



ANNUAL REPORT — 2025 —

YOUR PENSION PLAN IN REVIEW

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Shared Risk Plan for Certain Bargaining
Employees of NB Hospitals (CBE Pension Plan)
2025 Annual Report

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Board of Trustees

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LETTER FROM THE CHAIRPERSON OF THE BOARD

On behalf of the Board of Trustees of the CBE Pension Plan, we are pleased to present our 2025 Annual Report.

The Board continues to enhance the educational resources available to members and support a better understanding of the Plan. This Annual Report advances those efforts and reinforces our ongoing focus on transparency. We are also pleased to announce our fourth Annual Information Meeting, which will be held entirely online on November 18 to reach as many members as possible. These initiatives are more important than ever as pension plans worldwide navigate a challenging economic environment, geopolitical uncertainty, and ongoing financial market volatility.

Notwithstanding all these factors and the Plan's prudent and lower-risk approach, in 2025, the CBE Pension Plan posted an impressive gross one-year investment return of 7.53%, resulting in a net return of 7.38% after operating and investment expenses were accounted for. On a longer term, the Plan performed very favourably with a four-year annualized return of 6.47% at December 31, 2025. This exceeded the discount rate set for the Plan of 5.00%; this is the net investment rate of return that the Plan needs to conservatively earn over the long term to support its sustainability for current and future retired members.

The Plan remains secure and sustainable for all members, supported by disciplined management and a stable financial foundation. This is further demonstrated by the fact that the Board has been able to approve a full cost-of-living adjustment (COLA) every year since the Plan's conversion in 2012, and this year is no exception. A full COLA of 2.33% will be granted to all active, retired, and deferred members effective January 1, 2027.

The most recent actuarial valuation estimates that the Plan is 143.5% funded, and important annual risk management tests were all comfortably satisfied. See page 14 for more information on the Plan valuation and risk management tests.

We remain accountable to you, the Plan members. Should you have any questions about your CBE Pension Plan, please do not hesitate to reach out to your Board of Trustees at info@cbenb.ca.

It is our privilege to represent you, and we remain committed to safeguarding the CBE Pension Plan as an important source of retirement income.

[signed by]

Tom Maston, CA, CHE, MTMS
Chairperson

September 17, 2026

2025 IN NUMBERS

Based on the financial health of the CBE Pension Plan in 2025, effective January 1, 2027, your Board of Trustees is able to grant a cost-of-living adjustment (COLA) of

2.33%*
to all Plan members.

*Based on the change in the average of Canada’s Consumer Price Index (CPI) over the 12-month period ending June 30, 2026 compared to the average CPI for the same period the preceding year.

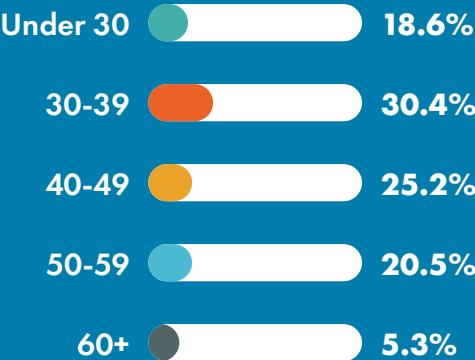
CBE Pension Plan members have been granted the maximum allowable cost-of-living adjustments since the Plan’s conversion.



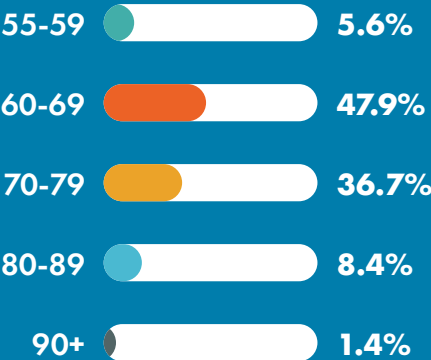
AGE DISTRIBUTION



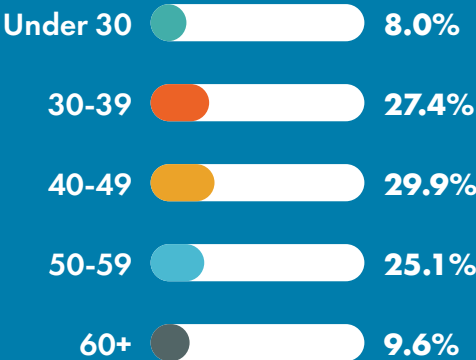
ACTIVE MEMBERS



RETIRED MEMBERS



DEFERRED MEMBERS



21,655 total members

ACTUARIAL VALUATION

The Plan's financial health is reviewed each year by your Board of Trustees and the Plan's independent actuary. An actuary is an expert in the mathematics of finance. Together, they look at the funding level and risk management of the Plan. They measure the Plan as it is today, and what can reasonably be expected in the future. Then, the Board uses these findings to make decisions on the next COLA and other improvements for members like you.

The actuarial valuation measures the Plan's open group funded ratio. If this ratio is over 120%, the CBE Pension Plan is in good financial health and additional benefits such as cost-of-living adjustments can be granted every year.

December 31, 2025
143.5%

December 31, 2024
137.7%

December 31, 2023
132.2%

For a more thorough explanation, see page 14.

INVESTMENT PERFORMANCE

The Statement of Investment Policies details how the Pension Fund is to be invested. Its focus is to provide stable, long-term results for the Plan and its members. Read more about the Plan's investment performance on page 16.

