

# Annual Report 2025

## Saskatchewan Government Insurance Superannuation Plan

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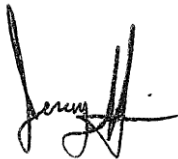
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**Letters of Transmittal**

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 Saskatchewan Government  
Insurance Superannuation Plan for the Year Ended December 31, 2025.



Jeremy Harrison  
Minister Responsible for Saskatchewan Government Insurance

The Honourable Jeremy Harrison  
Minister Responsible for Saskatchewan Government Insurance

May it Please Your Honour:

I have the honour of submitting the Annual Report of the Saskatchewan  
Government Insurance Superannuation Plan for the Year Ended December  
31, 2025.



Drew Kendel  
Chief Financial Officer  
Saskatchewan Government Insurance

## **Saskatchewan Government Insurance Superannuation Plan**

### **Introduction**

The Contributory Superannuation Plan for the employees of Saskatchewan Government Insurance, commonly referred to as the Saskatchewan Government Insurance (SGI) Superannuation Plan (the Plan), is a pension plan registered under *The Saskatchewan Government Insurance Act, 1980* (the Act), which gives SGI the authority to organize and support the defined benefit pension plan, subject to *The Pension Benefits Act*. The Plan is maintained by SGI for employees who were hired prior to January 1, 1980, and did not elect to transfer to the defined contribution plan.

The Plan has been closed to new members since 1980. New employees hired are required to join the Public Employees Pension Plan, a defined contribution pension plan.

The Act guarantees members' basic pension regardless of the financial status of the Plan. The Plan is financially sound and holds a well-diversified portfolio of debt and equity investments. Net assets available for benefits totaled \$19.4 million at December 31, 2025. Diversification helps to maximize the return on Plan assets and minimize the impact of volatility in specific segments within the capital markets.

### **Plan Governance**

SGI is the Plan sponsor and has authority for all Plan decisions and approvals. SGI has delegated authority to SGI's Chief Financial Officer to make recommendations to the SGI Board of Directors (the Board) who acts on and decides all matters pertaining to administration of the Plan. The Board members are appointed by Order in Council pursuant to *The Saskatchewan Government Insurance Act, 1980*.

### **Administration**

The Plan was administered by the Public Employees Benefits Agency (PEBA) from January 1, 2020, to December 31, 2023. Effective January 1, 2024, the Public Pension and Benefits Administration Corporation, operating as Plannera Pensions and Benefits (Plannera), began administering the Plan for retired employees with SGI continuing the administration for active and deferred members. As per Order in Council #194-2024, the Province of Saskatchewan authorized PEBA to delegate the administration of the Plan to Plannera. Plannera provides reporting to SGI's Chief Financial Officer (CFO) or his designate as required.

### **Termination of the Plan**

The Contributory Superannuation Plan for the employees of Saskatchewan Government Insurance (the Plan) was wound up effective November 1, 2025. The Financial and Consumer Affairs Authority of Saskatchewan (FCAA) approved the termination of the Plan on January 21, 2026. Saskatchewan Government Insurance (SGI or the Corporation), the Plan Sponsor, will select an annuity provider in 2026 that will take over monthly annuity payments directly to members of the Plan. All surplus funds will be distributed to the members of the Plan subsequent to the new provider taking over monthly annuity payments.

## Management's Report

To the Members of the Legislative Assembly of Saskatchewan

The administration of the Plan in 2025 was a joint effort between SGI and the Public Pension and Benefits Administration Corporation, operating as Plannera Pensions and Benefits (Plannera). Plannera management is responsible for financial administration of the 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 judgement in order that the financial statements fairly reflect the financial position of the Plan.

The present value of pension obligations has been determined by an actuarial valuation. The actuaries' opinion follows. Actuarial valuation reports require management's best estimate assumptions about future events.

The financial statements were examined by KPMG LLP whose report follows.

