



Taking care of your
tomorrow by securing
your retirement **today.**

Kathryn,
Nurse Practitioner

2024 Annual Report

Provident¹⁰
REST ASSURED

1	Future focused. People centered.	03
2	Building a strong, resilient future for our members	08
3	Putting our members first	15
4	Building strong relationships with employers	20
5	Our people and our culture	23
6	Leading with strong governance	27
7	2024 Financial Statements	32

Ndubuisi,
Intranet Specialist

Table of contents



Allison,
Instruction Coordinator

Future focused. People centred.

Every day, Provident10's team of experts come to work with one goal in mind: delivering on our pension promise.

Across Newfoundland and Labrador, more than 65,000 members rely on us to provide security and peace of mind in their retirement. Their futures are our reason for being, and we're proud to deliver results that they can depend on.

The promise we make to our members is about more than their stable, lifetime retirement income. It's also a promise to their families, communities and our province. It's our commitment to a secure future for all.

It's why we prioritize resilience, progress and strategic investing that ensures the health of our Plan for the long-term. And in 2024, the efforts of our team and the benefits of our approach were clear.

Against the backdrop of a challenging global economy, Provident10 maintained our fully funded status and achieved strong results for our members.

Most importantly, we delivered on our pension promise. Because at the end of the day, our success is best measured by the freedom and flexibility we deliver to the members who put their trust in us.

2024 Snapshot



13%

Net investment
return



115.3%*

Funded ratio



\$12.7 billion

Total net assets



65,333

Total members

**115.3% is based on a preliminary valuation that is subject to change based on the final valuation.*



Loyola Sullivan
Chair



Bert Blundon
Vice Chair

A message from our Board of Directors

This reflects the resilience of our Plan and the commitment of everyone involved. The same resilience and dedication will be key as we navigate the new and ongoing global economic challenges of 2025.

Our Board remains focused on maintaining strong corporate governance to ensure effective management of the Plan for the benefit of our members. Throughout 2024, we made significant progress in executing our Now to Next: Our Path to 2026 strategic plan. This progress ensures we remain aligned with our long-term goals and vision of creating a positive impact for our members and partners now and in the future.

As we look forward, Provident10 is well-positioned for sustained long-term success. Although the full impact of global economic challenges and market volatility remains uncertain, our 2024 achievements have strengthened our ability to navigate what lies ahead. The solid foundation that we've been building, combined with our strong governance and responsible stewardship will help us deliver sustainable growth for the 65,000 members we serve across our province.

At Provident10, every individual, whether employees, senior leadership, or the Board of Directors, plays a vital role in advancing the Public Service Pension Plan (PSPP).

We're pleased to share that Provident10 delivered strong results in 2024, achieving a total return of 13% and a funded ratio of 115.3%*. These are both tremendous accomplishments, especially considering the challenging economic environment this past year.

**Our funded ratio is based on a preliminary valuation and is subject to change based on the final valuation.*

2025 marks a significant milestone for us: 10 years since the establishment of the Public Service Pension Plan Corporation that is known now as Provident10. As we reflect on the past decade, we're proud of how far we've come to strengthen the Plan and provide secure, lifetime retirement income for our members.

Our success in supporting our members wouldn't be possible without the collaborative efforts of our valued partners, including our sponsor body, employers, unions, and the many organizations we work alongside. We're grateful for their continued commitment and ongoing contributions.

That collaborative approach also extends to our Board. In 2024, we welcomed David Hammond, Executive Director of the Registered Nurses' Union, to the Board of Directors. David brings deep experience and insight to our governance table. At the same time, we extend our sincere thanks and best wishes to Debbie Forward, who departed the Board this year, for her many contributions and years of service.

We also want to express our gratitude to the entire Provident10 team for their continued dedication to our members and partners. To our senior leadership team, thank you for fostering a culture of purpose and guiding our organization's growth and vision.

And finally, to our members, thank you. Whether you are building your career or enjoying your retirement, your contributions help shape the future of Newfoundland and Labrador. It is a privilege to serve you, and we remain fully committed to protecting your retirement security for years to come.



Loyola Sullivan
Chair



Bert Blundon
Vice Chair

As at March 31, 2025, Bert Blundon has assumed the role of Chair and Loyola Sullivan has assumed the role of Vice Chair.



Chuck Bruce
Chief Executive Officer

A message from our CEO

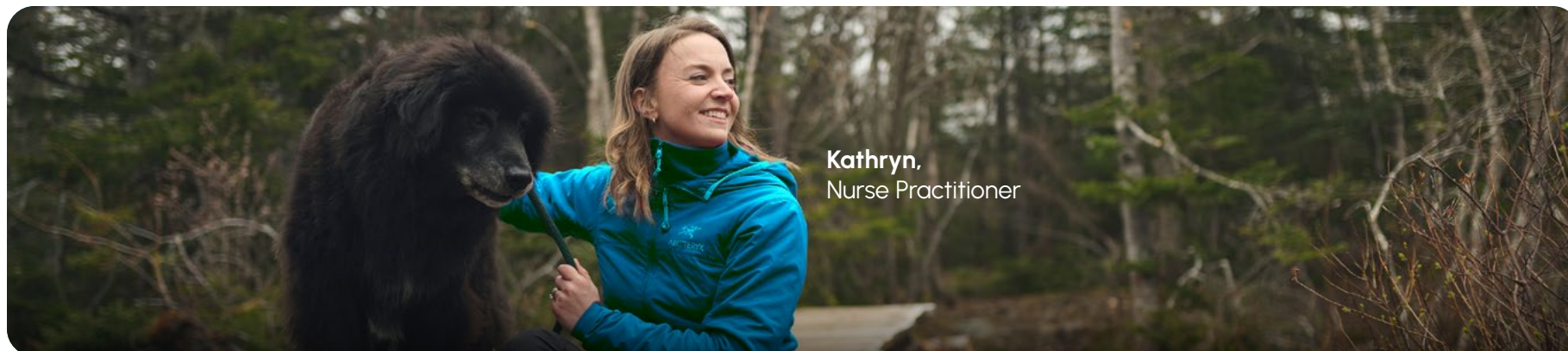
As I reflect on 2024, I am incredibly proud of what we've accomplished together. In a year defined by market volatility and ongoing geopolitical uncertainty, our Plan demonstrated strength and resilience, delivering on the pension promise we've made to our members.

I'm pleased to share that we achieved an impressive **13% return in 2024**, increasing the Plan's assets by **\$1.2 billion to a total of \$12.7 billion**. Even more importantly, we maintained our fully funded status with a **funding ratio of 115.3%**^{*}. That means for every dollar we owe in pensions, we have \$1.15 in assets. These results reflect our diverse investment strategy and the work of our team.

As one of the largest public sector pension plans in Atlantic Canada, we have a responsibility that extends beyond our members to the broader economic well-being of Newfoundland and Labrador. While achieving strong returns and maintaining a fully funded position are important, we must also remain focused on the future.

Although we can't predict future returns, our investment experts continue to refine our strategy and asset mix ensuring we are positioned to navigate economic shifts and uncertainty over the long term. As the Plan grows, so does our resilience. Greater scale brings new opportunities and strengthens our ability to adapt for

^{*}Our funded ratio is based on a preliminary valuation and is subject to change based on the final valuation.



the over 65,000 Newfoundlanders and Labradorians who rely on us.

Our members are at the heart of everything we do. That commitment is reflected not only in how we invest, but in how we serve. In 2024, 100% of pensions were paid on time, and we consistently met or exceeded our top-priority service targets. These results speak to our dedication to our members and the exceptional support of our team.

We are now entering the final two years of our strategic plan, Now to Next: Our Path to 2026. I'm proud of the meaningful progress we've made as an organization and look forward continuing our journey.

As we prepare for our next chapter, our focus remains on strengthening the Plan, fostering long-term growth, and making a positive impact for our members and partners, today and tomorrow.

I want to thank our Board of Directors for their continued trust and thoughtful governance. Their leadership is critical to our progress and long-term success.

To the entire Provident10 team, thank you. Your dedication, collaboration, and commitment helped us achieve key milestones in 2024 and continue to propel us forward. Your work is instrumental in building a secure future for the people who depend on us.

Finally, thank you to our members. We are proud to play a role in securing your retirement future, and supporting you every step along the way.

Sincerely,

A handwritten signature in black ink, appearing to read 'Chuck Bruce'.

Chuck Bruce
Chief Executive Officer



Amanda,
Student Assistant

Building a strong, resilient future for our members

The absolute performance of the plan was strong in 2024, with one-year net growth reaching 13.0%, and \$1.2 billion CAD added to our investment portfolio.

At the end of 2024, the Plan remained fully funded at 115.3%*, a 12.9% increase from the previous year. And with \$12.7 billion in total net assets, the Fund reached an all-time high as we moved into 2025.

While relative performance fell below our policy benchmark of 14.2%, driven by equity and real estate market performance, the long-term health of our Fund remains solid. Our ten-year return of 7.5%, was 1.5% above our annual discount rate of 6%.

**Our funded ratio is based on a preliminary valuation and is subject to change based on the final valuation.*

A year of sustained growth and solid returns

13.0%

Total net investment return for 2024

Contributions:

\$423
million

Benefits paid:

\$608
million

\$12.7

 billion

Net assets available for benefits

7.5%

10-year total net investment return

115.3%*

Funded Ratio

A long-term approach to today's challenges

Our success, in 2024, both year-over-year and across the longer-term view underscores the effectiveness of our approach. In the face of continued economic and geopolitical uncertainty and ongoing challenges related to interest rates and broader global macro-economic trends, our team worked strategically to ensure strong risk-adjusted, long-term gains for our members.

Our relative performance, compared to our one and four-year benchmarks, reflects the challenges of anticipating and reacting to these uncertainties. In 2024, an absolute return of 13% pushed our Plan to new heights. However, the continued concentration of performance in the technologies sector and significant, ongoing challenges in real estate were key contributors to underperformance against our one-year policy benchmark. As office pullbacks continue to challenge the real estate asset class, we're observing and adapting to market and industry trends.

7.5% 10-year net
annualized
returns

We look at our 10-year returns, measuring them against the Plan's discount rate of 6.0%. We were able to deliver on this performance metric, with a 10-year net rate of return of 7.5%.

6.8% four-year net
annualized
returns

We also look at the Plan's ability to exceed the return of the policy benchmark over a four-year investment period. In 2024, our four-year annualized net return was 6.8%, compared to the four year policy benchmark of 6.6%.

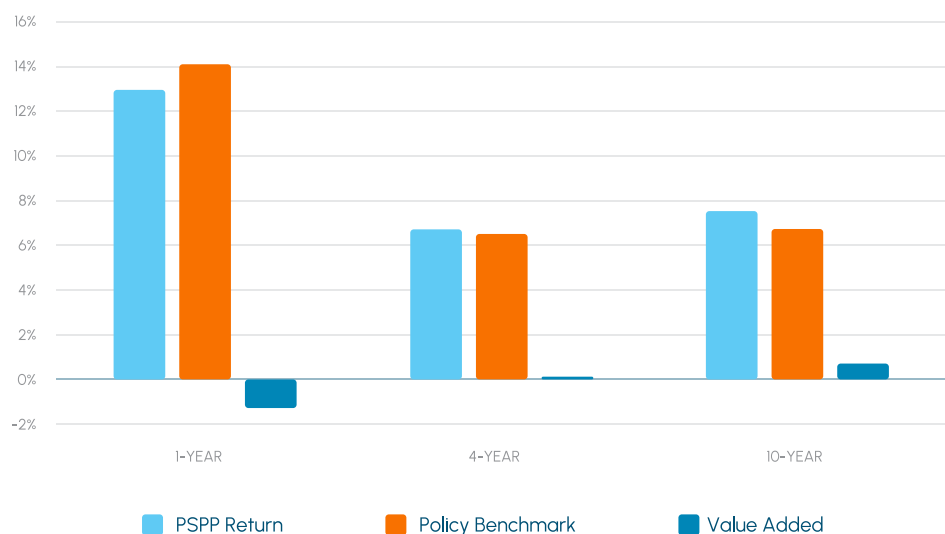
Delivering results for members

Each year, we use two key metrics to evaluate our portfolio performance, prioritizing the performance of the Fund over two periods (four and ten-years). Despite the recent challenges faced by the overall economy, we are proud to deliver meaningful, positive results again in 2024.

Overall, the Plan's performance exceeded the discount rate across our medium and long-term investment windows. We also exceeded our four (+0.2%) and ten-year (+0.7%) policy benchmarks. As a result, we remain well-positioned to deliver on our promise to the members who rely on us.

We are committed to building a strong, diversified portfolio that achieves both absolute and long-term performance. Our team will continue to examine benchmark challenges to prioritize meaningful and sustainable results for our members, while pursuing positive absolute performance.

Total fund performance



Our policy benchmarks are based on our strategic asset allocation and standard market indexes.

