

New Brunswick Teachers' Pension Plan Total Fund

Ten years ended December 31, 2022

Year Ended December 31	Full Gross Return ¹ %	Net Return %	Total Fund Benchmark Return %	Full Gross Return ¹ 3-Yr Annualized %	Total Fund Benchmark Return 3-Yr Annualized %	Total Fund 3-Yr SD ² %	Total Fund Benchmark 3-Yr SD ² %	Total Fund AUM ³ (in millions of \$CAD)	Total Vestcor AUM ³ (in millions of \$CAD)
2022	-3.83	-3.98	-6.58	4.22	2.53	7.62	7.85	6,527.8	19,883.1
2021	9.95	9.81	7.84	9.66	8.79	6.46	6.19	6,985.5	21,018.0
2020	7.06	6.93	7.00	6.97	6.40	6.43	6.25	6,518.2	19,442.0
2019	12.02	11.89	11.59	7.40	6.49	3.76	4.00	6,266.3	18,536.7
2018	2.05	1.92	0.89	5.53	4.37	4.05	4.16	5,744.6	16,901.6
2017	8.36	8.23	7.28	7.68	6.59	5.48	5.75	5,780.2	16,645.4
2016	6.28	6.14	5.06	9.04	7.99	5.20	5.50	5,484.1	15,706.5
2015	8.40	8.23	7.45	11.15	10.34	5.26	5.63	5,320.1	13,164.0
2014	12.54	12.37	11.55	11.20	10.47	3.72	3.92	5,056.7	12,219.7
2013	12.57	12.41	12.09	8.19	7.53	4.12	4.37	4,654.4	10,652.2

¹Supplemental information

²SD means the standard deviation

³AUM means assets under management

1. Vestcor Inc. ("Vestcor") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Vestcor has been independently verified for the periods December 1, 1996 through December 31, 2022. The verification reports are available upon request.

An asset owner that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the asset owner's policies and procedures related to total fund and composite maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on an asset owner-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

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2. For the purpose of complying with the GIPS standards, the asset owner is defined as Vestcor because Vestcor has discretionary authority for the investment of the assets. Vestcor was initially established pursuant to the *New Brunswick Investment Management Corporation Act* proclaimed on March 11, 1996 and was continued on October 1, 2016 and amalgamated on January 1, 2018 pursuant to the *Vestcor Act*. Vestcor provides investment management and advisory services for pension, trust, and endowment entities and funds.

The Total Fund assets may be invested in unit trust funds, separate accounts, and limited partnerships, established by Vestcor to facilitate the collective investment management and administration of these assets. The assets managed by Vestcor are held in accordance with each Total Fund's investment policy.

A complete list and description of Total Funds are available upon request.

3. The New Brunswick Teachers' Pension Plan Total Fund ("Total Fund") includes all discretionary assets managed by Vestcor on behalf of the Total Fund, based on that pension plan's primary objective to meet the Risk Management goal of achieving at least a 97.5% probability that the past base benefits at the end of each year will not be reduced over a 20-year period. The strategy reflects the actual asset allocation approved by the Board of Trustees and outlined in the Total Fund's Statement of Investment Policies and Goals ("SIP&G"). Long-term objectives are to preserve the capital value of the Total Fund while providing the best possible long-term real return on investments while continuing to achieve the risk management goals. The Total Fund has a four-year moving average rate of return target equal to a value-added contribution of 50 basis points, after deducting all investment management costs. Investment risks are reduced by prudent and thoughtful diversification which is achieved by investing in a variety of asset classes that are expected to behave differently depending on the economic environment. Derivative instruments may be used to manage performance returns and mitigate market risks such as foreign currency, interest rate and pricing risk. The Total Fund asset mix includes public equity, fixed income, inflation linked, absolute return, real estate, infrastructure and private equity asset classes. A material amount of illiquid investments may be held in real estate, infrastructure, private equity and private fixed income instruments

The inception date of this Total Fund is March 31, 1996 and the historical results are presented on a calendar basis.

4. Total Fund returns are calculated in Canadian dollars using the aggregate return method on a daily basis. Daily returns are linked geometrically to calculate periodic returns. Returns include dividends net of withholding taxes, interest, as well as realized and unrealized gains and losses as of the last business day of the reporting period. Performance returns expressed on a full gross basis are after the deduction of all trading expenses, but before the deduction of investment management costs and custodial fees.

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Under the terms of its investment management agreements, Vestcor charges for its investment management services on a cost recovery basis, allocated *prorata* to its clients according to their share of Vestcor's total assets under management. Performance returns expressed on a net basis are after the deduction of all expenses charged for the Total Fund assets under management, including trading expenses, custodial fees, and investment management costs.

