

NEW BRUNSWICK

Teachers'

PENSION PLAN



10
YEARS

2024
Annual Report

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New Brunswick Teachers' Pension Plan
2024 Annual Report

Published by:



on behalf of the Board of Trustees of the
NB Teachers' Pension Plan.

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GLOSSARY

Actuarial Valuation

A report which is prepared every three years, as required by legislation, which determines the financial status of the Pension Plan. It documents the results of the funding valuation, the going concern Actuarial Valuation, a hypothetical wind-up valuation, and the risk management procedures. The most recent Actuarial Valuation prepared for the NBTPP was as at August 31, 2024.

Ancillary Benefits

Benefits that are in addition to the Base Benefit, such as the Indexing Adjustment Benefit (i.e., indexing) and early retirement subsidies.

Cost Certificate

A report as required by legislation which is prepared as at the Plan year end in the years when an Actuarial Valuation is not required. It outlines the extrapolated financial position of the Plan, the estimated contribution requirements and normal cost of benefits to accrue over the Plan year following the Cost Certificate plan year end, and a review of any actions which may be required under the terms of the Funding Policy. The last Cost Certificate prepared for the NBTPP was as at August 31, 2023.

Indexing Adjustment Benefit (IAB, also known as “indexation”)

The cost-of-living adjustment applied to NBTPP pension benefits based on all or a portion of the changes in the Consumer Price Index averaged over 12 months.

NBPSPP

The New Brunswick Public Service Pension Plan, Member in equal parts with the New Brunswick Teachers' Pension Plan (NBTPP) of Vestcor Corp. For more information, visit nbpspp.ca.

NBTPP

The New Brunswick Teachers' Pension Plan, Member in equal parts with the New Brunswick Public Service Pension Plan (NBPSPP) of Vestcor Corp. For more information, visit nbtp.ca.

NBTPP Fund

The pension fund for the New Brunswick Teachers' Pension Plan.

PBA

The *Pension Benefits Act*, provincial legislation that the NBTPP is subject to and must comply with for certain provisions as stipulated under the *Teachers' Pension Plan Act* (TPPA).

TPPA

The *Teachers' Pension Plan Act*, provincial legislation that governs the NBTPP. The TPPA also specifies the *Pension Benefits Act* (PBA) provisions applicable to the NBTPP.

Vestcor Corp.

Formed in July 2016, Vestcor Corp. is an independent private not-for-profit holding company under the *Vestcor Act* of the New Brunswick Legislature. It is the oversight body for Vestcor Inc. Vestcor Corp. is jointly owned by the NBTPP and the New Brunswick Public Service Pension Plan (NBPSPP). For more information, please visit: vestcor.org/vestcorcorp.

Vestcor Inc.

Provides investment management and administration services to the NBTPP. For more information, visit: vestcor.org/about-us.

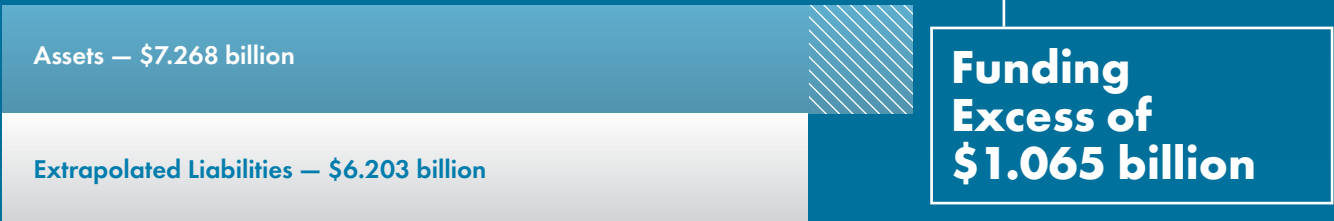
FUNDED RATIO

As at August 31, 2024

The NBTPP is 117.2% Funded.

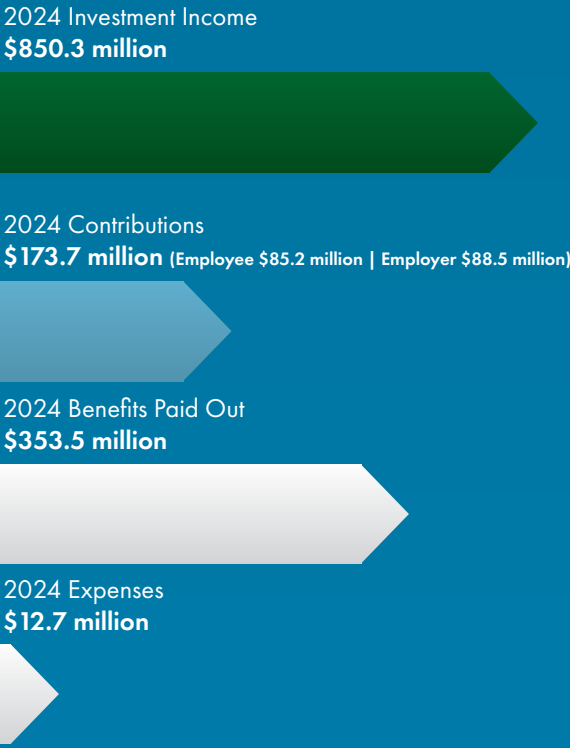
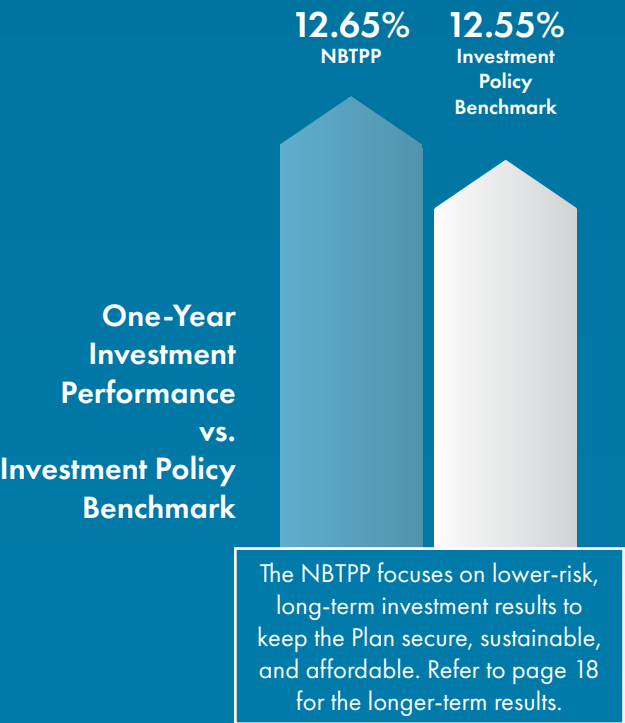
This is the highest funded ratio for the Plan to date.

Assets vs. Liabilities



PLAN PERFORMANCE

Year ended December 31, 2024



INDEXING ADJUSTMENT **BENEFITS** (IAB)

The financial health of the Plan has allowed for maximum Indexing Adjustment Benefits to be provided to all members every year since the NBTPP converted to a target benefit plan in 2014. These adjustments help ensure pensions keep up with inflation. Adjustments applied over the past ten years are noted below. For all IAB applied since conversion, refer to the Plan's newsletters at nbtp.ca.

Year Awarded (as of January 1)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
NBTPP IAB for Active Members	3.11%	4.75%	4.75%	1.46%	1.46%	2.12%	1.88%	1.47%	1.40%	1.49%
Maximum IAB Permitted*	3.11%	4.75%	4.75%	1.46%	1.46%	2.12%	1.88%	1.47%	1.40%	1.49%
NBTPP IAB for Retired & Deferred Members	2.33%	3.56%	3.56%	1.10%	1.10%	1.59%	1.41%	1.10%	1.05%	1.12%
Maximum IAB Permitted*	2.33%	3.56%	3.56%	1.10%	1.10%	1.59%	1.41%	1.10%	1.05%	1.12%

* Per the NBTPP's Funding Policy





LETTER FROM THE CHAIRPERSON

On behalf of my fellow Trustees and Observers, I am proud to present the 2024 Annual Report of the New Brunswick Teacher's Pension Plan (NBTPP).

The year 2024 marked a major milestone – ten years of the NBTPP. The year also delivered a strong nominal investment return of 12.65%, adding over \$690 million to the pension fund and bringing total assets to \$7.268 billion. With over one billion dollars in surplus, the Plan's very strong funded status triggered a reduction of contribution rates for both members and employers, effective August 2025, without negatively impacting benefits or funding. The NBTPP continues to fulfill its purpose: to provide a stable, lifetime income to its members in retirement.

While we celebrate these achievements, we remain mindful of market uncertainty. Strong governance and prudent risk management continue to guide our decisions, ensuring the Plan remains stable and resilient. For members of the Plan, their NBTPP pension benefit is their most important financial asset, and we treat it as such!

We were pleased to welcome two new members to the Board. Robert Penney, Assistant Deputy Minister of Corporate Services at the Department of Education and Early Childhood Development, joined us as a Trustee. Natalie Kenny, Senior Pension Advisor at the Department of Finance and Treasury Board, joined as an Observer. Their experience will be invaluable as we work our way forward.

We also had one Trustee leave our Board during the year. We thank Amy Murdock for her dedicated service to the Plan since 2022. Amy was an exemplary Trustee, and we wish her every success in her next chapter.

We hope you find this report of our activities in 2024 informative. We encourage you to join us for our Annual Information Meeting on October 8, 2025 at 7:00 p.m. Sign up for updates and stream it live at nbtpp.ca/2025aim.

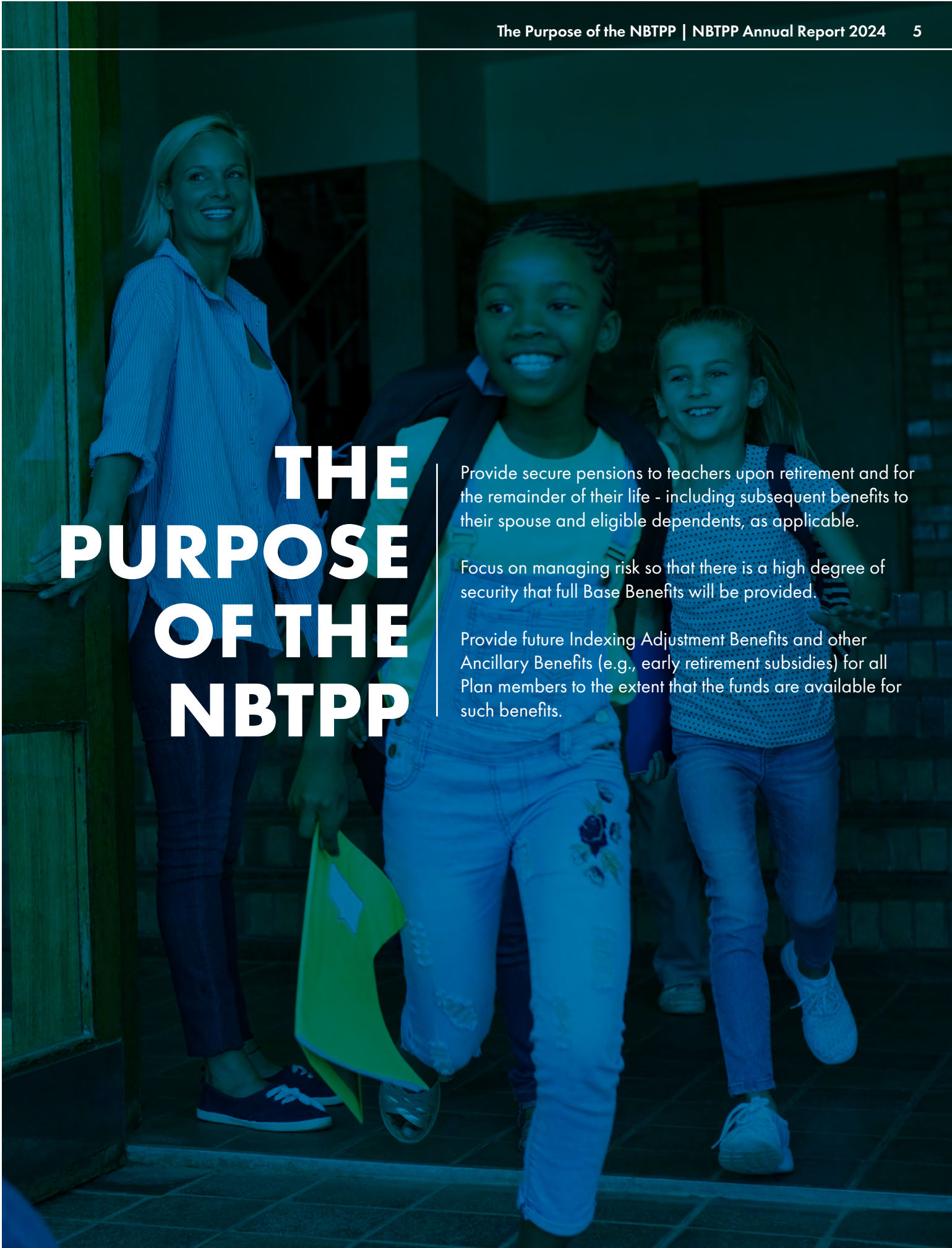
We have had a solid decade of success! We look forward to many more years of providing teachers with secure, lifetime pension benefits upon their well-earned retirement.

Sincerely,

A handwritten signature in black ink, appearing to read 'L. Jamieson', is positioned above the printed name.

Larry Jamieson
Chairperson





THE PURPOSE OF THE NBTPP

Provide secure pensions to teachers upon retirement and for the remainder of their life - including subsequent benefits to their spouse and eligible dependents, as applicable.

Focus on managing risk so that there is a high degree of security that full Base Benefits will be provided.

Provide future Indexing Adjustment Benefits and other Ancillary Benefits (e.g., early retirement subsidies) for all Plan members to the extent that the funds are available for such benefits.