We track and report performance over 1-year, 4-year, and 10-year periods, with an emphasis on long-term outcomes. When our returns exceed these benchmarks, we refer to it as "value-added" performance.

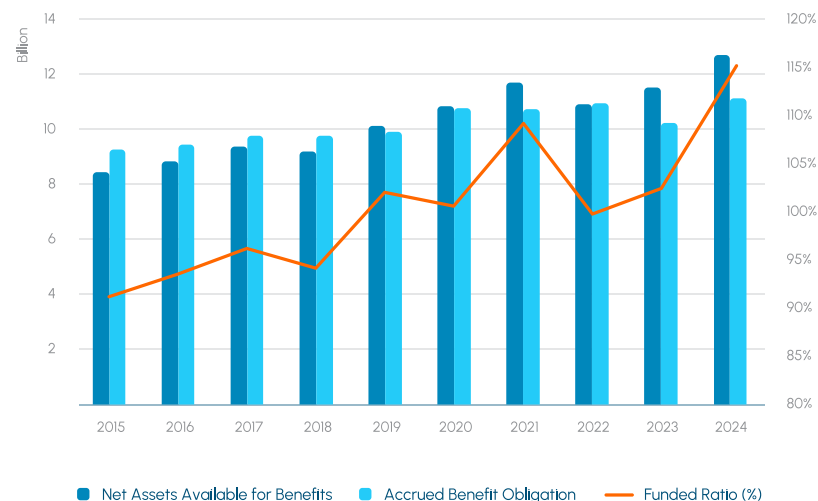
While performance for the year came in below our benchmark, the Plan delivered positive returns and continues to grow. As long-term investors, we remain focused on sustained performance over time, where the Plan has demonstrated strong, stable results.

A decade of growth

As we approached the end of our first decade of the Public Service Pension Plan following pension reform, the long-term value of our approach is clear. With each passing year, we have strengthened the overall health of the Plan, growing our assets by nearly 50% since 2015 and expanding our reach to support over 65,000 members across Newfoundland and Labrador. In 2024, the Plan remained fully funded, meaning it holds more assets than it needs to meet the pension obligations for our current membership.

While the Plan's fully funded status and overall financial health continue to improve, we ensure to carefully manage the Plan through a disciplined funding strategy and long-term investment approach. What matters most is that the Plan remains on a sustainable path and is well-positioned to continue delivering secure pensions to the members who count on us.

Funded ratio over time



**Our 2024 funded ratio is based on a preliminary valuation and is subject to change based on the final valuation.*

Evolving our investment strategy

While our long-term performance is solid, our team of investment professionals remains vigilant in their monitoring and evaluation of both domestic and global markets.

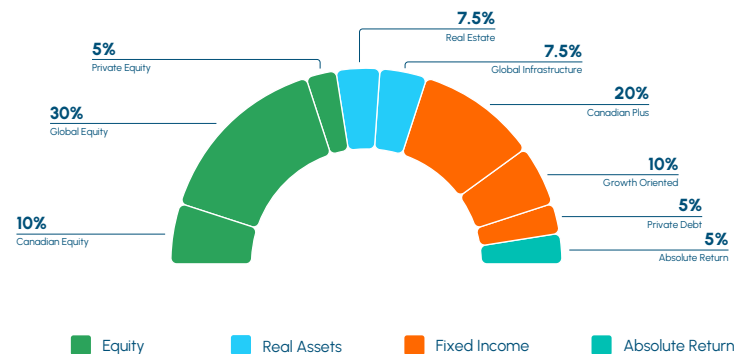
As an independent organization, ProvidentIO manages the investments of the Public Service Pension Plan (PSPP) Fund with a Joint Sponsorship Agreement between the Government of Newfoundland and Labrador and the five largest unions that represent our members. This agreement outlines our principles and serves as a guiding framework to responsibly administer the Plan and effectively manage the investments for the long term.

Strategic asset mix

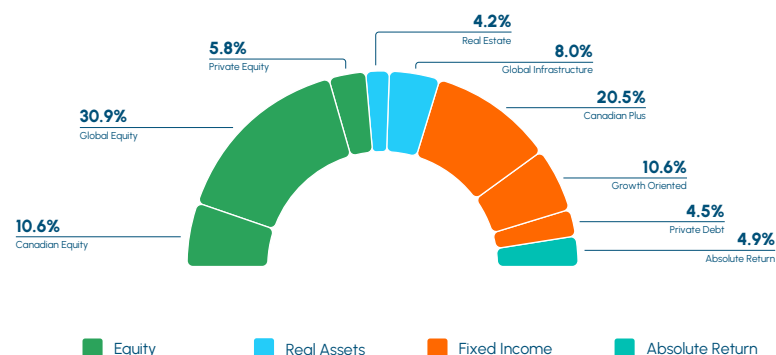
Our investment team draws on professional expertise to oversee a strategy built on a well-diversified portfolio of investments. This disciplined approach is essential in delivering the best risk-adjusted returns to support our members.

[Learn more about our investment strategy.](#)

Strategic asset mix



Current asset mix



2024 PERFORMANCE BY ASSET CLASS

Asset Class	1-YEAR %			4-YEAR %		
	Returns	Benchmark	Value Added	Returns	Benchmark	Value Added
Canadian equity	18.9	21.7	-2.8	11.7	12.5	-0.8
Global equity	25.5	28.2	-2.7	9.2	11.9	-2.7
International small cap equity	5.3	11.1	-5.8	NA	NA	NA
US small cap equity	22.5	21.7	0.8	NA	NA	NA
Private equity	10.8	23.0	-12.2	18.4	12.3	6.1
Canadian fixed income	4.7	4.2	0.5	-0.7	-1.1	0.4
Canadian commercial mortgages	7.1	5.8	1.3	4.4	1.0	3.4
Emerging market debt	7.0	6.0	1.0	NA	NA	NA
Private debt	11.5	7.0	4.5	NA	NA	NA
Global private infrastructure	9.0	5.6	3.4	14.8	8.8	6.0
Real estate	-0.2	5.9	-6.1	4.3	8.1	-3.8
Hedge funds	10.0	9.3	0.7	NA	NA	NA

Performance by asset class

ProvidentIO's diversified investment in fixed income and private asset classes continued to support long term investment performance.

In 2024, real estate continued to underperform, as corporate offices continue

to be reimaged in the era of return to office strategies and distributed workforces.

We also saw a second year of challenges in equities, where benchmarks remained concentrated around a select, and tech-dominated, group of firms.



Jennifer,
Administrative Officer

Looking ahead to 2025

As we move into 2025, we continue to navigate new and ongoing challenges, global events, and economic uncertainty.

At Provident10, we are committed to continuous improvement, especially in the face of evolving market dynamics. In preparation for our upcoming Asset Liability Study, we have engaged a third-party expert to support this important work. Throughout 2025, we will consult with Plan sponsors, participate in scenario modeling and analysis, and explore options for a refreshed strategic asset mix. These efforts will inform recommendations to adjust our long-term investment strategy.

While future returns may fluctuate, our commitment to thoughtful, proactive planning ensures the Plan remains well-positioned for the long term. As the Plan continues to grow, so does our resilience, strengthening our ability to deliver on the pension promise made to more than 65,000 Newfoundlanders and Labradorians who rely on us.



Ray,
Theatre Technician

Putting our members first

Our members are at the heart of everything we do. Every connection, every phone call, every pension transaction is an opportunity for our team to deliver on our commitments to the **65,000+** people across this province who rely on us.

We make a promise to our members when they join Provident10: to take care of their tomorrow by securing their retirement today. It's a commitment we take seriously, because our members aren't numbers, they're our friends, family and neighbours.



Evelyn,
Manager of Member
Engagement & Education

Connecting across our province

31,487

Active members

2,990

New members

24,321

Pensioners

902

New pensioners

14

Pensioners over 100

1.29

Ratio of active members to pensioners



There are

65,333

Provident10 members
across the province
and beyond.

Empowering members through accessible information

We're here to support members through their career journey and big life events, because we know that understanding their pension is key to maximizing their benefit!

Over 900 members took the next step in their planning by attending one of our newly refreshed Retirement Ready Sessions in 2024. We reviewed previous attendee feedback to identify opportunities for improvement, and the result was a revised and streamlined presentation with new examples that address the feedback we have received.

For new members coming to the Plan, we simplified the process of transferring their existing pension by developing a new video and step-by-step guide to support transfers from the Government Money Purchase Pension Plan, a defined contribution pension plan offered by the Government of Newfoundland and Labrador for part-time employees.

We also made improvements and enhancements to our website, making it easier to find information about your pension. These updates were complemented by increased activity on our

social media and a more frequent distribution of our Provident10 Pulse e-newsletter, so members had more information at their fingertips (and in their inbox) throughout the year.

Most importantly, we continued to find opportunities to communicate the value of our Plan and the impact of our members. Throughout the year, across all channels, we shared stories of members who are giving back to their community, empowered by the freedom and flexibility offered by their pension benefit.



The proof is in your pension

Over 24,000 pensioners rely on us to deliver the lifetime retirement income they deserve, and we're proud to support them.

A strong partnership with the Newfoundland and Labrador Public Service Pensioners Association (NLPSPA) allows us to share information and interact with our members into their retirement. As part of our ongoing commitment, we participated in the NLPSPA Annual Convention in the fall and connected with pensioners from across the province, answering questions and sharing updates about their Plan.

The impact of our Plan

Since 2016, Provident10 has paid over

\$5.3 billion

in pension benefits to our members.

With pensioners enjoying retirement in every corner of Newfoundland and Labrador, these benefits also have a sizeable impact on communities and local economies.

Learn more about the impact of our Plan and our members at provident10.ca/members/impact.

Connections and support you can count on

When members have a question or concern about their pension, we're always one call away. Our Pension Administration team is steadfast in their commitment to connecting them to the answers, information and resources they need.

Over the course of the year, our team fielded **12,191 phone calls** from our members, pensioners and employers. From supporting members through major life events to helping them navigate their transition into retirement, our team was there every step of the way.

12,191 members calls

answered by our administration team, supporting them through life events and pension decisions

To ensure we're meeting the needs of each individual member, we invite everyone to participate in a short survey at the end of their call. In 2024, we saw more callers take part than in the previous year (1,665 in total), and their feedback was overwhelmingly positive: **100%** agreed they were treated with courtesy and professionalism, and **96%** reported that their inquiry had been fully addressed.

100% agreed

they were treated with courtesy and professionalism

96% reported

their inquiry had been fully addressed



Ryan,
Communications Manager

Building strong relationships with employers

Our network of 43 participating employers is critical to the success of our Plan and the satisfaction of our members. They are our partners, our supporters and an important source of information and guidance for employees navigating their journey to retirement.

In 2024, we introduced new resources and hosted events to help make pension administration and member support easier and more efficient for our employers.

**9 of our 43 employers make up
over 90% of our membership.**

**Our participating employers range in size
from 1 to over 10,000 employees.**

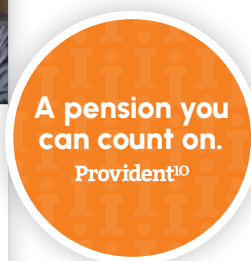
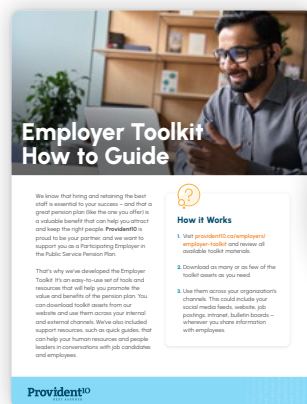
Employer Toolkit

We know that a defined benefit pension plan, like the one we offer, is a highly sought-after benefit that can help support recruitment and retention efforts.

In our 2022 Stakeholder Perception Study, members and employers shared valuable insights, including a clear need for better communication about the pension plan's benefits and how it works throughout an employee's career.

To support our Participating Employers in showcasing the value of a great pension, we launched the Employer Toolkit. It's an easy-to-use set of tools and resources to help employers promote the value, benefits, and mechanics of the pension plan to their top candidates and valued employees.

Since launching in late 2024, we've received positive feedback from our employers: in a post-launch survey, 81% agreed that the toolkit is a highly valuable resource for their organization.



Case Management System and Employer Portal

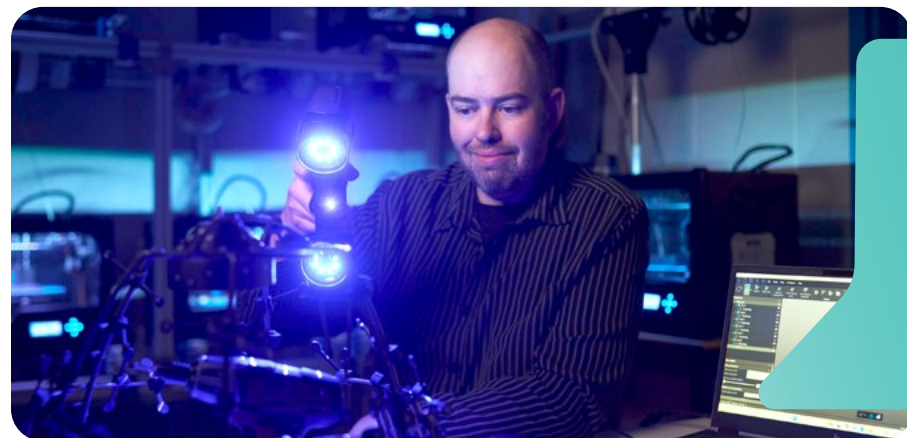
Introduced in 2023, our Case Management System (or CMS) and Employer Portal resulted in increased efficiency for employers. In particular, these systems reduced email volumes by 20%. The Portal also allows us to address written requests from employers and support purchases more seamlessly.