Regina, Saskatchewan  
February 26, 2026



Jeremy Phillips  
President & CEO  
Plannera Pensions & Benefits

## Actuarial Opinion

With respect to the *Contributory Superannuation Plan for the Employees of Saskatchewan Government Insurance*, we have prepared a plan termination actuarial valuation as at November 1, 2025 with the results subsequently extrapolated to December 31, 2025, for the purpose of determining the necessary actuarial information for financial statement reporting purposes in accordance with International Accounting Standard 19 – Employee Benefits (IAS 19).

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

- The data on which the plan termination valuation and this subsequent extrapolation are based are sufficient and reliable.
- Where applicable, the assumptions have been adopted as management's best estimates for accounting purposes and, in our opinions, the assumptions are appropriate.
- The actuarial cost methods, extrapolation methods and valuation methods employed are appropriate.
- The plan termination actuarial valuation and this extrapolation conform to the requirements of the revised IAS 19.

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

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



David R. Larsen, FSA, FCIA  
Partner



Brad Nehring, FSA, FCIA  
Senior Consultant

January 28, 2026



**Saskatchewan Government Insurance Superannuation Plan**

**Financial Statements  
And Independent Auditor's Report thereon  
Year Ended December 31, 2025**



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Canada  
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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 Saskatchewan Government Insurance Superannuation 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 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 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.

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KPMG Canada provides services to KPMG LLP.



### ***Emphasis of Matter – Basis of Preparation***

We draw attention to Note 1a to the financial statements which describes that the financial statements are not prepared on a going concern basis of accounting and the reason why the Plan is not a going concern.

Our opinion is not modified in respect of this matter.

### ***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 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 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.
- 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

February 26, 2026

**Saskatchewan Government Insurance Superannuation Plan  
Statement of Financial Position**

**Statement 1**

(in thousands)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<b>Assets</b>		
Investments (Note 4)	\$ 19,395	\$ 20,871
Cash (Note 5)	51	49
Accounts Receivable	<u>5</u>	<u>-</u>
 Total Assets	 <u>19,451</u>	 <u>20,920</u>
<b>Liabilities</b>		
Accounts Payable	<u>48</u>	<u>54</u>
 Net Assets Available for Benefits	 19,403	 20,866
Pension Obligations (Note 8)	<u>17,035</u>	<u>17,695</u>
 Surplus	 <u>\$ 2,368</u>	 <u>\$ 3,171</u>

(See accompanying notes to the financial statements)

On behalf of the Board



Richard Carter  
Director



Gary Vidal  
Director

**Saskatchewan Government Insurance Superannuation Plan  
Statement of Changes in Net Assets Available for Benefits**

**Statement 2**

(in thousands)

	<u>Year Ended December 31, 2025</u>	<u>Year Ended December 31, 2024</u>
<b>Increase in Assets</b>		
Investment Income (Note 4)	\$ 731	\$ 1,229
Change in Fair Value of Investments	-	363
Total Increase in Assets	<u>731</u>	<u>1,592</u>
<b>Decrease in Assets</b>		
Change in Fair Value of Investments	132	-
Pension Benefits	1,924	2,007
Administration Expenses (Note 9)	138	127
Total Decrease in Assets	<u>2,194</u>	<u>2,134</u>
Net Decrease in Assets	(1,463)	(542)
Net Assets Available for Benefits, Beginning of Year	<u>20,866</u>	<u>21,408</u>
Net Assets Available for Benefits, End of Year	<u>\$ 19,403</u>	<u>\$ 20,866</u>

(See accompanying notes to the financial statements)

**Saskatchewan Government Insurance Superannuation Plan  
Statement of Changes in Pension Obligations**

**Statement 3**

(in thousands)

