


Municipal Employees' Pension Plan

2025 Annual Report



Your Pension. Your Future.





The Municipal Employees' Pension Plan (MEPP, the Plan) is a defined benefit pension plan that provides retirement benefits to eligible employees of school divisions, urban and rural municipalities, regional colleges, regional public libraries and other local authorities within the Province of Saskatchewan.



Our Mission

Deliver predictable and reliable retirement income to plan members.



Our Vision

A forward-thinking defined benefit plan that enhances member financial well-being for a secure retirement.

Cover Photo: Karen & Rod, MEPP members

Above Photo: Karen, Sydney, Sara, Jessica, Shauna & Paige, MEPP members



Shauna
MEPP member

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Executive Summary



Karen
MEPP member

Letters of Transmittal

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, 2025.



Jim Reiter
Minister of Finance



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, 2025.



Ashley Stradeski
Chair, Municipal Employees' Pension Commission



Ashley Stradeski
Chair

Message from the Chair



At MEPP, our purpose is clear: to provide members with predictable, lifetime pension benefits that offer peace of mind and long-term financial security. As Chair of the Municipal Employees' Pension Commission, I have the privilege of seeing firsthand the care, expertise, and discipline that go into delivering on that promise.

Over the past number of years, I have become deeply immersed in the world of pensions, and I can say without hesitation that it is work I genuinely enjoy. Pensions are complex by nature, but at their core, they are about people: helping our members feel confident in their financial future. That belief has shaped much of my focus as Chair, particularly when it comes to improving financial literacy and engagement across the Plan.

A strong financial foundation

MEPP remains in excellent financial health. With assets reaching \$4.4 billion, the Plan is well positioned to meet its commitments today and for generations to come. The most recent actuarial valuation as of December 31, 2024, confirms a solvency rate of 134.9 per cent and a going concern rate of 126.4 per cent. These results reflect disciplined investment management, prudent oversight, and a long-term view that prioritizes sustainability over short-term gains.

In 2025, we continued implementing the enhanced investment strategy introduced last year. This strategy supports MEPP's long-term resilience, and regular investment reviews remain a cornerstone of our governance approach. As Commission members, we take seriously our responsibility to challenge assumptions, ask difficult questions, and ensure decisions are made in the best interests of members.

Thoughtful plan design for the future

A strong plan does not stand still. This year, the Commission engaged a new actuarial services consultant to support upcoming plan design work. We also established the Plan Design working group to develop guiding principles that will inform future decisions. This work is intentional and forward-looking, ensuring MEPP continues to evolve while remaining true to its core purpose.

Strengthening governance and accountability

Good governance underpins everything we do. In 2025, the Commission established a new Governance Committee to support ongoing evaluation of governance practices and Commission effectiveness, as well as to contribute to the selection of future Commission members. Strong governance is not static. It requires continuous attention, reflection, and improvement.

Putting members at the centre

One of the most rewarding aspects of my role has been seeing increased efforts to engage members and employers in meaningful ways. This year, MEPP refreshed its brand with a more modern and professional visual identity, while continuing to personalize employer communications. We also expanded outreach to promote retirement planning workshops and individual consultations.

These efforts matter. Financial security is not just about strong funding. It is also about understanding. Helping members build confidence in their pension, and in the decisions they make along the way, is essential to delivering true retirement peace of mind.

Looking ahead

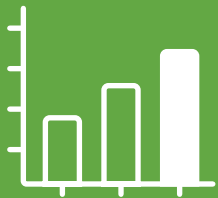
I would like to extend my sincere thanks to former Commission member Evan Handley for his four years of dedicated service. I am also pleased to welcome two new Commission members, Kathrene Bank and Kevin Reed, whose perspectives will strengthen the Commission's work moving forward.

On behalf of the Commission, I am honoured to present the 2025 Annual Report. MEPP remains strong, secure, and focused on the future. I am proud of the work being done, energized by the complexity of the pension landscape, and confident in MEPP's ability to continue delivering lasting retirement security for its members.

Ashley Stradeski
Chair

Plan Highlights

(as at December 31, 2025)



OVER
\$ **4.4B**

plan Assets



OVER
\$ **120.6M**

total Pension Payroll



30,185

Plan Members

- 17,696 Active
- 4,471 Inactive
- 8,018 Pensioners



OVER
\$ **142.3M**

plan Contributions

\$ **56.8M**

total Investments and Administration costs

\$ **39.9M**

total Transfers, Refunds and Termination payments

8.3%

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

126.4%

going concern **Funded Ratio***

*According to the Actuarial Valuation as at December 31, 2024. The going concern funded ratio includes explicit margins to protect the Plan against adverse deviations.

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Plan Profile



Paige and Sara
MEPP members

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 and beneficiaries.

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 their salary, and 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 members (firefighters and police officers) may qualify for an unreduced pension when their age plus eligibility service equals at least 75 years, upon reaching age 55 or after completing 25 years of eligibility service.

Designated 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 its associated 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.



Sydney
MEPP member

Municipal Employees' Pension Commission

(as at December 31, 2025)

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 investment activities in the best interests of all MEPP members.



Ashley Stradeski
Chair

Appointed in 2018
Cities that employ designated members



Wendy Gowda
Vice-Chair

Appointed in 2020
The Rural Municipal Administrators' Association of Saskatchewan



Kathrene Bank

Appointed in 2025
Saskatchewan School Boards Association



Richard Beck

Appointed in 2021
Saskatchewan Urban Municipalities Association



Joe Couture

Appointed in 2022
Saskatchewan School Boards Association



Beverley Lawreniuk

Appointed in 2021
Regional colleges/ Regional libraries



Glenda Lemke

Appointed in 2021
The Urban Municipal Administrators Association of Saskatchewan



Bob Moulding

Appointed in 2022
The Saskatchewan Association of Rural Municipalities



Rod Quintin

Appointed in 2019
The Saskatchewan Association of School Business Officials



Kevin Reed

Appointed in 2025
Associations representing designated firefighters and police officers



Marney Robinson

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



Janice Wolfmuller

Appointed in 2016
Canadian Union of Public Employees (CUPE)



Principles

Accountability

We are accountable to the members and the employers for our administration of the Plan. We operate in a transparent manner.

Stewardship

We are committed to excellence in governing the Plan by providing the highest quality of service, robust governance and risk management, diligent investment management and informed decision making.

Integrity

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

Innovation

We see embracing innovation as key to enhancing adaptability, developing competitive advantages and positioning the Plan to seize new opportunities to meet the evolving needs of our members while mitigating emerging risks.



Mission

Deliver predictable and reliable retirement income to plan members.



Vision

A forward-thinking defined benefit plan that enhances member well-being for a secure retirement.

Contracted Services

The Commission is ultimately responsible for the Plan's administration, communication and investment activities. To fulfill these responsibilities, it engages various service providers.

The Commission contracts with Plannera Pensions and Benefits (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 associated regulations.

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

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



Commission Education

The Commission requires its members to participate in an education program designed to ensure a strong understanding of pension funding, investments, and governance.

Within one year of appointment, members must complete education sessions on basic investment and actuarial principles, as well as an introductory course on board governance, trust management, administration, or fund investment provided by a recognized educational institution or industry expert.

Within two years of appointment, members must complete an advanced course in board governance, trust management and administration, and/or fund investment, provided by a recognized school or industry expert.

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

As part of their ongoing education, Commission members attend conferences and other events that 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 September. The Commission budgets \$5,000 per year for each Commission member for educational registration fees.

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 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, and within one year, a compulsory introductory education in pension governance and administration provided by a recognized school or an industry expert.

To understand pension investment and funding

Within one year of appointments to the Commission, members must attend compulsory introductory education on basic investment and actuarial principles to support their understanding of pension funding and investment.