Information Sessions

We host quarterly information sessions to engage with participating employers, answer questions and solicit valuable feedback.

In 2024, we hosted two sessions about our new CMS platform, as employers continued to learn and benefit from the tool. Two additional sessions focused on payroll, with the goal of improving the quality of employee payroll files and minimizing the need for manual intervention.

These events were very well attended: nearly all of our employers participated in at least one session, representing 99% of our active plan members.



Employer Appreciation Event

Beyond education and engagement, we also look for opportunities to celebrate and thank our network of participating employers. Our Annual Employer Appreciation Event, held in December 2024, included the launch of the Employer Toolkit, as well as news and updates from ProvidentIO and a keynote presentation from our guest speaker covering the latest recruitment trends.

The day proved valuable to employers, with 91% of attendees reporting that they were satisfied or very satisfied with the event.

"I enjoy using my creativity to solve technical challenges facing local companies. I also appreciate helping co-workers by improving their equipment, which gives me a strong sense of working as a team.

As an avid over-planner, I appreciate the security that comes with an independent financial resource such as a pension plan."

- Randal, Manufacturing Tech Engineer

Our people and our culture

Lauren,
People & Office
Experience Administrator

At Provident10, we're committed to making a positive and lasting impact for our members, partners and communities. Each member of our team plays a critical role in delivering on that commitment for the people who rely on us.

Our team is our greatest strength, and we'll continue to build an inclusive workplace where everyone can learn, grow and achieve their career goals.



**We're all *in* for our members,
our partners, our communities,
and each other.**

At Provident10 we're **all in**. Joining Provident10 means becoming part of a supportive culture that's committed to a set of shared goals and values.

We're proud to show up every day for ourselves, our teammates, and the 65,000+ members who depend on us. We pride ourselves on a job well done, and on fulfilling our promise to our members and our community.

All in is our individual and collective commitment to each other, our members, our communities and our shared purpose.

Together, we're all *in*

Fostering collaboration

We know we're strongest when we work together, solving problems and building a stronger future for our team and our members.

From big events (like our Annual Corporate Kickoff) to smaller social events, we find opportunities to learn and celebrate in person. In 2024, we took the next step in building community and collaborating with new tools to that help us connect every day: The Neighbourhood, our digital employee engagement platform and How We Work, a guide to our collective values, responsibilities and relationships.

We're proud of our strong, engaged and talented team and we'll continue to learn from them through employee engagement surveys, feedback and check-ins throughout the year.



Supporting growth, learning and development

Provident10 is committed to offering our employees meaningful opportunities to grow their skills and advance their careers.

Supporting career development and nurturing talent is an area where we excelled in 2024, as we supported the professional growth of several team members through internal promotions and role transitions. These successes reflect our focus on recognizing talent and fostering growth from within.

We also prioritized investing in our learning and development program, which benefited more than half of our team members. Some programs, like our cybersecurity awareness, LinkedIn Learning, health and safety and mental health training were spearheaded by the organization. Other learning opportunities, like advancing professional designations and the Certified Employee Benefit Specialist program, were undertaken by individuals looking to expand their skillsets.

Diversity, equity, inclusion and belonging

As we strive to earn and maintain trust and build connections, both inside our walls and in the communities across our province, we continue to grow and deepen our **Diversity, Equity, Inclusion and Belonging (DEIB)** programming. In 2024, this included the development of our DEIB commitment statement, which reflects our values and guides our actions.

Our Commitment to Diversity, Equity, Inclusion and Belonging (DEIB)

At Provident10, we recognize that diversity strengthens our organization, enriches our work, and drives innovation. Just like a well-balanced investment portfolio is key to financial success, having a diverse team is essential for our growth and resilience. We are committed to fostering an environment where every individual feels welcomed, valued, and supported to be able to thrive authentically. We actively educate ourselves, listen to diverse voices, and engage in meaningful dialogue to challenge assumptions and promote understanding. Together, we take deliberate actions to advance DEIB in our organization and beyond to ensure that we not only thrive as a company but also contribute positively to our community, our members, and our industry.

In 2024, we took meaningful steps to bring this commitment to life. We provided inclusive leadership training and engaged with external experts to ensure this commitment starts at the top. We also hosted culture recognition and employee engagement events, workshops and training and provided enhanced internal resources to support our diverse workforce and better serve our communities.

These efforts are on-going and essential. We'll continue to advance our DEIB strategy, so every team member feels safe, supported, and empowered to be themselves, while also making space for others to do the same.

Community connections

Our **all in** on Community Connection program makes an impact across Newfoundland and Labrador. The Provident10 team is committed to giving back to those in need through hands-on volunteering, donations of funds and resources and partnerships with organizations that create positive change for some of our province's most vulnerable populations.

In 2024, our contributions included:

- 80 hours of employee volunteer time to the Ronald McDonald House Home for Dinner program, the Shoppers Drug Mart Run for Women, and the Single Parent Association of Newfoundland and Labrador.
- A monetary donation and food drive in support of Connections for Seniors.
- A school supply drive to help school-age children start the school year with the right tools.
- Making Christmas magic for a family of six by fulfilling their Christmas wish lists, and
- A donation to the Community Food Sharing Association, supporting food banks across the province.

All in
On Community Connection

An award-winning culture

For the third year in a row, Provident10 was recognized as one of Atlantic Canada's Top Employers!

This award recognizes employers across the region who demonstrate leadership in creating exceptional workplaces for their employees. We're proud to be recognized for our family-friendly culture, investment in professional development and benefits (including membership in our defined benefits pension plan!).





Leading with strong governance

Effective organization and robust oversight are the foundations of Provident10's success and a core pillar in our five-year strategic plan.

We cannot operate without adherence to this fundamental principle. Investing in strong governance and risk management and adhering to the highest standards of ethical conduct ensures the long-term success of the Plan, and reflects our commitment to trust and transparency for our stakeholders.

How we're governed

We are an independent organization, governed by a Board of Directors and operating in a jointly trusted governance structure.

Our Joint Sponsorship Agreement (JSA), an agreement between the Government of Newfoundland and Labrador and our Member Unions, outlines our principles, including our Funding Policy, and the guiding framework that ensures we

responsibly administer the Plan and effectively manage the investments for the long term.

Our JSA also outlines our governance structure, which includes three groups: our Sponsor Body, the Board of Directors and the Provident10 Management Team.

[Learn more about how we're governed.](#)

Strengthening our foundation for the future

As we enter the final two years of Now to Next: Our Path to 2026, we continue to modernize, transform and grow Provident10.

We recognize the value and importance of equipping our team with the tools, policies and training required to meet the needs of our members and business today, and to create continuous improvement moving forward.

In 2024, we made new and continued efforts to invest in our internal processes and governance tools.

We made significant progress in our risk-based internal audit plan in 2024, completing 13 audits over the course of the year and accepting 14 recommendations as a result. These audits delivered independent, objective insights to our management and Board of Directors, reinforcing the effectiveness of the organization's governance, risk management, and internal control frameworks.



Chris,
Manager of Plan Compliance
& Employer Relations



Sam.
Pension Administration Manager

Our Systems and Quality (S&Q) team finalized and implemented a new Security Awareness Training Policy, with testing and training launched across the organization. The S&Q team also developed and implemented a new framework for Application Management Quality Assurance (QA). This framework includes a rigorous QA and testing process for changes and enhancements to core information technology applications. The result is a more consistent, high-quality approach to selecting, developing, testing, and deploying both new solutions and updates to Provident10's existing systems, driving greater efficiency and reliability across our technology platforms.

As part of our Enterprise Risk Management Program, we developed a Policy Governance Framework in 2024 to promote consistency and alignment across all organizational policies. This framework establishes a structured approach for the development, review, approval, and ongoing compliance of policy documents, supporting sound governance and operational integrity.

We also collaborated with external experts to enhance our fraud risk management framework. This collaboration led to the development of a comprehensive Fraud Risk Management Policy and the delivery of foundational training for our senior leadership team. Looking ahead to 2025, this work will continue to grow and deepen, with the completion of formal Fraud Risk Assessments that have already been approved and are underway.

As we continue to grow and evolve, we've also strengthened our change management capabilities. In 2024, we formalized a new, structure approach and trained key personnel, and developed an Enterprise Change Management framework to support our future ambitions.

Each of these processes and tools moves Provident10 closer to our aspiration of becoming an industry leader in pension and investment service offerings. We look forward to the remaining two years of our strategic plan, and to starting the development of a new plan that will carry us into our next era of growth.

Board of Directors

We report on the attendance of our Directors at duly constituted and ad hoc meetings, as well as their annual compensation. Compensation is outlined in our Board of Directors Renumeration Policy, and includes an annual honorarium, a per-meeting attendance allowance and reimbursement for reasonable travel expenses. Government and Union employees are not eligible for per-meeting attendance allowances.

The Board Chair and Vice Chair are ex-officio, non-voting members of all committees.

Director	Board	Ad Hoc	Investment Committee	Audit Committee	G&HR Committee	2024 Total
Loyola Sullivan	6	14	4	4	4	\$14,750.00
Bert Blundon	5	9	0	0	0	\$7,250.00
Randell Earle	6	3	4	0	4	\$7,000.00
Sharon Sparkes	4	7	4	0	0	\$7,500.00
Kevin Dumaresque	6	1	4	0	4	\$6,250.00
Donna Brewer	6	5	0	4	0	\$7,500.00
Lori Anne Companion	6	3	0	4	4	\$7,000.00
Al Hawkins	6	14	0	0	4	\$10,000.00
David Drover	4	1	4	4	0	\$1,250.00
Dawn Learning	6	3	3	1	0	\$1,250.00
Robert Cashin	5	3	0	4	0	\$1,250.00
Jennifer Dove	6	4	0	4	4	\$7,500.00
Debbie Forward *	1	2	0	0	1	\$1,875.00
Doug Laing	5	3	4	4	0	\$6,500.00
David Hammond	3	2	0	0	1	\$937.50
Nancy Beth Foran (external committee member)	0	0	3	0	0	\$3,250.00
William Small (external committee member)	0	0	3	0	0	\$3,250.00

*Reported for partial year.

Executive Compensation

The organization is committed to transparency with respect to the compensation of members of our Executive Team. Our Board of Directors approves the compensation principles and philosophy for the organization, as well as the salary and variable compensation of our Chief Executive Officer.

Compensation decisions are made to align with our objectives under our Strategic Plan, specifically around retention and recruitment of top talent, which are key to ensuring the organization has the right people for operational excellence and delivery on strategic initiatives. To support this goal, the organization maintains a total compensation and benefit program for all fulltime employees that includes market-competitive compensation, pension contributions and other retirement benefits, life and disability insurance, and health and dental benefits.

A Supplementary Retirement Arrangement (SRA) for Designated Officers of ProvidentIO has been established. The SRA provides retirement benefits to Designated Officers for earnings in excess of those used to calculate benefits under our Plan due to the limits on pensionable earnings imposed by the Income Tax Act.

Designated Officers and the organization both make required contributions to the SRA in equal amounts. In alignment with our overarching compensation principles and philosophy, this program is designed as a strategic tool to recruit and retain individuals in key executive leadership roles. The CEO was the only Designated Officer eligible for the SRA in 2024.

In addition to base salary, our employees, including the Executive Team, receive variable compensation through the Short-Term Incentive (STI) Program. The STI Program is designed to ensure alignment of priorities between the organization and Board of Directors and provides the Board with the opportunity to assess corporate performance metrics.

STI Program sets annual corporate and individual targets assessed for 0%–150% attainment with minimum, target, and excellence performance metrics. The maximum total reward is capped. The chart below reports both base salary and STIP, to provide an overview of total cash compensation.

Position	Blended Base Salary	STIP	Total Cash Compensation
CEO	\$427,332	\$164,886	\$592,218
VP, Investment Management	\$236,377	\$71,260	\$307,637
VP, Finance*	\$151,578		\$151,578
VP, Systems & Quality	\$193,258	\$45,307	\$238,565

**Reported for partial year.*

A man wearing a black and white cycling jacket, black shorts, a white helmet, and sunglasses is riding a black mountain bike on a gravel path through a forest. The path is lined with tall, thin trees, and the scene is brightly lit with sunlight filtering through the leaves. The man is smiling and looking towards the camera.

