
Ed
Pensioner

ANNUAL REPORT 2025

Taking care of your tomorrow by securing your retirement today.

Provident10
REST ASSURED

Contents

Hugo
Member

Serving 1 in 8 Newfoundlanders and Labradorians

A pension is designed to support members over the course of a working life: from the early days of a career, through years of growth, and into retirement. That's the role Provident10 plays today – growing alongside members and adapting to changing economic conditions, evolving workplaces, and different life stages, while remaining focused on what matters most: being a steady, trusted presence throughout that journey.

Early in a career, retirement may feel far away – but a member's pension is already working, invested with a long-term perspective that reflects the years ahead. That same disciplined approach continues as their career progresses, providing stability through changing markets and times of uncertainty. In retirement, the Plan is there to deliver dependable, lifetime income. Since 2016, $6 billion in pension benefits has been paid to members across Newfoundland and Labrador, supporting financial security throughout retirement.

Did You Know?

85% of Public Service Pension members consider the PSPP **Extremely or Very Important** to their retirement plans. We're grateful to be a trusted partner in delivering a secure retirement for members.

Bert Blundon
Chair

Loyola Sullivan
Vice Chair

A Message from our Board of Directors

In a year shaped by ongoing economic uncertainty, inflation pressures, and uneven markets, Provident10 delivered strong results in 2025, helping keep the pension plan secure and well positioned for the future.

We know our members want reassurance that the Plan is stable and built to last. That's why the Board, together with the Provident10 team, worked collectively to remain focused on what matters most, funding security and long-term sustainability. At year end, the Plan remained strongly funded at 120.6%, supporting the Board's confidence in the long term security of member benefits.

This strength is rooted in the governance model created more than a decade ago, following the 2014 public service pension reform and a joint agreement between the Government of Newfoundland and Labrador and the five largest unions representing Plan members. In 2025, we marked ten years since the Public Service Pension Plan Corporation was established. That milestone reflects a shared commitment to protecting the Plan through a model of shared stewardship, where responsibility for the Plan's future is held collectively and decisions are guided by long-term sustainability.

Over that time, the Board has remained focused on providing effective oversight and ensuring the appropriate governance structures, policies, and controls are in place to support a growing and maturing Plan. This includes oversight of investment and risk management activities, and ensuring the organization has the frameworks and support needed to carry out its responsibilities effectively and consistently.

In 2025, this included oversight of the Plan's second

Members can be assured that Provident10 remains guided by strong governance, disciplined oversight, and a steadfast commitment to protecting the Plan for generations to come.

Asset Liability Management (ALM) study and three-year valuation. The Board's role is to ensure these important reviews are conducted rigorously and that their insights are appropriately considered in supporting the long-term direction of the Plan, while maintaining confidence in the organization's disciplined approach to carrying this work forward.

Looking ahead, the Board will oversee the development of a new strategic plan in 2026, one that builds on the progress of the past decade and positions the Plan to navigate an increasingly complex economic and investment environment.

We appreciate the ongoing contributions of our Plan Sponsors, along with participating employers and unions, in supporting a governance framework focused on long-term sustainability and benefit security. The Board also recognizes the Provident10 team for their continued dedication to administering the Plan with care and professionalism.

We also extend our sincere best wishes and thanks to Dawn Learning for her service and contributions to the Board, and we were pleased to welcome CUPE representative Roger Duffy as a Director during the year.

Members can be assured that Provident10 remains guided by strong governance, disciplined oversight, and a steadfast commitment to protecting the Plan for generations to come.

10 Years of Growth

2025 Net Assets Available for Benefits:
$13.7 billion

2016 Net Assets Available for Benefits:
$8.8 billion

A message from our CEO

Just over a decade ago, pension reform in Newfoundland and Labrador introduced a new model for the independent stewardship of public sector pensions. Since then, Provident10 has continued to build. I've seen firsthand how its resilience and focus have deepened to serve members through change, while remaining grounded in disciplined investment management, strong governance, and a clear commitment to the people we serve.

That foundation was evident in our results in 2025. The Plan delivered an 11.8% net investment return, driven by disciplined decision-making, a well-diversified portfolio, and a steady focus on managing risk through changing market conditions. These results contributed to continued improvement in funded status and growth in total assets, which now exceed $13.7 billion, up from $12.7 billion in 2024.

Just as importantly, the Plan continued to meet or exceed its long-term investment objectives. These results matter because of what they mean for members – confidence in the security of their pension, stability in retirement income, and reassurance that the Plan is built to last. Since 2016, more than $6.0 billion in pension benefits have been paid. That ongoing responsibility to deliver the pension promise month after month is never far from our minds.

Against this backdrop, it was a year of strong organizational execution beyond investment performance. 2025 also marked the fourth year of our five-year strategic plan, Now to NEXT: Our Path to 2026. Over the year, we saw the strategy take shape through the organization's work, including advancing modernization initiatives such as an enhanced case management system supporting pensioner payroll. This work strengthened how we operate, and supports reliable, efficient service for members. We also completed the Plan's second asset-liability management (ALM) study, which provides an important foundation for future investment decisions

Chuck Bruce
Chief Executive Officer

as the Plan continues to mature, while continuing to strengthen how we manage risk across the organization. At the same time, we remained focused on what matters most to members: delivering reliable, uninterrupted service through a period of change.

This progress is driven by the people behind it. I am incredibly proud of the Provident10 team and the work they do each day to support members. As Provident10 continues to mature, our culture is strengthening. Expertise is deepening. Ways of working are becoming more connected and purposeful. Our people remain central to our ability to deliver reliable outcomes and to serve members with care and dedication.

That commitment is increasingly reflected in how members view Provident10. Results from our recent Stakeholder Perception Study show growing recognition of Provident10 as a trusted pension organization. Confidence has also increased in how the Plan is governed and administered. We take that trust seriously. The study confirmed how central the Plan is to members' retirement security, with 85% of members describing it as extremely or very important. These insights reinforce how personal the Plan is for members across Newfoundland and Labrador and continue to inform our decisions for the future.

Looking ahead, our focus is on long-term stability, resilience, and thoughtful growth for the Plan. While the environment in which pension plans operate continues to change, Provident10 is entering its next chapter from a position of strength. The Plan is sustainable. Stewardship is shared and taken responsibly. We are confident in our ability to navigate change and continue delivering security and peace of mind for our members.

I thank our Board of Directors for their leadership and oversight, our employees for their dedication and professionalism, and our members, employers, and partners for their continued trust. Together, we are translating strong governance and clear strategy into meaningful results for members today, and into the future.

"This progress is driven by the people behind it. I am incredibly proud of the Provident10 team and the work they do each day to support members. As Provident10 continues to mature, our culture is strengthening."
– Chuck Bruce

2025 at a Glance

11.8%
total net investment return

~$1.2B
net investment income

$13.7B
net assets available for benefits

120.6%
funded ratio

8.1%
10-year annualized net investment return

Protecting the retirement security of our members is at the heart of everything we do.
As an independent organization, our ability to remain nimble and adjust to market conditions has never been more important. In 2025, our team strategically invested to grow and fortify the health of the fund.

Growing the Plan, protecting our members

Each year, Provident10 oversees the investments of the Public Service Pension Plan with a long-term focus on stability, sustainability, and security. Our approach continued to support positive outcomes for the Plan in 2025 – even as economic conditions evolved.

The Plan earned a net investment return of 11.8%, generating nearly $1.2 billion in investment gains. Invested assets reached $11.5 billion, while total net assets grew to $13.7 billion. These results contributed to a preliminary funded ratio of 120.6% at year-end, reflecting the continued strengthening of the Plan's financial position.

The progress achieved in 2025 reflects years of steady oversight and a long-term investment strategy designed to support members' pensions – now, and into the future.

Performance and Strategy

How the Plan is performing

Pension obligations extend over many years – so we evaluate investment performance with a long-term perspective. While results vary year to year, long-term outcomes are important in supporting the Plan's ongoing sustainability and ability to meet benefit obligations.

While intermediate, four-year relative performance has been affected by market concentration and challenges in specific asset classes, the Plan met or exceeded the primary long-term performance objectives established in the Statement of Investment Policies and Procedures (SIP&P).

The Plan continued to exceed its discount rate over the long term, maintain appropriate levels of volatility, and improve funded status.

Lauren
People & Office Experience Administrator

Over the past ten years, the Fund achieved an annualized net return of 8.1%, exceeding the 6.0% discount rate used to value the Plan's pension liabilities.

The **discount rate** is the rate we use to value the current cost of future pension obligations of the Plan. It is a key assumption in calculating the funded ratio, helping us measure our ability to fund the Plan.