One-year gross nominal
return of

7.53%

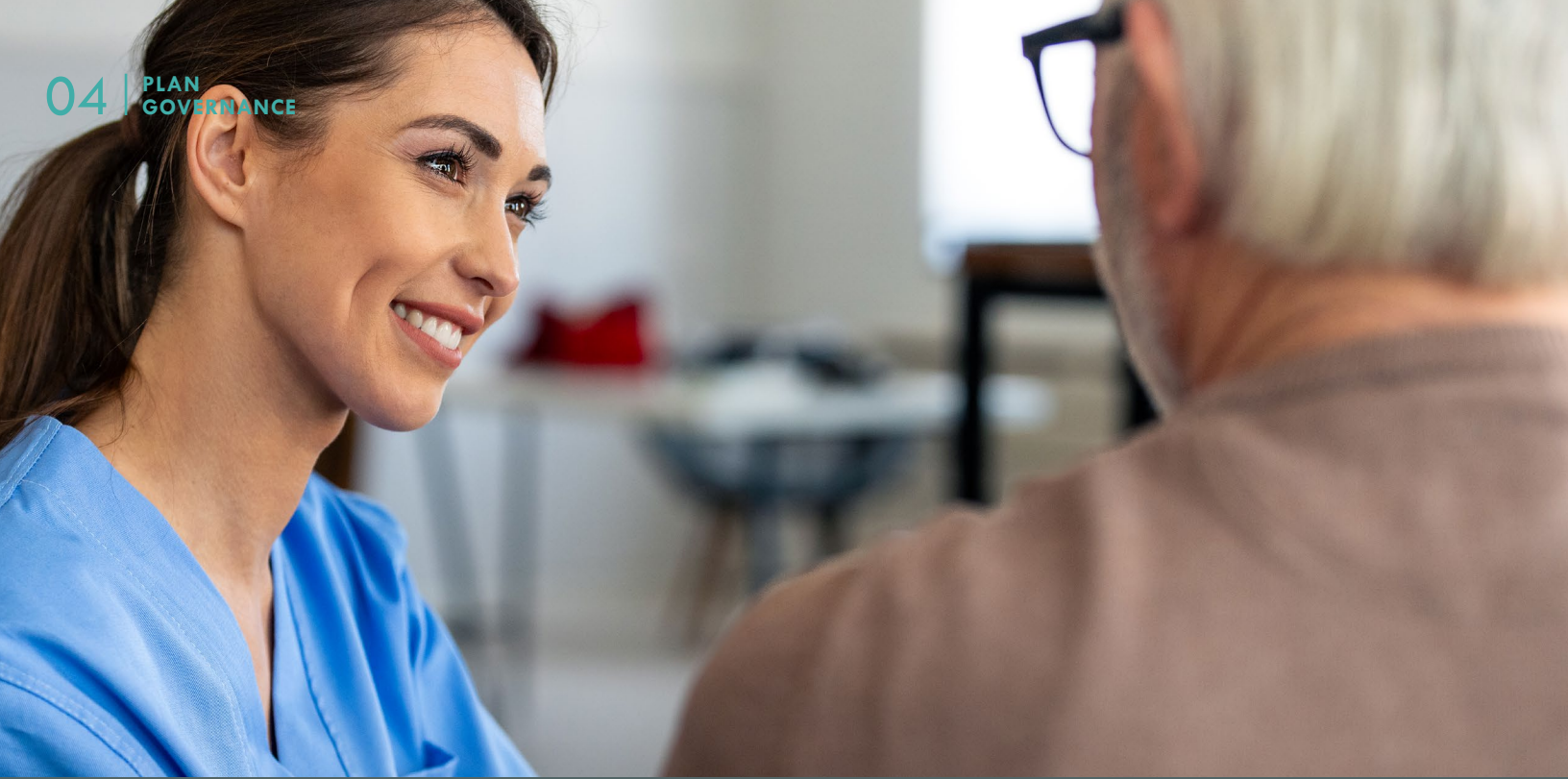
The Plan has grown to

**\$3.61
billion**

in investment assets at
December 31, 2025

10-year annualized
gross nominal return of

7.00%



PLAN GOVERNANCE

BOARD OF TRUSTEES

The Board is responsible for the overall governance and administration of the CBE Pension Plan (the "Plan") in accordance with the New Brunswick *Pension Benefits Act*, the *Income Tax Act*, and the Plan's governing documents. These duties include:

- Setting the levels of contributions and benefits in accordance with the Funding Policy
- Granting indexation on benefits (cost-of-living adjustments or COLA)
- Approving investment policy decisions
- Providing oversight of pension administration and investment management
- Hiring an accredited actuary to provide an independent valuation of the pension obligations
- Hiring an external auditor to independently examine the fair presentation of the financial statements

The Board is composed of ten Trustees and three Observers. Five Trustees have been appointed by the unions who signed the CBE Pension Plan's Memorandum of Understanding, and five Trustees have been appointed by the provincial government. Of the five appointed by the unions, three are appointed by the New Brunswick Nurses Union (NBNU) and two by the New Brunswick Union of Public and Private Employees (NBU). As outlined in the Plan Agreement and Declaration of Trust, the positions of Chairperson and Vice-Chairperson of the Board are elected for two-year terms, renewable once.

THE TRUSTEES' BIOGRAPHIES ARE AVAILABLE ON THE FOLLOWING PAGES.

The Board's composition changed in 2025 following the retirement of Maria Richard, effective November 30, 2025. Catherine Little was appointed as a Trustee, replacing Ms. Richard, and Debbie Carpenter was appointed as an Observer, both effective December 1, 2025.



Tom Maston, CA, CHE, MTMS - Chair

Tom worked in the New Brunswick health care system for 28 years as a Regional Health Authority Vice-President and Assistant Deputy Minister. He retired in 2019 after serving five years as Deputy Minister of Health with the Government of New Brunswick. He also worked as a financial manager for several years in the private sector. He is a Chartered Accountant and is a Certified Health Executive with the Canadian College of Health Leaders. He remains active in various initiatives and in 2020, he received the National Mentorship Award from the Canadian College of Healthcare Executives. Tom has completed the International Foundation of Employee Benefit Plans' Master of Trust Management Standards program.