NBTPP GOVERNANCE

Board of Trustees

The NBTPP Board of Trustees (the “Board”) is the administrator of the NBTPP (the “Plan”). As administrator, the Board is responsible for the overall governance and administration of the NBTPP in accordance with the *Teachers’ Pension Plan Act*, the *Pension Benefits Act* and Regulations, the *Income Tax Act*, and the Plan’s governing documents. These duties include setting the levels of contributions and benefits in accordance with the Funding Policy, approving investment policy decisions, and providing oversight of the pension administration and investment management.

Established in July 2014, the Board consists of eight Trustees. The New Brunswick Teachers’ Federation appoints one half of the Trustees, and the other half is appointed by the provincial government. In addition, two Observers are appointed by the New Brunswick Teachers’ Federation, and one Observer is appointed by the provincial government. These Observers have the right to attend meetings of the Board of Trustees, but do not have voting powers.

The Board was comprised of the following individuals in 2024:



Larry Jamieson

Chairperson

Retired Teacher and retired Executive Director of the New Brunswick Teachers' Association



Marcel Larocque

Vice-Chairperson | Governance Committee Member

Retired Teacher and retired acting Executive Director of the *Association des enseignantes et des enseignants francophones du Nouveau-Brunswick*



Robert Fitzpatrick

Trustee | Governance Committee Member

Retired Teacher and retired Executive Director of the New Brunswick Teachers' Association



Jane Garbutt, ICD.D

Trustee

Senior Vice-President of Corporate Operations and Administration, Ocean Capital Investments Limited



Rémi Gauthier

Trustee | Audit Committee Member

Teacher and Director of Member Services of the *Association des enseignantes et des enseignants francophones du Nouveau-Brunswick*



Leonard Lee-White, CFA

Trustee | Chairperson of the Governance Committee

Retired Assistant Deputy Minister, Department of Finance and Treasury Board, Province of New Brunswick



Jennifer Morrison, CPA, CA

Trustee | Chairperson of the Audit Committee

Treasurer, University of New Brunswick



Amy Murdock¹

Trustee | Audit Committee Member

Former Comptroller, Department of Finance and Treasury Board, Province of New Brunswick



Robert Penney²

Trustee | Audit Committee Member

Assistant Deputy Minister, Corporate Services, Department of Education and Early Childhood Development, Province of New Brunswick



Natalie Kenny, PPAC³

Observer

Senior Pension Advisor, Department of Finance and Treasury Board, Province of New Brunswick



Michael Ketchum

Observer

Retired Teacher and retired from Teacher Welfare Services, New Brunswick Teachers' Association



Kerry Leopkey

Observer

Licensed Teacher and Executive Director and Chief Spokesperson of the New Brunswick Teachers' Federation

¹ Amy Murdock resigned from the Board effective October 25, 2024.

² Robert Penney was appointed as a Trustee effective December 11, 2024.

³ Natalie Kenny was appointed as an Observer effective November 1, 2024.

Fiduciary Duty

The Trustees appointed to this Board hold a fiduciary duty towards the Plan, meaning they do not represent the Party who appointed them; rather, they must act in the best interest of the NBTPP and its members at all times when administering the affairs of the Plan.

Trustees must abide to a Code of Conduct and Ethics. They are entrusted with the property of another person; in this case, it consists of the pensions and related benefits of the Plan members. Trustees are required by law to place the interests of the Plan and its members above their own, and conduct themselves with the highest standards of integrity, honesty, independence, fairness, openness, and competence.

Failure by any of the Trustees to properly exercise their fiduciary duty (e.g., not disclosing or addressing conflicts of interest) can result in disciplinary actions, revocation of the Trustee appointment, or even civil or criminal prosecution.



Board Member Education

Members of the Board are required to regularly participate in continuing education programs in order to improve effectiveness in their Trustee work and make the best decisions for the Plan and its members. The continuing education is designed to enhance their knowledge and understanding of pension governance, administration, and investments.

The Board receives ongoing education through the regular collection of news and articles of interest, structured presentations at Board meetings, as well as appropriate conferences and seminars. In 2024, the Board received presentations on the Real Assets and Fixed Income portfolios during regular meetings. A formal Board Education Day included sessions on Alternative Fixed Income, Private Equity, and Public Equity portfolios, and a session on Trustee Liability and Legal Trends.

The Board continued to utilize the Board of Trustees Orientation, Growth, and Development Program established to set out education guidelines in order to assist the Board in meeting its fiduciary duty with regard to education. The program is comprised of trustee orientation and trustee growth and development components which recognize the ongoing evolving nature of the Board's responsibilities.

Board Expenses

Members of the Board who are not otherwise paid by their appointing Party to participate in meetings and educational activities receive a per diem of \$250 or \$350 in accordance with the Board's Compensation and Travel Expenses Policy. Members of the Board not paid by their appointing Party are also eligible for an annual retainer for the work they do on behalf of the NBTPP. The increase in Board expenses shown in the chart below is due to a few additional Board and Committee meetings, offset by decreased translation costs. Reasonable expenses incurred by Trustees and Observers in order to attend meetings and participate in educational activities are reimbursed.

The cost of the Board function for 2024 was \$105,657, compared to \$105,397 in 2023.

	2024	2023
Translation and Interpretation	\$15,482	\$16,365
Meeting Expenses	3,373	3,056
Education	22,027	22,456
Travel	4,177	2,458
Per Diem*	42,598	42,439
Retainer*	18,000	18,623
	\$105,657	\$105,397

* Six Trustees and one Observer received at least a portion of an annual retainer and per diems.

Vestcor Corp.

Vestcor Corp. is a not-for-profit holding company and oversight body for Vestcor Inc. (Vestcor), the investment management and pension administration company that performs these services for the NBTPP. The NBTPP, together with the New Brunswick Public Service Pension Plan (NBPSPP), are currently the Members of Vestcor Corp. Vestcor Corp. publishes its own Annual Report, available at vestcor.org/vestcorcorp.

Under the Members' Agreement, the NBTPP has the right to appoint four of the eight Directors of the Board of Directors for Vestcor Corp. Also, the Members, i.e., NBTPP and NBPSPP, proportionately share the operating expenses of Vestcor Corp. The NBTPP's share of these expenses, in the amount of \$14,579 (2023 — \$14,082) is included in the administration expenses in Note 11 to the audited financial statements of the NBTPP on page 57.

Board Committees

As outlined within the Board's governing documents, the Board can establish committees and delegate certain functions to these committees. Two committees have been established: the Governance Committee and the Audit Committee. The Governance Committee meets quarterly, and the Audit Committee meets semi-annually. Both present reports of their meetings and decisions to the full Board for consideration and approval.

Governance Committee

The Governance Committee assists the Board in fulfilling its responsibilities in ensuring that Board governance and stakeholder communications, policies, and processes follow best practices. This includes matters relating to governance documents, ethics, trustee orientation and education, trustee compensation, and board effectiveness.

Audit Committee

The Audit Committee assists the Board in fulfilling its responsibilities in ensuring the integrity of the NBTPP's financial reporting and disclosure processes, the appointment of external auditors, the adequacy and effectiveness of internal controls, risk management, and compliance with legal and regulatory requirements.

Meeting Attendance

Trustees are expected to attend Board meetings and the committee meetings of which they are a member. The following table indicates the number of meetings held in 2024 and the attendance of the Trustees and Observers.

Trustee/Observer	Board	Special*	Audit Committee	Governance Committee
Larry Jamieson, Chairperson	4/4	3/3	2/2	4/4
Marcel Larocque, Vice-Chairperson	4/4	3/3	–	4/4
Robert Fitzpatrick	4/4	3/3	–	4/4
Jane Garbutt	4/4	2/3	–	–
Rémi Gauthier	4/4	2/3	2/2	–
Leonard Lee-White	3/4	3/3	–	4/4
Jennifer Morrison	4/4	3/3	2/2	–
Amy Murdock ¹	3/3	1/1	1/1	–
Robert Penney ²	–	–	–	–
Natalie Kenny (Observer) ³	1/1	1/2	–	–
Michael Ketchum (Observer)	4/4	3/3	–	–
Kerry Leopkey (Observer)	4/4	0/3	–	–

* Special: Annual Information Meeting, Board Education Day, and Board Triennial Assessment.

Notes:

¹ Amy Murdock resigned from the Board effective October 25, 2024.

² Robert Penney was appointed as a Trustee effective December 11, 2024.

³ Natalie Kenny was appointed as an Observer effective November 1, 2024.

For a summary of the Board of Trustees' activities in 2024, see Appendix A on page 20.

GOVERNING DOCUMENTS

The NBTPP is governed by a number of important documents that serve to guide the Board of Trustees in its oversight of the Plan. For a list of amendments made to the governing documents in 2024, please refer to the NBTPP newsletters available at nbtpp.ca. Updated versions of these documents are also available online.

Agreement and Declaration of Trust

The Agreement and Declaration of Trust came into effect on July 1, 2014, the date of conversion from being a defined benefit plan to a jointly governed target benefit plan. This document ensures that the *Teachers' Pension Act* pension fund continued as a trust fund under the NBTPP. The document also outlines the powers and duties of the Board of Trustees as Plan administrator.

Plan Text

The Plan Text contains the detailed provisions of the Plan as they apply to eligibility, contribution and benefit calculations, retirement, as well as to the Funding Policy, Statement of Investment Policies, and risk management framework required by the *Teachers' Pension Plan Act* and the *Pension Benefits Act*.

For a list of amendments made to the governing documents in 2024, please refer to the NBTPP newsletters available at nbtpp.ca.

Updated versions of the governing documents are also available online.

Funding Policy

The Funding Policy is the tool used by the Board of Trustees to manage the risks inherent to the NBTPP. It provides guidance and rules regarding decisions that may have to be made by the Board of Trustees based on the results of the actuarial funding valuations and risk management tests.

The Board is required to regularly monitor the economic and demographic environment and update the Funding Policy or recommend its amendment. Confirmation of the annual review of the Funding Policy must be submitted to the superintendent of pensions.

Statement of Investment Policies

The Statement of Investment Policies outlines the investment policy for the NBTPP Trust, taking into account that it must be managed in a way that provides secure pension benefits in the vast majority of economic scenarios.

The Statement of Investment Policies details the asset mix of the NBTPP Trust (i.e., how the pension fund is to be invested) and the benchmarks against which the investment returns are measured. It must be reviewed annually by the Board, and the confirmation of this review must be submitted to the Superintendent of Pensions.

OPERATION OF THE NBTPP

Plan Administration Services

The Board has an administration agreement with Vestcor to conduct the day-to-day administration of the NBTPP. Vestcor collects employee and employer contributions and pays out benefits in accordance with the Plan provisions. They also provide pension services to help members understand their benefit entitlements. In 2024, Vestcor set up pensions for 335 members and survivors, and had 3,694 contacts with members through phone, email, mail, and in-person meetings.

Vestcor prepares annual statements for each member, communicates with members and stakeholders through semi-annual newsletters and other communication tools, and prepares regulatory submissions to the Superintendent of Pensions and the Canada Revenue Agency.



A partner in creating and delivering
sustainable financial security.

Investment Management Services

Vestcor is also the investment manager for the NBTPP, as outlined in an investment management agreement. Vestcor is responsible for the implementation of the NBTPP Statement of Investment Policies.

Vestcor also provides investment advice to the Board. By using its asset/liability modelling and risk management capabilities as well as portfolio optimization tools, they project the specific pension plan cash flow data to model the risks and returns of potential investment strategies. From this work, Vestcor develops recommendations for an asset mix which is presented to the Board of Trustees for review and approval.

Vestcor receives employers' and employees' pension contributions and invests them in a diversified mix of asset classes according to the NBTPP Statement of Investment Policies. Vestcor also transfers sufficient funds from the pension fund to provide for the monthly pension benefit payment requirements.

Further information about Vestcor is available at vestcor.org.

Actuarial Services

An actuary is an expert in the mathematics of finance, statistics, and risk theory. The *Teachers' Pension Plan Act* requires that the NBTPP undergo an Actuarial Valuation by a professionally accredited actuary at least once every three years following the July 1, 2014 conversion date. The Board of Trustees approves the actuarial assumptions used for the valuation.

The Actuarial Valuation of the pension plan is conducted on a funding and a going-concern basis (i.e., both assume the Plan continues to operate indefinitely) and on a hypothetical wind-up basis (i.e., assumes the Plan is to be wound up on the valuation date) in accordance with standards set by the Canadian Institute of Actuaries. To prepare these valuations, the actuary obtains current membership data and asset mix information from Vestcor.

In the years in which an Actuarial Valuation is not undertaken, a Cost Certificate with respect to the funding basis is prepared. TELUS Health was reappointed as the actuary for the preparation of the NBTPP Actuarial Valuation as at August 31, 2024.



Auditing Services

The external auditor is responsible for expressing an independent opinion as to whether the financial statements of the NBTPP have been presented fairly by conducting an audit in accordance with Generally Accepted Auditing Standards.

KPMG was reappointed as NBTPP's auditor for 2024.





COST OF MANAGING THE PLAN

Costs related to managing the Plan, referred to as the “Administration Costs” in the Statement of Changes in Net Assets in the audited financial statements, consist of pension administration services and investment management services provided by Vestcor and the NBTPP’s share of the operating costs of Vestcor Corp. These costs are further itemized in Note 11 to the audited financial statements (see page 57).

The costs for the year ended December 31, 2024 totaled \$12.7 million, compared to \$12.4 million for the same period in 2023, an increase of \$0.3 million.

As a percentage of average pension fund assets, total administration costs were 0.18% in 2024, the same as 2023. The Plan continues to benefit from the cost competitiveness of its investment and administration service provider as this expense is significantly lower than what other private sector service providers would charge.

ACTUARIAL VALUATION

Actuarial Valuation Reports are required to be conducted by the Plan's actuary at least every three years. In the years when the Report is not required, a Cost Certificate is prepared by the Plan's actuary in lieu.

The Plan's most recent Actuarial Valuation Report was prepared as at August 31, 2024. It was subsequently reviewed and approved by the Board of Trustees on March 25, 2025. In preparing the Actuarial Valuation Report, the Plan's actuary compares the money in the pension plan (the Plan's assets) with an estimate of the total value of benefits earned by all Plan members (Plan's liabilities) as of the valuation date. The Plan's liabilities are estimated using a number of economic and demographic assumptions.

