pepp

Public Employees Pension Plan

2025 – 26 Annual Report

Your plan. Your way.

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Cover Photo:
Anshumaan T.
PEPP Member

Photo:
PEPP Members and
Plannera Employees

PEPP Highlights

Plannera, PEPP's administrator, is a leader in pension and benefit administration. Our team of professionals partner with some of the world's leading financial consulting firms, which enables us to deliver exceptional member service and results.

$14.5B

in net assets

$844.5M

total increase in net assets

$529.0M

total contributions to the plan

$339.5M

total Variable Pension Benefit payments

$264.0K

total Lifetime Pension payments

76,956

plan members

148

participating employers

1 Executive Summary

Ana Maria K.
PEPP Member and Plannera employee

Letters of Transmittal

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

May it Please Your Honour:

I respectfully submit the Annual Report of the Public Employees Pension Board (the Board) for the fiscal year ending March 31, 2026.

Jim Reiter
Deputy Premier and Minister of Finance

Hon. Jim Reiter
Deputy Premier and Minister of Finance

The Honourable Jim Reiter
Minister of Finance

Sir:

On behalf of the Public Employees Pension Board, I have the honour of submitting the Annual Report of the Public Employees Pension Board (the Board) for the fiscal year ending March 31, 2026.

Jeff Stepan
Chair, Public Employees Pension Board

Jeff Stepan
Chair

Message from the Chair

On behalf of the PEPP Board, and as the Board's newest Chair, it is my privilege to present the 2025-26 Annual Report. PEPP continues to be the largest defined contribution pension plan in Canada. We serve nearly 77,000 members, 148 employers, and manage a fund valued at $14.5 billion.

Recognized as an industry leader in plan innovation

PEPP continues to be recognized as an innovator in the pension industry. The Plan was showcased at the Defined Contribution Plan Summit, a national industry conference attended by pension professionals from across Canada.

During the event, PEPP's Chief Investment Officer (via Plannera) discussed how PEPP integrates Defined Benefit-like features into a DC plan. These features include alternative investments within balanced funds and new decumulation methods like the Variable Payment Life Annuity (VPLA), known as Lifetime Pension.

PEPP was also recognized for its Lifetime Pension development through a nomination for Pension Fund Design and Reform at the 2025 World Pension Summit Excellence and Innovation Awards in the The Hague Netherlands. *"Plannera's Lifetime Pension is the type of innovation that defined contribution plans need. For the Canadian regulatory setting, Plannera has designed, implemented and marketed a new product that allows participants to receive a lifetime pension. The initiative is well described and provides guidance for others investigating income products."*

Growing Lifetime Pension in monetary value and member trust

One year ago, PEPP introduced Lifetime Pension, a new offering that provides PEPP members with a dependable monthly income for life, to be used in combination with our flexible Variable Pension Benefit. Just twelve months later, the results speak for themselves.

In its first year, Lifetime Pension has grown to 29 members and invested more than $7.7 million, an extraordinary achievement in just 365 days. This strong early uptake reflects both the value of the product and the confidence our members place in PEPP.

Benchmarking for a plan without peers

CEM Benchmarking Ltd. is an independent global firm that compares pension plans on investment performance, costs, and overall value for members.

As Canada's largest defined contribution pension plan, PEPP has no direct peers, and CEM therefore benchmarks the Plan against similarly sized defined benefit plans.

Based on its most recent review, the Plan's five-year investment results compared well with peer plans.

Advancing our multi-year strategic direction

This year, the Board focused on looking ahead to ensure PEPP remains strong, sustainable, and responsive to members' needs over the long term. At its annual strategic planning session, the Board considered retirement income options, environmental trends, and risk management priorities, and approved a forward-looking strategic direction.

The Board adopted a multi-year strategic plan, extending beyond 2025–26 through to 2027–28, providing greater continuity and clarity for decision making.

As part of this work, the Board refreshed its vision and mission, and reaffirmed its guiding principles, aligning its strategic direction with an ambition to remain innovative, future focused, and adaptable in a changing environment.

Strengthening our governance structure

In October 2025, the Board also established a formal Governance Committee following advice from the Board's advisory consultant.

The Governance Committee strengthens oversight, accountability, and governance maturity. The Committee is working to provide insights into the orientation and integration of newly appointed Board members, as well as to collaborate with the nominating bodies.

Transitions within the Board

In closing, I will take this opportunity to recognize the contributions of our outgoing Chair, Roger Brandvold, who provided exceptional leadership to PEPP during his tenure from January 2023 to October 2025.

I also thank Vice Chair Christine Virostek for the governance continuity provided by acting as Interim Chair during the transition.

In closing, the Board remains committed to guiding PEPP as a plan that provides members with a financially secure future. That the Plan was acknowledged this past year as an industry innovator and is Canada's biggest DC pension plan, without peer, is a testament to the strength of both the Board's leadership and the dedicated work of PEPP's administrative team.

Jeff Stepan

Chair, Public Employees Pension Board

> **Lifetime Pension is the type of innovation that defined contribution plans need.**

Vision • Mission • Priorities

Guiding all we do for you.

(L to R) Anshumaan T., Roberta W., Jodi H., Skylar M., Julio S., Jeannette L., Elizabeth B.
PEPP Members

Our Mission, Vision, and Priorities

Our Mission

To provide retirement income options that deliver financial security and exceptional value.

Our Vision

To be an industry-leading pension plan, partnering with members to enhance their financial well-being.

Our Priorities

Investment

Achieve strong, risk-managed investment returns through a diversified portfolio.

Plan Governance

Deliver a well-governed Plan for members and employers through strong oversight

Member Experience

Enhance member experience to support informed decision-making.

Growth

Explore options for growth and innovation.

2
Plan Profile

Jodi H.
PEPP Member

Plan Profile

PEPP was established and is governed by *The Public Employees Pension Plan Act* (the Act). It is a registered pension plan pursuant to *The Pension Benefits Act, 1992* and the *Income Tax Act* (Canada).

PEPP has 148 participating employers and 76,956 members at March 31, 2026. Participating employers include the Government of Saskatchewan, Crown corporations, agencies, boards and other public institutions.

PEPP is a defined contribution (DC) pension plan. The member's contributions, their employer's contributions, plus any return on investment, provide that member with a retirement income when they retire.

Enrolment in PEPP is mandatory for employees who hold a permanent position with an employer participating in the Plan. Non-permanent employees may choose to join the Plan at any time.

Member and employer contributions are calculated as a percentage of the member's total gross regular earnings. Unless otherwise specified in an agreement, the contribution percentage is five per cent. Member contributions are made by payroll deduction.

Contributions to PEPP are tax deductible up to a maximum set by the *Income Tax Act* (Canada). Members do not pay taxes on contributions or the accumulated investment income until they withdraw an amount from the Plan.

Contributions are forwarded to the Plan and are used to purchase units in the PEPP investment option(s) of the member's choice.

Units are valued daily. Once a new unit value is declared, member accounts are valued using the new unit value. Return on investment is reflected in the changing unit value. The amount the member receives at payout or transfer is calculated using the unit value in effect at the date of payment.

Members may retire and begin to receive retirement income at age 50 or older.

Members may defer purchasing a retirement income option after retirement. The *Income Tax Act* (Canada) states that a pension must begin by the end of the calendar year in which a member turns age 71.

Table 1.1

Membership Activity	
Membership at March 31, 2025	75,642
Add:	
Enrolment during the year	4,614
Variable Pension Benefit (VPB)	874
Lifetime Pension	29
Less:	
Exiting members*	4,203
Membership at March 31, 2026	76,956

*Includes transfers to VPB

Plan Members

38,087 Active • **29,806** Inactive

9,034 VPB • **29** Lifetime Pension

The moment I chose to purchase the Lifetime Pension, it was a weight off my shoulders.

PEPP Retiree

Public Employees Pension Board

The Board consists of nine members. Four members are appointed on behalf of participating employers, and four members are appointed on behalf of employees. The Board retains an independent Chair who is appointed for a four-year term.

Jeff Stepan
Chair

Christine Virostek
Vice Chair
Saskatchewan Crop Insurance Corporation, Saskatchewan Cancer Agency, Workers' Compensation Board

Darcia Connelly
Member
Government of Saskatchewan Public Service Commission

Ryan Dionne
Member
Unifor

Jim Engel
Member
Saskatchewan Polytechnic, Saskatchewan Liquor and Gaming Authority

Genny Goodyear
Member
Saskatchewan Government and General Employees' Union

Mason Kaun
Member
International Brotherhood of Electrical Workers Union Local 2067

Troy King
Member
SaskEnergy, SaskPower and SaskTel

Nancy Seman
Member
Canadian Union of Public Employees, Local 600

Meeting Attendance

Members of the Board do not receive salaries or honorariums for serving on the Board. They are reimbursed for reasonable expenses and compensated for attending Board meetings and other functions in their capacity as Board members. Most notable are travel-related expenses, which are reimbursed at rates specified by the Public Service Commission (PSC).

The Chair is remunerated with a retainer set by the Board at $45,000.00 per year. Table 1.2 reflects Chair remuneration for the year.

Table 1.2

	Remuneration
Jeff Stepan *	$ 7,500.00
Roger Brandvold *	23,875.08

*Board member for a portion of 2025-2026.

The Board held seven regular meetings, a Strategic Planning session, a Professional Development Day and a variety of Committee meetings in the 2025-2026 fiscal year. Table 1.3 shows the number of meetings each Board member attended.

Table 1.3

Name	Meetings Attended	Expenses ($)	Preparation Fees ($)
Jeff Stepan *	1	0.00	0.00
Roger Brandvold ** [1]	8	7,088.10	0.00
Christine Virostek [1]	18	3,083.38	4,250.00
Darcia Connelly [1 2]	24	0.00	3,250.00
Ryan Dionne [1]	20	1,237.77	3,250.00
Jim Engel	6	112.15	2,375.00
Genny Goodyear [2]	12	3,120.26	1,500.00
Mason Kaun [1 2]	24	4,391.99	3,250.00
Troy King	10	0.00	2,250.00
Nancy Seman	10	1,084.03	2,750.00
Total		**$ 20,117.68**	**$ 22,875.00**

*Appointed on February 1, 2026.
**Board member for a portion of 2025-2026.
[1] Private Investment Committee member.
[2] Governance Committee member.

Note: As per section 10.02 of its Governance Manual, Board members are paid a preparation fee of $250 to compensate for personal time spent preparing for Board meetings. The Board Chair is paid a retainer but does not receive preparation fees.

Board Education

Maintaining an independent, knowledgeable and transparent Board is critical to building member trust and confidence in the Board's decision-making.

To support this objective, the Board has established a comprehensive education program designed to ensure Board members maintain a strong understanding of pensions, investments, and governance-related issues.

Upon appointment, new Board members participate in a formal orientation delivered by Plannera's Executive Management. This orientation provides an overview of PEPP, the Board's fiduciary responsibilities, and the governance framework within which the Board operates.

Board members are required to complete a structured education program that includes a range of courses and seminars focused on pension governance and investment oversight. Within one year of appointment, members complete a foundational trustee development course delivered by an industry-recognized pension and benefits organization. Within three years of appointment, members must complete the Pension Governance Education Program offered by the International Centre for Pension Management at the Rotman School of Management, University of Toronto.

To support ongoing learning, the Board allocates annual registration funding for each member, and travel and accommodation expenses are reimbursed in accordance with Canada Revenue Agency guidelines. Board members who have completed the formal education program are required to attend at least one approved educational event each year. Members who are actively completing the formal education program are exempt from this requirement during that period, though all members are strongly encouraged to participate in educational opportunities.

Conferences and professional development events provide Board members with timely insights into the evolving governance, investment and legal environment affecting pension plans. These events also offer valuable opportunities for Board members to engage with pension experts and trustees from other pension plans to discuss shared challenges and emerging best practices.

Table 1.4 outlines the education events attended by Board members during the 2025-2026 fiscal year.