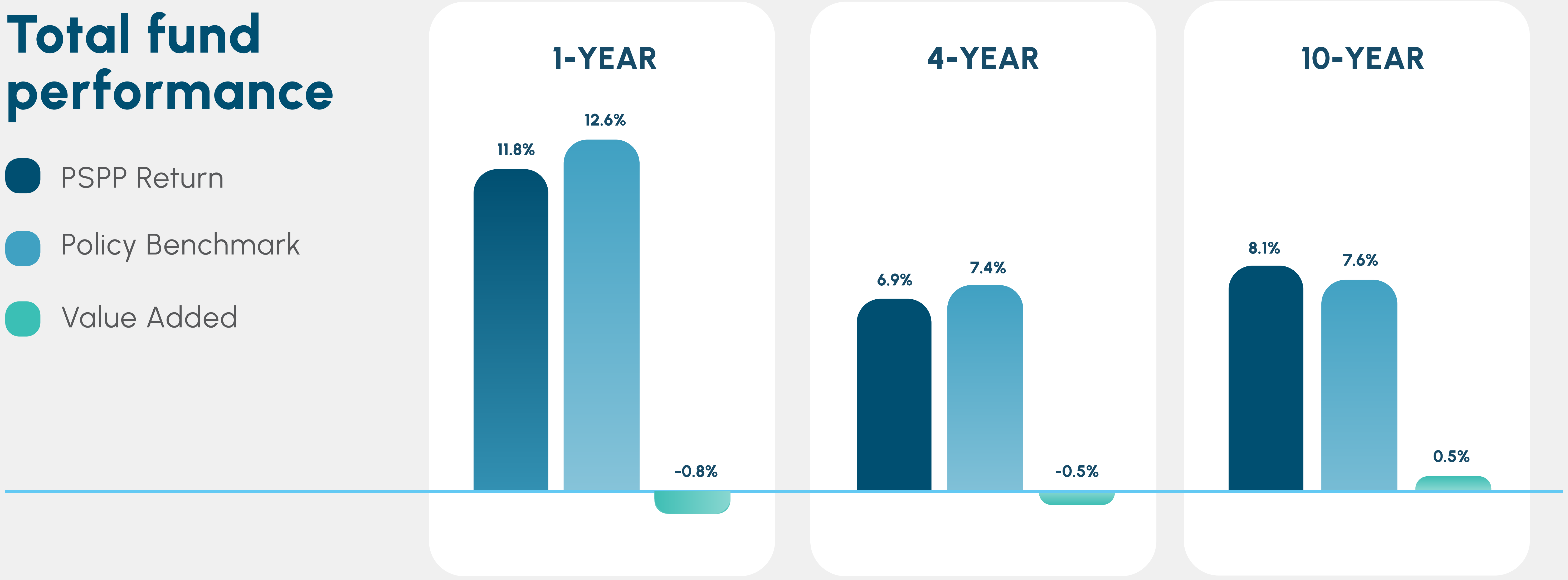
Sustained performance over time

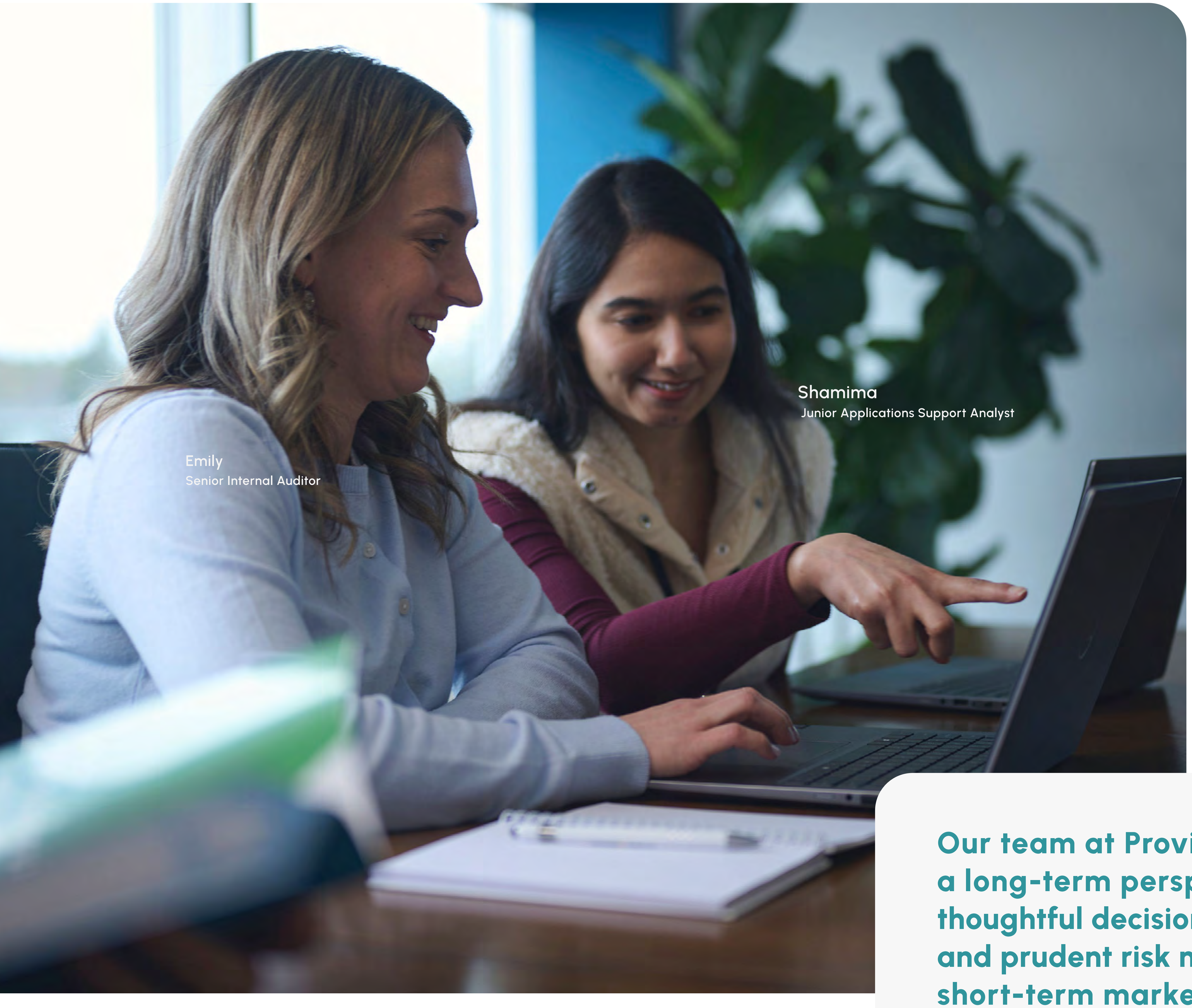
Measuring our investment results

Benchmarks are used to help assess how the Fund is performing relative to its long-term investment objectives. We monitor performance against policy benchmarks over 1, 4, and 10-year periods, with particular emphasis on longer horizons that better reflect the long-term nature of the Plan.

When the Plan's investment returns are higher than its benchmark, this is described as "value added." While results can differ from year to year, especially during unusual market conditions, using benchmarks helps ensure transparency, accountability, and careful oversight of how the Plan is managed.

Total fund performance





Navigating a dynamic investment environment

A disciplined approach

The results achieved in 2025 reflect the strength of our long-term approach to investing. Throughout the year, markets continued to be shaped by lingering inflation concerns, shifting interest rate expectations, geopolitical uncertainty, and changing economic conditions in Canada and abroad. Despite a challenging and complex environment, global markets yielded positive returns, with investment gains coming from a wider range of companies and sectors than in 2024.

Within this environment, certain asset classes – particularly public and private equities and real estate – continued to experience structural and post-pandemic challenges that influenced relative performance. Other parts of the portfolio, including fixed income, infrastructure, and diversified credit strategies, contributed positively and helped support more stable overall results.

Our team at Provident10 invests with a long-term perspective, grounded in thoughtful decision making, diversification, and prudent risk management rather than short-term market timing.

This long-term perspective recognizes that performance can vary in the short term. Taken together, this disciplined approach is designed to deliver strong results over time, even as returns naturally differ across asset classes from year to year.

