and Benefits (Plannera, the corporation), began administering the Plan. As per Order in Council #194-2024, the Government of Saskatchewan authorized PEBA to delegate the administration of the Plan to Plannera. Plannera is a not-for-profit organization without share capital whose Members consist of the Municipal Employees’ Pension Commission (MEPC) and the Public Employees Pension Board (PEPB).

The Plan is registered under *The Pension Benefits Act, 1992* and is required to provide valuations every three years as to whether the Plan has sufficient assets to meet its pension obligations on an on-going basis as well as on a hypothetical wind-up basis. These valuations are filed with the Financial and Consumer Affairs Authority (FCAA). If the Plan has insufficient assets, the Act outlines the steps to address the shortfall of assets. The Commission filed its December 31, 2023 valuation with the FCAA. The Plan is required to file the next actuarial valuation no later than September 30, 2027.

Defined Benefit Component

The Defined Benefit Component became effective July 1, 1973. This Defined Benefit Component is mandatory for permanent employees and optional for some non-permanent employees.

A. Funding

Employee contributions were nine per cent of salary for general members and 12.50 per cent for emergency members (2023 - nine per cent and 12.50 per cent, respectively). Employee contributions are matched by the employer. There are some employee contributions that are not matched by employers, these contributions consist of transfers from other plans and purchase of prior services.

1. Description of the Municipal Employees' Pension Plan (continued)

B. Pensions

Employees receive a pension at age 65 for general members and at age 60 for police officers and firefighters, for each year and fractional year of contributory service in the Plan prior to retirement that is determined as:

For members who commenced employment prior to January 1, 1993**:**

For service earned before 1990 and service earned after 2000 but before 2006, the number of years of contributory service during these periods times the greater of:

a) 1.8 per cent times the average salary for the highest three annualized years of the member's total pensionable service in the Plan (two per cent for police officers and firefighters); or

b) i) 1.3 per cent of that portion of the member’s average salary not exceeding the average yearly maximum pensionable earnings under the Canada Pension Plan; and

ii) two per cent of that portion of the member's average salary exceeding the average yearly maximum pensionable earnings under the Canada Pension Plan.

For all other service, the number of years of contributory service for the period times the greater of:

a) 1.5 per cent times the average salary for the highest three annualized years of the member's total pensionable service in the Plan (1.7 per cent for police officers and firefighters); or

b) i) 1.3 per cent of that portion of the member's average salary not exceeding the average yearly maximum pensionable earnings under the Canada Pension Plan; and

ii) two per cent of that portion of the member's average salary exceeding the average yearly maximum pensionable earnings under the Canada Pension Plan.

For members who commenced employment on or after January 1, 1993:

For service earned after 2000 but before 2006, the number of years of contributory service during this period times 1.8 per cent times the average salary for the highest three annualized years of the member's total pensionable service in the Plan (2.0 per cent for police officers and firefighters).

For all other service, the number of years of contributory service for the period times 1.5 per cent times the average salary for the highest three annualized years of the member's total pensionable service in the Plan (1.7 per cent for police officers and firefighters).

1. Description of the Municipal Employees' Pension Plan (continued)

C. Retirement

Normal retirement is at age 65 for general members and age 60 for police officers and firefighters. Members may retire earlier under certain conditions. In the event a member dies prior to retiring and does not have a spouse, the Plan provides a death benefit to any beneficiaries equal to the commuted value of a pension had it become payable on the date of death. If the member has a spouse, the spouse can receive the commuted value, transfer it to RRSPs or start an immediate pension. If a member dies after retirement, the benefit depends on the option chosen at the time of retirement.

The Plan also provides benefits in the event of termination of employment, death or disability.

D. Surplus

Any surpluses arising in the Plan can be utilized at the discretion of the Commission.

E. Transfers

Subject to lock in provisions of the Plan, transfer of a member’s commuted value is payable when a member ceases to be employed as long as they are not eligible to retire.

As of the December 31, 2021 actuarial valuation filing, the Plan is fully solvent and therefore commuted value payouts are no longer subject to a transfer deficiency holdback.

Defined Contribution Component

The Defined Contribution Component consists of members who made contributions to the Defined Contribution Component in effect prior to July 1, 1973. Members may retire and purchase an annuity at age 65. Members may retire earlier under certain conditions. Upon retirement a member can purchase an annuity from a private insurer based on employee and employer contributions together with the interest thereon. In the event of death prior to retirement, the member's spouse may receive a life annuity or elect to receive a lump-sum payment of employee and employer contributions plus interest. If the member's beneficiary is other than the spouse, a lump-sum payment of employee and employer contributions plus interest is made.

Retirement Annuities Component

The present value of these annuities are reflected as a liability of the Plan.

1. Description of the Municipal Employees' Pension Plan (continued)

Supplementary Benefits

In accordance with the Act, the Commission may grant supplementary benefits to those members receiving pensions and annuities to compensate them for lost purchasing power. The Commission may grant the supplementary benefits as long as the solvency of the entire Plan is not impaired. In September 2023, the Commission approved providing an increase to pensions in pay of 5.61 per cent effective January 1, 2024 based on the 12-month average CPI ending in July 2023.

Income Taxes

The Plan is a registered pension plan, as defined by the *Income Tax Act* (Canada) and, accordingly, is not subject to income taxes.

2. Basis of Preparation

a. Statement of Compliance

The financial statements for the year ended December 31, 2024 have been prepared in accordance with Canadian accounting standards for pension plans as defined in the CPA Canada Handbook section 4600, *Pension Plans.* For matters not addressed in Section 4600, IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) has been followed.

b. Functional and Presentation Currency

These financial statements are presented in Canadian Dollars, which is the Plan's functional currency, and are rounded to the nearest thousand unless otherwise noted.

c. Basis of Measurement

These financial statements have been prepared using the historical cost basis except for the following:

- investments, which are measured at fair value; and
- pension obligations and provision for annuity obligations, which are measured at the present value of their respective accrued benefit obligations.

