

The background of the cover features a photograph of a modern glass skyscraper with a curved facade, set against a clear blue sky. The image is overlaid with a semi-transparent blue and green gradient. In the upper right, there is a dark blue rectangular box containing the company logo. The logo consists of the word 'VESTCOR' in white, uppercase, sans-serif font. The letter 'O' is stylized with a green outline and a horizontal green bar underneath it. Faint, large, semi-transparent numbers '2025' are visible in the background behind the logo box.

VESTCOR

ANNUAL

REPORT

2025

BOARD OF DIRECTORS



David Losier CFA, CPA, CGA, ICD.D

Caraquet, NB

Chairperson

Member - Audit, Governance, Human Resources & Compensation, and Investment Committees

Independent Consultant
Former Executive Vice President and Chief Financial Officer, UNI Financial Cooperation (formerly *Fédération des Caisses populaires acadiennes*)



Eleanor Marshall CPA, CA, CFA, ICD.D

Quispamsis, NB

Vice-Chairperson

Chairperson - Investment Committee
Member - Audit and Governance Committees

Retired/Former Senior Vice President & Treasurer, BCE and Bell Canada
Retired/Former President, Bimcor (Bell Canada's pension fund subsidiary)



Michel Allain FCIA, FSA

Dieppe, NB

Member - Human Resources & Compensation and Investment Committees

Vice President, Chief Financial Officer and Chief Actuary, Assumption Life



Tanya Chapman CPHR

Rothesay, NB

Chairperson - Human Resources & Compensation Committee

Member - Governance Committee

President & CEO, The Chapman Group
Team Member (part-time) – Faculty of Business, UNB
Former Chief Human Resources and Public Affairs Officer, Irving Oil Corporation Limited



Michel Doiron MAL, PPAC

Shediac Bridge, NB

Member - Audit and Human Resources & Compensation Committees

Retired/Former Senior Assistant Deputy Minister, Government of Canada



Andrew Jefferies

Fredericton, NB

Member - Audit and Human Resources & Compensation Committees

President and CEO, Critical Impact



Patricia Kiley CPA, CA, ICD.D

Rothesay, NB

Member - Audit and Governance Committees
Corporate Director

Former CEO, Advanced Publishing Corporation
Former CFO, Fundy Cable Ltd



Tim Mawhinney FCIA, FSA, CERA, ICD.D

Upper Coverdale, NB

Chairperson - Governance Committee
Member - Investment Committee

President & CEO, Blue Cross Life Insurance Company of Canada



Courtney Pringle-Carver ICD.D

Dieppe, NB

Member - Governance and Human Resources & Compensation Committees

Chief Strategy Officer and VP, University Advancement, Mount Allison University



Suzanne Young CPA, CGA

Quispamsis, NB

Chairperson - Audit Committee
Member - Investment Committee

Senior Vice President Finance, Ocean Capital

CORPORATE OFFICERS



Sean Hewitt
CFA, IC.D.D
President and Chief Executive Officer



Brent Henry
CPA, CA
Chief Financial Officer



Ying Wu
CFA
Chief Compliance Officer



Jonathan Spinney
CFA
Chief Investment Officer



Marilyn McConnell
CPA, CGA
Chief Pensions and Benefits Officer



Jennie Noel-Thériault
GPC.D
Corporate Secretary

CONTACT INFORMATION



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ANCHORED IN PURPOSE.



Who We Are

Trusted partners in financial security

An integrated investment management and pension and benefits administration organization

- Created by the Legislative Assembly of New Brunswick under the *Vestcor Act*
- Independent and not-for-profit
- Jointly owned by the New Brunswick Public Service Pension Plan and the New Brunswick Teachers' Pension Plan



Why We Exist

Focused on long-term outcomes that matter

- Working together with clients and their beneficiaries to create sustainable financial security
- Delivering confidence in pension and benefits systems today—while protecting those systems for tomorrow



How We're Governed

Independent oversight and expert leadership

- Guided by an independent, expert Board of Directors, appointed by our owners
- Board supported by committees with expertise in governance, human resources & compensation, audits, and investments
- Oversight of client services, target benefit pension plans, and pooled investment capital



Accountability You Can Trust

Strong regulation and clear responsibility

- Regulated by the NB Financial and Consumer Services Commission
- Registered as both an investment fund manager and portfolio manager
- Deeply committed to sound governance, risk management, and compliance



Transparency in Action

Open, accessible, and accountable

- Extensive public reporting on investment performance and operations
- Externally audited annual financial statements
- Public disclosures available at vestcor.org



Our Scale and Impact

Serving New Brunswick and beyond

- Headquartered in Fredericton, New Brunswick
- Largest investment manager in Atlantic Canada
- Global investment management for 11 client groups
- \$24.4 billion in assets under management
- Administration services for 11 pension plans and 5 employee benefits plans

READY FOR THE FUTURE.

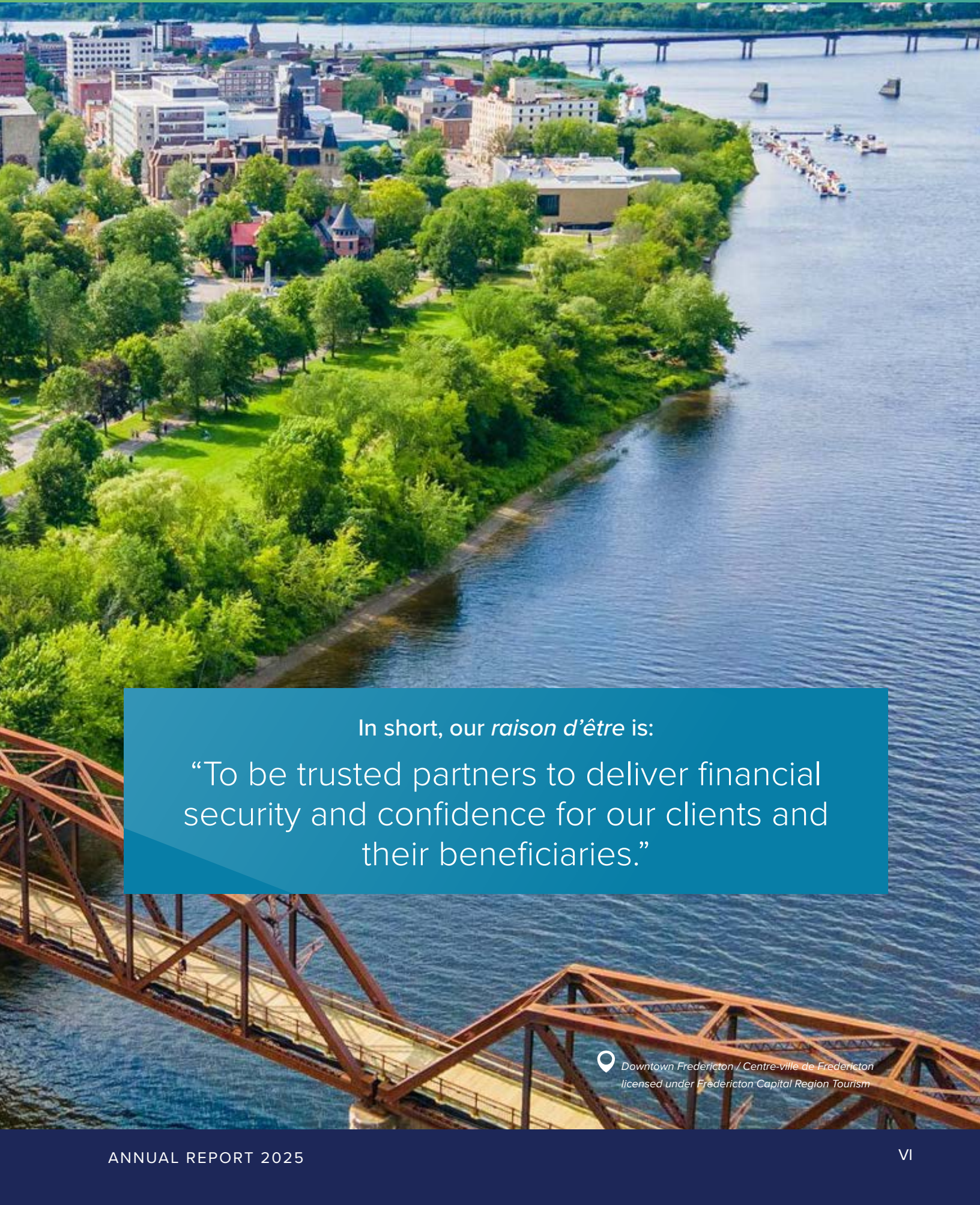
In 2025, we adopted a new strategy, Vestcor2030, to chart our new direction. Through this exercise, we established that we wanted to continue pursuing the following operating principles:

- Acting as our **clients' trusted advisor**
- Maintaining strength as a **cost-effective administrator and investment manager**
- Focusing on **strong risk-adjusted investment returns to meet or exceed client objectives**
- Remain a **not-for-profit** client-owned entity deeply rooted in **New Brunswick and Atlantic Canada**

That said, we recognized the need to make some adjustments to meet our new goals:

- Shifting the focus from being the **“lowest cost” to the “best value” provider**
- Pro-actively **investing in technology and staff** to enhance client and member value
- **Deepening our engagement with members**, shifting from transactional support to building their knowledge and confidence in their pensions
- **Expanding our influence and reputation** while **advocating for sustainable improvements** to the retirement income and investments ecosystems
- **Focusing on existing clients, while building the foundations for value-added growth** including exploring options for increased scale in investment management

Through this exercise, we also defined what we aspire to be: **the most valuable and reliable partner in shaping and delivering financial security and confidence for our clients and their beneficiaries.**



In short, our *raison d'être* is:
“To be trusted partners to deliver financial security and confidence for our clients and their beneficiaries.”

 Downtown Fredericton / Centre-ville de Fredericton
licensed under Fredericton Capital Region Tourism

OUR EMPLOYEES MAKING A DIFFERENCE IN THE COMMUNITY

Vestcor's employees play an active role in supporting the communities where they live and work. Across the organization, team members contribute their time, expertise, and personal resources to causes that reflect both individual passions and shared values. Each year, employees organize and participate in fundraising initiatives in support of organizations such as the United Way, the Canadian Cancer Society's Run for the Cure, and Big Brothers Big Sisters of Fredericton and Oromocto.

In addition to these collective efforts, employees independently volunteer with a wide range of local organizations. In 2025, Vestcor employees dedicated 1,232 hours of their personal time supporting initiatives including Liberty Lane Outreach Centre, Fredericton Marathon, Habitat for Humanity Fredericton, Harvest Music Festival, Fredericton Organic Community Garden, *L'Arche Fredericton*, Inclusion Fredericton, Nature Trust of New Brunswick, ISKCON Fredericton, Canadian Mental Health Association of New Brunswick, and several youth sports organizations.

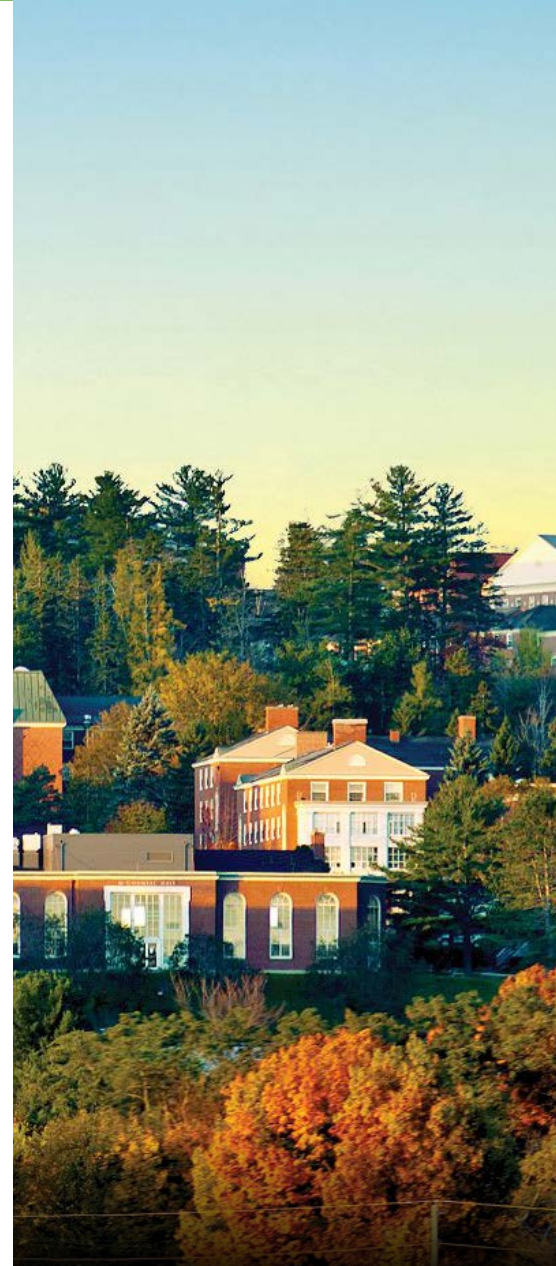
These contributions reflect the commitment of Vestcor's employees to strengthening local communities and supporting the broader social fabric in which our clients, their beneficiaries, and other partners operate.

PARTNERING WITH INDUSTRY LEADERS

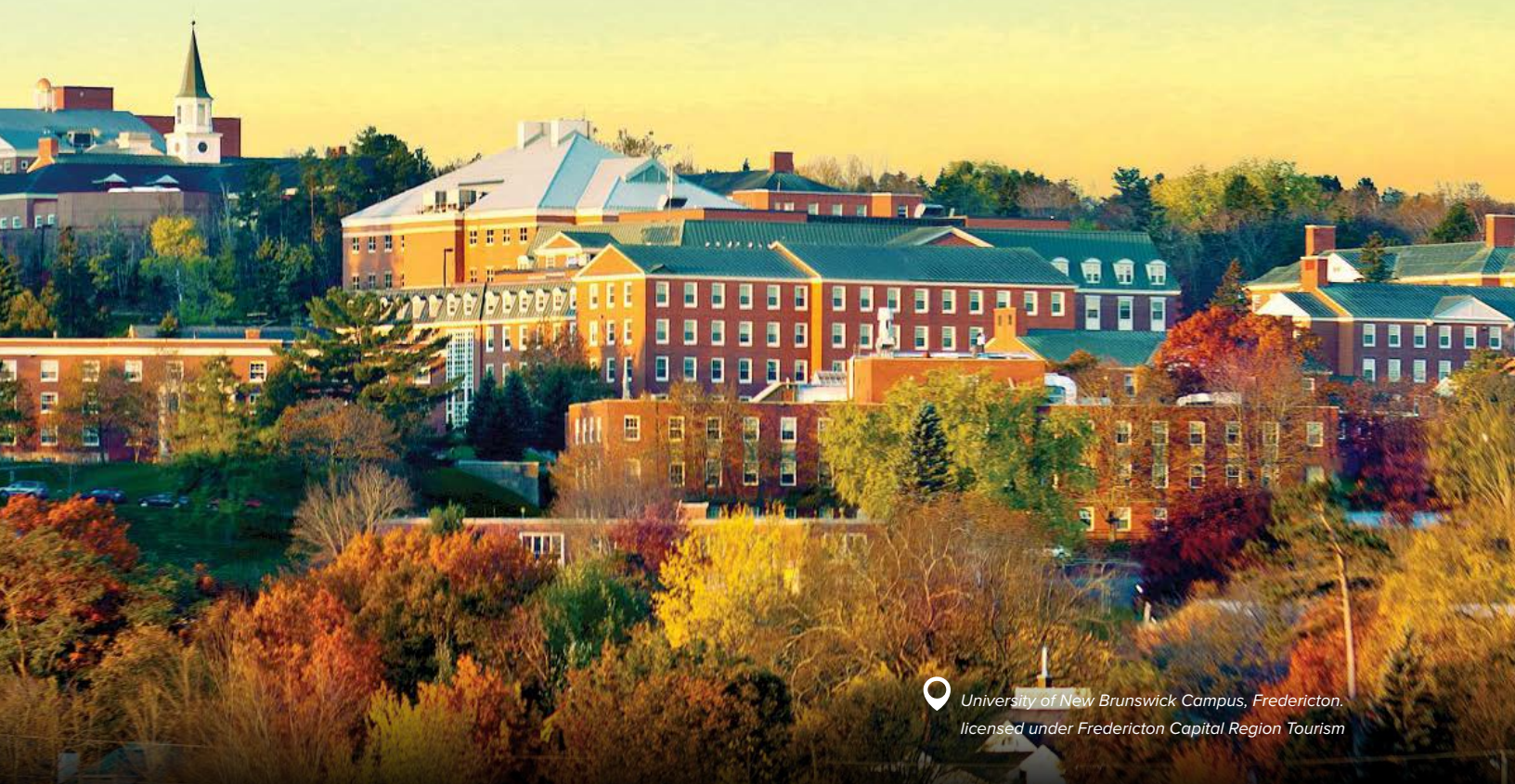
Vestcor's employees continue to provide their time and expertise to industry organizations, boards, and committees, including:


- Association of Canadian Pension Management (ACPM)
- Canadian Coalition for Good Governance (CCGG)
- Canadian Pension & Benefits Institute
- CFA Society Atlantic Canada
- Institutional Limited Partners Association (ILPA)
- Governance Professionals of Canada (GPC)
- *Université de Moncton*
- United Nations Principles for Responsible Investment (UNPRI)
- Pension Investment Association of Canada (PIAC)
- University of New Brunswick's Board of Governors
- Upper River Valley Hospital Foundation
- YMCA Endowment Fund Investment Committee

Through these ongoing efforts, Vestcor's employees continue to contribute to the growth, development, and success of both their local communities and the broader pension and investment industry.



VESTCOR



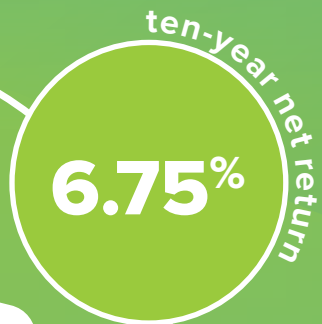
 *University of New Brunswick Campus, Fredericton.
licensed under Fredericton Capital Region Tourism*

SUPPORTING AND MENTORING FUTURE GENERATIONS

Vestcor employees have played a central role in strengthening our longstanding relationship with the University of New Brunswick. While Vestcor was the initial funding partner of UNB’s Student Investment Fund (SIF) in 1998, and continues to support its development, it is our employees who bring this partnership to life.

Team members contributed directly to the creation of the university’s Master in Quantitative Investment Management (MQIM) program, and continue to share their expertise as instructors in both the SIF and MQIM programs, as well as in other areas of the Faculty of Management. Vestcor’s strong relationship with the University of New Brunswick enables our employees to share their expertise in shaping the investors of tomorrow. Together, we are developing local talent, strengthening New Brunswick’s long-term talent pipeline, and supporting future employment opportunities that contribute to the province’s economic strength.

VESTCOR AND OUR CLIENTS



+ We were happy to welcome the **Community Foundation of Prince Edward Island (CFPEI)** as our newest client in 2025.



VESTCOR AND OUR CLIENTS' MEMBERS

Over
39,000
member contacts
in 2025

2,069
new retirees
in 2025

95%
**MEMBER
SATISFACTION**


\$1.1
billion
in pension payments made to members
on behalf of our clients in 2025

These payments are an important contributor to New Brunswick's economy.