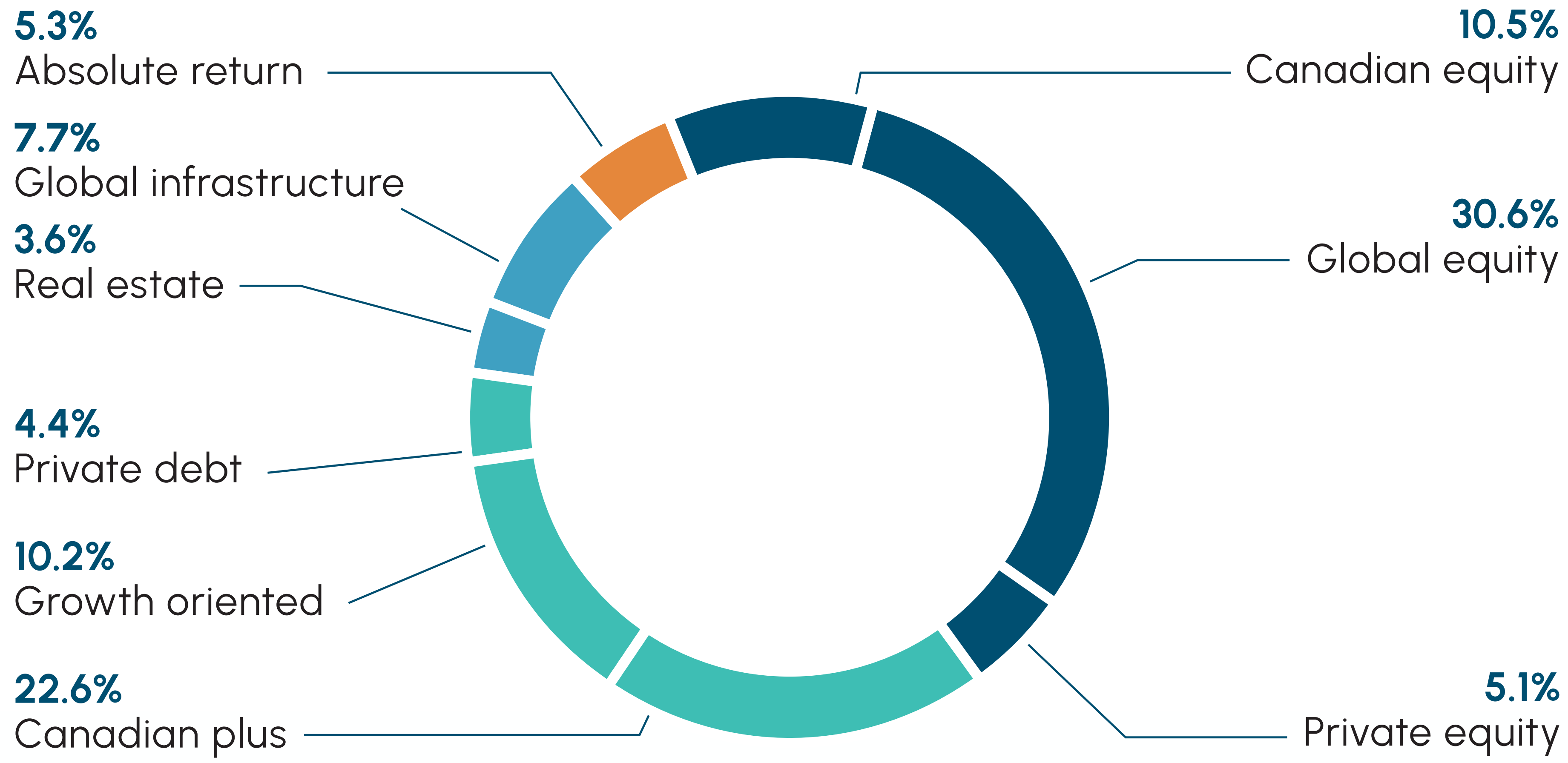
How the Fund is invested

Delivering for the long term

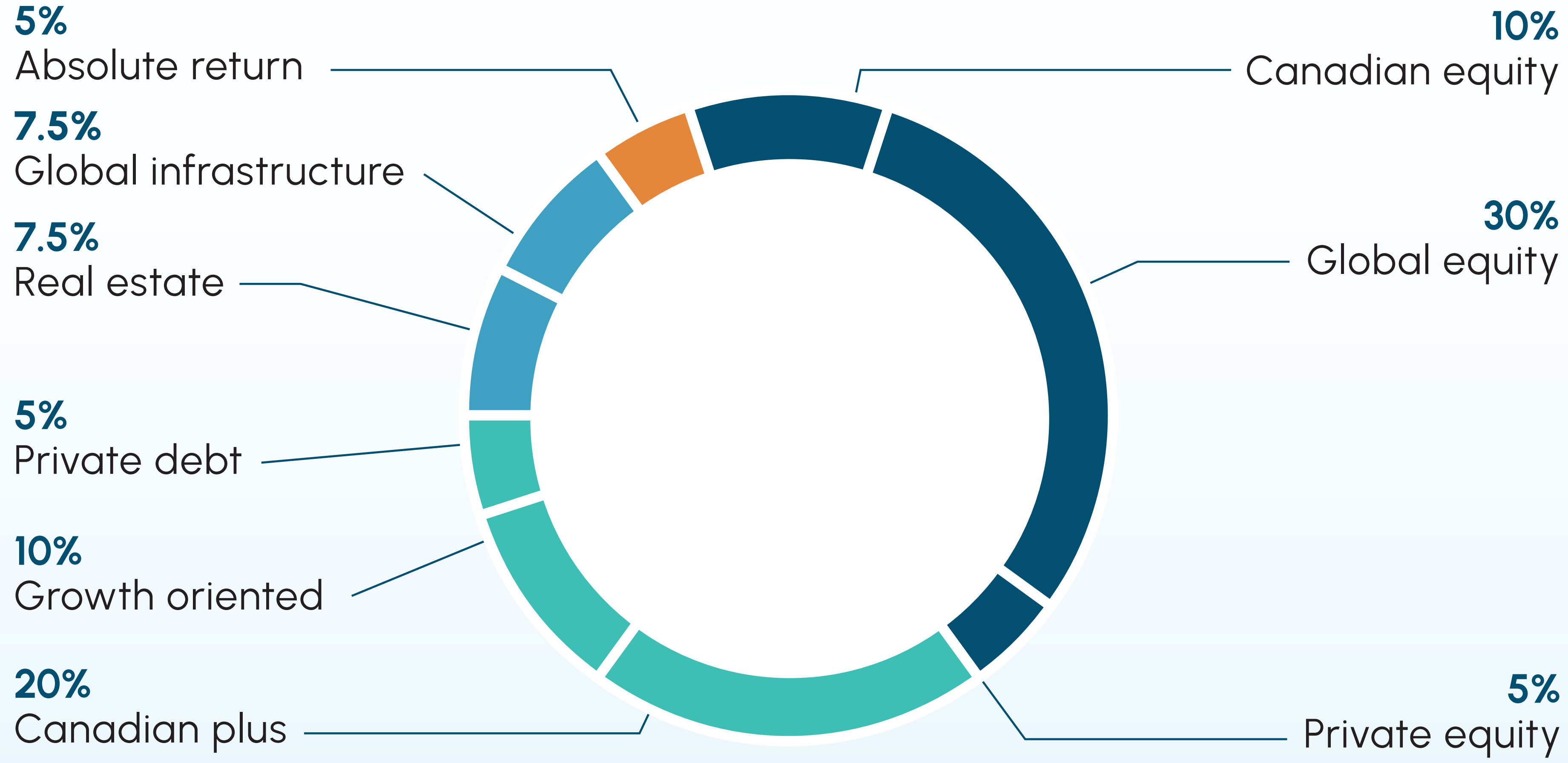
The Fund is managed in accordance with Provident10's Statement of Investment Policies and Procedures (SIP&P), which outlines the principles, objectives, and governance framework guiding investment activity.

The current asset mix balances growth-oriented and defensive strategies. This structure is intended to support long-term returns while managing risk and ensuring the Fund can meet benefit payments as they come due.

Current asset mix



Strategic asset mix



- Asset class equity
- Real assets
- Fixed income
- Absolute return

The role of diversification

A balanced approach

A diversified portfolio remains central to our investment strategy. In 2025, this strategy of diversification continued to support overall Fund results. Positive contributions from infrastructure, fixed income, and private and alternative credit strategies helped offset continued challenges in other areas of the portfolio. This balanced approach supports more consistent outcomes over time and across market cycles.

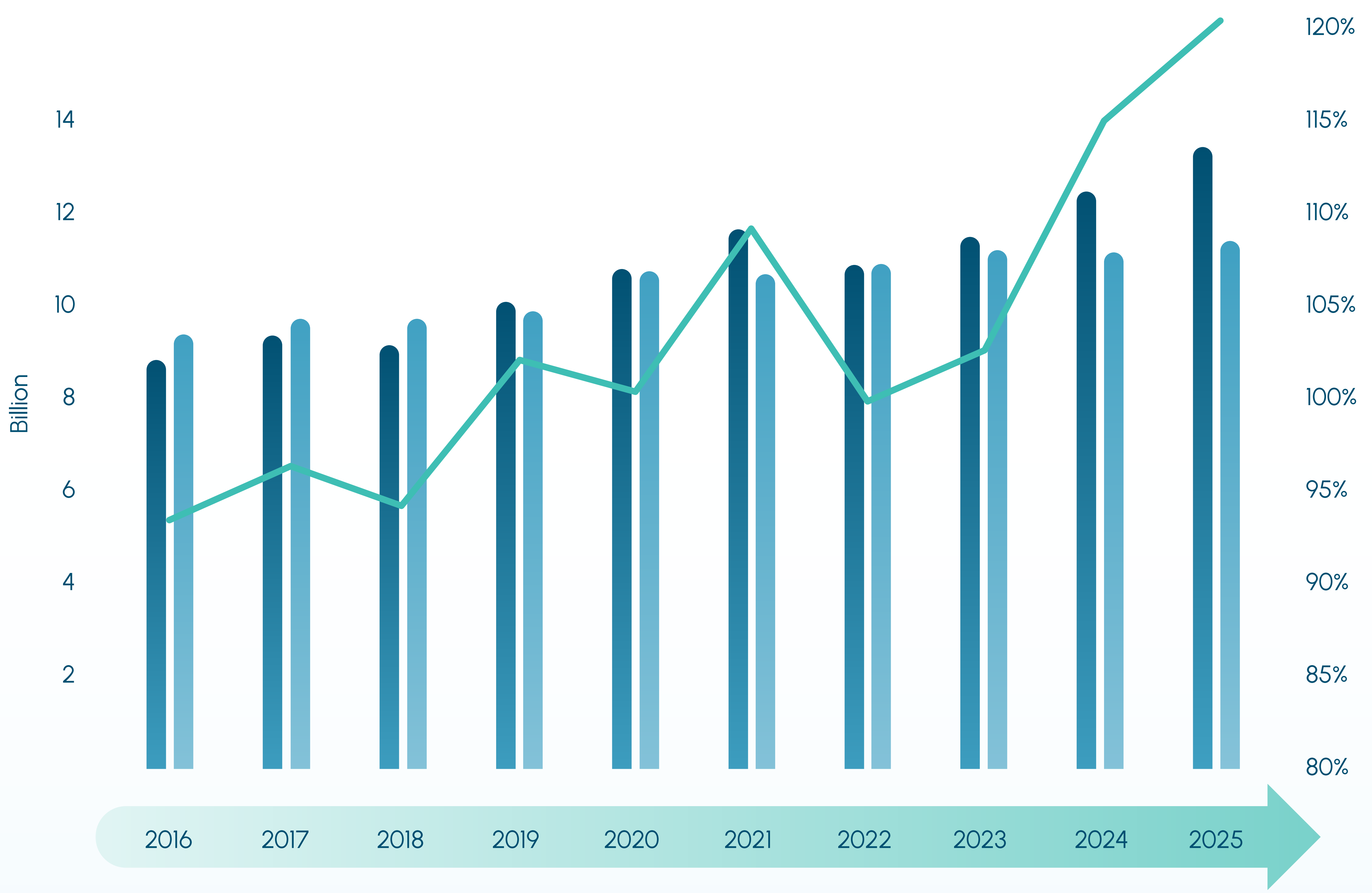
By investing across a broad range of asset classes, regions, and strategies, we strive to manage risk and reduce reliance on any single market outcome.

Asset Class	1-YEAR %			4-YEAR %		
	Returns	Benchmark	Value Added	Returns	Benchmark	Value Added
Canadian equity	23.3	31.7	- 8.4	11.5	13.9	- 2.4
Global equity	18.7	16.6	2.1	10.2	11.7	- 1.5
International small cap equity	16.9	25.7	- 8.8	NA	NA	NA
US small cap equity	3.3	7.5	- 4.2	NA	NA	NA
Private equity	7.0	22.8	- 15.8	8.4	13.1	- 4.7
Canadian fixed income	3.3	2.6	0.7	0.6	0.2	0.4
Canadian commercial mortgages	5.8	4.4	1.4	5.0	2.4	2.6
Emerging market debt	14.0	13.0	1.0	5.1	3.8	1.3
Multi asset credit	7.5	5.4	2.1	NA	NA	NA
Private debt	8.2	7.5	0.7	8.5	7.0	1.5
Global private infrastructure	13.0	6.9	6.1	14.5	8.1	6.4
Real estate	5.9	6.2	- 0.3	1.8	7.5	- 5.7
Hedge funds	12.7	12.0	0.7	8.4	8.8	- 0.4

Supporting long-term pension sustainability

Reaching record levels

The Plan's funded ratio continued to improve in 2025, reaching a record level of 120.6%. Notably, the funded status is influenced by a range of factors and can move up and down from year to year as markets change and the membership profile evolves. Our focus remains on maintaining a sustainable path over the long term. The Plan's long-term performance (particularly returns that exceed the discount rate) helps support its ability to navigate short-term fluctuations while continuing to meet pension obligations.



Funded ratio over time

Net assets available for benefits
Accrued benefit
Funded ratio (%)