The fair values of investments are considered to be fair value with all gains and losses being recognized through change in fair value. The calculation of fair value is detailed in Note 4.

3. Material Accounting Policies

The material accounting policies are as follows:

a. Basis of Presentation

The Plan has disclosed financial results for its Defined Benefit and Retirement Annuities components separately. The Plan maintains a single investment portfolio and assets were allocated to the retirement annuities component at January 1, 2002 based upon the provision for annuity obligations as at that date. Investment income is split so that it matches the rate of return and operating expenses and the change in fair value have been allocated relative to the assets. These financial statements were authorized and issued by the Commission on March 21, 2025.

b. Investments

Investments are stated at their fair value in the Statement of Financial Position. The change in the fair value of investments at the beginning and end of each year is reflected in the Statement of Changes in Net Assets Available for Benefits.

Fair value of investments is determined as follows:

Short-term investments are valued at cost which, together with accrued investment income, approximates fair value given the short-term nature of these investments.

Bonds are valued at year-end quoted market prices in an active market when available. When quoted market prices are not available, the fair value is based on a valuation technique, being the present value of the principal and interest receivable discounted at the appropriate market interest rates.

Equities are valued at year-end quoted market prices from accredited stock exchanges on which the security is principally traded.

Private equity investments are valued at fair values supplied by the private equity investment manager. These fair values are based on the latest available private equity manager capital account statements and are adjusted for subsequent cash flows and changes in exchange rates for investments outside Canada.

Private credit investments are valued at fair values supplied by the private credit investment manager. These fair values are based on the latest available private credit manager capital account statements and are adjusted for subsequent cash flows and changes in exchange rates for investments outside Canada.

3. Material Accounting Policies (continued)

Farmland and farmland-related investments are valued at fair values supplied by the farmland investment manager. These fair values are based on the latest available farmland manager capital account statements and are adjusted for subsequent cash flows and changes in exchange rates for investments outside Canada.

Infrastructure investments are valued at fair values supplied by the infrastructure investment manager. These fair values are based on the latest available infrastructure manager capital account statements and are adjusted for subsequent cash flows and changes in exchange rates for investments outside Canada.

Pooled-fund investments are valued at the year-end unit value supplied by the pooled-fund administrator, which represent the underlying net assets of the pooled fund at fair values determined using closing bid prices. Real estate pooled-fund underlying assets are valued by third-party appraisals.

Investments in derivative financial instruments, including forwards are valued at year-end quoted market prices where available. Where quoted market prices are not available, values are determined using pricing models, which take into account current market and contractual prices of the underlying instruments, as well as time value and yield curve or volatility factors underlying the position.

Investment transactions are recorded on the trade date.

c. Other Financial Instruments

Accounts receivable, due from General Revenue Fund, cash, accounts payable, and investment payables are classified and measured at amortized cost. Due to their short-term nature, the amortized cost of these instruments approximates their fair value.

d. Investment Income and Transaction Costs

Investment income, which is recorded on the accrual basis, includes interest income, dividends, pooled-fund income, infrastructure income, private equity income, private credit income, farmland income, and security lending income.

Brokers' commissions and other transaction costs are recognized in the Statement of Changes in Net Assets Available for Benefits in the period incurred.

e. Foreign Currency Translation

The fair values of foreign currency denominated investments included in the Statement of Financial Position are translated into Canadian dollars at year-end rates of exchange. Gains and losses from translations are included in the change in fair value of investments.

Foreign currency-denominated transactions are translated into Canadian dollars at the rates of exchange on the trade dates of the related transactions. Realized gains and losses on the sale of investments are included in the change in fair value of investments.

3. Material Accounting Policies (continued)

f. Provision for Annuity Obligations

Provision for annuity obligations represents the present value of the retirement annuities underwritten by the Plan and is determined pursuant to an actuarial valuation or extrapolation. Any change in the liability pursuant to the valuation or extrapolation is recognized as an increase or decrease in that year's Statement of Changes in Pension Obligations and Provision for Annuity Obligations.

g. Pension Obligations

Pension obligations represents the present value of the obligations for the Defined Benefit Component of the Plan. The pension obligations are determined pursuant to an actuarial valuation or extrapolation. Any change in the liability pursuant to the valuation or extrapolation is recognized as an increase or decrease in that year's Statement of Changes in Pension Obligations and Provision for Annuity Obligations.

h. Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for pension plans requires management to make estimates and assumptions that affect the recorded amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the recorded amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the valuation of investments, and the provision for annuity obligations and pension obligations. Actual results could differ from these estimates.

i. Adoption of Amended Accounting Standards

Effective January 1, 2024, the Plan adopted the amendments to Section 4600, Accounting standards for Pension Plans. The amendments clarify uncertainty in the standards and provide new guidance where no guidance previously existed. These amendments include:

i. Guidance on determining the split or amalgamation of pensions;
ii. Guidance on accounting guaranteed annuity contracts;
iii. Clarifying the presentation requirements for combination plans; and
iv. Requirement of additional risk disclosures for investments in master trusts.

The nature of these amendments did not have a material impact on the financial statements.

4. Investments

The carrying values of the Plan's investments are as follows:

(in thousands)

	2024			2023		
	Defined Benefit	Retirement Annuities	Total	Defined Benefit	Retirement Annuities	Total
Investments						
Short-term	$ 2,061	$ 8	$ 2,069	$ 16,340	$ 64	$ 16,404
Bonds	337,092	1,218	338,310	288,287	1,131	289,418
Equities	1,576,778	5,697	1,582,475	1,373,806	5,391	1,379,197
Private equity	408,182	1,475	409,657	347,160	1,362	348,522
Private credit	33,525	121	33,646	16,961	67	17,028
Farmland	11,688	42	11,730	-	-	-
Infrastructure	603,366	2,180	605,546	448,804	1,761	450,565
Pooled funds	883,977	3,194	887,171	858,205	3,367	861,572
	3,856,669	13,935	3,870,604	3,349,563	13,143	3,362,706
Investments under securities lending program						
Short-term	381	1	382	1,411	6	1,417
Bonds	38,902	141	39,043	61,764	242	62,006
Equities	63,843	231	64,074	76,035	298	76,333
	103,126	373	103,499	139,210	546	139,756
	$ 3,959,795	$ 14,308	$ 3,974,103	$ 3,488,773	$ 13,689	$ 3,502,462