Matt Hiltz, B.Sc., LL.B., MTMS - Vice-Chair

Matt has a Law Degree from the University of New Brunswick and is a member of the Law Society of New Brunswick, the Canadian Bar Association, and the Canadian Association of Labour Lawyers. He provides legal advice and representation to the New Brunswick Nurses Union on a variety of legal, policy, and legislative initiatives as well as acting as the union's Chief Negotiator for its three collective agreements. Matt has also continued his education as a trustee with the International Foundation of Employee Benefit Plans, having most recently completed its Master of Trust Management Standards course.



Paula Doucet, RN, MTMS - Trustee

Paula is the President of the New Brunswick Nurses Union (NBNU); she has held this position since October 2016. Prior to being elected President, she held the position of Vice-President for 13 years as well as second Vice-President of the NB Federation of Labour from 2010-2015. Paula has been a Registered Nurse for 30 years and was working in the Emergency Department at the Chaleur Regional Hospital in Bathurst prior to being elected President of the NBNU in 2016. To gain better knowledge and understanding of pension plans, Paula started on the CBE Pension Plan Board as an Observer in 2014 before being appointed as a Trustee in 2016. On an annual basis, she participates in pension education sessions and International Foundation of Employee Benefit Plan conferences to continue learning about good governance and fiduciary roles and responsibilities. In 2022, Paula completed the Master of Trust Management Standards course. Paula also serves as a trustee on the NB Public Service Pension Plan.



Mark Gaudet, MBA, FTMS - Trustee

Mark retired as Assistant Deputy Minister responsible for Strategic Services, Government of New Brunswick Department of Transportation and Infrastructure. He has had extensive experience in administering pension plans and providing pension policy advice. He has been a trustee for a jointly governed pension plan for a number of years. He has a bachelor's and master's degrees in business administration from the University of New Brunswick and is a former member of the Canadian Board of Directors of the International Foundation of Employee Benefit Plans, Board of Directors for Vestcor Corporation, and the New Brunswick Public Service Pension Plan.



Catherine Little, BN, RN, FTMS, ATMS - Trustee

Catherine serves as First Vice President of the New Brunswick Nurses Union and has been an active union member for more than 25 years. She has been involved with the CBE Pension Plan as an Observer since March 2020 and currently serves as a Trustee. Committed to ongoing professional development in pension governance, Catherine has completed both the Foundations of Trust Management Standards (FTMS) and Advanced Trust Management Standards (ATMS) programs. She continues to expand her knowledge through pension education sessions and courses offered by the International Foundation of Employee Benefit Plans. A Registered Nurse for 26 years, Catherine brings extensive healthcare experience, strong union leadership, and a commitment to pension governance. Her diverse expertise enables her to effectively represent and advocate for plan members while contributing to the responsible stewardship and long-term sustainability of their pension benefits.



Richard Luton, CFA, M.Econ., ATMS - Trustee

Richard retired as the Managing Director Capital Markets, Treasury Division of the Government of New Brunswick, and has many years of experience providing advice and managing programs in investments, debt management, and risk management on behalf of government and the private sector, including pension plans. He is a Chartered Financial Analyst and received a master's degree in economics from Western University. As well, he has completed the International Foundation of Employee Benefit Plans' Advanced Trust Management Standards program.



Ben Mersereau, MBA, FTMS - Trustee

Ben has more than 20 years of experience with the Province of New Brunswick in various leadership roles. He served as Assistant Deputy Minister with the Department of Social Development from January 2022 to July 2026 and is currently the Assistant Deputy Minister of Labour, Strategic Services, and NB Public Libraries with the Department of Post-Secondary Education, Training and Labour. He has a Bachelor of Business Administration Degree from the University of Prince Edward Island and a Master of Business Administration degree from the Schulich School of Business at York University. Ben was appointed to the Board of Trustees of the CBE Shared Risk Plan in November 2023.



Susie Proulx-Daigle, MTMS - Trustee

Susie is currently serving her seventh term as President of the New Brunswick Union (NBU). She also sits at the negotiating table for all NBU collective agreements. Susie is a trustee for the New Brunswick Public Service Pension Plan and a member of the Standing Committee on Insured Benefits. In addition, she is the National Vice-President for the National Union of Public and General Employees. Susie is a graduate of Harvard University's Harvard Trade Union Program and has also completed the International Foundation of Employee Benefit Plans' Master of Trust Management Standards program.



Marilyn Quinn, MTMS - Trustee

Marilyn is a retired nurse and the Past President of the New Brunswick Nurses Union, a position she held from 2004 to 2016, advocating for registered nurses both at the negotiating table and in the workplace. Marilyn also serves as a Trustee and Past Chairperson on the New Brunswick Public Service Pension Plan's Board of Trustees. She has participated at numerous national pension conferences and has completed the International Foundation of Employee Benefit Plans' Master of Trust Management Standards program.



Lisa Watters, BSW - Trustee

Lisa is the Director of the Specialized Health Care Component and sits on the Board of Directors for the New Brunswick Union. She has been active in the union since 1998, serving on many committees, including Negotiations and Labour Management. Lisa is a past board member of the District Education Council for Anglophone North and the Miramichi Public Transit Commission. Lisa is the Social Work Supervisor at the Miramichi Regional Hospital. She has a Bachelor of Social Work from McGill University.



Deborah Carpenter, BA, BN, RN - Observer

Deborah has served as the Nurse Manager and Nurse Supervisor Representative with the New Brunswick Nurses Union (NBNU) since December 2019, while also being a Local President and Local Vice President prior to that and has been the Chair of the Nurse Manager, Nurse Supervisor Negotiating Committee for the last two NBNU collective agreements. Deborah has been a Registered Nurse for over two decades, with long-standing experience as a Nurse Manager at the Saint John Regional Hospital.



