



ACTIVE MEMBER EDITION
SPRING 2025 | VOLUME 16

NBPSP UPDATE

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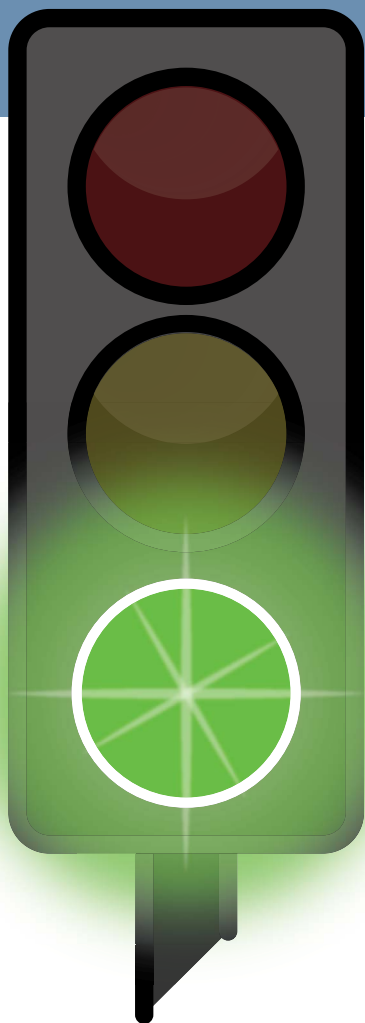
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STATUS OF THE NBPSPP

Your Pension Plan is in excellent financial health.

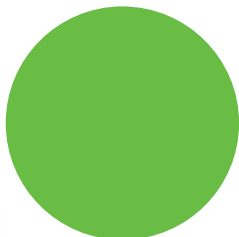
The Board of the NBPSPP has introduced a “Traffic Light” system to provide a snapshot of the financial health of the Plan. This traffic light system is based on the Open Group Funded Ratio of the NBPSPP. This ratio is determined by the Plan’s actuary, TELUS Health, and is used by the Board to make decisions on benefit improvements for members, such as granting Cost of Living Adjustments (COLA) in accordance with the Plan’s Funding Policy. Look for the traffic light in newsletters, annual reports, and the Plan’s website to see how the Plan is doing at a glance.



The NBPSPP is
129.4%
funded.[†]

The Plan’s actuary determines the funded status of the NBPSPP by comparing its assets against its financial obligations, also known as its “liabilities”. The NBPSPP had \$9.254 billion in assets and \$8.334 billion in liabilities as at January 1, 2024.

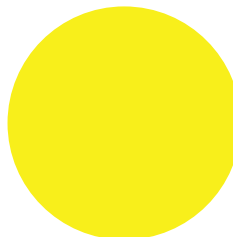
WHAT DO THE TRAFFIC LIGHTS MEAN?



GREEN LIGHT

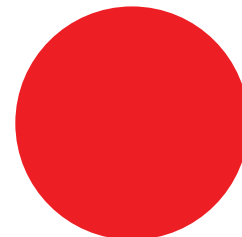
When the Plan is funded over 120%, it is considered to be in good financial health, and you can expect COLA to be granted.

This is where the NBPSPP has stood since inception, and where it remains today. The funded status of the Plan has never dropped below 120% since conversion to a shared risk plan.



YELLOW LIGHT

When the Plan is funded between 105% and 120%, COLA can be granted most of the time, but may not match the rate of inflation.



RED LIGHT

When the Plan is funded below 105%, COLA can not be granted that year. If funding drops too low, contributions may need to be increased or benefits may be reduced in accordance with the Plan’s Funding Policy.

[†]Open Group Funded Ratio as at January 1, 2024. This ratio is determined by adding the Plan’s market value of assets with the present value of excess contributions over the next 15 years and dividing by the Plan’s funding policy valuation actuarial liabilities.