Mark,
VP, Systems & Quality

2024 Financial Statements



Financial Statements of

PUBLIC SERVICE PENSION PLAN

And Auditor's Report thereon

For the year ended 31 December 2024



KPMG LLP

TD Place
140 Water St., Suite 1001
St. John's, NL A1C 6H6
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the Public Service Pension Plan

Opinion

We have audited the financial statements of Public Service Pension Plan (the Entity), which comprise:

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

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, 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.



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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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.



Page 3

- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, flowing style. Below the signature is a single, long, horizontal black line that tapers at both ends, serving as a decorative underline.

Chartered Professional Accountants

St. John's, Canada

June 23, 2025

Public Service Pension Plan
Statement of Financial Position
31 December 2024
with comparative information for 31 December 2023

	2024	2023
	(000's)	(000's)
Assets		
Cash and cash equivalents	\$ 271,404	\$ 203,867
Accrued investment income	16,533	13,859
Contributions receivable:		
Employee	12,475	6,313
Employer	12,475	6,313
Harmonized Sales Tax receivable	642	729
Receivable from Provident10 (note 13d)	1,135	1,684
Receivable from pending trades	13,140	4,264
Investments (note 4)	10,235,119	9,077,614
Promissory note receivable (note 12)	2,204,274	2,260,804
Total assets	12,767,197	11,575,447
Liabilities		
Accounts payable and accrued liabilities	6,199	5,295
Payable for pending trades	59,729	35,913
Refunds payable	5,251	13,536
Due to Province of Newfoundland and Labrador	1,660	1,768
Total liabilities	72,839	56,512
Net assets available for benefits	12,694,358	11,518,935
Accrued benefit obligation (note 9)	10,563,946	10,418,497
Commitments (note 14)		
Surplus	\$ 2,130,412	\$ 1,100,438

The accompanying notes to the financial statements are an integral part of this financial statement.

On behalf of the Board of Trustees:

Director _____

Director _____

Public Service Pension Plan

Statement of Changes in Net Assets Available for Benefits

For the year ended 31 December 2024

with comparative information for the year ended 31 December 2023

	2024	2023
	(000's)	(000's)
Increase in net assets:		
Investment income (note 5a)	\$ 230,197	\$ 194,071
Gain on sale of investments (note 5a)	312,623	83,447
Current period change in market value of investments (note 5a)	725,652	497,015
Interest on promissory note (note 12)	131,470	134,669
	1,399,942	909,202
Contributions: (note 10)		
Employee	222,365	194,855
Employer	200,604	180,900
	422,969	375,755
	1,822,911	1,284,957
Decrease in net assets:		
Pension payments (note 11)	(538,266)	(526,809)
Refund of contributions (note 11)	(70,219)	(105,921)
Administrative expenses (note 8)	(35,648)	(31,240)
Harmonized Sales Tax	(3,355)	(2,957)
	(647,488)	(666,927)
Increase in net assets available for benefits	1,175,423	618,030
Net assets available for benefits, beginning of year	11,518,935	10,900,905
Net assets available for benefits, end of year	\$ 12,694,358	\$ 11,518,935

The accompanying notes to the financial statements are an integral part of this financial statement.

Public Service Pension Plan

Statement of Changes in Accrued Benefit Obligation

For the year ended 31 December 2024

with comparative information for the year ended 31 December 2023

	2024 (000's)	2023 (000's)
Actuarial present value of accrued benefit obligation, beginning of year	\$ 10,418,497	\$ 10,245,021
Change in actuarial assumptions (note 9)	(226,924)	(129,535)
Experience loss	(4,514)	-
Interest accrued on benefits	672,872	659,557
Benefits accrued	312,500	276,184
Benefits paid	(608,485)	(632,730)
Actuarial present value of accrued benefit obligation, end of year	\$ 10,563,946	\$ 10,418,497

The accompanying notes to the financial statements are an integral part of this financial statement

Public Service Pension Plan

Notes to Financial Statements

For the year ended 31 December 2024

The Public Service Pension Plan (the “Plan”) was established on 1 April 1967 by the Public Service Pensions Act. Amendments to the legislation have been made over the years, including the introduction of the latest replacement Act, the Public Service Pensions Act, 2019 (the “Act”). In 2014, an agreement was reached between the Province of Newfoundland and Labrador (the “Province”) and the five largest participating unions to reform the Plan. This included benefit and contribution changes, the issuance of a \$2.685 billion Promissory Note by the Province to the Plan, and introduced a jointly trusted governance structure, which was formally recognized under the Joint Sponsorship Agreement.

In accordance with the Joint Sponsorship Agreement, the Act established the Public Service Pension Plan Corporation (the “Corporation” or “Provident10”) as the Administrator of the Registered Plan and Trustee of the Public Service Pension Plan Fund (the “Fund”). The Fund was created 31 March 2015 under the authority of the Act when the assets of the Plan were separated from the Newfoundland and Labrador Pooled Pension Fund. The Corporation officially changed its name to Provident10 as of August 2017.

Under the Joint Sponsorship Agreement, which contains a detailed Funding Policy, any future actuarial surpluses or deficits in the Plan funding will be shared equally between the Province and members of the Plan. In accordance with the Act, the participating Employers’ current funding requirement is to match employee contributions for current service. Matching of contributions may also occur for certain other types of prior service, which may be purchased under contract.

On 14 February 2020, Bill 56, which repealed and replaced the Public Service Pensions Act, 1991, was proclaimed and received royal assent. Specifically, the Bill, an Act respecting a pension plan for employees of the Province and others, allowed for the following:

- o “...Continue Provident10, the Public Service Pension Plan, the Public Service Pension Plan Fund and the Public Service Supplementary Plan Account (Supplementary Plan);
- o prescribe government’s obligations to the pension plan and supplementary account;
- o prescribe the obligations of employers to the pension plan; and
- o provide for Provident10 as the Administrator of the Public Service Pension Plan and the Trustee of the Public Service Pension Plan Fund”.

1. Description of the Plan

(a) General:

The Plan is a contributory defined benefit pension plan covering full-time employees of the Province, the Legislature, various Crown corporations, agencies and commissions created by or under a statute of the Province, and Provident10.

The Plan is comprised of two components, a Registered Plan (registration number 0525360), which provides registered pension benefits allowable under the Income Tax Act (Canada) (“Income Tax Act”), and a Supplementary Plan, which provides benefits in excess of the Income Tax Act maximum benefit limits. Provident10 oversees the Registered Plan, and these financial statements include only amounts that pertain to the Registered Plan. Amounts that pertain to the Supplementary Plan are included within the accounts of the Consolidated Revenue Fund of the Province.

The Plan is not subject to income tax but is subject to indirect taxes including the Harmonized Sales Tax.

Public Service Pension Plan
Notes to Financial Statements
For the year ended 31 December 2024

1. Description of the Plan (continued)

(b) Contributions:

As of 1 January 2015, employee contributions are equal to 10.75% of the Canada Pension Plan (the "CPP") basic exemption, plus 8.95% of the employee's salary between the CPP basic exemption and the Year's Maximum Pensionable Earnings (the "YMPE") under the CPP, plus 11.85% of the employee's salary in excess of the YMPE, up to the maximum allowed under the Income Tax Act. Amounts in excess of the maximum allowed are paid to the Supplementary Plan. Employers make matching contributions for current service.

(c) Pension amounts:

A pension is available from the Registered Plan based on the number of years of pensionable service times 2% of the member's highest average earnings. When a retired member reaches age 65, this pension is reduced by 0.6% of the member's highest average earnings up to the three-year average YMPE times years of pensionable service after 1 April 1967. The offset at age 65 is limited to a maximum of 35 years of service.

For the period from 1 April 1993 to 31 March 1996, certain participating employers were temporarily allowed to reduce their contributions to the Plan. In those cases, the accrual rate used to determine a member's pension is reduced proportionately from the standard 2% per year of service.

The highest average earnings in respect of service for years earned up to 31 December 2014 is the greater of:

- i. the average of the member's pensionable earnings during any of the five calendar years, prior to 31 December 2014, which yield the highest average; and
- ii. the average of the member's pensionable earnings during any of the six 12-month periods, prior to the date the member's participation ceases, which yield the highest average.

For service earned after 31 December 2014, the highest average earnings is the average of a member's pensionable earnings during any of the six 12-month periods, prior to the date the member's participation ceases, which yield the highest average.

For seasonal employees, the averaging periods used in the determination of the highest average earnings are limited to either the five-year period prior to 31 December 2014 or the six-year period immediately prior to the date the member's participation ceases.

The pension payable from the Registered Plan shall not exceed the maximum allowable benefit as determined under the Income Tax Act. Where the calculated amount exceeds the maximum allowable benefit as determined under the Income Tax Act, a member will receive a pension from the Supplementary Plan. The total pension received from both the Registered Plan and the Supplementary Plan equals the amount calculated based on the number of years of pensionable service times 2% of the member's highest average earnings, subject to the previously noted reduction at age 65 and any reductions in the accrual rate applicable during the period from 1 April 1993 to 31 March 1996.

(d) Retirement dates:

Employees who met the early unreduced retirement provisions that existed prior to 1 January 2015 by 31 December 2019 or who had at least 30 years of service by 31 December 2019 were grandparented under the early retirement rules that existed prior to 1 January 2015. In this case, employees can retire with an unreduced pension at age 55 if they have at least 30 years of service, or at age 60 if they have at least five years of service.

Public Service Pension Plan
Notes to Financial Statements
For the year ended 31 December 2024

1. Description of the Plan (continued)

(d) Retirement dates (continued):

Following 31 December 2019, employees are eligible to retire with an unreduced pension at age 58 if they have at least 30 years of service, age 60 if they have at least 10 years of service, or at age 65 if they have at least five years of service.

Employees can also retire with a reduced pension in certain circumstances. During the period to 31 December 2019, employees who were age 50 with at least 30 years of service or who were age 55 and whose age plus service total at least 85 could have retired with a reduction of 0.5% for each month prior to age 55 or 60, respectively. After 31 December 2019, employees who are age 53 with at least 30 years of service or who are age 58 and whose age plus service total at least 88 may retire with a reduction of 0.5% for each month prior to age 58 or 60, respectively. In any case, an employee who has reached age 55 with at least five years of service may retire with an actuarial reduced pension.

(e) Disability Pensions:

A disability pension equal to the accrued pension is available on permanent incapacity at any age, provided the member has a minimum of five years pensionable service.

(f) Survivor pensions:

A survivor pension of 60% of the member's accrued pension is paid to the surviving principal beneficiary (and on the surviving principal beneficiary's death, to dependent children) following the death of a pensioner, a deferred pensioner or an employee with at least five years pensionable service.

(g) Pre-retirement death benefits:

Where an employee with at least five years pensionable service dies before receiving a pension and a survivor benefit is payable, the surviving principal beneficiary may elect to receive either the survivor benefit, or the greater of the commuted value of the survivor benefit and the commuted value of the employee's pension entitlement.

Where an employee with at least five years pensionable service dies before receiving a pension and there is no surviving principal beneficiary, the commuted value of the employee's pension entitlement is paid to the employee's estate.

(h) Termination benefits:

On termination of employment, an employee may elect to receive a refund of the employee's own contributions with interest if they have less than five years of pensionable service. If an employee has at least five years pensionable service, the employee may elect to receive either a deferred pension or commuted value transfer.

(i) Indexing:

For persons in receipt of a pension or a survivor benefit as at 31 December 2014, each 1 October, the amount of a pension or survivor benefit paid to an individual who has reached the age of 65 will be adjusted by 60% of the Consumer Price Index for Canada for the previous calendar year (as published by Statistics Canada), to a maximum of 1.2% of the annual pension or survivor benefit. For all others, pensions in respect of service that was earned up to 31 December 2014 will continue to be indexed in the same manner, but no guaranteed post-retirement indexing will be provided in respect of service credited in the Plan after 31 December 2014.

Public Service Pension Plan
Notes to Financial Statements
For the year ended 31 December 2024

2. Basis of preparation

(a) Basis of presentation:

The financial statements are prepared in accordance with Canadian accounting standards for pension plans in Part IV of the Chartered Professional Accountants (CPA) Canada Handbook.

In selecting or changing accounting policies that do not relate to its investment portfolio or accrued benefit obligation, Canadian accounting standards for pension plans require the Plan to comply on a consistent basis with either IFRS Accounting Standards ("IFRS") in Part I of the CPA Canada Handbook, or Accounting Standards for Private Enterprises ("ASPE") in Part II of the Handbook. The Plan has chosen to comply on a consistent basis with IFRS.

(b) Functional and presentation currency:

The financial statements are presented in thousands of Canadian dollars unless otherwise noted. The Canadian dollar is the Plan's functional currency.

(c) Use of estimates and judgments:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the valuation and classification of investments, as well as assumptions used in the calculation of accrued benefit obligation. Estimates and underlying assumptions are reviewed on an ongoing basis. Actual results could differ from these estimates and the impact of any such differences will be recorded in future periods.