Muna S.
PEPP Member

Seminars, Courses and Other Events Attended by Board Members in 2025–26

Table 1.4

Name	Education Events Attended	Expenses
Christine Virostek, Vice-Chair	Advanced Trust Management B	3,932.91
Darcia Connelly	Advanced Trust Management A and B Artificial Intelligence - A Governance Imperative A Dialogue with Directors	8,578.02
Ryan Dionne	Rotman Pension Governance Education Program	14,344.96
Jim Engel	Canadian Public Sector Pensions and Benefits Conference	4,373.90
Genny Goodyear	Advanced Trust Management B Canadian Public Sector Pensions and Benefits Conference	7,277.51
Troy King	Foundations of Trust Management Standards Rotman Directors Education Program	4,576.93
	Total Expenses	**$ 43,084.23**

In addition to the education events listed above, Board members received targeted education during meetings on governance roles and responsibilities, Artificial Intelligence in the industry, financial literacy for members, opportunities for investment delegation, income adequacy in retirement and member outcome risk monitoring, along with deep dives into a variety of investment funds.

3 Plan Administration

The Board contracts with Plannera to carry out the day-to-day administration of PEPP and the management of its assets. The cost for this is charged to the Plan. Plannera administers a wide range of pension and benefit plans.

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

To administer the Plan, Plannera:

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

In 2025-2026, the Board paid Plannera $18,685,000 for administrative services.

The Board and Plannera engage other service providers as required. Plannera reports performance measurement against standards to the Board quarterly. Table 1.5 and Table 1.6 provide measurement results for the 2025-2026 year.

Plannera Periodic Requirements April 1, 2025 to March 31, 2026

Plannera continued to meet service expectations in all measured service categories.

Table 1.5

Task	Completed	Met or Exceeded Standard Number	Met or Exceeded Standard %	Standard (Days)*	Statutory Requirement (Days)*
Member Statement	3	3	100.0	75	180
Reporting on Budget Variances	4	4	100.0	Quarterly	–
Proposed Annual Budget	1	1	100.0	By March 31	–
Performance Measurement	4	4	100.0	Quarterly	–
Board Decision Affecting Individual Clients	0	n/a	n/a	1 Month	–
Newsletter (Pension Perspectives & PEPP Connection)	4	4	100.0	Quarterly	–
Total	**16**	**16**	**100.0**		

Plannera Service Standards April 1, 2025 to March 31, 2026

The Plan maintained strong service performance throughout the year, meeting or exceeding standars in 97.2 per cent of measured transactions.

Table 1.6

Task	Completed	Met or Exceeded Standard Number	Met or Exceeded Standard %	Standard (Days)*	Statutory Requirement (Days)*
Statement on Termination of Membership (option letter)	4,011	4,011	100	5	90
Payment of Termination Benefits	1,940	1,872	96.5	5	–
Statement on Retirement (option letter)	1,585	1,583	99.9	10	90
Retirement Payments - Leaving Plan	1,810	1,740	96.1	10	–
Retirement Payments - Transfer to VPB/SPAF/LP	1,119	1,025	91.6	5	-
Statement on Death (option letter)	248	228	91.9	20	90
Payment on Death Benefits	206	194	94.2	10	–
Pension Estimates	145	132	91.0	10	–
Marriage Breakdown Estimates	123	117	95.1	15	–
Portability Transfer Values	125	116	92.8	10	–
Inter-fund Transfer	472	445	94.3	1	–
VPB Lump Sum Payment	910	881	96.8	5	–
Total	**12,694**	**12,344**	**97.2**		

* Standard is set within the contract between the Board and Plannera.
** Statutory Requirement is a compliance standard within *The Pension Benefits Act, 1992* and *The Pension Benefits Regulations, 1993.*

4 Investments

Skylar M.
PEPP Member

Investment Commentary

For the 12-month period ending March 31, 2026, PEPP's asset allocation funds delivered positive absolute returns across all risk profiles, reflecting the Plan's diversified approach and disciplined management. The

- Accelerated Growth Fund gained over 12.2 per cent,
- Balanced Fund returned 8.7 per cent; and,
- Conservative Fund rose by approximately 4.5 per cent.

Even the Bond Fund, operating in a challenging fixed income environment, posted a positive return of 1.7 per cent. These outcomes underscore the Plan's commitment to delivering consistent, positive absolute returns for its members in a period marked by significant market dispersion.

Equities

The equity portfolio stood out as the primary driver of fund results, achieving strong absolute returns in the mid-teens. This performance highlighted the robust opportunities available in diversified equity markets despite periods of heightened volatility and economic uncertainty. As a Canadian plan with a meaningful home-country allocation, PEPP benefited substantially from exceptional strength in Canadian equities, which significantly outperformed global indices. Emerging markets equities also contributed powerfully, delivering absolute returns well ahead of developed-market benchmarks.

The global large cap portfolio, by contrast, lagged its benchmark during a period of extreme market concentration within the global large cap universe—one defined by outsized gains in a small number of AI-driven stocks. This narrow leadership environment created significant dispersion and posed a classic headwind for diversified active strategies that emphasize valuation discipline, risk management, and broad sector participation—precisely the approach embedded in our global sleeve. While such concentrated regimes can challenge even well-constructed active programs in the short term, they are episodic; our multi-style, multi-manager design is built for long-term capital appreciation across market cycles rather than benchmark-hugging in any single regime.

Offsetting this dynamic, J. Zechner Associates delivered exceptional absolute returns, acting as a vital risk diversifier through its resource and small-cap growth exposures. Similarly, the PEPP Emerging Markets sleeve generated outsized alpha precisely when other segments faltered. By introducing low-correlation risk drivers distinct from the Plan's core global large-cap holdings, these strategies not only bolstered overall risk-adjusted outcomes but also enhanced diversification efficiency in strict alignment with modern portfolio theory.

The PEPP equity portfolio maintains exposure to foreign currencies. The U.S. dollar—the largest foreign exposure—depreciated against the Canadian dollar over the period, while the euro and yen posted gains. This produced a modest negative currency translation effect. However, to moderate the volatility of foreign currency market swings, the Plan implements a passive 50 per cent currency hedge program. With the hedge in place, the Plan's asset allocation funds experienced roughly half of the impact.

Alternatives

The Alternatives portfolio delivered steady, stabilizing returns that moderated Plan volatility while generating reliable income and modest capital growth. Its diversified holdings across infrastructure, hedge funds, real estate, and farmland proved resilient in a mixed market environment. Hedge funds and infrastructure performed particularly well given ongoing public market and geopolitical volatility, while real estate returned modestly, reflecting industry-wide valuation pressure from decreasing interest rates alongside gradual lease-ups returning to normal after extended periods of lower than usual occupancy rates. Appraisals and transaction volumes remain cautious but are expected to stabilize throughout 2026. The farmland program, still in its early build-out phase and representing a small portion of the allocation, experienced a modest market-value decline—entirely consistent with expectations for an early-stage portfolio focused on long-term income and appreciation potential.

Diversification worked as intended, supporting positive outcomes across asset classes in a volatile market year.

Investment Commentary (continued)

Income

The Income portfolio contributed positively to the Plan's absolute returns amid a challenging environment for traditional fixed income assets. Disciplined management of interest-rate risk, combined with strategic allocations to Absolute Return strategies and private credit, helped sustain income generation and preserve capital. In particular, the Plan's allocation to absolute-return oriented strategies within the overall income bucket delivered returns that exceeded those of more conventional fixed income approaches during the period. This complementary exposure enhanced overall portfolio performance without compromising the stability provided by the traditional holdings. The portfolio also continued to build out its private credit program, which targets higher yields through direct lending and is positioned to further strengthen income generation as it scales toward a 10 per cent allocation. This balanced construction reinforced the Income portfolio's role in delivering reliable, positive absolute outcomes for the Plan.

Balanced Outcomes Through Diversification

The Plan's diversified approach supported positive absolute outcomes across all asset classes over the year. The combination of strong growth-oriented equity returns, steady Alternatives performance, and reliable income streams created a balanced risk-return profile well suited to navigating ongoing market uncertainties. This holistic construction allowed the Plan to capture upside in domestic and emerging markets while mitigating the impact of underperformance in specific segments, reinforcing the resilience of the overall asset mix.

Looking Ahead

While active equity management faced headwinds relative to benchmarks during this period—particularly in global large cap—the Plan's focus remains firmly on delivering strong absolute returns and managing risk across market cycles. Our experienced investment oversight team continues to apply rigorous analysis and disciplined decision-making in the selection, monitoring, and governance of external managers to capture opportunities and protect capital in evolving market conditions. We remain confident that the diversified, actively managed structure of the Plan positions it well to meet member objectives over the long term.

Designed for market cycles, not short-term trends, the Plan continued to deliver resilient outcomes for members.

Sudha S.
PEPP Member and Plannera Employee

Overview

The Plan has eight investment fund options. These funds offer a mix of asset classes within three portfolios – Equities, Income and Alternatives.

The PEPP investment options:

- PEPP Steps Fund
- Accelerated Growth Fund
- Growth Fund
- Balanced Fund
- Moderate Fund
- Conservative Fund
- Money Market Fund
- Bond Fund

Members can invest in any one of the listed funds. The only funds eligible to be added as a specialty fund are the Money Market Fund and/or Bond Fund.

Asset allocation funds invest in a mix of asset classes, including:

- equities (Canadian, foreign and private);
- real estate;
- liquid alternatives;
- infrastructure;
- farmland;
- fixed income;
- private credit; and
- cash and equivalents.

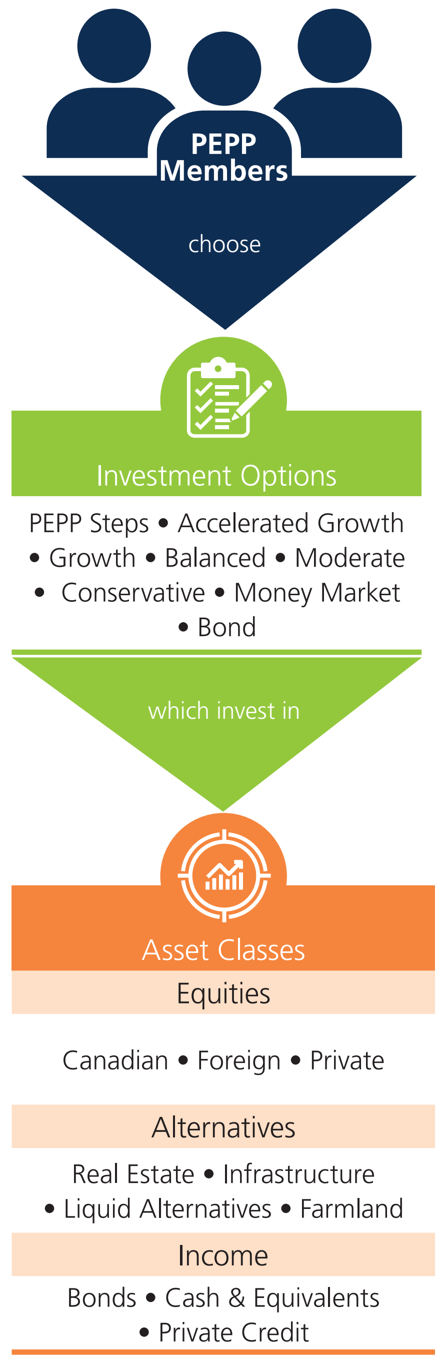
The mix depends on the fund. More conservative funds are weighted more heavily toward fixed-income investments where more aggressive funds are weighted more heavily toward equities. The Bond Fund is invested solely in fixed-income investments and the Money Market Fund is invested solely in highly liquid short-term debt securities.

Equities offer the greatest potential return, but are exposed to a high level of market volatility. This means they are susceptible to losses over the short-term. As such, equities are best suited for long-term investors who are able to ride out short-term volatility in return for long-term growth potential.

Fixed-income investments, such as bonds and cash equivalents, are lower-volatility investments, meaning they are much better suited to capital preservation. For this reason, members with less tolerance for short-term volatility may prefer funds with a greater percentage of fixed income.

Members are encouraged to make an investment choice that fits their risk tolerance and investment profile. PEPP's eight investment options offer members a range from the Accelerated Growth Fund, an equity-heavy fund, to the Conservative Fund, while also offering the Bond Fund and the Money Market Fund.

The PEPP Steps Fund is the default investment fund for the Plan. Members who have not made an investment choice on their own are automatically invested in the PEPP Steps Fund by default. PEPP Steps is an asset allocation fund that automatically moves members to more conservative exposures over time. Equity and alternatives holdings decrease, and bond holdings increase through the 13 steps.