Leigh Sprague, LL.B., MTMS - Observer

Leigh is the Executive Director of the New Brunswick Union (NBU). Leigh has a law degree from the University of New Brunswick and is a member of the Law Society of New Brunswick and the Canadian Association of Labour Lawyers. He provides legal advice and representation to the NBU. He works with the Board of Directors on policy and planning, and provides advice on legal, legislative, and political developments which may impact the union. He serves as the Union's Chief Negotiator for its largest collective agreements and has oversight over all of NBU's bargaining activity. He also represents the union on certain external committees, Boards, and working groups. He has completed the International Foundation of Employee Benefit Plans' Master of Trust Management Standards program.

Fiduciary Duty of Trustees and Observers

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

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

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

The role of the Observer is to attend Plan Board and committee meetings in an observer capacity. An Observer is typically identified as a successor Trustee to be formally appointed to the Board in the event of a vacancy.

BOARD EXPENSES

Members of the Board who are not otherwise paid by their sponsoring party (the employer or union who appointed them to the Board) to participate in meetings and educational activities receive a per diem of \$250. As of September 1, 2024, in lieu of a per diem, the Chairperson receives an annual retainer of \$12,000. In addition, reasonable expenses incurred by Trustees and Observers to attend meetings and participate in educational activities are reimbursed.

The Board continued to strictly adhere to the CBE Pension Plan Compensation and Travel Expense Policy. In 2025, two Trustees were eligible to receive per diems, and eight Trustees were reimbursed for travel and/or education expenses.

The cost of the Board functions for 2025 was \$85,643 compared to \$64,592 in 2024.

	2025	2024
Translation	1,583	-
Meeting expenses	3,246	3,985
Education	54,035	35,089
Travel	821	4,705
Per Diem	13,957	16,813
Retainer	12,000	4,000
	\$85,643*	\$64,592

*Total does not add due to rounding.

BOARD EDUCATION

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

The Board receives ongoing education through the timely review of news, articles of interest, presentations at Board meetings, and attendance at applicable conferences and seminars. In 2025, presentation topics included: risk management, responsible investing, real assets, private and public equity, Fixed Income Team overview, Quantitative Investing Team overview, alternative fixed income strategy, asset mix updates, Global Investment Performance Standards (GIPS®), 2024 peer return and risk performance comparison, economic assumptions, and various ad hoc financial market updates.



BOARD COMMITTEES

As outlined within the Plan's governing documents (refer to page 11 for a summary of these documents), the Board has the ability to establish and delegate certain functions to committees. Three committees have been established:



All committees present reports of their meetings and decisions to the full Board for consideration and approval, when warranted.

GOVERNANCE COMMITTEE

The Governance Committee assists the Board in fulfilling its responsibilities in ensuring that Board governance and stakeholder communications, policies, and processes follow best practices. This includes matters relating to Plan governing documents, ethics, Trustee orientation and education, Trustee compensation, and risk management. The Governance Committee meets at least four times a year.

AUDIT COMMITTEE

The Audit Committee assists the Board in fulfilling its responsibilities in ensuring the integrity of the CBE Pension Plan's financial reporting and disclosure processes, the appointment of the external auditors, the adequacy and effectiveness of internal controls, risk management, and compliance with legal and regulatory requirements. The Audit Committee meets at least twice a year.

INVESTMENT COMMITTEE

The Investment Committee assists the Board in fulfilling its responsibilities of ensuring the investment oversight of the Pension Fund (the "Trust") established under the Plan. The Investment Committee meets at least four times a year.

**For a summary of the Board of Trustees' activities in 2025,
see [Appendix A](#).**

MEETING ATTENDANCE

Trustees are expected to attend Board and Committee meetings of which they are a member. The following table indicates the number of meetings held in 2025 and the attendance of the Trustees and Observers.

	Board Meetings	Audit Committee	Governance Committee	Investment Committee	Annual Information Meeting
T. Maston (Chairperson)	4/4	2/2*	4/4*	4/4*	1/1
M. Hiltz (Vice-Chairperson)	3/4	-	4/4	-	1/1
S. Proulx-Daigle	4/4	-	4/4	-	1/1
M. Gaudet	4/4	-	-	4/4	1/1
M. Quinn	4/4	2/2	-	4/4	1/1
R. Luton	4/4	-	-	4/4	1/1
L. Watters	2/4	1/2	-	-	1/1
P. Doucet	4/4	-	3/4	-	1/1
M. Richard ¹	3/3	2/2	4/4**	-	1/1
B. Mersereau	4/4	-	3/4	-	1/1
C. Little ²	4/4	-	2/4	-	1/1
L. Sprague (Observer)	4/4	-	-	2/4	1/1
D. Carpenter ³ (Observer)	1/1	-	-	-	-

*Ex-officio member

**Not a committee member

The table above provides the attendance records for Trustees and Observers appointed to the committees of the Board; however, all are invited to attend the committee meetings as guests.

¹M. Richard resigned effective November 30, 2025.

²C. Little was appointed as a Trustee effective December 1, 2025.

³D. Carpenter was appointed as an Observer effective December 1, 2025.



GOVERNING DOCUMENTS

The Plan is governed by a number of important documents that serve to guide the Board in its oversight of the Plan. Current versions of these documents are available at cbenb.ca.



Agreement and Declaration of Trust

The Agreement and Declaration of Trust came into effect August 29, 2013, shortly after the Plan converted from a defined benefit plan to a shared risk plan on July 1, 2012. This document ensured that the Pension Plan for CBE Employees of New Brunswick Hospitals continued as a trust under the CBE Pension Plan. The document also outlines the powers and duties of the Board as Plan Administrator.