Actively managing the Plan's investments

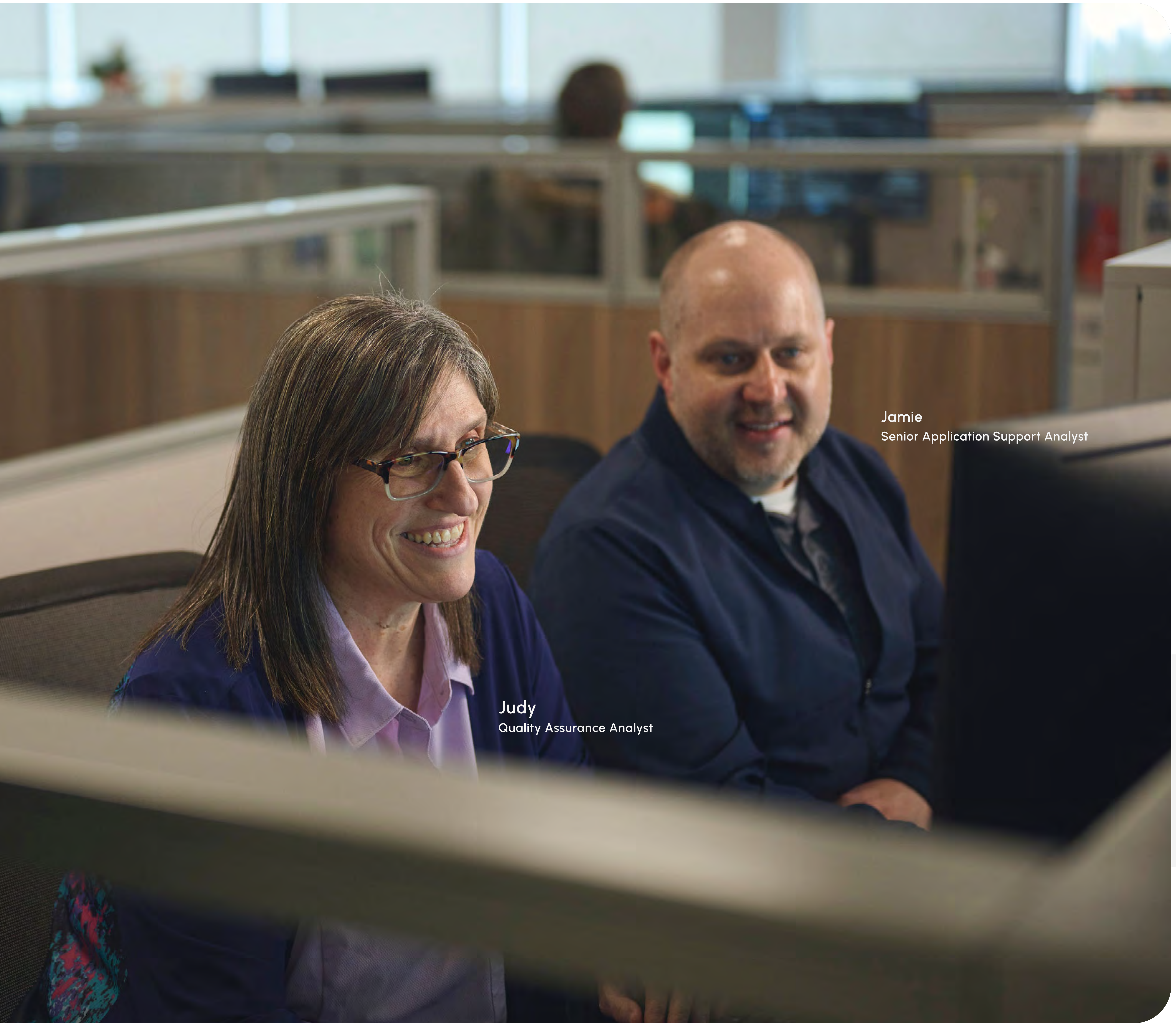
Well positioned to support long-term stability and growth

Our investment strategy continues to evolve in response to changing markets, new insights, and ongoing evaluation. Our team maintains active oversight of the investment program and regularly reviews its design to ensure it remains aligned with long-term goals. In 2025, an Asset Liability Management (ALM) study was undertaken, ensuring a comprehensive review of the Plan's assets and liabilities under a range of possible scenarios.

The study confirmed that the Plan's asset mix remains well positioned to support long-term stability and growth, and reinforced a high probability of maintaining full funding over time. The findings supported modest refinements to the strategic asset mix which will begin to be implemented throughout 2026.

In addition, we continued to oversee and refine the portfolio throughout the year. This included reviewing the public equity structure, advancing a private equity manager search, and exploring opportunities to reposition real estate holdings to improve diversification. Together, these activities reflect an ongoing commitment to careful oversight and thoughtful, evidence-based decision making.

This is the second Asset Liability Management study undertaken by Provident10.
The first was completed in 2019.



A strong position for the future

A year of strong results

The strong results delivered in 2025 build on a decade of active management of the Plan, reinforcing the financial strength that has been steadily established over time. Record asset levels and an improved funded position reflect progress made through multiple market cycles and enhance the Plan's capacity to meet its pension obligations as conditions evolve.

This progress places the Plan on solid footing as it looks ahead. While markets will continue to change, the foundational strength built over the past ten years supports the Plan's ability to respond to uncertainty and remain on a stable, sustainable path.

As we look ahead, we remain committed to stewarding a secure retirement future for our members across Newfoundland and Labrador.

Our Members

The impact of our Plan

We're proud to serve members across Newfoundland and Labrador as they rely on us for a secure retirement they've worked hard to earn.

32,917
Active members

3,271
New members

24,624
Pensioners

6.0B
Benefits paid to members since 2016

969
New pensioners

14
Pensioners over 100

1.33
Ratio of active members to pensioners

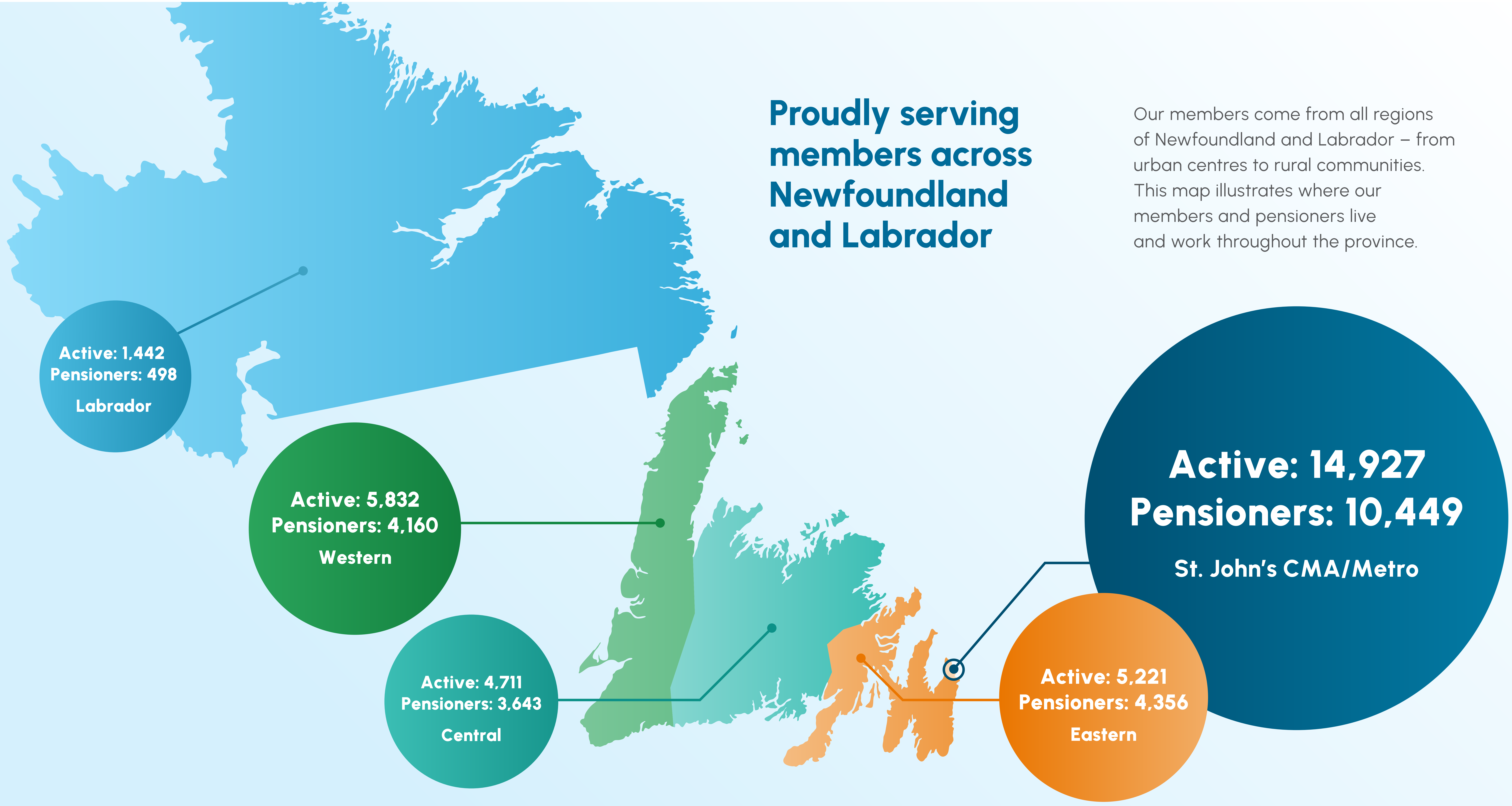
646.2M
Benefits paid to members in 2025

Joannie
Pensioner

2025 was a year of meaningful listening, hearing directly from our members, and thoughtfully calibrating our path forward.

Proudly serving members across Newfoundland and Labrador

Our members come from all regions of Newfoundland and Labrador – from urban centres to rural communities. This map illustrates where our members and pensioners live and work throughout the province.



Ensuring quality service

Here for our members

Our Pension Administration team works diligently to respond to member needs as helpfully and efficiently as possible – from supporting members as they navigate retirement, to helping them transition through major life events.

This year represented an increased call volume and required additional resources to be added to ensure our members' needs were met.

We were pleased that our phone-in customer satisfaction scores remained overwhelmingly positive, with 99% of member experience surveys reporting that they were treated in a courteous and professional manner. The vast majority were satisfied with their service.

Theresa
Member

13,293
phone calls fielded from our members, pensioners, and employers looking for assistance

16,496
written inquiries received (email, mail, employer messages, and fax)

"Having a defined benefit pension plan is important to me because it gives me confidence and reassurance about my retirement future." - Theresa

2025 Stakeholder Perception study

Giving members a voice

Our members are at the heart of everything we do. In 2025, we continued listening closely to our members through a comprehensive **Perception Survey**, gaining valuable insight into how they view retirement and the pension plan. We are grateful to all our members who shared their time and perspectives. This feedback helps guide how we communicate, educate, and support members – today, and as we continue evolving Provident10 in 2026 and beyond.

2,143

members participated from across the province

31% **Male**

68% **Female**

31% **Pensioners**

69% **Active members**

6 **in-person focus groups**

Catherine
Member

85% consider the PSPP Extremely or Very Important to their retirement plans

Nearly 70% express having an Average to Excellent general knowledge about pensions

Over half say they feel Positive or Very Positive about retirement

Members who feel knowledgeable about pensions are more likely to **feel positive about retirement**

Nearly 70% say the PSPP is a highly important factor in remaining with their current employer

One-third of active members say they plan to retire within the next five years

About 70% have, or intend to have, other non-PSPP savings products or income sources in retirement

Retirement planning can feel overwhelming. 80% of public service pension members want to become more confident in their ability to use financial services and products to achieve their retirement goals. We're here to help.

Listening to our members

Asking the experts

We know the best people to consult when it comes to enhancing our member offerings is our members themselves! In 2025, we developed a pilot program that recruited more than 40 Plan members across every career stage for their perspectives and insight. As a group of Plan members on diverse journeys to retirement, they provide feedback on how Provident10 communicates, educates, and supports all Plan members. Participants can share feedback by participating in quarterly engagement opportunities, completing surveys, and providing feedback on marketing and communication activities. Their feedback will guide future tools, resources, and programs offered by Provident10 – ensuring our products reflect member needs.

In collaboration with our Advisory members, we're excited to pilot this program through 2026 with the goal of continuous improvement of our member services.

Introducing our Member Advisory Pilot Program!

42 members total Almost 1000 years of pensionable service!

Member education webinars

Supporting our members who are retirement ready

Preparing for retirement is an exciting time of life. We support our members through this chapter so they can understand all benefits and aspects of their pension plan. One of the most effective ways of doing this is through our Retirement Ready sessions.

In 2025, 950 members took the next step in their planning by attending one of 10 Retirement Ready webinars delivered by our Pension Administration team. Session attendees are diverse, spanning sectors like health, education, justice, government, and more.