The most recent Actuarial Valuation Report outlines:

- A Funding Valuation Ratio of 117.2%, up from 112.4% in the last Actuarial Valuation Report conducted as at August 31, 2022. This ratio compares the fair market value of the Plan's assets to the Plan's liabilities, assuming the Plan will continue indefinitely (i.e., how funded the Plan is).
- The Risk Management Test Result has remained at 99.90%, the same result as in 2022, exceeding the required goal of 97.50%. This ratio determines the ability to provide long-term benefits to its members without reductions, and is therefore a measure of the security of benefits. It is also used as guidance in setting the investment policy, and when adjustments may be needed to help preserve the long-term financial health of the Plan. These required calculations are outlined in the Plan's Funding Policy.

Copies of the Plan's Actuarial Valuation Reports and Cost Certificates are available at nbtp.ca.

Indexing Adjustment Benefit

In accordance with the NBTPP governing documents, when in a position to do so, the Plan provides for an annual Indexing Adjustment Benefit (IAB) each year. The IAB is based on the Consumer Price Index (CPI) as determined by Statistics Canada. For the 12-month period ending June 30, 2024, the average increase in the CPI was 3.11%.

Active members were awarded a 3.11% increase to their benefits earned up to December 31, 2023, the maximum IAB allowed as per the Plan Text. Retirees also had the maximum IAB allowed applied, which is 75% of the CPI. Effective January 1, 2025, an increase of 2.33% was applied to their monthly benefits. For retired or deferred members of the NBTPP who terminated during 2024, a blended rate was calculated based on the number of months they were active and the number of months they were retired or deferred.

The NBTPP has been able to provide the maximum allowable IAB every year since conversion due to its well-funded status.

Active members
3.11%
effective January 1, 2025

Retirees
2.33%
effective January 1, 2025

INVESTMENT PERFORMANCE

The Plan's assets are invested in accordance with the Statement of Investment Policies, which outlines the requirement to manage the Fund in a manner that recognizes the interdependency of the Plan's liabilities and expected cash flows for the Base Benefits and Ancillary Benefits, the Closed Group Funded Ratio, the Funding Policy, the risk management goals, and the application of the risk management procedures.

The investment objectives are as follows:

- Over the long-term, to preserve the capital value of the Pension Trust, and to provide the best possible long-term real return on investments while continuing to achieve the risk management goals as set out in the Funding Policy. The target asset mix (policy portfolio) may experience uneven returns from year-to-year, consistent with general economic and investment cycles, but a diversified portfolio of long-term assets will partially mitigate the variability of the returns.
- Over the medium-term, to provide moving average rates of return in excess of the policy benchmark returns. The four-year target is to have a value-added contribution of 0.5% per year, after deducting all investment management costs.
- Over shorter time periods, to achieve competitive rates of return on each major asset class while avoiding undue investment risk and excessive market volatility.



Asset Mix

The NBTPP Board of Trustees reviews the Statement of Investment Policies annually. The Plan's investments continue to be transitioned to the current approved target asset mix. The actual asset mix, target asset mix, and permitted deviations as at December 31, 2024, are shown in the table below:

Asset Class December 31, 2024	Actual	Target	Permitted Deviations ¹
Fixed Income			
Short-Term Assets (Cash)	0.6%	0.0%	+ 3.0%
Canadian Short-Term Bonds	0.7%	0.0%	+ 5.0%
Canadian Government Bonds	13.9%	15.0%	± 4.0%
Canadian Corporate Bonds	17.8%	18.0%	± 4.0%
Alternative Fixed Income	0.5%		* 2
Total Fixed Income	33.6%	33.0%	
Inflation-Linked			
Real Return Bonds	4.4%	5.0%	± 2.0%
Real Estate	9.2%	12.0%	± 2.0%
Infrastructure	7.2%	6.5%	± 2.0%
Total Inflation-Linked	20.8%	23.5%	
Absolute Return Strategy⁴	4.3%	0.0%	* 3
Public Equity			
Canadian	2.9%	3.0%	± 2.0%
Canadian Small Cap	1.6%	1.5%	± 1.0%
Global Developed Markets (ex Canada)	9.7%	10.0%	± 4.0%
Global Developed Markets (ex Canada) Small Cap	2.1%	2.0%	± 1.0%
Emerging Markets	0.3%	3.0%	± 2.0%
Total Public Equity	16.6%	19.5%	
Low Volatility Equity			
Canadian Low Volatility	2.9%	3.0%	± 2.0%
Global Developed Markets (ex Canada) Low Volatility	10.3%	10.0%	± 4.0%
Emerging Markets Low Volatility	4.1%	4.0%	± 2.0%
Total Low Volatility Equity	17.3%	17.0%	
Active Asset Mix	13.21%	29.43%	-16.22%
Total Assets	100.0%	100.0%	
Absolute Return Overlay⁴	6.1%		
Total Absolute Return Exposure	10.3%	10.0%	± 4.0%³

¹ Current asset mix weights may be outside of permitted deviations during the asset mix transition process per Section C of the Statement of Investment Policies.

² Alternative Fixed Income permitted up to 10% of the total fixed income portfolio per Section C of the Statement of Investment Policies.

³ Notional assets will be approximately 10% of the total portfolio.

⁴ Investment strategies that are typically created by investing in assets to provide returns which are independent of public capital market directions.

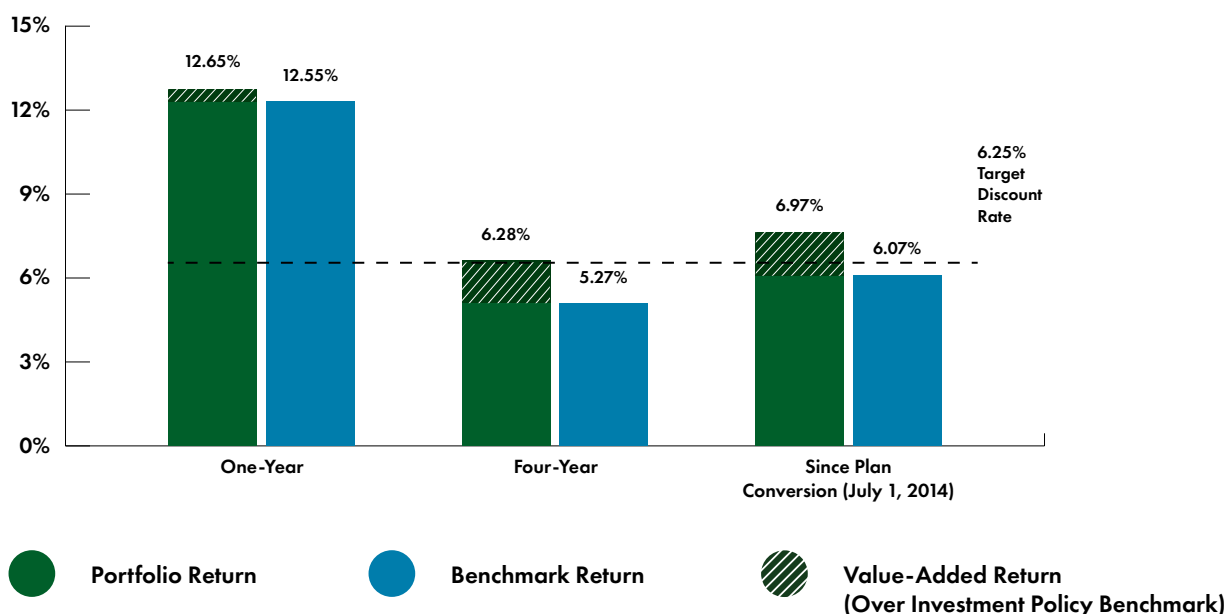
In addition to the deviations resulting from the asset mix transition, other smaller deviations are expected between the target and actual weights for certain investments due to market price movements. In other words, as asset prices change, weights naturally change as well. Vestcor is authorized to allow weights for asset classes to slightly deviate from policy weights to minimize transaction costs; however, weights are rebalanced to policy weights once deviations go beyond an allowable range.

Long-Term Returns

The chart below illustrates the gross nominal return compared to the benchmark return for the one-year period, the four-year period, and the period since the Plan converted to a target benefit pension plan on July 1, 2014. The investment strategy of the Plan has been developed to meet a long-term actuarial return assumption that is expected to maintain the provision of future pension benefits. While global financial markets can have short-term periods of low or even negative returns, the long-term sustainability of the Plan depends significantly on the long-term investment returns achieved over time.

Investment Performance as at December 31, 2024

Gross Nominal Return



Over the longer term, both the four-year annualized return of 6.28% and the annualized return since conversion of the NBTTP of 6.97% have continued to exceed the respective benchmark returns of 5.27% and 6.07%, well in excess of the long-term target value added of 0.5%. The annualized return since the conversion of the NBTTP also remains in excess of the 6.25% discount rate assumption set by the independent actuary.

The investment program achieved a strong nominal investment return of 12.65% in 2024, exceeding the policy benchmark of 12.55%. This is the highest return for a calendar year since the NBTTP was created, generating approximately \$850 million in investment income, which, along with active member and employer contributions, resulted in total funds increasing by \$658 million after benefit payments and Plan expenses.

Note: The benchmarks reported here were revised in 2025 due to a retroactive adjustment by the real estate benchmark provider.

The one-year gross nominal returns by asset class compared to their respective benchmark returns are shown in the table below:

2024 Returns by Asset Class

Calculated in Canadian Dollars

Asset Class	Return	Benchmark	Value Added*
Fixed Income			
Short-Term Assets (Cash)	6.08%	4.90%	1.18%
Canadian Short-Term Bonds	6.44%	5.38%	1.06%
Canadian Government Bonds	3.56%	3.31%	0.24%
Canadian Corporate Bonds	7.32%	6.97%	0.35%
Alternative Fixed Income	7.03%	5.97%	1.05%
Inflation-Linked			
Real Return Bonds	3.91%	3.73%	0.18%
Real Estate	2.77%	1.98%	0.79%
Infrastructure	13.29%	8.74%	4.54%
Absolute Return Strategy	8.14%	4.90%	3.24%
Public Equity			
Canadian	21.20%	21.65%	-0.45%
Canadian Small-Cap	21.31%	18.83%	2.48%
Global Developed Markets (ex Canada)	29.87%	29.68%	0.19%
Global Developed Markets (ex Canada) SmallCap	18.85%	17.81%	1.04%
Low Volatility Equity			
Canadian	22.57%	20.43%	2.14%
Global Developed Markets (ex Canada)	21.04%	20.22%	0.82%
Emerging Markets	26.20%	18.92%	7.27%
Private Equity	13.21%	29.43%	-16.22%
Active Asset Mix Position			-0.01%
Absolute Return Overlay			0.14%
Total	12.65%	12.55%	0.10%

For general commentary regarding investment performance and market events, please visit vestcor.org/marketupdate where information is added on a quarterly basis.

The audited financial statements for the NBTPP are available on page 23 and provide detailed information on the Plan's performance for the year ended December 31, 2024.

* Some results may not sum as expected due to rounding.

APPENDIX A

Summary of Board Decisions and Accomplishments for 2024

The following provides a summary of the activities of the Board of Trustees from January to December 2024 (other than regular business and standing items).

Plan Documents and Oversight

The Board reviewed and approved the following governing and other supporting items for the Plan:

- The inaugural NBTPP Responsible Investment Report
- The annual review of the Funding Policy
- The annual review of content and revisions to formatting of the Statement of Investment Policies for better readability
- The KPMG Audit Findings Report for the audit of the NBTPP for the fiscal year ended December 31, 2023
- The Financial Statements of the NBTPP for the year ended December 31, 2023, as audited by KPMG
- Amendments to the Plan Text approved in 2024:
 - Elimination of the application of Section 5.6 for terminations on or after June 5, 2024
 - Extension of the temporary suspension of the 80-day supply-teaching limit for retirees for a two-year period commencing July 1, 2024 and ending June 30, 2026
 - Amendments to Appendix A to reflect the Indexing Adjustment Benefit awarded as at January 1, 2024

The Board met all regulatory filing and disclosure requirements outlined under the *Pension Benefits Act*, the *Teachers' Pension Plan Act*, and the *Income Tax Act*.

Board Governance

The Board reviewed and amended, as required, the following policies and practices as part of the annual review of its governance framework:

- Terms of Reference for the Board, the Audit Committee, and the Governance Committee
- The Code of Conduct and Ethics
- The Disclosure Policy
- The Language Policy
- The Compensation and Travel Expenses Policy
- The Trustee and Observer Orientation and Education Policy
- The Guidelines for the Nomination of Trustees
- The Audit Partner Rotation Policy
- The Engagement Plan with the Sponsoring Parties
- The Board of Trustees Orientation, Growth, and Development Program
- The Canadian Association of Pension Supervisory Authorities' Pension Plan Administrator Governance Self-Assessment Questionnaire

The Board established the NBTPP Risk Management Framework. The Risk Management Framework has been developed to outline the risk governance structure of the NBTPP. It provides the philosophy and approach to risk management by identifying the risks faced by the Plan and its Board of Trustees, and the accountability for monitoring each risk. Periodic ongoing risk monitoring and reporting processes have also been established in accordance with the Risk Management Framework.

Member Services and Communications

The Board reviewed and approved the following items to support pension benefits administrative services for the Plan members:

- The 2024 spring and fall newsletters
- The 2023 NBTPP Annual Report
- The NBTPP Annual Information Meeting, held virtually October 9, 2024

Service Provider Engagement

The Board engaged the following service providers:

- Vestcor Inc. for pension benefits administration and investment management services
- TELUS Health for actuarial services
- KPMG as the external auditor for the NBTPP financial statements for the year ended December 31, 2024
- Osler, Hoskin & Harcourt LLP for legal services
- BoardWorks Consulting Inc. for the Board Triennial Effectiveness Assessment
- McInnes Cooper for the facilitation of an education session on Trustee Liability and Legal Updates

APPENDIX B

Public Interest Disclosure Act

As required under **Section 18 – Report About Disclosures of the Public Interest Disclosure Act**, the Board of Trustees hereby report that for 2024:

- There were no disclosures received or acted upon.
- No investigations were therefore commenced due to disclosure receipt.
- No claims had been referred from the Ombud under Section 23.
- No investigations were therefore commenced due to a referral receipt.