Total **Board Operation Costs for 2025**

\$191,996.⁴²

Meeting Attendance and Remuneration

Members of the Commission receive no compensation for the performance of their roles as Commission members. They are reimbursed 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 and reimbursement are made in accordance with Table 1.1, effective September 2025.¹

Table 1.1

	Chair	Member
Honorarium – per meeting attendance	\$700	\$350
Per Diem – meals, maximum	\$111.80	\$111.80
Annual Retainer fee	\$5,000	\$3,500
Honorarium – per day of education	\$350	\$350
Honorarium – per sub-committee meeting	\$350	\$175
Travel - mileage	\$0.565/km	\$0.565/km
Travel - wear and tear	\$0.555/km	\$0.555/km
Course registrations - maximum/year	\$5,000 ²	\$5,000 ²
Expenses	reimbursement as incurred	reimbursement as incurred
Education - Exam	\$175	\$175

¹ The Commission Member's remuneration was reviewed and adjusted for the first time since 2015. The first 8 months of 2025 were remunerated according to last year's schedule.

² The course registration limit can be exceeded with Commission approval.

In 2025, the Commission held seven regular meetings, a Strategic Planning Session, a Professional Development Day, four meetings dedicated to forming the Governance Committee, and one meeting dedicated to establish the Plan Design working group. In addition, there were 11 Private Market Committee meetings, three Governance Committee meetings, and one Plan Design working group meeting. Table 1.2 summarizes each Commission member's meeting attendance for the year.

Table 1.2

Name	Meetings Attended	Meeting Honorariums, Fees & Expenses (\$)
Ashley Stradeski, Chair ³	9	\$15,527.46
Wendy Gowda, Vice-Chair ³	7	9,143.74
Kathrene Bank ²	13	13,447.06
Richard Beck ¹	20	12,743.75
Joe Couture ³	12	6,670.84
Beverley Lawreniuk ³	10	10,027.97
Glenda Lemcke	9	8,723.05
Bob Moulding ^{1,2}	19	6,508.88
Rod Quintin ²	12	11,099.18
Kevin Reed	8	7,842.90
Marney Robinson	10	9,980.93
Janice Wolfmueller ^{1,3}	22	9,039.97
Total		\$120,755.72

¹ Private Market Committee member

² Governance Committee member

³ Plan Design working group member

Seminars, Courses and Other Events Attended in 2025

Table 1.3

Name	Education Events Attended	Total Expenses (\$) Registrations, Honorariums and Travel Time ¹
Ashley Stradeski Chair	2025 Association of Canadian Pension Management National Conference	\$ 6,986.82
Wendy Gowda, Vice-Chair	ICD Board Oversight of Artificial Intelligence	2,025.00
Kathrene Bank	CPBI - Strategies for Addressing Trapped Surplus in Defined Benefit Plans Foundations of Trust Management Standards	7,369.51
Joe Couture	CPBI - Strategies for Addressing Trapped Surplus in Defined Benefit Plans Advanced Trust Management Standards, Session B	5,945.74
Beverley Lawreniuk	Canadian Public Sector Pensions and Benefits Conference	5,536.82
Glenda Lemcke	Advanced Trust Management Standards Session B	6,173.62
Bob Moulding	Advanced Trust Management Standards Session B	7,565.74
Rod Quintin	School of Pension Investment Management	7,160.49
Kevin Reed	Foundations of Trust Management Standards	3,170.00
Marney Robinson	Canadian Public Sector Pensions and Benefits Conference 2025 ACPM National Conference	12,318.00
Janice WolfmueLLer	2025 Association of Canadian Pension Management National Conference	6,988.96
Total Expenditures		\$71,240.70

Notes: In addition to the ongoing education events listed above, comprehensive education sessions on demographics, market analysis and benefits considerations; private equity; inter-member equity; ideas for innovation; governance refresher; member financial literacy; investment delegation; and artificial intelligence were offered within the Commission meetings during 2025.

¹Cost variances are related to travel costs and honorariums per member.

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Administration



Kerri
MEPP member

Plan Administration

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 2025, the Commission allocated interest to members' accounts at the rate of 2.6 per cent for the year.

New Pensions Started

Table 1.4

	2025	2024
Normal Retirements	57	57
Early Retirements	202	189
Postponed Retirements	218	203
Survivor Pensioners	1	1
Total	478	450



Being a MEPP member means I have a safe, stable, and secure future for my retirement.

Rod - MEPP member

Operating Expenses

Table 1.5

	Total Cost (\$ thousands)	(%)
Administration costs	\$ 11,931	20.97
Custodial fees	605	1.06
Investment management fees		
TD Asset Management Inc.	873	1.53
BlackRock Asset Management Canada Ltd.	151	0.27
Insight Investment Management Ltd	115	0.20
Foyston, Gordon & Payne Inc.	390	0.69
Snyder Capital Management, LP	856	1.50
Oberweis Asset Management, Inc.	788	1.38
Morgan Stanley Investment Management	1,394	2.45
Pzena Institutional Management	1,318	2.32
Robeco Institutional Asset Management	726	1.28
Fidelity Investments Canada ULC	327	0.57
Infrastructure*	7,243	12.73
Canso Investment Council Ltd.	813	1.43
PIMCO Canada Corp.	598	1.05
Vontobel Asset Management Inc.	1,182	2.08
Numeric Investors LLC	1,346	2.37
Private Credit*	606	1.07
Private Equity*	4,010	7.05
Farmland*	207	0.36
Performance fees		
Infrastructure*	7,990	14.04
Private Credit*	369	0.65
Private Equity*	4,239	7.45
Other Investment fees		
	8,821	15.50
Total	\$56,898	100.00

88%

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.

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

Administration Service Standards

(January 1, 2025 to December 31, 2025)

Table 1.6

Task	Completed	Met or Exceeded Standard		Standard Business Days and % Target	
		Number	%	Days	Target %
Statement on Termination (Option Letter)	2,160	2,018	93.4	20	75
Statement on Death (Active/Deferred)	36	31	86.1	10	80
Statement on Death (Pensioners) (Option Letter)	254	232	91.3	10	80
Payments (includes on termination and death)	2,235	2,191	98.0	10	80
Payment of New Retirements	494	450	91.1	15	80
Pension Estimates (Retirement Option Letter)	600	534	89.0	10	90
Marriage Breakdown Calculations	34	31	91.2	10	75
Purchase of Service	55	53	96.4	20	80
Portability Transfer Values	34	34	100.0	30	80
Total	5,902	5,574	94.4		

16,210

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

86%

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

87%

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

682

meetings were held with MEPP employers

599

attendees at 29 virtual and in-person workshops

98%

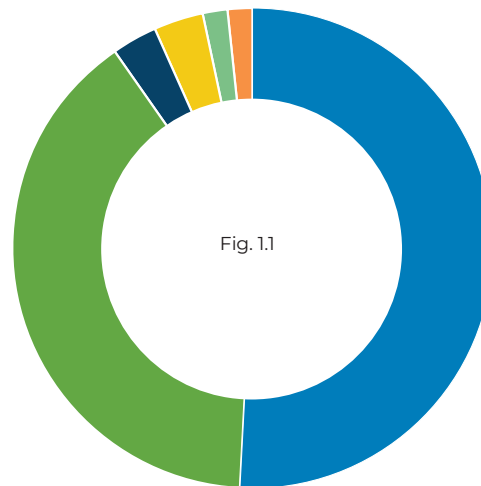
satisfaction of 1:1 consultation with MEPP's Retirement Information Consultants

* Member satisfaction surveys are conducted yearly.