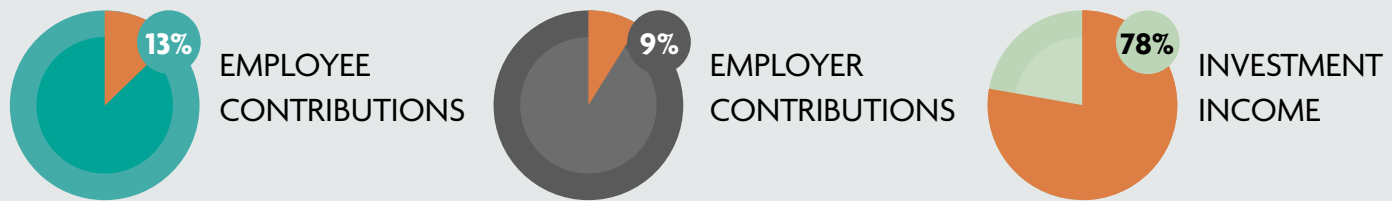
DISCLAIMER: This newsletter is a publication on behalf of the Board of Trustees of the New Brunswick Public Service Pension Plan. This publication is intended to provide information about the New Brunswick Public Service Pension Plan. If there is a discrepancy between the information contained herein and the pension plan text or other appropriate governing documents, the latter will prevail.

What makes up the NBPSPP Fund?

The NBPSPP Fund is made up of the following elements:

- Contributions from members and their employers.
- Income from the Plan's investment portfolio.

IN 2024, THE NBPSPP FUND GREW BY **\$937.2 MILLION**.
THAT GROWTH WAS MADE UP OF...



2024 PLAN EXPENSES

Benefits paid to members
\$526.3 million

Cost to the Plan for the most recent COLA
\$290.3 million

Plan expenses
(including all administration and investment costs)
\$18.9 million

2025 ANNUAL INFORMATION MEETING

LEARN ABOUT YOUR PLAN FROM THE PEOPLE WHO KNOW IT BEST!

WHEN?

September 24, 2025, 12:00 noon ADT

WHERE?

Online webcast (phone-in option also available)

WHO?

All members of the Plan, whether you are actively contributing, are a retiree, have deferred your pension, or are a surviving spouse.

WHY SHOULD YOU ATTEND?

Join the Board of Trustees and the Plan's key service providers to receive:

- Key updates and insights on the performance and management of the Plan.
- Important facts and information to help you better understand your pension benefits – whether you're contributing to the Plan or receiving a pension.
- Answers to your questions from the source. Engage in conversation with the Board and service providers, who will answer your questions live.

Sign up for reminders at nbpspp.ca/2025aim.

An official invitation will follow as the meeting approaches.

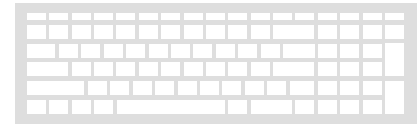
Missed last year's meeting? Watch it at nbpspp.ca/2024aim.

Your fellow members had some excellent questions at last year's meeting, more than we could address during our allotted time. To make sure every member was heard, we had an expanded Q&A session. Scan the code below with your mobile device or visit nbpspp.ca/2024aim to watch it.



THE EASIEST WAY TO ESTIMATE YOUR PENSION

Did you know that you can quickly and easily estimate your future pension yourself, completely online? There are no forms to fill out, no waiting, and you can get as many estimates as you like. In minutes, you can see what your pension may look like when you reach retirement age. **Thinking of retiring early? You can also calculate estimates for that!**



WHAT DO I NEED TO GET STARTED?

To use the online calculator, you'll need one of your annual Employee Statements of Pension Benefits. The statement includes a section specifically for use with the online calculator. All you need to do is copy a few figures from your statement into the calculator. Your latest statement will give you the most accurate results, but older copies can be used as well.



You should have recently received your statement for the period of January 1 to December 31, 2024.

Need help with your statement?

A helpful guide called, "Understanding Your Employee Statement of Pension Benefits" is included with your statement. This guide is also available at nbpspp.ca under "Booklets and Guides".

Have you moved recently?

Make sure to update your address with your employer so that your statements are sent to the correct address.