The webinars continue to exceed standard webinar interest benchmarks by offering an engaging presentation with practical pension examples and Q&A opportunities for participants. Positive feedback strongly reinforced presenter expertise, clarity, and relevance.

One-third of all active members say they plan to retire within the next five years. Our monthly **Retirement Ready webinars** are an excellent resource for members as they prepare for their next chapter.

Advancing Pension System Modernization

In 2025, we continued to make meaningful progress toward modernizing our pension administration system, a key priority under our Now to Next: Our Path to 2026 strategic plan.

Throughout the year, work focused on defining future system requirements and developing a multi-year roadmap to guide next steps. This approach ensures we are well positioned to make thoughtful, long-term decisions that support reliable and secure service for members.

As part of this work, we are also exploring enhanced digital service options, including tools that will make it easier for members to access information and interact with the Plan online. These enhancements will be introduced over time as part of a phased approach to system modernization.

Digital engagement was further supported through LinkedIn and our Provident10 Pulse e-newsletter, reaching our members where they are and extending the reach of timely updates and organizational news. Our LinkedIn audience grew by more than 33% in 2025, while Provident10 Pulse reached 5,572 subscribers – nearly doubling our subscription rate by year-end!

Strengthening our connections with pensioners

In May of 2025, our team had the pleasure of attending the Newfoundland and Labrador Public Sector Pensioners' Association's (NLPSPA) Spring Fling – an evening filled with laughter, music, and meaningful moments shared with public sector retirees from across the province.

As proud sponsors of the event, we were warmly welcomed by our partners at NLPSPA – a valued organization and strong advocate for the more than 24,000 public sector retirees across Newfoundland and Labrador. NLPSPA is also one of the key partners in giving back to our community, aligning with one of our primary focus areas: supporting seniors.

In coming together, participants reflected on the meaning of retirement and the importance of connection – from delivering reliable income to supporting a fulfilling retirement, the evening was a warm reminder of the role Provident10 plays in helping members live well after work.

24,624 active pensioners
in the public service pension plan in 2025

Over $6 billion
in pension benefits paid to our members since 2016

A sizeable impact on communities and local economies
with pensioners enjoying retirement in every corner of Newfoundland and Labrador

Learn more about the impact of our Plan and our members

Pensioner Payroll CMS

As part of our multi-year modernization and digital transformation journey, we continue to expand on the success of our Case Management System (CMS). In 2025 we successfully migrated our Pension Payroll system into CMS, providing better decision-making and case tracking for our members.

More than a system upgrade, this project is a strategic investment in how we work that reflects our commitment to modernization, transparency, and continuous improvement. By aligning with our strategic goal of enabling service excellence through technology adoption, we're building a stronger foundation for the future.

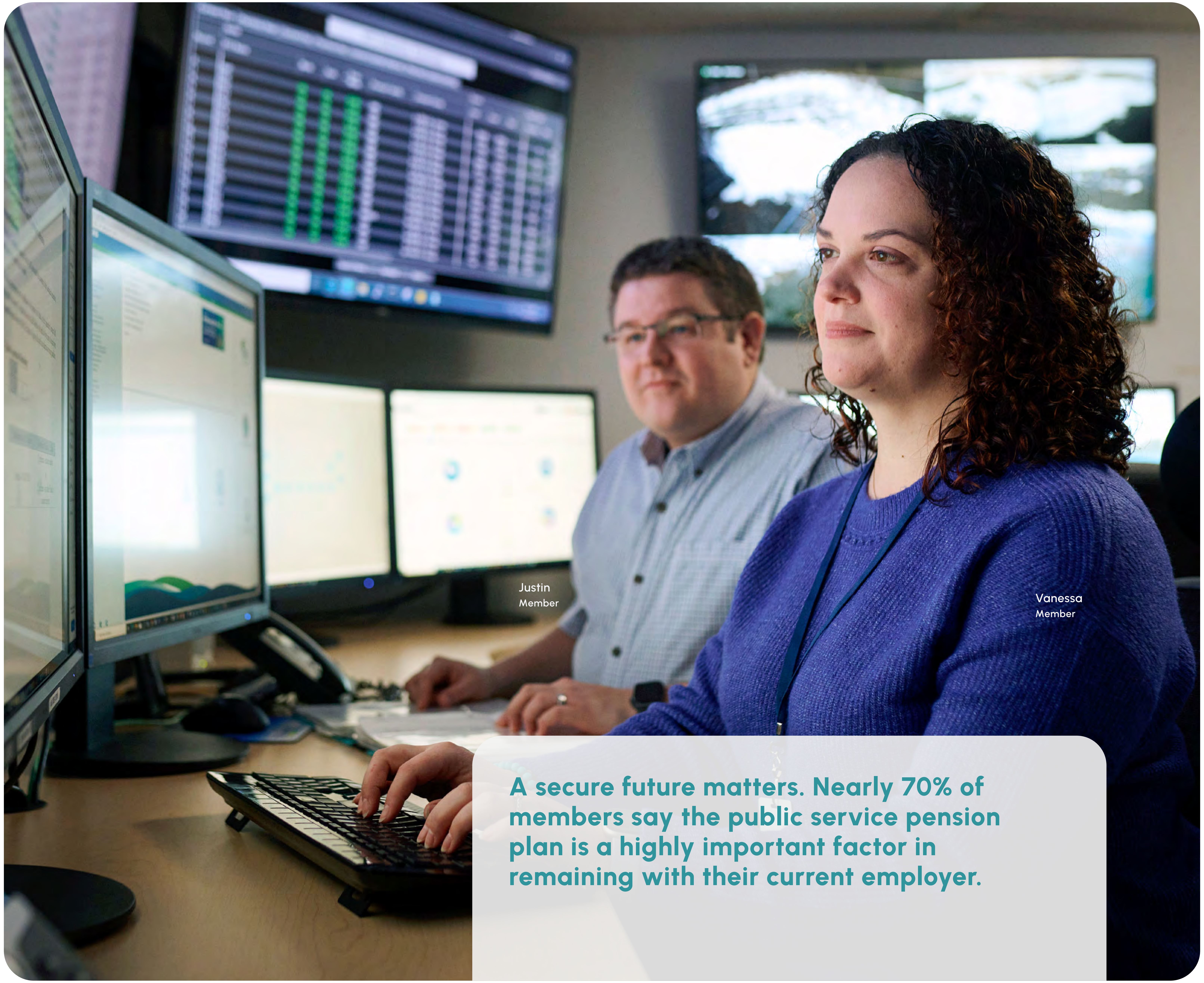
In the know: nearly 70% of pensioners express having an Average to Excellent general knowledge about pensions. We're pleased to support them with a secure and stable retirement income they've worked hard to earn.

Our Participating Employers

Partnering with employers

Our participating employers play a central role in a member's retirement planning journey. Employers are on the front lines of communicating and administering many aspects of the Plan and, as such, we partner closely with them to ensure member satisfaction.

With 43 participating employers across Newfoundland and Labrador representing more than 68,000 members, regular engagement and education opportunities remain foundational to our work. In 2025, we made great progress in strengthening our relationships through regular communication, supporting compliance efforts, and improving data quality shared between us and employers. We're united in our shared goal of delivering a secure retirement for members.



A secure future matters. Nearly 70% of members say the public service pension plan is a highly important factor in remaining with their current employer.

Supporting employers

Improving our processes, together

Partnering with our participating employers means getting down to the fine details of what makes a successful Plan that best serves our members. Throughout 2025, our team at Provident10 supported employers one-on-one and in group working sessions focused on payroll accuracy, validation, and the continued adoption of the Employer Data Portal. These engagements emphasized improving the timeliness and accuracy of payroll file submissions, reducing downstream manual intervention, and supporting employers in working through broader pension-related concerns.

What does it mean? More efficient processes that serve our members better. Through these one-on-one initiatives, employers representing approximately 81% of active plan members were engaged in 2025, including comprehensive coverage across all regions of NL Health Services and the Government of Newfoundland and Labrador.

We're making it easier than ever to get the word out to job candidates and employees! **The Employer Toolkit** ensures participating employers can support staff and their families with information on the public service pension plan, a highly sought-after opportunity and benefit.

An eye on the future

Foundational work advanced in 2025 to strengthen employer engagement on a more strategic and sustainable basis. A new role created within our organization, **Manager of Plan Compliance and Employer Relations**, is now dedicated to proactive engagement and improved service delivery for employers.

Collectively, these activities demonstrate the value employers place on connection, education, and timely support, and lay the groundwork for a more structured, responsive, and scalable employer engagement model in partnership with Stakeholder Relations and internal operational teams.

Employer Appreciation Event

It's important to celebrate and acknowledge the hard work of our participating employers. At every opportunity, we like to take a moment to thank them for their contributions to the success of the Plan. Our annual Employer Appreciation Event in December was well attended, with representation from employers reflecting more than 90% of plan members. Our event included updates on operational priorities and reinforced the importance of collaboration, transparency, and communication. Consistent with previous events, attendees cited a high degree of satisfaction with this event – more than 90% reported they were satisfied or very satisfied.

Employer feature

An evolving landscape at NL Health Services

We continue to support our largest participating employer, NL Health Services, as it evolves from four distinct regional health authorities and the Newfoundland and Labrador Centre for Health Information to one single entity. As this initiative continues to streamline health services across our province, our team continues to support all four participating employers through the transition into one employer, ensuring members have a seamless experience.

NL Health Services

Our Provident10 Team

Our people and our culture

Our people are our greatest asset, and every member of the Provident10 team contributes to a productive and inclusive workplace.

We continue to focus on supporting our people and being a great place to work. Over the last decade, the growth of our team and expertise underscores the importance of having a strong workplace culture for all to bring their best selves to work. With our investments in our people and education, we're continuously evolving, nurturing growth, and challenging the status quo.