Vestcor operates under a **profit-for-members** business model. Gains made by our clients go to the benefit of their members, not shareholders. This allows us to remain one of the most cost-efficient pension plan administration providers in Canada.¹

¹ CEM Benchmarking Survey

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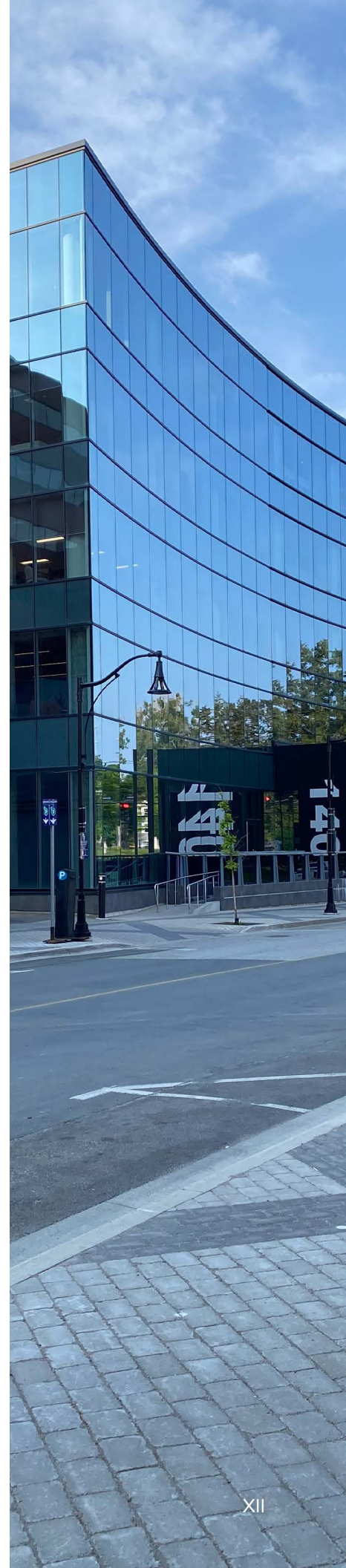
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STATEMENTS**



MESSAGE FROM THE CHAIRPERSON OF THE BOARD OF DIRECTORS

At Vestcor, we aspire to be the most valuable and reliable partner in shaping and delivering financial security and confidence for our clients. The impact of our work extends well beyond plan members and their families.

A 2025 study by the Canadian Centre for Economic Analysis, commissioned by Vestcor, found that well-funded pension plans in New Brunswick—such as those of our clients—support more than 40,000 retirees across the province. Pension payments to retirees contributed an estimated **\$1.5 billion** to New Brunswick's gross domestic product (GDP), representing nearly **3%** of the province's total GDP in 2025.

This economic impact is felt throughout New Brunswick, from Restigouche to Grand Manan and everywhere in between. In addition to retiree spending that supports local communities, Vestcor invests significantly at home, with approximately 60% of assets invested in Canada—reflecting our clients' strong investment policies and sound governance.

NEW STRATEGY: VESTCOR2030

In 2025, the Board approved Vestcor's new strategy, **Vestcor2030**—a significant body of work that involved deep engagement with our clients, a careful assessment of our current strengths, and the identification of priority areas of focus for the next five years. Vestcor2030 is

centered on proactive investment in, and the continuous improvement of, our foundational systems and talent; laying the groundwork for value-added growth; strengthening awareness of, and confidence in, Vestcor and our clients' pension plans; and advocating for sustainable improvements across the retirement ecosystem. Together, these priorities will enable Vestcor to administer pensions more effectively while delivering more modern and responsive services.

Vestcor's organizational culture seeks to foster growth and development opportunities for our employees, while the leadership team helps to build a more fulfilling workplace. By encouraging and supporting everyone to achieve their full potential, we will continue to provide outstanding client service.

CORPORATE GOVERNANCE UPDATE

The Board is committed to the highest standards of corporate governance and is supported by four standing committees: Audit, Governance, Investment, and Human Resources & Compensation. Each committee is chaired by an experienced professional Director with relevant industry expertise, ensuring strong, independent oversight of the organization.

From time to time, the Board establishes ad hoc committees to oversee emerging matters of particular

DAVID LOSIER

CHAIRPERSON



importance. In 2025, the Board established an ad hoc nominating committee, supported by an external search firm, to oversee the recruitment of two experienced Directors. We were very pleased to welcome Patricia Kiley and Andrew Jefferies to the Board. Both Directors bring extensive experience and insight into complex and emerging issues of strategic importance to Vestcor.

Director appointments at Vestcor Inc. are staggered to support regular Board renewal while mitigating the risk of a concentration of term expirations. In 2025, three Directors: Eleanor Marshall, Courtney Pringle-Carver, and myself, reached the end of our respective terms and each expressed interest in reappointment. Our owner, the Vestcor Corp. Board of Directors, approved the reappointments in June 2025. In addition, the Board addressed vacancies arising from the July 2025 departure of Steven Wolff, who left the Board to pursue another opportunity, and the retirement of Vestcor's Audit Committee Chairperson, Cathy Rignanesi, effective June 30, 2025. Cathy was an outstanding Audit Committee Chairperson and Board member with many meaningful contributions to the organization during her tenure. The Board and management are deeply grateful for her leadership, dedication, and commitment over many years.

Through her exceptional attention to detail and unwavering perseverance, Cathy played a pivotal role in

establishing Vestcor as a strong, independent, not-for-profit organization delivering high-quality investment and administration services to its clients. We extend our sincere appreciation for her lasting contributions and continued support during this transition.

Following Cathy's retirement, the Board appointed Suzanne Young as Audit Committee Chairperson. Suzanne brings valuable experience and insight to the role, and the Board looks forward to her leadership and continued stewardship of the committee.

I extend my sincere gratitude to our Directors for their dedication to Vestcor's oversight, robust governance practices, and continuous improvements. On behalf of the Board, I also thank our employees for their unwavering commitment to our client-focused, results-driven approach. Their professionalism and dedication to excellence are what set Vestcor apart.

Sincerely,
[signed by]

David Losier
Chairperson

March 30, 2026
Fredericton, New Brunswick

MESSAGE FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

As I approach my second anniversary as President and Chief Executive Officer of Vestcor, I remain energized by the organization's strong foundation and optimistic about what lies ahead for our clients, our employees, and New Brunswick.

Joining Vestcor as CEO in 2024 was made significantly easier by the thoughtful transition plan developed by the Board and leadership team. That process accelerated my understanding of the organization, deepened my appreciation of our clients' needs, and highlighted opportunities to further strengthen our service model.

Vestcor's culture—grounded in strong performance, professionalism, and client service—was key in developing our new strategy: Vestcor2030.

In 2025, we conducted our comprehensive biennial client survey and achieved the highest results in Vestcor's history with a 97% client satisfaction rate. This outcome gives us confidence that our teams are well positioned to meet our client expectations moving forward, the key aspiration in our Vestcor2030 Strategy: **To be the most valuable and reliable partner in shaping and delivering financial security and confidence to our clients and their beneficiaries.**

Throughout the year, our commitment to strong investment performance, prudent risk management, and superior client service guided our efforts. We successfully executed our business plan while advancing operational efficiencies, expanding investment capabilities, and leveraging technology to enhance service delivery. Across pension and benefits administration, our teams met client performance targets while managing elevated application volumes and continued growth in plan membership.

Investment performance for the year was strong. In 2025, Vestcor earned a 8.7% return net of costs across all assets, with meaningful outperformance across total funds. The 8.7% return outperformed investment benchmarks by 69 bps in 2025, generating \$165 million in value added after costs. Over the most recent four-year period, excess returns of 0.69% net of costs generated approximately \$529 million in value added for clients across the enterprise. Importantly, this value added was achieved with lower risk than our investment benchmark and many peer pension plans, reinforcing the strength of our disciplined, long-term investment approach.

SEAN HEWITT
PRESIDENT AND
CHIEF EXECUTIVE OFFICER



While we take pride in these results, we remain mindful of the broader environment in which our clients operate. Financial markets during 2025 were marked by heightened volatility and geopolitical uncertainty. In this context, the importance of long-term investment discipline, diversification, strong governance, and prudent funding is clear. Our clients' investment policies and portfolio structures are designed to withstand a wide range of market conditions, supporting their long-term obligations and objectives.

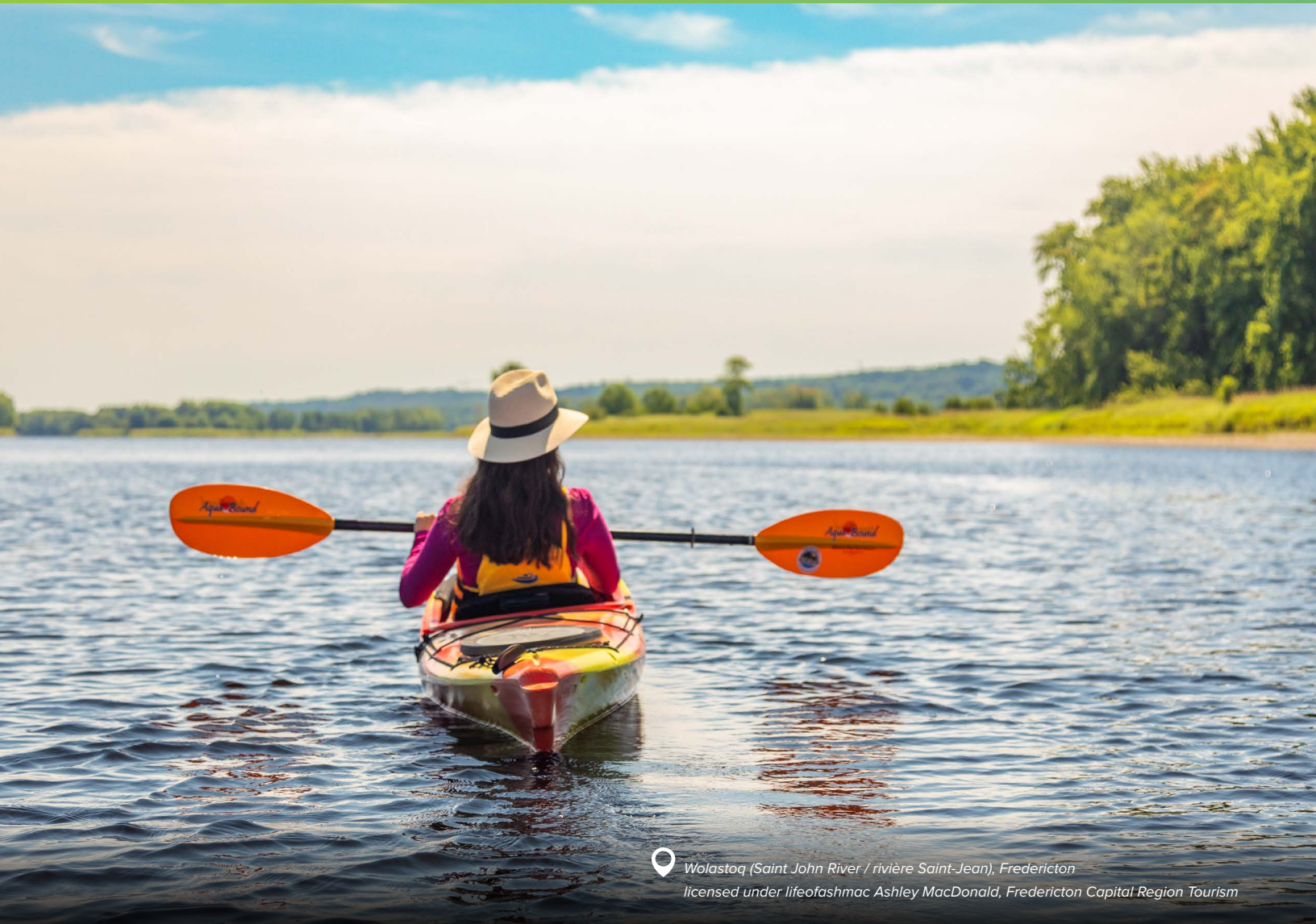
I would like to thank the corporate Board of Directors for their guidance and support, the plan Boards for their continued trust and confidence in us, the executive team who lead the organization, and the staff at Vestcor whose dedicated talents and efforts enable us to achieve our objectives.

Sincerely,
[signed by]

Sean Hewitt
President and Chief Executive Officer

March 30, 2026
Fredericton, New Brunswick

Vestcor's culture—grounded in strong performance, professionalism, and client service—was key in developing our new strategy: **Vestcor2030.**



Wolastoq (Saint John River / rivière Saint-Jean), Fredericton
Licensed under lifeofashmac Ashley MacDonald, Fredericton Capital Region Tourism

MANAGEMENT'S **DISCUSSION & ANALYSIS**

Management's Discussion & Analysis (MD&A) is provided to enable the reader to interpret the material trends, the results, and the financial condition of the organization. Key elements of the annual financial statements are explained, and this MD&A should be read in conjunction with these annual financial statements and related notes.

Additionally, this MD&A may contain forward-looking statements reflecting Management's objectives, outlook, and expectations which involve risks and uncertainties. Forward-looking statements are usually preceded by words such as "believe", "expect", "may", "could", "intend", "continue", and "estimate". We caution readers not to place undue reliance on these statements as a number of important factors could cause our actual results to differ materially from the expectations expressed in such forward-looking statements.

This Management's Discussion & Analysis provides an outline of Vestcor's operations for the year ended December 31, 2025. Our operations consist of two business lines: Administration Services and Investment Management Services. These lines of business are supported by three divisions: Administration, Investment, and Corporate Services.

The audited financial statements for the various Vestcor Investment Entities for the year ended December 31, 2025 are available on our website at vestcor.org/annualreports. The Vestcor Investment Entities are pooled investment funds structured as either unit trust funds for which Vestcor serves as trustee or as limited partnerships for which a wholly owned subsidiary of Vestcor, Vestcor Investments General Partner, Inc., serves as general partner. These Vestcor Investment Entities have been created to facilitate the efficient investment of assets into separate investment strategies that deliver our clients' asset mix decisions.

CLIENTS AND SERVICES

Vestcor provides pension and benefits administration services as well as investment management services for a wide range of public sector clients. At December 31, 2025, Vestcor served 25 clients—providing administration services to 117,000 pension plan members and 46,000 employee benefits members, while managing \$24.4 billion in assets under management (AUM).

We continue to strive towards realizing our corporate vision of being the public sector's provider of choice for pension and benefits administration services and investment management services by providing assistance in any or all of the following service offerings:

- Investment Management (Equity, Fixed Income, Inflation-Linked, Alternative Investments)
- Investment Strategy Advice
- Compliance and Performance Measurement
- Pension Plan Administration
- Employee Benefits Plan Administration
- Client Trustee Governance Services and Support
- Financial Reporting
- Risk Management
- Communications

Clients are free to engage in some, or all, of the services provided by Vestcor. Vestcor incurs expenses in connection with its services as an investment manager and as a pension and benefits plan administrator. The expenses for each of these service areas are allocated to the respective clients served by that area.

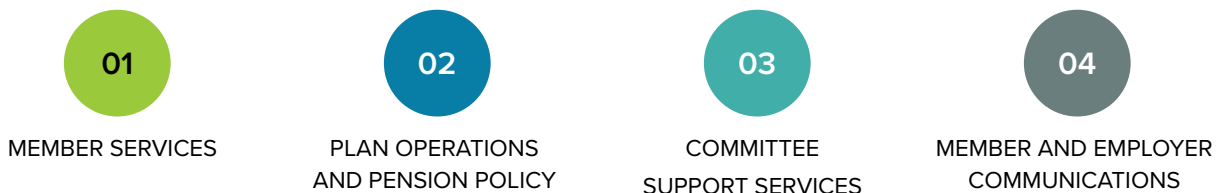
Investment management expenses are allocated to investment clients based on their proportionate share of total assets under management on the day an invoice is processed. If a client requires a more specific investment service, the costs to provide that service are fully allocated to that client. For clients who use our plan administration services, the cost of our human resources to provide those services is allocated according to an annual evaluation of the effort expended. Information systems and other general office and business costs are allocated based on a periodic historical analysis of transaction volumes and the number of members in each plan.



At December 31, 2025, Vestcor served 25 clients – providing administration services to 117,000 pension plan members and 46,000 employee benefits members, while managing \$24.4 billion in assets under management (AUM).

ADMINISTRATION HIGHLIGHTS

The Vestcor Administration Team is responsible for the day-to-day operations of 11 pension plans as well as five employee benefits programs, representing approximately 117,000 pension plan members and 46,000 employee benefits members. Members include employees from the provincial public service sector, the education sector, provincial health authorities, Crown corporations, and other quasi-public sector organizations. The Administration Team is divided into four areas: Member Services, Plan Operations and Pension Policy, Communications, and Board and Committee Support Services.



01 | MEMBER SERVICES

Vestcor's Member Services Team is the primary point of contact for pension and benefits plan members. They provide clear, accurate information to help members understand their benefits and make informed decisions. They also deliver educational sessions to members and employers to enhance understanding of plan features and retirement planning considerations. Through responsive service and proactive education, the team plays a key role in building members' awareness and confidence in their pensions.

In 2025, the Member Services Team had over 39,000 contacts through telephone calls, emails, and visits to our office, up from 36,500 contacts in 2024. In addition, they provided a record number of member and employer education sessions on behalf of Vestcor's pension plan clients. In 2025, the team delivered 80 sessions, nearly quadrupling the output from the previous year. These sessions are key to ensuring members understand their pension plans, and how they impact their overall retirement security.



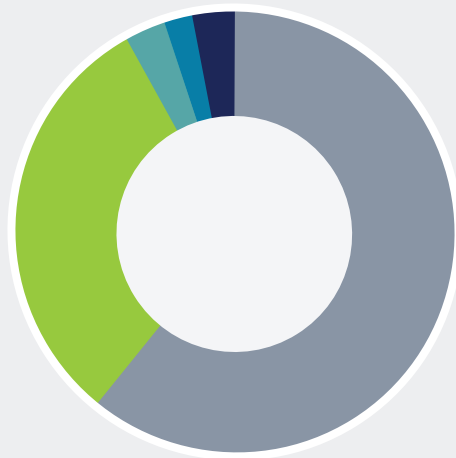
In 2025, the Member Services Team had over **39,000 contacts** through phone calls, emails, and visits to our office.

02 | PLAN OPERATIONS AND PENSION POLICY

The plan operations and pension policy functions play a critical role in ensuring timely, effective, and compliant administration of the pension and benefits plans under our care. The plan operations area is responsible for data collection and management, pension calculations, processing of pension payments, preparation of estimates, administration of retirements, and much more. The policy area provides oversight and expertise in the interpretation and application of pension plan provisions and legislation, supporting all facets of the Administration Team. In 2025, a total of 7,539 applications were processed, compared to 7,118 in 2024. Target processing timelines were surpassed, as noted below.

SERVICE	TARGET	NO. PROCESSED 2025	ACHIEVED 2025	ACHIEVED 2024
Purchase of service requests	97.5% within 58 days	820	99.4%	99.7%
Pension estimates	97.5% within 43 days	2019	99.3%	99.1%
Retirements	97.5% within 43 days	2069	99.3%	99.6%
Terminations	97.5% within 29 days	2460	99.6%	99.4%
Marriage breakdowns	97.5% within 40 days	171	100%	98.8%

MEMBER SERVICES SATISFACTION SURVEY RESULTS



To ensure that we continue to meet the needs of our clients, Vestcor conducts client satisfaction surveys targeting members who received assistance from Vestcor in relation to four of the services noted previously: purchases of service, pension estimates, retirements, and terminations. Initially launched in 2017, the surveys continue to provide the organization with a snapshot into the level of satisfaction of the members we serve on behalf of clients. In 2025, the overall satisfaction score remained high at 95.0%.

- Very Satisfied **60.8%**
- Satisfied **31.0%**
- Neutral **3.2%**
- Dissatisfied **2.0%**
- Very Dissatisfied **3.0%**

03 | BOARD SUPPORT SERVICES

Vestcor has continued to refine and strengthen its board support services model to align with the evolving needs and expectations of its diverse client base. Throughout 2025, client meetings were delivered seamlessly across multiple formats (in-person, hybrid, and virtual) ensuring accessibility and continuity. Across all settings, the Board Support Services Team maintained a strong focus on exceptional client service and enhanced governance practices, consistently providing reliable, high-quality operational support to client boards and committees.

In addition to supporting regular client meetings, the Board Support Services Team assisted the various clients with their respective nomination and onboarding processes, coordinated a range of in-person and virtual educational opportunities, and conducted research resulting in the development of governance material to assist these groups in achieving their governance and fiduciary objectives and delivering on their respective mandates and strategic initiatives.

These activities included:

- Assisting client boards in following best practices related to topics such as board governance, effectiveness, responsible investment, and risk management
- Offering support regarding the drafting of internal board policies
- Delivering various externally facilitated sessions such as Board strategic planning initiatives, Board triennial assessments and the establishment of risk management frameworks, and providing oversight of the pension plans' regulatory and legal requirements

04 | MEMBER AND EMPLOYER COMMUNICATIONS

The Communications Team supports clients as they navigate the intricacies of engaging their plan members. In 2025, enhanced efforts were placed on continuing to improve resources to equip members with the tools and knowledge they need when it comes to one of their most valuable assets: their pension. The team also delivered several strategic client initiatives, including membership-wide surveys, educational videos, and campaign-type support. A continued focus on clear, intentional communication remains a priority.