Employers

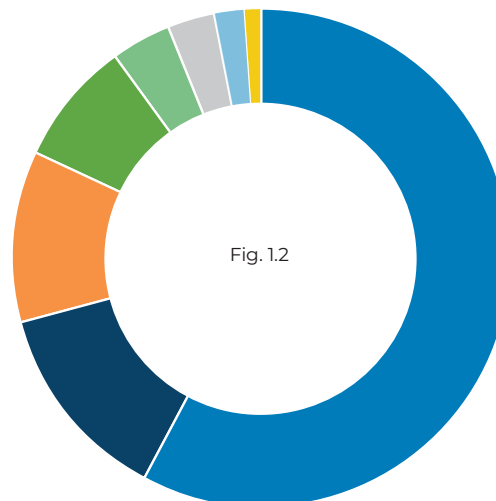
756
active employers



- 50.9%** Towns and Villages (386)
- 39.4%** Rural Municipalities (296)
- 3.2%** School Divisions (24)
- 3.2%** Other (25)
- 1.7%** Regional Colleges & Libraries (13)
- 1.6%** Cities (12)

Members by Employers

17,969
active members
by employers



- 58.0%** Schools (10,445)
- 13.0%** Rural Municipalities (2,314)
- 11.0%** Cities (1,899)
- 8.0%** Towns (1,474)
- 4.0%** Regional Colleges (621)
- 3.0%** Villages (580)
- 2.0%** Regional Libraries (380)
- 1.0%** Other (256)

Jessica
MEPP member

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.

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Investments



Matt
Plannera employee
Serving MEPP members since 2019.

Investment Overview

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 2025, 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 2025, Mercer collaborated with Plannera and provided regular investment consulting services on the Plan's equity and fixed income managers, including performance monitoring, as outlined in the following pages.

The Plan's Private Markets Consultant is Hamilton Lane. In 2025, 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 in the following pages.

Investment Managers

The Commission delegates responsibility for investing fund assets to professional investment managers. Each manager invests within a specific mandate, as outlined in the following pages.

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 \$605,000 in custodial fees in 2025. (Table 1.5)

Table 1.7

Fees for Investment Management

\$36,772,000

	Fees
Investment Managers	\$22,943,000
Investment Management Performance	\$12,526,000
Investment Consultant	\$1,303,000

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

- Alphi Capital Partners
- 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
- Lindsay Goldberg
- Main Capital
- Neuberger Berman Group
- New Mountain Capital
- Portobello Capital
- Resolute Capital Partners
- Saw Mill Capital
- Silver Lake Management
- SKCP Catalyst Fund
- STG
- Stirling Square Capital Partners
- The Jordan Company Partners
- Technology Crossover Ventures
- Thompson Street Capital Manager
- Torquest Partners
- Verdane
- 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
- ICG
- IFM Global Infrastructure
- ISQ Global Infrastructure Fund III
- KKR Global Infrastructure Investors
- Macquarie Asia Infrastructure Management Limited
- Northampton Capital Partners
- Northleaf Capital Partners
- Novacap Digital Infrastructure
- Pennybacker Capital
- Q-energy
- Starwood Energy Group
- Stonepeak Associates
- Terramont Infrastructure Partners
- Tiger Infrastructure Partners

Investment Managers (continued)

Global Large Cap Equity

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

Private Credit

- Ares Management
- Atlantic Park
- Balance Point
- BC Partners
- BlackStone
- Castlelake
- Falcon Investment Advisors
- Fiera Private Debt
- FP Credit Partners
- GTCR
- Hunter Point Capital
- ICG
- New Mountain Capital
- North Haven Credit Partners IV
- Oak Hill Advisors
- Plexus Capital

Canadian Equity

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

Farmland

- Area One
- Fiera Capital
- PGIM
- Tiverton
- U.S. Agriculture

Single Mandates

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



As a MEPP member I have peace of mind knowing my personal savings and government pensions aren't the only source of income.

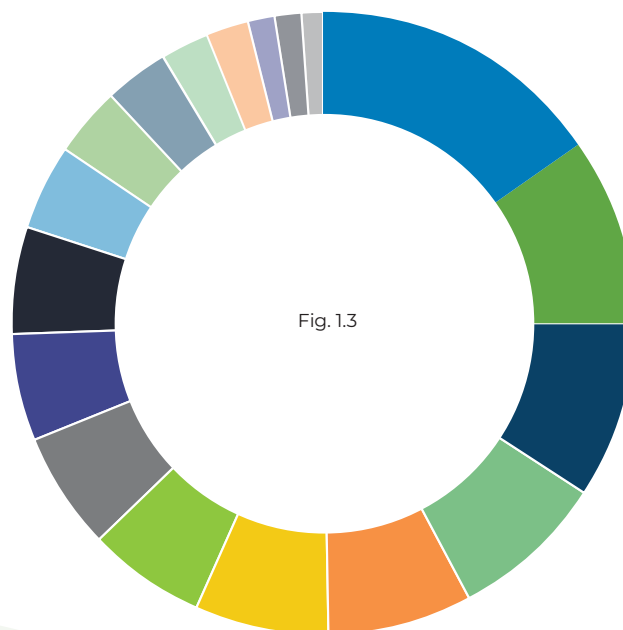
Investment Objectives

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



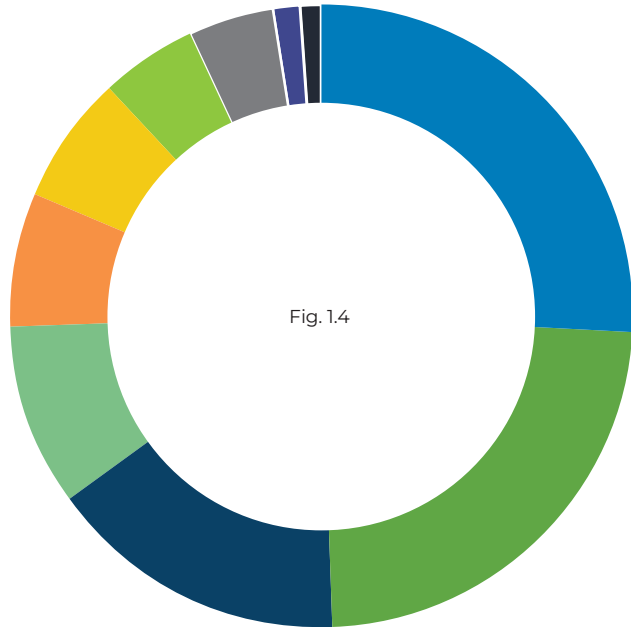
15.5%	Infrastructure (Various)
9.7%	Private Equity (Various)
9.1%	Canso Investment Council
8.0%	PIMCO Canada
7.6%	BlackRock Asset Management Canada
6.8%	Numeric Investors
6.3%	Pzena Institutional Management
5.9%	Robeco Institutional Asset Management
5.7%	Vontobel Asset Management
5.5%	Morgan Stanley Investment Management
4.5%	TD Asset Management
3.5%	Fidelity Investments Canada
3.3%	Foyston, Gordon & Payne
2.5%	Oberweis Asset Management
2.3%	Snyder Capital Management
1.5%	Private Credit (Various)
1.4%	Cash & Misc.
0.9%	Farmland

 **1.2B**

Over the past three years, MEPP assets **have grown to \$4.4 billion.**

Investment Objectives (continued)

MEPP Asset Mix



- 26.1%** Fixed Income and Cash
- 23.4%** Global Equity
- 15.5%** Infrastructure
- 9.7%** Private Equity
- 6.8%** Canadian Equity
- 6.8%** Emerging Markets Equity
- 4.8%** Global Small Cap Equity
- 4.5%** Real Estate
- 1.5%** Private Credit
- 0.9%** Farmland



Being a member of MEPP means I am working towards building a comfortable future.



Sara
MEPP member

Performance by Asset Class

Foreign Currency Investment Manager

In 2025, this strategy had an impact of 0.4 per cent on foreign equities exposure, consistent with the benchmark.