Funding Policy

The Funding Policy is the tool used by the Board to manage the risks inherent to the Plan. It provides guidance and rules regarding decisions that may have to be made by the Board based on the results of the annual actuarial funding valuation and risk management tests (as described on page 14).

The Funding Policy is reviewed by the Board annually, taking into account economic and demographic information that could impact the Plan, and confirmation of this review must be submitted to the superintendent of pensions.



Plan Text

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



Statement of Investment Policies

The Statement of Investment Policies outlines the investment policy for the CBE Pension Plan Fund. It details how the Pension Fund is to be invested, considering that it must be managed in a way that provides secure pension benefits in most economic scenarios. The target asset mix of the CBE Pension Plan Fund and the benchmarks against which the investment returns are measured are also included. It must be reviewed annually by the Board, and confirmation of this review must be submitted to the superintendent of pensions.

OPERATIONS OF THE PLAN

SERVICE PROVIDERS

Administration Services

The Board has an administration agreement in place with Vestcor Inc. (Vestcor) to manage the day-to-day administration of the Plan. Vestcor collects employee and employer contributions and pays out benefits in accordance with the Plan provisions. They also provide pension services to help members understand their benefit entitlements.



In addition, Vestcor prepares annual statements for each member, assists the Board in its communication with members and stakeholders through semi-annual newsletters and other communication tools, provides member services, supports Board functions and education, and prepares regulatory submissions to the superintendent of pensions and the Canada Revenue Agency.

Investment Management Services

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

Vestcor also provides investment advice to the Board. By using a variety of tools and expertise, Vestcor provides projections and develops recommendations for the Plan's asset mix which are presented to the Board for review and approval.

Vestcor invests the employers' and employees' pension contributions into a diversified mix of asset classes according to the CBE Pension Plan Statement of Investment Policies. Vestcor also transfers sufficient funds from the CBE Pension Plan Fund to provide for the monthly pension benefit payment requirements to retirees, survivors, and beneficiaries. Further information on Vestcor is available at vestcor.org.



External Auditing Services

The external auditor is responsible for expressing an opinion as to whether the financial statements of the Plan have been presented fairly in all material respects by conducting an audit in accordance with Canadian Generally Accepted Auditing Standards. Doane Grant Thornton LLP was reappointed as the Plan's auditor for 2025.



Investment Advisory Services

The investment consultant is responsible for providing investment advisory services for the Plan. Ellement was reappointed as the Plan's investment consultant for 2025.



Actuarial Services

An actuary is an expert in the mathematics of finance, statistics, and risk theory. The *Pension Benefits Act* requires that the Plan undergo an annual actuarial valuation by a professionally accredited actuary. The Board approves the actuarial assumptions used for the valuation. To prepare this report, the actuary obtains current membership data and asset mix information from Vestcor. TELUS Health was reappointed as the Plan's actuary for 2025.



COST OF ADMINISTERING THE CBE PENSION PLAN

Administration costs for the Plan, as shown in the Statement of Changes in Net Assets Available for Benefits in the audited financial statements for the year ended December 31, 2025, consist of the cost of the pension administration services and investment management services provided by Vestcor as well as the costs of the Board functions described on page 4. These costs are further itemized in Note 11 of the audited financial statements on page 50.

Total administration costs for the year ended December 31, 2025 were \$8.3 million compared to \$7.3 million for the same period in 2024, an increase of \$0.9 million*. This increase includes \$0.3 million related to an increase in investment management fees and a \$0.6 million increase in pension administration fees.

As a percentage of average Pension Fund assets, total administration costs increased to 0.24% in 2025, compared to 0.23% in 2024.

The Plan continues to benefit from the cost competitiveness of its provider of investment and administration services as these expenses are significantly lower than would be charged by other private sector service providers.

* Difference due to rounding.

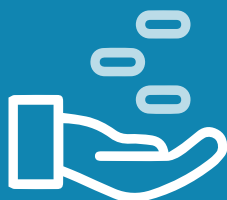
THE PURPOSE OF THE CBE PENSION PLAN IS TO:



Provide secure pension benefits to members after retirement, and to their beneficiaries.



Focus on managing risks so that there is a high degree of certainty that full base benefits will be provided.



Grow members' pension benefits through increases (e.g., cost of living adjustments) to the extent that funds are available.

PLAN VALUATION

As mentioned on the previous page, each year, the Board retains an independent actuarial firm to prepare a valuation of the Plan (also referred to as an actuarial valuation or a funding policy valuation). The valuation compares the Plan's assets with the Plan's liabilities at a moment in time.

An estimate of the Plan's liabilities is calculated by the actuary using a number of economic assumptions (e.g., interest rates) and demographic assumptions (e.g., life expectancy).

The most recent Actuarial Valuation Report was prepared as at December 31, 2025; it was reviewed and approved by the Board on September 17, 2026.

FUNDING STATUS OF THE PLAN, AS PER THE ACTUARIAL VALUATION REPORT

15-Year Open Group Funded Ratio

This is an important ratio as it measures the Plan's ability to provide the benefits earned to date. It is also used to determine the actions to be taken by the Board under the Plan's Funding Policy, such as granting cost of living adjustments. This ratio compares the fair market value of the Plan's assets, plus the present value of contributions in excess of those required to fund base benefits being accrued over the next 15 years, to the Plan's actuarial liabilities at December 31 of every year.

As at December 31, 2025, the Plan's open group funded ratio is 143.5% as compared to 137.7% in 2024.