The total cost for pension administration services was \$111 per plan member, **\$132 less per member** than the average cost when compared to a national group of peers.

ADMINISTRATION DIVISION COSTS

Vestcor administration clients continue to benefit from our cost-effective, profit-members model and our focus on their specific needs and service requirements. Our overall Administration Division costs of \$14.4 million increased by approximately \$1.7 million, or 13.4%, versus the prior year.

	YEAR ENDED DECEMBER 31, 2025 (\$ THOUSANDS)		YEAR ENDED DECEMBER 31, 2024 (\$ THOUSANDS)	
Salaries and benefits	\$	9,678	\$	8,404
Information systems		1,732		1,538
Client-directed administration		773		683
Office rent		625		544
Office and business		453		485
Professional services		524		396
Amortization		634		666
	\$	14,419	\$	12,716

The Administration Division expenses include salaries and benefits for approximately 95 employees on a full-time, part-time, casual, or contract basis. Salaries and benefits for the year ended December 31, 2025 were 15.1% higher than the costs in 2024.

This reflects an increase in the number of administration employees, the implementation of the results of a compensation review completed by our Human Resources & Compensation Committee, along with a modest annual compensation increase. Further information on Vestcor's compensation program can be found in the Compensation Discussion and Analysis section of this Annual Report (see page 49).

Information systems costs continued to represent a sizable portion of the Administration Division's annual expenditures. For 2025, we saw an increase in information system costs of 12.6% which was mainly due to inflationary costs for our pension administration system, as well as inflationary increases across most IT services in 2025.

Professional services increased by 32.3% due to the costs associated with the creation of Vestcor's new strategic plan. Office rent costs increased by 14.9% due to the expansion of our office space to the ground floor of our office at 140 Carleton Street in Fredericton, New Brunswick. This expansion provides additional meeting space for our clients and street-level access to our pension and benefits plan members. Office and business costs, and amortization costs all remained consistent with the prior year.

To validate that we continue providing cost-effective pension administration services, we take part in an annual benchmarking survey with other Canadian pension administrators. From the most recently completed survey, our total cost for pension administration services was \$111 per plan member, which was \$132 per member less than the average cost incurred by survey participants.

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, infrastructure, and real estate. Vestcor's Private Equity Portfolio alone represented 96 Canadian companies, valued at approximately \$174 million.

INVESTMENTS IN CANADA

GLOBAL INVESTMENTS




Canada accounts for **~3%** of the Global Equity Market



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

INVESTMENT HIGHLIGHTS

The following description of the investment management services covers the year ended December 31, 2025.

ASSETS UNDER MANAGEMENT

Assets under management (AUM) at December 31, 2025 were approximately \$24.4 billion and consisted of the following client mandates:

CLIENT	2025 (\$ MILLION)		2024 (\$ MILLIONS)	
New Brunswick Public Service Pension Plan (NBPSPP)	\$ 10,884.6	44.5%	\$ 10,172.6	44.1%
New Brunswick Teachers' Pension Plan (NBTPP)	7,958.4	32.6%	7,479.4	32.4%
Provincial Court Judges' Pension Plan (Judges)	66.7	0.3%	64.0	0.3%
New Brunswick Power Corporation (NBPC):				
Point Lepreau Decommissioning Fund	560.1	2.3%	529.0	2.3%
Point Lepreau Used Fuel Management Fund	255.8	1.0%	261.4	1.1%
Nuclear Fuel Waste Trust	239.4	1.0%	224.7	1.0%
Shared Risk Plan for Academic Employees of University of New Brunswick (AESRP)	524.8	2.1%	492.7	2.1%
University of New Brunswick Endowment Fund (UNBE)	-	-	76.0	0.3%
Shared Risk Plan for Certain Bargaining Employees of New Brunswick Hospitals (CBE Pension Plan)	3,610.9	14.8%	3,364.0	14.6%
Shared Risk Plan for City of Fredericton (CoF)	312.5	1.3%	293.9	1.3%
Pension Plan for New Brunswick Hourly Paid Employees of Fraser Papers Inc. (FPHR)	4.9	0.0%	99.2	0.4%
Pension Plan for New Brunswick Salaried Employees of Fraser Papers Inc. (FPSAL)	0.4	0.0%	20.2	0.1%
PNB Training Completions Fund (PETL)	9.1	0.0%	8.2	0.0%
The Community Foundation of Prince Edward Island Inc. (CFPEI)	19.0	0.1%	-	-
Total AUM	\$ 24,446.6	100.0%	\$ 23,085.3	100.0%

Each client's mandate dictates investments in specific and unique combinations of units of Vestcor Investment Entities. Some clients have previously entered directly into investment opportunities for which oversight is now provided by Vestcor portfolio managers.

INVESTMENT PERFORMANCE DEFINITIONS

Investment performance consists of any income, as well as realized and unrealized capital gains or losses, achieved on a portfolio(s) of assets over a defined length of time. Vestcor measures and reports returns in Canadian dollars using the aggregate return method on a daily basis. Daily returns are linked geometrically to calculate periodic returns.

Investment returns expressed on a gross basis are after the deduction of all trading and other directly associated expenses, but before the deduction of Vestcor's investment management costs.

Investment returns expressed on a net basis are after the deduction of all investment management expenses charged for the assets under management.

In addition to investment performance, a significant consideration in portfolio management is the amount of investment risk, which is the probability or likelihood of an investment loss relative to the expected return.

TOTAL FUND PERFORMANCE OBJECTIVES

Vestcor's main investment performance objectives can be summarized as follows:

- a. The **primary investment performance objective** is to achieve the long-term return and risk performance that meet each client's specific return and risk targets.
- b. The **secondary investment performance objective** is to exceed the investment performance benchmarks over the long-term net of all investment management costs by the value-added target(s) published in each client's respective Investment Policy Statement or other such directives or guidelines.

Client-specific returns are reported to their members through the communication activities of their respective organizations.

RELATIVE PERFORMANCE VERSUS BENCHMARKS

As noted, our **secondary investment performance objective** is to add value (i.e., returns in excess of benchmarks) above our clients' various asset class benchmarks through active management strategies. This added value is expected to first cover all investment management costs and subsequently target an additional 50 basis points (0.50%) per annum. This is a key measure for our clients, and accordingly, it is also a key measure considered in Vestcor's variable performance compensation incentives.

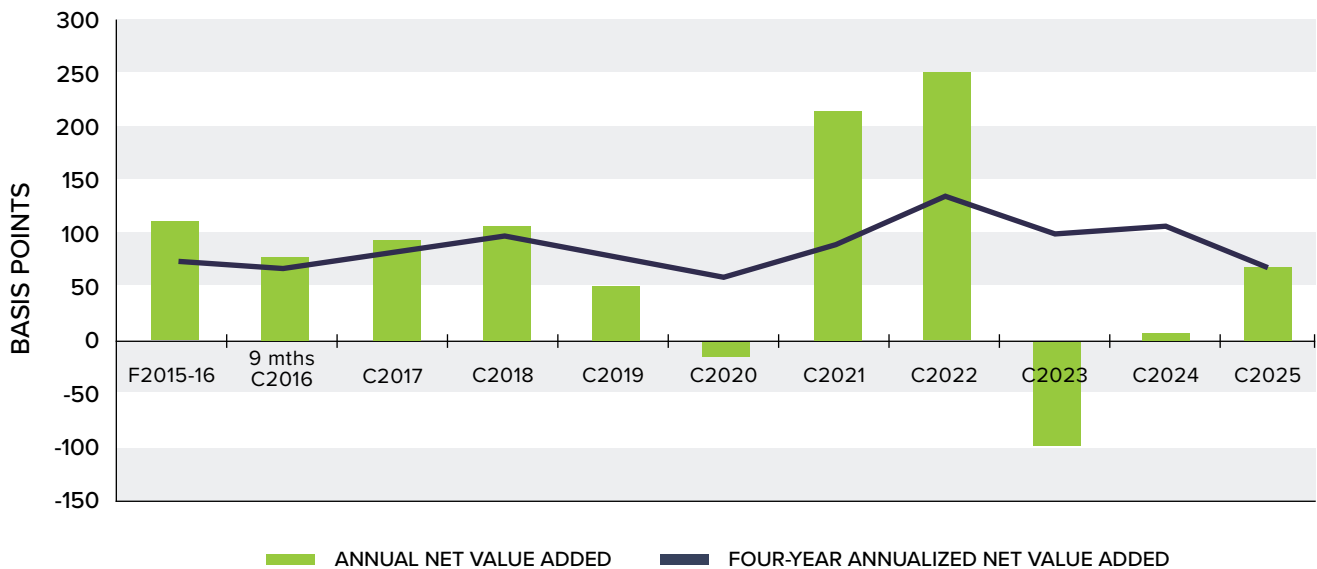
SECONDARY INVESTMENT PERFORMANCE OBJECTIVE

OBJECTIVE	LONG-TERM TARGETS	YEAR ENDED DECEMBER 31, 2025 ACTUAL	FOUR-YEAR ANNUALIZED	ANNUALIZED SINCE INCEPTION (1996)
Net Relative Return (in basis points [bps] after all investment management expenses)	>= 50 bps per annum	69.4	69.0	30.6

As discussed in more detail in the following Annual Performance by Asset Class section (page 21), 2025 was another strong year for investors, with all asset classes once again providing positive returns for the calendar year. Global equity markets were quite strong, with Canadian markets and emerging markets doing even better, while the U.S. market lagged the rest of the developed markets as it became even more concentrated. On the fixed income side, central banks continued to cut interest rates with 100 bps of cuts in Canada and 75 bps south of the border; however, significant uncertainty remains in regards to the impact that will be felt following Jerome Powell's replacement as Chair of the Federal Reserve. For alternative investments, the absolute return strategies led way with the strongest return, both on a nominal basis and on a relative basis, while private equity continued to struggle. Overall, this resulted in a total return of 8.7% net of costs for the calendar year. Despite the increased concentration in equity markets, active management across most assets classes was stronger in 2025. As a result, investment performance exceeded our combined benchmark of 8.0% by 69.4 basis points on a net basis.

Our more important longer-term four-year annualized value-added return, net of costs, continues to remain very strong at approximately 69 basis points or approximately \$529 million in additional value over the four fiscal years. This term length aligns well with our clients' long-term investment objectives and remains the most significant term used to measure our active management performance. The following chart shows the history of our value-added activities over our ten most recent fiscal reporting periods.

RESULTS OF ACTIVE MANAGEMENT



INVESTMENT MANAGEMENT COSTS

An important consideration in assessing investment performance is the cost incurred. All else being equal, lower costs result in higher comparative net returns and help maximize the assets available to fund client objectives.

Investment management costs are influenced by many factors. Industry cost comparisons prove that it is generally more efficient to manage assets internally than to outsource the investment process to third parties. Also, passive investment strategies, those strategies that are designed to replicate a market index, are less expensive than active strategies that depend on expert judgment to differentiate return opportunities from the benchmark.

Investment structure also impacts total costs. For example, private market investments can be made directly through limited partnerships, co-investments, or fund of funds (FoF) structures. These structures may incur management and carried interest fees, interest expenses, taxes, asset acquisition and/or disposition expenses, and other related charges that are reflected in the net asset value of the investments. This complexity continues to make cost transparency and monitoring an ongoing challenge in the investment industry.

Vestcor Investment Entities incur transaction costs associated with the trading of securities in each portfolio. For portfolios holding publicly traded securities, these may include broker commissions and securities borrowing fees which are dependent upon the volume of trading activity undertaken. These costs are reflected in the net asset value of the investment pools rather than in the corporate financial statements.

Lastly, an important factor for consideration is that Vestcor operates under a profit-for-members business model, unlike third party "for-profit" investment managers. This model not only results in considerable cost savings for our clients but also provides a better alignment in ensuring investment advice is truly in the best interests of specific client requirements.

Vestcor's independently audited corporate financial statements (see page 73) reflect the following investment management costs to manage the \$24.4 billion of AUM for the year ended December 31, 2025:

	2025 (\$ THOUSANDS)	2024 (\$ THOUSANDS)
Internal Operational Expenses	\$ 27,340.2	\$ 25,181.7
Third Party Service Providers		
Investment counsel fees	4,420.9	4,246.1
Securities custody fees	29.4	24.7
Total Investment Management Costs	\$ 31,790.5	\$ 29,452.5
Total AUM	\$ 24,446,580.7	\$ 23,085,326.9

Using our technology systems for global trading activities, our investment management professionals internally manage the majority of the AUM from our location in Fredericton, New Brunswick. This permits significant cost savings to the benefit of our clients. At December 31, 2025, Vestcor internally managed approximately \$19.4 billion or 79% of client AUM (2024 - \$18.3 billion and 79% respectively).

The costs incurred to manage investment strategies internally, measured against average internally managed AUM for the year ended December 31, 2025, were 0.123% or 12.3 basis points (bps) (2024 – 12.1 bps). Approximately \$5.0 billion, or 21% of investments, are externally managed as at December 31, 2025 (2024 – \$4.8 billion and 21% respectively). These mandates arise when it is not cost effective to manage a desired investment opportunity or a specific strategy internally. Of this, \$3.4 billion of assets are related to externally managed private investments, and \$1.6 billion are related to publicly traded mandates.

External costs to manage private investments may include direct and indirect manager fees, carried interest, professional fees, and other associated expenses. These costs are not included in the Vestcor investment management costs but instead, have been deducted in reporting the investment performance of each pooled fund as per industry practice (see Vestcor Investment Entities Performance on page 69). The audited financial statements for each of the Vestcor Investment Entities are available on our website at vestcor.org/annualreports.

The costs of externally managed publicly traded investments are charged directly to Vestcor Inc. in its capacity as trustee of these pooled funds and are reflected in the Statement of Operations and Changes in Net Assets in Vestcor's audited financial statements on page 73. Measured on average externally managed AUM, these external costs were 29.8 bps for the year ended December 31, 2025 (2024 – 34.3 bps).

In total, investment management costs reflected in Vestcor's audited financial statements for the year ended December 31, 2025, were approximately 13.4 bps of average AUM, consistent with the investment management costs of 13.4 bps for the year ended December 31, 2024.

We benchmark our investment management costs annually. We continue to compare favourably to publicly available information offered by other public sector peer funds. We also participate in an annual survey of defined benefit pension plans conducted by CEM Benchmarking Inc. Through this benchmarking activity, we conservatively believe that our costs continue to be approximately 26 bps lower than the average of our peers. This cost differential means that for the year ended December 31, 2025, our clients were able to retain approximately \$62 million due to our lower cost advantage. This significant cost advantage has been a cornerstone of our service delivery value since our inception almost thirty years ago.



In 2025, the Member Services Team delivered 80 sessions, nearly quadrupling the output from the previous year.



*Downtown Fredericton / Centre-ville de Fredericton
licensed under Fredericton Capital Region Tourism*

ANNUAL **PERFORMANCE BY ASSET CLASS**

The following discussion of annual investment performance is organized by each major Vestcor investment asset class, along with a more detailed breakdown by asset class sub-portfolio.

Vestcor offers a pooled fund structure consisting of unit trust funds as well as limited partnership structures for private investments, through which clients can customize their specific investment allocations to achieve their unique investment objectives. For the investment performance by pooled fund, please refer to the Vestcor Investment Entities Performance (page 69). The audited financial statements for the Vestcor Investment Entities for the year ended December 31, 2025 are available on our website at vestcor.org/annualreports.

MARKET COMMENTARY

- 2025 was another strong year, with solid equity market returns across the globe. Despite the “America-first” policy perspective of the current U.S. administration, global stocks broadly outperformed U.S. equities for the year.
- Concentration continues to be an increasing issue in U.S. markets, and by some measures, the S&P 500 could be considered even more concentrated than the Canadian market as of the end of December.
- While markets have continued to shrug off geopolitical and policy risks in recent years, investors will likely be faced with the potential for short-term dislocations as monetary policy and trade risks evolve throughout the year.

Despite the volatility experienced in April, 2025 turned out to be a strong year for global equity markets. A broad measure of U.S. equities gained nearly 18% during the year, while international markets were even stronger. Global stocks gained 21% from January to December, and a broad measure of emerging market stocks surged 30% during the calendar year. Canadian equities were also strong performers, gaining over 30%, with Canadian small cap stocks performing even better, up about 50% from January to December. That being said, with more modest returns from other asset classes, diversified investors (such as globally invested 60/40 stock/bond portfolios) likely earned high single-digit to low double-digit returns, depending on the specific allocations in the portfolio.

With significant outperformance in recent years for a select subset of the market, concentration has become an increasing issue for U.S. equity investors. As of December 31, the so-called Magnificent 7 stocks accounted for more than 1/3 of a broad representative index of U.S. stocks, while the top 10 companies made up nearly 40% of the market, making the U.S. market now more concentrated

even than in Canada. More concentrated markets present increased challenges for active managers and also imply potentially heightened risks for all investors due to decreased diversification potential.

While 2025 was another strong year for investors, there is no doubt that risks remain of note across a number of dimensions, including valuations, monetary policy outcomes, and global geopolitics.

The strong returns of recent years, while certainly welcomed by investors, have resulted in markets that are at near extreme valuation levels in certain segments. Using a standard long-term cyclically adjusted valuation metric, the U.S. market at the end of 2025 is likely priced at a level exceeded only during the dot-com peak of 1999-2000. While valuations are, at best, rough guides to short- and medium-term market performance, elevated valuation levels often imply lower long-term future returns and potentially greater sensitivity to market dislocations.

Central banks continued to do their best to navigate a continually evolving economy throughout 2025. In the U.S., the Federal Reserve lowered short-term rates at three separate meetings during the year, while investors continued to price in a high likelihood of further rate cuts in 2026. With the potentially increasing uncertainty caused by the prospect of a new Federal Reserve Board Chair; however, it is likely that investors will face the prospect of potentially dynamic market conditions and policy expectations in the coming years.

Geopolitical risk remains a source of potential (if not yet realized) risk for markets to digest and manage. Ongoing conflicts in Eastern Europe and the Middle East, new uncertainty in Latin America, and the continued threat of global trade realignment all have the potential to impact economic performance and market conditions in the coming years. For Canada and Canadian investors, the

expected renegotiation of the Canada-U.S.-Mexico free-trade agreement in 2026 suggests that investors will have numerous sources of risk to keep an eye on throughout the year.

Overall, investors benefited from strong market performance in 2025 and would be wise to manage risks carefully going into 2026. Between valuations, policy uncertainty, and global geopolitical risk sources, it is possible that any unanticipated events could have a larger impact on markets than expected. While economic fundamentals remain solid—particularly in the U.S. - 2026 is likely not the right time to extend further out the risk spectrum in search of enhanced yield. Instead, a focus on high-quality opportunities while prioritizing the management of liquidity risk to take advantage of any short-term dislocations that occur will likely serve investors well in the current market environment.



Vestcor's Alternative Fixed Income Portfolio **strongly outperformed its benchmark for the year, with a 8.05% return**, compared to a benchmark return of 4.29%.

FIXED INCOME PORTFOLIOS

OBJECTIVES

Vestcor provides a number of fixed-income-focused portfolios that allow clients to access a broad mix of both maturity term and credit quality exposures. These portfolios can be combined to represent standard industry benchmarks, or they can be used separately to provide more customized exposure to fit specific investment objectives or requirements.

PERFORMANCE SUMMARY AS AT DECEMBER 31, 2025

PORTFOLIO	AUM ¹ (\$ millions)	ONE-YEAR ANNUAL RETURN		FOUR-YEAR ANNUALIZED RETURN	
		PORTFOLIO %	BENCHMARK %	PORTFOLIO %	BENCHMARK %
Short-Term Assets	\$ 486	3.80	2.83	4.28	3.55
Nominal Bonds	3,470	2.30	2.05	(0.23)	(0.49)
Corporate Bonds	4,344	4.70	4.48	2.50	2.22
International High Yield	223	7.75	8.16	4.04	4.27
Real Return Bonds	788	1.12	0.88	(2.18)	(2.21)
Long-Term Money Market Fund ²	214	4.29	3.37	-	-
Alternative Fixed Income ³	204	8.05	4.29	-	-

¹ Includes cross-fund ownership interests

² Start date August 4, 2023

³ Start date October 30, 2023

OVERVIEW

Benchmark interest rates remained mostly rangebound during the year, with the Government of Canada 10-year bond yield spending most of the year between 3% and 3.5%. As rate cut expectations evolved through the year, yield curves in both Canada and the U.S. began to normalize and steepen as central banks cut short-term rates, but longer yields remained somewhat stable. Credit spreads reacted predictably to market events throughout the year, but finished 2025 modestly tighter overall.

