

AT A GLANCE

YEAR ENDED DECEMBER 31, 2025

Net investment return, 2025

8.67%

Net investment return per annum, 4 years

5.94%

2025 value added above benchmark, after costs

\$165 million

Four-year value added above benchmark, after costs

\$529 million

Assets under management at December 31, 2025

\$24.4 billion

Canadian investments:

**60% of assets
under management**

VESTCOR

Vestcor delivered strong investment performance in 2025, generating **a net return of 8.67%** and **adding \$165 million in value above benchmarks, after costs, for our clients.**

Assets under management grew by \$1.3 billion to **\$24.4 billion** at year-end, supporting long-term financial sustainability for our clients and their beneficiaries.

Vestcor's diversified approach delivered strong results in 2025 as most asset classes moved in a positive direction. Although global public equities drove a significant component of the gains, most asset classes made positive contributions to the portfolio. As has been the case in recent years, private equity continued to face headwinds relative to strong global benchmarks, but Vestcor's overall active management program was again highly successful during the year, more than overcoming the challenges in private equity and allowing the total portfolio to outperform its benchmark.

Despite the strong returns in 2025, investors continued to face numerous sources of uncertainty and volatility. Against this backdrop, disciplined portfolio construction and prudent risk management remain critical to navigating potential market dislocations while enabling investors to capture both short-term and long-term investment opportunities.

Strong investment performance in 2025 generated a **net return of 8.67%**, increased assets under management to **\$24.4 billion**, and delivered meaningful value added above benchmark for Vestcor's clients.

INVESTMENT PERFORMANCE

Strong equity market performance across Canada and global markets was the primary driver of results in 2025, complemented by steady contributions from fixed income and alternative investment strategies.

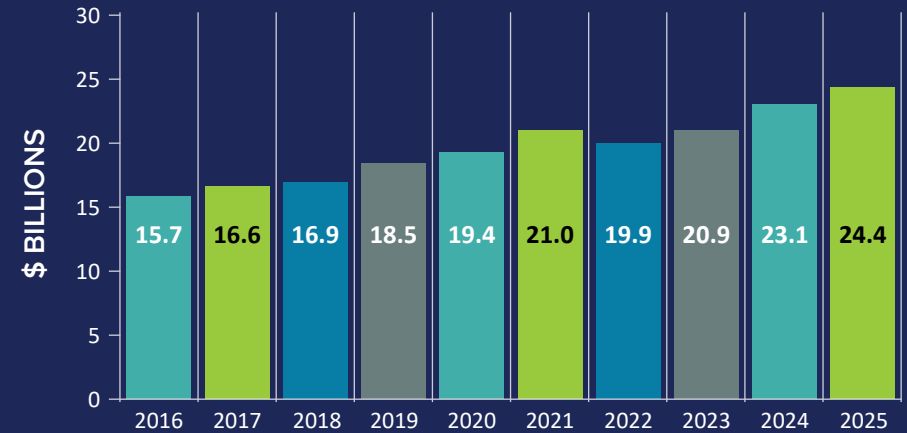
Total assets under management reached \$24.4 billion, continuing a decade of steady growth. The portfolio generated a **net return of 8.67%** for the year. Over the medium and long term, our disciplined investment approach has continued to produce consistent results, with net returns of **5.94% per year over the past four years** and **6.75% per year over the past ten years**.

SUMMARY AS AT DECEMBER 31, 2025

Below is a summary of the investment performance returns net of costs on all Vestcor management assets for the most recent decade.

| | 1 YR % | 2 YRS % | 3 YRS % | 4 YRS % | 5 YRS % | 10 YRS % |
|---------------------|--------|---------|---------|---------|---------|----------|
| VESTCOR TOTAL FUNDS | 8.67 | 10.41 | 9.39 | 5.94 | 6.61 | 6.75 |
| BENCHMARK | 7.98 | 10.02 | 9.45 | 5.25 | 5.64 | 5.93 |