Investment Options

Accelerated Growth Fund

The Accelerated Growth Fund offers the highest risk and highest potential return. The goal of this fund is to provide capital growth over the long term. It invests primarily in equities. Foreign currency exposure for this fund is 23.8 per cent (foreign exposure of 45.2 per cent, less hedged exposure of 21.4 per cent).

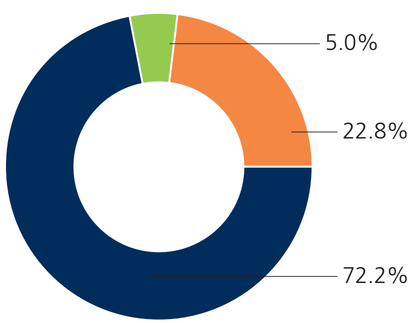
Net Rate of Return

12.2%

ONE YEAR RATE OF RETURN	LESS FUND FEES
13.4%	1.2%

Asset Mix

- Income
- Alternatives
- Equities



Growth Fund

The Growth Fund is an aggressive fund offering relatively high-risk and high-potential return. Its goal is to provide capital growth over the long term by investing largely in equities. Foreign currency exposure for this fund is 20.4 per cent (foreign exposure of 38.8 per cent, less hedged exposure of 18.4 per cent).

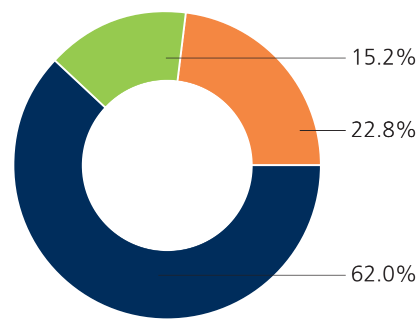
Net Rate of Return

10.8%

One year rate of return	Less fund fees
11.9%	1.1%

Asset Mix

- Income
- Alternatives
- Equities



Investment Options

Balanced Fund

The Balanced Fund offers relatively balanced potential risk and return. Its goal is to provide long-term capital growth. The Balanced Fund provides target weight of 46.0 per cent for equities. Foreign currency exposure for this fund is 15.4 per cent (foreign exposure of 29.3 per cent, less hedged exposure of 13.9 per cent.

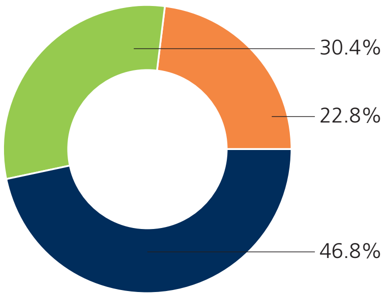
Net Rate of Return

8.7%

ONE YEAR RATE OF RETURN	LESS FUND FEES
9.7%	1.0%

Asset Mix

- Income
- Alternatives
- Equities



Moderate Fund

The Moderate Fund is designated to provide a balance of security and long-term growth by balancing the risk and potential returns of the major asset classes. The Moderate Fund provides target weight of 45.0 per cent for fixed income. Foreign currency exposure for this fund is 10.4 per cent (foreign exposure of 19.7 per cent, less hedged exposure of 9.3 per cent).

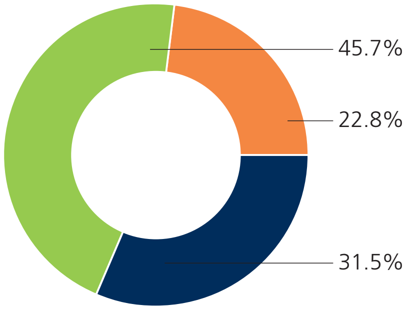
Net Rate of Return

6.5%

One year rate of return	Less fund fees
7.5%	1.0%

Asset Mix

- Income
- Alternatives
- Equities



Investment Options

Conservative Fund

The Conservative Fund is designated to provide returns with little fluctuation. By focusing mainly on fixed-income investments, it offers lower risk and lower potential for return than other PEPP asset allocation funds. Foreign currency exposure for this fund is 5.8 per cent (foreign exposure of 11.0 per cent, less hedged exposure of 5.2 per cent).

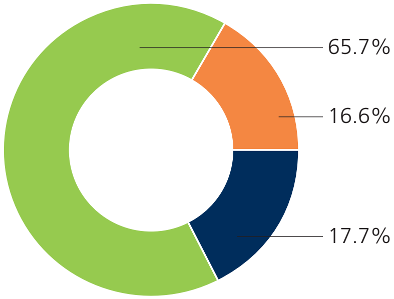
Net Rate of Return

4.5%

ONE YEAR RATE OF RETURN	LESS FUND FEES
5.3%	0.8%

Asset Mix

- Income
- Alternatives
- Equities



Bond Fund

The Bond Fund is one of the most conservative investment options within PEPP and offers low potential risk and return. Because its goal is to provide broad exposure to the bond market, earn interest income and preserve capital, it invests strictly in bonds.

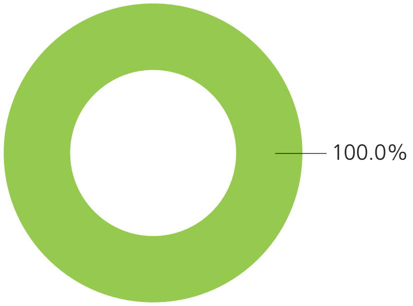
Net Rate of Return

1.7%

ONE YEAR RATE OF RETURN	LESS FUND FEES
2.1%	0.4%

Asset Mix

- Income
- Alternatives
- Equities



Investment Options

Money Market Fund

The Money Market Fund is the most conservative investment choice within PEPP and offers the lowest potential risks and returns. This fund is designed for members who have a very short time horizon and are looking for the ultimate capital preservation option. There is no foreign currency exposure for this fund.

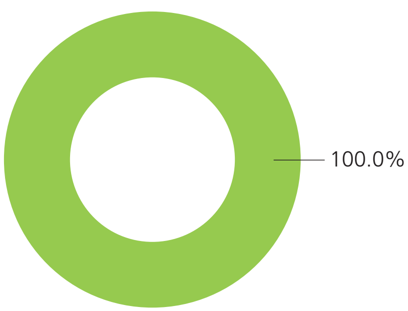
Net Rate of Return

2.6%

ONE YEAR RATE OF RETURN	LESS FUND FEES
2.8%	0.2%

Asset Mix

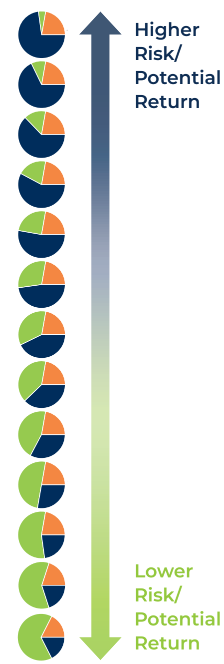
Income
Alternatives
Equities



PEPP Steps Fund

The PEPP Steps Fund is the default investment option for the Plan. It is a diversified investment portfolio that automatically moves members to more conservative investments over time. Equity and Alternative exposures decrease and bond holdings increase by increments of about five per cent for each step. Because of its unique structure, the PEPP Steps Fund does not have a single rate of return or fee level.

	One Year Rate of Return	Less Fund Fees	Net Rate of Return	Asset Mix
Step 1	13.4	1.2	12.2	
Step 2	12.6	1.2	11.5	
Step 3	11.9	1.1	10.8	
Step 4	11.2	1.1	10.1	
Step 5	10.4	1.1	9.4	
Step 6	9.7	1.0	8.6	
Step 7	9.0	1.0	8.0	
Step 8	8.2	1.0	7.3	
Step 9	7.5	1.0	6.6	
Step 10	6.9	0.9	6.0	
Step 11	6.3	0.9	5.5	
Step 12	5.8	0.8	5.0	
Step 13	5.3	0.8	4.5	



Fees and Rates of Return[1]

(as at March 31, 2026)

Table 1.14

Fund	Benchmark Rate of Return (%)	Gross Rate of Return (%)	Fees: Plannera & Board[2] (%)	Fees: Investments[3] (%)	Fees: **Total Fund** (%)	Net Rate of Return (%)
Accelerated Growth	17.7	13.4	0.1	1.1	**1.2**	**12.2**
Growth	15.4	11.9	0.1	1.0	**1.1**	**10.8**
Balanced	12.0	9.7	0.1	0.9	**1.0**	**8.7**
Moderate	8.7	7.5	0.1	0.8	**1.0**	**6.5**
Conservative	5.4	5.3	0.1	0.6	**0.8**	**4.5**
Bond	1.1	2.1	0.1	0.3	**0.4**	**1.7**
Money Market	2.5	2.8	0.1	0.0	**0.2**	**2.6**

Table 1.0

[1] The rate of return and fee data for the PEPP Steps Fund varies with each step.
[2] Of the 0.1% fees shown, the Board accounts for less than 0.01%.
[3] Investment fees include fees for investment managers, consulting and custody.

Investment Managers

Table 1.7

Investment Manager	Reference Name	Mandates
Beutel, Goodman Company Ltd.	Beutel Goodman	Canadian Equity
Fidelity Investments Canada ULC	Fidelity	Canadian Equity
QV Investors Inc.	QV	Canadian Equity
J. Zechner Associates Inc.	Zechner	Canadian Equity
Franklin Templeton Investments Corp.	Franklin	Core Plus Fixed Income
Manulife Investment Management Distributors Inc.	Manulife	Absolute Return Fixed Income
PGIM Funds Plc	PGIM	Absolute Return Fixed Income
PIMCO Canada Corp.	PIMCO	Core Plus Fixed Income
TD Asset Management Inc.	TDAM	Fixed Income
		Money Market
		Real Estate
Barings LLC	Barings	European Real Estate
Independent Franchise Partners	IFP	Global Equity
J.P. Morgan Asset Management	J.P. Morgan	Global Equity
Morgan Stanley Investment Management Inc.	Morgan Stanley	Global Equity
		Real Estate
Pzena Investment Management, LLC	Pzena	Global Equity
		U.S. Equity
Gannett Welsh & Kotler, LLC	GWK	U.S. Equity
Oberweis Asset Management, Inc.	Oberweis	EAFE Equity
Thompson, Siegel & Walmsley LLC	TSW	EAFE Equity
ARGA Investment Management, LP	ARGA	Emerging Markets Equity
William Blair Investment Management, LLC	William Blair	Emerging Markets Equity

Table 1.7

Investment Manager	Reference Name	Mandates
Hudson Bay Capital Management LLC	Hudson Bay	Liquid Alternatives
King Street Capital Management LP	King Street	Liquid Alternatives
LMR Partners LLP	LMR	Liquid Alternatives
One William Street Capital Management, LP	One William Street	Liquid Alternatives
Rokos Capital Management LLP	Rokos	Liquid Alternatives
Transtrend B.V.	Transtrend	Liquid Alternatives

Investment Managers - Multi-Manager Programs

PEPP works with multiple managers on the following mandates:

1. Farmland;
2. Private Credit;
3. Private Equities; and
4. Infrastructure

Currency Hedge Manager

Insight Investment Management Ltd. (Insight)

Hedge 50 per cent of foreign currency exposure in the Developed Public Market Equity portfolio using currency forwards.

Investment Performance

The Board retains 25 investment managers through 29 mandates for Public Markets (Money Market, Fixed Income, Equity, Real Estate, Liquid Alternatives), and 77 managers through 109 mandates across four Private Markets programs (Infrastructure, Farmland, Private Debt, Private Equity), plus one passive currency hedge manager, to invest the Plan's assets. Private Markets programs are accessed through limited partnership arrangements, where PEPP invests with specialized firms to manage these long-term, illiquid assets. Active managers aim to outperform their selected market index or benchmark, while passive managers aim to match it.