One-year Return

Table 1.8

Asset Class	One-year Return (Net as at December 31, 2025)	One-year Benchmark
Fixed Income	1.4%	1.1%
Canadian Equities	28.6%	31.7%
Foreign Large Cap Equities	11.1%	16.7%
Foreign Small Cap Equities	15.3%	17.8%
Emerging Market Equities	30.4%	27.3%
Real Estate	-1.8%	1.3%
Infrastructure	5.9%	7.4%
Private Equity	2.6%	24.3%
Private Credit	2.3%	12.3%
Farmland	-4.4%	4.4%

Four-year Return

Table 1.9

Asset Class	Four-year Return (Net as at December 31, 2025)	Four-year Benchmark
Fixed Income	-0.1%	-0.5%
Canadian Equities	14.0%	13.9%
Foreign Large Cap Equities	10.4%	12.4%
Foreign Small Cap Equities	5.5%	7.4%
Emerging Market Equities	7.0%	8.1%
Real Estate	1.2%	2.2%
Infrastructure	13.0%	8.6%
Private Equity	10.0%	17.3%
Private Credit	n/a	n/a
Farmland	n/a	n/a

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

8.3%

The total one-year return (8.3 per cent) underperformed the benchmark (12.0 per cent) by 3.7 per cent.

6.2%

The total four-year return (6.2 per cent) underperformed the benchmark (6.5 per cent) by 0.3 per cent.

5

Governance



Paige
MEPP member

Key Performance Indicators

Critical Success Factors

To deliver the services members expect, the Plan must measure performance in the areas most critical to its success. These critical success factors are assessed across four categories:

Customer Measures

track performance in key member-focused activities and capture member feedback on the quality of information and services the Plan provides.

Financial Measures

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

Innovation & 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 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 2025 is provided on the following pages.

Summary

The Plan met 11 of 13 key performance indicators in 2025. 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, the Fund Rate of Return was not above the investment fund benchmark on a rolling four-year basis. While active management detracted from the total fund's performance on a rolling four-year basis, active strategies continue to contribute positive relative returns over the long term.

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 2025 meetings, the Commission received education on Private Equity investments, inter-member equity, ideas for innovation, benefit enhancements, governance, member financial literacy, investment delegation, and artificial intelligence.



Rosario
Plannera employee
Serving MEPP
members since 2013.

Critical Success Factors

Customer

Table 1.10

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

Financial

Table 1.11

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.	Not Met ¹
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 ²

¹ While active management detracted from the total fund's performance on a rolling four-year basis, active strategies continue to contribute positive relative returns over the long term.

² The Commission's budget cycle runs from April 1, 2025, to March 31, 2026. As of December 31, 2025, plan expenses are projected to be 1.5 per cent above the original approved budget. In response, management is actively implementing strategies in the final quarter to identify cost savings and ensure the plan remains within budget for the fiscal year. Accordingly, a supplementary budget request was not issued.

Critical Success Factors (continued)

Innovation and Learning

Table 1.12

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

Internal

Table 1.13

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

99% **Employer Customer Service Satisfaction**

Our 756 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.

Strategic Priorities



Sustain Long-term Financial Stability

The Commission is committed to ensuring long-term financial stability for the Plan, so members have a secure and predictable retirement income.



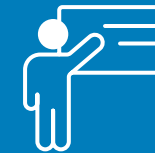
Strengthen Plan Governance and Accountability

The Commission strives to demonstrate leading practices in pension plan governance and recognizes that good governance is critical to ensuring the pension plan operates with integrity, transparency, and efficiency, ultimately protecting the interests of members and employers.



Enhance Member Experience

Enhancing member experience ensures Plan members fully understand and engage with their pension benefits, leading to better retirement outcomes. Clear communication, user-friendly tools, and responsive service help members navigate complex pension information and make informed financial decisions.



Explore Options for Growth and Innovation

The Commission is committed to exploring options for growth and innovation to ensure the Plan remains adaptable, competitive, and capable of meeting the evolving needs of members and employers.



As a young member of MEPP, I see my pension as a foundation I'm building early - one that grows with me and gives me confidence that my future will be as strong as the work I'm doing today.

Jessica - MEPP member

Strategic Priorities

The Commission conducts periodic strategic planning sessions and reviews the strategic plan at least annually. On April 16, 2025, the Commission held a strategic planning session and developed its strategic plan for 2025-2027.

Strategic Planning is an integral part of the Commission's comprehensive governance process. It includes regular reviews of strategic priorities and risk management planning. The Strategic Plan is developed within the context of the Plan's mission, vision, and priorities, and is guided by the Commission's core principles of accountability, stewardship, integrity, fairness, and innovation. The 2025-2027 Strategic Plan is available on the Plan website.

In 2025, MEPP made meaningful progress across all four strategic priorities.

Sustain Long-term Financial Stability 2025 Highlights

- Plannera submitted MEPP reporting data to CEM Benchmarking, which conducted an independent and objective review of the Plan's investment performance, risk and costs compared to pension plans of similar size and type.
- Plannera completed a fit-gap analysis and underwent development and testing for an investment valuation system replacement. Implementation is underway.
- The Commission approved 20 private market investments in Private Equity, Infrastructure, Private Credit and Farmland funds.

Strengthen Plan Governance and Accountability

2025 Highlights

- 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 November 2025.
- The Commission approved the creation of a Governance Committee with a key mandate of collaborating with Plannera to implement composition review recommendations.
- The Commission implemented exception-based reporting to streamline oversight and improve efficiency.
- The Commission approved the selection of Eckler as the Plan's actuarial service provider.

Strategic Initiatives (continued)

Enhance Member Experience

2025 Highlights

- Plannera modernized member education by introducing refreshed Your Path to Retirement workshops and expanded delivery through interactive webinars, in-person sessions across the province, and employer-driven options.
- Plannera advanced key initiatives by launching MEPP's refreshed brand across all communication channels and finalizing detailed member personas to enable more targeted and effective communication.
- The Commission refined its Engagement Strategy by fostering stronger collaboration with members while enhancing educational initiatives and resource accessibility to promote greater informed decision-making.
- Plannera implemented secure messaging and document upload within the member portal to strengthen data protection, streamline communication and minimize operational and privacy risks.
- Plannera engaged with members and employers to determine their needs through regular research, including member and employer satisfaction surveys.

Explore Options for Growth and Innovation

2025 Highlights

- Exploratory work began on potential plan design updates, supported by a review of comparable plans to identify emerging practices and opportunities. A formal project was launched to further assess and develop plan design options.
- Research and analysis began to identify potential employers that may be interested in joining MEPP.
- Plannera initiated a review and standardization of employer onboarding procedures to enhance operational efficiency, align processes with current organizational needs, and deliver an exceptional experience for new employers joining the Plan.

79%

**Plan Administration
Satisfaction**

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

Risk Management

Risk Management Philosophy

Annually, the Commission conducts 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 priorities or maintain its operations. These events and trends are defined as risks.

Through its risk management process, the Commission identifies and evaluates risks, ensures appropriate mitigation strategies are in place to manage these risks, and monitors their effectiveness annually.

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

Table 1.14

Broad-based Risks	Definition of Risk	Key Risks
Strategic Risk	Encompasses the potential risks related to communications and service delivery, plan design suitability, plan reputation, plan governance, and accountability.	<ul style="list-style-type: none"> • Communications • Governance • Plan structure
Financial Risk	Relates to the investment, funding and benefit policies, plan design costs, and demographic considerations.	<ul style="list-style-type: none"> • Investment structure • Employers withdrawing from the Plan • Risk of losses
Regulatory Risk	Is associated with non-compliance with legislation, fiduciary obligations and the legal requirements of pension plan management.	<ul style="list-style-type: none"> • Non-compliance
Operational Risk	Includes operational emergencies and non-compliance with governance policies	<ul style="list-style-type: none"> • Performance by investment managers • Planner as a service provider • Other service providers • Adverse deviations

Risk Management Strategies and Business Practices

The Commission implemented a set of strategies and business practices to manage identified risks and ensure the long-term sustainability of the Plan. These include:

These include:

Stakeholder Engagement and Communication

- Conducts periodic stakeholder consultations to assess benefit affordability and contribution requirements needed to fund these benefits.
- Deliver clear and timely communication to Plan members and employers through in-person sessions, webinars, bulletins, guides, online resources, and targeted outreach.
- Enhance member and employer engagement strategies to improve information dissemination and member support.