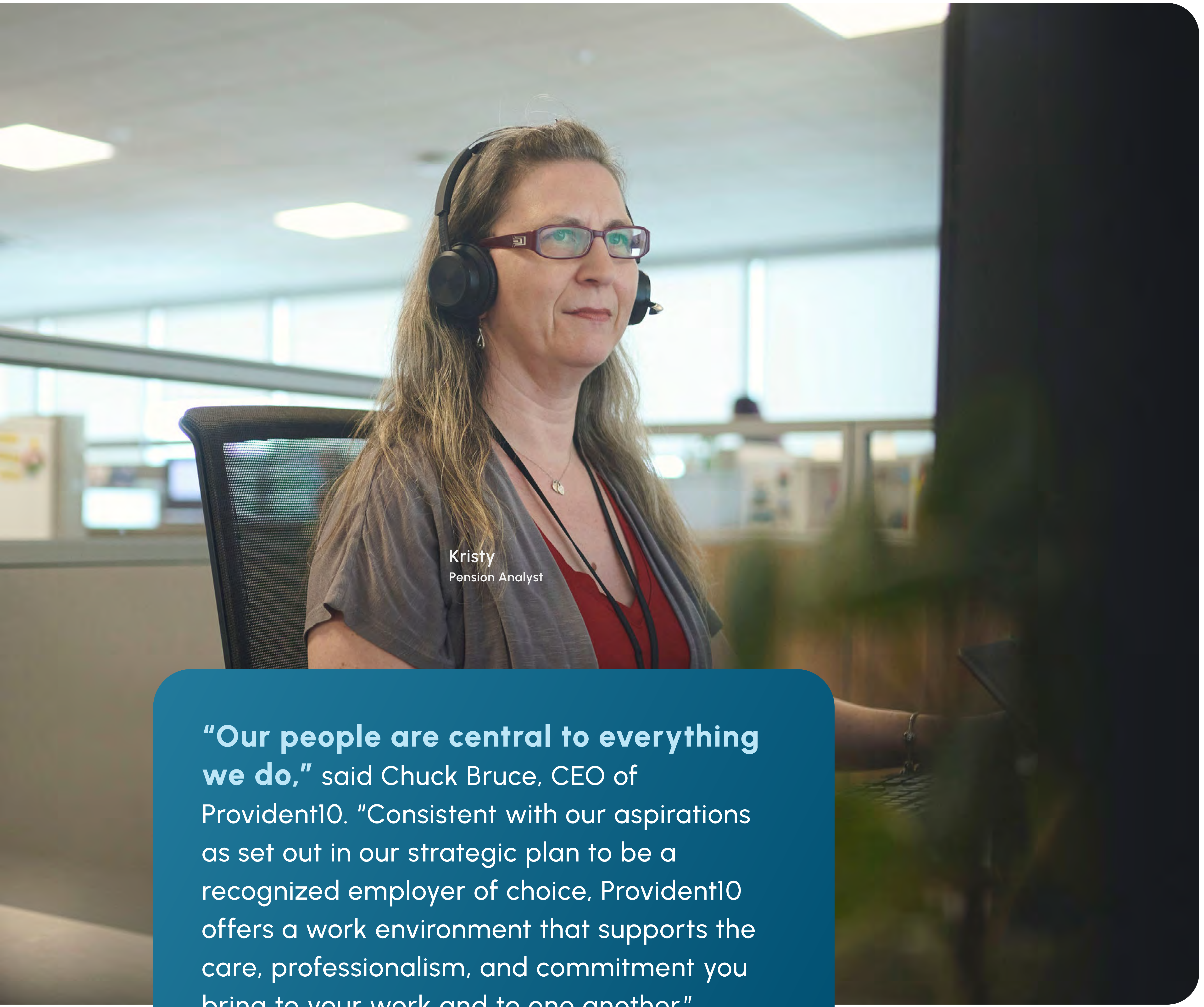
It's our curiosity that pushes us to seek out new paths that move our operations forward, and prepares us for what the future holds.

Krista, Ashrafee, Tammy, Sharmita
Employees

We're All In.

The *All In* promise here at Provident10 is a commitment to our employees, our members, and our communities. With a shared set of goals and values, to be *All In* means to show up for one another, for our members, and to take pride in a job well done. We're *All In* because we know it means a better future for all of us across Newfoundland and Labrador.

Together, we're All In.



"Our people are central to everything we do," said Chuck Bruce, CEO of Provident10. "Consistent with our aspirations as set out in our strategic plan to be a recognized employer of choice, Provident10 offers a work environment that supports the care, professionalism, and commitment you bring to your work and to one another."

We're committed to our employees

ATLANTIC CANADA'S TOP EMPLOYERS 2025

An award-winning culture

For the fourth 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!

New collective agreement

In June 2025, we were pleased to reach an important milestone with the signing of a new three-year Collective Agreement with NAPE, who represent a portion of our employee base. The successful resolution reflects our commitment to transparency, collaboration, and a strong employer-union partnership.

Diversity, equity, inclusion, and belonging

A continuous journey of learning

We are committed to fostering an environment where every individual feels welcomed, valued, and supported, so they can thrive as their authentic self.

Educating, listening, and engaging are all the ways we strive to build connections – with one another, and in the communities that we engage with across Newfoundland and Labrador.

In 2025, we continued in our journey to deepen our connections and provide authentic learning opportunities in Diversity, Equity, Inclusion and Belonging (DEIB). These opportunities came to life through cultural recognition events, workshops, and training to support our diverse workforce and communities.

- We hosted a *Power of Privilege* Lunch & Learn delivered by DiversityNL, a local DEIB consultant, that provided employees with an opportunity to explore the concept of privilege, build awareness, and reflect on how individual experiences can be leveraged to create positive change in the workplace.
- We actively encouraged employees to share their cultures and stories on the *Neighbourhood.* Throughout 2025, we highlighted employee-shared reflections in recognition of Pohela Boishakh (Bengla New Year), Chinese New Year, and Black History Month.
- We introduced a *statutory holiday replacement benefit* that allows employees to replace designated statutory holidays with days of cultural or religious significance. This benefit recognizes that traditional statutory holidays may not reflect the diverse identities and practices of all employees. By offering flexibility in how holidays are observed, we support employees in honouring what matters most to them while reinforcing a culture of respect, equity, and belonging.

Celebrating our community

As part of our ongoing commitment to DEIB, we were honoured to unveil commissioned artwork by Newfoundland and Labrador artist Lucy MacLean at our home office in St. John's. The piece, originally commissioned in 2024 as part of Pride Month, celebrates Pride and honours the vibrant 2SLGBTQI+ community in our province. The original piece incorporates the bold and inspiring colors of the Pride flag, weaving together a narrative of unity, love, and acceptance. It features meaningful words and imagery that support diversity and inclusion, while highlighting the unique aspects of Newfoundland and Labrador communities.

Proudly displayed at the entrance to our office, this artwork reflects our belief that diversity strengthens our organization and enriches our work. It's a visual representation of our values and our ongoing efforts to acknowledge and celebrate identified groups within Provident10 and beyond.

"It's very important to me to work for an employer that provides a defined benefits pension plan; a secure retirement means I can focus on other priorities in my life." - Azmat

Employee development opportunities

Supporting growth and development

The pension sector is a dynamic industry and it's critical for our employees to remain at the forefront of trends, learnings, and innovations. We continue to offer meaningful learning opportunities to employees, ensuring our members can be confident they're getting the best in pension investment and administration.

In 2025, we continued to invest in learning and development for our employees for critical educational opportunities – including Leadership Training, participation in the Certified Employee Benefit Specialist Program, Professional Certifications (CPHR, CIA, CFA), Diversity, Equity, Inclusion and Belonging sessions, and more.

We encourage all employees to be active participants in their professional development and career planning. In 2025, we were pleased to **support 12 employees** in their professional growth through internal role transitions and promotions. As we look to fortify our future with tomorrow's leaders, we were pleased to host **six co-op Commerce students** from Memorial University throughout the year. These opportunities provide valuable learning and career opportunities for young people at the start of their career path.

A fulfilling workplace also includes prioritizing the health and well-being of employees. We supported a variety of health- and wellness-related learnings in 2025, including AED and cardiac training, a flu shot clinic, and mental health information sessions. We were pleased to have **17 new employees participate in Mental Health First Aid training**, doubling the number of employees with this critical training to now represent approximately half our workforce.

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

Strengthening connections

Fostering feedback and collaboration

Collaboration is about achieving more, together. In 2025, we remained focused on opportunities that strengthened connections across our people and teams.

Throughout the year, we created meaningful opportunities for knowledge sharing and organizational planning, including at our flagship annual Corporate Kick-Off in February 2025, our Mid-Year Check-In, a Leadership Breakfast, and many other complementary learning sessions and social events. We'll continue in 2026 to build on our collaboration efforts to provide strong outcomes for our people and our members.

Digital collaboration

Building on our successes from 2024, we continued to develop virtual collaboration by expanding online content and prioritizing the capabilities of *The Neighbourhood*, our internal employee engagement platform. *The Neighbourhood* has increasingly become a powerful engagement platform for our people, with a 100% employee usage rate (and 50% of employees reporting daily usage).

2025 impact at a glance

Donated 72 Kindness Kits

to *Connections for Seniors* for National Volunteer Week & *Stockings for Seniors*, supporting our most vulnerable

Donated school supplies

to the *Single Parents Association*, helping children start the school year strong

Hosted three volunteer opportunities

including two sessions at *The Gathering Place* and one at *Ronald McDonald House*, representing 45 volunteer hours by our employees

Donated to our communities

through the *Community Food Sharing Association*, *Junior Achievement NL*, and *The Gathering Place*

Donated to *Run for the Cure*

in support of the fight against breast cancer

Denise
Pensioner

We're part of the community

We're all in for a brighter future. 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 2025, we refined our Community Investment Strategy to better align with our values and drive greater social impact in three key areas: Financial Literacy, Senior Support, and Stronger Communities. Our contributions included both financial and in-kind contributions to help local communities where the need is greatest.

Financial literacy can make a person happier: Members who feel more knowledgeable about pensions have a stronger likelihood of feeling positive about retirement.

Governance

Leading with strong governance

Good governance is about transparency and accountability. As we near the end of our current Strategic Plan, Now to Next: Our Path to 2026, Provident10's adherence to these principles is demonstrated through effective organization and strong oversight across the organization.

Our best-in-class standards in governance, ethical conduct, and risk management ensure the long-term viability of the Plan and our commitment to trust and transparency with our stakeholders.

How we're governed

Provident10 is 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.

Fraud Risk Management Policy & Training: In 2025, we strengthened our Fraud Framework through policy approval, targeted fraud risk assessments, and staff training. Following Board approval of the Fraud Risk Management Policy, fraud risk assessments for Pension Administration and Investment Management advanced with a focus on key fraud scenarios, inherent risks, and existing controls. Company-wide training on Fraud Risk Management and Whistleblowing was also delivered, reinforcing expectations for ethical conduct and fraud awareness.

Automation (Enterprise Risk Management): We were pleased to advance the implementation of our risk management software. The system was fully configured, with all strategic and operational risks documented, assessed, and supported by mitigation plans, and initial dashboards and reports were developed. This work established a more centralized, streamlined, and consistent approach to risk management and reporting across the organization.

Modernizing Our Internal Audit Process: We continued to enhance the automation of our processes using audit management software, including automated action plan tracking and real-time analytics. These enhancements streamline status updates from our management team, reduce manual aggregation by our Internal Audit team, and provide timely visibility into audit plan delivery and outstanding actions.

Policy Framework: Provident10 continued to strengthen its Policy Governance framework in 2025 by advancing several key policies and governance documents through drafting, review, and approval. Progress was achieved across priority areas, including delegated authority, incident response, procurement, quality assurance, and business continuity management – reflecting steady improvement in governance practices throughout the year.

Excellence in Internal Audit: In 2025, Internal Audit completed its full risk-based audit plan, delivering 12 audit and advisory engagements and issuing eight recommendations. These engagements provided independent, objective assurance to management and the Board on the effectiveness of the organization's governance, risk management, and internal control framework.