3. Material accounting policies

(a) Financial assets and liabilities:

i. Recognition and initial measurement

Financial assets and financial liabilities at fair value through profit and loss ("FVTPL") are recognized in the statement of financial position on the trade date, which is the date on which the Plan becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities at FVTPL are initially measured at fair value, with transaction costs recognized in profit or loss.

ii. Classification

Financial assets are required to be classified as measured at amortized cost, fair value through other comprehensive income or FVTPL according to the business model used for managing them and their contractual cash flow characteristics. Financial liabilities are classified as measured through amortized cost unless they are measured at FVTPL.

The Plan makes an assessment of the objective of a business model because this best reflects the way the business is managed and information is provided. Investments are managed, and their performance is evaluated on a fair value basis. As such, the Plan classifies all investments and derivative assets as FVTPL with changes in fair value being recognized in net investment income in the statement of changes in net assets available for benefits.

Public Service Pension Plan
Notes to Financial Statements
For the year ended 31 December 2024

3. Material accounting policies (continued)

(a) Financial assets and liabilities (continued):

Financial assets at amortized cost include cash and cash equivalents, accrued investment income, contributions receivable, Harmonized Sales Tax receivable, receivable from pending traces receivable from Provident10, and Promissory note receivable. Financial liabilities at amortized cost include accounts payable and accrued liabilities, payable for pending trades, refunds payable, and due to the Province.

iii. De-recognition

The Plan de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Plan neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset.

On de-recognition of a financial asset, the difference between the carrying amount of the asset and consideration received is recognized in the statement of changes in net assets available for benefits as a net realized gain (loss) on sale of investments.

The Plan de-recognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

The Plan considers all liabilities, except for derivative contracts payable, to be non-derivative financial liabilities

iv. Derivative financial instruments:

Derivative financial instruments are recognized initially at fair value and attributable transaction costs are recognized in the statement of changes in net assets available for benefits as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and all changes are recognized immediately in the statement of changes in net assets available for benefits.

Financial assets and liabilities are offset and the net amount presented in the statement of net assets available for benefits when, and only when, the Plan has a legal right to offset the amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(b) Fair value measurement:

As allowed under IFRS 13, if an asset or a liability measured at fair value has a bid and an ask price, the price within the bid-ask spread that is the most representative of fair value in the circumstances shall be used to measure fair value.

When available, the Plan measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's-length basis.

If a market for a financial instrument is not active, then the Plan establishes fair value using a valuation technique. Valuation techniques include using recent arm's-length transactions between knowledgeable, willing parties (if available); reference to the current fair value of other instruments that are substantially the same; and discounted cash flow analyses.

All changes in fair value, other than interest and dividend income, and expense, are recognized in the statement of changes in net assets available for benefits as part of the change in market value of investments

Public Service Pension Plan
Notes to Financial Statements
For the year ended 31 December 2024

3. Material accounting policies (continued)

(b) Fair value measurement (continued):

Fair values of investments are determined as follows:

Short-term notes, treasury bills and term deposits maturing within a year, and cash held by investment managers are stated at cost, which together with accrued interest income approximates fair value given the short-term nature of these investments.

Bonds and debentures are valued at the closing mid-price at the valuation date.

Publicly traded equities are valued at year-end quoted closing prices where available. Where quoted prices are not available on the valuation date, estimated fair values are calculated using the last trade date.

The Plan investments in real estate are held by its wholly-owned subsidiary, Newvest Realty Corporation ("Newvest"). All real properties have been subject to valuations by qualified independent property appraisers using market-based assumptions in accordance with recognized valuation techniques. The valuation techniques used include the direct capitalized net operation income method and the discounted cash flow method unless the property was acquired in the year and only then would the cost be applied as the fair value. Recent real estate transactions with similar characteristics and location to the assets are also considered. The direct capitalization income method applies a capitalization rate of property's stabilized net operating income which incorporates allowances for vacancy, management fees and structural reserves for capital expenditures for the property.

Private equity, private infrastructure, private debt and hedge fund investments are held through ownership in limited partnership arrangements. Fair value is determined by the general partner, using the most recent financial information obtained from the underlying investments and/or forecasts of future financial performance and then applying appropriate valuation techniques such as market comparables and/or discounted cash flows.

Pooled funds are valued at the unit values supplied by the pooled fund administrator which represent the Plan's proportionate share of underlying net assets at fair values.

Investments in derivative financial instruments, including futures, forwards and option contracts, are valued at year-end quoted market prices where available. Where quoted 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 positions. Unrealized gains and losses on derivative financial instruments, net of premiums paid or received on options contracts, are included in derivative contracts investments.

The Plan holds private investments, such as non-traded pooled or closed funds, limited partnership interests, private placement bonds or equity investments. Private investment fund valuations are initially provided by the external fund managers, usually on a three-month lagging basis. Such valuations are then adjusted to reflect cash contributions and cash distributions between the valuation date and the reporting date, including marking to market any publicly-traded securities held by the underlying private investment.

(c) Investment Income

Investment income is recorded on an accrual basis and includes interest income, dividends and other income.

Dividend income is recognized as of the date of record.

Public Service Pension Plan
Notes to Financial Statements
For the year ended 31 December 2024

3. Material accounting policies (continued)

(c) Investment Income (continued)

The net realized gain (loss) on sale of investments is the difference between proceeds received and the average cost of investments sold.

(d) Foreign currency translation:

Transactions denominated in foreign currencies are translated into Canadian dollars at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into Canadian dollars at the exchange rate at that date.

Foreign currency differences arising on retranslation are recognized in the statement of changes in net assets available for benefits as a change in the market value of the investments.

(e) Contributions:

Contributions from employers and members due to the Plan at the end of the year are recorded on an accrual basis. Service purchases that include, but are not limited to leaves of absence, periods of reduced accrual and transfer from other pension plans are recorded and service is credited when the signed contract to purchase is received.

(f) Benefits:

Benefit payments to retired members are recorded as they are due and paid, twice monthly. Commuted value payments and transfers to other pension plans are recorded when paid. Other refunds are recorded when authorized. Accrued benefits for members are recorded as part of the accrued pension obligation.

(g) Receivable/payable for pending trades:

For securities transactions, the fair value of receivable from pending trades and payable for pending trades approximate their carrying amounts due to their short-term nature.

(h) Administrative expenses:

Administrative expenses are incurred for direct pension administration and external investment management and are recorded on an accrual basis. Direct pension administration expenses represent expenses to provide direct services to Plan members and employers and include actuarial consulting, disability pension adjudication and professional fees. External investment management expenses represent payments to the investment managers. The administrative expenses include charges from the Corporation as well as charges from the Province under a service level agreement between the Corporation and the Province. Under the service level agreement, charges from the Province are allocated to the pension plans it administers on a pro-rata basis. An allocation of salaries, overhead and administrative expenses is charged on a cost recovery basis.

(i) Cash and cash equivalents:

Cash and cash equivalents includes cash on hand, balances with banks and investment managers, and highly liquid financial assets with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Plan in the management of short-term commitments.

Public Service Pension Plan
Notes to Financial Statements
For the year ended 31 December 2024

4. Investment

(a) Investment portfolio:

The fair value of investments relative to the cost is summarized in the following table:

	31 December 2024			31 December 2023		
	Fair Value	%	Cost	Fair Value	%	Cost
	(000's)		(000's)	(000's)		(000's)
Fixed income	3,536,253	34.5	3,480,214	3,059,527	33.7	3,134,003
Equities						
Canadian	1,129,485	11.0	888,640	965,394	10.6	817,698
Global	3,081,733	30.1	2,281,541	2,626,796	29.0	2,147,219
Private	650,099	6.4	232,011	599,941	6.6	257,122
Real assets						
Private infrastructure	856,696	8.4	504,263	782,319	8.6	474,462
Listed infrastructure	-	-	-	107,056	1.2	105,023
Real estate	435,755	4.2	313,666	449,330	5.0	313,666
Absolute return						
Hedge funds	548,124	5.4	422,855	484,384	5.3	441,100
Forwards	(3,026)	-	-	2,867	-	-
Total	\$ 10,235,119	100.0	\$ 8,123,190	\$ 9,077,614	100.0	\$ 7,690,293

(b) Fair value measurement:

Financial instruments are classified according to the following fair value hierarchy that reflects the significance of inputs used in determining the fair values.

- Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - inputs for assets and liabilities that are not based on observable market data (unobservable inputs).

Public Service Pension Plan
Notes to Financial Statements
For the year ended 31 December 2024

4. Investment (continued)

(b) Fair value measurement (continued):

Investments based on the valuation level within the fair value hierarchy are as follows:

As at 31 December 2024	Level 1 (000's)	Level 2 (000's)	Level 3 (000's)	Total (000's)
Fixed income	-	2,962,509	573,744	3,536,253
Equities				
Canadian	1,089,252	40,233	-	1,129,485
Global	3,081,733	-	-	3,081,733
Private	-	-	650,099	650,099
Real assets				
Private infrastructure	-	-	856,696	856,696
Listed infrastructure	-	-	-	-
Real estate	-	-	435,755	435,755
Absolute return				
Hedge funds	-	-	548,124	548,124
Forwards	-	(3,026)	-	(3,026)
	\$ 4,170,985	\$ 2,999,716	\$ 3,064,418	\$ 10,235,119
As at 31 December 2023	Level 1 (000's)	Level 2 (000's)	Level 3 (000's)	Total (000's)
Fixed income	6,095	2,704,381	349,051	3,059,527
Equities				
Canadian	930,521	34,873	-	965,394
Global	2,620,098	6,698	-	2,626,796
Private	-	-	599,941	599,941
Real assets				
Private infrastructure	-	-	782,319	782,319
Listed infrastructure	-	107,056	-	107,056
Real estate	-	-	449,330	449,330
Absolute return				
Hedge funds	-	-	484,384	484,384
Forwards	-	2,867	-	2,867
	\$ 3,556,714	\$ 2,855,875	\$ 2,665,025	\$ 9,077,614

There have been no transfers between levels in any of the periods presented.

Public Service Pension Plan
Notes to Financial Statements
For the year ended 31 December 2024

4. Investment (continued)

(b) Fair value measurement (continued):

The following table reconciles the Plan's level 3 fair value measurements from period to period:

	(000's)
Fair value, 31 December 2022	\$2,318,749
Acquisitions	267,287
Dispositions	(43,510)
Realized gain	20,345
Change in unrealized loss on assets sold	(10,907)
Change in unrealized gain on assets held	113,061
Fair value, 31 December 2023	\$2,665,025
Fair value, 31 December 2023	\$2,665,025
Acquisitions	231,824
Dispositions	(105,313)
Realized gain	43,412
Change in unrealized loss on assets sold	(32,401)
Change in unrealized gain on assets held	261,871
Fair value, 31 December 2024	\$3,064,418

Level 3 financial instruments are valued using various methods. The fair value of private equity, private infrastructure, private debt and hedge fund holdings is determined by the fund managers using the most recent financial information obtained from the underlying investments and/or forecasts of future financial performance and then applying appropriate valuation techniques such as recent arms's length market transactions, earnings multiples of comparable publicly traded companies and/or discounted cash flows. Given the limited availability to the Plan of other unobservable inputs, no other reasonably possible alternative assumptions could be applied to determine the fair value.

The fair value of private debt held by the plan outside of limited partnership arrangements are valued by the investment manager's independent valuation team, using similar methods mentioned above, such as recent arms's length market transactions, earnings multiples of comparable publicly traded companies and/or discounted cash flows.

Real estate holdings are valued based on discounted cash flow analysis and direct capitalization income. The following analysis illustrates the sensitivity of the Level 3 valuations to reasonably possible capitalization rate assumptions for real estate properties where reasonable possible alternative assumptions would change the fair value significantly.

	2024 (000s)	2023 (000s)
Real estate:		
Minimum capitalization rate	3.86 %	4.63 %
Maximum capitalization rate	11.45 %	11.58 %
Increase of 25 basis points	\$(21,205)	\$(21,445)
Decrease of 25 basis points	\$23,254	\$23,427

Public Service Pension Plan
Notes to Financial Statements
For the year ended 31 December 2024

4. Investment (continued)

(c) Derivatives:

Derivatives are financial contracts, the value of which is derived from the value of underlying assets or interest or exchange rates. Derivatives provide flexibility in implementing investment strategies. The Plan uses such contracts to enhance investment returns and for managing exposure to foreign currency volatility.

Notional amounts of derivative contracts are the contract amounts used to calculate the cash flow to be exchanged. They represent the contractual amounts to which a rate or price is applied for computing the cash to be paid or received. Notional amounts are the basis on which the returns from and fair value of the contracts are determined. They are not recorded as financial assets or liabilities on the statement of financial position and change in net assets available for benefits. They are a common measure of volume of outstanding transactions but do not represent credit or market risk exposure. The aggregate notional amounts and fair value of derivative contracts can fluctuate significantly.