Termination Value Funded Ratio

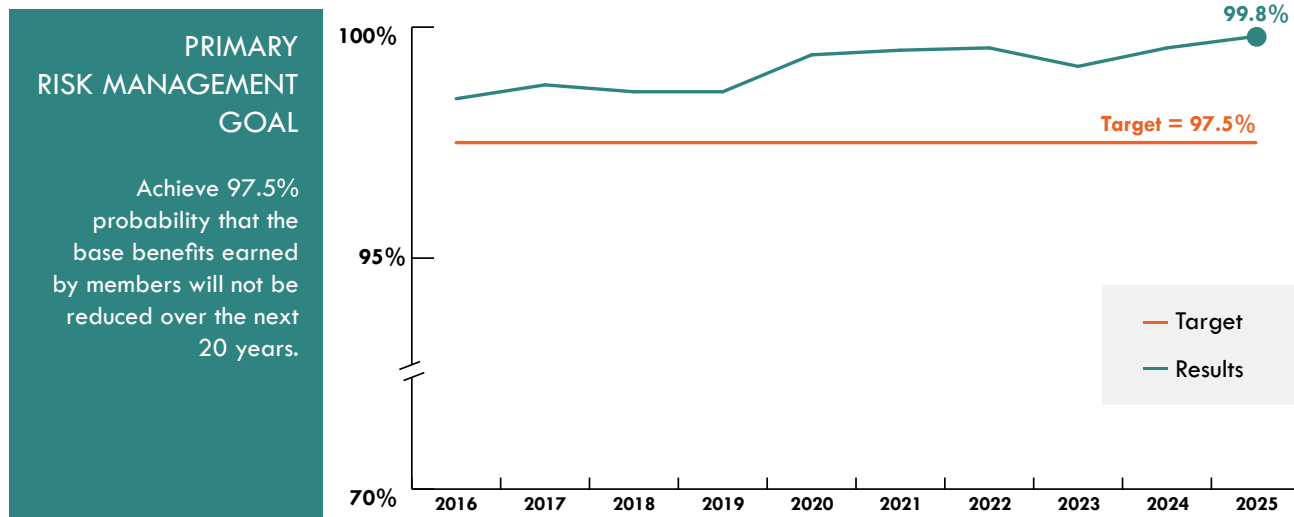
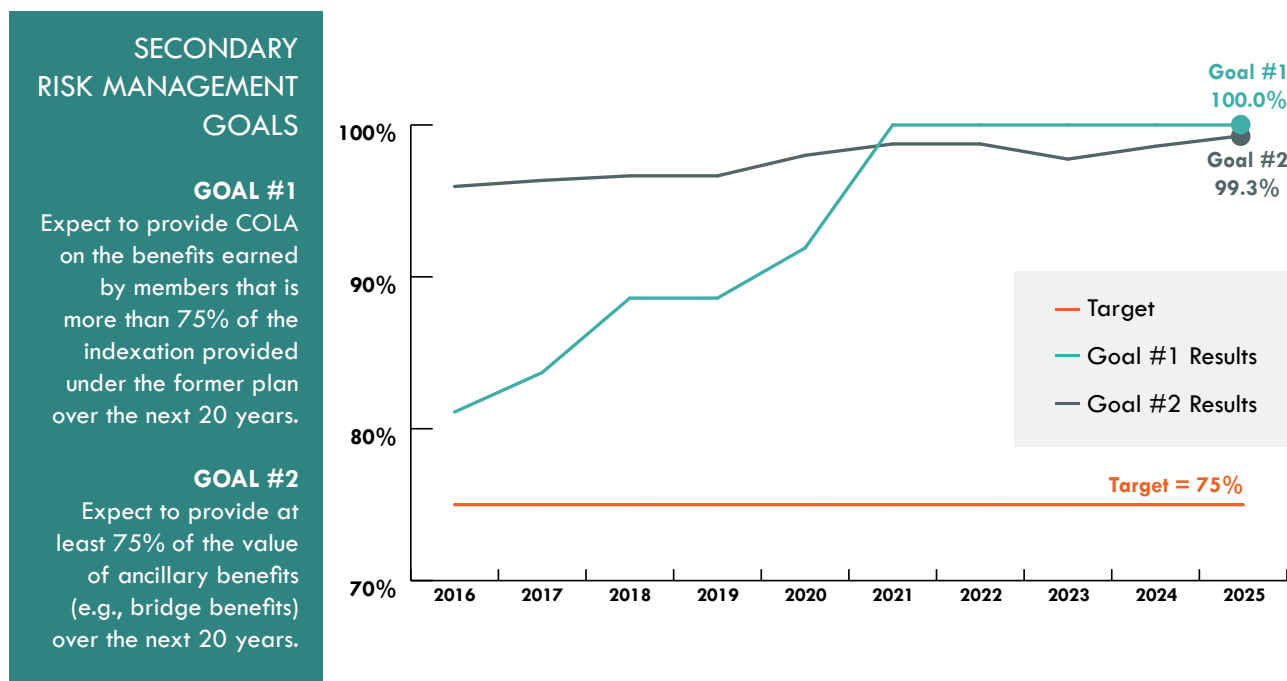
This ratio compares the fair market value of the Plan's assets to the Plan's liabilities at December 31 of every year; it is used to calculate a member's benefits on termination of employment, death, or marriage breakdown.

As at December 31, 2025, the Plan had \$3.638 billion in net assets and \$3.099 billion in actuarial liabilities for a termination value funded ratio of 117.4%. For a copy of the full report, visit cbenb.ca.

RISK MANAGEMENT RESULTS

As a shared risk plan, the CBE Pension Plan must undergo a series of annual risk management tests to ensure its security and its ability to provide long-term benefits to its members. The results of these tests may cause the need for short-term adjustments in any one year to help preserve the long-term financial health of the Plan.

The risk management goals are outlined in the CBE Pension Plan Funding Policy. The Plan's actuary has confirmed that the Plan has successfully passed these tests as part of its annual Actuarial Valuation Report as at December 31, 2025.