Governance and Oversight

- Maintain leading practices in pension governance through regular review and updates of the Governance Manual.
- Conducts annual review of the Strategic Plan and monitors the progress of each initiative identified.
- Ensures compliance with regulatory requirements and timely filing of all reports.

Service Provider Management

- Consistently apply the Acquisition and Retention of Services policy to secure qualified service providers, who are experts in the responsibilities to which they are assigned with respect to the Plan.

- Evaluates the performance of all service providers at least annually against established standards.
- Evaluates the performance of the executive management services provided by Plannera as its administrator, at least annually.
- Requires service providers to maintain business continuity plans and adhere to codes of conduct.

Risk Management and Internal Controls

- Undertakes an annual Risk Management process and approves the Risk Management Plan for the upcoming year.
- Performs annual evaluation of risk mitigation measures to determine if risks are adequately managed or if additional strategies are required to address residual or emerging risks.
- Maintains strong internal controls, verified annually by external auditors.
- Leverage legal and other expert advice to strengthen decision-making and uphold best practices in pension plan administration.
- Ensures annual review and acknowledgement of the Commission's Code of Conduct and Conflict of Interest procedures annually.

Investment and Financial Oversight

- Reviews and updates the Statement of Investment Policies and Procedures (SIP&P) annually to manage investment risk through diversification of asset classes, capital markets and investment managers.

- Monitor investment performance and liquidity, including completion of an Asset Liability Study and approval of a new asset mix where appropriate.
- Conducts benchmarking of investment performance against peer plans.
- Ensures initiatives and Plan-related activities are adequately funded through a robust budgeting process.
- Completes annual actuarial valuations to confirm the Plan's financial position and long-term stability.

Continuous Improvement

- Periodically reviews plan design, products and services, to enhance member experience and operational efficiency.
- Provide education sessions on cybersecurity and risk management to reinforce best practices in risk oversight and compliance.

2025 Highlights

The following risk management activities were completed in 2025:

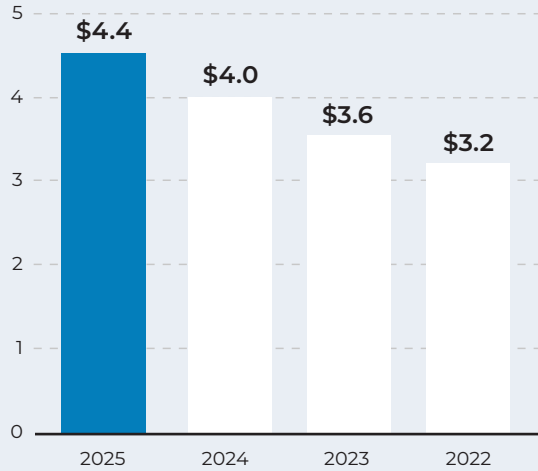
- Received and analyzed results of the annual member satisfaction survey to identify service improvements and align with member expectations.
- Communicated with members through multiple channels, including targeted messaging for specific demographic groups.
- Enhanced the Employer Engagement Strategy to improve outreach through bulletins, on-site consultations, trade shows, presentations, and digital communication.
- Held quarterly meetings with the Plannera Board, who provide strong governance and oversight.
- Reviewed and updated the Governance Manual to reflect legislative and regulatory changes.
- Approved the 2025 Risk Management Plan after reviewing progress on the 2024 plan.
- Filed all regulatory reporting requirements in a timely manner.
- Evaluated all service providers against established performance standards.
- Maintained a Service Level Agreement with Plannera to ensure clear service expectations are met.
- Conducted annual third-party audits to assess and manage financial, legal, and reputational risks.
- Continued investment in a comprehensive insurance program to protect against potential financial and reputational damages.
- Delivered cybersecurity education sessions focused on ISO27001 standards and best practices, along with a risk management learning session for Commission members.
- Monitored liquidity, investments, and asset mix throughout the year.
- Reviewed benchmarking reports comparing the Plan's investment performance to peer plans.
- Completed the annual actuarial valuation to ensure accurate assessment of the Plan's financial position and long-term stability.
- Leveraged market analysis to uncover opportunities for Plan enhancements and innovation.

Plannera continued its journey to become **ISO 27001** certified. This internationally recognized standard sets out the requirements for establishing, implementing, maintaining, and continually improving an Information Security Management System.

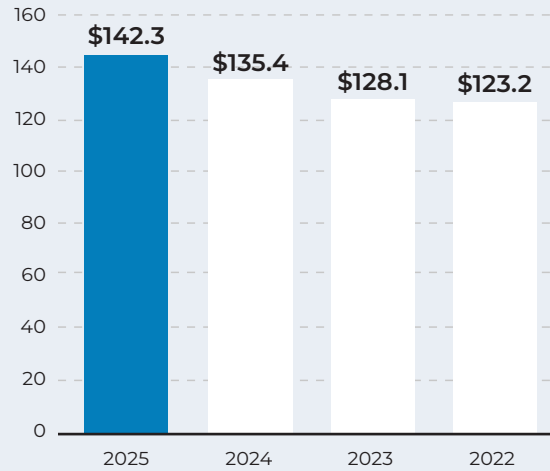
ISO 27001 is more than a certificate - **it's a commitment to protecting what matters most - your information.**

Looking Back

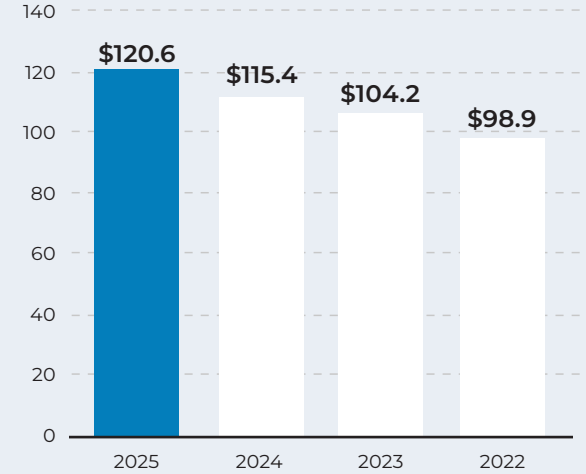
Plan Assets (billions)



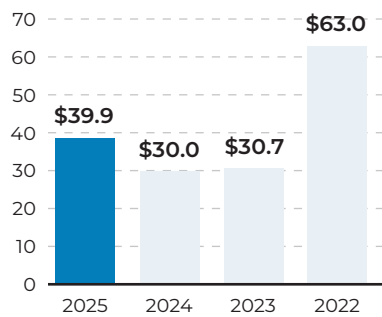
Total Contributions (millions)



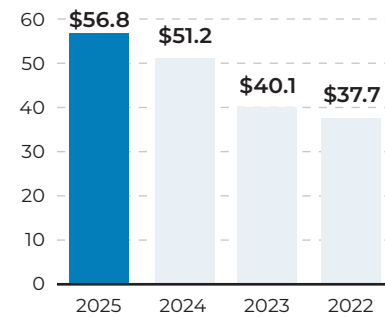
Pension Payroll (millions)



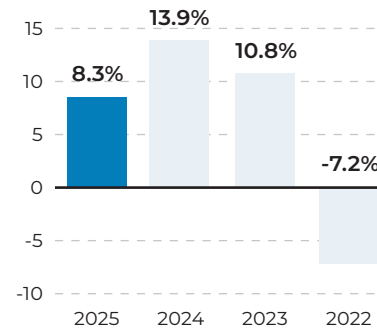
Transfers, Refunds & Termination Payments (millions)



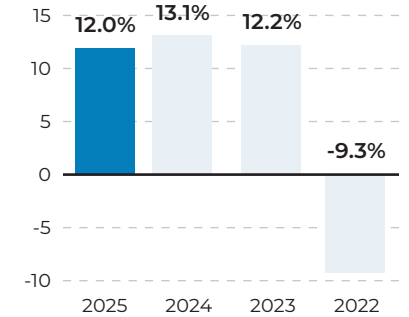
Investments & Administration Costs (millions)



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, 2026



We partner with members for their secure financial future and exist to provide innovative pension and benefit services to them. At our core, we help people--our members.