Derivative contracts transacted on either regulated exchange market or in the over the counter market directly between two counterparts include the following:

(i) Currency forwards:

Currency forwards are contractual obligations to exchange one currency for another at a specified price or settlement at a predetermined future date. Forward contracts are used to manage the currency exposure of investments held in foreign currencies. The notional amount of a currency forward represents the contracted amount purchased or sold for settlement at a future date. The fair value is determined by the difference between the market value and the notional value upon settlement.

The following table sets out the notional values of the Plan's derivatives and their related assets and liabilities at 31 December:

	Notional amount (000's)	Fair value asset (000's)	Fair value liability (000's)	Fair value net (000's)
31 December 2024 Currency forwards	\$(568,232)	\$860	\$(3,886)	\$(3,026)
31 December 2023 Currency forwards	\$(158,879)	\$(88)	\$2,955	\$2,867

(ii) Futures:

Futures are transacted in standard amounts on regulated exchanges and are subject to daily cash management.

Futures contracts are specifically used for reducing the cash exposure in the operating accounts. This is accomplished by converting cash exposure to capital markets exposure in accordance with the Plan's long-term asset mix.

Public Service Pension Plan
Notes to Financial Statements
For the year ended 31 December 2024

4. Investment (continued)

(d) Securities lending:

The Plan participates in a securities lending program whereby it lends securities to enhance portfolio returns. The securities lending program requires collateral in cash, high-quality debt instruments, or securities. Collateral transactions are conducted under terms that are usual and customary in standard securities lending programs. In the absence of an event of default, the same securities or equivalent securities must be returned to the counterparty at the end of the contract.

The fair values of the allocated securities and collateral associated with the securities lending program as at 31 December are as follows:

	2024 (000's)	2023 (000's)
Securities lent	\$ 602,402	\$ 435,597
Securities contractually receivable	643,473	465,687

5. Investment income

(a) Investment income is as follows:

	2024 (000's)	2023 (000's)
Dividend income	\$ 104,405	\$ 96,243
Interest income	124,478	96,639
Security lending income	1,244	1,163
Commission recapture income	70	26
	230,197	194,071
Gain on sale of investments	312,623	83,447
Current period change in market value of investments	725,652	497,015
	\$ 1,268,472	\$ 774,533

Public Service Pension Plan
Notes to Financial Statements
For the year ended 31 December 2024

5. Investment income (continued)

(b) Investment income (loss) by asset mix for the period ended 31 December is as follows:

	Investment Income (000s)	Gain (loss) on sale of investments (000s)	Current period change in market value of investments (000s)	2024 Total (000s)	2023 Total (000s)
Cash and cash equivalents	\$2,150	\$84	\$1,044	\$3,278	\$4,668
Fixed income	123,308	(32,701)	130,515	221,122	232,038
Equities	86,991	341,876	489,033	917,900	465,592
Real assets	17,748	13,818	28,968	60,534	58,182
Absolute return	-	4,755	81,985	86,740	11,230
Forwards	-	(15,209)	(5,893)	(21,102)	2,823
Total	\$230,197	\$312,623	\$725,652	\$1,268,472	\$774,533

Net loss from derivatives, including realized and unrealized gains or losses is \$1.04 (2023 - nil), while income from other assets, excluding dividend and interest income is \$2.2 million (2023 - \$5.2 million income).

6. Investment risk management

Risk management relates to the understanding and active management of risks associated with all areas of the business and the associated operating environment. The use of financial instruments exposes the Plan to interest rate risk, market price risk, credit risk, foreign currency risk and liquidity risk. The Plan's Statement of Investment Policies and Procedures outlines policies and operating procedures that establish a diversified asset mix consisting of investments in equity, fixed income, real estate, infrastructure and private equity. The asset mix policy requires diversification of investments within these categories and sets limits on the size of exposure to individual investment and counterparties. Board of Trustee oversight, procedures, and compliance functions are incorporated into Plan processes to achieve consistent controls and mitigate operational risk.

(a) Interest rate risk:

Interest rate risk refers to the fact that the Plan's financial position will change with market interest rate changes, as fixed income securities are sensitive to changes in nominal interest rates. Interest rate risk is inherent in the management of a pension plan due to prolonged timing differences between cash flows related to the Plan's assets and cash flows related to the Plan's liabilities.

The fair value of the Plan is affected by short term changes in nominal interest rates. Pension liabilities are exposed to the long-term expectation of rate of return on the investments, as well as expectations of inflation and salary escalation.

Public Service Pension Plan
Notes to Financial Statements
For the year ended 31 December 2024

6. Investment risk management (continued)

The term to maturity classifications of public market interest-bearing investments, based upon the contractual maturity of these securities, are as follows:

	2024 (%)	2023 (%)
Within 1 year	10.6	6.5
Short (1 – 5 years)	28.0	27.5
Medium (5 – 10 years)	35.6	36.9
Long (10 + years)	25.8	29.1
	100.0	100.0

Assuming a parallel change in the long and short-term yields, a 1% increase in interest rates would have the effect of decreasing the fair value of the Plan's fixed income investments by approximately \$155.2 million or 6.20% (2023 - \$143.9 million or 6.40%). A 1% decrease in interest rates would have resulted in an equal but opposite effect to the amounts shown.

(b) Market price risk:

Market price risk is the risk of fluctuation in market values of investments from influences specific to a particular investment or from influences on the market as a whole. The Plan is exposed to changes in equity prices in Canadian and global markets. Equities comprise 41.6% of the market value of the Plan's total investments. Equity investments are diversified by geography, industry type and corporate entity. If equity market indices (S&P/TSX and MSCI ACWI) declined by 10%, and all other variables are held constant, the potential loss to the Plan would be approximately \$421.1 million, or 4.11% of total investment assets (2023 - \$369.9 million or 4.08%).

(c) Credit risk:

Credit risk is the risk that the issuer of a debt security or counterparty to a contract is unable to fulfill its financial obligation and causes the other party to incur a loss.

Fixed Income portfolio:

Credit risk in the fixed income portfolio is monitored by evaluating the Plan's exposure in two ways: by sector (government versus corporate) and by credit quality.

The Plan is exposed to credit risk from the following interest earning investments, classified by sector as follows:

	2024 (%)	2023 (%)
Federal government	25.3	29.2
Provincial government	16.5	19.0
Municipal government	0.8	1.0
Corporate	49.8	46.9
Other	7.6	3.9
	100.0	100.0

Public Service Pension Plan
Notes to Financial Statements
For the year ended 31 December 2024

6. Investment risk management (continued)

The Plan's concentration risk by credit rating as at 31 December is as follows:

	2024 (%)	2023 (%)
AAA to A-	48.2	55.7
BBB to BBB-	21.7	23.3
BB+ and below	18.6	12.0
Not rated	11.5	9.0
Total	100.0	100.0

Real estate:

Real estate investment managers manage risk through monthly monitoring of tenant performance and arrears. Tenant exposure is managed by limiting concentration to a specific economic sector and geographic area. Transactions that involve assuming a new tenant exposure are vetted by an appropriate due diligence and approval process.

Securities lending:

The Plan lends securities for a fee to approved borrowers. High quality collateral is provided by borrowers to alleviate the credit risk. Regular reporting of the securities lending program ensure that its various components are continuously being monitored.

(d) Foreign currency risk:

Foreign currency exposure arises through holdings of securities and other investments in non- Canadian assets. Fluctuations in the relative value of the Canadian dollar against these foreign currencies can result in a positive or a negative effect on the fair value of the investments. The Plan's exposure to foreign currencies provides diversification benefits that should be assessed by asset class. Foreign currency positions arising from investments in fixed income, real estate or infrastructure are generally hedged, while investments in global public and private equity generally are not hedged. In addition, the investment managers of the Plan are given flexibility through their mandate to periodically hedge currency for opportunistic or defensive purposes.

The Plan's currency exposure from public market investment assets is summarized in the following table:

	2024 (%)	2023 (%)
Canadian Dollar	47.4	46.7
US Dollar	34.9	33.4
Euro	5.8	7.0
Other Asia / Pacific currencies	3.8	3.8
Japanese Yen	2.5	1.8
British Pound	2.0	2.9
Other European currencies	2.1	2.3
Other currencies *	1.5	2.1
Total	100.0	100.0

* Other currencies include those from regions within Africa, the Middle East and Latin America

Public Service Pension Plan
Notes to Financial Statements
For the year ended 31 December 2024

6. Investment risk management (continued)

A 10% increase in the value of the Canadian dollar in relation to all other foreign currencies, with all other variables held constant, would result in an unrealized investment loss of \$396.6 million, or 5.26% of public market investment assets (2023 - \$352.9 million or 5.33%). A reduction in the value of the Canadian dollar of the same amount in relation to all other foreign currencies would result in an equal but opposite effect to the amounts shown.

(e) Liquidity risk:

Liquidity risk is the risk that the Plan is unable to meet its financial obligations as they come due. Cash obligations are fulfilled from contributions to the Plan, cash income of the Plan and planned dispositions of Plan assets as required. Cash requirements of the Plan are reviewed on an ongoing basis to provide for the orderly availability of resources to meet the financial obligations. In general, the Plan's investments in cash and cash equivalents, debt and public equities are expected to be highly liquid and are invested in securities that are actively traded. Investments in private equity, infrastructure and real estate are considered highly illiquid due to their private nature and longer term to maturity.

7. Capital management

The capital of the Plan is defined as the net assets available for benefits. The Plan was established as a vehicle to invest employee and employer pension plan contributions with a long-term goal to achieve investment returns. The primary investment objective of the Plan is to meet its long-term funding requirements and pension payment obligations, and the secondary objective is to manage the volatility of the Plan's funded ratio.

The Plan is jointly sponsored by the Province and the five unions representing plan members. The Corporation's Board of Trustees, as Trustee of the Plan, is responsible to review, monitor, administer and supervise all investment activities of the Plan.

Portfolio management:

The Plan utilizes external investment management firms to invest the assets of the Plan. Each investment manager is selected through a disciplined process to ensure alignment with the investment structure and objectives of the Plan. In addition, external custodial and investment counseling advisory firms are engaged to support Plan management.

Public Service Pension Plan
Notes to Financial Statements
For the year ended 31 December 2024

7. Capital management (continued)

Asset mix policy:

The long-term asset mix policy of the Plan, approved in January 2019, is as follows:

Equities:

Canadian Equity	10%
Global Equities	10%
Global Low Volatility	10%
Global Small Cap	5%
Emerging Markets	5%
Private Equity	5%

Fixed Income:

Canadian Core-Plus Bonds	15%
Commercial Mortgages	5%
Emerging Market Debt	5%
Multi Asset Credit	5%
Private Debt	5%

Real Assets:

Real Estate	7.5%
Global Infrastructure	7.5%

Absolute Return

Hedge Funds	5%
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The asset mix policy was adopted after evaluating the potential impact of alternative policies on the ability to achieve sufficient asset growth on a risk-controlled basis. Factors evaluated before adopting the asset mix policy included the Plan's going-concern funded ratio, demographics, cash-flow requirements, actuarial assumptions, prospective benefit improvements and liquidity requirements.

8. Administrative expenses

Administrative expenses include direct expenses incurred by the Plan, and administrative costs incurred by the Corporation and billed to the Plan. Administrative expenses were as follows:

	2024 (000's)	2023 (000's)
Direct expenses:		
Investment management fees	\$ 20,684	\$ 17,840
Custodian and transaction fees	956	757
Actuarial consulting fees	168	276
Other direct expenses	104	147
Investment consulting fees	104	99
	22,016	19,119
Charges from Plan Administrator, Provident10 (note 13d)	13,632	12,121
	\$ 35,648	\$ 31,240

Public Service Pension Plan
Notes to Financial Statements
For the year ended 31 December 2024

9. Accrued benefit obligation

The actuarial present value of the accrued benefit obligation is an estimate of the value of Plan benefits accrued to date for all active and inactive members including pensioners and survivors. As the experience of the Plan unfolds, and as underlying conditions change over time, the measured value of these benefits may change materially.

Actuarial valuations of the Plan are completed every three years, and used as the basis for measuring the accrued benefit obligation. The valuations use various economic and demographic assumptions and are based on membership data as at the valuation date. Extrapolations of the valuation are conducted annually to estimate the accrued benefit obligation, with updates to the assumptions as appropriate. The most recent valuation was conducted as at 31 December 2024.

For financial statement reporting purposes, the accrued benefit obligation is determined using an accounting valuation. The accounting valuation provides the best estimate of the Plan accrued benefit obligation at the reporting date based on management's best estimate of assumptions. While Plan funding valuations are also prepared on a triennial basis, these are intended to, amongst other things, provide the plan sponsor with a funding schedule to enable accumulation of sufficient funds over the members working careers to ensure that pensions can be paid as they come due. The assumptions for a funding valuation may vary, particularly with respect to the discount rate, as its purpose differs from that of the accounting valuation.