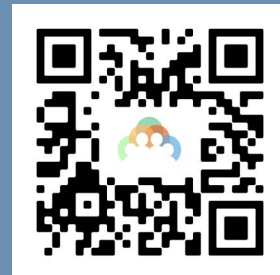
ARE YOU CLOSE TO RETIREMENT?

Complete a request for a formal pension estimate using the Pension Estimate Form available at nbpspp.ca, under "Application Forms" and then "Retirement", or contact Vestcor's Member Services Team at 1 800 561 4012 or info@vestcor.org.



NEED A LITTLE MORE HELP?

Scan the code below with your mobile device to watch a step-by-step video on how to use the calculator. This video is also available to view on vestcor.org/calculators.



GO TO [VESTCOR.ORG/CALCULATORS](https://vestcor.org/calculators) TO GET STARTED.

BOARD OF TRUSTEES

Katherine Greenbank, BBA, CPA, CMA

Chair - Appointed by the Province of New Brunswick

Retired Corporate Director of Financial Systems Integration, Service New Brunswick

Sébastien Deschênes, DBA, CFA, FCPA, ICD.D

Vice-Chair - Appointed by the Province of New Brunswick

Professor of Accounting and Vice-President, Université de Moncton - Edmundston Campus

David Brown

Trustee - Appointed by the International Brotherhood of Electrical Workers Local 37

Business Manager, International Brotherhood of Electrical Workers Local 37

Paula Doucet, RN

Trustee - Appointed by the New Brunswick Nurses Union

President, New Brunswick Nurses Union

Renée Laforest, CPA, CGA

Trustee - Appointed by the Province of New Brunswick

Chief Executive Officer, Service New Brunswick

Jim Mehan, MBA, CPA, CMA

Trustee - Appointed by the Province of New Brunswick

Deputy Minister, Department of Social Development, Province of New Brunswick

Marilyn Quinn

Trustee - Appointed by the Province of New Brunswick

Retired Registered Nurse and Former President, New Brunswick Nurses Union

Odette Robichaud

Trustee - Appointed by the Canadian Union of Public Employees Locals 1252, 1840, and 5017

Retired Court Stenographer, Province of New Brunswick

Leigh Sprague, LL.B.

Trustee - Appointed by the New Brunswick Union of Public and Private Employees

Executive Director, New Brunswick Union

Susie Proulx-Daigle

Observer - Appointed by the New Brunswick Union of Public and Private Employees

President, New Brunswick Union

Chris Russell

Observer - Appointed by the Canadian Union of Public Employees Locals 1252, 1840, and 5017

Red Seal Plumber and Maintenance Repair Worker, New Brunswick Community College

Peter Hanlon

Guest of the International Brotherhood of Electrical Workers Local 37

Matt Hiltz, B.Sc., LL.B.

Guest of the New Brunswick Nurses Union

The NBPSPP Board of Trustees is made up of ten Trustees and two Observers.

- Five Trustees have been appointed by the provincial government.
- Four Trustees have been appointed by the unions who signed the NBPSPP's Memorandum of Understanding.
- There is currently one Trustee vacancy for an appointee from the Professional Institute of the Public Service of Canada.

Although appointed by the unions or the provincial government, each member of the Board has a fiduciary duty to the NBPSPP. **This fiduciary duty means they must act in the best interest of the Plan and its members.**

Find full biographies of
your Trustees at
nbpspp.ca

INVESTMENT UPDATE

VESTCOR

A SNAPSHOT OF YOUR PENSION FUND AT DECEMBER 31, 2024

NBPSPP RETURN
(GROSS)