Canadian Equities

Table 1.8

	Net Rate of Return	
	1-Year	4-Year
Canadian Equity Managers		
Beutel (active manager)	18.1	8.5
Fidelity (active manager)	31.5	13.6
Benchmark (S&P/TSX Capped Composite Index)	**34.8**	**14.0**
Canadian SMID Cap Equity Manager		
QV (active manager)	33.2	14.2
Benchmark (S&P/TSX Completion Index)	**52.2**	**17.6**
Canadian Small Cap Equity Manager		
Zechner (active manager)	100.6	26.0
Benchmark (S&P/TSX Small Cap Index)	**65.8**	**14.9**

U.S. Equities

Table 1.9

	Net Rate of Return	
	1-Year	4-Year
U.S. Small Cap Equity Manager		
GWK (active manager	13.2	8.4
Pzena (active manager)	8.0	7.8
Benchmark (Russell 2000 Index – $CDN)	**21.9**	**9.3**

Global, Non-North American, Emerging Market Equities

Table 1.10

	Net Rate of Return	
	1-Year	4-Year
Global Equity Managers		
JP Morgan* (active manager)	8.5	n/a
IFP* (active manager)	1.1	n/a
Benchmark (MSCI World Index – $CDN)	**15.8**	**13.9**
MSIM (active manager)	(2.8)	12.0
Pzena (active manager)	11.5	12.3
Benchmark (MSCI AC World Index – $CDN)	**16.9**	**13.7**
EAFE Small Cap Equity Managers		
Oberweis (active manager)	16.5	4.9
Benchmark (MSCI World ex US Small Cap Index – $CDN)	**25.9**	**10.8**
TSW (active manager)	17.3	13.5
Benchmark (MSCI EAFE Small Cap Index – $CDN)	**22.3**	**10.1**
Emerging Market Managers		
ARGA (active manager)	44.6	21.1
W. Blair* (active manager)	26.8	n/a
Benchmark (MSCI Emerging Market Index – $CDN)	**26.3**	**11.4**

* newer manager, long-term performance history not available

Alternatives

Table 1.11

	Net Rate of Return 1-Year	4-Year
Real Estate Manager		
TDAM (active manager)	(0.8)	0.4
Benchmark (MSCI/REALPAC Quarterly Property Fund Index)	**1.7**	**1.1**
MSIM (active manager)	(0.6)	2.0
Benchmark (NCREIF NFI-ODCE Index)	**0.8**	**0.8**
Barings LLC (active manager)	7.6	1.0
Benchmark (MSCI Balanced Pan-European Property Fund Index)	**6.5**	**1.0**
Liquid Alternative Managers		
Rokos	17.1	28.0
One William Street	4.1	11.3
LMR	9.8	13.2
Transtrend	13.4	5.5
Benchmark (3-Month US Treasury Bills - $CDN)	**0.7**	**7.2**
King Street	(1.3)	2.3
Hudson Bay	4.3	5.1
Benchmark (FTSE TMX Cda 91-day T-Bill Index)	**2.5**	**3.7**
Private Equity Managers	**3.6**	**11.9**
Infrastructure Managers	**5.7**	**11.5**
Timberland/Farmland Managers*	**(5.6)**	**n/a**
Private Debt Managers*	**4.3**	**n/a**

* newer manager, long-term performance history not available

Fixed Income

Table 1.12

	Net Rate of Return	
	1-Year	4-Year
Canadian Bond Managers		
TDAM (passive manager)	0.9	2.1
Franklin* (active CorePlus manager)	1.8	n/a
PIMCO (active CorePlus manager)	1.7	3.0
Benchmark (FTSE TMX Canada Universe Bond Total Return Index)	**0.8**	**2.1**
Manulife (active absolute return manager)	3.8	2.8
Benchmark (Bloomberg Barclays Multiverse Index – $CDN)	**1.3**	**2.9**
PGIM (active absolute return manager)	2.6	3.8
Benchmark (FTSE TMX Cda 91-Day T-Bill Index)	**2.5**	**3.7**

* newer manager, long-term performance history not available

Cash and Equivalents

Table 1.13

	Net Rate of Return	
	1-Year	4-Year
Money Market Manager		
TDAM (active manager)	2.8	4.0
Benchmark (FTSE TMX Cda 91-day T-Bill Index)	**2.5**	**3.7**

Investment Consulting

The Plan's strategic investment consultant is Aon. Aon provides strategic investment guidance and education to the Board. In 2025-2026, Aon was on retainer, but no services were engaged.

Plannera's general investment consultant is Mercer (Canada) Ltd. (Mercer). In 2025-2026, Mercer collaborated with Plannera and provided regular investment consulting services including performance monitoring. Mercer was paid $265,000.

The Plan's private markets consultant is Hamilton Lane Advisors LLP (Hamilton Lane) who provides investment guidance and education on future investments for privately held asset classes. Hamilton Lane was paid $800,000.

Investment Custody and Valuation

The Board retains CIBC Mellon as the custodian of the Plan. CIBC Mellon is responsible for custody of all financial assets for PEPP, settles all investment transactions and ensures all investment income (dividends and interest) is collected. They also report all investment transactions and conduct a valuation for the Plan.

CIBC Mellon received $1,633,000 in custodial fees for the year ended March 31, 2026.

Investment Administration

Investment administration includes:

- declaring unit values for all investment options;
- monitoring of investment performance;
- communicating with external investment managers and the investment consultant;
- research;
- compliance monitoring; and
- managing asset mix and cash flows.

The Board retains Rondeau Capital Inc. as a Special Aide to the Board. The Special Aide assists the Board in its oversight of the Board's investment service providers.

Table 1.15

Special Aide Remuneration	Total
Annual Retainer	$25,000.00
Total	$25,000.00

Investment Manager Fees

(for the 2025-2026 fiscal year)

Table 1.16

Investment Manager	Total Cost ($000's)	(%)
ARGA Investment Management, LP	3,058	4.3
Beutel, Goodman & Company Ltd.	896	1.3
Fidelity Investments Canada ULC	1,094	1.5
Franklin Templeton Investments Corp.	675	1.0
Gannett Welsh & Kotler, LLC	1,331	1.9
Independent Franchise Partners LLP	5,493	7.8
Infrastructure*	12,995	18.3
Farmland*	839	1.2
Insight Investment Management Inc.	413	0.6
JPMorgan Asset Management (Canada) Inc.	2,460	3.5
Maj Invest	422	0.6
Manulife Investment Management Distributors Inc.	1,534	2.2
Morgan Stanley Investment Management Inc.	4,324	6.1
Oberweis Asset Management, Inc.	1,778	2.5
Private Credit*	1,507	2.1
Private Equity*	7,144	10.1
PIMCO Canada Corporation	1,345	1.9
Pzena Investment Management, LLC	5,733	8.1
QV Investors Inc.	1,012	1.4
TD Asset Management Inc.	2,867	4.0
Thompson, Siegel & Walmsley LLC	1,914	2.7
William Blair	2,629	3.7

Investment Manager Fees (continued)

(for the 2025-2026 fiscal year)

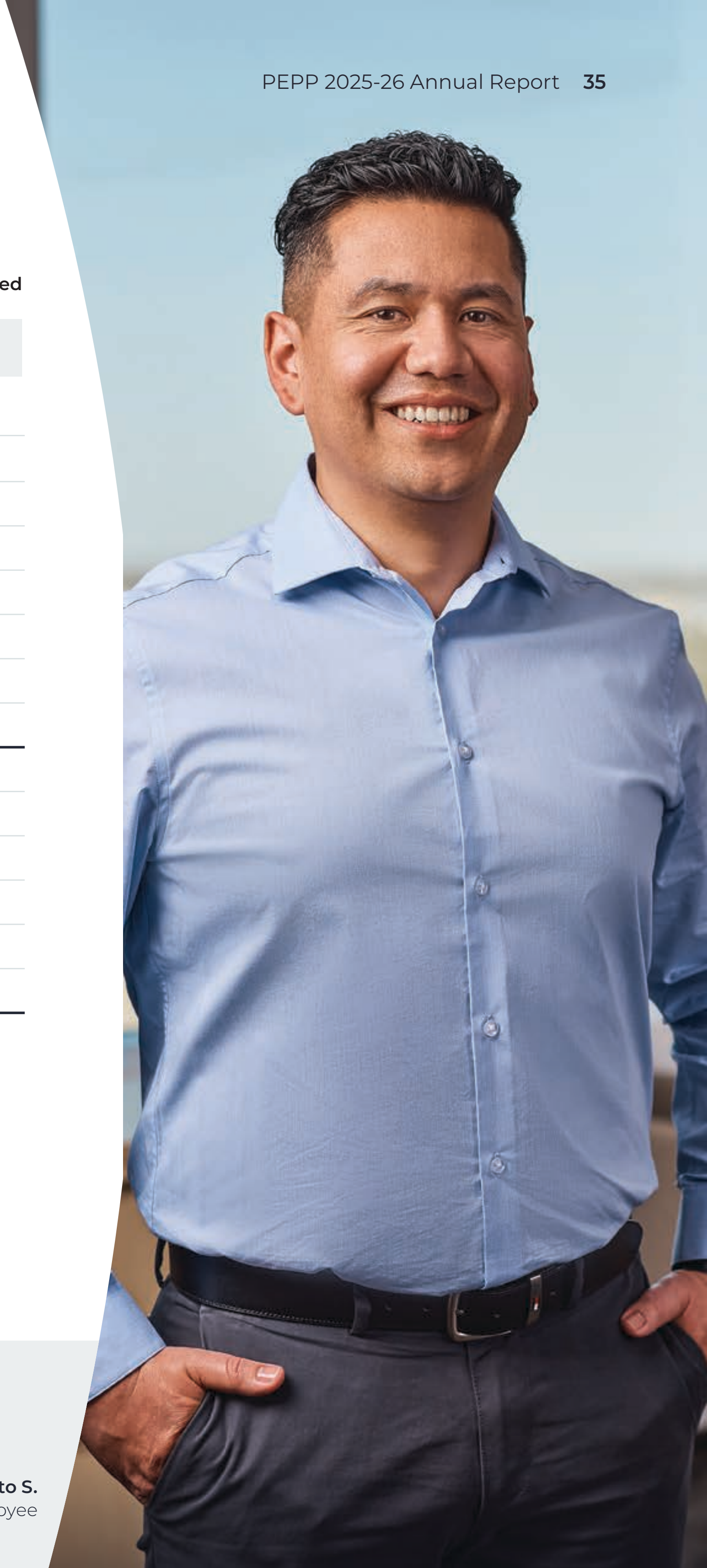
Table 1.16 continued

Investment Manager	Total Cost ($000's)	(%)
J. Zechner Associates Inc.	676	1.0
Elementum Advisors, LLC	198	0.3
Hudson Bay Capital Management LP	2,532	3.6
King Street Capital Management, L.P.	1,176	1.6
One William Street Capital Management, L.P.	1,925	2.7
Rokos Capital Management LLP	1,942	2.7
Transtrend B.V.	917	1.3
Total investment manager fees	**70,829**	**100.0**
Performance fees		
Liquid Alternatives	18,506	44.6
Private Equity*	10,666	25.7
Private Credit*	2,301	5.6
Infrastructure*	10,012	24.1
Total performance fees	**41,485**	**100.0**

* Private Equity, Private Credit, Farmland and Infrastructure have multiple managers. See complete list on pages 27 - 29.

Total **Investment Manager** and **Performance Fees**

$112,314,000



Alberto S.
PEPP Member and Plannera Employee

5 Governance

Sajjil S.
PEPP Member and Plannera Employee

Key Performance Indicators

Key performance indicators allow the Board to monitor the services delivered to PEPP members and the tasks that are critical for the Plan's ongoing success.

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

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

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

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

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

Establishing targets ensures that the Board is able to review the Plan's performance of key administrative tasks against a standard of practice, to track any changes in performance over time, and to be aware of the areas of strength and weakness in the Plan's administration.

The Board reviews these key performance indicators on a biannual basis. A review of the Plan's performance during the year ended March 31, 2026 is provided in the following pages.

Summary

- The Plan met 10 of its 12 performance targets in 2025-2026.
- Member satisfaction with information sessions, quality of service and communication materials all met their targets for the year.
- All of the Plan's investment funds matched or exceeded their four-year benchmarks, except six of the highest-returning aggressive funds modestly underperformed their respective benchmarks.
- The Board achieved 75 per cent completion of individual training requirements, falling short of the 80 per cent target.
- The Plan demonstrated 100 per cent compliance with the Canadian Association of Pension Supervisory Authorities (CAPSA) governance guidelines and guidelines for capital accumulation pension plans.