	<u>Year Ended December 31, 2025</u>	<u>Year Ended December 31, 2024</u>
Pension Obligations, Beginning of Year	\$ 17,695	\$ 18,759
<b>Increase in Pension Obligations:</b>		
Interest on Accrued Benefits	757	817
Change in Actuarial Assumptions	-	126
Plan Experience	508	-
	<u>1,265</u>	<u>943</u>
<b>Decrease in Pension Obligations:</b>		
Pension Benefits	1,924	2,007
Change in Actuarial Assumptions	1	-
	<u>1,925</u>	<u>2,007</u>
Pension Obligations, End of Year (Note 8)	<u>\$ 17,035</u>	<u>\$ 17,695</u>

(See accompanying notes to the financial statements)

# Saskatchewan Government Insurance Superannuation Plan

## Notes to the Financial Statements

December 31, 2025

### 1. Description of Plan

The following description of the Saskatchewan Government Insurance Superannuation Plan (the Plan) is a summary only. For more complete information, reference should be made to the Plan Text.

#### (a) General

The Plan is a contributory defined benefit pension plan covering some employees of Saskatchewan Government Insurance (SGI). This Plan is operated pursuant to Section 17 of *The Saskatchewan Government Insurance Act, 1980*. It has been closed to new members since 1980. New employees hired are required to join the Public Employees Pension Plan, a defined contribution pension plan.

The Plan was administered directly by the Public Employees Benefits Agency (PEBA) from January 1, 2020, to December 31, 2023. Effective January 1, 2024, the Public Pension and Benefits Administration Corporation, operating as Plannera Pensions and Benefits (Plannera), began administering the Plan for retired employees with SGI continuing the administration for active and deferred members. As per Order in Council #194-2024, the Government of Saskatchewan authorized PEBA to delegate the administration of the Plan to Plannera.

The Contributory Superannuation Plan for the employees of Saskatchewan Government Insurance (the Plan) was wound up effective November 1, 2025. The Financial and Consumer Affairs Authority of Saskatchewan (FCAA) approved the termination of the Plan on January 21, 2026. SGI, the Plan Sponsor, will select an annuity provider in 2026 that will take over monthly annuity payments directly to members of the Plan. All surplus funds will be distributed to the members of the Plan subsequent to the new provider taking over monthly annuity payments. As a result of the wind-up, these financial statements are not prepared on a going concern basis.

#### (b) Funding Policy

- (i) SGI and plan members make contributions to the Plan. SGI contributes such amounts as recommended by the actuary in order that the benefits under the Plan may be properly funded. Active members no longer contribute to the Plan, as the 35 years of maximum service, as specified in the Plan Text, has been reached. Optional contributions are still allowed.
- (ii) SGI provides funding to the Plan based on the most recently filed recommendations of the actuary. As a result of the wind-up, no further funding valuations will be completed.

#### (c) Service Pensions

The Plan provides a full pension at retirement calculated as 2% of a member's average earnings during the five years of highest earnings, multiplied by the total number of years of service to a maximum of 35 years. Plan members who are less than age 65 and have completed 30 years of service may select early retirement with no reduction to their pension. Plan members who are less than age 65 and have less than 30 years of service may select early retirement with a reduced pension. At age 65, members' pensions are reduced due to integration with the Canada Pension Plan.

**(d) Disability Pensions**

The Plan provides for early retirement when a plan member is permanently incapable, due to medical reasons, of performing their regular job duties.

**(e) Survivors' Pension**

The type of pension selected by the Plan member will determine the amount, if any, to be paid as pension to the survivor.

**(f) Death Refunds**

A death refund is payable to the estate of a pensioner or survivor where such pensions have not been paid to their full extent and plan conditions permit.

In a similar manner, a death refund is payable to the spouse, if any, otherwise to the estate or designated beneficiary of a member where the member is not a pensioner.

**(g) Termination Refunds**

When a member ceases to be employed by SGI, subject to lock-in provisions, termination refunds with interest are payable.

**(h) Income Taxes**

The Plan is a registered pension plan as defined in the *Income Tax Act* and is not subject to income taxes.