Business Continuity Planning: In 2025, Provident10 advanced its Business Continuity Management (BCM) program through targeted planning, training, and updated continuity documentation. Leadership training, Business Impact Assessments, recovery strategies, and Business Continuity Plans were refreshed for priority functions. A BCM framework was also established to guide future continuity efforts. Collectively, these initiatives strengthened organizational preparedness and resilience.

Disclosures

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.

Fiscal year 2025 - YTD	Board	Ad Hoc	Investment Committee	Audit Committee	G&HR	2025 Renumeration
Bert Blundon	4	16	1	3	3	$12,375.00
Loyola Sullivan	5	20	4	5	6	$14,625.00
Randell Earle	5	6	4	0	6	$8,000.00
Sharon Sparkes	4	6	4	0	0	$7,250.00
Kevin Dumaresque	5	5	4	0	6	$7,500.00
Donna Brewer	5	6	0	5	0	$8,000.00
Lori Anne Companion	5	7	0	5	6	$9,000.00
Al Hawkins	5	19	0	0	6	$11,500.00
David Drover	1	1	2	3	0	$625.00
Dawn Learning	1	1	1	0	0	$312.50
Robert Cashin	5	2	1	5	0	$1,250.00
Jennifer Dove	5	7	0	5	4	$8,000.00
Doug Laing	5	3	3	5	0	$6,750.00
David Hammond	3	2	0	0	4	$937.50
Roger Duffy	4	2	0	0	0	$937.50
Nancy Beth Foran*	0	0	5	0	0	$3,750.00
William Small*	0	0	5	0	0	$3,750.00

*The Investment Committee includes external consultants who participate in an advisory capacity and are not members of the Board.

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 designed to align with our employee value proposition, and support equitable pay practices, and 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. The organization maintains a total compensation and benefit program for all full-time employees that includes market-competitive compensation, pension contributions and other retirement benefits, life and disability insurance, and health and dental benefits.

Provident10 offers a Supplementary Retirement Arrangement (SRA) for Designated Officers. The SRA provides retirement benefits to Designated Officers for earnings in excess of those used to calculate benefits under the PSPP 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. Consistent with the organization's employee value proposition and compensation philosophy, the SRA serves as a strategic tool to attract and retain individuals in key executive leadership roles.

In addition to base salary, our employees – including the Executive Team – are eligible for 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.

The 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 STI earned in 2025, to provide an overview of total cash compensation.

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Position	Blended Base Salary	Short-Term Incentive	Total Cash Compensation
CEO	$427,332	$170,933	$598,265
VP, Investment Management	$275,000	$82,500	$357,500
VP, Pensions	$205,000	$51,250	$256,250
VP, Finance[1]	$21,226	–	$21,226
VP, Systems & Quality	$198,600	$50,007	$248,607

1. Reported to February 6, 2025, with services from an accounting consultant retained on an interim basis.

2025 Financial Statements

Mark
VP, Systems & Quality

Financial Statements of

PUBLIC SERVICE PENSION PLAN

And Independent Auditor's Report thereon

For the year ended 31 December 2025

KPMG LLP
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St. John's, NL A1C 6H6
Canada
Telephone 709 733 5000
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of 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, 2025
- 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 policy information

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2025, and its changes in net assets available for benefits and its changes in pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

Basis for Opinion

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

We are independent of the 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.

Other Information

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

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

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

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

We obtained the information, other than the financial statements and the auditor's report thereon, included in the Annual Report as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the 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.

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

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

St. John's, Canada

June 18, 2026

Public Service Pension Plan
Statement of Financial Position
31 December 2025
with comparative information for 31 December 2024

	2025	2024
	(000's)	**(000's)**
Assets		
Cash and cash equivalents	$ 206,658	$ 271,404
Accrued investment income	21,880	16,533
Contributions receivable:		
Employee	7,729	12,475
Employer	7,729	12,475
Harmonized Sales Tax receivable	1,360	642
Receivable from Provident10 (note 13d)	408	1,135
Receivable from pending trades	20,238	13,140
Investments (note 4)	11,339,125	10,235,119
Promissory note receivable (note 12)	2,144,352	2,204,274
Total assets	13,749,479	12,767,197
Liabilities		
Accounts payable and accrued liabilities	7,606	6,199
Payable for pending trades	52,000	59,729
Refunds payable	5,693	5,251
Due to Province of Newfoundland and Labrador	1,768	1,660
Total liabilities	67,067	72,839
Net assets available for benefits	13,682,412	12,694,358
Accrued benefit obligation (note 9)	11,121,039	10,563,946
Commitments (note 14)		
Surplus	$ 2,561,373	$ 2,130,412

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 2025
with comparative information for the year ended 31 December 2024

	2025 (000's)	2024 (000's)
Increase in net assets:		
Investment income (note 5a)	$ 254,198	$ 230,197
Gain on sale of investments (note 5a)	509,494	312,623
Current period change in market value of investments (note 5a)	341,291	725,652
Interest on promissory note (note 12)	128,078	131,470
	1,233,061	1,399,942
Contributions: (note 10)		
Employee	231,006	222,365
Employer	213,760	200,604
	444,766	422,969
	1,677,827	1,822,911
Decrease in net assets:		
Pension payments (note 11)	(553,227)	(538,266)
Refund of contributions (note 11)	(92,982)	(70,219)
Administrative expenses (note 8)	(39,759)	(35,648)
Harmonized Sales Tax	(3,805)	(3,355)
	(689,773)	(647,488)
Increase in net assets available for benefits	988,054	1,175,423
Net assets available for benefits, beginning of year	12,694,358	11,518,935
Net assets available for benefits, end of year	$ 13,682,412	$ 12,694,358

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 2025
with comparative information for the year ended 31 December 2024

	2025 (000's)	2024 (000's)
Actuarial present value of accrued benefit obligation, beginning of year	$ 10,563,946	$ 10,418,497
Change in actuarial assumptions (note 9)	233,904	(226,924)
Experience loss	-	(4,514)
Interest accrued on benefits	660,273	672,872
Benefits accrued	309,125	312,500
Benefits paid	(646,209)	(608,485)
Actuarial present value of accrued benefit obligation, end of year	$ 11,121,039	$ 10,563,946

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

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:

- “…Continue Provident10, the Public Service Pension Plan, the Public Service Pension Plan Fund and the Public Service Supplementary Plan Account (Supplementary Plan);
- prescribe government's obligations to the pension plan and supplementary account;
- prescribe the obligations of employers to the pension plan; and
- 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.

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.

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.

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.

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

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.

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.

4. Investment

(a) Investment portfolio:

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

	31 December 2025			31 December 2024		
	Fair Value	%	Cost	Fair Value	%	Cost
	(000's)		(000's)	(000's)		(000's)
Fixed income	4,173,730	36.8	3,984,611	3,536,253	34.5	3,480,214
Equities						
Canadian	1,234,026	10.9	940,732	1,129,485	11.0	888,640
Global	3,394,779	29.9	2,478,184	3,081,733	30.1	2,281,541
Private	580,543	5.1	214,100	650,099	6.4	232,011
Real assets						
Private infrastructure	915,782	8.1	520,568	856,696	8.4	504,263
Real estate	417,182	3.7	288,952	435,755	4.2	313,666
Absolute return						
Hedge funds	621,448	5.5	459,555	548,124	5.4	422,855
Forwards	1,635	-	-	(3,026)	-	-
Total	$ 11,339,125	100.0	$ 8,886,702	$ 10,235,119	100.0	$ 8,123,190

(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).

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 2025	Level 1 (000's)	Level 2 (000's)	Level 3 (000's)	Total (000's)
Fixed income	-	3,411,153	762,577	4,173,730
Equities				
Canadian	1,198,050	35,976	-	1,234,026
Global	3,394,779	-	-	3,394,779
Private	-	-	580,543	580,543
Real assets				
Private infrastructure	-	-	915,782	915,782
Real estate	-	-	417,182	417,182
Absolute return				
Hedge funds	-	-	621,448	621,448
Forwards	-	1,635	-	1,635
	$ 4,592,829	$ 3,448,764	$ 3,297,532	$ 11,339,125

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
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

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

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 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
Fair value, 31 December 2024	$3,064,418
Acquisitions	408,721
Dispositions	(290,070)
Realized gain	62,627
Change in unrealized loss on assets sold	(56,512)
Change in unrealized gain on assets held	108,348
Fair value, 31 December 2025	$3,297,532

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.

	2025 (000s)	2024 (000s)
Real estate:		
Minimum capitalization rate	4.47 %	3.86 %
Maximum capitalization rate	11.29 %	11.45 %
Increase of 25 basis points	$(19,880)	$(21,205)
Decrease of 25 basis points	$21,805	$23,254

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 2025 Currency forwards	$(608,426)	$(178)	$1,813	$1,635
31 December 2024 Currency forwards	$(568,232)	$860	$(3,886)	$(3,026)

(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.

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:

	2025 (000's)	2024 (000's)
Securities lent	$ 702,914	$ 602,402
Securities contractually receivable	746,904	643,473

5. Investment income

(a) Investment income is as follows:

	2025 (000's)	2024 (000's)
Dividend income	$ 120,645	$ 104,405
Interest income	131,849	124,478
Security lending income	1,521	1,244
Commission recapture income	183	70
	254,198	230,197
Gain on sale of investments	509,494	312,623
Current period change in market value of investments	341,291	725,652
	$ 1,104,983	$ 1,268,472

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)	2025 Total (000s)	2024 Total (000s)
Cash and cash equivalents	$ 4,987	$ 8,392	$ 796	$ 14,175	$ 3,278
Fixed income	128,126	(29,348)	133,080	231,858	221,122
Equities	92,703	518,665	117,208	728,576	917,900
Real assets	28,382	12,024	48,922	89,328	60,534
Absolute return	-	-	36,624	36,624	86,740
Forwards	-	(239)	4,661	4,422	(21,102)
Total	$ 254,198	$ 509,494	$ 341,291	$ 1,104,983	$ 1,268,472

Net loss from derivatives, including realized and unrealized gains or losses is $4.4 (2024 - 1.04), while income from other assets, excluding dividend and interest income is $13.3 million (2024 - $2.2 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.

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:

	2025 (%)	2024 (%)
Within 1 year	10.9	10.6
Short (1 – 5 years)	28.0	28.0
Medium (5 – 10 years)	36.3	35.6
Long (10 + years)	24.8	25.8
	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 $183.2 million or 6.00% (2024 - $155.2 million or 6.20%). 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 40.8% 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 $462.9 million, or 4.08% of total investment assets (2024 - $421.1 million or 4.11%).

(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.