APPENDIX C

NBTPP Financial Statements

The financial statements of the NBTPP have been prepared and approved by the Board of Trustees. The Board is responsible for the integrity and fair presentation of the statements, including amounts based on best estimates and judgments.

The Board maintains systems of internal control and supporting procedures to provide reasonable assurance that accurate financial information is available, that assets are protected, and that resources are managed efficiently.

The Board is assisted in its responsibilities by its Audit Committee, consisting of three Board members. The Audit Committee reviews the financial statements and recommends them for approval by the Board. The Audit Committee also reviews matters related to accounting, auditing, internal control systems, and risk management as well as the scope, planning, and findings of audits performed by the external auditors.

New Brunswick Teachers' Pension Plan
Financial Statements

December 31, 2024

**KPMG LLP**

Suite 700 Frederick Square
 TD Tower 77 Westmorland Street
 Fredericton, NB E3B 6Z3
 Canada
 Tel 506-452-8000
 Fax 506-450-0072

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of New Brunswick Teachers' Pension Plan

Opinion

We have audited the financial statements of New Brunswick Teachers' Pension Plan (the Entity), which comprise:

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

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its changes in net assets available for benefits and its changes in pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

Basis for Opinion

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

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

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



Other Information

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

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

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

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

We obtained the information, other than the financial statements and the auditor's report thereon, included in the Annual Report as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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



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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

Chartered Professional Accountants

Fredericton, Canada

June 25, 2025

NEW BRUNSWICK TEACHERS' PENSION PLAN**Statement of Financial Position***(In thousands of Canadian dollars)***AS AT DECEMBER 31**

	2024	2023
ASSETS		
Investments <i>(notes 3 and 4)</i>	\$ 7,479,355	\$ 6,789,211
Contributions receivable from employers <i>(note 12)</i>	4,958	20,208
Contributions receivable from employees <i>(note 12)</i>	2,246	19,330
Other receivables	1,147	1,230
Total assets	7,487,706	6,829,979
LIABILITIES		
Accounts payable and accrued liabilities <i>(note 12)</i>	5,272	5,301
Net assets available for benefits	7,482,434	6,824,678
Pension obligations <i>(note 6)</i>	6,266,300	5,919,900
SURPLUS	\$ 1,216,134	\$ 904,778

*See accompanying notes to financial statements.**Commitments (note 13)**Indemnification (note 14)*

Approved on behalf of the Board of Trustees:

Larry Jamieson
ChairMarcel Larocque
Vice-Chair

NEW BRUNSWICK TEACHERS' PENSION PLAN
Statement of Changes in Net Assets Available for Benefits
(In thousands of Canadian dollars)
YEAR ENDED DECEMBER 31

	2024	2023
Increase in net assets		
Net investment income (note 9)	\$ 850,339	\$ 456,835
Employer pension contributions (note 12)	88,478	90,638
Employee pension contributions (note 12)	85,186	86,034
	1,024,003	633,507
Decrease in net assets		
Pension benefits (note 10)	348,240	335,150
Refunds and transfers (note 10)	5,284	4,431
Administration expenses (note 11)	12,723	12,423
	366,247	352,004
Increase in net assets available for benefits	657,756	281,503
Net assets available for benefits, beginning of year	6,824,678	6,543,175
Net assets available for benefits, end of year	\$ 7,482,434	\$ 6,824,678

See accompanying notes to financial statements.

NEW BRUNSWICK TEACHERS' PENSION PLAN
Statement of Changes in Pension Obligations
(In thousands of Canadian dollars)
YEAR ENDED DECEMBER 31

	2024	2023
Pension obligations, beginning of year	\$ 5,919,900	\$ 5,779,500
Change in pension obligations:		
Interest accrued on benefits	362,900	354,500
Normal actuarial cost	125,800	125,500
Changes in actuarial assumptions	39,300	—
Actuarial losses	171,900	—
Benefits paid	(353,500)	(339,600)
	346,400	140,400
Pension obligations, end of year	\$ 6,266,300	\$ 5,919,900

See accompanying notes to the financial statements.

NEW BRUNSWICK TEACHERS' PENSION PLAN

Notes to Financial Statements

(In thousands of Canadian dollars)

AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2024

1. Description of the Pension Plan

The following description is intended as a summary only. For complete information, reference should be made to the Plan Text. All terms not defined herein have the same meaning as defined in the Plan Text.

On July 1, 2014, the defined benefit pension plan created by the *Teachers' Pension Act* ("TPA") was repealed and converted to the New Brunswick Teachers' Pension Plan (the "NBTPP" or "Plan") pursuant to the *Teachers' Pension Plan Act* (the "TPPA" or "Act") of New Brunswick. The NBTPP is governed by a Board of Trustees consisting of an equal number of individuals appointed by the Province of New Brunswick, as employer, and representatives appointed by the New Brunswick Teachers' Federation.

The primary purpose of the NBTPP is to provide pensions to eligible teachers after retirement and until death in respect of their service as teachers, and their survivors. A further purpose is to provide secure pension benefits to teachers without an absolute guarantee but with a risk-focused management approach delivering a high degree of certainty that full lifetime pensions will be payable in the vast majority of potential future economic scenarios.

All members of the TPA became members of the NBTPP. A future employee will become a member of the NBTPP on the first date of employment as a teacher.

Employee contribution rates of 7.3% of eligible earnings up to the Yearly Maximum Pension Entitlement ("YMPE") and 9.0% of eligible earnings in excess of the YMPE increased to 8.5% of eligible earnings up to the YMPE and 10.2% of eligible earnings in excess of the YMPE respectively, effective July 1, 2014. Each contribution rate will increase by 0.5% respectively each July 1st until July 1, 2017, where the rates of 10.0% of eligible earnings up to the YMPE and 11.7% of eligible earnings in excess of the YMPE will remain in place until July 1, 2029. These rates are subject to adjustment as may be required under the limitations imposed by the Funding Policy from time to time.

Previously, the employer contributions were equal to the employees' contributions plus special payments as determined by an actuary. For the five years commencing July 1, 2014, the employer contribution rates were 11.5% up to the YMPE and 13.2% above the YMPE, subject to adjustment as may be required under the limitations imposed by the Funding Policy. For the next five years commencing July 1, 2019, the employer contribution rates are 10.75% up to the YMPE and 12.45% above the YMPE, subject to adjustment under the Funding Policy. For the subsequent five years commencing July 1, 2024, the employer contribution rates will be 10.0% up to YMPE and 11.7% above the YMPE, subject to adjustment under the Funding Policy.

On July 1, 2029, the required contribution amounts for teachers and the employers shall be equal. The contribution amounts shall be determined based on the average contribution rate produced by the formula of 9.25% of eligible earnings up to the YMPE and 10.95% of eligible earnings above the YMPE for teachers who are Plan members at the time, and 9.75% shall be added to such amount. The sum shall then be divided by two.

Pension benefits vest on the earliest of: (i) five years of employment as a teacher; (ii) two years of pensionable service; or (iii) two years of membership in the NBTPP and TPA. The normal retirement date is the first of the month following the later of attaining age 65 or the vesting date. Early retirement may be taken at the earliest of age 55 or 35 years of pensionable service or the sum of age plus years of pensionable service reaches 80 points (84 if the member became a teacher after July 1, 2014).

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

1. Description of the Pension Plan (*continued*)

A member's annual normal retirement pension ("lifetime pension") is equal to the sum of:

- A. In respect of service before July 1, 2014, the product of:
- (i) the number of years of the member's pensionable service before July 1, 2014, and
 - (ii) 1.3% of the annual average of the best five consecutive years of earnings at July 1, 2014, up to the annual average YMPE for 2014, 2013 and 2012, plus 2% of the excess of the annual average of the best five consecutive years of earnings at July 1, 2014 over the annual average YMPE for 2014, 2013 and 2012;

And

- B. In respect of service from July 1, 2014, the sum of (i) and (ii) for each calendar year (or prorated for a portion thereof):
- (i) 1.3% of the member's annualized earnings for the calendar year, up to the YMPE for the calendar year; and
 - (ii) 2.0% of the portion of the member's annualized earnings for the calendar year that are in excess of the YMPE for the calendar year.

Pensions accrued above are subject to regular indexing every January 1st following July 1, 2014 equal to 100% of the increase in the Consumer Price Index (CPI) (subject to a maximum of 4.75% as per the Plan Text) while the teacher is active, and equal to 75% of CPI (subject to a maximum of 75% of 4.75% or 3.56% as per the Plan Text) after the teacher's termination of employment, and contingent on the NBTPP's financial condition as outlined in the Funding Policy.

The normal form of pension is a pension payable in equal monthly instalments commencing on the member's pension commencement date and continuing throughout the lifetime of the member. For a member with a spouse or common-law partner at the time of the member's death, 50% of the member's pension (before application of reductions for early retirement) continues to such spouse or common-law partner. Should the member have dependent children at the time of his/her death, such dependent children may be entitled to a pension if there is no spouse or common-law partner or after the death of such spouse or common-law partner. A minimum amount of pension equal to the member's contributions with interest to retirement will be payable in total. Optional forms of pension are also available on an actuarially equivalent basis.

Early retirement is permitted as of the earliest of age 55, or 35 years of pensionable service or the age at which the member reaches 80 points (or 84 points if the member became a teacher after July 1, 2014).

On early retirement, an annual bridge benefit is payable in addition to the lifetime pension. The annual bridge benefit is payable to age 65 or to the death of the member, if earlier, and is equal to the sum of:

- A. In respect of service before July 1, 2014, the product of:
- (i) the number of years of the member's pensionable service before July 1, 2014, and
 - (ii) 0.7% of the annual average of the best five consecutive years of earnings at July 1, 2014 up to the annual average YMPE for 2014, 2013 and 2012;

And

- B. In respect of service from July 1, 2014, for each calendar year (or prorated for a portion thereof), 0.7% of the member's annualized earnings for the calendar year up to the YMPE for the calendar year.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

1. Description of the Pension Plan (*continued*)

The portions of the lifetime pension and bridge benefit accrued for service up to July 1, 2014 are unreduced if the pension and bridge commence payment upon or after fulfillment of one of the following criteria:

- Achievement of the 87 points rule (age plus years of pensionable service)
- Age 60 and 20 years of pensionable service
- 35 years of pensionable service
- Age 65, with five (5) years of continuous service or two (2) years of pensionable service or Plan membership.

If payment commences before any of these criteria are met, the normal retirement pension and bridge benefit shall each be reduced by 5/12% per month that the pension and bridge commencement date precedes the first day of the month in which the criterion is met.

The portions of the lifetime pension and bridge benefit accrued for service on and after July 1, 2014 are reduced by 5/12% per month that the pension and bridge commencement date precedes the first day of the month following the first of the following events:

- Achievement of the 91 points rule
- Age 62 and 20 years of pensionable service
- 35 years of pensionable service
- Age 65, with five (5) years of continuous service or two (2) years of pensionable service or Plan membership.

If a member terminates employment or dies prior to achieving five (5) years of continuous service or two (2) years of pensionable service or Plan membership, the member is entitled to a refund of the total amount of his/her contributions to the NBTPP and the TPA, if any, with interest.

If a member terminates employment before age 55 but after achieving five (5) years of continuous service or two (2) years of pensionable service or Plan membership, the member may elect to either:

- i. Receive a deferred lifetime pension payable from the normal retirement date equal to the accrued pension to which the member is entitled as at his/her date of termination in accordance with the formula specified above for the normal retirement pension; or
- ii. Transfer the termination value calculated in accordance with the TPPA, to a registered retirement savings arrangement as allowed under the *Pension Benefits Act*.

2. Material Accounting Policies

(a) Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for pension plans in Part IV of the Chartered Professional Accountants (CPA) Canada Handbook. They are prepared to assist Plan members and others in reviewing the activities of the Plan for the fiscal year, but they do not portray the funding requirements of the Plan (*note 7*) or the benefit security of individual Plan members.

These financial statements have been prepared on a calendar year basis to conform with the Plan's deemed tax year end. These financial statements present the financial position, the changes in net assets available for benefits and the changes in pension obligations for the year ended December 31, 2024.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

2. Material Accounting Policies (*continued*)

All investment assets and liabilities are measured at fair value in accordance with International Financial Reporting Standards (“IFRS”) 13, *Fair Value Measurements*. In selecting or changing accounting policies that do not relate to its investment portfolio or pension obligations, Canadian accounting standards for pension plans require the Plan to comply on a consistent basis with either IFRS in Part I of the CPA Handbook or with Canadian accounting standards for private enterprises in Part II of the CPA Handbook. The Plan has chosen to comply on a consistent basis with IFRS.

These financial statements have been prepared in accordance with the significant accounting policies set out below. These financial statements were authorized for issue by the Board of Trustees on June 25, 2025.

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis except for investments, which are measured at fair value in the Statement of Financial Position.

(c) Financial instruments

(i) Classification, recognition and measurement

Financial assets and financial liabilities are initially recognized in the Statement of Financial Position on the trade date, which is the date on which the Plan becomes a party to the contractual provisions of the instrument. A financial asset or liability is measured initially at fair value. Transaction costs are recognized in the Statement of Changes in Net Assets Available for Benefits as incurred.

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

Financial assets that are held for trading or managed as part of a portfolio whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

The Plan has entered into an investment management agreement with Vestcor Inc. (“Vestcor”) to manage its pension fund assets on a fully discretionary basis. Certain of the Plan’s investments consist of units of pooled funds and limited partnerships offered by Vestcor (the “Vestcor Investment Entities”). The investments are managed and their performance is evaluated on a fair value basis. As such, the Plan classifies all investments as FVTPL with changes in fair value being recognized in net investment income in the Statement of Changes in Net Assets Available for Benefits.