Key Performance Indicators

Customer

Table 1.17

Critical Success Factor	Measure	Target	Result
Provide service within service standard	Member transactions within service standards	More than 80 per cent of transactions meet the service standard.	Met
Quality of service satisfaction	Member satisfaction with information sessions	More than 80 per cent of member survey responses indicate satisfaction with information sessions.	Met
Quality of service satisfaction	Member satisfaction with quality of service	More than 80 per cent of member survey responses indicate satisfaction with the quality of service provided by the Plan.	Met
Quality of service satisfaction	Member satisfaction with quality of communication materials	More than 80 per cent of member survey responses indicate satisfaction with the quality of communication materials provided by the Plan.	Met
Member retention	Member fund retention	More than 80 per cent of funds available for withdrawal remain in the Plan.	Met

Financial

Table 1.18

Critical Success Factor	Measure	Target	Result
Returns greater than benchmarks	Investment fund rate of return compared to benchmark	All funds perform better than their respective benchmarks over a four-year period.	Not Met[1]
Performance to budget	Administration cost	Administration cost within budgeted amount.	Met

[1] The rate of return for 14 of the Plan's 20 funds matched or exceeded their benchmarks at March 31, 2026, while 6 funds underperformed their respective benchmarks. Four-year benchmarks are available on the Plan's website

Internal

Table 1.19

Critical Success Factor	Measure	Target	Result
Supplier management	Satisfactory performance of service provider	Performance of all service providers is satisfactory.	Met
Governance	Compliance with CAPSA Governance Self-Assessment and CAP Guidelines	Board demonstrates 100 per cent compliance with CAPSA governance and CAP guidelines.	Met
Supplier management	Executive management services are satisfactory	Executive management services are satisfactory.	Met
Supplier management	Investment manager compliance reporting is 100 per cent annually	All required compliance reports are submitted.	Met

Innovation and Learning

Table 1.20

Critical Success Factor	Measure	Target	Result
Board leadership capacity	Board training requirements	Board as a whole completed at least 80 per cent of individual training requirements for the year.	Not Met [2]

[2] The Board completed 75 per cent of individual training requirements for the year, which is below the 80 per cent target.

Roberta W.
PEPP Member

Strategic Priorities

Mission

To provide retirement income options that deliver financial security and exceptional value.

Vision

To be an industry-leading pension plan, partnering with members to enhance their financial well-being.

Priorities

The Board identified the following four strategic priorities as part of its Strategic Plan:

1. **Investment**
   Achieve strong, risk-managed investment returns through a diversified portfolio.
2. **Plan Governance**
   Deliver a well-governed Plan for members and employers through strong oversight.
3. **Member Experience**
   Enhance member experience to support informed decision-making.
4. **Growth**
   Explore options for growth and innovation.

Board Principles

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

2. **Accountability:** We are transparent and take responsibility for our decisions and actions. We are committed to managing the Plan with care and acting in the best interests of members and employers.

3. **Integrity:** As trustees of PEPP, we hold ourselves to the highest standards of integrity. We strive to act with honesty and in a manner worthy of the trust our members have placed in us.

4. **Value:** We deliver high-quality services and outcomes in a cost-effective manner. We use Plan resources responsibly to maximize value for members and employers.

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

Strategic Priorities

In 2025-2026, the Board received quarterly updates on the progress of its Strategic Plan, which is built on PEPP's mission and vision.

Investment

PEPP members depend on their retirement investments to grow, accepting varying levels of risk based on their expectations for return. To support strong long-term outcomes, the Board offers and regularly reviews a range of investment options with differing risk-return profiles to meet members' needs.

2025-2026 Highlights

- Plannera submitted PEPP reporting data to CEM Benchmarking, which conducted an independent and objective review of the Plan's investment performance, risk and costs compared to pension plans of similar size and type. The report showed PEPP's returns and value-add are both above average compared to peers.
- The Board approved the 2026 Private Market Annual Plan.

Plan Governance

The Board aims to be an industry leader in pension plan governance, recognizing that strong governance is essential to the Plan's long-term success. This is achieved through effective controls, accountable decision-making, and the use of measurable objectives supported by regular review and assessment.

2025-2026 Highlights

- The Board approved the creation of a Governance Committee with a key mandate of collaborating with Plannera to implement board composition review recommendations.
- The Board is in the process of implementing exception-based reporting to streamline oversight and improve efficiency.
- Plannera completed a fit-gap analysis and underwent development and testing for an investment valuation system replacement. Implementation planned for 2026-27.

Member experience

Members make important investment decisions in the Plan but may not fully understand their role or the supports available. The Board promotes clear, proactive information, two-way communication, and responsive services to help members make informed decisions and improve service delivery.

2025-2026 Highlights

- Plannera modernized member education by introducing refreshed Your Path to Retirement workshops and expanded delivery through interactive webinars, in-person sessions across the province, and employer-driven options.
- Plannera advanced key initiatives by launching PEPP's refreshed brand across all communication channels and finalizing detailed member personas to enable more targeted and effective communication.
- Plannera engaged with members and employers to determine their needs through regular research, including member and employer satisfaction surveys.
- Semi-annual retirement projections in PEPP member statements were updated and received positive feedback.
- Plannera developed and launched virtual training seminars for employers' Human Resources staff.
- Plannera held engagement sessions with employers and unions to strengthen relationships.
- Member journey maps were created for PEPP, to understand the member's journey from enrollment to retirement. These journey maps will help guide PEPP in making service improvements over the next several years.

Growth

The Board is committed to industry-leading, value-added services and to pursuing growth and innovation, so the Plan remains competitive and responsive to evolving member and employer needs. By prioritizing innovation and enhancing existing services, the Plan can adapt to regulatory changes, demographic shifts, and emerging risks while maintaining long-term sustainability and value.

2025-2026 Highlights

- The Lifetime Pension was launched in April 2025, providing a new decumulation product for members. As of March 31, 2026, there are 29 members enrolled with a total of $7.7 million in assets
- Plannera implemented secure messaging and document upload within the member portal to strengthen data protection, streamline communication and minimize operational and privacy risks.
- Plannera initiated a review and standardization of employer onboarding procedures to enhance operational efficiency and deliver an exceptional experience for new employers joining the Plan.
- Research was conducted into new product and service offerings, with further work on this being undertaken in 2026-2027.

Risk Management

Within its mandate, the Board manages risks affecting Plan members, PEPP operations, and other stakeholders.

Each year, the Board reviews and approves the risk register and Risk Management Plan, conducts an annual risk review, and monitors risks mid-year and at year-end through the Risk Management Dashboard. This structured, documented process supports the identification, evaluation, and mitigation of foreseeable risks, strengthens accountability, and demonstrates due diligence. The Board applies a balanced approach across financial, operational, regulatory, and strategic risks.

Risk: *The potential events and trends that may positively or negatively affect the operation of the Plan, the members or other stakeholders of the Plan or the attainment of strategic goals.*

The Board's Risk Management Philosophy Statement:

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

The Board has resolved to retain a balanced approach in the management of all four types of risks: financial, operational, regulatory and strategic.

Key Risks

To assist in the identification and assessment of all foreseeable risks in the Plan, the Board has identified the following key broad-based risks to the Plan:

Risks are evaluated at the Plan level by considering the risk that remains after current mitigation measures are in place.

Strategic Risk

Uninformed Decisions by Members: Risk that the Plan does not provide sufficient, timely, or appropriate information, resulting in poor member outcomes as they might make decisions that are not in their best interest.

Governance: Risk that the appointed Board members skills and competencies, governance practices and policies may not be, or remain, sufficient to effectively govern the Plan and meet stakeholder expectations.

Plan Structure: Risk that the Plan's accumulation and decumulation strategies do not meet the future retirement needs of all members as demographics, market conditions and employment patterns change.

Competition and Retention: Risk that the Plan fails to position itself appropriately and effectively in a competitive environment, causing members to remove their funds from the Plan when able.

Financial Risk

Investment Structure: Risk that the investment strategy is not designed or executed appropriately to achieve the expected longer-term returns and mitigate the market risks of the Plan's various investment options, resulting in loss or damage to members or reputational damage to the Plan.

Plan Costs: Risk that the Plan costs may not be offset by a commensurate level of benefits and rewards, causing members to perceive the Plan costs as too high, resulting in members becoming dissatisfied and leaving the plan when able.

Risk of Losses: Risk of financial, legal or reputational loss to the Plan including, but not limited to, errors, negligence, fraud, conflict of interest, privacy breaches, or information loss.

Key Risks (continued)

Operational Risk

Investment Manager Performance: Risk that at a Plan level, enough of the investment managers' performance deviates from expectations and their mandate sufficiently to impair overall returns for members.

Plannera as a Service Provider: Risk that poor performance by, or disruption of service from Plannera may result in delays in service, loss or damage to members, or reputational damage to the Plan.

Other Service Provider: Risk that poor performance by, or disruption of service from a service provider other than Plannera may result in delays in service, loss or damage to members, or reputational damage to the Plan.

Cyber Security: Risk that a breach from internal or external suppliers of IT security, or issues with IT general controls, could result in theft or damage of member private information (personal or financial) that Plannera controls, that may result in delays in services, loss or damage to members, or reputational damage to the Plan.

Regulatory Risk

Non-Compliance: Risk of failing to comply with regulatory requirements, legal obligations, or industry standards governing pension plans, potentially resulting in penalties, legal actions, loss or damage to members, or additional costs or fines.

Jeannette L.
PEPP Member

Key Risks (continued)

The Board has developed and implemented a set of strategies and business practices to manage the key risks facing the Plan. These include:

Stakeholder Engagement and Communication

- Conducts periodic stakeholder consultations to assess member needs, improve service and ensure alignment with member expectations.
- Delivers clear and timely communication to Plan members and employers through in-person sessions, webinars, bulletins, guides, online resources, and targeted outreach.
- Enhancements to member and employer engagement strategies to improve information dissemination and member support.

Governance and Oversight

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

Service Provider Management

- Consistently applies the Acquisition and Retention of Services policy to secure qualified service providers, who are experts in the responsibilities to which they are assigned with respect to the Plan.
- Evaluates the performance of all service providers at least annually against established standards.
- Evaluates the performance of the executive management services provided by Plannera as its administrator, at least annually.
- Requires service providers to maintain business continuity plans and adhere to codes of conduct.

Risk Management and Internal Controls

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

Investment and Financial Oversight

- Reviews and updates the Statement of Investment Policies and Procedures (SIP&P) annually to manage investment risk through diversification of asset classes, capital markets and investment managers.
- Monitors investment performance and liquidity, including completion of an Asset Liability Study and approval of a new asset mix where appropriate.
- Conducts benchmarking of investment and administration performance against peer plans.
- Ensures initiatives and Plan-related activities are adequately funded through a robust budgeting process.

Continuous Improvement

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

2025-2026 Highlights

The following risk management activities were completed in 2025-2026:

- Achieved ISO 27001 certification through Plannera's Enterprise Security Program.
- Continued investment in a comprehensive insurance program to protect against potential financial and reputational damages.
- Received and analyzed results of the annual member satisfaction survey to identify service improvements and align with member expectations.

- Communicated with members through multiple channels, including targeted messaging for specific demographic groups.
- Implemented a Stakeholder Engagement Strategy, which prioritizes advancing member education and financial literacy and deepening employer and union engagement.
- Held quarterly meetings with the Plannera Board, who provide strong governance and oversight.
- Reviewed and updated the Governance Manual to reflect legislative and regulatory changes, including the addition of the Lifetime Pension Governance Manual.
- Established a Governance Committee.
- Approved the 2025-2026 Risk Management Plan after reviewing progress on the 2024-2025 plan.
- Filed all regulatory reporting requirements in a timely manner.
- Evaluated all service providers against established performance standards.
- Maintained a Service Level Agreement with Plannera to ensure clear service expectations are met.
- Conducted annual third-party audits to assess and manage financial, legal, and reputational risks.
- Continued investment in a comprehensive insurance program to protect against potential financial and reputational damages.
- Monitored investments, and asset mix throughout the year.
- Reviewed benchmarking reports comparing the Plan's investment performance to peer plans.
- Leveraged market analysis to uncover opportunities for Plan enhancements and innovation.