Vestcor's fixed income portfolios have performed strongly relative to the benchmark, with all internally managed portfolios producing positive active returns for the year. Vestcor's Alternative Fixed Income Portfolio, targeting private credit and fixed income arbitrage strategies, strongly outperformed its benchmark for the year, completing 2025 with a 8.05% return, compared to a benchmark return of 4.29%.

PUBLIC EQUITY PORTFOLIOS

OBJECTIVES

We provide three main types of geographically diverse public equity investment portfolios: standard market capitalization-based portfolios targeting large- and mid-capitalization companies, small cap portfolios, and low volatility equity portfolios. These portfolios are used to help clients gain exposure to the long-term economic growth in global regions on both an actively and passively managed basis, with clients benefitting from Vestcor's total portfolio approach to shift active risk to markets where it is most beneficial, while maintaining the efficiency of passive management in certain more competitive markets where evidence warrants a less aggressive approach.

Vestcor's clients have generally migrated to an approach to global equity that implements separate Canadian, global developed markets, and global emerging markets strategies.

PERFORMANCE SUMMARY AS AT DECEMBER 31, 2025

PORTFOLIO	AUM ¹ (\$ MILLIONS)	ONE-YEAR ANNUAL RETURN		FOUR-YEAR ANNUALIZED RETURN	
		PORTFOLIO %	BENCHMARK %	PORTFOLIO %	BENCHMARK %
Market Capitalization Weighted:					
Canadian Equity	\$ 671	31.97	31.68	13.90	13.94
Canadian Small Cap Equity	409	49.21	50.16	16.84	14.12
Global Developed Markets (ex Canada) Equity	2,381	16.00	15.73	12.76	12.49
International Small Cap Equity	465	12.58	13.05	6.53	6.94
Low Volatility:					
Canadian Equity	704	27.24	23.00	13.85	13.08
Global Equity	2,278	8.86	7.01	9.01	6.63
Emerging Markets Equity	980	7.74	8.10	9.47	5.90

¹ Includes cross-fund ownership interests

OVERVIEW

Equity markets performed strongly in 2025, with strong double-digit returns for most markets and geographic regions. In general, higher risk stocks with greater exposure to the business cycle (such as smaller companies) and those with exposure to the materials sector performed particularly strongly. Lower-risk equities also experienced gains, although generally lagged broad market benchmarks.

Vestcor's internally managed active equity portfolios performed well relative to benchmarks in 2025. In particular, the Canadian and global low volatility portfolios outperformed their benchmarks for the year, and all low volatility portfolios have outperformed benchmarks in the medium to long term.

ALTERNATIVE INVESTMENT PORTFOLIOS

OBJECTIVES

Vestcor offers many non-traditional alternative investment strategies such as separate internally managed absolute return strategies that provide clients with additional diversification benefits and exposure to investments. These may help reduce clients' overall portfolio risk from the more traditional public equity and fixed income markets.

Our Absolute Return Strategies are internally managed portfolios that are deployed for clients on both a standalone basis as well as through an overlay approach on total assets that consist primarily of publicly traded securities designed to provide stable returns with a low correlation to standard public market equity index returns.

PERFORMANCE SUMMARY AS AT DECEMBER 31, 2025

PORTFOLIO	AUM ¹ (\$ millions)	ONE-YEAR ANNUAL RETURN		FOUR-YEAR ANNUALIZED RETURN	
		PORTFOLIO %	BENCHMARK %	PORTFOLIO %	BENCHMARK %
Absolute Return Strategies	\$ 3,035	9.99	2.83	7.52	3.55
Private Equity	1,490	1.25	15.40	8.41	12.12
Real Estate	2,414	4.06	0.47	1.87	1.24
Infrastructure	1,908	7.92	6.57	10.05	8.25

¹ Includes cross-fund ownership interests

OVERVIEW

Vestcor manages separate internal portfolios that provide exposure to a variety of securities, markets, and strategies that are managed using both traditional and quantitative approaches. Meaningful allocations to these alternative investment portfolios, combined with a well-developed risk-budgeting framework, allow the strategy to achieve the goal of positive, low-risk returns without taking on the unintended risk exposures that can often be found in traditional multi-strategy absolute return portfolios such as hedge funds. While each strategy is managed in a diversified and prudent manner by a particular portfolio management team, we additionally employ a combined portfolio risk budgeting approach to ensure risk is efficiently managed and budgeted through all market environments. By shifting capital and risk allocations to the most favourable locations, where necessary, the strategy has been successful in producing significant positive returns with minimal correlation to traditional markets and less than half the volatility of traditional hedge funds.

Absolute return strategies, particularly those featuring fundamentally driven approaches managed by the firm's Equity Team experienced strong results in 2025. In total, Vestcor's absolute return fund gained approximately 10% in 2025.

Vestcor's Private Equity Portfolio is diversified across geography, sector, and currency; and investments are made through a combination of commitments to external funds, co-investments alongside fund managers, and direct internally managed investments. Gains in private equity strategies were muted in 2025, with the portfolio earning 1.25% in total for the year.

Despite the relatively lower returns, strong levels of cash distributions were achieved by the fund, due to significant realizations across the portfolio. The 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.

The Real Estate Portfolio has two components: North American Real Estate Investment Trust (REIT) Securities which are used for client portfolio completion and liquidity management purposes; and Private Real Estate in the form of limited partnership interests, direct co-investments, and direct holdings. While certain segments of the real estate investment environment have been challenging in the past several years due to evolutions in commercial office space and traditional brick and mortar—and broad market valuations have been necessarily impacted by relatively higher discount rates—Vestcor’s real estate assets continue to perform strongly from an operating perspective. In 2025, Vestcor’s Real Estate Fund grew by approximately 4%, outperforming its benchmark return of 0.5% for the year.

Similar to our approach to real estate investing, Vestcor’s Infrastructure Portfolio also has two components: firstly, private infrastructure in the form of both fund commitments into limited partnerships, as well as co-investments (diversified by geography, currency, and asset type) and secondly, an Internal Public Infrastructure Portfolio that is designed to facilitate liquidity for relatively larger and less frequent private infrastructure opportunities.

In 2025, the combined strategy earned returns of nearly 8%, compared to a benchmark return of 6.6%. Longer-term performance for Vestcor’s Infrastructure Portfolio remains solidly above the benchmark performance levels.

SUMMARY AS AT DECEMBER 31, 2025

Below is a summary of the investment performance returns net of costs on all Vestcor management assets since its inception in April 1996.

	1 YR %	2 YRS %	3 YRS %	4 YRS %	5 YRS %	10 YRS %	SINCE INCEPTION %
VESTCOR TOTAL FUNDS	8.67	10.41	9.39	5.94	6.61	6.75	7.05
BENCHMARK	7.98	10.02	9.45	5.25	5.64	5.93	6.75



In 2025, the combined strategy **earned returns of nearly 8.67%**, generating \$165 million in added value over investment benchmarks.



 Bill Thorpe Walking Bridge / Pont piétonnier Bill Thorpe, Fredericton
Licensed under Fredericton Capital Region Tourism

RISK MANAGEMENT

Vestcor faces a number of risks in fulfilling our various client mandates. A summary of our recently updated Enterprise Risk Management Framework, available at vestcor.org/corporate, provides guidance and structure for ensuring that the organization can assess and adapt to emerging risks.

Risk management is a key element in helping provide stability to both pension plan contributions and benefits, and making sure that our investment management activities do not bring undue risk to our clients' assets. All decisions are made in a risk context that not only focuses on the expected returns of our activities but also on the potential gains or losses that could be realized by those activities.

BOARD OVERSIGHT

Although management has the primary responsibility for managing risk, under its Terms of Reference, the Board of Directors is responsible for understanding and providing oversight of the risks and the systems that management has put in place to mitigate and manage those risks. The Board is assisted in this responsibility through the efforts of its committees to which certain risk oversight has been delegated.

However, the Board maintains specific responsibility for the oversight of fiduciary, business strategy, and investment risk.

Within the Board structure, the **Human Resources & Compensation Committee** focuses on responsibilities relating to our employees and work environment. These include the leadership of the President and CEO, the ability to attract and retain qualified and motivated staff, leadership development and succession plans, and our human resource policies and practices. The **Governance Committee** focuses on the leadership and effectiveness of the Board and the reputation and public image of Vestcor. The **Audit Committee** focuses on oversight of financial risks, including risks relating to the systems of internal control and financial reporting, as well as cybersecurity and fraud risk. The **Investment Committee** oversees and considers Vestcor's long-term investment strategy, investment activities, investment risk management, investment operations, and product construction.

INTERNAL AUDIT FUNCTION

The Audit Committee of the Board uses an independent internal audit function, consisting of internal employees and external independent audit consultants, to assist the committee in ensuring that the internal controls and information systems used by Vestcor are appropriate and effective. The Internal Audit Team pursues a rotating, risk-focused examination of an audit universe that covers the expanse of Vestcor's corporate policies and processes and reports directly to the Audit Committee.

MANAGEMENT ACTIVITIES

Vestcor has an independent Risk Team overseen by the Director of Risk Management who is responsible for the development, communication, and administration of Vestcor's Enterprise Risk Management Framework, leads the Enterprise Risk Management Council, and reports directly to the Chairperson of the Audit Committee. A summary of our recently updated Enterprise Risk Management Framework is available at vestcor.org/corporate.

Vestcor uses various internal risk management committees to monitor and address issues arising from the Enterprise Risk Management Framework.

These committees have cross-functional membership, including Management and non-Management positions, with overlap among the committees, providing a rich opportunity for sharing perspectives and insights.

ENTERPRISE RISK MANAGEMENT COUNCIL (ERMC)

In accordance with its Terms of Reference, the ERMC is responsible for reviewing the status of the Enterprise Risk Management Framework on a quarterly basis in advance of presenting the quarterly risk matrix report and key risk indicators to the Audit Committee and advising the President and CEO of areas of emerging risk.

In fulfilling this mandate, the ERMC reviews:

- Quarterly key risk indicators reports.
- A quarterly investment risk review report provided by the Investment Risk Management Committee (IRMC).
- Results from Management's annual fraud risk assessment.
- Recommendations from internal audit reviews.

INVESTMENT RISK MANAGEMENT COMMITTEE (IRMC)

In accordance with its Terms of Reference, the IRMC:

- Monitors investment risk measures.
- Reviews the results of asset mix stress testing and back-testing.
- Considers risks associated with new investment strategies and products.
- Reviews quarterly client liquidity analyses.
- Reviews monthly counterparty exposure reports.
- Reviews quarterly securities lending compliance reports.
- Proposes procedures to measure and monitor investment risk, subject to the approval of the Chief Investment Officer and within the parameters established by the Board and our clients.

TRADE MANAGEMENT OVERSIGHT COMMITTEE (TMOC)

In accordance with its Terms of Reference, the TMOC:

- Monitors trading policies and practices.
- Approves broker selection to ensure the best trade execution possible.
- Manages exposure to broker counterparty risk.

INFORMATION TECHNOLOGY RISK MANAGEMENT COMMITTEE (ITRMC)

In accordance with its Terms of Reference, the ITRMC:

- Assists in the development of the IT strategy and future direction.
- Approves new application risk assessments.
- Monitors adherence to IT policies and processes.
- Oversees cybersecurity risks.

BUSINESS CONTINUITY PLAN COMMITTEE (BCPC)

In accordance with its Terms of Reference, the BCPC:

- Develops and implements the Business Continuity Plan, including disaster recovery and pandemic preparedness.
- Considers appropriate responses to a wide variety of potential business interruptions.
- Uses passive and active scenario testing to practice response protocols.

OCCUPATIONAL HEALTH & SAFETY COMMITTEE

In accordance with its Terms of Reference, the Occupational Health & Safety Committee considers physical environment risks.

PRIVACY COMMITTEE

Under its Terms of Reference, the Privacy Committee:

- Oversees all client / plan member privacy activities.
- Develops policies, procedures, and safeguards regarding privacy.
- Ensures ongoing staff training and awareness.
- Monitors policy compliance.
- Investigates and responds to incidents and complaints.

RESPONSIBLE INVESTING COMMITTEE (RIC)

The RIC reviews the firm's activities related to the umbrella of responsible investing, including proxy voting and active ownership activities as outlined in the Responsible Investing Guidelines.

VALUATION COMMITTEE

In accordance with its Terms of Reference, the Valuation Committee:

- Reviews the valuations for all private local opportunity investments and spread-based fixed income securities.
- Reviews the valuations for other non-publicly traded securities classified as Level 2 or Level 3 under International Financial Reporting Standards.
- Maintains the valuation procedures manual in accordance with sound business practices and effective internal controls.

Vestcor: In our community

In 2025, Vestcor employees spent **1,232 hours** of their personal time supporting initiatives.



Fredericton, Harvest Music Festival
licensed under Fredericton Capital Region Tourism



CORPORATE **GOVERNANCE**

Vestcor was established under the *Vestcor Act* in 2016 as a private not-for-profit corporation that is indirectly owned by its members, currently the New Brunswick Public Service Pension Plan (NBPSPP) and the New Brunswick Teachers' Pension Plan (NBTPP)—“The Founding Members”—through a shareholder corporation, Vestcor Corp.

APPOINTMENT OF BOARD OF DIRECTORS

Vestcor's Board of Directors is appointed by Vestcor Corp. based on recommendations from Vestcor's Board of Directors who may utilize the assistance of an Ad Hoc Nominating Committee. A skills matrix was developed by the Board to ensure an appropriate diversity of experience, competencies, and skills, and it has been updated periodically to reflect evolving governance needs. A professional executive search firm may also be engaged to assist the Ad Hoc Nominating Committee in the solicitation and evaluation of interested applicants against this skills matrix.

The *Vestcor Act*, a Members' Agreement, and the Corporate By-Laws set out the duties and responsibilities of the Board of Directors. Also, under a Director Independence Policy that seeks to minimize potential conflicts with respect to Board operations, the current Board operates with ten independent Directors. A primary consideration of the Board is to oversee Vestcor's activities as a pension and benefits administrator and investment manager for the funds under management. The Board ensures that, as required under the *Vestcor Act*, all of Vestcor's transactions are conducted on a purely commercial basis, and that decisions and actions are based on sound business practices that are in the best interest of our clients.

The Board is responsible for the stewardship and strategic direction of Vestcor. Its duties include the establishment and approval of organizational strategy; maintaining an effective relationship with the President and CEO; and oversight of the business planning process, financial position and results, risk management, internal controls and information systems, human resources, communications, and partner relations. To ensure its ongoing effectiveness, the Board performs a self-assessment against these responsibilities.

The Board is assisted in its endeavours by the efforts of four committees: the Audit Committee, the Human Resources & Compensation Committee, the Governance Committee, and the newly established Investment Committee whose reports follow. The Human Resources & Compensation Committee and the Board review and approve corporate officers who are responsible for the day-to-day management of the organization.

Additional information about our corporate governance practices is available on our website at vestcor.org/governance. This includes our: Governing Statutes, Board Composition, Board and Committee Terms of Reference, Nomination Guidelines, Director Orientation and Education Policy, and Code of Ethics and Business Conduct.

BOARD ATTENDANCE

Board members are expected to attend the Board meetings and committee meetings of which they are members. The following table provides the number of regular meetings held and attendance by each of the appointed Directors.

APPOINTED DIRECTOR	BOARD ⁴	AUDIT COMMITTEE	GOVERNANCE COMMITTEE	HUMAN RESOURCES & COMPENSATION COMMITTEE	INVESTMENT COMMITTEE
David Losier	6/6	4/4	3/4	4/4	4/4
Eleanor Marshall	6/6	4/4	3/4	n/a	4/4
Michel Allain	6/6	n/a	n/a	4/4	4/4
Tanya Chapman	6/6	n/a	4/4	4/4	n/a
Michel Doiron	6/6	4/4	n/a	4/4	n/a
Andrew Jefferies ¹	3/3	1/1	n/a	1/1	n/a
Patricia Kiley ¹	2/3	1/1	1/1	n/a	n/a
Tim Mawhinney	6/6	3/3	4/4	n/a	1/1
Courtney Pringle-Carver	5/6	n/a	4/4	4/4	n/a
Cathy Rignanesi ²	3/3	2/2	2/2	n/a	n/a
Steven Wolff ³	3/3	n/a	n/a	2/2	2/2
Suzanne Young	6/6	4/4	n/a	n/a	4/4

¹ Appointed effective July 1, 2025.

² Term expired on June 30, 2025.

³ Resigned from the Board on July 30, 2025.

⁴ The Board held three ad hoc meetings in addition to four strategic planning workshops. The Human Resources & Compensation Committee held four ad hoc meetings while the Governance Committee held one. In addition, the Board established the Ad Hoc Nominating Committee and the Ad Hoc Litigation Oversight Committee, each of which met four times.

The Governance Committee recommended to the Vestcor Inc. Board of Directors that D. Losier, E. Marshall, and C. Pringle-Carver be reappointed to an additional term by the Vestcor Corp. Board of Directors. All three Directors were subsequently reappointed by the Vestcor Corp. Board of Directors at its June 23, 2025, meeting for an additional three-year term effective July 1, 2025. In addition, an Ad Hoc Nominating Committee was established in December 2024 to explore hiring an external recruitment firm to assist in filling an anticipated vacant Director position and identify the timing of any potential future vacancies. The Ad Hoc Nominating Committee retained the services of the external recruiting firm, Knightsbridge Robertson Surette (KBRS), to assist with the 2025 Director recruitment search. After a thorough recruitment process and considering the talent pool of candidates identified by KBRS and that the *Vestcor Act* does not preclude having more than ten Directors on the Vestcor Inc. Board of Directors, the Ad Hoc Nominating Committee recommended the appointment of two new Directors. In accordance with the guidelines for the nomination of new directors, the Ad Hoc Nominating Committee provided its formal final appointment recommendations to the Governance Committee, which, after completing its review, recommended the appointments to the Vestcor Inc. Board of Directors. A formal resolution was subsequently provided to the Vestcor Corp. Board of Directors for approval, effective July 1, 2025.

Ongoing Director education includes exposure to relevant news and articles of interest as well as a program of educational sessions. In 2025, these educational sessions included a presentation on dynamic pensions and another on responsible artificial intelligence adoption - enabling innovation & building trust. Additional education sessions included the receipt of a report resulting from an incident response tabletop exercise, a presentation on pension administration benchmarking cost analysis, proposed corporate ESG metrics, and a presentation on Vestcor's Fixed Income Team's strategy. Directors also attended the client educational forum hosted by Vestcor in 2025 which included an investment fireside chat on alternative fixed income, and a presentation on how to navigate the landscape and understand the macro forces impacting the investment industry. Vestcor also has a corporate membership in the Institute of Corporate Directors to ensure that Directors and Management have ready access to evolving best governance practices.



Client Forum hosted by Vestcor in 2025.

BOARD DECISIONS

Major decisions made by the Vestcor Board during or relating to the year ended December 31, 2025, outside of the matters referred to it by the various Board Committees (see Board Committee Reports on the following pages) included:

- Approval of the new Vestcor Inc. Strategic Plan, Vestcor2030, and associated Human Resources Plan;
- Recommendation to the shareholder, Vestcor Corp., for the reappointment of three serving Directors and the nomination of two new Directors to the Vestcor Board of Directors, effective July 1, 2025, which were approved;
- Approval of the establishment of an Ad Hoc Litigation Oversight Committee to provide oversight of a class action lawsuit naming the corporation;
- Approval of the 2025 Incentive Compensation Plan payments including the individual award factor based on 2025 business plan accomplishments;
- Approval of revisions to the Resolution of Investment Authority including the daily blotter and settlement limits, trading transaction limits, and staffing changes;
- Approval of the creation of new Vestcor Investment Entity profiles and minor administrative changes to the existing profiles;
- Retained the advisory services of Willis Towers Watson to conduct a Vestcor Board compensation review;
- Approval of the new Vestcor Inc. Strategic Plan, Vestcor2030, and associated Human Resources Plan;
- Approval of the 2024 Vestcor Responsible Investment Report;
- Recommendation to the shareholder, Vestcor Corp., of reconfirming the appointment of KPMG as independent auditor for the Vestcor Group for the year ending December 31, 2025, which was approved;
- Recommendation to the shareholder, Vestcor Corp., of the 2026 operating and capital expenditure budgets for Vestcor Inc., which were approved;
- Recommendation to the shareholder, Vestcor Corp., of an additional annual retainer of \$5,000 for a Director who has a dual role in being the Board Vice-Chairperson while chairing a Committee of the Board, which was approved;
- Approval of amendments to the Vestcor Inc. By-Law 2018-1, which first received Members' consent and approval by the shareholder, Vestcor Corp.;
- Approval of the 2026 Annual Corporate Business Plan, associated key performance indicators and business plan weightings for Incentive Compensation Plan purposes;
- Approval of the 2026 objectives for the President and CEO;
- Approval of the 2026 Board and committees' reporting calendar;
- Approval of the composition of the Board's committees, effective September 29, 2025.