12.65%

AT DEC. 31, 2024

NET INCREASE OF

\$937.2 million

SINCE DEC. 31, 2023

INVESTMENT
ASSETS

\$10.172 billion

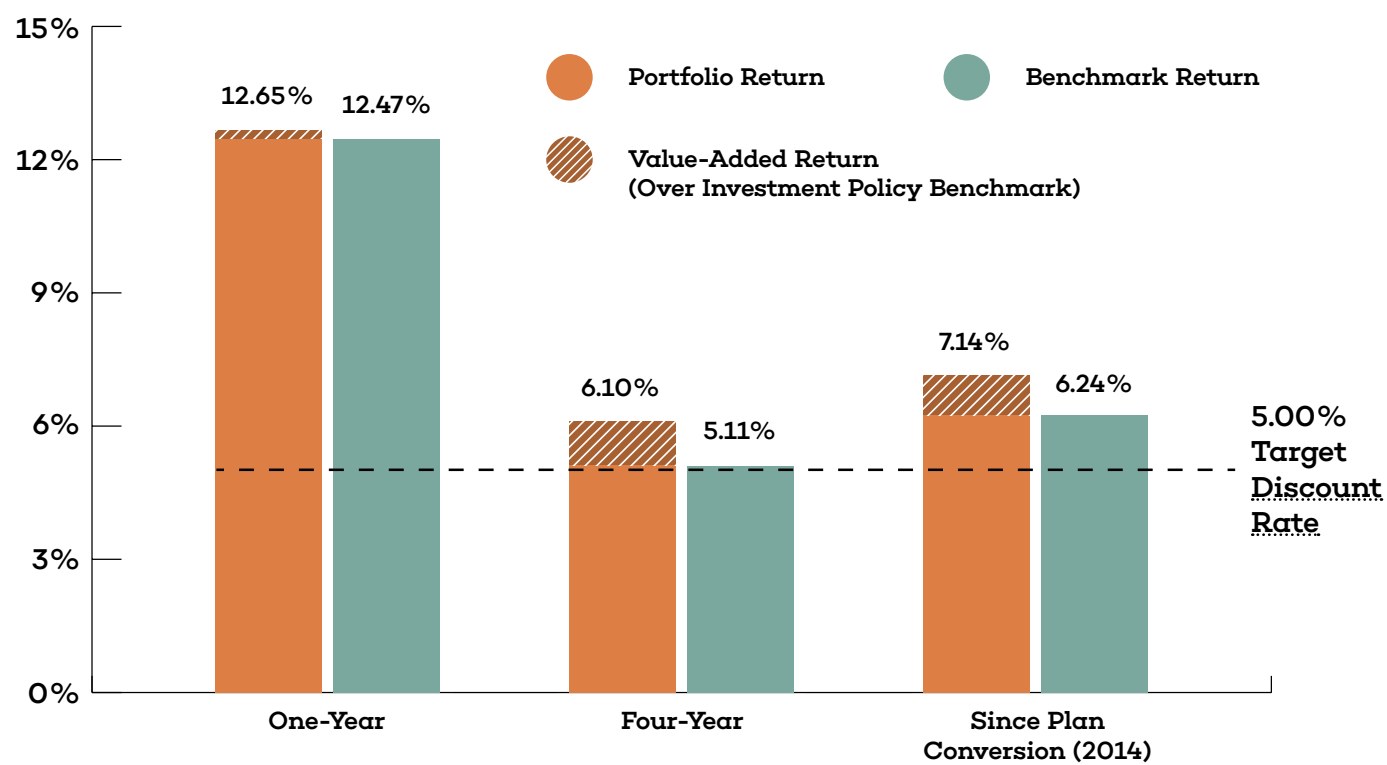
NBPSPP FOUR-YEAR
RETURN (GROSS)

6.10%

Look for terms with a dotted underline in this Investment Update. You can find definitions of these terms and others relevant to the NBPSPP by scanning the code to the right with your mobile device, or by visiting vestcor.org/glossary.



INVESTMENT RETURNS (AS AT DECEMBER 31, 2024)



We are pleased to report that the Plan’s investments earned a record return of 12.65% for 2024. This is the highest return for a calendar year since the NBPSPP’s conversion on January 1, 2014. The investment portfolio also managed to keep pace with its benchmark after accounting for investment costs, despite the lower risk positioning of the portfolio and the difference in timing of the valuation of private equity investments and public equity investments.