4. Investments (continued)

The Plan's investment income is comprised of the following:

(in thousands)

	2024			2023		
	Defined Benefit	Retirement Annuities	Total	Defined Benefit	Retirement Annuities	Total
Investment Income (Loss)						
Interest	$ 15,847	$ 58	$ 15,905	$ 15,787	$ 65	$ 15,852
Pooled funds	22,627	85	22,712	22,773	93	22,866
Dividends	27,191	103	27,294	31,668	130	31,798
Farmland	32	-	32	-	-	-
Infrastructure	2,649	10	2,659	9,745	40	9,785
Private equity	507	2	509	(1,268)	(5)	(1,273)
Private credit	3,973	15	3,988	1,532	6	1,538
Other	2,019	8	2,027	4,856	20	4,876
	$ 74,845	$ 281	$ 75,126	$ 85,093	$ 349	$ 85,442

Security Lending Program

Through its custodian, the Plan participates in an investment security lending program for the purpose of generating fee income. Non-cash collateral of at least 105 per cent of the fair value of the loaned securities is retained by the Plan until the loaned securities have been returned (see Securities lending in Note 13). The fair value of the loaned securities is monitored on a daily basis with additional collateral obtained or refunded as the fair value of the loaned securities fluctuates. In addition, the custodian provides indemnification against any potential losses in the securities lending program. While in the possession of counterparties, the loaned securities may be resold or re-pledged by such counterparties.

4. Investments (continued)

Short-Term Investments

Short-term investments are comprised of treasury bills. The cash equivalent component of short-term investments held as of December 31, 2024 had an effective interest rate of 5.6 per cent (2023 – 5.0 per cent to 8.0 per cent) and an average term to maturity of 142 days (2023 – 158 days). The Plan's investment policy states that investments must meet a minimum investment standard of "A2/P2" or equivalent rating as rated by a recognized bond rating service which the Plan is in compliance with. At December 31, 2024, 100 per cent of the Plan’s short-term investments were held with the Government of Canada (2023 – 100 per cent).

Forward contracts are included in short-term investments when they are in a net gain position and included in derivative liability when they are in a net loss position. The foreign exchange forward contracts are discussed further in Note 5.

Bonds

The Plan's investment policy states that bonds must meet a minimum quality standard of BBB as rated by a recognized bond rating service unless otherwise permitted within a specific investment manager mandate. In addition, not more than 10 per cent of its total bond fair value may be invested in lower than BBB rated bonds. In 2023 and 2024, there were no segregated bonds lower than BBB Bonds.

The fair value, coupon rates and effective interest rate to maturity are shown in the following chart by contractual maturity. Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay obligations with or without call or prepayment penalties.

2024 (in thousands)

Years to Maturity	Federal	Foreign Government	Municipal	Corporate	Total Fair Value	Coupon Rate	Effective Interest Rate
Under 5	$ 6,951	$ 4,377	$ -	$ 160,177	$ 171,505	0.00% - 8.85%	3.29%
5 to 10	30,359	-	1,227	42,731	74,317	0.00% - 6.85%	2.76%
Over 10	5,128	-	-	126,403	131,531	0.00% - 7.13%	4.62%
Fair Value	$ 42,438	$ 4,377	$ 1,227	$ 329,311	$ 377,353		

4. Investments (continued)

2023 (in thousands)

Years to Maturity	Federal	Foreign Government	Municipal	Corporate	Total Fair Value	Coupon Rate	Effective Interest Rate
Under 5	$ 21,705	$ 3,826	$ -	$ 129,954	$ 155,485	0.00% - 8.85%	3.19%
5 to 10	20,304	-	1,331	60,240	81,875	0.00% - 6.85%	2.77%
Over 10	3,616	-	-	110,448	114,064	0.00% - 7.85%	5.02%
Fair Value	$ 45,625	$ 3,826	$ 1,331	$ 300,642	$ 351,424		

All foreign bonds are reported in Canadian dollars.

Equities

The Plan's investment policy states that an investment in a single corporation shall not exceed 10 per cent of the total fair value of the Plan assets at time of purchase.

In addition, the investment policy allows between 15 per cent and 52 per cent of the Plan to be invested in foreign public equities, including those held in pooled funds. As at December 31, 2024 the Plan held 34.82 per cent (2023 – 32.11 per cent) of the Plan's total investments in segregated foreign equities and 0.23 per cent (2023 – 0.46 per cent) of the Plan's total investments in pooled foreign equity funds. Segregated foreign equities are comprised of 69.69 per cent (2023 – 56.22 per cent) in U.S. equities and 30.31 per cent (2023 – 43.78 per cent) in Non-North American equities.

The Plan's equities have no fixed maturity date and are not exposed directly to interest rate risk. The average effective dividend rate is 1.76 per cent (2023 – 2.27 per cent).

Private Equities

Private equity investments are made through limited partnership arrangements. The investments represent partial equity ownership in entities that are not traded and priced in stock exchanges. Future commitments are due on demand and are based on the needs of the various partnerships the Plan has entered into. Liquidity requirements of meeting the future commitments are met through income generated from investments, holdings in pooled funds and investments in liquid assets traded on an active market which can be easily sold and converted into cash.

Private equity managers form limited partnerships to facilitate investments in private companies in various markets across the globe. As at December 31, 2024 the Plan was committed to further investment in private equity limited partnerships up to $178.8 million in Canadian funds (2023 - $159.2 million).