The fair value of each investment in units of the Vestcor Investment Entities is based on the calculated daily net asset value per unit multiplied by the number of units held, and represents the Plan’s proportionate share of the underlying net assets at fair values determined using closing market prices.

The underlying investments held in the Vestcor Investment Entities are valued at fair value as of the date of the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Vestcor Investment Entities have access at that date.

The fair value of the underlying securities in the Vestcor Investment Entities that are traded in active markets (such as exchange-traded derivatives, debt and equity securities) are based on quoted market prices at the close of trading on the reporting date.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

2. Material Accounting Policies (*continued*)

(c) Financial instruments (continued)

If there is no quoted price in an active market, then the Vestcor Investment Entities use valuation techniques that maximize the use of the relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates the factors that market participants would take into account in pricing a transaction.

Certain of the Plan's financial assets and financial liabilities such as contributions and other receivables and accounts payable and accrued liabilities are subsequently measured at amortized cost, which is the cost at initial recognition, minus any reduction for impairment. The carrying amount of these assets and liabilities approximates fair value due to their short settlement period. At the reporting date, the Plan assesses whether there is objective evidence that a financial asset at amortized cost is impaired. If such evidence exists, the Plan recognizes an impairment loss as the difference between the amortized cost of the financial asset and the present value of the estimated future cash flows.

(ii) Derecognition

The Plan derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or are transferred in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration is recognized in the Statement of Changes in Net Assets Available for Benefits as net investment income.

The Plan derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

(d) Pension obligations

The pension obligations recognized in the Statement of Financial Position are the actuarial present value of accrued pension benefits determined by using the accrued benefit (or unit credit) actuarial cost method in accordance with the requirement of paragraph 14(7)(a) of Regulation 2012-75 under the Act and actuarial assumptions which reflect management's best estimate for the future.

(e) Functional and presentation currency

The financial statements are presented in Canadian dollars, which is the functional currency of the Plan.

(f) Use of estimates and judgments

The preparation of the Plan's financial statements requires judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the Statement of Financial Position. Significant estimates and judgments are required in determining the reported estimated fair value of private investments, which are included in the underlying investments held in the Vestcor Investment Entities and the measurement of the pension obligations, since these determinations may include estimates of expected future cash flows, rates of return, rates of retirement, mortality, rates in termination, discount rates and the impact of future events. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

2. Significant Accounting Policies (*continued*)

(g) Taxes

The Plan is a Registered Pension Plan as defined in the *Income Tax Act* (Canada) and is not subject to income taxes.

(h) Contributions

Contributions from the employers and Plan members are recorded in the period that payroll deductions are made.

(i) Net investment income

Net investment income represents the changes in fair value, realized and unrealized, in the value of the units held in each of the Vestcor Investment Entities.

(j) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies held within the Vestcor Investment Entities are translated at the prevailing rates of exchange at the date of the Statement of Financial Position. Investment income and expenses are translated at the exchange rates prevailing on the transaction date. Realized and unrealized exchange gains and losses are included in net investment income.

3. Investments

The Plan invests in units of the Vestcor Investment Entities, consisting of unit trust funds and limited partnership structures. Each Vestcor Investment Entity has a specific investment mandate. Investing in the Vestcor Investment Entities enables the Plan to achieve its required asset class weights in accordance with its Statement of Investment Policies ("SIP"). Following is a description of each Vestcor Investment Entity ("entity") in which the Plan invested during the year ended December 31, 2024:

NBIMC Nominal Bond Fund

This entity invests primarily in investment grade securities issued, guaranteed, or secured by the Government of Canada or its agencies, province, territory, or municipality of Canada; this fund may also invest in interest rate futures and/or swaps, cross currency swaps and options on nominal bonds of G-7. Its benchmark is the FTSE Canada All Government Bond Index.

NBIMC Corporate Bond Fund

This entity invests primarily in investment grade Canadian fixed income securities issued, guaranteed, or secured by publicly listed corporations. Its benchmark is the FTSE Canada All Corporate Bond Index.

Vestcor Alternative Fixed Income, L.P.

This entity invests primarily in a global diversified portfolio of fixed income securities of all types including, but not limited to, both investment grade and non-investment grade bonds, bank loans, sovereign debt and private debt. Investment can be made directly or through co-ownership, limited partnerships or similar pooled structures. Its benchmark is a blend of FTSE Canada All Government Bond Index, FTSE Canada All Corporate Bond Index, FTSE Canada 365 Day T-Bill Index and the Bloomberg Barclays Global High Yield Total Return Index Hedged \$C.

NBIMC New Brunswick and Atlantic Canada Fixed Income Opportunity Fund

This entity invests primarily in fixed income issued to finance economic activity in New Brunswick. Its benchmark is the FTSE Canada All Government Bond Index.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

3. Investments (continued)

NBIMC Money Market Fund

This entity invests primarily in high quality, short-term debt securities which typically include government guaranteed paper, bank paper, commercial paper, asset backed commercial paper, listed or over-the-counter (OTC) derivatives, or other securities to allow the fund to achieve its return target or otherwise manage risk. Its benchmark is calculated as 93% of the FTSE Canada 91 Day T-Bill Index plus 7% One-day Canadian Call Loan Rate.

Vestcor Long Term Money Market Fund

This entity invests primarily in high quality, short-term debt securities which typically include government guaranteed paper, bank paper, commercial paper, asset backed commercial paper, listed or OTC derivatives, short term bonds of less than three years in maturity, or other securities to allow the fund to achieve its return target or otherwise manage risk. Its benchmark is the FTSE Canada 365 Day T-Bill Index.

NBIMC Student Investment Fund

This entity is managed by students at the University of New Brunswick who are registered in the Student Investment Fund Program. The benchmark for this entity is the S&P/TSX Composite Total Return Index. The activities of this entity are closely monitored by Vestcor staff who execute and process all transactions on behalf of the students.

NBIMC Canadian Equity Index Fund

This entity invests primarily in Canadian equities (equities listed on a Canadian exchange or otherwise domiciled in Canada), but may also use other investments such as exchange traded funds, listed or OTC derivatives, or other securities to allow the fund to achieve its return target or otherwise manage risk. Its benchmark is the S&P/TSX Composite Total Return Index.

NBIMC Canadian Small Cap Equity Fund

This entity invests primarily in Canadian equities (equities listed on a Canadian exchange or otherwise domiciled in Canada) but may also use other investments such as exchange traded funds, listed or OTC derivatives, or other securities to allow the fund to achieve its return target or otherwise manage risk. Its benchmark is the S&P/TSX Small Cap Total Return Index.

NBIMC Low Volatility Canadian Equity Fund

This entity invests primarily in Canadian equities (equities listed on a Canadian exchange or otherwise domiciled in Canada) but may also use other investments such as exchange traded funds, listed or OTC derivatives, or other securities to allow the fund to achieve its return target or otherwise manage risk. Its benchmark is the MSCI Canada Minimum Volatility Total Return Index, Gross.

NBIMC External Canadian Equity Fund

This entity is managed by external managers and primarily in Canadian equities (equities listed on a Canadian exchange or otherwise domiciled in Canada) but may also use other investments such as exchange traded funds, listed or OTC derivatives, or other securities to allow the fund to achieve its return target or otherwise manage risk. Its benchmark is the S&P/TSX Composite Total Return Index.

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December 31, 2024

3. Investments (continued)

NBIMC External International Equity Fund

This entity is managed by external managers and invests primarily in equities listed on exchanges or otherwise domiciled in countries considered to be Developed Markets (excluding Canada) according to the benchmark provider, but may also use other investments such as exchange traded funds, listed or OTC derivatives, or other securities to allow the fund to achieve its benchmark tracking target or otherwise manage risk. Its benchmark is the MSCI EAFE Total Return Index in \$C, Net.

NBIMC EAFE Equity Index Fund

This entity invests primarily in equities listed on exchanges or otherwise domiciled in countries considered to be Developed Markets (excluding Canada and the U.S.) according to the benchmark index provider but may also use other investments such as exchange traded funds, listed or OTC derivatives, or other securities to allow the fund to achieve its benchmark tracking target or otherwise manage risk. Its benchmark is the MSCI EAFE Total Return Index in \$C, Net.

Vestcor International Active Equity Fund

This entity invests primarily in equities listed on exchanges or otherwise domiciled in countries considered to be Developed Markets (excluding Canada) according to the benchmark provider but may also use other investments such as exchange traded funds, listed or OTC derivatives, or other securities to allow the fund to achieve its benchmark tracking target or otherwise manage risk. Its benchmark is the MSCI World (ex. Canada) Total Return Index in \$C, Net.

Vestcor International Small Cap Equity Fund

This entity invests primarily in small cap equities listed on exchanges or otherwise domiciled in countries considered to be Developed Markets (excluding Canada) according to the benchmark index provider but may also use other investments such as exchange traded funds, listed or OTC derivatives, or other securities to allow the fund to achieve its benchmark tracking target or otherwise manage risk. Its benchmark is the MSCI World ex Canada Small Cap Total Return Index in \$C, Net.

Vestcor Low Volatility International Equity Fund

This entity invests primarily in equities listed on exchanges or otherwise domiciled in countries considered to be Developed Markets (excluding Canada) according to the benchmark index provider but may also use other investments such as exchange traded funds, listed or OTC derivatives, or other securities to allow the fund to achieve its benchmark tracking target or otherwise manage risk. Its benchmark is the MSCI World (ex Canada) Minimum Volatility Total Return Index (USD) in \$C, Net.

NBIMC Low Volatility Emerging Markets Equity Fund – Class N

This entity invests primarily in equities listed on exchanges or otherwise domiciled in countries considered to be Emerging Markets according to the benchmark index provider but may also use other investments such as exchange traded funds, listed or OTC derivatives, or other securities to allow the fund to achieve its benchmark tracking target or otherwise manage risk. Its benchmark is the MSCI Emerging Markets Minimum Volatility (USD) Total Return Index in \$C, Net.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

3. Investments (continued)

Vestcor Emerging Markets Active Equity Fund

This entity invests primarily in equities listed on exchanges or otherwise domiciled in countries considered to be Emerging Markets according to the benchmark provider, but may also use other investments such as exchange traded funds, listed or OTC derivatives, or other securities to allow the fund to achieve its benchmark tracking target or otherwise manage risk.. Its benchmark is the MSCI Emerging Markets Total Return Index in \$C, Net.

NBIMC U.S. Equity Index (2017) Fund

This entity passively invests in securities held in the MSCI USA Total Return Index. Its benchmark is the MSCI USA Total Return Index in \$C, Gross.

NBIMC Inflation Linked Securities Fund

This entity invests primarily in government-secured, nominal, and inflation-linked securities of G-7 countries or Canadian provinces. Its benchmark is the FTSE Canada Real Return Bond Index.

NBIMC Canadian Real Estate Fund

This entity invests in private Canadian real estate investments through limited partnerships or similar investment vehicles. Its benchmark is the MSCI/REALPAC Canada Quarterly Property Fund Index (Levered), Net Total Return.

NBIMC Canadian Real Estate Investment Trust Fund

This entity invests primarily in Canadian REITs (REIT securities listed on a Canadian exchange or otherwise domiciled in Canada), but may also use other investments such as exchange traded funds, listed or OTC derivatives, or other securities to allow the fund to achieve its return target or otherwise manage risk. Its benchmark is the S&P/TSX Capped REIT Total Return Index.

NBIMC Non-Canadian Private Real Estate Fund

This entity invests in private non-Canadian real estate investments directly or indirectly through limited partnerships or similar investment vehicles. Its benchmark is the MSCI/REALPAC Canada Quarterly Property Fund Index (Levered), Net Total Return

Vestcor Investments Private Real Estate, L.P.

This entity invests in private domestic and international real estate investments through co-investments, limited partnerships or similar investment vehicles. Its benchmark is the MSCI/REALPAC Canada Quarterly Property Fund Index (Levered), Net Total Return.

Vestcor Investments Private Real Estate 2, L.P.

This entity invests in private domestic and international real estate investments through co-investments, limited partnerships or similar investment vehicles. Its benchmark is the MSCI/REALPAC Canada Quarterly Property Fund Index (Levered), Net Total Return

Vestcor Real Estate Fund Feeder Inc.

This entity is a real estate investment corporation that has invested in the Vestcor Real Estate Fund Limited Partnership (VREFLP). VREFLP invests directly in private domestic real estate investments. Its benchmark is the MSCI/REALPAC Canada Quarterly Property Fund Index (Levered), Net Total Return

NOTES TO FINANCIAL STATEMENTS
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3. Investments (continued)

NBIMC International Real Estate (2017) Fund

This entity invests primarily in Real Estate Investment Trusts domiciled in the United States. Its benchmark is the countries' blended REIT Equity Indices in \$C (currently MSCI USA IMI REIT Index in \$C, Gross).

NBIMC Public Infrastructure (2017) Fund

This entity invests primarily in publicly listed infrastructure equities, exchange traded funds and public and private debt investments. Additionally, other Vestcor Funds may be held as necessary in order to achieve its goal of obtaining infrastructure-like returns and risk over four year moving periods. Its benchmark is the MSCI World Infrastructure Index (USD) in \$C, Net.

NBIMC Infrastructure Fund

This entity provides additional investment diversification through direct investment in infrastructure through co-investment structures. Its benchmark is a 4% real rate of return.

Vestcor Investments Infrastructure, L.P.

This entity provides additional investment diversification through direct investment in infrastructure through co-investment structures. Its benchmark is a 4% real rate of return.

NBIMC Quantitative Strategies (2017) Fund

This entity invests primarily in equities listed on an exchange or otherwise domiciled in either the U.S. or Canada, but may also use other investments such as exchange traded funds, listed or OTC derivatives, or other securities to allow the fund to achieve its return target or manage risk. Favoured securities are held long with offsetting positions held short to achieve approximate market neutrality. Its benchmark is calculated as 93% of the FTSE Canada 91 Day T-Bill Index plus 7% One-day Canadian Call Loan Rate.