Harpreet B. and Sherry M.
PEPP Members and Plannera Employees

Looking Back

2025-2026

$14.5 billion in net assets

TOTAL CONTRIBUTIONS	$519.1 M
TRANSFERS-IN	$9.9M
TRANSFERS TO VPB	$421.5 M

2024-2025

$13.7 billion in net assets

TOTAL CONTRIBUTIONS	$516.3 M
TRANSFERS-IN	$11.4 M
TRANSFERS TO VPB	$404.7 M

2023-2024

$12.7 billion in net assets

TOTAL CONTRIBUTIONS	$438.0 M
TRANSFERS-IN	$7.0 M
TRANSFERS TO VPB	$412.4 M

2022-2023

$11.6 billion in net assets

TOTAL CONTRIBUTIONS	$415.2 M
TRANSFERS-IN	$5.1 M
TRANSFERS TO VPB	$371.2 M

2021-2022

$11.8 billion in net assets

TOTAL CONTRIBUTIONS	$415.5 M
TRANSFERS-IN	$9.1 M
TRANSFERS TO VPB	$453.3 M

2020-2021

$11.7 billion in net assets

TOTAL CONTRIBUTIONS	$391.1 M
TRANSFERS-IN	$26.7 M
TRANSFERS TO VPB	$326.5 M

Management's Report

To the Members of the Legislative Assembly of Saskatchewan:

The Public Employees Pension Board is comprised of four members appointed on behalf of participating employers, four members appointed on behalf of employees, and a Chairperson selected through a formal recruitment process. The Board is responsible for financial administration, administration of the funds and management of assets.

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

The financial statements were audited by KPMG LLP. Their report follows.

Jeremy Phillips
President and CEO
Plannera Pensions and Benefits

Regina, Saskatchewan
June 22, 2026

4 Financial Statements

Natalie B.
PEPP Member and Plannera Employee

Independent Auditor's Report

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

INDEPENDENT AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

Opinion

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

- the statement of financial position as at March 31, 2026
- the statement of changes in net assets available for benefits and pension obligations for the year then ended
- and notes to the financial statements, including a summary of material accounting policy information

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Plan as at March 31, 2026, and its changes in net assets available for benefits and its changes in pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

Basis for Opinion

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

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

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

Independent Auditor’s Report

KPMG

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 2026 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.

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

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

In preparing the financial statements, management is responsible for assessing the Plan's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Plan or to cease operations, or has no realistic alternative but to do so.

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

Independent Auditor's Report

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Plan to cease to continue as a going concern.

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

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

KPMG LLP

Chartered Professional Accountants

Regina, Canada

June 22, 2026

Public Employees Pension Plan
Statement of Financial Position
Statement 1

	(in thousands)	
As at March 31	**2026**	**2025**
ASSETS		
Investments (Note 4)	$ 13,649,831	$ 13,118,963
Investments Under Securities Lending Program (Note 4)	685,239	340,318
Repurchase Agreements (Note 4)	113,570	115,354
	14,448,640	13,574,635
Plannera Prepaid (Note 6)	8,701	9,693
Receivables		
Employee Contributions	6,797	4,939
Employee Contributions - Voluntary	2,797	450
Employer Contributions	8,951	5,894
Accrued Investment Income	31,075	28,778
Other Receivables	10,452	13,172
Plannera Loan Receivable (Note 7)	3,000	2,300
	63,072	55,533
Cash (Note 9)	175,726	180,051
Total Assets	14,696,139	13,819,912
LIABILITIES		
Administrative Expenses Payable	14,671	11,419
Refunds, Transfers and Other Payables	21,813	20,894
Repurchase Agreement Liability (Note 4)	117,273	122,335
Derivative Liability (Note 5)	40,515	7,910
Total Liabilities	194,272	162,558
NET ASSETS AVAILABLE FOR BENEFITS	14,501,867	13,657,354
PENSION OBLIGATIONS	14,501,867	13,657,354
SURPLUS	$ -	$ -

(See accompanying notes to the financial statements)

Public Employees Pension Plan
Statement of Changes in Net Assets Available for Benefits and Pension Obligations
Statement 2

	(in thousands)	
For the Year Ended March 31	**2026**	**2025**
INCREASE IN ASSETS AND PENSION OBLIGATIONS		
Investment Income (Note 4)	$ 330,607	$ 321,818
Increase in Fair Value of Investments	993,524	1,023,017
Contributions		
Employee Contributions	207,274	200,451
Employee Contributions - Voluntary	52,051	68,924
Employer Contributions	259,737	246,906
External Transfers In	9,898	11,426
	528,960	527,707
Total Increase in Assets and Pension Obligations	1,853,091	1,872,542
DECREASE IN ASSETS AND PENSION OBLIGATIONS		
Transfers, Refunds and Benefits (Note 8)	855,929	764,519
Transfers to Saskatchewan Pension Annuity Fund	2,416	4,363
Investment Transaction Costs	5,022	4,791
Administrative Expenses (Note 10)	144,876	134,884
Other Expenses	335	308
Total Decrease in Assets and Pension Obligations	1,008,578	908,865
Net Increase in Net Assets and Pension Obligations	844,513	963,677
NET ASSETS AVAILABLE FOR BENEFITS AND PENSION OBLIGATIONS, BEGINNING OF YEAR	13,657,354	12,693,677
NET ASSETS AVAILABLE FOR BENEFITS AND PENSION OBLIGATIONS, END OF YEAR	$ 14,501,867	$ 13,657,354

(See accompanying notes to the financial statements)

Public Employees Pension Plan
Notes to the Financial Statements

March 31, 2026

1. Description of Plan

The following description of the Public Employees Pension Plan (the Plan) is a summary only. For more complete information, reference should be made to *The Public Employees Pension Plan Act*.

a) General

The Public Employees Pension Plan Act (the Act) is the legislative authority and plan text for the Plan which is domiciled in Regina, Saskatchewan, and which is a defined contribution plan that covers the employees of the employers prescribed by *The Public Employees Pension Plan Regulations, 2015*. Effective September 1, 2002, the Plan also covers the Members of the Legislative Assembly. Members who are employed outside of Saskatchewan, and monies earned outside of Saskatchewan, are subject to the minimum standards of the jurisdiction in which the income was earned. The Plan's policy with respect to those members and monies subject to extra-provincial jurisdiction is documented in the Plan's Policy for the *Extra-Jurisdictional Application of the Act (Saskatchewan) and Regulations* thereunder.

The Act established the Plan to accumulate all contributions and earnings for plan members. The Plan consists of five asset allocation funds: the Accelerated Growth Fund, the Growth Fund, the Balanced Fund, the Moderate Fund and the Conservative Fund; one Lifecycle Fund: the PEPP Steps Fund; and two other stand-alone funds: the Bond Fund and the Money Market Fund. Members of the Plan may choose either one of the five asset allocation funds or the PEPP Steps Fund. In addition, each member may also choose the Bond Fund and/or Money Market Fund.

All Funds receive and hold, in trust for members, contributions from the members and employers (collectively Participants) and investment income derived from the Plan's investments.

The Plan holds varying percentages of bonds and debentures, equities, private equities, infrastructure, private credit, farmland, pooled funds, short-term investments, repurchase agreements and derivative financial instruments. The asset mix of each fund is established based on the expected volatility of the underlying securities and assets. The Accelerated Growth Fund is considered the most volatile and contains the highest percentage of equities relative to fixed-income investments of all the funds.

The Plan uses a unitized method of plan participation whereby each member has a certain number of units of ownership in the net assets of the investment funds. Investment income including changes in the market value of the investments and expenses is reflected in the market value of the net asset value per unit of participation. The total available to a member upon termination or retirement is equal to the particular member's account balance at that date, subject to certain vesting and other specific rules governing the Plan.

1. Description of Plan (continued)

The Plan introduced a Variable Pension Benefit option (VPB) in May 2006 whereby retired members could elect to withdraw all or some of their pension funds either through lump-sum withdrawals or scheduled monthly payments. Members who participate in the VPB may choose to invest in any of the funds which are offered by the Plan. A VPB is a periodic payment made from a registered plan to a member of that plan and which must conform to certain minimum payment requirements but not to any maximum payment requirements according to Saskatchewan legislation. Members subject to extra-provincial jurisdiction may be subject to a maximum payment requirement.

The Plan introduced a Lifetime Pension – Variable Payment Life Annuity (VPLA) in April 2025 whereby eligible members, upon termination of employment or in retirement could elect to transfer funds to the Lifetime Pension. Members can use their entire PEPP or VPB account balance or a portion of it to purchase a Lifetime Pension. While there is no legislated minimum or maximum purchase amount, a minimum of 20% of the Year's Maximum Pensionable Earnings (YMPE) and a maximum of $1,000,000 have been set for administrative purposes. Funds transferred to the Lifetime Pension must be administered under Saskatchewan legislation and not from outside provinces.

b) Administration

The Act established the Public Employees Pension Board (PEPB, the Pension Board) to administer the Plan. The Pension Board is composed of nine members: four are appointed on behalf of participating employers, four on behalf of employees. The Board conducts an external recruitment process to choose an independent Chair, who is appointed for a three-year term. The Plan was administered by the Public Employees Benefits Agency (PEBA) until December 31, 2023. Effective January 1, 2024, the Public Pension and Benefits Administration Corporation, operating as Plannera Pensions and Benefits (Plannera, the Corporation), began administering the Plan. As per Order in Council #194-2024, the Government of Saskatchewan authorized PEBA to delegate the administration of the Plan to Plannera. Plannera is a not-for-profit organization without share capital whose Members consist of the PEPB and the Municipal Employees' Pension Commission (MEPC).

c) Retirement

Members may retire as early as age 50.

Upon retirement a member may choose to receive a VPB from the Plan, purchase a prescribed Registered Retirement Income Fund (pRRIF) or transfer to a Locked-in Retirement Account (LIRA) purchased from an outside financial institution, and/or to purchase an annuity from the Saskatchewan Pension Annuity Fund (SPAF), elect to receive a Lifetime Pension or purchase from a private company that issues annuities.

Alternatively, the funds may be left in the Plan to continue to accumulate earnings to provide retirement income beginning no later than the end of the calendar year in which the member reaches age 71, or be transferred to another registered pension plan by means of a portability agreement.

1. Description of Plan (continued)

Members who elect to receive a VPB retain their account balances within the Plan. Those members who purchase their annuities from the SPAF or have their account balances transferred to a financial institution have their accumulated balance, or any portion of their balance, in the Plan at the date of payment, transferred to the SPAF or financial institution respectively.

Members who elect to receive a Lifetime Pension can convert part or all their account balance to a Lifetime Pension Benefit. The Lifetime Pension provides a lifetime income to PEPP members who choose this option. Payments are made monthly and continue for the member's lifetime, with options to extend benefits to a spouse or beneficiary.

d) Completeness of Contributions

Participants are responsible for the accuracy and completeness of member contributions remitted to the Plan. Accordingly, these financial statements presume the accuracy and completeness of the Participants' contributions.

2. Basis of Preparation

a) Statement of Compliance

The financial statements for the year ended March 31, 2026, have been prepared in accordance with Canadian accounting standards for pension plans as defined in the CPA Canada Handbook Section 4600, *Pension Plans.* For matters not addressed in Section 4600, IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) have been followed.

These financial statements were authorized and issued by the Pension Board on June 22, 2026.

b) Functional and Presentation Currency

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

3. Material Accounting Policies

The material accounting policies are as follows:

a) Investments

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

3. Material Accounting Policies (continued)

Fair value of investments is determined as follows:

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

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

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

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

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

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

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

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

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

Investment transactions are recorded on the trade date.