4. Investments (continued)

The Plan's investment policy limits private equity investments from a minimum of one per cent to a maximum of 10 per cent of the Plan's assets. As of December 31, 2024, the Plan's private equity investments were 10.31 per cent (2023 – 9.95 per cent) of the Plan investments. In 2024, total private equity investments were exceeding the 10 per cent maximum threshold as result of the market performance of the Plan's total investment portfolio. It is expected that the total percentage of private equities held will correct itself in subsequent periods as the Plan experiences market improvements within other investment mandates.

Private equity managers utilize an internal valuation policy to establish a fair value for the underlying assets within their portfolios. This policy outlines that any marketable assets within the portfolio will be valued at the price on the relevant securities exchange. Non-marketable securities will be subject to professional judgment and may take into account several factors such as:

- market conditions;
- purchase price;
- estimated liquidation value;
- third-party transactions in the private market;
- present value of expected future cash flows; and/or
- present value of anticipated sale or flotation when asset is soon to be divested.

The above factors involve various assumptions. Changes in the underlying assumptions will have an impact on the fair value of the investments.

Infrastructure Investments

Infrastructure investments are made through limited partnership arrangements. Advances are made to the limited partnerships, some of which are used to select and provide management support to the invested companies. The investments represent ownership in entities that invest in infrastructure assets. Future commitments are due on demand and are based on the needs of the various partnerships the Plan has entered into. Liquidity requirements of meeting the future commitments are met through income generated from investments, holdings in pooled funds and investments in liquid assets traded on an active market which can be easily sold and converted into cash.

Infrastructure managers form limited partnerships to facilitate investments in infrastructure projects in various markets across the globe. As at December 31, 2024 the Plan was committed to further investment in infrastructure limited partnerships up to $327.3 million in Canadian funds (2023 - $276.3 million).

The Plan's investment policy limits infrastructure investments from a minimum of five per cent to a maximum of 20 per cent of the Plan's assets. As of December 31, 2024, the Plan's infrastructure investments were 15.24 per cent (2023 – 12.86 per cent) of the Plan investments.

4. Investments (continued)

Infrastructure managers utilize an internal valuation policy to establish a fair value for the underlying assets within their portfolios. This policy outlines that any marketable assets within the portfolio will be valued at the price on the relevant securities exchange. Non-marketable securities will be subject to professional judgment and may take into account several factors such as:

- market conditions;
- purchase price;
- estimated liquidation value;
- third-party transactions in the private market;
- present value of expected future cash flows; and/or
- present value of anticipated sale or flotation when asset is soon to be divested.

The above factors involve various assumptions. Changes in the underlying assumptions will have an impact on the fair value of the investments.

Private Credit

Private credit investments are made through limited partnership arrangements. These investments represent a loan to a borrower, who agrees to pay back the loan in full along with fees and interest, which are set out in the terms of the loan. Risk levels will vary between borrowers and returns are based on the risk level of the individual loans and borrowers, as well as any security backing the loans.

Private credit managers form limited partnerships to facilitate investments in private credit companies in various markets across the globe. As at December 31, 2024 the Plan was committed to further investment in private credit limited partnerships up to $111.6 million in Canadian funds (2023 – $25.9 million).

The Plan's investment policy limits private credit investments from nil to a maximum of 10 per cent of the Plan's assets. As of December 31, 2024, the Plan's private credit investments were 0.85 per cent (2023 – 0.49 per cent) of the Plan investments.

Private credit managers use a variety of techniques to establish fair values for the underlying investments. Factors taken into account for the valuation of private credit investments may include:

- Current interest rates and market yields;
- Changes in the credit worthiness of the borrower;
- Changes in the value of any underlying secured assets;
- Current market conditions; and/or
- Prices of similar debt instruments.

The above factors involve various assumptions. Changes in these underlying assumptions with have an impact on the fair value of private credit investments.

4. Investments (continued)

Farmland

Farmland and farmland-related investments are made primarily through limited partnership arrangements. The investments represent partial equity ownership in entities that are not traded and priced in stock exchanges. Future commitments are due on demand and are based on the capital requirements of the various partnerships the Plan has entered into. Liquidity requirements for meeting any future commitments are met through income generated from investments, holdings in pooled funds and investments in liquid assets traded on an active market which can be easily sold and converted into cash.

Farmland managers form limited partnerships to facilitate investments in agriculture-producing land, agri-business and related value-add businesses in multiple markets across the globe. As at December 31, 2024 the Plan was committed to investment in farmland limited partnerships of up to $41.0 million in Canadian funds (2023 – $17.2 million).

The Plan's investment policy limits farmland investments from nil to a maximum of 8 per cent of the Plan's assets. As of December 31, 2024, the Plan's farmland investments were 0.30 per cent (2023 – nil) of the Plan investments.

Farmland managers utilize an internal valuation policy to establish a fair value for the underlying assets within their portfolios. This policy outlines how assets will be valued by the manager, as well as specify how external valuations and auditing of the assets will occur. Valuation of farmland and related assets will be subject to professional judgment and may take into account several factors such as:

- Current market conditions;
- Purchase price;
- Current and future prospective production;
- External valuation of assets;
- Estimated liquidation value;
- Third-party transactions in the private market;
- Present value of expected future cash flows; and/or
- Present value of anticipated sale or flotation when asset is soon to be divested.

The above factors involve various assumptions. Changes in the underlying assumptions will have an impact on the fair value of the investments.

4. Investments (continued)

Pooled Funds

The Plan's investment policy limits pooled fund holdings to not more than 10 per cent of the fair value of the individual pooled fund. Exceptions to the 10 per cent limit are allowed if provision has been made to transfer securities in kind when units of the pooled fund are sold with the exception of real estate. At December 31, 2024, there were provisions in place for all the Plan's pooled funds.

The Plan's pooled funds are comprised of:

	Fair Value (in thousands)	
Pooled Fund	**2024**	**2023**
U.S. Equity Fund	$ -	$ 1,695
Non-North American Equity	9,187	14,477
Bonds	681,318	649,174
Real Estate	196,666	196,226
	$ 887,171	$ 861,572

4. Investments (continued)

Fair Value

The Plan has classified its investments using a hierarchy that reflects the significance of the inputs used in determining their fair value.