NBIMC Quantitative Equity Strategic Beta (2017) Fund

This entity invests primarily in equities listed on an exchange or otherwise domiciled in countries within the MSCI ACWI Index but may also use other investments such as exchange traded funds, listed or OTC derivatives, or other securities to allow the fund to achieve its return target or manage risk. Favoured securities are held long with offsetting positions held short to achieve approximate market neutrality. Its benchmark is calculated as 93% of the FTSE Canada 91 Day T-Bill Index plus 7% One-day Canadian Call Loan Rate.

Vestcor Global Alternative Risk Premia Fund

This fund invests in equities, exchange traded funds, listed or OTC derivatives, and other securities to allow the fund to achieve its return target or manage risk. Favoured securities are held long with offsetting positions held short to achieve positive exposure to a diversified portfolio of alternative risk premia strategies. The benchmark is calculated as 93% of the FTSE Canada 91 Day T-Bill Index plus 7% One-day Canadian Call Loan Rate.

Vestcor Absolute Return Overlay Fund

This entity was created to add value by providing clients with the ability to deploy an absolute return overlay. The entity invests primarily in units of the NBIMC Quantitative Strategies (2017) Fund and the NBIMC Quantitative Equity Strategic Beta (2017) Fund and shorting units of the NBIMC Money Market Fund.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

3. Investments (continued)

NBIMC New Brunswick and Atlantic Canada Equity Opportunity Fund

This entity invests in public and private equities or instruments convertible into equities of New Brunswick and Atlantic Canada companies. Its benchmark is a 4% real rate of return.

NBIMC Private Equity Fund

This entity is managed by external managers who invest primarily in non-publicly traded securities of U.S. and European companies. Its benchmark is the MSCI World Total Return Index in \$C, Net.

Vestcor Investments Private Equity, L.P.

This entity is managed by external managers who invest primarily in non-publicly traded securities of U.S. and European companies. Its benchmark is a weighted average of the S&P/TSX, S&P 500 and MSCI EAFE total return indices in \$C.

NBIMC Asset Mix Strategy Fund

This entity adds value through active tactical asset mix decisions by Vestcor's internal Asset Mix Strategy Committee.

Following are details of the Plan's investment holdings as at December 31:

(\$ thousands)	Number of Units (rounded)	Unit Value (in dollars)	Fair Value 2024	Fair Value 2023
Fixed Income				
NBIMC Nominal Bond Fund	344,345	3,026	\$ 1,042,124	\$ 985,843
NBIMC Corporate Bond Fund	846,788	1,573	1,332,009	1,242,168
Vestcor Alternative Fixed Income, L.P.	32,937	1,131	37,252	6,003
NBIMC New Brunswick and Atlantic Canada Fixed Income Opportunity Fund	203	3,982	809	1,566
NBIMC Money Market Fund	17,338	1,952	33,768	11,519
Vestcor Long Term Money Market Fund	47,274	1,090	51,514	49,606
NBIMC Student Investment Fund	528	6,186	3,268	2,665
			2,500,744	2,299,370
Equities				
NBIMC Canadian Equity Index Fund	20,407	7,132	145,557	148,235
NBIMC Canadian Small Cap Equity Fund	64,470	1,876	120,958	103,656
NBIMC Low Volatility Canadian Equity Fund	68,634	3,201	219,682	211,778
NBIMC External Canadian Equity Fund	8,696	8,472	73,668	60,991
NBIMC External International Equity Fund	13,003	4,016	52,225	62,564
NBIMC EAFE Equity Index Fund	49,684	2,581	128,235	119,609
Vestcor International Active Equity Fund	29,885	1,375	41,102	16,914
Vestcor International Small Cap Equity Fund	133,313	1,176	156,728	131,405
Vestcor Low Volatility International Equity Fund	524,785	1,462	767,408	751,159
NBIMC Low Volatility Emerging Markets Equity Fund – Class N	184,099	1,659	305,512	272,898
Vestcor Emerging Markets Active Equity Fund	18,010	1,091	19,651	—
NBIMC U.S. Equity Index (2017) Fund	59,229	8,474	501,913	418,664
			2,532,639	2,297,873

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

3. Investments (continued)

(\$ thousands)	Number of Units (rounded)	Unit Value (in dollars)	Fair Value 2024	Fair Value 2023
Inflation-Linked Assets				
NBIMC Inflation Linked Securities Fund	80,002	4,127	330,169	317,808
NBIMC Canadian Real Estate Fund	7,763	6,038	46,872	53,800
NBIMC Canadian Real Estate Investment Trust Fund	13,701	1,768	24,226	7,995
NBIMC Non-Canadian Private Real Estate Fund	1,946	52	101	2,942
Vestcor Investments Private Real Estate, L.P. – Series I	13,510	1,352	18,265	14,880
Vestcor Investments Private Real Estate, L.P. – Series III	78,614	1,248	98,147	78,302
Vestcor Investments Private Real Estate, L.P. – Series IV	7,031	961	6,759	2,177
Vestcor Investments Private Real Estate 2, L.P. – Series I	13,097	1,302	17,051	17,487
Vestcor Investments Private Real Estate 2, L.P. – Series II	11,967	816	9,766	6,689
Vestcor Investments Private Real Estate 2, L.P. – Series III	45,886	945	43,360	44,439
Vestcor Real Estate Fund Feeder Inc.	273,057	1,242	339,228	311,551
NBIMC International Real Estate (2017) Fund	6,779	12,044	81,644	47,286
NBIMC Public Infrastructure (2017) Fund	20,382	1,754	35,742	40,091
NBIMC Infrastructure Fund	59,587	2,658	158,385	148,134
Vestcor Investments Infrastructure, L.P. – Series I	25,540	2,475	63,199	56,774
Vestcor Investments Infrastructure, L.P. – Series II	8,921	4,293	38,300	20,230
Vestcor Investments Infrastructure, L.P. – Series III	28,356	1,510	42,811	37,991
Vestcor Investments Infrastructure, L.P. – Series IV	85,644	1,366	116,991	83,079
Vestcor Investments Infrastructure, L.P. – Series V	72,324	1,171	84,699	56,823
			1,555,715	1,348,478
Alternative Investments				
NBIMC Quantitative Strategies (2017) Fund	70,821	2,389	169,209	166,385
NBIMC Quantitative Equity Strategic Beta (2017) Fund	88,860	1,578	140,231	120,500
Vestcor Global Alternative Risk Premia Fund	8,181	1,138	9,307	7,912
Vestcor Absolute Return Overlay Fund	65,921	134	8,829	4,570
NBIMC New Brunswick and Atlantic Canada Equity Opportunity Fund	86	11,676	1,010	967
NBIMC Private Equity Fund	16,685	6,969	116,272	139,207
Vestcor Investments Private Equity, L.P., Series I	83,758	2,352	196,980	201,265
Vestcor Investments Private Equity, L.P., Series II	35,897	2,993	107,429	114,316
Vestcor Investments Private Equity, L.P., Series III	52,290	1,752	91,615	63,231
Vestcor Investments Private Equity, L.P., Series V	18,713	1,402	26,243	17,562
Vestcor Investments Private Equity, L.P., Series VI	6,248	677	4,231	1,019
Vestcor Investments Private Equity, L.P., Series VII	4,899	1,594	7,808	2,406
Vestcor Investments Private Equity, L.P., Series VIII	930	1,061	987	—
			880,151	839,340
Tactical Asset Allocation				
NBIMC Asset Mix Strategy Fund	37,572	269	10,106	4,150
			\$ 7,479,355	\$ 6,789,211

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

4. Fair Value of Financial Instruments

Investments are valued at fair value with changes in fair values over time recognized in net investment income.

The determination of fair value is dependent upon the use of measurement inputs with varying degrees of subjectivity. The level of subjectivity can be classified and is referred to as the fair value hierarchy. The fair value hierarchy levels are:

Level 1 – Quoted market prices in active markets. This is considered to be the most reliable input for fair value measurement. A financial instrument is regarded as quoted in an active market if quoted prices are readily or regularly available from an exchange or prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 – Inputs (other than quoted prices included within Level 1) that are observable for the investment, either directly or indirectly. These inputs include quoted prices for similar investments in active markets, quoted prices for identical or similar investments in markets that are not active, and inputs other than quoted prices that are observable for the investment. These are inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

Level 3 – Inputs that are unobservable that are used to measure fair value when observable inputs are not available. Unobservable inputs reflect subjective assumptions that market participants may use in pricing the investment.

Vestcor Investment Entities are classified as level 2, with the exception of the Vestcor Investments Private Real Estate, L.P., the Vestcor Investments Private Real Estate 2, L.P., Vestcor Real Estate Fund Feeder Inc., the Vestcor Investments Infrastructure, L.P. and the Vestcor Investments Private Equity, L.P., since the units are priced based on each pooled fund's net asset value, which is observable, but the units are not traded in an active market. As at December 31, 2024 the fair value of investments classified as Level 2 was \$6,165,486 (2023 - \$5,658,990).

Units in each of the Vestcor Investments Private Real Estate, L.P., Vestcor Investments Private Real Estate 2, L.P., Vestcor Real Estate Fund Feeder Inc., Vestcor Investments Infrastructure, L.P. and Vestcor Investments Private Equity, L.P. are Level 3. There were no significant transfers between any levels during the year (2023 – no significant transfers between any levels). As at December 31, 2024 the fair value of investments classified as Level 3 was \$1,313,869 (2023 - \$1,130,221).

The Vestcor Investments Private Real Estate, L.P. holds investments in international real properties, indirectly through wholly owned holding companies invested in limited partnership structures. At December 31, 2024, an increase or decrease of 25 bps in the capitalization rate used by the independent property appraisers would have led to a decrease or increase in the valuation of this entity's investments in the amount of \$8,895 or \$10,096 respectively (2023 - \$7,748 or \$8,989 respectively).

The Vestcor Investments Private Real Estate 2, L.P. holds investments in international real properties, indirectly through wholly owned holding companies invested in limited partnership structures. At December 31, 2024, an increase or decrease of 25 bps change in the capitalization rate used by the independent property appraisers would have led to a decrease or increase on the valuation of this entity's investments in the amount of \$4,505 or \$4,958 respectively (2023 - \$7,489 or \$8,430 respectively).

The Vestcor Real Estate Fund Feeder Inc. holds an interest in the Vestcor Real Estate Fund Limited Partnership (VREFLP). VREFLP holds investments in Canadian real properties indirectly through co-investments. At December 31, 2024, an increase or decrease of 25 bps change in the capitalization rate used by the independent property appraisers would have led to a decrease or increase on the valuation of this entity's investments in the amount of \$22,214 or \$23,434 respectively (2023 - \$20,856 or \$26,109).

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

4. Fair Value of Financial Instruments (continued)

The Vestcor Investments Infrastructure, L.P. invests indirectly through co-investments in certain underlying infrastructure assets. The independent valuations received for each of the entity's investments suggest an aggregate range of values of \$340,047 or \$387,506 as at December 31, 2024 (2023 - \$241,755 to \$283,368). It is reasonably possible that the valuations used by this entity may require material adjustment to the carrying amount of its investments.

The Vestcor Investments Private Equity, L.P. invests in units of limited partnerships managed by well-known, experienced general partners. Excluding the publicly traded holdings, a 1% increase or decrease in the per unit net asset values reported by the limited partnerships would increase or decrease the carrying value of investments in this entity at December 31, 2024 by \$4,352 (2023 - \$3,998). It is reasonably possible that the valuations used by the entity may require material adjustment to the carrying value of its investments.

For all the entities above, the maximum exposure to loss in this entity is the fair value of its investments plus uncalled commitments (*note 13*).

The following table shows the changes in fair value measurement in Level 3 of the fair value hierarchy:

Year ended December 31, 2024	Fair Value, beginning of year \$	Gains (losses) in profit \$	Purchases \$	Sales \$	Fair Value, end of year \$
Vestcor Investments Private Real Estate, L.P.	95,359	(727)	30,678	(2,139)	123,171
Vestcor Investments Private Real Estate 2, L.P.	68,615	(2,627)	6,931	(2,742)	70,177
Vestcor Real Estate Fund Feeder Inc.	311,551	13,979	14,848	(1,150)	339,228
Vestcor Investments Infrastructure, L.P.	254,897	43,505	58,296	(10,698)	346,000
Vestcor Investments Private Equity, L.P.	399,799	63,220	40,287	(68,013)	435,293

Year ended December 31, 2023	Fair Value, beginning of year \$	Gains (losses) in profit \$	Purchases \$	Sales \$	Fair Value, end of year \$
Vestcor Investments Private Real Estate, L.P.	79,272	(2,772)	27,439	(8,580)	95,359
Vestcor Investments Private Real Estate 2, L.P.	73,294	(4,783)	5,590	(5,486)	68,615
Vestcor Real Estate Fund Feeder Inc.	276,391	(11,511)	68,682	(22,011)	311,551
Vestcor Investments Infrastructure, L.P.	201,364	12,828	50,850	(10,145)	254,897
Vestcor Investments Private Equity, L.P.	331,223	52,661	34,053	(18,138)	399,799

5. Financial Instrument Risk Management

Financial instruments are exposed to risks such as market, interest rate, credit and liquidity risk.

(a) **Market Risk:** Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual investment or factors affecting all securities traded in the market. Market risk includes foreign currency risk, interest rate risk, and pricing risk, among others. A factor impacting all securities traded in a market is geopolitical risk. The principal lever for managing market risk is to invest in widely diversified countries, sectors, and issuers. The Plan holds investments in pooled funds that invest in active and passive investment strategies and are diversified among domestic and international markets.

NOTES TO FINANCIAL STATEMENTS
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5. Financial Instrument Risk Management (*continued*)

Investment strategies used by the Vestcor Investment Entities may involve the use of financial derivatives such as forward foreign exchange contracts or total return swaps. Investment strategies also include “market neutral” strategies whereby an investment in a long position in one stock is matched with a short position in another stock, typically within the same industry sector. With the limited exception of prudent financing for investments in real property, the SIP (*note 8*) precludes the use of leverage in the investment portfolio. Accordingly, to the extent that there is market exposure from derivative investments and short positions, each Vestcor Investment Entity will hold cash underlay equal to the amount of market exposure. Market neutral strategies help to mitigate market risk through adherence to maximum investment limits and stop-loss constraints, and have a lower correlation to broad market indices.