**2. Basis of Preparation**

**(a) Statement of Compliance**

The financial statements have been prepared in accordance with the CPA Canada Handbook section 4600, *Pension Plans*. For matters not addressed in section 4600, IFRS Accounting Standards (IFRS) as issued by the International Accounting Standards Board guidance has been implemented.

**(b) Basis of Measurement**

The financial statements have been prepared on the historical cost basis except for financial instruments which have been measured at fair value; and pension obligation, which is measured at the present value of the accrued benefit obligation.

**(c) Functional Currency and Presentation**

These financial statements are presented in Canadian dollars, which is the Plan's functional and presentation currency.

**3. Material Accounting Policies**

**(a) Basis of Accounting**

These financial statements are prepared on the historical cost basis and present the aggregate financial position of the Plan as a separate financial reporting entity independent of the sponsor and plan members. They are prepared to assist Plan members and others in reviewing the activities of the Plan for the fiscal period but they do not portray the funding requirements of the Plan or the benefit security of individual Plan members.

**(b) Investments**

All investments are carried at fair value. The Plan's equity investment funds are measured at fair value using quoted market prices of the underlying securities. Bond investment funds are measured based on the fair value of the underlying securities determined using model pricing techniques that effectively discount prospective cash flows to present value taking into consideration duration, credit quality and liquidity. The fair value of short-term investments is based on cost, which approximates fair value due to the immediate or short-term nature of these financial instruments. The fair value for the mortgage investment funds is determined based on the market values of the underlying mortgage investments, calculated by discounting scheduled cash flows through to the estimated maturity of the mortgages (using spread-based pricing, over Government of Canada bonds with a similar term to maturity), subject to adjustments for liquidity and credit risk.

The Plan records its investment purchases and sales on a trade date basis, being the date when the transactions are entered into. The Plan recognizes interest income as earned and equity investment fund income when a distribution is declared.

**(c) Foreign Currencies**

Foreign currency transactions are translated into Canadian dollars using exchange rates in effect on the transaction date. Monetary assets and liabilities denominated in foreign currencies are adjusted to reflect exchange rates at year-end. Exchange gains or losses arising on the translation of monetary assets and liabilities or sale of investments are included in change in fair value of investments.

**(d) Measurement Uncertainty**

The preparation of financial statements in accordance with the CPA Canada Handbook section 4600 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in assets and increases and decreases in pension obligations during the reporting period. Actual results could differ from these estimates and changes in estimates are recorded in the accounting period in which they are determined. The most significant estimation process is related to the actuarial determination of the pension obligations (note 8) and the valuation of investments classified as level 3 (note 4).

An additional area of uncertainty is the current geopolitical environment. The potential impact of future changes in government policies including tariffs and trade restrictions could affect economic conditions, investment values and business operations. Management will continue to monitor the impact of geopolitical risk on its use of judgements, estimates, and assumptions.

#### 4. Investments

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

	Market Value (in thousands)	
	2025	2024
Short-Term	\$ 2,476	\$ 1,034
Investment Funds:		
Bonds	13,850	11,803
Mortgage	3,069	3,877
Equity Investment Funds*:		
Canadian	-	1,695
Non-North American	-	1,147
United States	-	1,315
Total Investments	\$ 19,395	\$ 20,871

\*During the fiscal year, the Plan transitioned the equity investment fund mandate to an investment fund mandate. The balance of this mandate was \$4.2 million as of December 31, 2024.

Investment income is comprised of the following:

	(in thousands)	
	2025	2024
Interest	\$ 65	\$ 52
Investment Fund Distributions	666	667
Equity Investment Fund Distributions	-	510
	\$ 731	\$ 1,229

##### (a) Investment Funds

The Plan owns units in bond investment funds and mortgage investment funds. The bond investment funds have the objective to maintain certain targeted durations, as follows:

	(in thousands)			
	2025		2024	
	Market Value	Yield (%)	Market Value	Yield (%)
Bond Investment Funds:				
Three Year Targeted Duration Fund	\$ 4,721	3.04	\$ 2,888	3.35
Eight Year Targeted Duration Fund	6,478	4.14	5,634	4.04
Fifteen Year Targeted Duration Fund	2,012	4.71	2,427	4.42
Twenty plus Year Targeted Duration Fund	639	4.67	854	4.19
Total Bond Investment Funds	\$ 13,850		\$ 11,803	

The investment funds have no fixed distribution rate. Returns are based on the success of the fund managers.