INVESTMENT PERFORMANCE

INVESTMENT OBJECTIVES

In the **long term**, the objective is to preserve the assets of the Plan and secure the pensions of all Plan members. The aim is to provide the best possible long-term investment returns while achieving the strict risk management goals of the Plan.

The investment portfolio of the Plan targets a diversified asset mix designed to achieve these objectives based on the characteristics of the Plan while achieving a rate of return above and beyond the rate of return required to fund base benefits.

This lower-risk approach means that the Plan's portfolio may see returns that are lower than average when markets are strong, but above average when markets are weaker. The intent of the Plan's well-diversified portfolio is to minimize the long-term effects of market fluctuations.

Over the **medium term**, the Plan's active investment management target is to provide an average rate of return that is 0.50% (or 50 basis points) higher than what would be achieved through passive management of the portfolio. This value-added contribution is calculated after all investment management costs have been deducted.

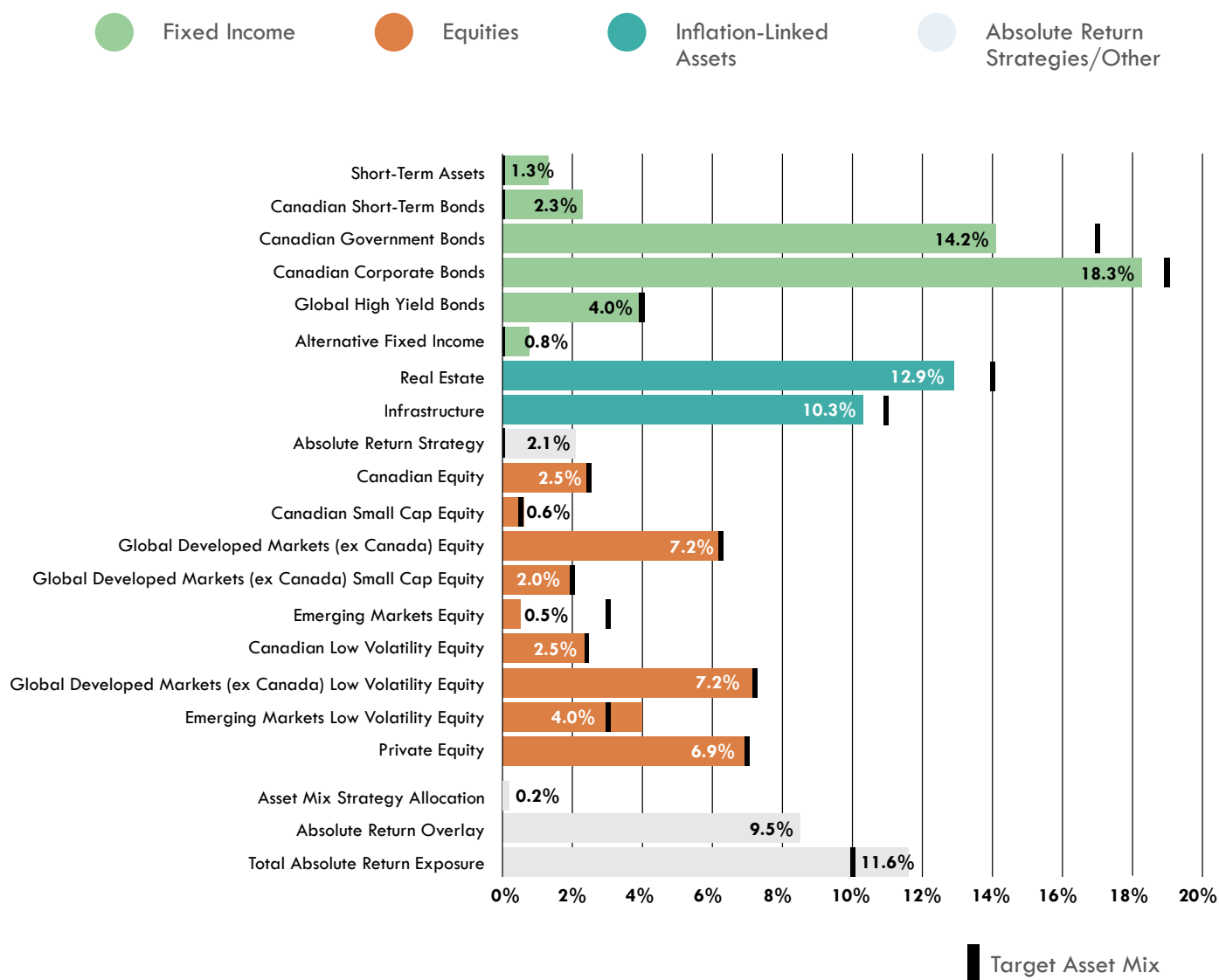
Over **shorter time periods**, the objective is to achieve strong rates of return on each major asset class while avoiding unnecessary investment risk and market volatility.

The CBE Fund
is invested in
accordance with the
Statement of Investment
Policies (SIP). A copy of
the SIP is available at
cbenb.ca.

ASSET MIX

The Board last reviewed and confirmed its approval of the Statement of Investment Policies (SIP) on September 17, 2026.

The graph below includes the target asset mix and the actual asset mix as at December 31, 2025.