Vestcor conducts certain of its investment activities in the Vestcor Investment Entities on behalf of the Plan by trading through broker channels on regulated exchanges and in the over-the-counter market. Brokers typically require that collateral be pledged against potential market fluctuations when trading in derivative financial instruments or when shorting security positions. As at December 31, 2024, the fair value of the Plan’s underlying securities that have been deposited or pledged with various financial institutions as collateral or margin on account was \$462,514 (2023 – \$463,908) (*note 5(c)*).

Foreign currency risk arises from holding investments denominated in currencies other than the Canadian dollar. All of the Plan’s investments are in Canadian dollar denominated Vestcor Investment Entities; however, certain of the Vestcor Investment Entities invest in assets denominated in foreign currencies or domiciled in foreign jurisdictions. The SIP permits hedging of foreign currency exposure at the portfolio manager’s discretion. Approximately 34.9% (2023 – 34.8%) of the Plan’s underlying investments are denominated in currencies other than the Canadian dollar, with the largest foreign currency exposure being to the U.S. dollar of 23.7% (2023 – 23.0%) and the Euro of 3.3% (2023 – 2.4%).

A 1% absolute increase or decrease in the value of the Canadian dollar against all other currencies with all other variables held constant would result in an approximate decrease or increase in the value of the net investment assets at December 31, 2024 of \$26,068 (2023 – \$23,616).

Interest rate risk refers to the effect on the market value of investments due to fluctuation of interest rates. The Plan invests in certain Vestcor Investment Entities that invest in fixed income securities whose fair values are sensitive to interest rates. The SIP requires Vestcor to adhere to guidelines on duration and yield curve, which are designed to mitigate the risk of interest rate volatility.

If interest rates increased by 1%, and all other variables are held constant, the potential loss in fair value to the net investment assets at December 31, 2024 would be approximately \$200,105 (2023 – \$192,772).

Pricing risk is the risk that equity investments will change in value due to future fluctuations in market prices caused by factors specific to an individual equity investment or other factors affecting all equities traded in the market. The Plan is exposed to price risk associated with the underlying equity investments held in the Vestcor Investment Entities. If equity market price indices declined by 1%, and all other variables are held constant, the potential loss at December 31, 2024 would be approximately \$32,374 (2023 – \$29,273).

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

5. Financial Instrument Risk Management (continued)

(b) **Credit Risk:** The Plan is exposed to credit-related risk in the event that a pooled fund investment in a derivative or debt security counterparty defaults or becomes insolvent. Vestcor has established investment criteria which are designed to manage credit risk by establishing limits by issuer type and credit rating for fixed income and derivative credit exposure. Vestcor monitors these exposures monthly. Such derivative and short and long-term debt securities are restricted to those having investment grade ratings, as provided by a third party rating agency. In addition, each counterparty exposure is restricted to no more than 5% of total assets. Investment grade ratings are BBB and above for longer term debt securities and R-1 for short-term debt. Any credit downgrade below investment grade is subject to review by the Board of Trustees.

The quality of the aggregate credit exposure in the underlying Vestcor Investment Entities at December 31 is as follows:

(\$ thousands)		2024		2023
AAA	\$	809,898	\$	717,957
AA		649,573		667,837
A		583,350		561,718
BBB		683,124		602,564
R-1		74,405		109,829
Other		42,179		35,658
	\$	2,842,529	\$	2,695,563

The highest concentration of credit risk at each year end is with Government of Canada bonds.

(c) **Liquidity Risk:** Liquidity risk is the risk of not having sufficient funds available to meet cash demands. Sources of liquidity include pension contributions collected from the employers and employees as well as redemption of units in Vestcor Investment Entities. Uses of liquidity include payments to the Plan beneficiaries, Plan service providers and purchases of units of Vestcor Investment Entities.

The Plan's asset mix is specifically designed to ensure that sufficient liquid assets are available to meet pension benefit obligations as they are required. Other than cash, treasury bills, and bankers' acceptances, the most liquid asset class is government bonds whereas privately held debt, equity, real estate, and infrastructure investments are considered highly illiquid due to the lack of a readily available market and the longer term to maturity for these investments.

Net liquid assets are defined to include the fair value of all assets excluding private equity, private real estate, private infrastructure, New Brunswick regional investments, and the Plan's proportionate share of the fair value of collateral pledged with brokers and counterparties, and any unfunded investment commitments. Net liquid assets is a non-GAAP measure.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

5. Financial Instrument Risk Management (continued)

The following table shows the determination of net liquid assets as at December 31:

(\$ thousands)	2024	2023
Net assets available for benefits	\$ 7,482,434	\$ 6,824,678
Less investment in:		
NBIMC New Brunswick and Atlantic Canada Fixed Income Opportunity Fund (note 3)	(809)	(1,566)
NBIMC Canadian Real Estate Fund (note 3)	(46,872)	(53,800)
NBIMC Non-Canadian Private Real Estate Fund (note 3)	(101)	(2,942)
Vestcor Investments Private Real Estate, L.P. (note 3)	(123,171)	(95,359)
Vestcor Investments Private Real Estate 2, L.P. (note 3)	(70,177)	(68,615)
Vestcor Real Estate Fund Feeder Inc. (note 3)	(339,228)	(311,551)
NBIMC Infrastructure Fund (note 3)	(158,385)	(148,134)
Vestcor Investments Infrastructure, L.P. (note 3)	(346,000)	(254,897)
NBIMC New Brunswick and Atlantic Canada Equity Opportunity Fund (note 3)	(1,010)	(967)
NBIMC Private Equity Fund (note 3)	(116,272)	(139,207)
Vestcor Investments Private Equity, L.P. (note 3)	(435,293)	(399,799)
Collateral pledged (note 5(a))	(462,514)	(463,908)
Investment commitments (note 13)	(400,791)	(362,221)
Net liquid assets	\$ 4,981,811	\$ 4,521,712

(d) **Securities Lending:** The Plan's SIP permits Vestcor to enter into a securities lending arrangement externally with their securities custodian or internally among the Vestcor Investment Entities with the objective of enhancing portfolio returns.

Under the external program, the securities custodian, who is an independent third party, may loan securities owned by the Vestcor Investment Entities to other approved borrowers in exchange for collateral in the form of readily marketable government-backed securities equal to at least 105% of the value of securities on loan and a borrowing fee. Vestcor has restricted the approved borrowers under the external securities lending program to manage exposure to counterparty credit risk. As at December 31, 2024, underlying securities in the amount of \$1,014,243 (2023 – \$983,835) were loaned on behalf of the Plan.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

6. Pension Obligations

(a) Actuarial Methodology: On conversion of the TPA from a defined benefit plan to a target benefit plan, an actuarial valuation report was prepared by Morneau Shepell (now known as TELUS Health), the independent actuary, to document:

- the results of the initial funding valuation, as required under paragraph 17(1) of the TPPA;
- the Conversion Plan as required under sub-paragraph 100.6(2)(a)(i) of the *Pension Benefits Act (New Brunswick)*; and
- the results of the going-concern actuarial valuation as required under paragraph 16(1) of the TPPA in order to determine the maximum eligible employer contribution for the NBTPP under paragraph 147.2(2) of the *Income Tax Act (Canada)*.

The TPPA requires that a funding valuation be prepared at least once every three years and be submitted to the Superintendent of Pensions. In the years in which an actuarial valuation report is not submitted to the Superintendent of Pensions, a cost certificate with respect to the funding policy is prepared in accordance with section 9 of regulation 91-195 and submitted to the Superintendent of Pensions. The most recent funding valuation was prepared as of August 31, 2024 by the independent actuary. The results of this valuation have been extrapolated to December 31, 2024. The next funding valuation is expected to be prepared no later than August 31, 2027.

The funding valuation actuarial liabilities and normal cost were calculated using the accrued benefit actuarial cost method in accordance with the requirements of paragraph 17(9) of the TPPA.

The funding policy valuation actuarial liabilities are equal to the actuarial present value of benefits earned by members for services prior to the valuation date, taking into account the actuarial assumptions. The actuarial liabilities take into account the increases in accrued pensions due to regular cost-of-living adjustments granted to active and retired members.

The funding valuation normal cost is equal to the actuarial present value of benefits expected to be earned by members in the year following the valuation date.

The extrapolation is based on the most recent actuarial valuation conducted for the Plan. The valuation results are then projected to:

1. Increase the pension obligations with interest to the date of the extrapolation using the applicable discount rate;
2. Increase the pension obligations by the current benefit costs based on actual contributions to the Plan plus interest to the date of the extrapolation; and
3. Decrease the pension obligations by the actual benefit payments made during the period to the date of the extrapolation.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

6. Pension Obligations (continued)

(b) Actuarial Assumptions: The main assumptions used in determining the funding valuation actuarial liabilities as of the respective extrapolation dates, and normal cost for the year following the extrapolation dates are as follows:

	December 31, 2024	December 31, 2023
Discount rate	6.25% per annum	6.25% per annum
Inflation rate	2.10% per annum	2.10% per annum
Indexing of active members' accrued pensions	100% of inflation*	100% of inflation*
Indexing of retiree pensions	75% of inflation*	75% of inflation*
Mortality	Regular Members: CPM 2014 Public Sector Table generational mortality using improvement scale CPM-B with an adjustment factor of 0.95 for males and 0.90 for females. Disabled Members: CPM 2014 Public Sector Table generational mortality using improvement scale CPM-B with an adjustment factor of 1.50 for both males and females.	Regular Members: CPM 2014 Public Sector Table generational mortality using improvement scale CPM-B with an adjustment factor of 0.95 for males and 0.90 for females. Disabled Members: CPM 2014 Public Sector Table generational mortality using improvement scale CPM-B with an adjustment factor of 1.50 for both males and females.
Number of years before unreduced retirement age according to provisions in effect at December 31, 2013:	20% at 81 points, 30% at 85 points, 30% at 89 points, 20% at 91 points, but not later than attainment of 35 years of service or age 62	Under 10 years: 20% at 81 points, 35% at 85 points, 35% at 87 points, 10% at 90 points, but not later than attainment of 35 years of service or age 60 Over 10 years: 20% at 81 points, 40% at 89 points, 40% at 91 points, but not later than attainment of 35 years of service or age 62
Termination of employment	None	

*Inflation is adjusted down by 0.10% for purposes of indexing to take into account the impact of the 4.75% cap applied under the Plan for indexing purposes.

Changes in actuarial assumptions during 2024 resulted in a net increase in the pension obligation of \$39,300 (2023 – nil)

(c) Experience losses: Experience losses represent the change in the pension obligations due to the difference between expected experience and actual results. During 2024, experience losses were \$171,900 (2023 – nil).

(d) Sensitivity analysis: The discount rate used to estimate the present value of pension obligations has a significant effect on the pension obligations at the end of the year. As of December 31, 2024, a decrease of 100 basis points in the discount rate would have increased the pension obligations by \$822,500 (2023 - \$788,800).

(e) Funding valuation assets: The financial position of the Plan on a funding basis is determined by deducting the funding valuation actuarial liabilities from the funding valuation asset value.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

7. Funding Policy

The following is only a summary of the main features of the funding policy and should not be relied upon for a formal interpretation of the terms of the funding policy.

The funding policy is the tool required pursuant to the Act that the Board of Trustees uses to manage the risks inherent in a target benefit plan. The funding policy provides guidance and rules regarding decisions that must, or may, as applicable, be made by the Board of Trustees concerning funding levels, contributions and benefits.

The purpose of the NBTPP is to provide a highly secure lifetime pension at retirement and maintain scheduled escalated adjustments at their target level if the Plan can afford it.

The funding policy sets out two financial goals that underlie the Plan's objectives:

- (a) The Funding Goal is to achieve a closed group funding ratio of 100% plus a Contingency Reserve of 10%.
- (b) The Risk Management Goal is to achieve 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 above risk management goal is measured at every triennial actuarial valuation using an asset liability model with future economic scenarios developed using a stochastic process.

The funding policy sets out the decisions to be made by the Board of Trustees. These decisions are based on the closed group funded ratio calculated as the market value of the assets divided by the funding liabilities. Depending upon the level of the closed group funded ratio, decisions may have to be made under either a funding deficit recovery plan or a funding excess utilization plan.

The funding deficit recovery plan is triggered when over a three-year moving average:

- the closed group funded ratio of the Plan falls below 100%; and
- contributions in excess of normal cost are not enough to bring the closed group funded ratio above 100% over 15 years.

If this occurs, the following actions in order of priority must be taken to return the closed group funded ratio to 100% (including the impact of the contributions in excess of the normal cost) over 15 years:

1. Maximum increase in total contributions of 3.0% of earnings (shared equally between the employer and the employees), provided the total increase is at least equal to 1.0% of earnings.
2. Reduction in the following benefits, in the order indicated:
 - a. Reduce the level of escalated adjustments applicable to future service of active members until eliminated;
 - b. Reduce the level of future escalated adjustments applicable to the post-retirement period for all retirees and their survivors until eliminated;
 - c. Reduce the level of future escalated adjustments applicable to past service of active members for the pre-retirement period until eliminated;
 - d. Reduce other ancillary benefits and future accrual rates such that the amount of savings, when combined with c. above, equates to an amount of no more than 10% of payroll over 15 years;
 - e. At the discretion of the Board of Trustees, reduce the base benefits of active employees (subject to a certain maximum); and
 - f. As a last resort, reduce the base benefits of retirees and claimants in the same proportion as active members under e. above, and for all participants equally thereafter, to the extent necessary to bring the funded ratio to 100% over 15 years.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

7. Funding Policy (*continued*)

The funding excess utilization plan is triggered when the closed group funded ratio is in excess of 100%. At that time, the Board of Trustees must take or consider taking the following actions in the order of priority:

1. Reverse any benefit reductions implemented as part of funding deficit recovery plan, in the reverse order in which they were implemented, such that the closed group funded ratio is still expected to reach 100% within 15 years after the reversal;
2. Establish a contingency reserve of at least 15% of the funding liabilities of the Plan;
3. If the closed group funded ratio exceeds 115%, apply a reduction in total contributions of 3% of earnings (shared equally between the employer and the employees);
4. If the closed group funded ratio exceeds 120%, reinstate any lost cost-of-living adjustments due to the implementation of past funding deficit recovery plans; and
5. If all the above steps have been taken, the Board of Trustees may propose benefit changes provided various criteria of risk management are met, and other conditions, and such proposals are approved by the Superintendent of Pension and submitted to the Parties.