The Corporation works with the Plan's actuary, TELUS Health, in deriving the best estimate of assumptions to be used in the accounting valuation. Expected returns on the Plan's assets, based on the Plan's asset mix, are used in estimating the discount rate with no margin for adverse deviation in the accounting valuation assumptions.

The actuarial valuation calculates liabilities for each member on the basis of service earned to date and the employee's projected highest average salary at the expected date of retirement, or on the pension in pay, for retired members and survivors.

Salaries are assumed to increase over the long-term based on an assumed real rate increase (i.e. to increase in excess of the assumed inflation rate).

Demographic assumptions are used to estimate when future benefits are payable to members and beneficiaries, including assumptions about mortality rates, termination rates, and patterns of early retirement. Each of these assumptions is updated periodically, based on a review of the experience of the Plan and on the expectations of future trends.

The demographic assumptions used in the 2024 accounting valuation have been updated to reflect the results of the recent salary and termination experience studies completed by the actuary, which include a lower termination rate for members age 47 and older, and salary escalation rates that vary by age. In addition, the retirement rate assumptions will no longer distinguish between members grandfathered under the Plan's pre-reform unreduced retirement criteria and those members subject to the Plan's post-reform retirement.

The only 2024 economic assumption change from the 2021 accounting valuation was an increase in the discount rate to 6.35% from 6.00% (2023 – 6.55%). The remaining demographic and economic assumptions are unchanged from the 2021 accounting valuation.

Public Service Pension Plan
Notes to Financial Statements
For the year ended 31 December 2024

9. Accrued benefit obligation (continued)

	As of 31 December 2024		As of 31 December 2023	
Inflation	2.00% per annum		2.00% per annum	
Post-retirement indexing (payable from age 65)	1.00% per annum		1.00% per annum	
Salary escalation	Age	Percentage	3.50% per annum	
	29 and under	6.00%		
	30-39	4.00%		
	40-49	3.25%		
	50 and over	3.10%		
Total rate of return on assets (i.e. Discount Rate)	6.35% per annum		6.55% per annum	
YMPE escalation (as defined under the Canada Pension Plan)	2.75% per annum		2.75% per annum	
Retirement rates	For all members: 57.5% at the earlier of age 58 with 30 years of service, and age 60 with 10 years of service. The remainder at the earlier of age 65 with 5 years service and age 58 with 35 years of service. Members who have already reached their earliest unreduced retirement age are assumed to retire at their normal retirement age.		For members who are grandparented or who qualify for early unreduced retirement by 31 December 2019: 50% at earliest age they are entitled to unreduced pension. The remainder at their normal retirement age (the earlier of 65 or 55 with 35 years of service). For all other members: 57.5% at the earliest age they are entitled to unreduced pension. The remainder at normal retirement age (the earlier of 65 or age 58 with 35 years of service). Members who have already reached early unreduced retirement age are assumed to retire at their normal retirement age.	
Termination rates	Age	Percentage	Age	Percentage
	25	6.03%	25	6.03%
	30	4.12%	30	4.12%
	35	2.81%	35	2.81%
	40	1.92%	40	1.92%
	45	1.31%	45	1.31%
	50	1.98%	50	2.12%
	55 +	2.83%	55 +	3.11%
Termination form of payment	To age 49: 35% lump-sum; 65% deferred pension Age 50-59: 80% lump-sum; 20% deferred pension		To age 49: 35% lump-sum; 65% deferred pension Age 50-59: 80% lump-sum; 20% deferred pension	
Mortality rates	CPM RPP 2014 Public (Sex Distinct) CPM Improvement Scale B Size adjustment factors of 1.21 for males and 1.06 for females		CPM RPP 2014 Public (Sex Distinct) CPM Improvement Scale B Size adjustment factors of 1.21 for males and 1.06 for females	

Public Service Pension Plan
Notes to Financial Statements
For the year ended 31 December 2024

10. Contributions

	2024 (000's)	2023 (000's)
Employee:		
Current service	\$ 199,145	\$ 179,479
Past service	4,380	3,365
Reciprocal transfers	18,840	12,011
	\$ 222,365	\$ 194,855
Employer:		
Current service	\$ 199,105	\$ 179,475
Past service	1,499	1,425
	\$ 200,604	\$ 180,900

11. Pension payments

	2024 (000's)	2023 (000's)
Retirement benefit payments	\$ 504,713	\$ 494,369
Disability benefit payments	33,553	32,440
	\$ 538,266	\$ 526,809

Refund of contributions

	2024 (000's)	2023 (000's)
Termination benefit payments	\$ 56,804	\$ 87,435
Transfers to other pension funds	8,615	8,654
Death benefit payments	4,800	9,832
	\$ 70,219	\$ 105,921

12. Promissory note

The Province issued a \$2.685 billion promissory note to the Corporation on 31 March 2015 as part of pension reform. The Plan has a right to receive the proceeds of the promissory note from the Province held by the corporate trustee. The note is receivable over 30 years in quarterly blended installments of principal and interest of \$47 million. The promissory note bears interest of 6%. The payments will be made, regardless of the funded status of the Plan. The promissory note is non-marketable. As at 31 December 2024, the balance receivable is \$2,204 billion (2023 - \$2,261 billion).

Public Service Pension Plan
Notes to Financial Statements
For the year ended 31 December 2024

12. Promissory note (continued)

Principal repayments of the promissory note by the Province to the Corporation and by the Corporation to the Plan over the next five years (in thousands) are as follows:

2025	\$59,922
2026	\$63,518
2027	\$67,329
2028	\$71,368
2029	\$75,650

13. Related party transaction

(a) Fixed income investments:

The following related party investments were held by the Plan as at 31 December:

Description	2024		2023	
	Cost (000's)	Market Value (000's)	Cost (000's)	Market Value (000's)
Province of Newfoundland and Labrador Debentures - Series maturing 2 June 2028	\$ 2,599	\$ 2,599	\$ 2,491	\$ 2,491
Province of Newfoundland and Labrador Debentures - Series 7H maturing 17 October 2050	2,345	2,345		
Province of Newfoundland and Labrador Debentures - Series 6X maturing 17 October 2046	517	517	583	536
Province of Newfoundland and Labrador Debentures - Series 6Z maturing 2 June 2026	462	462	444	444
Newfoundland and Labrador Hydro Debentures - Series AF maturing 1 December 2045	397	402	400	400
Province of Newfoundland and Labrador Debentures - Series maturing 17 October 2054	313	313	-	-
Province of Newfoundland and Labrador Debentures - Series 7C maturing 17 October 2048	188	188	-	
Province of Newfoundland and Labrador Debentures - Series maturing 17 October 2029	33	33	33	33
Province of Newfoundland and Labrador Debentures - Series maturing 17 October 2030	6	6	6	6
	\$ 6,860	\$ 6,865	\$ 3,957	\$ 3,910

Public Service Pension Plan
Notes to Financial Statements
For the year ended 31 December 2024

13. Related party transaction (continued)

(b) Real estate investments:

The Plan manages its real estate through Newvest Realty Corporation, a wholly-owned subsidiary incorporated under the provisions of the Canada Corporations Act. It is also registered under the Corporations Act of the Province of Newfoundland and Labrador. All of the shares of Newvest Realty Corporation are held by the Plan.

(c) Private equity and private infrastructure investments:

The Plan manages its private equity (and private infrastructure) investments through PSPP Neptune Corporation, a wholly-owned subsidiary incorporated under the provisions of the Canada Corporations Act. It is also registered under the Corporations Act of the Province of Newfoundland and Labrador. All of the shares of PSPP Neptune Corporation are held by the Plan.

(d) Plan administration:

The Corporation manages the Plan on a cost recovery basis. The cost of the services in 2024 totalled \$13.6 million (2023 - \$12.1 million) and included certain direct expenses as well as costs charged to the Corporation by the Province including services for disbursement of pension payments.

(e) Hedge funds and private debt

The Plan manages its hedge funds and private debt investments through PSPP Jupiter Corporation, a wholly-owned subsidiary incorporated under the provisions of the Canada Corporations Act. All of the shares of PSPP Jupiter Corporation are held by the Plan.

14. Commitments

The Plan has committed to invest in certain private equity and infrastructure funds which will be funded in accordance with agreed upon conditions over the next several years. As at 31 December 2024, the unfunded portion of these commitments totalled \$171.2 million (2023 - \$193.1 million). This investment is made through PSPP Neptune Corporation, a wholly-owned subsidiary of the Plan.

The Plan has committed to invest in private debt and hedge funds. As at 31 December 2024, the unfunded portion of these commitments totalled \$628.9 million (2023 - \$325.5 million). These investments are made through PSPP Jupiter Corporation, a wholly-owned subsidiary of the Plan.

During 2024, the Plan has committed to invest in multi-asset credit which will be funded in accordance with agreed upon conditions over the next year. As at 31 December 2024, the unfunded portion of these commitments totalled \$50.0M. These investments are made through an investment manager agreement with Apollo Capital Management.



Financial Statements of

PROVIDENT10

And Independent Auditors' Report thereon

For the year ended 31 December 2024



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Provident¹⁰

Opinion

We have audited the financial statements of Provident¹⁰ (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations and changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its results of operations, and changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 Entity 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.

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 not-for-profit organizations, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 Entity'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 Entity'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 Entity to cease to continue as a going concern.



Page 3

- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants

St. John's, Canada

June 23, 2025

Provident10**Statement of Financial Position****31 December 2024****with comparative information for 31 December 2023**

	2024	2023
	(000s)	(000s)
Assets		
Current assets		
Cash	\$ 2,249	\$ 2,204
Receivable from Province of Newfoundland and Labrador	38	39
Harmonized Sales Tax receivable	127	163
Prepaid expenses	590	753
Current portion of promissory note receivable (note 2)	59,922	56,530
	62,926	59,689
Capital assets (note 3)	490	669
Intangible assets (note 3)	352	451
Promissory note receivable (note 2)	2,144,352	2,204,274
Total assets	\$ 2,208,120	\$ 2,265,083
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,874	\$ 1,768
Payable to Public Service Pension Plan (note 4)	1,135	1,684
Payable to Province of Newfoundland and Labrador (note 5)	7	5
Deferred tenant inducement	138	200
Straight-line rent	55	77
Current portion of promissory note payable (note 2)	59,922	56,530
	63,131	60,264
Employee future benefits (note 6)	637	545
Promissory note payable (note 2)	2,144,352	2,204,274
Total liabilities	2,208,120	2,265,083
Commitments (note 10)		
Net assets	-	-
Total liabilities and net assets	\$ 2,208,120	\$ 2,265,083

The accompanying notes to the financial statements are an integral part of this financial statement.

On behalf of the Board:

Director _____

Director _____

Provident10**Statement of Operations and Changes in Net Assets****For the year ended 31 December 2024****with comparative figures for the year ended 31 December 2023**

	2024	2023
	(000s)	(000s)
Revenue		
Management fees (note 9)	\$ 13,632	\$ 12,121
Interest	131,470	134,669
	145,102	146,790
Expenses		
Salaries and benefits	8,234	7,368
Professional services	651	765
Information systems	1,245	967
Premises	611	597
Directors and committees	224	182
Postage and service charges	215	219
Interest	131,470	134,669
Amortization	284	223
Other operating expenses	2,092	1,770
Total expenses	145,026	146,760
Excess of revenue over expenses	76	30
Unrestricted net assets, beginning of year	-	-
Remeasurement of employee future benefits liability	(76)	(30)
Unrestricted net assets, end of year	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of this financial statement.

Provident10**Statement of Cash Flows****For the year ended 31 December 2024****with comparative figures for the year ended 31 December 2023**

	2024	2023
	(000s)	(000s)
Cash provided by (used in):		
Operating activities		
Net earnings	\$ 76	\$ 30
Items not involving cash:		
Amortization of capital assets	246	236
Amortization of intangible assets	100	50
Amortization of tenant inducement	(62)	(63)
Decrease in straight-line rent	(22)	(9)
Employee future benefits expense	92	56
Employee future benefits contributions	(76)	(30)
	354	270
Change in non-cash operating working capital:		
Decrease in receivable from Province of Newfoundland and Labrador	1	28
Decrease in HST receivable	36	5
Decrease (increase) in prepaid expenses	163	(5)
Increase (decrease) in accounts payable and accrued liabilities	106	(287)
(Decrease) increase in payable to Public Service Pension Plan	(549)	162
Increase (decrease) in payable to Province of Newfoundland and Labrador	2	(43)
	113	130
Investing activities:		
Capital assets additions	(68)	(127)
Intangible asset addition	-	(167)
Proceeds on promissory note receivable	56,530	53,331
	56,462	53,037
Financing activities:		
Repayment of promissory note payable	(56,530)	(53,331)
	(56,530)	(53,331)
Increase (decrease) increase in cash	45	(164)
Cash, beginning of year	2,204	2,368
Cash, end of year	\$ 2,249	\$ 2,204

The accompanying notes to the financial statements are an integral part of this financial statement.