As of 31 December 2022, 14.73% of Total Fund assets were valued using subjective unobservable inputs. The Total Fund performance presented in this schedule may not be indicative of future performance. Readers should also be aware that other performance calculation methods may produce different results, and that the results for specific accounts and for different periods may vary from Total Fund returns presented. Comparisons of investment results should consider qualitative circumstances and should be made only to portfolios with generally similar objectives.

In the calculation and presentation of performance returns, Vestcor is not aware of any instances in which this presentation does not conform with the laws and regulations of any province or territory of Canada in which Vestcor operates.

Additional information regarding Vestcor's policies and procedures for valuing portfolios, calculating and reporting Total Fund results, and preparing asset owner reports, is available upon request.

5. The three year annualized ex-post standard deviation measures the variability of the Total Fund and the benchmark daily returns, aggregated to a monthly basis, over the preceding 36 month period.
6. Vestcor has entered into sub-advisory agreements, whereby certain assets are managed by external managers for all periods presented.. Rates of return earned on assets managed by the external managers are included in Total Fund presentations because Vestcor maintains full discretion over the use and choice of external managers.
7. Futures contracts, forward foreign exchange contracts, exchange traded and over-the-counter options and swaps, and short positions are used in Vestcor's investment management activities.

These derivative instruments are used for various purposes, including:

- to simulate exposure to a particular market index, but with lower transaction costs;
- to enhance performance returns;

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- to modify the cash flow characteristics of an investment; or
- to hedge against potential losses due to changes in foreign exchange rates or stock prices.

In using derivative instruments, as described above, Vestcor has established investment criteria, policies and procedures over the extent and use of derivative instruments to manage performance returns and mitigate market risks such as foreign currency, interest rate and pricing risk.

8. The Total Fund blended benchmark is calculated daily using a blend of the asset class benchmarks, based on the beginning daily weights for the respective asset classes. Benchmark returns were calculated using the indices and weights listed below on December 31, 2022. Prior period indices and benchmark weights are available upon request.

Index	Weight (%)
S&P/TSX Composite Total Return Index	4.35
S&P/TSX Small Cap Total Return Index	1.53
MSCI Canada Minimum Volatility Total Return Index, Gross	3.92
MSCI World (ex. Canada) Total Return Index in \$C, Net	9.33
MSCI World (ex. Canada) Minimum Volatility Total Return Index in \$C, Net	10.94
MSCI World (ex. Canada) Small Cap Total Return Index in \$C, Net	0.85
MSCI Emerging Markets Minimum Volatility (USD) Total Return Index in \$C, Net	3.95
MSCI USA IMI REIT Index in \$C, Gross	0.70
S&P/TSX Capped REIT Total Return Index	0.12
MSCI/REALPAC Canada Quarterly Property Fund Index (Levered), Net Total Return	7.76
MSCI World Total Return Index in \$C, Net	7.67
4% Real Return*	5.87
FTSE Canada All Government Bond Index	14.69
FTSE Canada All Corporate Bond Index	17.76
FTSE Canada Real Return Bond Index	4.72
FTSE Canada 91-Day T-Bill Index	5.34
One-day Canadian Call Loan Rate	0.40
Not applicable	0.10

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**Inflation is defined as the percentage change in the twelve-month average CPI-Canada All Items Index*

Effective October 1, 2014, minimum volatility benchmarks replaced the market cap indices for Canadian, US, and EAFE Low Volatility public equity funds.

In July of 2018, FTSE Russell announced the rebranding of the FTSE TMX Canada Indices to the FTSE Canada Indices.

Effective October 1, 2020, the MSCI USA IMI REIT Index in \$C, Net replaced the FTSE NAREIT All Equity REITS Total Return Index in \$C for the U.S. Public Real Estate Funds.

Effective January 1, 2021, the MSCI USA IMI REIT Index in \$C, Gross replaced the MSCI USA IMI REIT Index in \$C, Net for the U.S. Public Real Estate Funds.

Effective April 1, 2021, the MSCI World Total Return Index in \$C, Net replaced the S&P/TSX Composite Total Return Index, the S&P 500 Total Return Index in \$C and the MSCI EAFE Total Return Index in \$C, Net for all Private Equity Funds.

Effective April 1, 2021, the MSCI World (ex. Canada) Minimum Volatility Total Return Index in \$C, Net replaced the MSCI EAFE Minimum Volatility (USD) Total Return Index in \$C, Net and the MSCI USA Minimum Volatility (USD) Total Return Index in \$C, Net for the US and EAFE Low Volatility Funds.

Effective January 1, 2022, the MSCI/REALPAC Canada Quarterly Property Fund Index (Levered), Net Total Return replaced the 4% Real Return for all Private Real Estate Funds.

Effective April 1, 2022, the MSCI World (ex. Canada) Total Return Index in \$C, Net replaced the S&P 500 Total Return Index in \$C and the MSCI EAFE Total Return Index in \$C, Net for the US and EAFE Public Market Funds.

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