Under the classification structure, financial instruments recorded at unadjusted quoted prices in active markets for identical assets and liabilities are classified as Level 1. Instruments valued using inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly are classified as Level 2. Instruments values using inputs that are not based on observable market data are classified as Level 3.

The following table classifies the Plan's required financial instruments within a fair value hierarchy:

	2024 (in thousands)			
	Level 1	Level 2	Level 3	Total
Bonds	$ 4,377	$ 372,976	$ -	$ 377,353
Pooled funds	-	690,505	196,666	887,171
Short-term	-	2,451	-	2,451
Equities	1,646,549	-	-	1,646,549
Private equity	-	-	409,657	409,657
Private credit	-	-	33,646	33,646
Infrastructure	-	-	605,546	605,546
Farmland	-	-	11,730	11,730
Total	$ 1,650,926	$ 1,065,932	$ 1,257,245	$ 3,974,103
Derivative liability (Note 5)	$ -	$ (13,282)	$ -	$ (13,282)

4. Investments (continued)

Fair Value measurements using level 3 inputs

2024
(in thousands)

	Balance at December 31, 2023	Purchases	Sales/return of capital	Realized Gains (Losses)	Unrealized Gains (Losses)	Balance at December 31, 2024
Real estate pooled funds	$ 196,226	-	-	-	440	$ 196,666
Private equity	348,522	61,309	(69,642)	34,329	35,139	409,657
Private credit	17,028	24,016	(6,601)	(325)	(472)	33,646
Infrastructure	450,565	146,270	(88,807)	24,543	72,975	605,546
Farmland	-	17,026	(6,227)	14	917	$ 11,730
Total	$ 1,012,341	248,621	(171,277)	58,561	108,999	$ 1,257,245

No investments were transferred between levels during the year.

2023
(in thousands)

	Level 1	Level 2	Level 3	Total
Bonds	$ 3,826	$ 347,598	$ -	$ 351,424
Pooled funds	-	665,346	196,226	861,572
Short-term	-	17,821	-	17,821
Equities	1,455,530	-	-	1,455,530
Private equity	-	-	348,522	348,522
Private credit			17,028	17,028
Infrastructure	-	-	450,565	450,565
Total	$ 1,459,356	$ 1,030,765	$ 1,012,341	$ 3,502,462
Derivative Liability (Note 5)	$ -	$ -	$ -	$ -

4. Investments (continued)

Fair Value measurements using level 3 inputs 2023 (in thousands)	Balance at December 31, 2022	Purchases	Sales/return of capital	Realized Gains (Losses)	Unrealized Gains (Losses)	Balance at December 31, 2023
Real estate pooled funds	$ 196,410	-	-	-	(184)	$ 196,226
Private equities	338,553	49,828	(74,240)	28,505	5,876	348,522
Private credit	-	19,651	(848)	(194)	(1,581)	17,028
Infrastructure	308,481	163,517	(48,329)	3,117	23,779	450,565
Total	$ 843,444	232,996	(123,417)	31,428	27,890	$ 1,012,341

5. Derivatives

Derivative financial instruments are financial contracts whose values are derived from changes in underlying assets, interest or currency exchange rates.

At December 31, 2024 the Plan held the following derivatives:

Forward Contracts

The Plan has entered into foreign exchange forward contracts to hedge some of its foreign currency exposure in its foreign equities and bonds. Foreign exchange forward contracts are obligations in which two counterparties agree to exchange one currency for another at a specified price for settlement on a predetermined date in the future.

The Plan uses a passive hedging strategy with an applied hedge ratio of 50 per cent of the underlying portfolio. The objective of the passive currency hedge is to provide partial protection of the base currency value of foreign equities and bonds against a decline in value of the applicable non-base currencies. The following summarizes the Plan’s use of foreign currency forward exchange contracts within the passive currency hedging strategy:

5. Derivatives (continued)

FOREIGN EXCHANGE FORWARD CURRENCY CONTRACTS

(in thousands)

	2024			2023		
Currency	Notional Value*	Gain (Loss)	Net Exposure	Notional Value*	Gain (Loss)	Net Exposure
AUD	$ 3,659	$ 107	49.9%	$ 5,579	(75)	50.0%
CHF	15,540	126	49.9%	16,016	(265)	50.0%
DKK	7,501	32	49.9%	4,453	60	50.0%
EUR	73,180	255	50.0%	66,293	831	50.0%
GBP	46,116	(292)	50.0%	29,522	147	50.0%
HKD	14,137	(472)	50.0%	5,649	265	50.0%
JPY	25,724	(132)	49.9%	24,406	(366)	49.9%
MXN	1,396	(49)	51.7%	2,566	7	50.1%
NOK	4,116	(70)	50.0%	2,405	(129)	49.6%
NZD	1	-	4.9%	499	(12)	51.3%
SEK	1,926	(36)	49.9%	2,083	(50)	50.0%
SGD	1,246	(11)	48.1%	1,118	20	50.9%
USD	397,143	(12,740)	50.0%	299,266	12,245	50.0%
		$ (13,282)			$ 12,678	

*Notional value represents the contractual amount to which a rate or price is applied in order to calculate the exchange rate of cash flows, and is therefore not recorded on the financial statements.

Based on the rates of exchange as of December 31, 2024, the forward contracts are in a net loss position of $13.3 million (2023 – gain of $12.7 million). The foreign currency forward exchange contracts are short-term in duration and all current contracts as of December 31, 2024 have a maturity date of less than one year. Forward contracts are included in short-term investments when they are in a net gain position and included in derivative liability when they are in a net loss position.

6. Plannera Prepaid

On January 3, 2024, the Plan transferred $5.7 million to Plannera for the purchase of capital assets used for administration of the pension plans and benefit programs from PEBA, an agency of the Government of Saskatchewan that was previously delegated administration of the plan. The assets were purchased at net book value at the time of purchase. As a member of Plannera, and per the corporate funding policy included in the member agreement, the Plan will continue to fund the purchase of capital assets, with the Public Employees Pension Plan (PEPP). The prepaid will be amortized over the useful life of the assets. As of December 31, 2024, the Plannera prepaid was $4.7 million.