Provident10

Notes to Financial Statements

For the year ended 31 December 2024

Provident10, (the "Corporation"), is a not-for-profit organization incorporated on 31 March 2015 under the authority of Section 36.1 of the *Public Service Pensions Act 1991* (the "Act"). The Corporation changed its name to Provident10 from Public Service Pension Plan Corporation, effective 27 August 2017.

The purpose of the Corporation is to act as Trustee of the Public Service Pension Plan (the "Plan") and to serve as administrator of the Plan. The Corporation is bound, with the Board of Directors, to act in accordance with the Joint Sponsorship Agreement between Her Majesty in Right of Newfoundland and Labrador and the Association of Allied Health Professionals, the Canadian Union of Public Employees, the International Brotherhood of Electrical Workers, the Newfoundland and Labrador Association of Public and Private Employees, and the Registered Nurses' Union Newfoundland and Labrador (collectively the "Unions"). A service level agreement (the "Service Level Agreement") was signed between the Corporation and the Province of Newfoundland and Labrador (the "Province") to allow the Province to continue to administer the Plan for an interim period of 12 months. The agreement expired on 31 March 2017. The Province continues to provide limited administration services covered by this agreement for the disbursement of pension payments on an interim basis (note 9).

The Corporation operates under a cost recovery basis, as provided for in the Service Level Agreement. The Corporation is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

1. Significant accounting policies

(a) Basis of presentation:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants (CPA) Canada Handbook.

(b) Revenue recognition:

Fee revenue is recognized as services are provided and collection is probable.

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. All financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. The Corporation has not elected to carry any such financial instruments at fair value. Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year. If there is an indicator of impairment, the Corporation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset, or the amount the Corporation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

Provident10
Notes to Financial Statements
For the year ended 31 December 2024

1. Significant accounting policies (continued)

(d) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include accrued liabilities and other employee future benefits. Actual results could differ from these estimates.

(e) Capital assets:

Capital assets are recorded at cost less accumulated depreciation and include amounts that are directly related to the acquisition, design, construction, development, improvement, or betterment of the assets directly attributable to construction and development.

The cost, less residual value, of capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Leasehold improvements	Over the term of lease
Furniture, fixtures and equipment	5 years
Computer hardware	3 years
Computer software	3 years
Telephone system	3 years

Capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services, or when the value of future economic benefits associated with the capital assets are less than their net book value.

(f) Intangible assets:

Intangible assets consist of third-party costs for implementation of software services related to corporate or pension administration activities. External expenditures on implementation activities that are directly attributable to preparing the software service for its intended use are recognized as an intangible asset when the capitalization criteria have been met. This includes: the ability to demonstrate technical feasibility, the Corporation's intention to complete the implementation; the availability of adequate technical and financial resources to complete the development; the use of the system once implemented; and the ability to demonstrate that the asset will generate future economic benefits. Intangible assets are measured at cost less accumulated amortization and are amortized on a straight-line basis over their estimated useful life of five years.

The amortization of intangible asset costs related to corporate, pension and investment systems implementation commences upon completion of the systems.

Expenditures that do not meet the capitalization criteria are expensed as incurred. Similarly, expenditures on internally generated intangible assets are expensed as incurred.

Provident10
Notes to Financial Statements
For the year ended 31 December 2024

1. Significant accounting policies (continued)

(g) Employee future benefits:

i. Post-employment benefits other than pensions:

Under the collective agreement between the Newfoundland and Labrador Association of Public and Private Employees and the Corporation, employees identified on Schedule A of the Joint Sponsorship Agreement are eligible to participate in the Province's other post-employment benefits plan (the "OPEB Plan"). The OPEB Plan provides group life insurance and health care benefits on a cost shared basis to retired employees, should they continue to meet the eligibility requirements. The associated employer portion of the costs for the Corporation's employees will be borne by the Corporation.

The OPEB obligation is measured using an actuarial valuation report prepared for accounting purposes. The measurement date of the obligation coincides with the Corporation's year end. The date of the most recent actuarial valuation of obligation prepared for accounting purposes is 31 December 2024.

ii. Supplemental retirement arrangement

In 2022, the Corporation established a supplementary retirement arrangement for designated officers of Provident10 ("SRA"). The SRA does not constitute a registered pension plan within the meaning of the *Income Tax Act*. The primary purpose of the SRA is to provide retirement benefits to designated employees of the Corporation in respect of their earnings in excess of those on which benefits can be provided under the (registered) Plan.

The SRA obligation is measured using an actuarial valuation report prepared for accounting purposes. The measurement date of the obligation coincides with the Corporation's year end. The date of the most recent actuarial valuation of obligation prepared for accounting purposes is 31 December 2024.

(h) Deferred tenant inducements:

In 2016, the Corporation entered a ten-year lease for its corporate office. Under that agreement, the landlord funded renovations to the space as tenant inducements. These tenant inducements are deferred and amortized on a straight-line basis over the term of the related lease.

(i) Straight-line rent:

Under the Corporation lease for its corporate office, there are increases in base rent over the term of the lease. The base rent cost over the full lease term, including free rent periods, have been determined and are amortized on a straight-line basis over the term of the related lease.

2. Promissory note

The Province issued a \$2.685 billion promissory note to the Corporation on 31 March 2015 as part of pension reform. The Plan has a right to receive the proceeds of the promissory note from the Province held by the Corporation. The note is receivable over 30 years in quarterly blended installments of principal and interest of \$47 million. The promissory note bears interest of 6%. The payments will be made regardless of the funded status of the Plan. The promissory note is non-marketable.

Provident10
Notes to Financial Statements
For the year ended 31 December 2024

2. Promissory note (continued)

As at 31 December 2024, the balance receivable is \$2.204 billion (2023 - \$2.261 billion).

Principal repayments of the promissory note receivable by the Province to the Corporation, and of the promissory note payable by the Corporation to the Plan, over the next five years (in thousands) are as follows:

2025	\$59,922
2026	\$63,518
2027	\$67,329
2028	\$71,368
2029	\$75,650

3. Capital and Intangible assets

			2024	2023
	Cost (000s)	Accumulated Amortization (000s)	Net Book Value (000s)	Net Book Value (000s)
Leasehold improvements	\$1,449	\$1,120	\$329	\$478
Furniture, fixtures, and equipment	638	580	58	76
Computer hardware	532	429	103	115
Computer software	113	113	-	-
Telephone system	58	58	-	-
	\$2,790	\$2,300	\$490	\$669
Intangible assets	501	149	352	451
	\$3,291	\$2,449	\$842	\$1,120

4. Payable to Public Service Pension Plan

Payable to the Plan represents total charges to the Plan plus HST less operating funding received.

Amounts payable to the Plan are non-interest bearing and due when an invoice is rendered.

5. Payable to Province of Newfoundland and Labrador

Amounts payable to the Province are non-interest bearing and payable on receipt of invoice.

6. Employee future benefits liability

The obligation was calculated as at 31 December 2024 under Sections 3462 and 3463 of the CPA Canada Handbook – Accounting by the Corporation's actuary. In determining the liabilities under Section 3463 of the CPA Handbook, projected unit credit method prorated on service was used for the accounting valuation.

Provident10
Notes to Financial Statements
For the year ended 31 December 2024

6. Employee future benefits liability (continued)

The significant assumptions used in measuring the OPEB obligation were as follows:

	31 December 2023 accrued benefit liability and 2024 expense	31 December 2024 accrued benefit liability
Discount rate	4.65%	4.70%
General inflation	2.00%	2.00%
Health premium inflation/trend	3.30% in 2021, 0.10% in 2022, 5.45% in 2023, decreasing linearly each year to an ultimate rate of 3.60% in 2040	8.58% in 2024 ¹ , 5.85% in 2025, decreasing linearly each year to an ultimate rate of 3.60% in 2040
Mortality	CPM-2014 Public Sector with generational projection scale CPM-B	CPM-2014 Public Sector with generational projection scale CPM-B
Termination	Up to age 45: 2.00% per year Ages 45 to 49: 1.50% per year Ages 50 to 54: 1.00% per year Ages 55 and over: 0.00% per year	Up to age 45: 2.00% per year Ages 45 to 49: 1.50% per year Ages 50 to 54: 1.00% per year Ages 55 and over: 0.00% per year
Disability	None	None
Retirement	If eligible to retire before 1 January 2020: 50% at the earlier of age 55 with 30 years' service or age 60 with 5 years' service. Remainder at the earlier of the 35 years' service or age 65. If not, then: 57.5% at the earlier age of 58 with 30 years' service or age 60 with 10 years' service. Remainder at the earlier of 35 years' service or age 65.	If eligible to retire before 1 January 2020: 50% at the earlier of age 55 with 30 years' service or age 60 with 5 years' service. Remainder at the earlier of the 35 years' service or age 65. If not, then: 57.5% at the earlier age of 58 with 30 years' service or age 60 with 10 years' service. Remainder at the earlier of 35 years' service or age 65.
Members electing coverage benefits at retirement ("Participation Rate")	95%	100%
Coverage elected at retirement	65% Family, 35% Single	80% Family, 20% Single
Spouse age difference	Females three years younger	Females three years younger

¹Reflects expected health inflation in 2024 of 6.00% and the addition 2.43% in delayed cost increases due to the use of surplus to fund prior premium increases (i.e. 8.53 % = 1.0600 x 1.0243-1)

Provident10
Notes to Financial Statements
For the year ended 31 December 2024

Employee future benefits liability (continued)

The significant assumptions used in measuring the SRA obligation were as follows:

	31 December 2023 accrued benefit liability and 2024 expense	31 December 2024 accrued benefit liability
Discount rate	4.65%	4.70%
General inflation	2.00%	2.00%
Salary increase	3.50%	3.50%
YMPE and ITA DB Limit increase	2.75%	2.75%
Mortality (post-retirement)	CPM RPP 2014 Public (Sex Distinct) CPM Improvement Scale B Size adjustment factors of 0.75 for males and 0.95 for females	CPM – RPP 2014 Public (Sex Distinct) CPM Improvement Scale B Size adjustment factors of 0.75 for males and 0.95 for females
Termination/Disability/Pre-retirement mortality	None	None
Retirement	Age 62	Age 62
Spouse age difference	Females three years younger	Females three years younger
Married %	100% at retirement	100% at retirement

The employee future benefits liability as at 31 December 2024 is calculated as follows:

	2024 SRA (000s)	2024 OPEB (000s)	2024 Total (000s)	2023 Total (000s)
Defined benefit obligation	\$563	\$387	\$950	\$794
Fair value of plan assets	313	-	313	249
Employee future benefits liability	\$250	\$387	\$637	\$545

6. Pension Plan

Qualifying employees of the Corporation participate in the Plan, a multi-employer defined benefit pension plan, which provides pension benefits based on length of service and earnings.

Contributions to the Plan are required by both the employees and the employer. The Corporation's contributions range from 8.95% to 11.85% of pensionable earnings. Total employer contributions for 2024 were \$575 thousand (2023 - \$499 thousand) and are recognized in salaries and benefits expense in the statement of operations.

The Corporation is not responsible for any underfunded liability, nor does the Corporation have access to any surplus that may arise in the Plan.

Provident10
Notes to Financial Statements
For the year ended 31 December 2024

7. Sick leave

Under the collective agreement, employees identified on Schedule A of the Joint Sponsorship Agreement and covered by the collective agreement were entitled to carry over accumulated sick leave balances. The estimated gross value of the sick leave balances is \$177 thousand (2023 - \$258 thousand). Sick leave balances are non-vesting and further accumulations are prohibited. No amount has been accrued in the financial statements for the potential liability.

8. Related party transactions

(a) The Province:

The Corporation is related to the Province by the Province's ability to appoint 6 of 14 members of the Corporation's Board of Directors.

(b) The Plan:

The Corporation is related to the Plan as the Board of Directors oversees the Plan and the Corporation. Management fees earned of \$13.6 million (2023 - \$12.1 million) are from the Plan based on a cost recovery basis.

9. Economic dependence and financial risks

The Corporation is economically dependent on the Plan by virtue of the cost recovery basis under which it operates.

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Corporation is exposed to a concentration of credit risk with respect to the receivable from the Plan. The Corporation has assessed the amount as fully collectible.

The Corporation continuously monitors the impact that the geopolitical risks have on the corporation and the Public Service Pension Plan.

The Corporation is not exposed to any other significant financial risks.

10. Commitments

The Corporation is committed under the terms of its lease for office space and under the terms of contract for licensing of software services to make the following minimum annual payments (in thousands):

2025	\$ 692
2026	692
2027	131
Total	\$1,515

A woman with long blonde hair, wearing a dark jacket over a blue shirt, is walking and smiling. A young child with blonde hair, wearing a dark blue quilted jacket, blue jeans, and yellow boots, is walking alongside her, also smiling. They are outdoors on a paved path, with several ducks visible in the foreground. The background consists of green trees.

Amanda,
Student Assistant

Provident¹⁰
REST ASSURED

Contact: stakeholderrelations@provident10.com

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