**(b) Short-term Investments**

Short-term investments are comprised of pooled money market funds. The Plan's investment policy states that these investments must meet the minimum investment standard of R-1 or equivalent as rated by a recognized bond rating agency operating in Canada, at the time of purchase.

**(c) Fair Value Hierarchy**

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:

<b>2025</b>				
(in thousands)				
	Level 1	Level 2	Level 3	Total
Short-term	\$ -	\$ 2,476	\$ -	\$ 2,476
Bond Fund	-	13,850	-	13,850
Mortgage Fund	-	-	3,069	3,069
Total	\$ -	\$ 16,326	\$ 3,069	\$ 19,395

No investments were transferred between levels during the year.

<b>2024</b>				
(in thousands)				
	Level 1	Level 2	Level 3	Total
Short-term	\$ -	\$ 1,034	\$ -	\$ 1,034
Bond Fund	-	11,803	-	11,803
Mortgage Fund	-	-	3,877	3,877
Equities	4,157	-	-	4,157
Total	\$ 4,157	\$ 12,837	\$ 3,877	\$ 20,871

Fair Value measurement using level 3 inputs:

	(in thousands)	
	<b>2025</b>	<b>2024</b>
	<b>Mortgage Fund</b>	<b>Mortgage Fund</b>
Balance at January 1	\$ 3,877	\$ 4,096
Purchases	205	213
Sales	(1,000)	(500)
Gain (Loss):		
Realized	(12)	(15)
Unrealized	(1)	83
Balance at December 31	<u>\$ 3,069</u>	<u>\$ 3,877</u>

## 5. Cash

The Plan's bank account is included in Planner'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% (2024 - 4.85%).

## 6. Financial Risk Management

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

Significant financial risks are related to the Plan's investments. These financial risks are managed by having an investment policy which is approved annually by the SGI Board of Directors. The investment policy provides guidelines to the Plan's investment managers for the asset mix of the portfolio and regarding quality and quantity of fixed income and equity investments. The asset mix helps to reduce the impact of market value fluctuations by requiring investments in different asset classes and in domestic and foreign markets.

### Credit Risk

The Plan's credit risk arises primarily from certain investments. The maximum credit risk to which it is exposed is limited to the carrying value of the financial assets summarized as follows:

	(in thousands)	
	<b>2025</b>	<b>2024</b>
Investments <sup>1</sup>	\$ 19,395	\$ 16,714
Cash	51	49
Accounts Receivable	5	-

<sup>1</sup>Includes short-term investments, bonds, and mortgage funds.

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

The Plan is exposed to minimal credit risk from the potential non-payment of accounts receivables as

these are made up of member payments receivable that can be paid through current member balances.

Credit risk within investments is primarily related to short-term investments, bond investment funds and mortgage investment funds. It is managed through investment policies that limit investments to those of high quality along with limits to the maximum notional amount of exposure with respect to any one issuer. Short-term investments are limited to a minimum R-1 rating. The fixed income investment fund have investment policies that limit the investment in bonds and debentures to those with a minimum BBB rating, of which, no more than 15% of the market value of a manager's bond portfolio shall be invested in corporate bonds rated BBB. Except for federal and provincial bonds, no one bond holding shall represent more than 10% of the market value of the total outstanding for that bond portfolio. The mortgage investment fund is subject to credit risk as its value is impacted by the credit risk of the underlying mortgages. Each underlying mortgage is secured by real estate and related contracts. This risk is limited by restrictions within its investment policy, which include single loan limits, and diversification by property type and geographic regions within Canada.