BOARD COMMITTEE REPORTS

The following are highlights of the Board committee reports for, or relating to, the year ending December 31, 2025.

REPORT OF THE AUDIT COMMITTEE

Under its Terms of Reference, the Audit Committee is responsible for assisting the Board in its oversight of the integrity of Vestcor's financial reporting and disclosure processes. This oversight includes:

- Monitoring the financial affairs of Vestcor and the Vestcor Investment Entities, including the selection of accounting policies to be followed in the preparation of financial statements and the transparency of financial disclosures.
- The appointment of qualified and independent external auditors, including an annual assessment of the quality of the external audit and a periodic review of the Committee's policies respecting audit partner rotation and pre-approval of the external auditor's audit and non-audit fees and their impact on the auditor's independence.
- The selection, evaluation, retention, and performance of the internal audit function, including completeness of the audit universe, approval of the terms of the annual audit plan, and a regular assessment of the effectiveness of the internal audit function.
- The adequacy and effectiveness of Vestcor's internal controls and management information systems used to produce accurate, appropriate, and timely management and financial information.
- The robustness of Management's Enterprise Risk Management Program and strategies to identify and mitigate financial risks.
- Compliance with legal and regulatory matters.

Management is responsible for the preparation of the financial statements that are free from material misstatements, whether due to fraud or error, and for maintaining appropriate accounting policies, processes, procedures, and systems of internal controls to ensure compliance with accounting standards and applicable laws and regulations. The external auditor is responsible for planning and carrying out an audit of the annual financial statements.

At the beginning of each year, the committee establishes its objectives under these Terms of Reference for the upcoming year and reports on its success at meeting those objectives annually as part of an assessment of its own effectiveness. At each meeting, the committee evaluates its meeting agenda against its Terms of Reference to ensure that it has fulfilled its responsibilities.

In accordance with its Terms of Reference, the Audit Committee accomplished, among other things, the following in or relating to the year ending December 31, 2025:

FINANCIAL STATEMENTS AND OTHER STATEMENTS

- Reviewed and recommended to the Board for approval certain clients' Total Fund Reports for the Global Investment Performance Standards (GIPS®) asset owners in accordance with the standards for the year ended December 31, 2025 for the:
 - o New Brunswick Public Service Pension Plan Total Fund
 - o New Brunswick Teachers' Pension Plan Total Fund
 - o Provincial Court Judges' Pension Plan Total Fund
 - o Shared Risk Plan for Certain Bargaining Employees of New Brunswick Hospitals Total Fund
 - o Shared Risk Plan for the City of Fredericton Total Fund
 - o Low Volatility Global Equity Total Fund
- Reviewed the Total Fund Reports for the New Brunswick Hourly Paid Employees of Fraser Papers Inc. and the New Brunswick Salary Paid Employees of Fraser Papers Inc. in accordance with GIPS® for the year ended September 30, 2025 and recommended to the Board for approval.
- Reviewed the Shared Risk Plan for Academic Employees of the University of New Brunswick Total Fund Report in accordance with GIPS® for the year ended June 30, 2025 and recommended to the Board for approval.
- Reviewed the Environmental Reclamation Total Fund Report and the Province of New Brunswick Department of Post-Secondary Education, Training and Labour Total Fund Report in accordance with GIPS® for the year ended March 31, 2025 and recommended to the Board for approval.
- Reviewed the audited financial statements for the Vestcor Investment Entities for the year ended December 31, 2025 and recommended to the Board for approval.
- Reviewed the audited financial statements for Vestcor for the year ended December 31, 2025 and recommended to the Board for approval.
- Reviewed the draft Vestcor Annual Report material for the year ended December 31, 2025 and recommended to the Board for approval subject to the review and approval by each of the Governance, Investment, and Human Resources & Compensation Committees of material relating to those committees.
- Reviewed the draft press release announcing the publication of the Vestcor Annual Report for the year ended December 31, 2025 and recommended to the Board for approval.
- Reviewed quarterly unaudited financial statements for the Vestcor Investment Entities and Vestcor, together with Management's certifications regarding changes in accounting policies, significant accounting estimates, adequacy of internal controls over financial reporting, and subsequent events.
- Monitored the completion of corporate and client financial reporting activities.
- Approved the Vestcor Valuation Policies for investment securities.

INTERNAL CONTROL AND INFORMATION SYSTEMS

- Received the 2024 Service Organization Controls (SOC1) Type 2 Assurance Findings Report and recommended to the Board for approval the proposed 2025 SOC1 Type 2 Assurance Planning Report.
- Reviewed and recommended to the Board for approval the 2024 Service Organization Controls (SOC 1) Type 2 Report (Period of Time Report).
- Received and reviewed a quarterly report related to the Vestcor Enterprise Risk Management Framework, including the Enterprise Risk Matrix and Key Risk Indicators highlighting areas of major developments and risk activity related observations and updates.
- Received an update to the Vestcor IT Strategic Plan.

RISK MANAGEMENT

- Completed the annual review of the Fraud Risk Management Policy and recommended to the Board for approval.
- Reviewed an annual listing of Vestcor's major suppliers.
- Received and reviewed a revised version of the Vestcor Enterprise Risk Management Framework and recommended to the Board for approval.
- Reviewed and approved Management's recommendations regarding the Corporate Insurance Program and recommended renewal to the shareholder.
- Completed the annual review of the Director of Risk Management's mandate, role, and responsibilities.
- Reviewed and approved the Chief Compliance Officer's Annual Securities Compliance Report.

INTERNAL AUDIT

- Received quarterly Internal Audit Reports outlining work conducted by the internal audit function, including recommendations and Management's responses.
- Conducted the annual review and approved the Internal Auditors' Terms of Reference.
- Approved the 2026 Internal Audit Plan including projects, budget, updated audit universe, and professional development plan for the Manager, Internal Audit.
- Received and reviewed the annual confirmation of the Internal Auditors' independence.
- Received and approved the actions to comply with the Domain III Global Internal Audit Standards.
- Received and reviewed the inaugural Internal Audit 5-Year Strategic Plan, as required by the new Global Internal Audit Standards.
- Received and reviewed Deloitte's updated internal audit engagement letter.
- Received and reviewed a workplan and timeline via the President's Report to address Vestcor's ESG strategies and reporting.
- Met in camera quarterly with the Internal Auditor.

EXTERNAL AUDIT

- Reviewed and recommended for approval by the Board the External Auditor's engagement, audit plan, timing, staffing, and fees for the Vestcor financial statements for the year ended December 31, 2025, and the Vestcor Investment Entities' financial statements for the year ended December 31, 2025.

- Pre-approved all non-audit, tax, and other services to be performed by the external auditor in accordance with the Audit Committee's Pre-Approval Policy for Audit and Non-Audit Services.
- Reviewed the External Auditor's Audit Findings Report for the year ended December 31, 2025 and obtained confirmation of the External Auditor's independence.
- Received Management's feedback concerning the effectiveness and quality of the external audit.
- Completed an External Auditor assessment resulting in a recommendation to the shareholder for the reappointment of the external auditor for the December 31, 2025 audit.
- Appointed a new lead audit partner following a comprehensive selection process, which included structured interviews, an evaluation matrix and reference checks.
- Reviewed and reconfirmed the Hiring Policy Respecting Employees and Partners of the External Auditor as originally approved to ensure appropriate independence of the external audit is maintained.
- Met in camera quarterly with the external auditor.

COMMITTEE OBJECTIVES

- Received the results of an evaluation conducted by each Director after each Audit Committee meeting to assist in identifying improvements to meeting content and efficiency.
- Reviewed the Audit Committee's accomplishments for the year ending December 31, 2025 and established its 2026 objectives.

OTHER

- Conducted the annual review of the Audit Committee's Terms of Reference and recommended approval of amendments to the Board.
- Received and reviewed a quarterly cybersecurity monitoring dashboard and related updates.
- Received quarterly reporting of legal and regulatory compliance.
- Received a quarterly status report of class action litigation in which Vestcor has participated as a claimant pursuant to Vestcor's Responsible Investment Guidelines.
- Reviewed the IT Team's annual cybersecurity self-assessment.

This report has been approved by the members of the Audit Committee.

S. Young (Chairperson), E. Marshall, M. Doiron, P. Kiley, A. Jefferies, D. Losier (ex officio)

REPORT OF THE GOVERNANCE COMMITTEE

Under its Terms of Reference, the Governance Committee is responsible for assisting the Board of Directors in fulfilling its obligations by providing a focus on governance and stakeholder relations to enhance Vestcor's performance and ensure that its governance and communications policies and practices meet evolving best practices. To accomplish this, the committee annually reviews the Terms of Reference for the Board and each Board committee, all Board policies, and the Guidelines for the Nomination of New Directors, oversees the Corporate Communications Strategy, Director orientation and education programs and compliance with the Code of Ethics and Business Conduct. The Governance Committee may or will also recommend to the Board appropriate processes for Board, Chairperson, Director, and committee effectiveness assessments.

At the beginning of each year, the committee establishes its objectives under these Terms of Reference for the upcoming year and reports on its success at meeting those objectives annually as part of an assessment of its own effectiveness. At each meeting, the committee evaluates its meeting agenda against its Terms of Reference to ensure that it has fulfilled its responsibilities.

In accordance with its Terms of Reference, the committee accomplished, among other things, the following in or relating to the year ending December 31, 2025:

GOVERNANCE DOCUMENTS AND INITIATIVES

- Conducted the annual review of and recommended to the Board for approval revisions to the Terms of Reference for the Board of Directors and for each of the Governance, Audit, Investment, and Human Resources & Compensation Committees;
- Completed the annual review of the Director Orientation and Education Policy, Code of Ethics and Business Conduct, Guidelines for the Nomination of New Directors, and Directors' Terms and Skills Competency Matrix and recommended their approval by the Board;
- Reviewed the draft Corporate Governance disclosure for the 2025 Annual Report and recommended its approval by the Board.

ETHICS

- Reviewed the annual confirmation of compliance by staff and Directors with respect to the Code of Ethics and Business Conduct;
- Received each quarter a status report of compliance by staff with the Code of Ethics and Business Conduct.

DIRECTOR NOMINATIONS

- Recommended to the Board the reappointment of three serving Directors and the nomination of two new Directors to be recommended to our shareholder, Vestcor Corp., effective July 1, 2025.
- Worked with the Board Chairperson in recommending to the Board for approval the composition of the Board's Committees effective September 29, 2025;
- Received each quarter a status report of compliance by Directors as permitted individuals pursuant to provincial securities regulation;
- Reviewed the annual Director compliance as permitted individuals pursuant to provincial securities regulation.

DIRECTORS' COMPENSATION

- Recommended to the Board an additional annual retainer of \$5,000 for a Director that has a dual role in being the Board Vice-Chairperson while chairing a committee of the Board, which was subsequently recommended to and approved by the shareholder, Vestcor Corp.
- Approved a Report of Directors' Compensation and Expenses for the year ended December 31, 2025;
- Approved a Report of the President and CEO's business travel expenses for the year ended December 31, 2025.

DIRECTOR ORIENTATION AND EDUCATION

- Received the results of the post-orientation survey;
- Renewed a corporate membership in the Institute of Corporate Directors to provide valuable training and resource material for both management and Directors.

BOARD EFFECTIVENESS

- Received the results of an evaluation conducted by each Director after each Board meeting to assist in identification of improvements to meeting content and efficiency;
- Reviewed the Board's accomplishments for the year ended December 31, 2025.

COMMITTEE OBJECTIVES

- Received the results of an evaluation conducted by each Director after each Board and Governance Committee meeting to assist in identification of improvements to meeting content and efficiency;
- Reviewed the Governance Committee's accomplishments for the year ending December 31, 2025 and discussed objectives for enhancing its effectiveness in 2026 including the ongoing monitoring of the Board Governance Improvements Objectives 2025-2027 resulting from the 2024 Board and committee biennial self-assessment.

This report has been approved by the members of the Governance Committee.

T. Mawhinney (Chairperson), E. Marshall, T. Chapman, C. Pringle-Carver, T. Kiley, D. Losier (ex officio)

REPORT OF THE HUMAN RESOURCES & COMPENSATION COMMITTEE

Under its Terms of Reference, the Human Resources & Compensation Committee (HRCC) is responsible for assisting the Board of Directors in fulfilling its obligations relating to the compensation of employees, leadership succession, and human resources policies and practices. In doing so, the HRCC conducts an annual performance appraisal for the President and CEO; oversees changes to the compensation philosophy, compensation, employee benefits and incentive plans, organizational structure, leadership development and succession; monitors Management's compliance with employment-related regulatory and legislative matters; and oversees risk management systems related to Vestcor's human resources.

At the beginning of each year, the committee establishes its objectives under these Terms of Reference for the upcoming year and reports on its success at meeting those objectives annually as part of an assessment of its effectiveness. At each meeting, the committee evaluates its meeting agenda against its Terms of Reference to ensure that it has fulfilled its responsibilities.

In accordance with its Terms of Reference, the committee accomplished, among other things, the following in or relating to the year ended December 31, 2025:

EVALUATION OF THE CEO

- Confirmed the CEO strategic priorities, goals, and objectives for the year ending December 31, 2025.
- Conducted the annual performance evaluation for the President and CEO.
- Determined the incentive compensation allocation for the President and CEO based on a review of his performance against the strategic objectives and business plan targets for the year ended December 31, 2025 and recommended to the Board for approval.

COMPENSATION AND EMPLOYEE BENEFITS

- Monitored action plans taken by management to implement the results of the Board approved Total Compensation Review conducted in 2024 by Willis Towers Watson.
- Reviewed a comparison of relative value-added long-term return target components in the Vestcor Incentive Plan against peers and recommended to the Board for approval.
- Reviewed the required absolute investment return target components of the Vestcor Incentive Plan and recommended to the Board for approval.
- Reviewed the Vestcor Incentive Compensation Plan and recommended to the Board for approval.
- Reviewed the individual business plan Key Performance Indicator success weightings of the Annual Corporate Business Plan for the year ended December 31, 2025 and recommended to the Board for approval.
- Reviewed corporate results for the year ended December 31, 2025 versus the Annual Corporate Business Plan and recommended approval by the Board of the overall corporate scorecard incentive compensation pool and the individual incentive performance pool awards for the year ended December 31, 2025.
- Reviewed the updated Vestcor Compensation Backgrounder and Frequently Asked Questions documents and recommended to the Board for approval.
- Received the annual analysis of Vestcor's pay equity status.

SEVERANCE	N/A – No severance arrangements referred to the committee in 2025.
CODE OF BUSINESS CONDUCT AND ETHICS	N/A – No concerns referred by the Governance Committee occurred in 2025.
ORGANIZATIONAL STRUCTURE	Received a proposed updated organizational structure outline in conjunction with the development of the 2026 budget. Management provided an employee resource overview that identified a number of proposed new positions that will assist in supporting critical functions within the Investment, Pension and Benefits, and Corporate Services respective areas of the organization.
LEADERSHIP DEVELOPMENT AND SUCCESSION	<ul style="list-style-type: none"> Reviewed the annual Talent 9-Box Model results assessing employees on current performance and future potential. Reviewed the updated President and CEO Succession Plan and Succession Policy and recommended to the Board for approval. Reviewed the Officers' Succession Plan and recommended to the Board for approval.
HUMAN RESOURCES PLANNING AND POLICIES	Received quarterly status updates on the Vestcor HR Strategic Plan – 3-Year Workplan
COMPLIANCE MONITORING	Received quarterly certification from Management as to regulatory compliance with various employment standards and legislative requirements.
RISK MANAGEMENT	<ul style="list-style-type: none"> Reviewed a draft of Vestcor's Diversity, Equity, and Inclusion Policy. Monitored action plans taken by Management to address the results of the 2024 Biennial Workplace Environment Survey and the subsequent recommendations made by the internal employee Workplace Environment Focus Group to enhance employee satisfaction. Received quarterly a human resources dashboard providing a workforce overview, progress on business plan key performance indicators related to human resource matters including position vacancies, absenteeism, retention, recruitment, and professional development. Monitored the risk management areas for which the committee had been delegated oversight responsibilities including the President and CEO's leadership effectiveness, performance, integrity, and ability to attract and retain qualified personnel.
ANNUAL COMMITTEE OBJECTIVES	<ul style="list-style-type: none"> Conducted the review of the committee's Terms of Reference to ensure the adequacy of its mandate and responsibilities in relation to evolving best practices and recommended to the Board for approval. Established the committee's objectives for the year ended December 31, 2025 in the form of a committee dashboard and reviewed subsequent achievements throughout the year.

OTHER

- Each quarter conducted and reviewed a meeting evaluation to assess the efficiency and effectiveness of the committee function.
- Reviewed the draft Compensation Discussion and Analysis section of the Vestcor 2025 Annual Report and recommended to the Board for approval.

ANNUAL CEO COMPENSATION ASSESSMENT

As noted above, the annual performance review for the President and CEO is assigned to the HRCC through its Terms of Reference.

In reviewing the performance of the President and CEO against the business plan targets for the year ended December 31, 2025, the HRCC determined that the President and CEO met and exceeded both corporate business plan and individual targets, and awarded a performance target multiplier of 1.61. Strong investment returns both from absolute return and relative to investment benchmark resulted in a 1.38 performance multiplier.

Further detail on the President and CEO compensation components is included in the following Compensation Discussion and Analysis.

This report has been approved by the members of the Human Resources & Compensation Committee.
T. Chapman (Chairperson), M. Allain, M. Doiron, C. Pringle-Carver, A. Jefferies, D. Losier, (ex officio)



Vestcor:
 In our community.

Fredericton Pride Parade 2025

Vestcor was proud to partake in Pride Month again this year to celebrate and acknowledge our commitment to the equality of the 2SLGBTQIA+ community. Pride pins were provided, a rainbow cake was shared—and we were proud to show our support in this year’s Fredericton Pride Parade. Thank you to all who joined!

July 12, 2025

REPORT OF THE INVESTMENT COMMITTEE

Under its Terms of Reference, the Investment Committee is responsible for assisting the Board of Directors to fulfill its obligations by providing a focus on investment operations and enhancing Vestcor's performance while ensuring that Vestcor's Investment Team continues to follow best practices for investment operations and management. The Investment Committee oversees and considers Vestcor's long-term investment strategy, investment activities, investment risk management, investment operations and product construction; reviews investment and risk-related reports from Management; and approves certain specific investment-related matters, as required.

At the beginning of each year, the committee establishes its objectives under these Terms of Reference for the upcoming year and reports on its success at meeting those objectives annually as part of an assessment of its effectiveness. At each meeting, the committee evaluates its meeting agenda against its Terms of Reference to ensure that it has fulfilled its responsibilities.

In accordance with its Terms of Reference, the committee accomplished, among other things, the following in or relating to the year ended December 31, 2025:

QUARTERLY INVESTMENT UPDATE	Received quarterly investment reports from the Chief Investment Officer providing detailed performance and risk analysis of Vestcor Investment Entities and asset-class groups, as well as significant business updates for the Investment Team operations.
VESTCOR PRODUCT PLATFORM	Reviewed and recommended to the Board for approval changes to the Vestcor Investment Entity Profiles.
INVESTMENT PROGRAM GUIDELINES	<ul style="list-style-type: none"> Reviewed and recommended to the Board for approval the new Investment Benchmark Guidelines; Reviewed and recommended to the Board for approval the Responsible Investment Report.
INVESTMENT AUTHORITIES	Reviewed and recommended to the Board for approval the staff members with recommended authorization levels for trading authority and trade blotter approval.
INVESTMENT TEAM REPORTS	Received on a rotating schedule, Investment Team presentations detailing performance reporting, team structure and operations details, and resource and market outlooks for the Quantitative Investing, Real Assets, Fixed Income, and Equity Teams.
INVESTMENT TRANSACTIONS	Received and reviewed quarterly reports regarding significant investment transactions including summary of the investment characteristics, appropriateness of the investment for client investment strategy, details as to client allocations, and a summary of due diligence activities.

