VESTCOR CORP

2024

ANNUAL REPORT

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Vestcor Corp.
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WHO WE ARE

Vestcor Corp. was established pursuant to the *Vestcor Act* which was proclaimed on July 8, 2016. Vestcor Corp.'s mandate is to provide, through its wholly owned subsidiary, Vestcor Inc., a cost-effective, integrated investment management, pension, and benefit service delivery platform to public sector entities.

Board of Directors

Katherine Greenbank[1]
Presiding Co-Chair

Robert Fitzpatrick
Co-Chair

Mark Gaudet[2]
Co-Chair

Marilyn Quinn
Director

Larry Jamieson
Director

Leonard Lee-White
Director

Marcel Larocque
Director

Susie Proulx-Daigle
Director

Sébastien Deschênes, DBA, CFA, CPA, ICD.D
Director

[1] Katherine Greenbank was appointed to the Vestcor Corp. Board of Directors by the Board of Trustees for the New Brunswick Public Service Pension Plan effective March 2024. She was appointed Presiding Co-Chair of the Vestcor Corp. Board of Directors in June 2024.

[2] Mark Gaudet's term on the Vestcor Corp. Board of Directors ended January 31, 2024.

Corporate Officers

Sean Hewitt, CFA, ICD.D[3]
Chief Executive Officer

John A. Sinclair[3]
Chief Executive Officer

Brent Henry, CPA, CA
Chief Financial Officer

Jennie Noel-Thériault, GPC.D
Secretary of the Vestcor Corp.
Board of Directors

[3] Sean Hewitt was appointed Chief Executive Officer of Vestcor Corp. in June 2024, following the retirement of John A. Sinclair.

MESSAGE FROM THE CO-CHAIRS

On behalf of the Vestcor Corp. Board of Directors, we are pleased to present our eighth annual report.

This report provides a summary of our activities in overseeing our operating company subsidiary, Vestcor Inc., in 2024. It also includes audited non-consolidated financial statements for Vestcor Corp. in our role as shareholder of Vestcor Inc. Vestcor Inc. publishes a separate annual report of its operations – which is available at vestcor.org/annualreports.

Vestcor Corp. is governed by a Board of Directors (Board). Directors are appointed equally by our Founding Members: the New Brunswick Public Service Pension Plan (NBPSPP) and the New Brunswick Teachers' Pension Plan (NBTPP). Our subsidiary, Vestcor Inc., is governed by an independent Board of Directors appointed by Vestcor Corp.

Recent Activities

The Board met twice in 2024. A list of our accomplishments is available on page 6. Of note was the reappointment of two Vestcor Inc. Directors, whose terms were expiring: Michel Doiron and Tanya Chapman.

On behalf of the Board, we wish to thank the employees, management team, and Board of Vestcor Inc. for another successful year. Together, they delivered prudent and cost-effective investment and administration services to clients and their members, while encountering external challenges. Faced with significant inflation, market volatility, and substantial member service and application volumes, the team continued to meet the long-term goals of clients and deliver on the organization's corporate purpose: a partner in creating and delivering sustainable financial security.

We would like to take a moment to recognize the diligent service of Mark Gaudet, our former Co-Chair, whose final term with the NBPSPP Board of Trustees expired on January 31, 2024. With that, his term with Vestcor Corp. also expired. The year 2024 also saw the retirement of our long-standing CEO, John Sinclair. We thank John for his exemplary work over the years, and wish him well in retirement. Sean Hewitt has since accepted the role of CEO, and we are pleased to welcome him aboard.

We trust this annual report provides a thorough account of our activities in 2024.

[signed by]

Katherine Greenbank
Presiding Co-Chair

Robert Fitzpatrick
Co-Chair

June 24, 2025
Fredericton, New Brunswick

CORPORATE GOVERNANCE

Under the *Vestcor Act*, Vestcor Corp. is established as a non-share, not-for-profit corporation that is owned by its Founding Members (Members), currently the New Brunswick Public Service Pension Plan and the New Brunswick Teachers' Pension Plan. Vestcor Corp.'s purpose is to be a holding company for Vestcor Inc.

Vestcor Corp. and Vestcor Inc. (collectively the "Vestcor Group"), operate on a commercial basis using sound business practices. The *Vestcor Act* (also referred to as the *Act*) also requires that each Member of Vestcor Corp. be a client of Vestcor Inc.

The *Act* provides for the Board of Directors of Vestcor Corp. (or "Board") to consist of a minimum of eight Directors, four of whom are appointed by the New Brunswick Public Service Pension Plan (NBPSPP) and four by the New Brunswick Teachers' Pension Plan (NBTPP). The Board may be increased by up to another four potential seats in the event new Members are admitted.