ASSETS UNDER MANAGEMENT GROWTH



8.67%

NET RETURN FOR THE YEAR

5.94%

NET RETURN PER ANNUM OVER 4 YEARS

6.75%

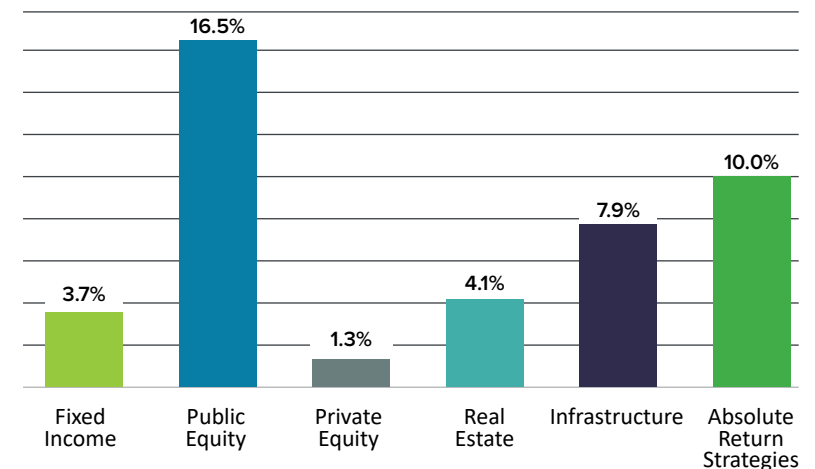
NET RETURN PER ANNUM OVER 10 YEARS

PERFORMANCE BY ASSET CLASS

Strong global equity markets were the primary driver of investment performance in 2025, with Canadian and international markets delivering particularly important results.

Diversified portfolios also benefited from contributions across fixed income and alternative investment strategies.

TOTAL RETURN



PERFORMANCE BY ASSET CLASS



EQUITIES

Strong global equity markets were the primary driver of the **public equity results of 16.5%** in 2025. Within the public equity portfolio, Canadian equities returned **32.0%**, while **Canadian small cap equities gained 49.2%** and **global developed markets returned 16.0%**. Low volatility strategies also outperformed their benchmarks as we continued to expand global equity exposure, including emerging markets. Low volatility portfolio returns ranged from **27.2%** in Canada to **7.7%** in emerging markets. The private equity returns were driven by several factors, including valuation pressures and industry-wide challenges for private equity investments. This was compounded by continued strong returns from public market equities, making performance relative to benchmark for this asset class particularly difficult. **Private equity returns were 1.3%** for 2025.



FIXED INCOME

Fixed income gained 3.7% overall in 2025. Fixed income markets were relatively stable as central banks began lowering short-term policy rates. Our portfolios delivered solid results relative to benchmarks, led by **corporate bonds returning 4.7%**, **short-term assets 3.8%**, and **alternative fixed income strategies generating 8.1%**. Nominal bonds returned 2.3%.



REAL ASSETS AND ABSOLUTE RETURN STRATEGIES

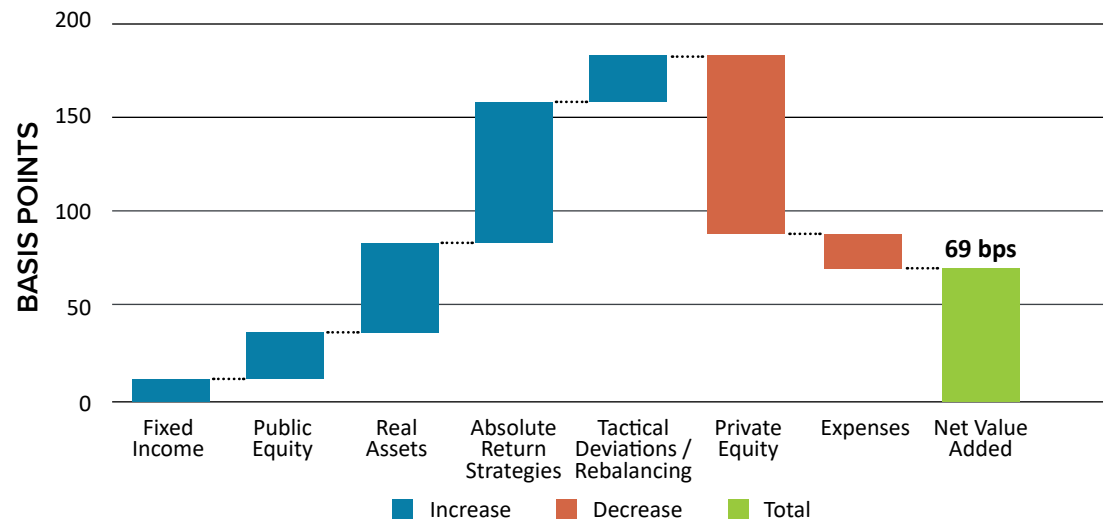
Alternative strategies continued to provide diversification and stable returns. **Funded absolute return strategies gained 10.0%**, while **infrastructure returned 7.9%**, and **real estate generated 4.1%**, outperforming their benchmarks.

ACTIVE MANAGEMENT RESULTS

Active investment management created significant value for clients. Vestcor delivered **0.69% (69 bps) of value added in 2025**, with **0.69% (69 bps) of annualized value added over four years** and **0.82% (82 bps) over ten years**, net of costs.

Over the most recent four-year period, this outperformance translated into approximately **\$529 million in additional assets for clients** compared to what would have been achieved through passive investment strategies.