7. Plannera Loan Receivable

On January 3, 2024, the Plan transferred $1.7 million to Plannera for operational funding requirements. As per the corporate funding policy included in the member agreement, the Plan along with PEPP, provides operational funding for day-to-day activities of the corporation. The funds have been provided to Plannera as a loan without conventional repayment terms. The funds will be used indefinitely to fund operations of Plannera. The loan amount is reviewed annually and adjusted, as required, to ensure Plannera is provided with sufficient funding to cover monthly expenditures.

8. Due from General Revenue Fund and Cash

The Plan's bank account was included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan until December 15, 2023, and remained under the Government of Saskatchewan’s Financial Services Agreement until December 31, 2023.

The General Revenue Fund calculated interest earned and owing on a quarterly basis using the Government's thirty day borrowing rate, and the Plan's average daily bank account balance. The Government's average thirty day borrowing rate in 2023 was 4.75 per cent.

Effective January 1, 2024, the Plan’s bank account was transitioned to the Plannera’s Master Client Agreement. Per the new agreement, interest is earned at a rate per annum equal to the daily value of Royal Bank Prime rate (RBP) less 1.90 per cent. The average interest rate earned in 2024 was 4.85 per cent. The Plan’s operating bank account is included in cash. Cash held in the Plan’s operating bank account at December 31, 2024, was $11.1 million.

9. Earnings Allocation to Members

Interest is allocated annually to the individual member's account balances in accordance with the provisions of the governing legislation. The 2024 interest rate of 3.20 per cent (2023 – 3.00 per cent) was applied.

10. Transfers, Refunds and Benefit Payments

(in thousands)

	2024	2023
Transfers to other retirement plans	$ 156	$ -
Transfer to other retirement vehicles	20,892	19,433
Withdrawals with interest	4,996	5,783
Total Transfers and Refunds	$ 26,044	$ 25,216
Lump sum payments to estates	1,827	1,995
Payments in lieu of annuities	2,112	3,532
Total Benefit Payments	3,939	5,527
Total Transfers, Refunds and Benefit Payments	$ 29,983	$ 30,743

11. Provision for Annuity Obligations

The actuarial present value of the provision for annuity obligations was determined using management's best estimate of future investment performance and future pension indexing.

TELUS Health performed an actuarial valuation for management purposes as at December 31, 2023 and have extrapolated the results of that valuation to December 31, 2024 with interest and actual benefit payments. Actuarial valuations for management purposes are performed annually.

TELUS Health also performed an actuarial valuation for filing purposes as at December 31, 2023 and filed with the regulatory authorities. The next valuation to be filed will be required effective December 31, 2026.

The actuarial valuation was based on a number of assumptions about future events including discount rates, pension indexing (for members who elected indexed annuities), and mortality as follows:

	2024	2023
Discount rate	6.20%	6.30%
Indexation of pensions	2.00%	2.00%
Mortality	CPM 2014Priv at 105% for males and 90% for females combined with CPM-B improvement scale	CPM 2014Priv at 105% for males and 90% for females combined with CPM-B improvement scale

11. Provision for Annuity Obligations (continued)

The actual rates may vary significantly from the assumptions used. The following illustrates the effect of changing certain assumptions. The changes in assumptions are independent of one another.

	Effect on Provision for Annuity Obligations			
	Discount Rate		Pension Indexing	
Increase (Decrease) in rate	1.00%	(1.00%)	1.00%	(1.00%)
(Decrease) Increase in annuity obligations	(4.90%)	5.40%	0.80%	(0.70%)

The cash outflow to pay the required annuity obligations is calculated using the above assumptions. The estimated cash outflows in the next five years would be $4.5 million, in the next 10 years $7.0 million and in the next 30 years $9.5 million.

12. Pension Obligations

The actuarial present value of the pension obligations for the Defined Benefit Component of the Plan was determined using the projected benefit method prorated on service and management's best estimate assumptions of future investment performance, salary escalation, inflation, and future pension indexing.

TELUS Health performed an actuarial valuation for management purposes as at December 31, 2023 and have extrapolated the results of that valuation to December 31, 2024 with interest, estimated service accruals, and actual benefit payments. Actuarial valuations for management purposes are performed annually.

TELUS Health also performed an actuarial valuation for filing purposes as at December 31, 2023 and filed with the regulatory authorities. The next valuation to be filed will be required effective December 31, 2026.

The pension obligations is based on a number of assumptions about future events including discount rates, rate of salary increases, inflation, mortality, retirement rates and termination rates. The major assumptions used in determining the actuarial present value of the pension obligation for the Defined Benefit Component of the Plan are:

	2024	**2023**
Discount rate	6.20%	6.30%
Salary escalation	2.70%	2.70%
Inflation	2.00%	2.00%
Indexation of pensions	None assumed	None assumed
Mortality	CPM 2014Priv at 105% for males and 90% for females combined with CPM-B improvement scale	CPM 2014Priv at 105% for males and 90% for females combined with CPM-B improvement scale

12. Pension Obligations (continued)

The actual rates may vary significantly from the assumptions used. The following illustrates the effect of changing certain assumptions. The changes in assumptions are independent of one another.

	Effect on Pension Obligation Liability				
	Discount Rate		Salary Escalation		Pension Indexing
Increase (Decrease) in rate	1.00%	(1.00%)	1.00%	(1.00%)	1.00%
(Decrease) Increase in pension obligations	(10.00%)	12.20%	2.00%	(1.80%)	9.70%

Because the Plan previously had a solvency deficiency, there was a requirement for a solvency deficiency holdback to be withheld from payouts of commuted values for a period of five years. As the latest actuarial valuation for filing purposes confirmed that the Plan still does not have a solvency deficiency, these solvency deficiency holdbacks are being paid out from the Plan. Remaining solvency deficiency holdbacks owing as of December 31, 2024 total $11,300 (2023 - $11,100).