Each Director is appointed for a term of three years and may be reappointed at the discretion of the appointing Member. The Board will elect two Directors to be Co-Chairs. The Co-Chairs will preside over Board affairs on an alternating twelve-month basis.

The Members' Agreement between the NBTPP and NBPSPP further describes the decision-making process that will be followed for the oversight of the Vestcor Group.

The *Act* and the Members' Agreement requires the approval of the Members for the admission of any new Member, any amalgamation, restructuring or dissolution of any of the Vestcor Group of companies, any changes to the by-laws of each company in the Vestcor Group and the appointment or dismissal of the external independent auditor.

The Board is mandated under the *Act* or the Members' Agreement to:

- Approve the by-laws and any changes to the by-laws for each company in the Vestcor Group.
- Approve the remuneration and travel expense policy for Directors of the Vestcor Group.
- Appoint an independent Board of Directors for Vestcor Inc., the operating company.
- Approve the annual operating and capital expenditure budgets for Vestcor Inc.
- Provide an annual report of Vestcor Corp.'s activities to its Members.

The *Vestcor Act* and the Members' Agreement can be found at **vestcor.org/vestcorcorp**.

Vestcor Corp. Directors are subject to a Code of Ethics and Business Conduct that requires each Director to confirm, by signing and submitting an annual confirmation, their ongoing awareness of the Code and its provisions and their compliance during the past year. The applicable annual confirmation was received from each Director during the year.

Board Meeting Attendance

The Board of Directors was appointed by the Members to be effective upon proclamation of the *Vestcor Act*. Board members are expected to attend the Board meetings.

The table to the right provides the number of meetings held as well as attendance by each of the appointed Directors during the year ended December 31, 2024.

All Directors have completed the Director Orientation Program that assists new Directors in understanding the mandate of Vestcor Corp.

Director	Appointing Member	Meeting Attendance Regular Business
Katherine Greenbank Presiding Co-Chair	NBPSPP	1/2
Robert Fitzpatrick Co-Chair	NBTPP	2/2
Mark Gaudet* Co-Chair	NBPSPP	0/0
Sébastien Deschênes	NBPSPP	2/2
Susie Proulx-Daigle	NBPSPP	2/2
Marilyn Quinn	NBPSPP	2/2
Marcel Larocque	NBTPP	2/2
Larry Jamieson	NBTPP	2/2
Leonard Lee-White	NBTPP	2/2

*Mark Gaudet's term ended January 31, 2024.

Director Remuneration

Director remuneration is established in Vestcor Corp.'s by-laws and includes a per diem allowance for meeting attendance and preparation time.

Directors who travel to attend meetings receive a per diem for travel time, reimbursement for reasonable accommodation costs and other out-of-pocket expenses, as well as an automobile expense reimbursement based on the number of kilometres travelled.

	2024	2023
Meeting and Translation Expenses	$5,481	$6,875
Travel and Accommodations	1,778	1,820
Per Diems	11,525	11,200
	$18,784	**$19,895**

The cost of the Board functions for 2024 was $18,784 as compared to $19,895 in 2023.

Board Actions

Major accomplishments during the year ended December 31, 2024 and the information reviewed by the Board included:

- Received a Vestcor Inc. governance update and a series of related highlights from the Chairperson of Vestcor Inc. at each meeting
- Held an in-camera meeting with the Chairperson of Vestcor Inc. at each Board meeting to continue to foster an effective relationship and to discuss strategic direction and accomplishments
- Appointed Sean Hewitt as the Vestcor Corp. Chief Executive Officer following the retirement of John Sinclair in April 2024
- Received and approved the 2023 Vestcor Corp. Audit Findings Report from the external auditor
- Reviewed and approved the Vestcor Corp. audited non-consolidated financial statements for the year ended December 31, 2023
- Reviewed and approved the Vestcor Corp. Annual Report for the year ended December 31, 2023
- Received the Vestcor Inc. Annual Report for the year ended December 31, 2023
- Approved the recommendation from the Vestcor Inc. Board of Directors to reappoint Michel Doiron and Tanya Chapman for three-year terms
- Reconfirmed the appointment of Vestcor Group's external auditor
- Reviewed and approved the 2024 Vestcor Corp. Audit Plan from the external auditor
- Reviewed and approved a memorandum from the Chief Financial Officer requesting the renewal of the Vestcor Group insurance program including coverages, deductibles and premiums
- Conducted the annual review of the Vestcor Corp. Board of Directors Remuneration and Travel Expenses Policy
- Reviewed and approved the 2025 operating and capital budgets for Vestcor Corp. and for Vestcor Inc.
- Reviewed and approved a request from Vestcor Inc. for an interest-bearing term loan maturing December 31, 2040 to a maximum of $1,800,000 to assist the operating company in paying for leasehold improvements, furniture, and equipment to expand office space
- Conducted the annual review of the Vestcor Corp. Code of Ethics and Business Conduct and received the annual confirmation of compliance from each Vestcor Corp. Director

NON-CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Vestcor Corp.