**TRANSACTION COSTS
AND BEST EXECUTION**

Received and reviewed an annual report reporting on Vestcor's total trading activity, including transaction costs as well as broker additions and deletions.

ASSET MIX STRATEGY

Received and reviewed a report outlining changes to client investment strategy transitions arising from asset-liability modeling since the previous report, with a specific focus on implications for Vestcor's product mix, including risk implications.

**ANNUAL COMMITTEE
OBJECTIVES**

- Conducted the review of the committee's Terms of Reference to ensure the adequacy of its mandate and responsibilities in relation to evolving best practices and recommended to the Board for approval;
- Established the committee's objectives for the year ended December 31, 2025, in the form of a committee dashboard and reviewed subsequent achievements throughout the year.


OTHER

- Reviewed and recommended to the HRCC, prior to being recommended to the Board, approval of relative value-added long-term return target components in the Vestcor Compensation Incentive Plan;
- Reviewed and recommended to the HRCC, prior to being recommended to the Board, approval of the required absolute investment return target components of the Vestcor Compensation Incentive Plan;
- Each quarter, conducted and reviewed a meeting evaluation to assess the efficiency and effectiveness of the committee function.

This report has been approved by the members of the Investment Committee.

E. Marshall (Chairperson), M. Allain, S. Young, T. Mawhinney, D. Losier (ex-officio)



 Downtown Fredericton / Centre-ville de Fredericton
licensed under Fredericton Capital Region Tourism

COMPENSATION **DISCUSSION AND ANALYSIS**

The following Compensation Discussion and Analysis explains the processes followed by Vestcor that have been applied in the current year and are expected to be applied to Vestcor in the future.

COMPENSATION GOVERNANCE

The Board of Directors is responsible for the oversight of Vestcor's compensation principles, policies, and programs. The Board approves the compensation program and awards, including the compensation of the President and CEO, based on recommendations made by the Human Resources & Compensation Committee (HRCC). The HRCC may, at its discretion, retain independent expert human resource consultants to provide advice regarding compensation-related issues.

The Board also has the authority to interpret, change, and discontinue compensation program components at its discretion. It may also, at its sole discretion, require reimbursement, reduction, or forfeiture of any compensation-related amounts determined in error to the extent permitted by law.

HRCC MANDATE

The HRCC assists the Board in fulfilling its obligations relating to the establishment of policies for compensation of employees, leadership succession planning, and setting of human resource policies and practices.

The committee is composed of five Directors and the Chairperson who acts on the committee in an ex officio capacity. The committee meets a minimum of three times each year. External human resources consultants may be used from time to time to assist the committee with fulfilling its mandate.

The HRCC's Terms of Reference are available at vestcor.org/governance under "Board Committees" and "The Human Resources & Compensation Committee".

Key responsibilities include:

- Participation in an annual performance appraisal process for the President and CEO, including establishment of measurable goals and objectives, and recommendations for compensation arrangements, including performance incentive awards
- Development of a compensation philosophy that articulates principles to follow in approaching compensation decisions that will align with Vestcor's business objectives, operations, and risks
- Oversight of adjustments to competitive compensation ranges, incentive compensation plans, employee benefits plans, and operational travel and expense policies
- Recommendation of changes to the organization's structure, appointment of officers, and amendments to job descriptions for Senior Management as well as any management severance arrangements
- Consideration of leadership development initiatives and succession plans for key employees
- Approval of a long-range Human Resources Strategic Plan that includes appropriate strategies and policies to attract and retain talented employees
- Review of the year-end incentive compensation pool for eligible employees and recommendation to the Board for approval

INDEPENDENT ADVICE

The HRCC recently engaged Willis Towers Watson, an independent expert compensation advisor, to conduct a total compensation review for all Vestcor positions. This review, initiated in 2024, is part of Vestcor’s regular total compensation review cycle which occurs at least once every four years. During the review, the HRCC also retained an additional independent expert compensation advisor, Mercer, to prepare a report evaluating Willis Towers Watson’s approach and Vestcor’s compensation program against its stated compensation philosophy.

These reviews utilize comparator groups to represent the marketplace for employee positions and were completed in early 2025.

Vestcor also regularly participates in and uses compensation surveys conducted by various compensation consultants to ensure that compensation trends are regularly monitored, identified, and reported to the HRCC.

HRCC’s Terms of Reference are available at vestcor.org/governance



Vestcor: In our community

Vestcor Blood Drive

Vestcor participated in a blood drive as a gesture of support for a fellow employee undergoing cancer treatments.

September 2025

CORPORATE COMPENSATION PHILOSOPHY

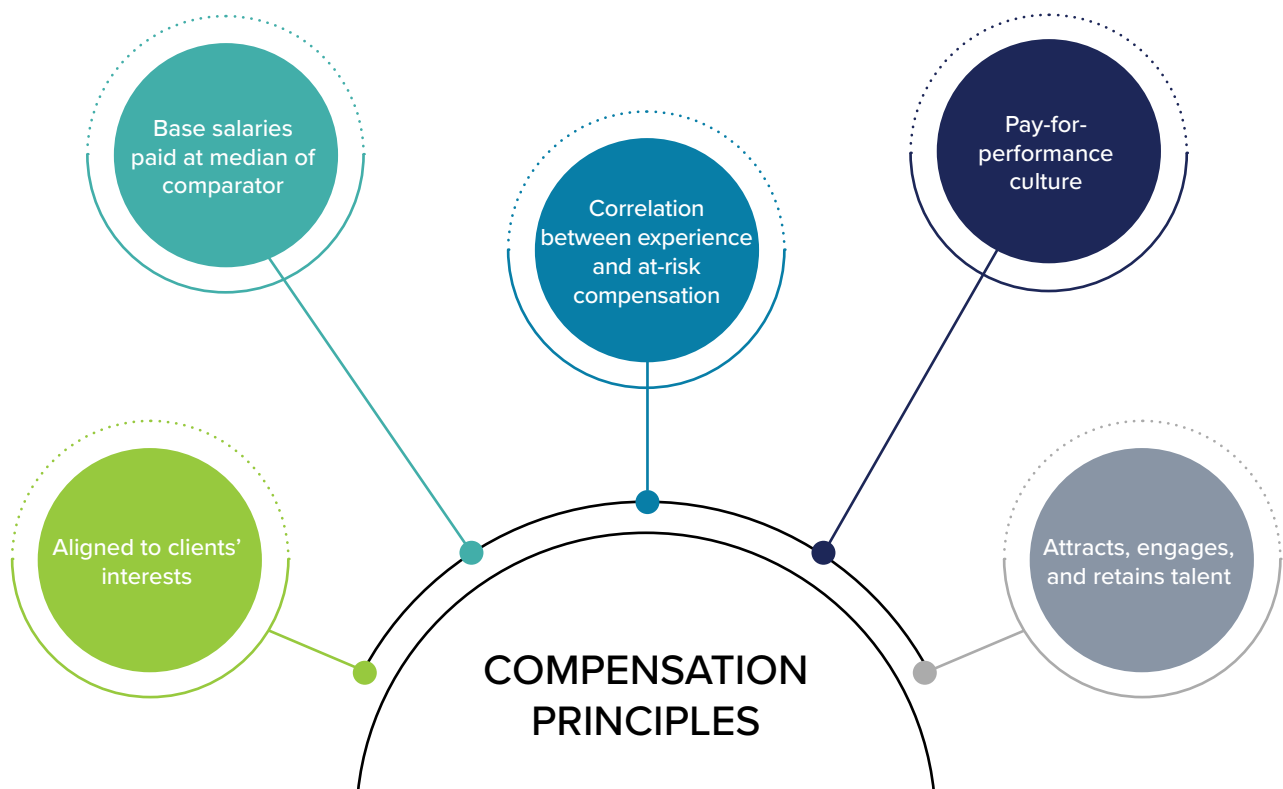
Vestcor believes that employees are key to its performance and is committed to providing a positive working environment, rewarding career opportunities, and competitive compensation. Vestcor also believes that the achievement of its mission will be facilitated by having meaningful alignment between employees’ and clients’ interests.

Accordingly, a compensation philosophy has been developed to address the following objectives:

- Provide competitive, performance-based compensation based upon market practices
- Attract and retain high-quality employees
- Reinforce the strategy, culture, and policies of Vestcor
- Promote awareness and attainment of individual, team, and corporate strategic objectives
- Enhance Vestcor’s reputation as an employer of choice
- Treat employees fairly

Vestcor operates on the general principle that base salaries will be paid at the median of the respective comparator group, while also taking into account service delivery complexity, asset size, investment strategy, and internal equity. Our employees are also subject to a pay-for-performance incentive plan which will pay in the top quartile of the comparator group only when maximum performance and results are achieved for our clients and their beneficiaries.

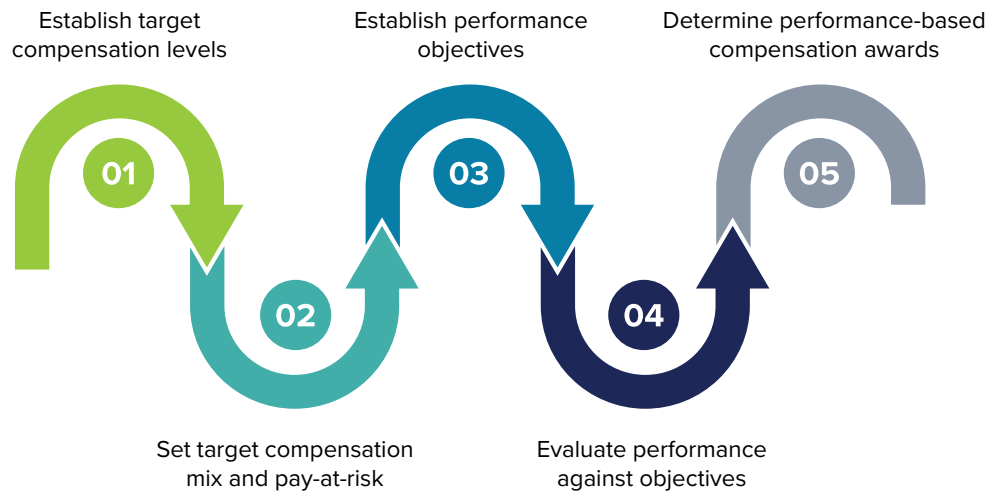
The principles on which this philosophy is based are summarized as follows:



COMPENSATION RISK MANAGEMENT

COMPENSATION DECISION MAKING

The annual process for determining compensation includes the following steps:



ESTABLISH TARGET COMPENSATION LEVELS

Every year, the HRCC reviews the Incentive Compensation Plan design and pay levels of its comparator groups to ensure that Vestcor's programs remain competitive. Market information received from various industry-specific compensation and salary surveys is reviewed as it becomes available. An independent expert compensation advisor is utilized to conduct a total compensation review at least once every four years. Compensation information from public disclosures of other similar peer organizations is also considered.

SET TARGET COMPENSATION MIX AND PAY-AT-RISK

Total compensation is a mix of base salary, benefits and, for permanent full-time employees, performance incentives. The mix varies by role, reflecting the opportunity to influence performance. In determining the mix, market practices are considered as well as Vestcor's compensation principles, including alignment with clients' interests. In that regard, investment-related performance incentives reflect a four-year return cycle to discourage short-term risk taking and better align with clients' long-term return objectives.

ESTABLISH PERFORMANCE OBJECTIVES

Each year, the Board approves an annual business plan designed to support the achievement of Vestcor's Strategy. This annual business plan contains a balanced mix of financial, investment strategy, administrative and operational performance objectives, and key initiatives. Each of these performance objectives and key initiatives is then weighted according to its level of importance to the overall strategy. The President and CEO delegates the key initiatives among the various functional teams based on their specific roles and responsibilities.

EVALUATE PERFORMANCE AGAINST OBJECTIVES

Vestcor's actual performance is then assessed against these performance objectives and annual business plan objectives. Investment returns versus investment benchmarks; nominal investment returns versus long-term client investment objectives; and other key performance indicators are assessed quantitatively against objectives. Achievement of key business plan initiatives are assessed both quantitatively and qualitatively. The President and CEO recommends to the HRCC the factors to be considered in assessing achievement of each element of the annual business plan.

DETERMINE PERFORMANCE-BASED AWARDS

The HRCC is responsible for recommending for Board approval an achievement factor related to business plan accomplishments. Based on this factor, a total incentive pool is calculated for the annual business plan and individual components of the Incentive Compensation Plan. Management then determines the appropriate individual factor for each employee based on their contributions to the annual business plan accomplishments. The individual factors are assigned so as to not exceed the approved total incentive pool.

The HRCC is also responsible for recommending for Board approval the amount of performance incentive compensation to be awarded to the President and CEO and the overall weighted factors based on the evaluations noted above, using discretion as warranted. The President and CEO does not participate in this discussion; they in turn review performance evaluations for each member of the Incentive Compensation Plan and allocate the individual awards based on individual contribution.



Vestcor believes that employees are key to its performance and is committed to providing a positive working environment.

INCENTIVE COMPENSATION PLAN

The Incentive Compensation Plan (ICP) is outlined in Exhibit A on page 64. The plan takes the form of salary and benefits, as well as individual performance-based incentive awards for all permanent full-time employees.

The Incentive Compensation Plan has been developed by the HRCC with the help of an independent compensation consultant to align with the compensation philosophy.

Total compensation levels are periodically benchmarked using independent compensation consultants and reviewed against external peer institutional funds or other relevant compensation surveys.

SALARY AND BENEFITS

Base salary is determined with respect to a target range of pay for each job position after giving recognition to specific job responsibilities. Vestcor provides full-time employees with benefits that include vacation and sick leave entitlement, life and disability insurance, health and dental benefits, and an employee assistance plan.

Effective January 1, 2014, all full-time employees participate in and contribute to the New Brunswick Public Service Pension Plan (NBPSPP). The NBPSPP provides a pension upon retirement equal to 1.4% of pensionable earnings up to the Yearly Maximum Pensionable Earnings (YMPE) for each year or part thereof plus 2% of earnings in excess of YMPE. The Plan is subject to an early retirement reduction factor if retirement is prior to age 65. Indexing is contingent on NBPSPP performance as outlined in the NBPSPP Funding Policy. Employees who earn in excess of the earnings required to earn the maximum pension (Canada), as defined in the NBPSPP Plan Text in the year, also participate in a retirement compensation arrangement sponsored by the Province of New Brunswick.

Prior to January 1, 2014, all full-time employees were members of the *Public Service Superannuation Act* (PSSA) Pension Plan. The PSSA provided for a pension upon retirement equal to 1.3% of the annual average of the best five consecutive years of earnings up to the annual average YMPE for the year of retirement and the two preceding years, plus 2% of the excess of the annual average of the best five consecutive years of earnings over the annual average YMPE for the year of retirement and the two preceding years, multiplied by the years of pensionable service. Base pre-indexed benefits earned under the PSSA up to January 1, 2014, have been provincially guaranteed.

INCENTIVE COMPENSATION PLAN

All full-time permanent employees are eligible to participate in Vestcor's ICP. Each position is eligible for an individual achievement award and a corporate scorecard award, and certain positions are eligible for a component based on absolute client returns and relative investment performance.

The **individual and corporate scorecard award** components of the ICP are calculated as a percentage of salary, weighted to reflect the role and impact that each eligible employee has on the achievement of annual business plan objectives, as assessed by the Board of Directors.

An absolute **client investment performance award** is measured quantitatively on a four-year cumulative basis compared to client long-term total fund investment objectives.

Investment performance is measured quantitatively as a **total fund net value-added investment return award** on a four-year cumulative basis, compared against a value-added target set by the Board. Net value-added investment returns represent the gross investment return in excess of the investment policy benchmark returns, after deducting all investment management costs. Quantitative awards are limited to a maximum of two times target (100 bps of value-added total fund returns after costs).

The ICP also includes an **investment team award** for asset class value-added returns of actively managed portfolios to promote teamwork within these investment asset classes. Investment management employees are organized into one of five teams eligible for the team award by asset class: Fixed Income, Quantitative Investments, Equities, Traders, and Real Assets. The remaining employees do not participate in the team award due to the overarching focus of their responsibilities.

A significant portion of the ICP award is deferred for payment in future years for certain positions, including all investment and risk management staff, the CEO, CFO, CIO, and CPBO. The deferred ICP is paid out over four years, with 50% being paid in Year 1 and the remaining 50% being paid out in equal installments over the subsequent three years. To further align this award with client investment performance, deferred amounts accrue a return equal to the total actual overall annual investment return achieved during the deferral period.



Vestcor: In our community

2025 Bowl For Kids' Sake

The 2025 Bowl for Kids' Sake campaign was another huge success. This year, we had two Vestcor teams participating: The Vesties and the "Real Fun" Team. A total of \$530 was raised at a nacho bar organized in the office by one of the teams, bringing the final total raised by Vestcor employees to over \$2,300.

April 24, 2025

IMPACT OF PERFORMANCE RESULTS

The summary results of Vestcor's investment program, as measured by pre-selected long-term investment performance metrics, are as follows:

- The total fund active nominal return for investment mandates for the past four years ending December 31, 2025 was 6.08%, which represents approximately \$5.6 billion of cumulative gross investment earnings.
- Net value-added investment returns (in excess of benchmarks) over the four-year period to December 31, 2025 remain strong.
- Total fund relative returns were higher than the combined weighted average client investment policy benchmarks over the four-year period to December 31, 2025, providing a positive net return of 0.69% (or 69 basis points) of value annually over client benchmarks after deducting all investment costs, or \$529.0 million of total net investment returns for the four-year period.

The following table shows total compensation awards and payments, excluding Directors' remuneration (see page 63) for the year ended December 31, 2025.

		2025 (\$ THOUSANDS)		2024 (\$ THOUSANDS)
Salaries and benefits, excluding performance incentives	\$	18,998.1	\$	16,572.8
ICP performance incentives				
Net investment relative performance	\$	3,841.2	\$	4,181.4
Corporate scorecard and individual performance		3,305.7		2,691.1
Total performance incentives ¹		7,146.9		6,872.5
Deferred portion of ICP		(3,144.5)		(3,079.5)
Payments from previous year deferrals		3,492.0		3,198.9
Total performance incentives paid		\$7,494.4		\$6,991.9

¹ Total incentive expense for 2025 was \$7,701.9 (2024 - \$7,569.8), which includes deferral interest of \$555.0 (2024 - \$702.0). Interest on deferred balances accrues at the total fund return.

For the year ended December 31, 2025, and after consideration of the continuing competitive talent retention environment, the Board approved an appropriate cost of living salary increase and merit pool.

SUMMARY COMPENSATION TABLE

The following summary compensation table discloses information on compensation for the President and CEO, CFO, and the next three highest-paid key Management personnel (each a named executive officer or NEO) for the past three years. This disclosure is based on annual periods and expressed in dollars.

NAME AND POSITION	YEAR	SALARY ¹ (\$)	ICP ² (\$)	LTIP ³ (\$)	PENSION CONTRIBUTION ⁴ (\$)	ALL OTHER ⁵ (\$)	TOTAL COMPENSATION (\$)	DEFERRED PORTION OF ICP (\$)	PAYMENTS FROM PRIOR YEARS' DEFERRALS ⁶ (\$)	TOTAL PAID COMPENSATION ⁷ (\$)
Sean Hewitt President and CEO (Started April 2024)	2025	389,482	711,359	–	42,819	2,934	1,146,594	(355,679)	77,782	868,696
	2024	259,675	428,759	–	28,885	2,043	719,361	(214,379)	–	504,982
Jonathan Spinney CIO and VP, QIAR	2025	359,424	640,490	–	39,603	2,794	1,041,742	(320,245)	387,180	1,108,677
	2024	334,772	721,923	–	36,920	2,795	1,096,409	(360,961)	341,990	1,077,438
	2023	319,871	597,638	352,000	36,758	2,683	1,308,950	(298,819)	204,864	1,214,995
Mark Holleran VP, Equities	2025	288,482	330,782	–	32,012	2,751	654,027	(165,391)	255,977	744,613
	2024	265,983	381,846	–	29,560	2,710	680,098	(190,923)	254,826	744,001
	2023	261,967	420,705	235,800	30,563	2,557	951,591	(210,352)	156,752	897,990
Dan Goguen VP, Private Markets	2025	274,938	382,227	–	30,562	2,706	690,432	(191,113)	258,368	757,687
	2024	249,964	457,416	–	27,846	2,653	737,878	(228,708)	241,448	750,618
	2023	244,967	404,295	196,000	28,744	2,492	876,497	(202,148)	147,577	821,927
Brent Henry CFO	2025	223,663	206,028	–	25,076	2,532	457,299	(103,014)	103,294	457,579
	2024	194,868	186,054	–	21,916	2,458	405,295	(93,027)	91,930	404,198
	2023	184,871	170,915	–	22,177	2,263	380,227	(85,458)	53,359	348,128

¹ Salary corresponds to the amounts actually paid based on the number of pay periods in the year, which may vary from year to year.