The investment policy of the Plan restricts the combined equity and debt holdings of a single corporation, and its associated or affiliated companies shall not represent more than 10% of the total market value of the assets of the Fund.

#### **Market Risk**

Market risk represents the potential for loss from changes in the value of financial instruments. Value can be affected by changes in interest rates, foreign exchange rates and equity prices. The Plan was not exposed to foreign exchange risk nor equity price risk at December 31, 2025. Market risk primarily impacts the value of investments.

#### **Interest Rate Risk**

The Plan is exposed to changes in interest rates in its bond investment funds, mortgage investment funds and short-term investments. It is estimated that a 100-basis point increase in interest rates would decrease net assets available for benefits by \$1.2 million at December 31, 2025 (2024 - \$1.2 million) while a 100-basis point decrease in interest rates would increase net assets available for benefits by \$1.2 million at December 31, 2025 (2024 - \$1.2 million).

#### **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. The Plan has sufficient resources to settle its obligations prior to dissolution of the Plan.

## **7. Investment Performance**

The Plan's performance objective is to prudently manage investments to assist in achieving a fully-funded status, without excessive exposure to funding and contribution volatility. Assessment of the risk profile of the Plan considers the Plan's closed nature, membership demographics, cash needs, the financial position and plan termination. Based on these factors, the Plan can assume a low level of investment risk to achieve income and growth objectives. Accordingly, the Plan has adopted an investment strategy incorporating a liability driven approach for the majority of the assets with the remaining assets invested in short-term fixed income.

The investment performance of the Plan has been monitored against the performance of the benchmark portfolio over rolling four-year periods.

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

	Annual Return		Rolling Four-Year Average Annual Return	
	2025	2024	2025	2024
Actual Rate of Return	2.9%	7.9%	2.0%	2.0%
Target Rate of Return	1.1%	6.5%	0.9%	0.6%

## 8. Pension Obligations

The present value of pension obligations was determined using the projected benefit method prorated on services and management's best estimate assumptions. AON performed a plan termination actuarial valuation as at November 1, 2025 and extrapolated it to December 31, 2025 for accounting purposes.

Measurement of the present value of pension obligations is uncertain, as estimates must be made of future interest rates, inflation rates and post-retirement index rates. For purposes of this actuarial valuation long-term assumptions used include:

<b>Economic Assumptions</b>	<b>2025</b>	<b>2024</b>
Discount Rate – Beginning of Period	4.50%	4.60%
Discount Rate – End of Period	4.50%	4.50%
Expected Return on Plan Assets	n/a <sup>1</sup>	4.50%
Inflation Rate	2.00%	2.00%

<sup>1</sup> All active members are assumed to retire and commence an annuity on the Plan termination date of November 1, 2025.

The following table shows the change in the pension obligations if certain key assumptions were modified:

Assumption	Change Made	Change in Pension Obligations (\$000)	Change in Pension Obligations (%)
1. Discount rate	+ 1%	(\$1,163)	(6.8%)
	- 1%	\$1,333	7.8%
2. Post-retirement Indexing	+ 10% of CPI	\$265	1.6%
	- 10% of CPI	N/A	N/A

The fair value of the pension obligations has not been determined, as it is impracticable to determine it with sufficient reliability.

## 9. Administration Expenses

As of January 1, 2024, all of the Plan's administration expenses are paid through Plannera except for investment manager fees and custodial fees which are paid directly by the Plan.

	(in thousands)	
	<u>2025</u>	<u>2024</u>
Audit Fees	\$ 27	\$ 45
Actuarial Fees	8	3
Investment Consulting Fees	19	16
Administration Costs	55	30
Investment Manager Fees	19	24
Custodial Fees	10	9
	<u>\$ 138</u>	<u>\$ 127</u>

## 10. 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".

Related party transactions are described separately in the notes.