Opinion

We have audited the non-consolidated financial statements of Vestcor Corp. (the Entity), which comprise:

- the non-consolidated statement of financial position as at December 31, 2024
- the non-consolidated statement of operations and change in net assets for the year then ended
- the non-consolidated statement of cash flows for the year then ended
- and notes to the non-consolidated financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the non-consolidated financial position of the Entity as at December 31, 2024, and its non-consolidated results of operations and its non-consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

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

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

KPMG

Other Information

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

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

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

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

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

We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

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

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

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

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

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

KPMG LLP

Chartered Professional Accountants

Fredericton, Canada

June 30, 2025

VESTCOR CORP.
Non-Consolidated Statement of Financial Position
As at December 31

		2024		2023
ASSETS				
Current				
Cash	$	329	$	839
Accounts receivable *(note 5)*		8,592		5,096
Current portion of term loan *(note 3)*		126,854		124,845
Total current assets		135,775		130,780
Investment in subsidiary *(note 3)*		2,000		2,000
Long-term portion of term loan *(note 3)*		2,167,083		2,293,937
	$	2,304,858	$	2,426,717
LIABILITIES AND NET ASSETS				
Current				
Accounts payable and accrued liabilities *(note 4)*	$	10,921	$	7,935
Current portion of term loan from shareholders *(note 5)*		126,854		124,845
Total current liabilities		137,775		132,780
Term loan from shareholders *(note 5)*		2,167,083		2,293,937
Total liabilities		2,304,859		2,426,717
Unrestricted net assets		—		—
	$	2,304,858	$	2,426,717

See accompanying notes to financial statements

Approved on behalf of the Board:

[signed]

Robert Fitzpatrick
Presiding Co-Chair of the Board

[signed]

Katherine Greenbank
Co-Chair of the Board

VESTCOR CORP.
Non-Consolidated Statement of Operations and Change in Net Assets
For the year ended December 31

		2024		2023
REVENUE				
Members' contributions *(note 5)*	$	29,158	$	28,426
Interest		37,717		39,693
Total revenue		66,875		68,119
EXPENSES				
Board remuneration		11,525		11,200
Board travel		1,778		1,820
Translation		4,016		5,517
Interest		37,717		39,693
Business expenses		1,975		1,889
Professional services		9,864		8,000
Total expenses		66,875		68,119
Excess of revenue over expenses		—		—
Unrestricted net assets, beginning of year		—		—
UNRESTRICTED NET ASSETS, end of year	$	—	$	—

See accompanying notes to financial statements

VESTCOR CORP.
Non-Consolidated Statement of Cash Flow
For the year ended December 31

	2024	2023
OPERATING ACTIVITIES		
Excess of revenue over expenses	$ —	$ —
Changes in non-cash operating working capital:		
Accounts receivable	(3,496)	1,374
Accounts receivable from Vestcor Inc.	—	—
Other receivable	—	400
Accounts payable and liabilities	2,986	(1,491)
Net cash from (used in) operating activities	(510)	283
INVESTING ACTIVITIES		
Loan payments from Vestcor Inc.	124,845	122,869
Net cash used in investing activities	124,845	122,869
FINANCING ACTIVITIES		
Loan payments to shareholders	(124,845)	(122,869)
Net cash from financing activity	(124,845)	(122,869)
CHANGE IN CASH DURING YEAR	(510)	283
Cash, beginning of year	839	556
CASH, END OF YEAR	$ 329	$ 839

See accompanying notes to financial statements

1. Nature of Operations

Vestcor Corp. ("VCorp.") was established pursuant to the *Vestcor Act* which was proclaimed on July 8, 2016. VCorp.'s mandate is to provide, through one or more subsidiary corporations, pension and benefits administration, investment management and advisory services and related services to pension, trust, endowment or similar funds within the public sector.

VCorp. is a not-for-profit organization without share capital whose Members consist of the New Brunswick Public Service Pension Plan ("NBPSPP") and New Brunswick Teachers' Pension Plan ("NBTPP").

VCorp. recovers all operating expenses and capital expenditures on a cost recovery basis from its Members. VCorp. is exempt from income taxes under Subsection 149(1)(l) of the *Income Tax Act* (Canada).