² This amount represents 100% of the ICP earned during the year. Fifty percent of the ICP earned in the year is paid in the year of determination of the award. The remaining 50% is paid out in equal installments over the following three years. Deferred amounts earn a return at the total fund return.

³ Portion of the LTIP incentives paid in the year of determination of the award based on prior four-year return periods and was phased out from 2021 to 2023.

⁴ The "Pension Contribution" column shows the employer contribution made in the year to the combination of the New Brunswick Public Service Pension Plan and the related Retirement Compensation Arrangement (RCA). Corresponding employee contributions are required, as set out in the Plan.

⁵ Amounts shown in the "All Other" column include the cost of employer-paid enrolment in a post-retirement private health plan, group life insurance, accidental death and dismemberment insurance, and a parking benefit.

⁶ Deferred balances accrue interest at the total fund return.

⁷ Includes "Salary", non-deferred portion of the "ICP", "LTIP", "Pension Contributions", and "All Other" compensations.

INCENTIVE COMPENSATION PLAN OVERVIEW

The ICP amount of \$7,146.9 (thousand) consists of both an investment performance component, a corporate scorecard component, and an individual performance achievement component based on our annual business plan.

The **ICP related to the investment performance** component was \$3,841.2 (thousand) for the year ended December 31, 2025 (2024—\$4,181.3 thousand). This component is based on the annualized net value added over benchmarks for the most recent four years ended December 31, 2025. The 2025 net value-added result was 69.4 basis points (bps) (2024 – 9.0 bps), and the long-term annualized net value-added result was 69.0 bps (2024 – 103.4 bps).

A summary table of prior period value-added results used to determine the long-term cumulative net value-added ICP result is as follows:

	NET VALUE ADDED (BPS)	PERCENTAGE OF TARGET (%)
Year ended December 31, 2022	263.0	526.1
Year ended December 31, 2023	(97.4)	(194.9)
Year ended December 31, 2024	9.0	17.9
Year ended December 31, 2025	69.4	138.8
Annualized Long-Term (Four Fiscal Periods)	69.0	138.1

The **ICP related to business plan achievements** is \$3,305.7 (thousand) for the year ended December 31, 2025. This component is based on an achievement factor of 1.61 times overall target approved by the Board of Directors, compared to the achievement factor of 1.53 for the year ended December 31, 2024.

The individual component of the ICP is based on each employee's contribution to the business plan accomplishments. The annual business plan includes both key performance indicators and specific action plans and initiatives focused on the five key goals in the Corporate Strategic Plan, as set out in the following table. A specific weighting for each key goal is determined by the Board at the beginning of each year. The weighting reflects the Board's direction to Management for prioritization of its efforts to implement the business plan.

Achievement of the long-term investment returns required by each pension and non-pension client in a risk-controlled fashion was Vestcor's primary investment performance objective for 2025, and accounts for the largest weighting proportion. The overall total fund active return for all clients combined was an annualized 8.7% net for the most recent four-year period ended December 31, 2025, and most importantly 7.1% net per annum since Vestcor's inception in 1996.

KEY GOALS	2025 WEIGHTING
Advance Vestcor’s governance, management, and organizational effectiveness to support growth and sustainability.	20%
Advance our clients’ pension and benefits administration and long-term investment management service needs through prudent risk-focused practices and well-executed service advancements.	45%
Define the optimal “client experience” and create systems to enable the consistent replication of this experience through growth cycles.	15%
Strengthen relationships with shareholders, client Trustees, plan members, employer groups, and policy setters.	10%
Continue to invest in technology improvements aimed at enhancing our clients’ experience, providing more automated processing and reporting capabilities, and expanding our data management strategy (investment and administration), all while also protecting privacy and minimizing cybersecurity risks.	10%



In establishing the achievement factor, the Board considered the achievement of key performance indicators associated with each of the key goals as well as the following accomplishments:

KEY GOALS	BUSINESS PLAN ACCOMPLISHMENTS (Year ended December 31, 2025)
	<p data-bbox="201 338 1422 365">Advance Vestcor’s governance, management, and organizational effectiveness to support growth and sustainability.</p> <ul style="list-style-type: none"> <li data-bbox="518 409 1414 472">• Held several strategy workshops with the board, senior management, and clients. Approved the new Strategy: Vestcor2030 <li data-bbox="518 485 1409 548">• Developed new committee objectives that have been set and are integrated with committee packages <li data-bbox="518 560 1305 588">• Ensured that Internal Audit findings were addressed in a timely manner <li data-bbox="518 600 1406 737">• Prepared Vestcor’s fourth Responsible Investment Report and client Responsible Investment Reports that include a year-over-year comparative reduction in portfolio carbon exposures in line with the guidance provided by the Partnership of Carbon Accounting Financials <li data-bbox="518 749 1333 812">• Completed initiatives associated with Vestcor’s environmental, social, and governance workplan <li data-bbox="518 825 1378 919">• Supported Chairperson involvement at the semi-annual shareholder meetings to ensure effective relationships and timely communication between Vestcor’s shareholders and the corporate Board of Directors <li data-bbox="518 932 1377 995">• Initiated a key performance indicator review and refresh for implementation in 2026 <li data-bbox="518 1008 1419 1144">• Completed a total compensation review with external compensation advisor, Willis Towers Watson, and retained an additional independent expert compensation advisor, Mercer, to prepare a report evaluating Willis Towers Watson’s approach and Vestcor’s compensation program against its stated compensation philosophy. <li data-bbox="518 1157 1308 1184">• Continued progress on the three-year Human Resources Strategic Plan <li data-bbox="518 1197 1317 1260">• Reviewed CEO Succession Policy and approved succession plans for all corporate officers <li data-bbox="518 1272 1393 1335">• Completed our Service Organization Controls Type 2 Report, Report on Internal Controls of Financial Reporting
	<p data-bbox="201 1367 1365 1430">Advance our clients’ pension and benefit administration and long-term investment management service needs through prudent risk-focused practices and well-executed service advancements.</p> <ul style="list-style-type: none"> <li data-bbox="518 1465 1386 1528">• Hosted nine Board Director/Trustee onboarding sessions with new Vestcor Inc. Board members onboarded with an all-day session <li data-bbox="518 1541 1308 1604">• Executed pension and benefits services within service level agreement benchmark timelines with clients <li data-bbox="518 1617 1382 1680">• Completed cost effectiveness benchmarking analysis and prepared results for clients <li data-bbox="518 1692 1049 1719">• Implemented new Board / client Trustee portal

KEY GOALS

BUSINESS PLAN ACCOMPLISHMENTS (Year ended December 31, 2025)

Define the optimal “client experience” and create systems to enable the consistent replication of this experience through growth cycles.

- Continued the implementation of our Investment Client Relationship Contact Strategy.
- Continued to assist clients in the development of their enterprise risk management frameworks along with the formalized monitoring of key risk indicators.
- Continued to assist clients in the development and delivery of their plan-specific communication plans.
- Completed our biennial Client Satisfaction Survey and achieved the highest client satisfaction score to date.
- Re-vamped investment client reporting, with a new report to be launched in 2026.

Strengthen relationships with shareholders, client Trustees, plan members, employer groups, and policy setters.

- Held our annual in-person Client Forum in October 2025.
- Led several industry presentations, including the Association of Canadian Pension Management, Pension Investment Association of Canada, and Chartered Financial Analyst Institute.
- Completed registration as investment manager in PEI. New client in PEI onboarded with an executed investment management agreement.
- Developed government relations principles.
- Completed presentations to various member and employer groups on their respective plans, administration service offerings, and investment results.
- Continued development of an engaged relationship with pension supervisor, FCNB, selected to participate in a technical working group on a decumulation framework.

Continue to invest in technology improvements aimed at enhancing our clients’ experience, providing more automated processing and reporting capabilities, and expanding our data management strategy (investment and administration), all while also protecting privacy and minimizing cybersecurity risks.

- Prepared Board education sessions on artificial intelligence and its potential impacts on Vestcor.
- Continued the implementation of an enhanced cybersecurity monitoring program.
- Continued to expand relationships with peers across North America and participated in a number of conferences and networking opportunities.
- Prepared a cybersecurity simulation with the Board.
- Presented a cybersecurity / incident response discussion for the Board.

DIRECTORS' REMUNERATION

Directors' remuneration is established in Vestcor's by-laws as approved by the Board of Vestcor Corp. Directors are paid an annual retainer and 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 kilometers traveled.

DIRECTOR	ANNUAL RETAINER (\$ DOLLARS)	BOARD AND COMMITTEE MEETING PER DIEMS (\$ DOLLARS)	TOTAL REMUNERATION ¹ (\$ DOLLARS)	TRAVEL REIMBURSEMENT (\$ DOLLARS)
David Losier ²	27,500	28,350	60,195	4,634
Michel Allain	12,000	15,400	29,365	1,987
Tanya Chapman ³	17,000	15,600	35,089	368
Michel Doiron	12,000	13,750	27,613	2,222
Andrew Jefferies ⁴	12,000	7,150	14,052	108
Trish Kiley ⁴	12,000	7,150	14,052	1,040
Eleanor Marshall ⁵	17,000	16,700	36,255	965
Tim Mawhinney ⁶	17,000	17,250	36,840	3,099
Courtney Pringle-Carver	12,000	14,300	28,197	1,580
Cathy Rignanesi ⁷	17,000	8,350	18,195	1,251
Steven Wolff ⁸	12,000	8,800	17,057	1,399
Suzanne Young ⁹	17,000	12,100	28,597	182

¹ Includes costs of employer-paid statutory deductions.

² Chairperson of the Board of Directors and Chairperson of the Ad Hoc Litigation Committee.

³ Chairperson of the Human Resources & Compensation Committee.

⁴ Appointed to the Board of Directors effective July 1, 2025.

⁵ Vice-Chairperson of the Board of Directors and Chairperson of the Investment Committee.

⁶ Chairperson of the Governance Committee.

⁷ Chairperson of the Audit Committee from January 1, 2025 to June 30, 2025. Term expired on June 30, 2025.

⁸ Resigned from the Board of Directors effective July 30, 2025.

⁹ Chairperson of the Audit Committee effective July 1, 2025.

The total cost of the Vestcor Board function, including per diems, Director orientation, and Board education and memberships for the year ended December 31, 2025 was \$379.2 thousand (December 31, 2024 – \$310.6 thousand), plus travel and accommodation reimbursements of \$18.3 thousand (December 31, 2024 – \$24.9 thousand).

EXHIBIT A

COMPENSATION PLAN

BASE SALARY

Eligibility All Staff

Objectives Reward level of responsibility, expertise, competency, and relevant experience

INCENTIVE COMPENSATION PLAN

	CORPORATE SCORECARD	INDIVIDUAL PERFORMANCE
ELIGIBILITY	Full-time permanent employees	Full-time permanent employees
TARGETS	2.5% to 35% of base salary	2.5% to 25% of base salary
OBJECTIVES	Reward performance with respect to achievement of annual business plan objectives	
TIME HORIZON	Current year	
TYPE OF PROGRAM	CEO, CFO, CIO, CPBO, investment staff, and select other positions – 50% of incentive is paid in Year 1 and the remaining 50% is deferred and paid in equal instalments over the next three years	
	All other positions - cash	
DEFERRAL METHOD	Deferred amounts accrue at the weighted average absolute client return.	

	ABSOLUTE CLIENT RETURN	INVESTMENT TEAM PERFORMANCE	INVESTMENT TOTAL FUND PERFORMANCE
ELIGIBILITY	CEO, CFO, CIO, CPBO, investment staff, and select other positions	CIO and investment staff	CEO, CFO, CIO, investment and risk staff, and select other positions
TARGETS	1% to 20% of base salary	7% to 18% of base salary	2.5% to 55% of base salary
OBJECTIVES	Align eligible employee compensation to team and total fund investment performance with an incentive to achieve sustained asset growth		
	Strengthen team cooperation		
TIME HORIZON	Four fiscal year periods		
TYPE OF PROGRAM	CEO, CFO, CIO, CPBO, investment staff, and select other positions – 50% of the incentive is paid in Year 1 and the remaining 50% is deferred and paid in equal instalments over the next three years	50% of the incentive is paid in Year 1 and the remaining 50% is deferred and paid in equal instalments over the next three years	CEO, CFO, CIO, CPBO, investment staff, and select other positions – 50% of the incentive is paid in Year 1 and the remaining 50% is deferred and paid in equal instalments over the next three years
	All other positions - cash		All other positions - cash
DEFERRAL METHOD	Deferred amounts accrue at the weighted average absolute client return		

PERFORMANCE METRIC(S)	Client fund returns in excess of long-term investment return targets	Investment Team(s)' active returns in excess of benchmarks and targets, net of investment management expenses	Total fund returns in excess of benchmark, net of investment management expenses
RANGE:			
THRESHOLD	Pre-established client return threshold	Benchmark return	Benchmark return and full cost recovery
TARGET	Long-term return targets	Pre-established, Board-approved portfolio target investment return	50 bps after costs
MAXIMUM	Pre-established long-term return target maximum	2x pre-established, Board-approved portfolio target investment returns	100 bps after costs

INDIRECT COMPENSATION

	MEMBERSHIP IN THE NBPSPP	EMPLOYEE BENEFITS AND POST-RETIREMENT BENEFITS	PERQUISITES
ELIGIBILITY	Full-time staff and term employees under contract for one year or longer		
OBJECTIVES	Encourage long-term retention by rewarding continued service and contributing to post-retirement income	Provide staff and their families with assistance and security so that they can focus on their professional responsibilities and on achieving the corporate mission	Offer a limited number of benefits to complement total compensation, including parking and a health spending account allowance





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RESPONSIBLE INVESTING

At Vestcor, we recognize that sustainable, long-term results for our clients are best achieved by integrating environmental, social, and governance (ESG) factors directly into our investment processes. Our commitment to responsible investing (RI) extends beyond internal analysis to active participation in organizations that define industry best practices. Vestcor has been an active long-serving member in organizations such as the Pension Investment Association of Canada (PIAC) and the Canadian Coalition for Good Governance (CCGG).

In 2020, Vestcor's Board of Directors formally endorsed the CCGG's inaugural Stewardship Principles which are designed to assist institutional investors in fulfilling their responsibilities toward their clients and beneficiaries, while enhancing the value of their investments. These Stewardship Principles provide an excellent complement to our corporate Responsible Investment Guidelines; Vestcor has identified a number of internal processes and relationships that assist us in meeting each of the following related principles:



In 2024, Vestcor reached a significant milestone by becoming a signatory to the United Nations-supported Principles for Responsible Investment (PRI). This international network of financial institutions works together to implement its six aspirational principles in a framework for incorporating ESG factors into investment practices. As a signatory, Vestcor is committed to PRI's six [Principles for Responsible Investment](#), where consistent with our fiduciary responsibilities.

Since the release of our inaugural Responsible Investment Report in October 2022, Vestcor has published four annual Responsible Investment Reports. These reports fulfill our core principle of transparency while highlighting our progress in Active Ownership and ESG Integration. They speak to our leadership in—and our commitment to—providing our clients with investments in stable sustainable long-term assets that continue to meet their investment objectives. In addition, they provide climate-related greenhouse gas emissions disclosures for our consolidated investment portfolio.

In November 2025, Vestcor released our fourth annual Responsible Investment Report, focusing on our activities in 2024. In alignment with guidance provided from the Partnership of Carbon Accounting Financials (PCAF), this report provided year-over-year updates to our proxy voting activities and portfolio carbon metrics. As of December 31, 2024, our total financed emissions intensity stood at 36.5 tCO₂e per \$M invested. We achieved carbon footprint coverage across 93% of our total assets under management.

Vestcor is committed to evolving alongside global carbon reporting standards. We will continue to provide annual disclosures on our progress, maintaining a disciplined investment approach aimed at delivering sustainable results for our clients. Additional details and any updates to our Responsible Investment Guidelines and our Responsible Investment Report can be found at vestcor.org/investments.

VESTCOR INVESTMENT ENTITIES PERFORMANCE

The specific performance of each Vestcor Investment Entity and its respective benchmark return for the period indicated to December 31, 2025 is outlined in the table below.

UNIT TRUST FUND	1 Yr %	2 Yrs %	3 Yrs %	4 Yrs %	5 Yrs %	7 Yrs %	10 Yrs %	SINCE INCEPTION OF UNIT TRUST OR SINCE APRIL 1, 1998 %
NBIMC Nominal Bond Fund	2.30	2.92	4.05	(0.24)	(0.71)	1.77	1.82	4.34
<i>Benchmark</i>	2.05	2.68	3.81	(0.49)	(0.99)	1.38	1.43	4.11
NBIMC Corporate Bond Fund	4.70	6.00	6.85	2.50	1.68	3.53	3.25	3.63
<i>Benchmark</i>	4.48	5.72	6.60	2.22	1.49	3.42	3.21	3.52
NBIMC International High Yield Fixed Income Fund	7.75	8.16	10.03	4.04	4.08	5.35		4.83
<i>Benchmark</i>	8.16	8.94	10.17	4.27	3.89	5.08		4.40
Vestcor Alternative Fixed Income Limited Partnership Fund	8.05	7.54						8.19
<i>Benchmark</i>	4.29	5.13						6.02
NBIMC New Brunswick Fixed Income Opportunity Fund	(96.34)	(80.58)	(66.02)	(55.54)	(47.71)	(36.19)	(26.39)	(6.61)
<i>Benchmark</i>	2.05	2.68	3.81	(0.49)	(0.99)	1.38	1.43	4.11
NBIMC Money Market Fund	3.80	4.93	5.04	4.28	3.46	2.92	2.44	2.74
<i>Benchmark</i>	2.83	3.86	4.13	3.55	2.86	2.40	1.92	2.35
Vestcor Long Term Money Market Fund	4.29	5.36						5.43
<i>Benchmark</i>	3.37	4.37						4.68
NBIMC Student Investment Fund	32.57	27.50	21.31	13.37	13.14	12.70	10.19	8.07
<i>Benchmark</i>	31.68	26.56	20.63	12.62	12.46	12.06	9.73	7.78
NBIMC Canadian Equity Index Fund	31.53	26.47	21.36	13.91	16.10	15.53	12.81	8.44
<i>Benchmark</i>	31.68	26.56	21.42	13.94	16.09	15.46	12.66	8.12
NBIMC Canadian Small Cap Equity Fund	49.21	34.54	23.80	16.84	19.49	18.93		14.35
<i>Benchmark</i>	50.16	33.58	23.20	14.12	15.33	15.05		11.15
NBIMC Low Volatility Canadian Equity Fund	27.24	24.88	19.28	13.85	15.81	14.31	11.74	11.41
<i>Benchmark</i>	23.00	21.71	18.24	13.08	15.57	14.14	11.53	10.49
NBIMC External Canadian Equity Fund	32.57	26.31	20.44	13.92	16.10	15.63	12.52	11.21
<i>Benchmark</i>	31.68	26.56	21.42	13.94	16.09	15.46	12.66	10.46
NBIMC External International Equity Fund	26.63	21.37	19.83	12.46	12.44	11.86	9.05	7.91
<i>Benchmark</i>	25.07	19.01	17.68	10.58	10.53	10.60	8.04	6.56