Jeremy Phillips
President and Chief Executive Officer
Plannera Pensions and Benefits

Actuarial Opinion

ECKLER

Actuarial Opinion

With respect to the *Municipal Employees' Pension Plan* (the "Plan"), we have prepared an actuarial valuation as at December 31, 2024 and subsequent extrapolation to December 31, 2025, for the purpose of determining the necessary actuarial information for financial statement reporting in accordance with Section 4600 of the Chartered Professional Accountants Canada Handbook ("CPA 4600").

In our opinion, for the purpose of this actuarial valuation and extrapolation:

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

Nonetheless, emerging experience differing from the assumptions will result in gains or losses that will be revealed in subsequent valuations.

This letter has been prepared, and this actuarial opinion has been given, in accordance with accepted actuarial practice in Canada.



Johanan Schmuecker Fellow, Canadian Institute of Actuaries



Amy Hamilton
Fellow, Canadian Institute of Actuaries

Eckler Ltd.
310 Wall Street
Saskatoon, SK
S7K 1N7

February 10, 2026



6

Financial Statements



Chris
MEPP employee



KPMG LLP
2000-1881 Scarth Street
Regina, SK S4P 4K9
Canada
Tel 306 791 1200
Fax 306 757 4703

INDEPENDENT AUDITOR'S REPORT

To the Members of the Legislative Assembly, Province of Saskatchewan

Opinion

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

- the statement of financial position as at December 31, 2025
- 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 policy information

(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, 2025, 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 information, other than the financial statements and the auditor's report thereon, included in the 2025 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 2025 Annual Report 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 the 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.

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 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 20, 2026

Municipal Employees' Pension Plan Statement of Financial Position

Statement 1

(in thousands)

As at December 31	Defined Benefit	2025 Retirement Annuities	Total	2024 Total
ASSETS				
Investments (Note 4)	\$ 4,079,522	\$ 13,606	\$ 4,093,128	\$ 3,870,604
Investments under securities lending program (Note 4)	152,895	511	153,406	103,499
	4,232,417	14,117	4,246,534	3,974,103
Plannera prepaid (Note 6)	4,169	14	4,183	4,692
Accounts receivable				
Employees' contributions	3,966	-	3,966	4,082
Employers' contributions	3,930	-	3,930	4,082
Accrued investment income	9,344	31	9,375	8,775
Investment receivables	3,306	11	3,317	1,320
Other receivables	279	1	280	125
Plannera loan receivable (Note 7)	1,993	7	2,000	1,700
	22,818	50	22,868	20,084
Cash (Note 8)	111,954	373	112,327	91,927
Total assets	4,371,358	14,554	4,385,912	4,090,806
LIABILITIES				
Accounts payable	8,717	29	8,746	7,539
Investment liabilities	6,341	21	6,362	4,383
Derivative liability (Note 5)	-	-	-	13,282
Provision for annuity obligations (Statement 3, Note 11)	-	6,339	6,339	6,558
Total liabilities	15,058	6,389	21,447	31,762
NET ASSETS AVAILABLE FOR BENEFITS (Statement 2)	4,356,300	8,165	4,364,465	4,059,044
Pension obligations (Statement 3, Note 12)	2,728,125	-	2,728,125	2,539,396
SURPLUS	\$ 1,628,175	\$ 8,165	\$ 1,636,340	\$ 1,519,648

(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	2025			2024
	Defined Benefit	Retirement Annuities	Total	Total
INCREASE IN ASSETS				
Investment income (Note 4)	\$ 94,503	\$ 327	\$ 94,830	\$ 75,126
Security lending income	192	1	193	192
	94,695	328	95,023	75,318
Change in fair value of investments	285,007	987	285,994	461,109
Contributions				
Employee contributions	70,377	-	70,377	67,284
Employer contributions	70,291	-	70,291	67,208
Reciprocal transfers in	1,619	-	1,619	901
Arrears contributions and interest	4	-	4	27
	142,291	-	142,291	135,420
Net decrease in provision for annuity benefits (Statement 3, Note 11)	-	219	219	983
Total increase in assets	521,993	1,534	523,527	672,830
DECREASE IN ASSETS				
Transfers and refunds (Note 10)	35,028	-	35,028	26,044
Benefit payments (Note 10)	4,897	-	4,897	3,939
Pension obligations payments	119,373	-	119,373	114,174
Annuities	-	1,220	1,220	1,212
Investment transaction costs	759	3	762	794
Administrative expenses (Note 14)	56,630	196	56,826	51,225
Total decrease in assets	216,687	1,419	218,106	197,388
INCREASE IN NET ASSETS	305,306	115	305,421	475,442
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	4,050,994	8,050	4,059,044	3,583,602
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	\$ 4,356,300	\$ 8,165	\$ 4,364,465	\$ 4,059,044

(See accompanying notes to financial statements)

Municipal Employees' Pension Plan

Statement of Changes in Pension Obligations and Provision for Annuity Obligations

Statement 3

(in thousands)

Year Ended December 31	2025		2024	
PENSION OBLIGATIONS, BEGINNING OF YEAR	\$	2,539,396	\$	2,422,265
Increase in pension obligations				
Interest on pension obligations		155,928		151,522
Pension obligations accrued		108,826		108,958
Transfers-in		1,619		901
Change in assumptions		39,229		27,783
Ad-hoc pension increase (Note 1)		47,817		-
		353,419		289,164
Decrease in pension obligations				
Transfers, refunds and defined pension obligations paid		159,298		144,157
Experience gain		5,392		27,876
		164,690		172,033
PENSION OBLIGATIONS, END OF YEAR (Note 12)	\$	2,728,125	\$	2,539,396
PROVISION FOR ANNUITY OBLIGATIONS, BEGINNING OF YEAR	\$	6,558	\$	7,541
Increase in provision for annuity obligations				
Interest on annuity obligations		369		437
Experience loss		276		-
Change in assumptions		356		34
		1,001		471
Decrease in provision for annuity obligations				
Annuities paid		1,220		1,212
Experience gain		-		242
		1,220		1,454
PROVISION FOR ANNUITY OBLIGATIONS, END OF YEAR (Note 11)	\$	6,339	\$	6,558

(See accompanying notes to financial statements)

Municipal Employees' Pension Plan Notes to the Financial Statements

December 31, 2025

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, 2024 valuation with the FCAA. The Plan is required to file the next actuarial valuation no later than September 30, 2028.

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 (2024 - 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)

Ad-hoc Supplementary Benefits

In accordance with the Act, the Commission may grant ad-hoc supplementary benefits to those members receiving pensions and annuities to compensate them for lost purchasing power. The Commission may grant the ad-hoc supplementary benefits as long as the solvency of the entire Plan is not impaired. In September 2025, the Commission approved providing an increase to pensions in pay of 3.92 per cent effective January 1, 2026 based on compounding the 12-month average CPI ending July 2023 and the 12-month average CPI ending July 2024.

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, 2025 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 20, 2026.

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, cash, accounts payable, and investment liabilities 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. Amended Standards Not Yet in Effect

The following accounting standards have upcoming amendments or changes that are not yet in effect:

- IFRS Accounting Standards – amendments to IFRS 9 for classification and measurement of financial instruments that will be effective for fiscal years beginning on or after January 1, 2026; and
- Section 4600, Accounting standards for Pension Plans – improvements to presentation and disclosure of investments for pension plans. These amendments are intended to increase consistency, clarity and usefulness of investment information provided to users of pension plan financial statements and will be effective for years on or after January 1, 2027.