CONTRIBUTIONS TO BENCHMARK OUTPERFORMANCE (2025)



INVESTING IN CANADA

Vestcor continues to invest significantly in Canada, supporting economic growth. As of year-end, approximately **60% of assets under management** were invested in Canadian companies, fixed-income investments, infrastructure and real estate. To date, our private equity portfolio alone has invested nearly \$300 million in Canadian private companies.

INVESTMENTS IN CANADA

60%

INVESTMENTS GLOBALLY

40%



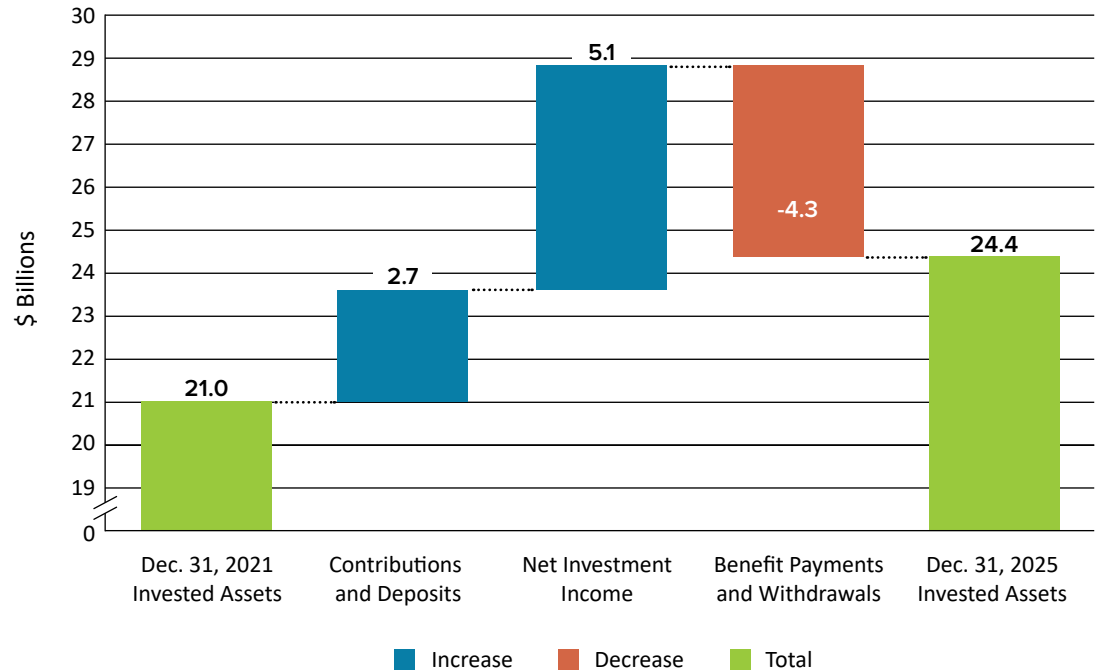
Canada accounts for
~3%
of the Global Equity Market



But makes up
~22%
of Vestcor's Equity Portfolio

DRIVERS OF INVESTMENT GROWTH

Our strong investment returns contribute directly to the sustainability of our clients - including positive outcomes for pension clients and their beneficiaries. Over the past four years, Vestcor generated \$5.1 billion in investment returns, exceeding both contributions and deposits, and benefit payments and withdrawals.



ADDITIONAL HIGHLIGHTS IN 2025

CLIENT GROWTH AND MILESTONES

Vestcor welcomed new clients, including our first out-of-province client - the Community Foundation of Prince Edward Island, during the year and supported significant milestones for existing clients, including the successful annuitization of the Fraser Papers pension plans.

RESPONSIBLE INVESTING

Vestcor published its fourth Responsible Investment Report in 2025, highlighting continued progress in integrating environmental, social and governance considerations into investment decision-making and reducing total financed emissions.

ENHANCED CLIENT REPORTING

Redesigning how information is delivered to clients to provide for clearer insights into portfolio performance and strategy.

VESTCOR2030 STRATEGY

Launched our new corporate strategy, reinforcing our commitment to delivering long-term value and financial security to our clients and their beneficiaries.

We remain focused on delivering strong long-term investment outcomes while supporting the financial security of our clients and their beneficiaries.



ABOUT US

Vestcor is an integrated not-for-profit investment management, and pension and benefits administration organization with 170+ professionals headquartered in Fredericton, NB. Jointly owned by the New Brunswick Public Service Pension Plan and the New Brunswick Teachers' Pension Plan, we are Atlantic Canada's largest investment manager. Learn more at vestcor.org.

Disclaimer - This Annual Investment Performance Summary presents Vestcor's **final investment results for the year ended December 31, 2025**, which are unaudited. These results are prepared using established internal controls and valuation methodologies and are **not anticipated to change materially**. Audited results will be included in Vestcor's 2025 Annual Report.