3. Material Accounting Policies (continued)

b) Other Financial Instruments

Receivables, cash and payables are classified and measured at amortized cost. Due to their short-term nature, the amortized cost of these instruments approximates their fair value.

c) Investment Income and Transaction Costs

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

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

d) Foreign Currency Translation

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

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

e) Income Taxes

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

f) Use of Estimates and Judgments

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

3. Material Accounting Policies (continued)

g) Amended Standards Not Yet in Effect

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

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

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

4. Investments

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

	(in thousands) 2026	2025
Investments		
Short-term	$ 16,019	$ 13,048
Bonds and Debentures	20,128	20,088
Equities	5,444,976	5,671,103
Pooled Funds	6,305,598	6,036,558
Private Equities	596,136	420,115
Private Credit	174,998	93,848
Farmland	144,197	92,743
Infrastructure	947,779	771,460
	13,649,831	13,118,963
Investments Under Securities Lending		
Short-term	17,024	16,819
Equities	668,215	323,499
	685,239	340,318
Repurchase Agreements	113,570	115,354
	$ 14,448,640	$ 13,574,635

4. Investments (continued)

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

	(in thousands) 2026	2025
Investment Income		
Interest	$ 3,807	$ 4,695
Pooled Funds	164,095	167,672
Dividends	131,686	129,330
Private Equities	4,412	1,782
Private Credit	14,110	10,530
Infrastructure	6,065	(1,721)
Farmland	910	671
Security Lending	1,277	977
Other	4,245	7,882
	$ 330,607	$ 321,818

Securities Lending Program

Through its custodian, the Plan participates in an investment securities lending program for the purpose of generating fee income. Non-cash collateral of at least 102 per cent of the fair value of the loaned securities is retained by the Plan until the loaned securities have been returned (see Securities Lending Program Risk in Note 11). The fair value of the loaned securities is monitored on a daily basis with additional collateral obtained or refunded as the fair value of the loaned securities fluctuates. In addition, the custodian provides indemnification against any potential losses in the securities lending program. While in the possession of counterparties, the loaned securities may be resold or re-pledged by such counterparties.

Short-term Investments

Short-term investments are comprised of treasury bills, discount notes, commercial paper, foreign exchange forward contracts, equity futures, swaps, and short-term investment funds. Directly held treasury bills and discount notes held at March 31, 2026 had effective rates of 2.1 per cent to 3.2 per cent (2025 – 0.6 per cent to 8.4 per cent), and an average remaining term to maturity of 60 days (2025 - 68 days).

Other than the Government of Canada, no single issuer represents more than 15.19 per cent (2025 – 16.32 per cent) of the fair value of the directly held treasury bills and discount notes.

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

4. Investments (continued)

Bonds and Debentures

The Plan's segregated bonds and debentures are comprised of the following:

2026 (in thousands)

Years to Maturity	Federal	Provincial	Total Market Value	Coupon Rate	Effective Interest Rate
Under 5	$ 3,159	$ 3,287	$ 6,446	1.25% - 5.70%	2.44%
5 to 10	3,167	7,181	10,348	1.50% - 6.25%	3.38%
Over 10	80	3,254	3,334	1.90% - 5.21%	4.11%
Market Value	$ 6,406	$ 13,722	$ 20,128		

2025 (in thousands)

Years to Maturity	Federal	Provincial	Total Market Value	Coupon Rate	Effective Interest Rate
Under 5	$ 3,606	$ 3,177	$ 6,783	0.25% - 5.70%	2.19%
5 to 10	3,302	6,313	9,615	1.25% - 4.45%	3.04%
Over 10	294	3,396	3,690	1.75% - 5.21%	3.72%
Market Value	$ 7,202	$ 12,886	$ 20,088		

As of March 31, 2026 the Plan did not hold any corporate foreign bonds, issued by foreign entities in Canadian currency (2025 – $nil). Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Equities

As at March 31, 2026, the fair value of the Plan's directly held foreign equity investments in Canadian dollars amounted to $4,857 million (2025 - $4,761 million) and foreign equities represent 79.5 per cent (2025 – 79.4 per cent) of the fair value of the directly-held equity portfolio.

The Plan's equities include common shares that have no fixed maturity date and are generally not exposed to interest rate risk. The average dividend rate is 2.18 per cent (2025 – 2.16 per cent).

4. Investments (continued)

Private Equities

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

Private equity managers form limited partnerships to facilitate investments in private companies in various markets across the globe. As at March 31, 2026, the Plan holds $596.1 million in private equity investments (2025 – $420.1 million) and was committed to further invest in private equity limited partnerships up to $514.9 million in Canadian funds (2025 – $429.5 million).

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

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

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

Infrastructure

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

Infrastructure managers form limited partnerships to facilitate investments in infrastructure projects in various markets across the globe. As at March 31, 2026, the Plan holds $947.8 million in infrastructure investments (2025 – $771.5 million) and was committed to further invest in infrastructure limited partnerships up to $746.7 million in Canadian funds (2025 - $586.4 million).

4. Investments (continued)

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

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

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

Private Credit

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

As at March 31, 2026, the Plan holds $175.0 million in private credit securities (2025 - $93.8 million) and was committed to further invest in private credit partnerships up to $371.6 million in Canadian funds (2025 - $337.5 million).

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

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

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

4. Investments (continued)

Farmland

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

Farmland managers form limited partnerships to facilitate investments in agriculture-producing land, agri-business and related value-add businesses in multiple markets across the globe. As at March 31, 2026, the Plan holds $144.2 million in farmland investments (2025 - $92.7 million) and was committed to further invest in farmland investment partnerships up to $194.6 million in Canadian funds (2025 - $157.9 million).

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

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

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

Real Estate

Investments in real estate consist of Canadian commercial property held through an investment in TD Asset Management Real Estate Fund and Foreign commercial real estate held through an investment with Morgan Stanley Real Estate Advisor, Inc. and Barings European Core Property Fund. The market appraisals used in valuing the real estate involves various assumptions. Changes in the underlying assumptions will have an impact on the fair value of the investments. The Plan holds investments in real estate through pooled funds.

4. Investments (continued)

Liquid Alternatives

Investments in liquid alternative investment strategies provide diverse exposure across multiple asset classes and employ a range of global macro and relative value trading strategies. These mandates invest in liquid financial instruments within various markets such as fixed income, foreign currency, commodities and equities. The Plan holds investments in liquid alternatives through pooled funds.

Pooled Funds

Pooled-fund investment vehicles provide exposure to a diverse range of asset classes such as short-term, fixed income, real estate, and liquid alternative strategies without directly holding underlying securities. The Plan holds investments in both passive and actively managed pooled funds.

The Plan's pooled funds are comprised of:

	Market Value (in thousands)	
Pooled Funds	**2026**	**2025**
Fixed Income Fund	$ 3,651,229	$ 3,480,278
Liquid Alternative Investments	830,519	801,938
Short-term Investment	720,114	659,438
Real Estate	1,103,736	1,094,904
	$ 6,305,598	$ 6,036,558

Repurchase Agreements

A repurchase agreement is a contract entered into between two counterparties to sell securities together with an agreement for the seller to buy back the securities at a later date. At March 31, 2026, the Plan has entered into repurchase agreements with a notional value of $113.6 million (2025 - $115.3 million) and a fair value of negative $3.7 million (2025 - negative $7.0 million). The repurchase agreements have a term to maturity of less than one year.

4. Investments (continued)

Repurchase agreements require a fraction of their fair value to be available as collateral to back the market exposure provided. PEPP has invested $20.1 million (2025 - $20.1 million) in physical bonds which serve as a backing asset for the repurchase agreements with TD Asset Management. There is a $116.4 million (2025 - $35.1 million) investment in the TD Emerald Canadian Short-term Investment Fund which is available as additional margin. The amount held in the Short-term investment fund was significantly reduced in March 2025 due to member movement and market volatility, however, was replenished shortly after yearend. No specific collateral is pledged for the repurchase agreement exposure as the investment is not leveraged. Collateral may be pledged to the Plan if the market value of the repurchase agreements changes significantly.

Fair Value

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

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

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

2026 (in thousands)

	Level 1	Level 2	Level 3	Total
Short-term	$ -	$ 33,043	$ -	$ 33,043
Bonds and Debentures	-	20,128	-	20,128
Equities	6,113,191	-	-	6,113,191
Pooled Funds	-	4,376,654	1,928,944	6,305,598
Private Equities	-	-	596,136	596,136
Private Credit	-	-	174,998	174,998
Infrastructure	-	-	947,779	947,779
Farmland	-	-	144,197	144,197
Repurchase Agreements	-	113,570	-	113,570
Total	$ 6,113,191	$ 4,543,395	$ 3,792,054	$ 14,448,640
Repurchase Agreement Liability	$ -	$ 117,273	$ -	$ 117,273

4. Investments (continued)

Fair Value measurements using level 3 inputs
2026 (in thousands)

	Balance at April 1, 2025	Purchases	Sales	Realized Gains (Losses)	Unrealized Gains (Losses)	Balance at March 31, 2026
Real Estate Pooled Funds	$ 1,094,904	$ 54,639	$ (31,547)	$ 19,917	$ (34,177)	$ 1,103,736
Liquid Alternatives	778,269	76,145	(90,364)	104,049	(42,891)	825,208
Private Equities	420,115	168,055	(55,972)	8,213	55,725	596,136
Private Credit	93,848	104,915	(25,070)	268	1,037	174,998
Infrastructure	771,460	251,146	(146,836)	48,747	23,262	947,779
Farmland	92,743	57,114	(3,173)	(1)	(2,486)	144,197
Total	$ 3,251,339	$ 712,014	$ (352,962)	$ 181,193	$ 470	$ 3,792,054

No investments were transferred between levels during the year.

2025 (in thousands)

	Level 1	Level 2	Level 3	Total
Short-term	$ -	$ 29,867	$ -	$ 29,867
Bonds and Debentures	-	20,088	-	20,088
Equities	5,994,602	-	-	5,994,602
Pooled Funds	-	4,163,385	1,873,173	6,036,558
Private Equities	-	-	420,115	420,115
Private Credit	-	-	93,848	93,848
Infrastructure	-	-	771,460	771,460
Farmland	-	-	92,743	92,743
Repurchase Agreements	-	115,354	-	115,354
Total	$ 5,994,602	$ 4,328,694	$ 3,251,339	$ 13,574,635
Repurchase Agreement Liability	$ -	$ 122,335	$ -	$ 122,335

4. Investments (continued)

Fair Value measurements using level 3 inputs
2025 (in thousands)

	Balance at April 1, 2024	Purchases	Sales	Realized Gains (Losses)	Unrealized Gains (Losses)	Balance at March 31, 2025
Real Estate Pooled Funds	$ 931,784	$ 165,167	$ (28,453)	$ 17,913	$ 8,493	$ 1,094,904
Liquid Alternatives	833,218	140,422	(283,032)	131,260	(43,599)	778,269
Private Equities	262,119	143,829	(42,110)	4,565	51,712	420,115
Private Credit	41,526	57,793	(12,005)	734	5,800	93,848
Infrastructure	436,792	301,180	(76,648)	14,318	95,818	771,460
Farmland	37,504	76,230	(25,023)	52	3,980	92,743
Total	$ 2,542,943	$ 884,621	$ (467,271)	$ 168,842	$ 122,204	$ 3,251,339

5. Derivatives

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

The Plan held the following derivatives as of March 31, 2026:

Forward Contracts

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

5. Derivatives (continued)

The following summarizes the Plan's use of foreign currency forward exchange contracts within the passive currency hedging strategy:

FOREIGN EXCHANGE FORWARD CURRENCY CONTRACTS

(in thousands)

2026			2025		
Currency	*Notional Value	Gain (Loss)	Currency	*Notional Value	Gain (Loss)
AUD	(15,022)	$ 85	AUD	(10,565)	$ 86
CHF	(37,847)	312	CHF	(56,313)	(219)
DKK	(23,607)	(343)	DKK	(26,208)	(328)
EUR	(328,814)	(4,929)	EUR	(303,150)	(3,445)
GBP	(178,400)	(2,061)	GBP	(178,221)	(1,510)
HKD	(37,608)	(835)	HKD	(43,803)	(46)
JPY	(146,288)	(1,626)	JPY	(104,119)	217
NOK	(8,387)	(134)	NOK	(10,242)	(560)
SEK	(13,416)	168	SEK	(19,635)	(297)
SGD	(3,923)	(52)	SGD	(5,565)	27
USD	(1,313,184)	(31,100)	USD	(1,380,993)	(1,835)
		$(40,515)			$(7,910)

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

Based on the current rate of exchange as of March 31, 2026, the forward contracts are in a net loss position of $40.5 million (2025 – net loss position of $7.9 million). The foreign currency forward exchange contracts are short-term in duration and all contracts as of March 31, 2026 have a maturity date of less than one year. Forward contracts are included in short-term investments when they are in a net gain position and included in derivative liability when they are in a net loss position.