The Plan intends to adopt the amended standards in the fiscal year in which they become effective. Management is currently analyzing the impact these new standards will have on the financial statements.

4. Investments

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

	(in thousands)					
	2025			2024		
	Defined Benefit	Retirement Annuities	Total	Defined Benefit	Retirement Annuities	Total
Investments						
Short-term	\$ 17,120	\$ 57	\$ 17,177	\$ 2,061	\$ 8	\$ 2,069
Bonds	365,669	1,219	366,888	337,092	1,218	338,310
Equities	1,339,776	4,469	1,344,245	1,352,250	4,886	1,357,136
Private equity	418,298	1,395	419,693	408,182	1,475	409,657
Private credit	63,889	213	64,102	33,525	121	33,646
Farmland	37,016	123	37,139	11,688	42	11,730
Infrastructure	669,490	2,233	671,723	603,366	2,180	605,546
Pooled funds	1,168,264	3,897	1,172,161	1,108,505	4,005	1,112,510
	<u>4,079,522</u>	<u>13,606</u>	<u>4,093,128</u>	<u>3,856,669</u>	<u>13,935</u>	<u>3,870,604</u>
Investments under securities lending program						
Short-term	3,258	11	3,269	381	1	382
Bonds	25,874	87	25,961	38,902	141	39,043
Equities	123,763	413	124,176	63,843	231	64,074
	<u>152,895</u>	<u>511</u>	<u>153,406</u>	<u>103,126</u>	<u>373</u>	<u>103,499</u>
	<u>\$ 4,232,417</u>	<u>\$ 14,117</u>	<u>\$ 4,246,534</u>	<u>\$ 3,959,795</u>	<u>\$ 14,308</u>	<u>\$ 3,974,103</u>

4. Investments (continued)

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

	(in thousands)					
	2025			2024		
	Defined Benefit	Retirement Annuities	Total	Defined Benefit	Retirement Annuities	Total
Investment Income						
Interest	\$ 16,788	\$ 58	\$ 16,846	\$ 15,847	\$ 58	\$ 15,905
Pooled funds	26,536	92	26,628	22,627	85	22,712
Dividends	28,112	97	28,209	27,191	103	27,294
Farmland	83	-	83	32	-	32
Infrastructure	13,457	47	13,504	2,649	10	2,659
Private equity	1,312	5	1,317	507	2	509
Private credit	6,992	24	7,016	3,973	15	3,988
Other	1,223	4	1,227	2,019	8	2,027
	\$ 94,503	\$ 327	\$ 94,830	\$ 74,845	\$ 281	\$ 75,126

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, 2025 had an effective interest rate from 2.3 per cent to 4.3 per cent (2024 – 5.6 per cent) and an average term to maturity of 168 days (2024 – 142 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, 2025, 100 per cent of the Plan's short-term investments were held with the Government of Canada (2024 – 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 2024 and 2025, 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.

2025 (in thousands)							
Years to Maturity	Federal	Foreign Government	Municipal	Corporate	Total Fair Value	Coupon Rate	Effective Interest Rate
Under 5	\$ 44,738	\$ -	\$ 1,145	\$ 145,338	\$ 191,221	0.00% - 7.60%	3.16%
5 to 10	-	-	-	97,282	97,282	0.00% - 7.13%	3.88%
Over 10	3,567	4,356	-	96,423	104,346	0.00% - 7.90%	4.25%
Fair Value	\$ 48,305	\$ 4,356	\$ 1,145	\$ 339,043	\$ 392,849		

4. Investments (continued)

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			

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 49 per cent of the Plan to be invested in foreign public equities, including those held in pooled funds. As at December 31, 2025 the Plan held 27.04 per cent (2024 – 29.15 per cent) of the Plan's total investments in segregated foreign equities and 7.03 per cent (2024 – 5.90 per cent) of the Plan's total investments in pooled foreign equity funds. Segregated foreign equities are comprised of 49.26 per cent (2024 – 53.51 per cent) in U.S. equities and 50.74 per cent (2024 – 46.49 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 1.95 per cent (2024 – 1.90 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, 2025 the Plan was committed to further investment in private equity limited partnerships up to \$191.0 million in Canadian funds (2024 - \$178.8 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, 2025, the Plan's private equity investments were 9.88 per cent (2024 – 10.31 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. The total percentage of private equities held corrected itself in 2025 as the Plan experienced 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, 2025 the Plan was committed to further investment in infrastructure limited partnerships up to \$355.7 million in Canadian funds (2024 - \$327.3 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, 2025, the Plan's infrastructure investments were 15.82 per cent (2024 – 15.24 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, 2025 the Plan was committed to further investment in private credit limited partnerships up to \$164.7 million in Canadian funds (2024 – \$111.6 million).

The Plan's investment policy limits private credit investments from 0.5 per cent to a maximum of 10 per cent of the Plan's assets. As of December 31, 2025, the Plan's private credit investments were 1.51 per cent (2024 – 0.85 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 will 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, 2025 the Plan was committed to investment in farmland limited partnerships of up to \$57.1 million in Canadian funds (2024 – \$41.0 million).

The Plan's investment policy limits farmland investments from 0.5 per cent to a maximum of 8 per cent of the Plan's assets. As of December 31, 2025, the Plan's farmland investments were 0.87 per cent (2024 – 0.30 per cent) 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. At December 31, 2025, there were provisions in place for all the Plan's pooled funds.

The Plan's pooled funds are comprised of:

Pooled Fund	Fair Value (in thousands)	
	2025	2024
Non-North American Equity	\$ 3,785	\$ 9,187
Emerging Markets Equity	294,682	225,339
Bonds	679,894	681,318
Real Estate	193,800	196,666
	<u>\$ 1,172,161</u>	<u>\$1,112,510</u>

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:

2025					
(in thousands)					
	Level 1	Level 2	Level 3	Total	
Bonds	\$ 4,356	\$ 388,493	\$ -	\$ 392,849	
Pooled funds	-	683,679	488,482	1,172,161	
Short-term	-	20,446	-	20,446	
Equities	1,468,421	-	-	1,468,421	
Private equity	-	-	419,693	419,693	
Private credit	-	-	64,102	64,102	
Infrastructure	-	-	671,723	671,723	
Farmland	-	-	37,139	37,139	
Total	\$ 1,472,777	\$ 1,092,618	\$ 1,681,139	\$ 4,246,534	
Derivative liability (Note 5)	\$ -	\$ -	\$ -	\$ -	

4. Investments (continued)

Fair Value measurements using level 3 inputs

	2025 (in thousands)					Balance at December 31, 2025
	Balance at December 31, 2024	Purchases	Sales/return of capital	Realized Gains (Losses)	Unrealized Gains (Losses)	
Real estate pooled funds	\$ 196,666	-	-	-	(2,866)	\$ 193,800
Emerging markets pooled funds	\$ 225,339	-	-	-	69,343	\$ 294,682
Private equity	\$ 409,657	59,021	(67,573)	24,896	(6,308)	\$ 419,693
Private credit	\$ 33,646	44,012	(10,288)	(2,530)	(738)	\$ 64,102
Infrastructure	\$ 605,546	154,488	(132,223)	49,557	(5,645)	\$ 671,723
Farmland	\$ 11,730	27,206	(583)	-	(1,214)	\$ 37,139
Total	\$ 1,482,584	284,727	(210,667)	71,923	52,572	\$ 1,681,139

During the period, the Plan reclassified its emerging markets pooled funds from Level 1 to Level 3, as the funds do not have quoted prices in an active market or inputs that observable directly or indirectly.