Over the longer term, both the four-year annualized return of 6.10% and the annualized return since conversion of the NBPSPP of 7.14% are in excess of the 5.00% target discount rate set by the independent actuary and continue to exceed the respective benchmark returns of 5.11% and 6.24%. This performance is particularly noteworthy since the Plan’s assets continue to take on less investment risk than most other comparable Canadian pension plans. An independent survey of Canadian pension plans found that our Plan earned significantly more return compared to the median plan over the last four years, after adjusting for the level of risk taken.

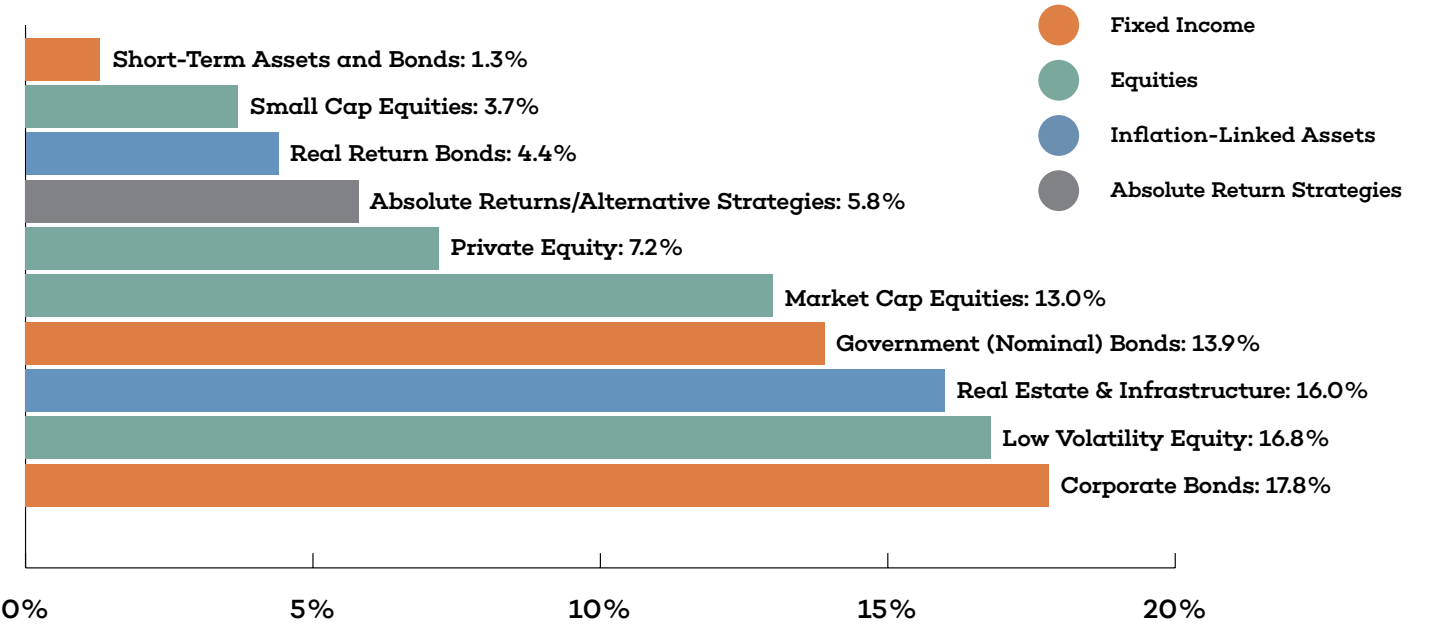
INVESTMENT ASSETS

The fair value of the NBPSP investment assets on December 31, 2024 was \$10.172 billion, an increase of \$937.2 million from the fair value on December 31, 2023.

ASSET MIX

The chart below outlines the portfolio asset mix at December 31, 2024 and highlights the diversification within the Plan's investment assets.