6. Plannera Prepaid

On January 3, 2024, the Plan transferred $10.3 million to Plannera for the purchase of capital assets used for administration of the pension plans and benefit programs from PEBA, an agency of the Government of Saskatchewan that was previously delegated administration of the Plan. The assets were purchased at net book value at the time of purchase. As a member of Plannera, and per the corporate funding policy included in the member agreement, the Plan will continue to fund the purchase of capital assets, with the Municipal Employees' Pension Plan (MEPP). The prepaid will be amortized over the useful life of the assets. As of March 31, 2026, the Plannera prepaid was $8.7 million (2025 - $9.7 million).

7. Plannera Loan Receivable

On January 3, 2024, the Plan transferred $2.3 million to Plannera for operational funding requirements. An additional $0.7 million was transferred to Plannera on May 23, 2025. As per the corporate funding policy included in the member agreement, the Plan along with MEPP, provides operational funding for day-to-day activities of the Corporation. The funds have been provided to Plannera as a loan without conventional repayment terms. The funds will be used indefinitely to fund operations of Plannera. The loan amount is reviewed annually and adjusted, as required, to ensure Plannera is provided with sufficient funding to cover monthly expenditures. As of March 31, 2026, the Plannera loan receivable was $3.0 million (2025 - $2.3 million).

8. Transfers, Refunds and Benefits

	(in thousands)	
	2026	**2025**
Termination Refunds	$ 15,208	$ 13,737
Death and Lump Sum Benefits	27,298	31,695
Variable Pension Benefits	339,497	301,142
Lifetime Pension Payments	264	-
Marital Transfers	2,473	2,364
Transfers to Registered Retirement Savings Plans and to Private Companies Providing Annuities	455,103	405,473
Transfers Out	16,086	10,108
	$ 855,929	$ 764,519

9. Cash

The Plan’s bank account is included in Plannera’s Master Client Agreement (MCA). Per the MCA, interest is earned at a rate per annum equal to the daily value of Royal Bank Prime rate (RBP) less 1.90%. The average interest rate earned in 2026 was 2.80 per cent (2025 - 4.35 per cent). The Plan’s operating bank account is included in the cash line item. Cash held in the Plan’s operating bank account at March 31, 2026, was $20.3 million (2025 - $24.1 million).

10. Administrative Expenses

The annual operating expenditures associated with the Plan's administration are paid to Plannera except for bank fees, certain consulting fees, custodial fees, investment base fees, performance fees and other investment fees, which are paid directly by the Plan.

(in thousands)

	2026	2025
Audit Fees	$ 136	$ 143
Administration Costs - Plannera	18,549	16,938
Custodial Fees	1,633	1,467
Investment Manager Fees*	70,248	64,098
Performance Fees	41,485	41,860
Other Investment Fees	12,825	10,378
Total	$ 144,876	$ 134,884

* Included in the investment manager fees is a rebate of $581 (2025 - $505) for PGIM Funds Plc. Total investment manager fees, excluding this rebate is $70,829 (2025 - $64,603).

11. Financial Risk Management

The nature of the Plan's operations results in a Statement of Financial Position that consists primarily of financial instruments. The risks that arise are credit risk, market risk (consisting of geopolitical risk, interest rate risk, foreign exchange risk and equity price risk), securities lending program risk, private equities, infrastructure, private credit, farmland, liquid alternatives and real estate risk and liquidity risk.

Significant financial risks are related to the Plan's investments. These financial risks are managed by having an investment policy, which is approved annually by the Pension Board. The investment policy provides guidelines to the Plan's investment managers for the asset mix of the portfolio regarding quality and quantity. The asset mix helps to reduce the impact of fair value fluctuations by requiring investments in different asset classes and in domestic and foreign markets. Derivatives are allowed within the Plan to hedge against losses and substitute for direct investment. The Pension Board reviews and reports on regular compliance reports from its investment managers and custodian as to their compliance with the investment policy. The Pension Board also reviews and reports on regular compliance reports from its custodian as to the investment managers' compliance with the investment policy.

Credit Risk

Credit risk is the risk that one party does not pay funds owed to another party. The Plan's credit risk arises primarily from two distinct sources: receivables and certain investments.

11. Financial Risk Management (continued)

The maximum credit risk to which it is exposed at March 31, 2026, is limited to the carrying value of the financial assets summarized as follows:

(in thousands)	2026	2025
Cash	$ 175,726	$ 180,051
Receivables	63,072	55,533
Fixed Income Investments[1]	49,468	39,388
Private Credit	174,998	93,848
Equities Under Security Lending	668,215	323,499

[1] *Includes short-term investments, bonds, bonds under security lending, and repurchase agreements*

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

Receivables are primarily made up of employee and employer contributions receivable and accrued investment income. Employee and employer contributions receivable are generally received in less than 30 days. Accrued investment income is received on the next scheduled payment date, generally either annually or semi-annually.

Credit risk within investments is primarily related to short-term investments, bonds and debentures, private credit and equities under security lending. It is managed at the mandate level as each portfolio must comply with various quality, issuer, and sector constraints appropriate and unique to the mandate.

Credit ratings for bonds and debentures are as follows:

	2026		2025	
Credit Rating	Fair Value (in thousands)	Makeup of Portfolio (%)	Fair Value (in thousands)	Makeup of Portfolio (%)
AAA	$ 6,406	31.82	$ 7,202	35.86
AA	12,622	62.71	11,901	59.24
A	1,100	5.47	985	4.90
Total	$ 20,128	100.00	$ 20,088	100.00

11. Financial Risk Management (continued)

As of March 31, 2026 and March 31, 2025, the Plan did not hold any directly held bonds and debentures from any issuer other than the Government of Canada or a Canadian province. No one holding of a province is over 10.97 per cent (2025 – 11.25 per cent) of the market value of the bond and debentures portfolio.

The Plan is also subject to credit risk through its use of forward currency contracts. The contracts are entered into between the Plan and approved counterparties. The currency manager must receive approval from the Board prior to engaging a new counterparty.

Market Risk

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

Geopolitical Environment

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

Interest Rate Risk

The Plan is exposed to changes in interest rates in its investment in bonds, debentures and fixed income pooled funds. Duration is a measure used to estimate the extent market values of fixed income instruments change with changes in interest rates. Using this measure, it is estimated that a 100 basis point increase in interest rates would decrease net assets available for benefits by $220.8 million at March 31, 2026 (2025 - $212.2 million); representing 5.83 per cent of the $3,785 million fair value of bonds, debentures and fixed income pooled funds.

Conversely, a decrease in interest rates of 100 basis points would increase net assets available for benefits by $220.8 million at March 31, 2026 (2025 - $212.2 million); representing 5.83 per cent of the $3,785 million fair value of bonds, debentures and fixed income pooled funds.

Foreign Exchange

The Plan is subject to changes in the U.S./Canadian dollar exchange rate for U.S. denominated investments. Also, the Plan is exposed to changes in Non-North American exchange rates through its investments denominated in other foreign currencies. At March 31, 2026, the Plan’s exposure to U.S. equities was 17.80 per cent of total investments (2025 – 19.18 per cent) and its exposure to Non-North American equities was 15.76 per cent of total investments (2025 – 15.76 per cent).

11. Financial Risk Management (continued)

At March 31, 2026, a 10 per cent change in the Canadian dollar versus U.S. dollar exchange rate would result in approximately a $453.1 million (2025 - $392.4 million) change in net assets available for benefits. A 10 per cent change in the Canadian dollar versus the Non-North American currencies would result in approximately a $220.7 million (2025 - $200.3 million) change in the net assets available for benefits.

The Plan's exposure to exchange rate risk resulting from the purchase of goods and services are not considered material to the operations of the Plan. The Plan has mitigated its exposure to foreign exchange through the use of derivatives as described in Note 5. As at March 31, 2026, the Plan's foreign exchange exposure that is hedged is $2,126 million (2025 - $2,125 million). A 10 per cent change in the aggregate exchange exposure would equate to a net change of $212.6 million (2025 - $212.5 million).

Equity Prices

The Plan is exposed to changes in equity prices in Canadian, U.S. and International markets. Equities, including equities invested in pooled funds, comprise 42.24 per cent (2025 – 43.99 per cent) of the carrying value of the Plan's total investments. Individual stock holdings are diversified by geography, industry type and corporate entity. No one investee represents greater than 10 per cent of the market value of the Plan.

The following table indicates the approximate change that could be anticipated to the net assets available for benefits based on the following equity categories as of March 31, 2026:

	(in thousands)	
	10% increase	10% decrease
Canadian Equities	$125,597	$(125,597)
U.S. Equities	257,684	(257,684)
Other Foreign Equities	228,070	(228,070)

Securities Lending Program Risk

At March 31, 2026, no Plan assets have been deposited or pledged as collateral as part of the securities lending strategy. As part of the Plan's securities lending strategy, collateral has been pledged to the Plan by various counterparties for securities out on loan to the counterparties. At March 31, 2026, the total amount of collateral pledged to the Plan amounted to $746.1 million (2025 - $372.4 million). The Plan obtains collateral of at least 102 per cent of the fair value of the securities lent. Such loans must be secured by readily marketable government bonds, treasury bills and /or letters of credit, discount notes and banker's acceptances of Canadian chartered banks.

11. Financial Risk Management (continued)

Private Equities, Infrastructure, Private Credit, Farmland, Liquid Alternatives and Real Estate Risk

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

Liquidity Risk

Liquidity risk is the risk that the Plan is unable to meet its financial obligations as they fall due. Cash resources are managed on a daily basis based on anticipated cash flows. The Plan invests in repurchase agreements in order to increase Plan liquidity while maintaining fixed income exposure. Repurchase agreements provide $113.6 million (2025 - $115.3 million) in fixed income exposure with a margin of $20.1 million (2025 - $20.1 million) in physical bond investments which take three days to liquidate, but also $116.4 million (2025 - $35.1 million) invested in money market investments which can be liquidated for cash in a single day. All the Plan's financial liabilities are due within one year.

12. Related Party Transactions

All Government of Saskatchewan agencies such as ministries, corporations, boards and commissions are related to the Plan by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control or significant influence by the Government of Saskatchewan are collectively referred to as "related parties". Costs charged by Plannera in administering the Plan are reflected in these financial statements (see Note 10).

As at March 31, 2026, the Plan directly holds $1.8 million (2025 - $1.0 million) Province of Saskatchewan Bonds and Debentures and a $1.0 million (2025 - $nil) Province of Saskatchewan Promissory Note. Investment gains on these securities was $0.02 million and $0.002 million respectively (2025 – gain of $0.1 million, $nil). Included within accrued investment income is $0.02 million (2025 - $0.01 million) relating to Province of Saskatchewan Bonds.

The Plan has an accounts payable balance as at March 31, 2026 of $3.2 million (2025 - $2.1 million) due to Plannera.

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

Account balances resulting from the above transactions are included in the Statement of Changes in Net Assets Available for Benefits and Pension Obligations and are settled at agreed upon exchange rates.

13. Capital Management

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

14. Value and Performance of Members' Accounts

In accordance with Canadian accounting standards for pension plans, various accruals are included in the Statement of Financial Position. However, only transactions that were processed and unitized during the fiscal year ending March 31, 2026, are reflected in the unitized account balances of members at year-end. The total value of members' unitized accounts at March 31, 2026 was $14,399 million (2025 - $13,560 million).

Investment income including changes in the fair value of the investments (investment performance) and expenses is reflected in the fair value of the net asset value per unit of participation and is determined daily. Investment and administration expenses relating to each Fund are accrued to or paid from the Fund prior to establishing its daily unit price. The Funds' unit price will increase or decrease according to the Funds' investment performance after expenses.

Fund transactions are processed using forward pricing. This means they are processed at the next unit price set after the Plan receives contributions or requests for transfers, refunds and benefits.

Fund transactions may be suspended temporarily at management's discretion where an accurate unit price for a Fund cannot be determined due to the unavailability of reliable market pricing or other asset valuations.

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Publications

- PEPP Member Booklet
- Pension Perspectives – newsletter for plan members
- PEPP Connection – newsletter for VPB members
- PEPP Talks - provide details about specific Plan aspects
- Investment Basics Booklet
- PEPP Retirement Planning Worksheet
- Fund Performance Bulletins
- Market Commentary
- Investment Holdings Report
- Annual Report

Publications and other information about PEPP are available online at:
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