The maximum amount that can be spent on benefit improvements in 4. and 5. above is $1/5^{\text{th}}$ of the funds that make up the excess of the closed group funded ratio over 110% at the valuation date that triggered the action.

The funding policy also provides a description of the main actuarial assumptions to be used in the funding valuation, as well as the process to be followed for its annual review.

8. Capital

The capital of the NBTPP is represented by the net assets available for benefits. The NBTPP must be managed in a manner which recognizes the interdependency of the SIP, the risk management goals set out in the funding policy and applicable regulatory requirements.

The Board of Trustees is responsible for the establishment of a SIP, including approval of a recommended investment asset mix that seeks to deliver the long-term investment returns necessary for the sustainability of the NBTPP. Determining the asset mix requires information from independent actuarial valuations as well as expectations concerning financial markets and uses a portfolio optimization process. This process has the intent of achieving the maximum investment returns possible while meeting the risk management tests in the funding policy. The recommended strategic asset allocation is reviewed on at least an annual basis to ensure that it remains appropriate. The SIP was last reviewed and approved by the Board of Trustees on September 17, 2024.

Once approved, Vestcor is responsible for the implementation of the asset mix decision including day-to-day investment activities and monitoring of investment risk controls. Vestcor produces quarterly reporting of investment performance, policy compliance, and trends and changes in investment risks for the Board of Trustees.

The Board-approved SIP outlines the following investment objectives:

- i. In the long term, to preserve the capital value of the Pension Fund but also provide the best possible long-term real return on investments while continuing to achieve the risk management goals;
- ii. Over shorter time periods, to achieve competitive rates of return on each major asset class while avoiding undue investment risk and excessive market volatility; and
- iii. Over the medium term, to provide rates of return in excess of those achieved by passive management of the policy portfolio. A value added contribution of 0.50%, after deducting all investment management costs, is the portfolio's target four-year moving average rate of return.

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

9. Net Investment Income

Net investment income represents the changes in fair value, realized and unrealized, in the units held in each of the Vestcor Investment Entities. Net investment income (loss) for the year ended December 31 is as follows:

(\$ thousands)	Realized Gain (Loss)	Unrealized Gain (Loss)	2024 Net Investment Income (Loss)
Fixed Income			
NBIMC Nominal Bond Fund	\$ 7,104	\$ 29,202	\$ 36,306
NBIMC Corporate Bond Fund	3,366	86,923	90,289
Vestcor Alternative Fixed Income, L.P.	14	1,837	1,851
NBIMC New Brunswick and Atlantic Canada Fixed Income Opportunity Fund	558	(508)	50
NBIMC Money Market Fund	1,297	68	1,365
Vestcor Long Term Money Market Fund	16	3,093	3,109
NBIMC Student Investment Fund	—	603	603
	12,355	121,218	133,573
Equities			
NBIMC Canadian Equity Index Fund	16,478	13,426	29,904
NBIMC Canadian Small Cap Equity Fund	1,673	20,130	21,803
NBIMC Low Volatility Canadian Equity Fund	19,409	25,801	45,210
NBIMC External Canadian Equity Fund	264	12,188	12,452
NBIMC External International Equity Fund	13,072	(3,558)	9,514
NBIMC EAFE Equity Index Fund	9,160	5,408	14,568
Vestcor International Active Equity Fund	—	6,679	6,679
Vestcor International Small Cap Equity Fund	—	24,795	24,795
Vestcor Low Volatility International Equity Fund	33,652	112,872	146,524
NBIMC Low Volatility Emerging Markets Equity Fund – Class N	12,443	55,537	67,980
Vestcor Emerging Markets Active Equity Fund	—	1,641	1,641
NBIMC U.S. Equity Index (2017) Fund	30,950	112,277	143,227
	137,101	387,196	524,297
Inflation-Linked Assets			
NBIMC Inflation Linked Securities Fund	1,876	10,485	12,361
NBIMC Canadian Real Estate Fund	2,326	(5,255)	(2,929)
NBIMC Canadian Real Estate Investment Trust Fund	34	(460)	(426)
NBIMC Non-Canadian Private Real Estate Fund	(3,749)	1,954	(1,795)
Vestcor Investments Private Real Estate, L.P.	138	(865)	(727)
Vestcor Investments Private Real Estate 2, L.P.	(142)	(2,485)	(2,627)
Vestcor Real Estate Fund Feeder Inc.	99	13,880	13,979
NBIMC International Real Estate (2017) Fund	120	12,650	12,770
NBIMC Public Infrastructure (2017) Fund	4,185	4,522	8,707
NBIMC Infrastructure Fund	995	8,270	9,265
Vestcor Investments Infrastructure, L.P.	3,654	39,851	43,505
	9,536	82,547	92,083

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

9. Net Investment Income (continued)

(\$ thousands)	Realized Gain (Loss)	Unrealized Gain (Loss)	2024 Net Investment Income (Loss)
Alternative Investments			
NBIMC Quantitative Strategies (2017) Fund	3,006	7,282	10,288
NBIMC Quantitative Equity Strategic Beta (2017) Fund	—	12,800	12,800
Vestcor Global Alternative Risk Premia Fund	1	861	862
Vestcor Absolute Return Overlay Fund	3,853	6,118	9,971
NBIMC New Brunswick and Atlantic Canada Equity Opportunity Fund	224	92	316
NBIMC Private Equity Fund	17,827	(13,985)	3,842
Vestcor Investments Private Equity, L.P.	34,233	28,987	63,220
	59,144	42,155	101,299
Tactical Asset Allocation			
NBIMC Asset Mix Strategy Fund	(3,133)	2,220	(913)
Net investment income	\$ 215,003	\$ 635,336	\$ 850,339

(\$ thousands)	Realized Gain (Loss)	Unrealized Gain (Loss)	2023 Net Investment Income (Loss)
Fixed Income			
NBIMC Nominal Bond Fund	\$ 6,264	\$ 52,197	\$ 58,461
NBIMC Corporate Bond Fund	2,362	96,537	98,899
Vestcor Alternative Fixed Income, L.P.	—	74	74
NBIMC New Brunswick and Atlantic Canada Fixed Income Opportunity Fund	531	(441)	90
NBIMC Money Market Fund	782	36	818
Vestcor Long Term Money Market Fund	—	472	472
NBIMC Student Investment Fund	—	239	239
	9,939	149,114	159,053
Equities			
NBIMC Canadian Equity Index Fund	37,832	(16,336)	21,496
NBIMC Canadian Small Cap Equity Fund	1,171	3,817	4,988
NBIMC Low Volatility Canadian Equity Fund	26,661	(7,519)	19,142
NBIMC External Canadian Equity Fund	4,957	727	5,684
NBIMC External International Equity Fund	12,116	(2,098)	10,018
NBIMC EAFE Equity Index Fund	19,981	1,026	21,007
Vestcor International Active Equity Fund	—	717	717
Vestcor International Small Cap Equity Fund	—	9,341	9,341
Vestcor Low Volatility International Equity Fund	3,373	55,850	59,223
NBIMC Low Volatility Emerging Markets Equity Fund – Class N	4,656	28,653	33,309
NBIMC U.S. Equity Index (2017) Fund	23,618	65,626	89,244
	134,365	139,804	274,169

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

9. Net Investment Income (continued)

(\$ thousands)	Realized Gain (Loss)	Unrealized Gain (Loss)	2023 Net Investment Income (Loss)
Inflation-Linked Assets			
NBIMC Inflation Linked Securities Fund	—	6,851	6,851
NBIMC Canadian Real Estate Fund	2,032	(13,118)	(11,086)
NBIMC Canadian Real Estate Investment Trust Fund	18	198	216
NBIMC Non-Canadian Private Real Estate Fund	(171)	(461)	(632)
Vestcor Investments Private Real Estate, L.P.	807	(3,579)	(2,772)
Vestcor Investments Private Real Estate 2, L.P.	151	(4,934)	(4,783)
Vestcor Real Estate Fund Feeder Inc.	2,350	(13,861)	(11,511)
NBIMC International Real Estate (2017) Fund	—	2,188	2,188
NBIMC Public Infrastructure (2017) Fund	78	1,004	1,082
NBIMC Infrastructure Fund	2,072	(3,490)	(1,418)
Vestcor Investments Infrastructure, L.P.	2,096	10,732	12,828
	9,433	(18,470)	(9,037)
Alternative Investments			
NBIMC Quantitative Strategies (2017) Fund	13,795	(11,048)	2,747
NBIMC Quantitative Equity Strategic Beta (2017) Fund	8,693	(2,220)	6,473
Vestcor Global Alternative Risk Premia Fund	—	177	177
Vestcor Absolute Return Overlay Fund	3,363	(9,700)	(6,337)
NBIMC New Brunswick and Atlantic Canada Equity Opportunity Fund	163	(163)	—
NBIMC Private Equity Fund	18,607	(28,060)	(9,453)
Vestcor Investments Private Equity, L.P.	8,191	44,470	52,661
	52,812	(6,544)	46,268
Tactical Asset Allocation			
NBIMC Asset Mix Strategy Fund	(4,811)	(8,807)	(13,618)
Net investment income	\$ 201,738	\$ 255,097	\$ 456,835

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

10. Pension Benefits

A breakdown of pension benefits by type is as follows:

(\$ thousands)	2024	2023
Retirements	\$ 321,114	\$ 309,836
Terminations	1,513	2,097
Disability	7,104	7,029
Survivor	20,388	18,626
Other	3,405	1,993
	\$ 353,524	\$ 339,581

These benefits are presented in the Statement of Changes in Net Assets Available for Benefits as:

(\$ thousands)	2024	2023
Pension benefits	\$ 348,240	\$ 335,150
Refunds and transfers	5,284	4,431
	\$ 353,524	\$ 339,581

11. Administrative Expenses

The Plan is charged by its service providers, including Vestcor, a related party, for professional and administrative services. The following is a summary of these administrative expenses:

(\$ thousands)	2024	2023
Plan administration fees:		
Office and administration services (note 12)	\$ 1,677	\$ 1,560
Consulting	72	56
Legal and regulatory fees	11	13
Actuarial services	36	97
Audit fees	45	50
Member communications	90	99
Board of Trustees	106	105
	2,037	1,980
Investment management costs:		
Investment management fees (note 12)	9,058	8,860
Securities custody	431	384
	9,489	9,244
HST	1,197	1,199
	\$ 12,723	\$ 12,423

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

12. Related Party Transactions

The Plan is related to the Province of New Brunswick including its departments, agencies, school districts, regional health authorities, crown corporations and other crown entities. The Board of Trustees determines the amounts of contributions to and payments from the Plan.

Pursuant to the *Vestcor Act*, on July 8, 2016 the Plan is a member of a not-for-profit, non-share company, Vestcor Corp. On October 1, 2016, Vestcor Corp. acquired a 100% interest in two operating companies: Vestcor Investment Management Corporation and Vestcor Pension Services Corporation which were then amalgamated to become Vestcor Inc. on January 1, 2018. Vestcor is the sole shareholder of Vestcor Investments General Partner, Inc. As at December 31, 2024, Vestcor Investments General Partner, Inc. is the general partner in five limited partnerships in which the Plan holds a limited partnership interest: Vestcor Investment Alternative Fixed Income, L.P., Vestcor Investments Private Real Estate, L.P., Vestcor Private Real Estate 2, L.P., Vestcor Investments Infrastructure, L.P. and Vestcor Investments Private Equity, L.P. (*note 3*).

All of the Plan's investments included in the Statement of Financial Position are in Vestcor Investment Entities which entitle the Plan to an undivided interest in the underlying assets (*note 3*). In addition, the NBIMC Canadian Real Estate Fund and NBIMC Private Equity Fund have made certain of their direct and indirect real estate investments using wholly owned subsidiary company structures.

Included in the investments in the Vestcor Investment Entities are underlying investments in New Brunswick provincial and municipal bonds that are recorded at their fair values as at December 31, 2024 of \$19,492 (2023 – \$18,892).

Pension administration expenses and investment management fees paid to Vestcor for the year are described in note 11. At December 31, 2024, amounts owing to Vestcor for investment management fees of \$4,780 (2023 – \$5,184) and for pension administration expenses of \$222 (2023 – \$6) are included in accounts payable and accrued liabilities in the Statement of Financial Position. The Plan has a receivable in the amount of \$103 (2023 – \$255) due from Vestcor for funds advanced as part of an administration system conversion project.

13. Commitments

The following entities have committed to enter into investments, which may be funded over the next several years in accordance with the terms and conditions agreed to in various partnership agreements. The Plan's share of unfunded commitments as at December 31 is:

(\$ thousands)	2024	2023
Vestcor Alternative Fixed Income, L.P.	\$ 102,720	\$ 17,521
NBIMC Canadian Real Estate Fund	1,212	1,969
NBIMC Non-Canadian Private Real Estate Fund	—	2,726
Vestcor Investments Private Real Estate, L.P.	60,916	87,506
Vestcor Investments Private Real Estate 2, L.P.	—	4,519
Vestcor Real Estate Fund Feeder Inc.	50	881
Vestcor Investments Infrastructure, L.P.	11,508	35,976
NBIMC Private Equity Fund	38,923	40,517
Vestcor Investments Private Equity, L.P.	185,462	170,606
	\$ 400,791	\$ 362,221

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

14. Indemnification

Pursuant to the Agreement and Declaration of Trust, a first lien and charge against the assets of the Plan is provided as indemnification to the Board of Trustees against any liability incurred, including defence costs. The Plan may be required to compensate these individuals in the event of a claim being made against them. The contingent nature of these indemnification obligations prevents the Plan from making a reasonable estimate of the maximum potential payments that may be required. The Plan has not received any claims or made any payments pursuant to such indemnifications.