Asset Mix Breakdown as at December 31, 2024



The NBPSP's investment policy is reviewed by the Board on an annual basis and the Plan's investments are currently being transitioned to a new asset mix. More information on the Board's policies can be found in the [Statement of Investment Policies](#) available at [nbpspp.ca](#), under "About the NBPSP" then "Governing Documents."

MARKET SNAPSHOT

Overall, most diversified investors earned strongly positive returns over the past year, with those positioned in relatively higher-risk investments performing best of all. However, the divergence in economic prospects between Canada and the U.S. has put increasing pressure on the Canadian dollar over the past year. The outcome of the U.S. election has also had impacts on trading partners like Canada. Imposition of far-reaching tariffs would significantly impact Canadian producers, and retaliatory action on the part of Canadian policymakers have an additional negative impact on domestic consumers, who would be forced to pay more for imported goods if politicians engage in "like-for-like" tariff policies.

Further, broad themes that have been in place in recent years – such as artificial intelligence (A.I.) stock outperformance, the general strength of the technology sector, significant geopolitical events, and relative turmoil among a variety of consumer-focused businesses – will either continue to place pressures on active managers struggling to keep up, or potentially experience a reversal, with significant volatility and risk implications for investors. Although market volatility is inevitable, your Plan's diversified investment portfolio is crafted to withstand these fluctuations, ensuring the long-term security of member benefits.

For more information, including a summary of the market outlook for this period, visit the Quarterly Market Updates provided by Vestcor at [vestcor.org/marketupdates](#).

RESPONSIBLE INVESTMENT REPORT

We regularly hear from you, the members of the NBPSP, asking how the funds of the Plan are being invested. In particular, you want to know the environmental impacts of the Plan's investment portfolio.



We are happy to announce that the NBPSP's first Responsible Investment Report is now available at nbpssp.ca/responsible!

The Board of Trustees is pleased to share the Plan's first Responsible Investment Report. This report accounts for how environmental, social, and governance (ESG) related issues are considered when making investment decisions for the NBPSP. The report also includes climate-related greenhouse gas emission disclosures for a majority of the Plan's investment portfolio.

Responsible investing is important to the NBPSP. A long-term investment approach, integrated with responsible investing considerations, is aligned with the goal of the Plan.

Moving forward, we will publish a Responsible Investment Report annually, allowing you to follow the progress on our responsible investment practices. We look forward to showing you the work we've done to ensure stable, sustainable, long-term investment returns are generated for your pension fund.

The NBPSP portfolio finances 47.9 tonnes of CO₂ per million \$ invested.*

That equals (per million \$)



The annual energy use of **11.2 homes**

Or



14.7 passenger vehicles

*This figure represents 90% of the assets of the NBPSP's total portfolio.

Source: Natural Resources Canada Greenhouse Gas Equivalencies Calculator
<https://oee.nrcan.gc.ca/corporate/statistics/neud/dpa/calculator/ghg-calculator.cfm>

AMENDMENTS TO GOVERNING DOCUMENTS

The *Pension Benefits Act* (New Brunswick) requires that members be provided with an update on any amendments to the NBPSP governing documents. As such, the Board of Trustees would like to inform you of the following amendment that has been filed with the Superintendent of Pensions:

- The Plan Text was amended to reflect the Cost of Living Adjustment of 3.70% (3.11% plus 0.27% and 0.32% not granted in 2024 and 2023 respectively) effective January 1, 2025. The amendment was filed with the Superintendent of Pensions on January 23, 2025.

The governing documents of the NBPSP are available at nbpssp.ca, and include:

- **The Funding Policy:** the tool used by the Board of Trustees to manage the inherent risks of the Plan. It is a document that provides guidance and rules regarding decisions that must, or may, as applicable, be made by the Board of Trustees around funding levels, contributions, and benefits. The Funding Policy is accessible at nbpssp.ca/fp. A quick summary of some of the main provisions of the Funding Policy of the NBPSP is available at nbpssp.ca/sfp.

PREFER TO GET THIS NEWSLETTER IN PAPER FORMAT?

Contact us at info@nbpssp.ca or by calling 1 800 561 4012.