2. Significant Accounting Policies

(a) Basis of presentation

These non-consolidated financial statements have been prepared in accordance with CPA Handbook Part III – *Accounting Standards for Not-for-Profit Organizations*. The significant accounting policies used in the preparation of these financial statements are as follows:

(b) Revenue recognition

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. VCorp. follows the deferral method of accounting for contributions. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis at rates corresponding with amortization rates for the related capital assets.

(c) Financial instruments

Financial instruments are recorded at fair value on initial recognition. All financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry any such financial instruments at fair value. VCorp. has not elected to carry any such financial instruments at fair value.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, VCorp. determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount VCorp. expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

2. Significant Accounting Policies *(continued)*

(d) Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. The key item subject to such estimates and assumptions are the net recoverable amount of accounts receivable.

3. Investment in Subsidiary

VCorp. owns 100% of the issued capital stock of Vestcor Inc. ("Vestcor"), a not-for-profit share capital corporation created on January 1, 2018 following the amalgamation of two predecessor entities, Vestcor Pension Services Corporation and Vestcor Investment Management Corporation. Vestcor offers investment management and pension and benefits plan administration services on a cost recovery basis to public sector entities.

Under an unsecured term loan agreement, Vestcor may draw advances up to a maximum amount of $3,000,000 for certain capital expenditures including leasehold improvements, furniture and equipment. As of December 31, 2024, the loan receivable was $2,293,937 (2023 - $2,418,782). The loan bears interest at a rate of 1.597% per annum and matures on December 31, 2040. It is repayable in equal monthly installments consisting of principal and interest. Expected loan repayments over the next five years are approximately $162,500 per year.

Vestcor owns 100% of Vestcor Investments General Partner, Inc. As at December 31, 2024, Vestcor Investments General Partner, Inc. is the general partner in six limited partnerships in which the NBPSPP and NBTPP are limited partners: Vestcor Investments Private Real Estate, L.P., Vestcor Investments Private Real Estate 2, L.P., Vestcor Real Estate Fund Limited Partnership, Vestcor Investments Infrastructure, L.P., Vestcor Investments Private Equity, L.P. and Vestcor Alternative Fixed Income L.P.

4. Government remittances

Included in accounts payable and accrued liabilities in the Statement of Financial Position are government remittances at December 31, 2024 which include amounts payable for GST/HST of $1,857 (2023 – $1,866).

5. Related Party Transactions and Balances

VCorp. is an organization owned in equal parts by each of the NBPSPP and NBTPP.

VCorp. incurs costs relating to the functioning of its Board of Directors and its investment in Vestcor that are recoverable from its Members, the NBPSPP and NBTPP. For the year ended December 31, 2024, each Member's share of such costs was $14,579 (2023 – $14,213) which is included in Members' contributions in the Statement of Operations and Changes in Net Assets. At December 31, 2024, $4,296 (2023 – $2,548) from both NBPSPP and NBTPP respectively were recorded in accounts receivable for such costs.

Under an unsecured term loan agreement, VCorp. may draw advances up to a combined maximum amount of $3,000,000 in equal parts from each Member for certain capital expenditures including leasehold improvements, furniture and equipment. At December 31, 2024, the loan payable to each shareholder, NBPSPP and NBTPP, was $1,146,968 (2023 - $1,209,391) respectively. The loan bears interest at a rate of 1.597% per annum and matures on December 31, 2040. It is repayable in equal monthly installments consisting of principal and interest. Expected loan repayments over the next five years are approximately $162,500 per year.

5. Related Party Transactions and Balances *(continued)*

VCorp. is economically dependent upon the revenue received from its Members by virtue of the cost recovery business model under which it operates.

6. Indemnifications

VCorp. provides indemnifications to its officers and directors pursuant to certain corporate by-laws. VCorp. 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 VCorp. from making a reasonable estimate of the maximum potential payments that VCorp. would be required to make. To date, VCorp. has not received any claims nor made any payments pursuant to such indemnifications.

7. Financial Risk

VCorp. has exposure to credit risk. Credit risk arises from the potential that a counterparty will fail to perform its obligations. VCorp. is exposed to credit risk equal to the carrying value of its accounts receivable which have all been collected subsequent to the date of the financial statements. Liquidity risk is the risk that VCorp will not be able to fund its obligations when they become due. VCorp operates on a cash recovery basis and is dependent on the revenue received from its members. In management's opinion, VCorp is not exposed to any other financial risks.

8. Subsequent Event

On June 19th, 2025, VCorp entered into a second unsecured term loan agreement that permits advances up to a combined maximum amount of $1.8 million in equal parts from each Member for certain capital expenditures including leasehold improvements and furniture and equipment. The loan will bear interest at a market interest rate and matures on December 31, 2040. It will be repayable in equal monthly installments consisting of principal and interest. If the full loan is used, expected loan repayments over the next five years will be approximately $135,000 per year.