13. Financial Risk Management

The nature of the Plan's operations results in a statement of financial position that consists primarily of financial instruments. The risks that arise are credit risk, market risk (consisting of interest rate risk, foreign exchange risk and equity price risk) and liquidity risk.

Significant financial risks are related to the Plan's investments. These financial risks are managed by having an investment policy, which is approved annually by the Commission. The investment policy provides guidelines to the Plan's investment managers for the asset mix of the portfolio regarding quality and quantity. The asset mix helps to reduce the impact of fair value fluctuations by requiring investments in different asset classes and in domestic and foreign markets. Derivatives are allowed within the Plan to hedge against losses and substitute for direct investment. Plannera monitored compliance and reports on exceptions to the Commission through the quarterly Investment Monitoring Report.

13. Financial Risk Management (continued)

Credit risk

Credit risk is the risk that one party does not pay funds owed to another party. The Plan's credit risk arises primarily from cash, accounts receivable and certain investments. The maximum credit risk to which it is exposed at December 31, 2024 is limited to the carrying value of the financial assets summarized as follows:

	(in thousands)	
	2024	**2023**
Cash	$ 91,927	$ 72,060
Accounts receivable	20,084	19,365
Fixed income investments[1]	366,522	369,245
Due from the General Revenue Fund	-	8,935
Private Credit	33,646	17,028
Equities under security lending	64,074	76,333

[1]Includes short-term investments and bonds, including those under security lending, and derivatives.

Credit risk related to cash is limited because the counterparties are chartered banks with high credit ratings assigned by national credit rating agencies.

Accounts receivable are made up of employee and employer contributions receivable, accrued investment income, investment receivables, and other receivables. Employee and employer contributions receivable are generally received in less than 30 days. Accrued investment income is received on the next scheduled payment date, generally either annually or semi-annually. Proceeds from the sale of an investment will normally be received two days after the trade date.

Credit risk within investments is primarily related to short-term investments, segregated bonds and private credit. It is managed through the investment policy that limits fixed term investments to those of high credit quality (minimum rating for bonds, BBB unless otherwise permitted within specific investment manager mandate, and for short-term investments is A2/P2) along with limits to the maximum notional amount of exposure with respect to any one issuer.

13. Financial Risk Management (continued)

Credit ratings for bonds are as follows:

(In thousands)

	2024		2023	
Credit Rating	Fair Value	Makeup of Portfolio (%)	Fair Value	Makeup of Portfolio (%)
AAA	$ 74,563	19.76	$ 63,635	18.11
AA	57,722	15.30	48,528	13.81
A	118,313	31.35	111,315	31.67
BBB	126,755	33.59	127,946	36.41
Total	$ 377,353	100.00	$ 351,424	100.00

Within bond investments, there are no holdings from any one issuer other than the Government of Canada over 7.05 per cent (2023 – 8.00 per cent) of the fair value of the combined bond and short-term investment portfolios.

The Plan is also subject to credit risk through its use of derivative contracts. Credit risk is limited to the positive replacement cost (fair value) of the instruments as this represents the cost to replace these contracts at prevailing market rates if a default occurred. The contracts are entered into between the Plan and approved counterparties. Derivative instruments, other than those regularly traded on public exchanges, must be arranged with counterparties that have a minimum credit rating of two of the following ratings: A(low) from Moody's or A(low) from Standard & Poor's or A(low) from Fitch or A(low) from DBRS Morningstar.

Market risk

Market risk represents the potential for loss from changes in the value of financial instruments. Value can be affected by the geopolitical environment, changes in interest rates, foreign exchange rates and equity prices. Market risk primarily impacts the value of investments.

Geopolitical environment

The current geopolitical environment increases uncertainty in financial markets with a possible resurgence of trade tariffs and inflation, including upward pressure on commodity prices and the potential for global supply-chain disruptions. With the recent changes in the U.S. Government, the threat of protectionism increases the risks of tariffs, stagflation, turbulence in the financial markets, and a weakening of the Canadian Dollar against other currencies. Management will continue to monitor the impact of geopolitical risk on its use of judgements, estimates and assumptions.

13. Financial Risk Management (continued)

Interest rate risk

The Plan is exposed to changes in interest rates in its fixed income investments, including short-term investments, bonds and fixed income pooled funds. Duration is a measure used to estimate the extent fair values of fixed-income instruments change with changes in interest rates. Using this measure, it is estimated that a 100-basis point increase in interest rates would decrease net assets available for benefits and surplus by $124 million at December 31, 2024 (2023 - $93 million); representing 11.72 per cent of the $1 billion fair value of fixed-income investments.

Conversely, a decrease in interest rates of 100 basis points would increase net assets available for benefits and surplus by $124 million at December 31, 2024 (2023 - $93 million); representing 11.72 per cent of the $1 billion fair value of fixed income

Foreign exchange

The Plan is exposed to changes in the U.S. /Canadian dollar exchange rate through its U.S. denominated investments and investment in private markets (includes private equity and infrastructure). Also, the Plan is exposed to non-North American currencies through its investment in non-North American equity pooled funds and investment in private markets.

The exposure to both U.S. public equities and non-North American public equities, including the pooled equity funds, is limited from a minimum of 15 per cent to a maximum of 49 per cent of the fair value of the total investment portfolio. At December 31, 2024, the Plan's exposure to U. S. equities was 24.13 per cent (2023 – 18.29 per cent) of total investments and its exposure to Non-North American equities was 10.17 per cent (2023 – 13.58 per cent) of total investments.

In addition, at December 31, 2024 the Plan's exposure to U.S. and non-North American private markets was 26.12 per cent (2023 – 22.93 per cent) of total investments.

At December 31, 2024, a 10 per cent change in the Canadian dollar versus U.S. dollar exchange rate would result in approximately a $266.8 million (2023 - $164.7 million) change in the net assets available for benefits. A 10 per cent change in the Canadian dollar versus the Non- North American currencies would result in approximately a $84.5 million (2023 - $78.9 million) change in net assets available for benefits.