<u>Fixed Income portfolio:</u>

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:

	2025 (%)	2024 (%)
Federal government	28.8	25.3
Provincial government	13.3	16.5
Municipal government	0.8	0.8
Corporate	45.9	49.8
Other	11.2	7.6
	100.0	100.0

6. Investment risk management (continued)

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

	2025 (%)	2024 (%)
AAA to A-	39.5	48.2
BBB to BBB-	17.6	21.7
BB+ and below	25.1	18.6
Not rated	17.8	11.5
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:

	2025 (%)	2024 (%)
Canadian Dollar	44.0	47.4
US Dollar	37.1	34.9
Euro	4.9	5.8
Other Asia / Pacific currencies	4.1	3.8
Japanese Yen	2.9	2.5
British Pound	2.0	2.0
Other European currencies	2.0	2.1
Other currencies *	3.0	1.5
Total	100.0	100.0

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

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 $447.7 million, or 5.60% of public market investment assets (2024 - $396.6 million or 5.26%). 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.

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%

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:

	2025 (000's)	2024 (000's)
Direct expenses:		
Investment management fees	$ 22,904	$ 20,684
Custodian and transaction fees	1,079	956
Actuarial consulting fees	317	168
Other direct expenses	145	104
Investment consulting fees	219	104
	24,664	22,016
Charges from Plan Administrator, Provident10 (note 13d)	15,095	13,632
	$ 39,759	$ 35,648

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 2025 accounting extrapolation have not changed from those used in the 2024 accounting valuation. The only 2025 economic assumption change from the 2024 accounting valuation was a decrease in the discount rate to 6.15% (2024 - 6.35%). In addition, the discount rate used to determine the lump sum payable to members assumed to terminate and elect a commuted value has been increased from 4.25% to 4.50%. The remaining demographic and economic assumptions are unchanged from the 2024 accounting valuation.

9. Accrued benefit obligation (continued)

	As of 31 December 2025	As of 31 December 2024
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 29 and under 6.00% 30-39 4.00% 40-49 3.25% 50 and over 3.10%	Age / Percentage 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)	6.15% per annum	6.35% 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 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.
Termination rates	Age / Percentage 25 6.03% 30 4.12% 35 2.81% 40 1.92% 45 1.31% 50 1.98% 55 + 2.83%	Age / Percentage 25 6.03% 30 4.12% 35 2.81% 40 1.92% 45 1.31% 50 1.98% 55 + 2.83%
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

10. Contributions

	2025 (000's)	2024 (000's)
Employee:		
Current service	$ 212,079	$ 199,145
Past service	3,026	4,380
Reciprocal transfers	15,901	18,840
	$ 231,006	$ 222,365

	2025 (000's)	2024 (000's)
Employer:		
Current service	$ 212,012	$ 199,105
Past service	1,748	1,499
	$ 213,760	$ 200,604

11. Pension payments

	2025 (000's)	2024 (000's)
Retirement benefit payments	$ 519,307	$ 504,713
Disability benefit payments	33,920	33,553
	$ 553,227	$ 538,266

Refund of contributions

	2025 (000's)	2024 (000's)
Termination benefit payments	$ 77,108	$ 56,804
Transfers to other pension funds	7,496	8,615
Death benefit payments	8,378	4,800
	$ 92,982	$ 70,219

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 2025, the balance receivable is $2.144 billion (2024 - $2.204 billion).

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:

2026	$63,518
2027	$67,329
2028	$71,368
2029	$75,650
2030	$80,189

13. Related party transaction

(a) Fixed income investments:

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

Description	2025 Cost (000's)	2025 Market Value (000's)	2024 Cost (000's)	2024 Market Value (000's)
Province of Newfoundland and Labrador Debentures - Series maturing 2 June 2028	$ 2,847	$ 2,847	$ 2,599	$ 2,599
Province of Newfoundland and Labrador Debentures - Series 7H maturing 17 October 2050	3,017	3,017	2,345	2,345
Province of Newfoundland and Labrador Debentures - Series 6X maturing 17 October 2046	736	736	517	517
Province of Newfoundland and Labrador Debentures - Series 6Z maturing 2 June 2026	502	502	462	462
Newfoundland and Labrador Hydro Debentures - Series AF maturing 1 December 2045	416	416	397	402
Province of Newfoundland and Labrador Debentures - Series maturing 17 October 2054	321	321	313	313
Province of Newfoundland and Labrador Debentures - Series 7C maturing 17 October 2048	196	196	188	188
Province of Newfoundland and Labrador Debentures - Series maturing 17 October 2029	35	35	33	33
Province of Newfoundland and Labrador Debentures - Series maturing 1 June 2057	25	25	-	-
Province of Newfoundland and Labrador Debentures - Series maturing 17 October 2055	1,000	1,000	-	-
Province of Newfoundland and Labrador Debentures - Series maturing 17 October 2030	7	7	6	6
	$ 9,102	$ 9,102	$ 6,860	$ 6,865

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 2025 totalled $15.1 million (2024 - $13.6 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 2025, the unfunded portion of these commitments totalled $160.0 million (2024 - $171.2 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 2025, the unfunded portion of these commitments totalled $545.2 million (2024 - $628.9 million). These investments are made through PSPP Jupiter Corporation, a wholly-owned subsidiary of the Plan.

The Plan has committed to invest in multi-asset credit. As at 31 December 2025, the unfunded portion of these commitments totalled $0.0 million (2024 - $50.0 million). 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 2025

KPMG LLP
TD Place
140 Water St., Suite 1001
St. John's, NL A1C 6H6
Canada
Telephone 709 733 5000
Fax 709 733 5050

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, 2025
- 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, 2025, and its results of operations 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.

Other Information

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

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

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

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

We obtained the information, other than the financial statements and the auditor's report thereon, included in the Annual Report. as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for 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.

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

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

St. John's, Canada

June 18, 2026

Provident10

Statement of Financial Position
31 December 2025
with comparative information for 31 December 2024

	2025	2024
	(000s)	**(000s)**
Assets		
Current assets		
Cash	$ 1,682	$ 2,249
Receivable from Province of Newfoundland and Labrador	45	38
Harmonized Sales Tax receivable	158	127
Prepaid expenses	683	590
Current portion of promissory note receivable (note 2)	63,518	59,922
	66,086	62,926
Capital assets (note 3)	408	490
Intangible assets (note 3)	251	352
Promissory note receivable (note 2)	2,080,834	2,144,352
Total assets	**2,147,579**	**2,208,120**
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities	$ 2,151	$ 1,874
Payable to Public Service Pension Plan (note 4)	408	1,135
Payable to Province of Newfoundland and Labrador (note 5)	11	7
Deferred tenant inducement	75	138
Straight-line rent	30	55
Current portion of promissory note payable (note 2)	63,518	59,922
	66,193	63,131
Employee future benefits (note 6)	552	637
Promissory note payable (note 2)	2,080,834	2,144,352
Total liabilities	2,147,579	2,208,120
Commitments (note 11)		
Net assets	-	-
Total liabilities and net assets	**$ 2,147,579**	**$ 2,208,120**

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 2025
with comparative figures for the year ended 31 December 2024

	2025 (000s)	2024 (000s)
Revenue		
Management fees (note 9)	$ 15,096	$ 13,632
Interest	128,078	131,470
	143,174	145,102
Expenses		
Salaries and benefits	8,964	8,234
Professional services	1,008	651
Information systems	1,316	1,245
Premises	616	611
Directors and committees	200	224
Postage and service charges	327	215
Interest	128,078	131,470
Amortization	290	284
Other operating expenses	2,492	2,092
Total expenses	143,291	145,026
Excess of revenue over expenses	$ (117)	$ 76
Unrestricted net assets, beginning of year	-	-
Remeasurement of employee future benefits liability	117	(76)
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 2025

with comparative figures for the year ended 31 December 2024

	2025	2024
	(000s)	(000s)
Cash provided by (used in):		
Operating activities		
Net earnings	$ (117)	$ 76
Items not involving cash:		
Amortization of capital assets	252	246
Amortization of intangible assets	100	100
Amortization of tenant inducement	(62)	(62)
Decrease in straight-line rent	(25)	(22)
Employee future benefits expense	(85)	92
Employee future benefits contributions	117	(76)
	180	354
Change in non-cash operating working capital:		
(Increase) decrease in receivable from Province of Newfoundland and Labrador	(7)	1
(Increase) decrease in HST receivable	(31)	36
(Increase) decrease in prepaid expenses	(93)	163
Increase in accounts payable and accrued liabilities	276	106
Decrease in payable to Public Service Pension Plan	(726)	(549)
Increase in payable to Province of Newfoundland and Labrador	4	2
	(397)	113
Investing activities:		
Capital assets additions	(170)	(68)
Proceeds on promissory note receivable	59,922	56,530
	59,752	56,462
Financing activities:		
Repayment of promissory note payable	(59,922)	(56,530)
	(59,922)	(56,530)
Increase (decrease) increase in cash	(567)	45
Cash, beginning of year	2,249	2,204
Cash, end of year	$ 1,682	$ 2,249

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

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.

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.

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 2025.

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 2025.

(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.

2. Promissory note (continued)

As at 31 December 2025, the balance receivable is $2.144 billion (2024 - $2.204 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:

2026	$63,518
2027	$67,329
2028	$71,368
2029	$75,650
2030	$80,189

3. Capital and Intangible assets

			2025	2024
	Cost (000s)	Accumulated Amortization (000s)	Net Book Value (000s)	Net Book Value (000s)
Leasehold improvements	$1,451	$1,269	$182	$329
Furniture, fixtures, and equipment	684	602	82	58
Computer hardware	412	268	144	103
Telephone system	5	5	-	-
	$2,552	$2,144	$408	$490
Intangible assets	501	250	251	352
	$3,053	$2,394	$659	$842

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 2025 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.

Employee future benefits liability (continued)

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

	31 December 2024 accrued benefit liability and 2025 expense	**31 December 2025 accrued benefit liability**
Discount rate	4.70%	5.05%
General inflation	2.00%	2.00%
Health premium inflation/trend	8.58% in 2024[1], 5.85% in 2025, decreasing linearly each year to an ultimate rate of 3.60% in 2040 and thereafter	16.95% in 2024[2], 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")	100%	100%
Coverage elected at retirement	80% Family, 20% Single	80% Family, 20% Single
Spouse age difference	Females three years younger	Females three years younger

[1]Reflects 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)
[2]Reflects actual Health premium increases effective April 1, 2025.

Employee future benefits liability (continued)

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

	31 December 2024 accrued benefit liability and 2025 expense	**31 December 2025 accrued benefit liability**
Discount rate	4.70%	5.05%
General inflation	2.00%	2.00%
Salary increase	3.50%	3.10%
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 2025 is calculated as follows:

	2025 SRA (000s)	2025 OPEB (000s)	2025 Total (000s)	2024 Total (000s)
Defined benefit obligation	$517	$405	$922	$950
Fair value of plan assets	370	-	370	313
Employee future benefits liability	$147	$405	$552	$637

7. 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 2025 were $600 thousand (2024 - $575 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.

8. 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 $99 thousand (2024 - $177 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.

9. 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 $15.1 million (2024 - $13.6 million) are from the Plan based on a cost recovery basis.

10. 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.

11. 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):

2026	692
2027	131
Total	$823

Theresa
Member

Provident10

REST ASSURED