2024 (in thousands)

	Level 1	Level 2	Level 3	Total
Bonds	\$ 4,377	\$ 372,976	\$ -	\$ 377,353
Pooled funds	-	690,505	422,005	1,112,510
Short-term	-	2,451	-	2,451
Equities	1,421,210	-	-	1,421,210
Private equity	-	-	409,657	409,657
Private credit	-	-	33,646	33,646
Infrastructure	-	-	605,546	605,546
Farmland	-	-	11,730	11,730
Total	\$ 1,425,587	\$ 1,065,932	\$ 1,482,584	\$ 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
Emerging markets pooled funds	\$ -	199,277	-	-	26,062	\$ 225,339
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	447,898	(171,277)	58,561	135,061	\$ 1,482,584

Due to the reclassification of the emerging markets pooled funds from Level 1 to Level 3, comparative information has been reclassified to conform to the current period's classification.

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, 2025 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)

Currency	2025			2024		
	Notional Value*	Gain (Loss)	Net Exposure	Notional Value*	Gain (Loss)	Net Exposure
AUD	\$ 6,006	\$ (7)	49.9%	\$ 3,659	\$ 107	49.9%
CHF	15,910	237	49.8%	15,540	126	49.9%
DKK	7,254	83	49.9%	7,501	32	49.9%
EUR	82,197	1,078	49.9%	73,180	255	50.0%
GBP	24,292	36	49.9%	46,116	(292)	50.0%
HKD	20,833	558	49.9%	14,137	(472)	50.0%
JPY	39,797	1,980	49.8%	25,724	(132)	49.9%
MXN	-	-	-%	1,396	(49)	51.7%
NOK	3,167	40	49.9%	4,116	(70)	50.0%
NZD	-	-	-%	1	-	4.9%
SEK	3,192	(23)	49.9%	1,926	(36)	49.9%
SGD	2,125	36	49.9%	1,246	(11)	48.1%
USD	381,376	9,899	49.9%	397,143	(12,740)	50.0%
	\$	13,917		\$	(13,282)	

*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, 2025, the forward contracts are in a net gain position of \$13.9 million (2024 – loss of \$13.3 million). The foreign currency forward exchange contracts are short-term in duration and all current contracts as of December 31, 2025 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, 2025, the Plannera prepaid was \$4.2 million (2024 – \$4.7 million).

7. **Plannera Loan Receivable**

On January 3, 2024, the Plan transferred \$1.7 million to Plannera for operational funding requirements. An additional \$0.3 million was transferred to Plannera on May 23, 2025. 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. As of December 31, 2025, the Plannera loan receivable was \$2.0 million (2024 - \$1.7 million).

8. **Cash**

The Plan's bank account is included in Plannera's Master Client Agreement (MCA). Per the MCA, interest is earned at a rate per annum equal to the daily value of Royal Bank Prime rate (RBP) less 1.90%. The average interest rate earned in 2025 was 2.99 per cent (2024 - 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, 2025, was \$6.9 million (2024 - \$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 2025 interest rate of 2.60 per cent (2024 – 3.20 per cent) was applied.

10. Transfers, Refunds and Benefit Payments

(in thousands)

	<u>2025</u>	<u>2024</u>
Transfers to other retirement plans	\$ 435	\$ 156
Transfer to other retirement vehicles	26,403	20,892
Withdrawals with interest	<u>8,190</u>	<u>4,996</u>
Total Transfers and Refunds	<u>\$ 35,028</u>	<u>\$ 26,044</u>
Lump sum payments to estates	1,706	1,827
Payments in lieu of annuities	<u>3,191</u>	<u>2,112</u>
Total Benefit Payments	<u>4,897</u>	<u>3,939</u>
Total Transfers, Refunds and Benefit Payments	<u><u>\$ 39,925</u></u>	<u><u>\$ 29,983</u></u>

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, 2024. Eckler has replicated this valuation and extrapolated the results of that valuation to December 31, 2025 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, 2024 and filed with the regulatory authorities. The next valuation to be filed will be required effective December 31, 2027.

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:

	<u>2025</u>	<u>2024</u>
Discount rate	6.25%	6.20%
Indexation of pensions	2.00%	2.00%
Mortality	CPM 2014Priv at 105% for males and 90% for females combined with MI- CAN-2024 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	(5.00%)	5.50%	1.20%	(1.00%)

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 \$4.3 million, in the next 10 years \$6.8 million and in the next 30 years \$9.4 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, 2024. Eckler has replicated this valuation and extrapolated the results of that valuation to December 31, 2025 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, 2024 and filed with the regulatory authorities. The next valuation to be filed will be required effective December 31, 2027.

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:

	2025	2024
Discount rate	6.25%	6.20%
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 MI-CAN-2024 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	(10.10%)	12.50%	2.10%	(1.90%)	9.90%

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, 2025 total \$11,500 (2024 - \$11,300).

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 geopolitical risk, interest rate risk, foreign exchange risk and equity price risk), liquidity risk, security lending risk, and private equity, infrastructure, private credit, farmland, and real estate 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, 2025 is limited to the carrying value of the financial assets summarized as follows:

	(in thousands)	
	2025	2024
Cash	\$ 112,327	\$ 91,927
Accounts receivable	22,868	20,084
Fixed income investments ¹	413,295	366,522
Private Credit	64,102	33,646
Equities under security lending	124,176	64,074

¹Includes 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, other receivables, and Plannera loan receivable. 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:

Credit Rating	2025		2024	
	Fair Value	Makeup of Portfolio (%)	Fair Value	Makeup of Portfolio (%)
AAA	\$ 83,667	21.30	\$ 74,563	19.76
AA	69,667	17.73	57,722	15.30
A	139,867	35.60	118,313	31.35
BBB	99,648	25.37	126,755	33.59
Total	\$ 392,849	100.00	\$ 377,353	100.00

Within bond investments, there are no holdings from any one issuer other than the Government of Canada over 6.44 per cent (2024 – 7.05 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 \$121 million at December 31, 2025 (2024 - \$124 million); representing 11.27 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 \$121 million at December 31, 2025 (2024 - \$124 million); representing 11.27 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, 2025, the Plan's exposure to U. S. equities was 16.50 per cent (2024 – 18.58 per cent) of total investments and its exposure to Non-North American equities was 16.81 per cent (2024 – 15.72 per cent) of total investments.

In addition, at December 31, 2025 the Plan's exposure to U.S. and non-North American private markets was 26.46 per cent (2024 – 26.12 per cent) of total investments.

At December 31, 2025, a 10 per cent change in the Canadian dollar versus U.S. dollar exchange rate would result in approximately a \$211.2 million (2024 - \$244.2 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 \$112.0 million (2024 - \$107.0 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, 2025, the Plan's exposure to all foreign holdings net of derivatives is \$2.61 billion (2024 – \$2.44 billion). A 10 per cent change in the exchange rate would equate to a net change of \$261 million (2024 – \$244 million).

Equity prices

The Plan is exposed to changes in equity prices in Canadian, U.S. and non-North American markets. Equities comprise 40.67 per cent (2024 – 40.77 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, 2025:

	(in thousands)	
	10% increase	10% decrease
Canadian Equities	\$31,997	\$(31,997)
U.S. Equities	71,659	(71,659)
Other Foreign Equities	73,033	(73,033)

Securities lending risk

At December 31, 2025, 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, 2025, the total amount of collateral pledged to the Plan amounted to \$167 million (2024 – \$112 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.

14. 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.

15. Administrative Expenses

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.

	(in thousands)	
	2025	2024
Audit fees	\$ 124	\$ 113
Actuarial fees	393	319
Administration costs	11,414	10,615
Custodial fees	605	583
Investment base fees	22,943	19,273
Performance fees	12,526	12,821
Other investment fees	8,821	7,501
	<u>\$ 56,826</u>	<u>\$ 51,225</u>

16. 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 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, 2025 of \$1.3 million (2024 – \$0.7 million) due to PlannerA.

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.

17. 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.

18. 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:

	2025	
	Annual Return	Rolling Four Year Average
Plan's actual rate of return after deducting investment and administration expenses	8.3%	6.2%
Benchmark	12.0%	6.5%

19. 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.



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