The Plan's exposure to exchange rate risk resulting from the purchase of goods and services is not considered material to the operations of the Plan. The Plan has mitigated its exposure to foreign exchange through the use of derivatives as explained in Note 5. As at December 31, 2024, the Plan's exposure to all foreign holdings net of derivatives is $2.44 billion (2023 – $1.98 billion). A 10 per cent change in the exchange rate would equate to a net change of $244 million (2023 – $198 million).

Equity prices

The Plan is exposed to changes in equity prices in Canadian, U.S. and non-North American markets. Equities comprise 40.77 per cent (2023 – 41.19 per cent) of the carrying value of the Plan's total investments. Individual stock holdings are diversified by geography, industry type and corporate entity. No one investee represents greater than 10 per cent of the fair value of the Plan. As well, no one holding represents more than 30 per cent of the outstanding share issue of any corporation.

13. Financial Risk Management (continued)

The following table indicates the approximate change that could be anticipated for both the increase and decrease in net assets available for benefits based on changes in the Plan's benchmark indices at December 31, 2024:

	(in thousands)	
	10% increase	10% decrease
Canadian Equities	$26,290	$(26,290)
U.S. Equities	97,985	(97,985)
Other Foreign Equities	41,299	(41,299)

Securities lending risk

At December 31, 2024, no Plan assets have been deposited or pledged as collateral as part of the securities lending strategy. As part of the Plan's securities lending strategy, collateral has been pledged to the Plan by various counterparties for securities out on loan to the counterparties. At December 31, 2024, the total amount of collateral pledged to the Plan amounted to $112 million (2023 – $150 million). Security lending obtains collateral of at least 105 per cent of the fair value of the securities lent. Such loans must be secured by readily marketable government bonds, treasury bills and/or letters of credit, discount notes and banker's acceptances of Canadian chartered banks (See Note 4).

Private equity, infrastructure, private credit, farmland, and real estate risk

Private equity, infrastructure, private credit, farmland, and real estate assets are valued at estimated fair values supplied by the investment manager using appropriate valuation techniques. An independent auditor performs an annual audit of these investment managers and their valuation techniques to ensure the assets are fairly stated in all material aspects. Risk in private equity, infrastructure, private credit, and farmland is managed through diversification across sectors and geographic regions. Adverse impacts in any one sector of the market or geographic location are minimized by having holdings diversified across sectors, geographic location and investment size. Risk in real estate investments is managed through diversification across geographic locations within Canada and property type. Adverse impacts in any one geographic location are minimized by having holdings in other locations and property types.

13. Financial Risk Management (continued)

Liquidity risk

Liquidity risk is the risk that the Plan is unable to meet its financial obligations as they fall due. Cash resources are managed on a daily basis based on anticipated cash flows. Accounts payable are due within one year.

The Plan's future obligations include the Plan's accrued pension obligations and other contracts the Plan may enter that give rise to commitments of future outflows of cash. Liquidity requirements of the Plan are met through income generated from investments, employee and employer contributions and by investing in liquid assets that are easily sold and converted into cash.

14. Administrative Expenses

As of January 1, 2024, the annual operating expenditures associated with the Plan's administration are paid to Plannera except for bank fees, certain consulting fees, custodial fees, investment base fees, performance fees and other investment fees, which are paid directly by the Plan. Prior to January 1, 2024, the administration expenses paid by Plannera were paid through the PEBA Revolving Fund.

	(in thousands)	
	2024	**2023**
Audit fees	$ 113	$ 84
Actuarial fees	319	293
Administration costs	10,615	10,478
Custodial fees	583	655
Investment base fees	19,273	17,974
Performance fees	12,821	6,087
Other investment fees	7,501	3,552
	$ 51,225	$ 39,123

15. Related Party Transactions

All Government of Saskatchewan agencies such as ministries, corporations, boards and commissions are related to the Plan by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control or significant influence by the Government of Saskatchewan are collectively referred to as "related parties". Costs charged by the PEBA Revolving Fund and Plannera in administering the Plan are reflected in these financial statements (see Note 14).

The Plan has an accounts payable balance as at December 31, 2024 of $0.7 million (2023 – $1.7 million) due to Plannera (2023 - due to the PEBA Revolving Fund.)

Other related party transactions are disclosed separately in these financial statements.

Account balances resulting from the above transactions are included in the Statement of Financial Position and are settled at agreed upon exchange rates.

16. Capital Management

The Plan receives new capital from employee and employer contributions. The Plan also benefits from income and fair value increases on its invested capital. The Plan's capital is invested in a number of asset classes including equities, fixed-income, pooled funds, infrastructure, private equity, private credit, farmland and short-term investments. The Commission has delegated the operational investment decisions to a number of different investment management firms through a number of different investment mandates as defined in the Plan's Statement of Investment Policy and Procedures.

17. Investment Performance

The investment managers make day-to-day decisions on whether to buy or sell investments in order to achieve the long-term performance objectives set by the Commission. The Commission reviews the investment performance of the Plan in terms of the performance of the benchmark portfolio over four-year rolling periods. The Plan's primary objective is to grow at a rate which exceeds the growth of the Plan's liabilities.

The following is a summary of the Plan's investment performance:

	2024	
	Annual Return	**Rolling Four Year Average**
Plan's actual rate of return after deducting investment and administration expenses	13.9%	7.0%
Benchmark	13.1%	5.9%

18. Contingencies

A union representing participating employees has applied by Notice of Motion, which also names several participating employers, for an order quashing purported decisions of the Commission relating to the application of actuarial surplus in the fund, as well as other relief. It is not possible to estimate the potential effect of the claim at this stage in the proceedings.

Publications

MEPP Member Booklet

MEPP Matters - newsletter for plan members

MEPP Messenger - newsletter for retirees

MEPP In-Depth - provides detail about specific Plan aspects

MEPP In Review

Annual Report

Publications and other information about MEPP, are available online at mepp.plannera.ca

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