UNIT TRUST FUND	1 YR %	2 YRS %	3 YRS %	4 YRS %	5 YRS %	7 YRS %	10 YRS %	SINCE INCEPTION OF UNIT TRUST OR SINCE APRIL 1, 1998 %
NBIMC EAFE Equity Index Fund	25.44	19.28	17.94	10.81	10.75	10.83	8.27	9.32
<i>Benchmark</i>	25.07	19.01	17.68	10.58	10.53	10.60	8.04	9.09
NBIMC EAFE Equity Index Fund - Class N	27.28	19.53	17.65	10.91	10.83	10.87	8.32	6.87
<i>Benchmark</i>	25.07	19.01	17.68	10.58	10.53	10.60	8.04	6.56
Vestcor International Small Cap Equity Fund	12.58	15.67	13.83	6.53				7.12
<i>Benchmark</i>	13.05	15.41	14.59	6.94				7.32
Vestcor Low Volatility International Equity Fund	8.87	14.79	12.62	9.02				10.28
<i>Benchmark</i>	7.01	13.43	10.25	6.63				8.28
Vestcor Low Volatility International Equity Fund - Class N	8.48	14.56	12.43	8.86				10.18
<i>Benchmark</i>	7.01	13.43	10.25	6.63				8.28
NBIMC Low Volatility Emerging Markets Equity Fund - Class N	7.74	16.60	15.47	9.47	8.71	7.10	7.01	5.95
<i>Benchmark</i>	8.10	13.38	10.86	5.90	5.65	5.30	5.76	4.86
Vestcor Emerging Markets Active Equity Fund	24.17							18.95
<i>Benchmark</i>	27.30							21.45
NBIMC U.S. Equity Index (2017) Fund	12.21	23.73	23.73	13.12	15.75	17.09		14.54
<i>Benchmark</i>	12.23	23.74	23.72	13.10	15.73	17.07		14.51
NBIMC U.S. Equity Index Fund - Class N	12.08	23.56	23.58	13.01	15.68	17.01	14.49	13.49
<i>Benchmark</i>	11.81	23.26	23.21	12.61	15.23	16.52	14.04	13.29
NBIMC Inflation Linked Securities Fund	1.12	2.50	2.39	(2.18)	(1.41)	1.95	1.76	5.48
<i>Benchmark</i>	0.88	2.30	2.20	(2.21)	(1.41)	1.85	1.65	5.32
NBIMC Canadian Real Estate Fund	1.20	(2.52)	(7.60)	(4.79)	(1.02)	1.06	4.65	8.53
<i>Benchmark</i>	0.54	0.49	(0.63)	1.49	2.24	3.27	3.94	4.92
NBIMC Canadian Real Estate Investment Trust Fund	9.59	3.64	3.32	(2.17)	4.35	4.12	6.26	5.63
<i>Benchmark</i>	9.58	3.62	3.29	(2.21)	4.32	4.03	6.12	5.48
NBIMC Non- Canadian Private Real Estate Fund	1.75	(65.39)	(53.77)	(53.16)	(45.48)	(36.64)	(25.04)	(24.62)
<i>Benchmark</i>	0.54	0.49	(0.63)	1.49	2.24	3.27	3.94	3.98
Vestcor Investments Private Real Estate, LP	2.91	0.98	(0.43)	1.36	3.29	3.89		3.80
<i>Benchmark</i>	0.54	0.49	(0.63)	1.49	2.24	3.27		3.76
VESTCOR Investments Private Real Estate 2. LP	1.45	(1.12)	(2.94)	0.54	3.52	3.13		3.88
<i>Benchmark</i>	0.54	0.49	(0.63)	1.49	2.24	3.27		3.34
VESTCOR Real Estate Fund LP	6.79	5.56	2.37	4.58	5.87			4.76
<i>Benchmark</i>	0.54	0.49	(0.63)	1.49	2.24			2.84

UNIT TRUST FUND	1 YR %	2 YRS %	3 YRS %	4 YRS %	5 YRS %	7 YRS %	10 YRS %	SINCE INCEPTION OF UNIT TRUST OR SINCE APRIL 1, 1998 %
NBIMC International Real Estate (2017) Fund	(3.46)	6.39	5.88	(2.09)	5.36	5.53		4.46
<i>Benchmark</i>	(2.34)	5.78	6.63	(0.62)	6.42	6.47		5.28
NBIMC International Real Estate Fund - Class N	(3.48)	6.42	5.95	(2.04)	5.41	5.80	4.98	7.99
<i>Benchmark</i>	(3.53)	4.52	5.33	(1.81)	5.22	5.33	4.64	7.72
NBIMC Public Infrastructure (2017) Fund	15.40	20.37	14.18	11.19	10.77	9.37		7.25
<i>Benchmark</i>	15.06	20.90	13.73	12.50	11.03	9.53		8.73
NBIMC Public Infrastructure Fund - Class N	7.09	14.60	12.59	9.75	9.56	8.21	6.84	6.11
<i>Benchmark</i>	15.06	20.90	13.73	12.50	11.03	9.53	8.32	8.14
NBIMC Infrastructure Fund	5.72	5.97	3.62	4.14	3.84	5.45	7.14	7.20
<i>Benchmark</i>	6.15	6.72	7.77	8.05	7.50	7.03	6.58	6.29
Vestcor Investments Infrastructure, LP	9.85	12.14	9.61	11.42	11.18	9.69		11.04
<i>Benchmark</i>	6.15	6.72	7.77	8.05	7.50	7.03		6.70
NBIMC Quantitative Strategies (2017) Fund	15.98	11.04	7.80	9.06	8.90	8.84		7.89
<i>Benchmark</i>	2.83	3.86	4.13	3.55	2.86	2.40		2.16
NBIMC Quantitative Strategies Fund - Class N	15.90	10.86	7.87	9.32	9.11	9.06	7.44	5.93
<i>Benchmark</i>	2.83	3.86	4.13	3.55	2.86	2.40	1.92	1.52
NBIMC Quantitative Equity Strategic Beta (2017) Fund	4.12	7.40	6.67	5.93	5.73	5.37		5.35
<i>Benchmark</i>	2.83	3.86	4.13	3.55	2.86	2.40		2.16
NBIMC Quantitative Equity Strategic Beta Fund - Class N	3.83	7.04	6.34	5.64	5.43	5.11		5.16
<i>Benchmark</i>	2.83	3.86	4.13	3.55	2.86	2.40		1.99
NBIMC New Brunswick and Atlantic Canada Equity Opportunity Fund	(0.07)	14.68	9.55	7.08	6.03	8.94	9.42	9.71
<i>Benchmark</i>	6.15	6.72	7.77	8.05	7.50	7.03	6.58	6.90
NBIMC Private Equity Fund	0.16	1.47	(1.09)	(1.84)	3.49	6.55	9.64	9.73
<i>Benchmark</i>	15.41	22.22	21.64	12.12	13.89	14.25	11.42	9.83
Vestcor Investments Private Equity, LP	1.51	9.18	11.38	12.13	17.54	15.23		11.26
<i>Benchmark</i>	15.41	22.22	21.64	12.12	13.85	14.44		12.00
Vestcor International Active Equity Index Fund	16.85	24.07						21.69
<i>Benchmark</i>	14.96	22.10						19.74
Vestcor International Active Equity Index Fund - Class N	16.86	24.07						21.69
<i>Benchmark</i>	14.96	22.10						19.74
Vestcor Global Alternative Risk Premia Fund	2.92	6.99						6.99
<i>Benchmark</i>	2.83	3.86						3.86

DISCLOSURES :

** Effective April 1, 2008, Canadian dollar benchmarks were implemented for international exposure therefore, Foreign Indices are only reported as of April 1, 2008.*

*** NBIMC External International Equity Fund was created on August 1, 2001. The returns and benchmarks are reported from April 1, 2008 because the strategy changed from Europe to MSCI EAFE.*

**** NBIMC International Real Estate Fund has an inception date of September 2, 2003. A since-inception benchmark cannot be shown as foreign indices are only reported as of April 1, 2008*



FINANCIAL STATEMENTS

December 31, 2025



KPMG LLP

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Canada
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INDEPENDENT AUDITOR’S REPORT

To the Board of Directors of Vestcor Inc.

Opinion

We have audited the financial statements of Vestcor Inc. (the Entity), which comprise:

- the statement of financial position as at December 31, 2025
- the statement of operations and changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the 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 financial position of the Entity as at December 31, 2025, and its results of operations and its 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.



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

March 30, 2026

VESTCOR INC.
Statement of Financial Position
As at December 31
(in thousands of Canadian dollars)

	2025	2024
ASSETS		
Current		
Cash	\$ 931	\$ 2,129
Accounts receivable <i>(note 10)</i>	7,857	7,414
Accounts receivable Vestcor Corp. <i>(note 10)</i>	451	—
Other receivables	21	29
Prepaid expenses	2,138	1,904
Total current assets	11,398	11,476
Long-term accounts receivable for supplemental pension <i>(note 10)</i>	271	278
Long-term accounts receivable for incentive compensation <i>(note 10)</i>	6,480	6,277
Capital assets <i>(note 3)</i>	3,913	2,617
Intangible assets <i>(note 4)</i>	1,769	2,211
	\$ 23,831	\$ 22,859
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities <i>(note 5)</i>	\$ 11,073	\$ 11,219
Current portion of term loan <i>(note 10)</i>	163	127
Current portion of supplemental pension <i>(note 6)</i>	32	32
Total current liabilities	11,268	11,378
Supplemental pension <i>(note 6)</i>	271	278
Non-current accrued liabilities for incentive compensation	6,480	6,277
Term loan payable <i>(note 10)</i>	3,312	2,167
Deferred contributions related to capital and intangible assets <i>(note 7)</i>	2,498	2,757
Total liabilities	23,829	22,857
Unrestricted net assets	2	2
	\$ 23,831	\$ 22,859

See accompanying notes to financial statements
Contractual obligations and contingencies *(note 9)*

Approved on behalf of the Board:

[signed by]
David O'Neill Losier
Chair of the Board

[signed by]
Suzanne Young
Chair of the Audit Committee

VESTCOR INC.**Statement of Operations and Change in Net Assets**

For the year ended December 31

(in thousands of Canadian dollars)

	2025	2024
REVENUE		
Investment management fees <i>(note 10)</i>	\$ 31,595	\$ 29,236
Pension administration fees <i>(note 10)</i>	11,726	9,789
Benefits administration fees	1,629	1,585
Amortization of deferred contributions related to capital assets	723	763
Other	538	795
Total revenue	46,211	42,168
EXPENSES		
Salaries and benefits	27,526	24,894
Information systems	7,261	6,492
External investment management	4,421	4,246
Securities custody	1,571	1,305
Office and business	1,932	1,933
Professional services	1,381	1,302
Office rent	1,251	1,088
Amortization of capital assets	868	908
Total expenses	46,211	42,168
Excess of revenue over expenses	—	—
Unrestricted net assets, beginning of year	2	2
Unrestricted net assets, end of year	\$ 2	\$ 2

See accompanying notes to financial statements

VESTCOR INC.**Statement of Cash Flow**

For the year ended December 31

(in thousands of Canadian dollars)

	2025	2024
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$	\$ —
Non-cash items:		
Amortization of capital and intangible assets	868	908
Amortization of deferred contributions related to capital and intangible assets	(723)	(763)
Supplemental pension	24	31
Changes in non-cash operating working capital:		
Accounts receivable	(444)	1,342
Long-term accounts receivable – supplemental pension	8	4
Long-term accounts receivable – incentive compensation	(203)	(584)
Vestcor Corp accounts receivable	(451)	—
Other receivables	8	(6)
Prepaid expenses	(234)	(101)
Accounts payable and accrued liabilities	(146)	56
Non-current accrued liabilities for incentive compensation	203	584
Net cash provided by operating activities	(1,090)	1,471
INVESTING ACTIVITIES		
Purchases of capital and intangible assets	(1,721)	322
Deferred contributions related to capital and intangible assets	464	(322)
Net cash used in investing activities	(1,257)	—
FINANCING ACTIVITY		
Payment of supplemental pension	(32)	(31)
Proceeds from Vestcor Corp loan	1,308	—
Loan Payments	(127)	(127)
Net cash (used in) financing activity	1,149	(158)
(DECREASE) INCREASE IN CASH DURING YEAR	(1,198)	1,313
Cash, beginning of year	2,129	816
CASH, END OF YEAR	\$ 931	\$ 2,129

See accompanying notes to financial statements

VESTCOR INC.
Notes to Financial Statements
Year ended December 31, 2025
(in thousands of Canadian dollars)

1. Nature of Operations

Vestcor Inc. (“Vestcor”) was created on January 1, 2018 upon the amalgamation of Vestcor Investment Management Corporation (“VIMC”) and Vestcor Pension Services Corporation (“VPSC”), both wholly-owned entities of Vestcor Corp. Vestcor Corp. 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”). The Vestcor operating entities were transferred to Vestcor Corp. from the Province of New Brunswick on October 1, 2016.

Vestcor’s mandate is to provide pension and benefit plan administration, and investment management and advisory services to pension, trust, endowment or similar funds within the public sector.

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

2. Significant Accounting Policies

(a) *Basis of presentation*

These financial statements present the operations of Vestcor for the year ended December 31, 2025 with comparative figures for the year ended December 31, 2024. They 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*

Fees for services are recognized in revenue as services are performed and collection is probable. Vestcor 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) *Capital assets*

Capital assets are recorded at acquisition cost less accumulated amortization. When a capital asset no longer contributes to the corporation’s ability to provide services, its carrying amount is written down to its residual value. Capital assets are amortized over their estimated useful lives, calculated on a straight-line basis, using the following rates:

Computer equipment	- 3 and 5 years
Furniture and equipment	- 12.5 years
Leasehold improvements	- over the remaining lease term

VESTCOR INC.
Notes to Financial Statements
Year ended December 31, 2025
(in thousands of Canadian dollars)

2. Significant Accounting Policies (continued)

(d) Intangible assets

Intangible assets are related to consulting costs incurred for implementation of a third-party pension and benefits administration system. System development costs are recognized as an intangible asset when the capitalization criteria have been met. This includes: the ability to demonstrate technical feasibility; the company's intention to complete the implementation; the availability of adequate technical and financial resources to complete the development; the use of the system once implemented; and the ability to demonstrate that the asset will generate future economic benefits. Development costs that do not meet the capitalization criteria are expensed as incurred. Intangible assets are amortized on a straight-line basis over their estimated useful life of 10 years.

(e) Employee future benefits

Full-time employees are members of the NBPSPP, a contributory target benefit plan. Prior to January 1, 2014, full-time employees were members of the *Public Service Superannuation Act*, a contributory defined benefit multiemployer plan. In addition, certain employees are also members of a retirement compensation arrangement sponsored by the Province of New Brunswick. These plans' assets and liabilities are not segregated. Since it is not practicable to obtain all of the information required for a materially precise attribution of Vestcor's portion of the obligations, Vestcor uses defined contribution accounting to account for its portion of these plans. Accordingly, employer contributions are expensed as incurred.

(f) 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. Vestcor 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, Vestcor 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 Vestcor 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.

(g) 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. Key items subject to such estimates and assumptions include the net recoverable amount of accounts receivable, determination of the estimated useful life and selection of rates of amortization of capital and intangible assets (*note 3 and note 4*) and deferred contributions (*note 7*) and the estimated actuarial liability for supplemental pension (*note 6*).

VESTCOR INC.
Notes to Financial Statements
Year ended December 31, 2025
(in thousands of Canadian dollars)

3. Capital Assets

	Computer equipment		Furniture and equipment		Leasehold improvements		2025 Total
Cost							
Opening balance	\$	1,393	\$	687	\$	2,244	\$ 4,324
Purchases		357		106		1,258	1,721
Disposals		(108)					(108)
Closing balance		1,642		793		3,502	5,937
Accumulated amortization							
Opening balance		990		269		448	1,707
Amortization expense		258		55		112	425
Disposals		(108)					(108)
Closing balance		1,140		324		560	2,024
Net book value	\$	502	\$	469	\$	2,942	\$ 3,913

	Computer equipment		Furniture and equipment		Leasehold improvements		2024 Total
Cost							
Opening balance	\$	1,119	\$	645	\$	2,238	\$ 4,002
Purchases		274		42		6	322
Disposals		—		—		—	—
Closing balance		1,393		687		2,244	4,324
Accumulated amortization							
Opening balance		689		216		336	1,241
Amortization expense		301		53		112	466
Disposals		—		—		—	—
Closing balance		990		269		448	1,707
Net book value	\$	403	\$	418	\$	1,796	\$ 2,617

4. Intangible Assets

	2025 Total		2024 Total	
Cost				
Opening balance	\$	4,423	\$	4,423
Disposal		—		—
Closing balance		4,423		4,423
Accumulated amortization				
Opening balance		2,211		1,769
Amortization expense		442		442
Closing balance		2,653		2,211
Net book value	\$	1,769	\$	2,211

VESTCOR INC.
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5. Government Remittances

Included in accounts payable and accrued liabilities in the Statement of Financial Position are government remittances at December 31, 2025 of \$395 (2024 - \$292) which include amounts payable for GST/HST.

6. Supplemental Pension

Vestcor has an estimated liability of \$303 (2024 - \$310) for special supplemental pension relating to past service awarded during 2003-2004. The accrued liability was determined by an actuarial valuation carried out as of December 31, 2025. The accrued liability is equivalent to the present value of the expected future payments. The ultimate cost to Vestcor will vary based on the indexing granted on this pension and demographic factors. Changes in the expected liability are recorded in the period the change occurs. Payments are recovered in fees charged to clients.

7. Deferred Contributions Related to Capital and Intangible Assets

The balance of unamortized deferred contributions consists of the following:

	2025	2024
Balance, beginning of period	\$ 2,757	\$ 3,198
Additional contributions received, net	464	322
Less amounts amortized to revenue	(723)	(763)
Less disposal of capital assets	—	—
Balance, end of period	\$ 2,498	\$ 2,757

8. Employee Future Benefits

Vestcor is a participating employer in the NBPSPP. For the year ended December 31, 2025, Vestcor expensed contributions of \$1,678 (2024 - \$1,453) under the terms of the NBPSPP pension plan. Vestcor is also a participating employer in a retirement compensation arrangement (“RCA”). For the year ended December 31, 2025, Vestcor expensed contributions of \$55 (2024 - \$34) under the terms of the RCA.

9. Contractual Obligations and Contingencies

Vestcor leases certain of its premises under an operating lease for an initial term of twenty years commencing on September 1, 2020. During the year, Vestcor leased additional space for the remaining 15 year term of the original lease. The future minimum lease payments are \$825 per annum for the next five years and thereafter adjusted annually by the Consumer Price Index All-Canada Index.

Vestcor and certain officers have been named as defendants in a proposed securities class action lawsuit regarding the merger of Exro Technologies and SEA electric. Vestcor believes that the petition is entirely without merit and has moved to strike the claim. At this stage, the class action has not been certified, and the ultimate outcome of this matter is not determinable. Accordingly, no provision for loss has been recorded in the financial statements.

VESTCOR INC.
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10. Related Party Transactions and Balances

Vestcor offers investment management and pension administration services to the NBPSPP and NBTPP. Investment management and pension administration services for all clients are billed using the cost recovery method. Costs that are directly attributable to a specific client are charged directly to that client. All other costs are allocated among clients according to their pro rata share of assets under management for investment management services and according to the effort involved to administer their plans for pension administration services. For the year ended December 31, 2025, Vestcor billed \$18,617 and \$12,378 to the NBPSPP and NBTPP respectively (2024 - \$16,659 and \$11,142 respectively) for these services, which are included in investment management and pension administration fees in the Statement of Operations. At December 31, 2025, NBPSPP and NBTPP owed Vestcor \$7,197 and \$5,145 (2024 - \$7,159 and \$5,135) respectively for such fees. These amounts are included in accounts receivable.

Under an unsecured Term Loan agreement with its shareholder, Vestcor Corp., Vestcor may draw advances up to a maximum amount of \$3,000 for certain capital expenditures including leasehold improvements, furniture and computer equipment. At December 31, 2025, the loan payable to Vestcor Corp was \$2,167 (2024 - \$2,294). The loan is repayable in equal monthly installments consisting of principal and interest at a rate of 1.597% per annum and matures on December 31, 2040. Expected loan repayments over the next five years are approximately \$163 per year.

Under a second unsecured Term Loan agreement with its shareholder, Vestcor Corp., Vestcor may draw advances up to a maximum amount of \$1,800 for certain capital expenditures including leasehold improvements, furniture and computer equipment. At December 31, 2025, the loan payable to Vestcor Corp was \$1,308 (2024 - nil). The loan is repayable in equal monthly installments consisting of principal and interest at a rate estimated at 3.76% per annum and also matures on December 31, 2040. Expected loan repayments over the next five years are approximately \$161 per year.

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

11. Indemnifications

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

12. Financial Risk

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