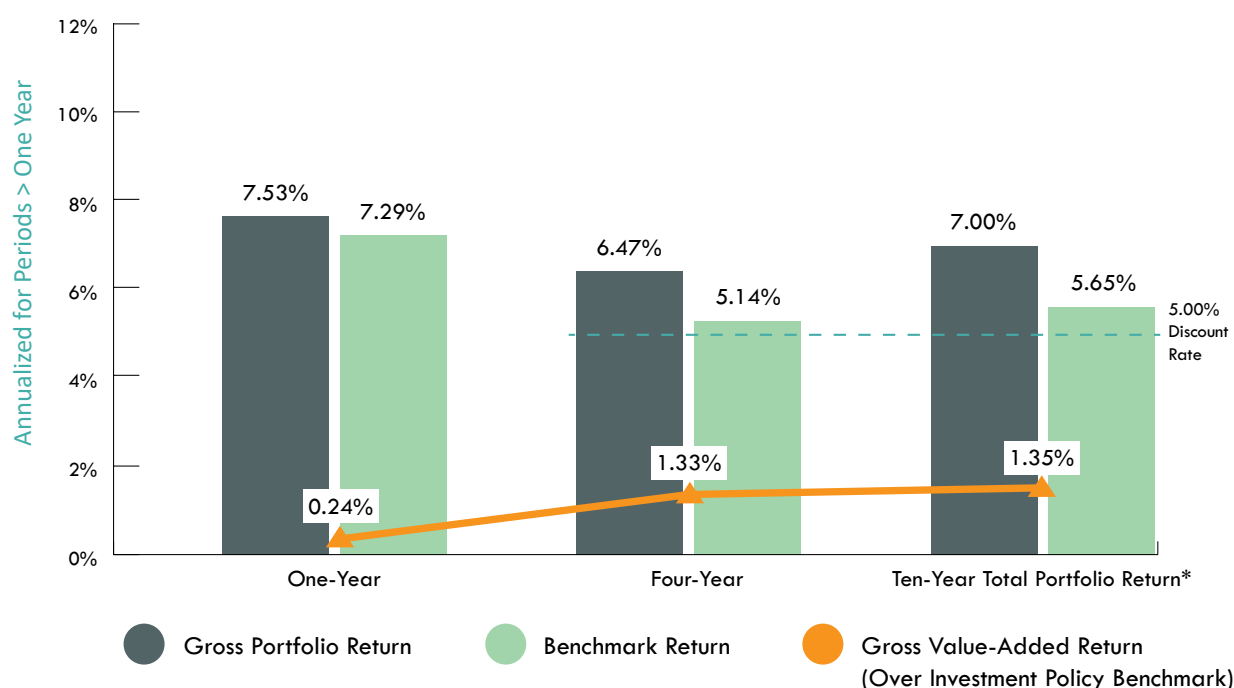
The deviations between the asset class weights of the actual asset mix and the target asset mix are due to allowable deviations to accommodate market price movements or to provide prudent asset transitions to SIP targets. The Plan's investment manager, Vestcor, is authorized to allow weights for asset classes to slightly deviate from policy weights within allowable ranges to minimize transaction costs. A transition plan is in place while the Plan's investments are being transitioned to the target asset mix; larger deviations are expected between the actual and target weights for certain investments while this transition is ongoing.

2025 RETURNS

We are pleased to report that the CBE Pension Plan overall investment program earned a strong gross nominal return of 7.53% for 2025, providing approximately \$253.6 million in investment income. Along with active member contributions, this resulted in total funds increasing by \$246.5 million after the payment of member benefits and Plan expenses. The investment portfolio also managed to exceed its benchmark after accounting for investment costs for the period.

The chart below illustrates the gross nominal return compared to the benchmark return for the one-year, four-year, and ten-year periods.

INVESTMENT RETURNS (AS OF DECEMBER 31, 2025)



*Vestcor's investment mandate began on September 1, 2016. Includes periods prior to full transition to Vestcor's management.

The overall nominal return before investment management fees, in excess of the portfolio benchmark, resulted in 0.24% of gross investment value added for 2025. After deducting investment management costs of 0.15%, the net value added to the Pension Fund was 0.09%. Over a longer four-year period, the overall nominal return before investment management fees was also more than the portfolio benchmark and has resulted in 1.33% of gross investment value added per year.

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

2025 Rates of Return, Calculated in Canadian Dollars

	Return	Benchmark	Value Added
Fixed Income			
Short-Term Assets (Cash)	4.00%	2.83%	1.17%
Canadian Short-Term Bonds	4.29%	3.37%	0.92%
Canadian Government Bonds	2.30%	2.05%	0.25%
Canadian Corporate Bonds	4.70%	4.48%	0.22%
Global High-Yield Bonds	7.75%	8.16%	-0.41%
Alternative Fixed Income	8.08%	4.29%	3.78%
Inflation-Linked			
Real Estate	3.65%	0.49% ¹	3.16%
Infrastructure	2.95%	6.33%	-3.38%
Absolute Return Strategy	9.74%	2.83%	6.91%
Public Equity			
Canadian	31.95%	31.68%	0.28%
Canadian Small Cap	49.15%	50.16%	-1.01%
Global Developed Markets	15.89%	14.96%	0.94%
Global Developed Markets (ex Canada) Small Cap	12.58%	13.05%	-0.48%
Emerging Markets	24.13%	27.30%	-3.17%
Minimum Volatility Equity			
Canadian	27.24%	23.00%	4.24%
Global Developed Markets (ex Canada)	8.87%	7.01%	1.85%
Emerging Markets	7.74%	8.10%	-0.36%
Private Equity	2.14%	15.41%	-13.27%
Active Asset Mix Position			0.08%
Absolute Return Overlay			0.49%
Total	7.53%	7.29%	0.24%

¹ Includes a retroactive adjustment which was applied by one of our independent benchmark providers.

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

The audited financial statements for the CBE Pension Plan are available starting on page 21; they provide detailed information on the Plan's performance for the year ended December 31, 2025.

The Total Fund Report prepared by Vestcor for the Plan is included on page 54. This additional report follows the Global Investment Performance Standards (GIPS®) of the Chartered Financial Analysts' Institute. Vestcor's policies and procedures used in preparing that report are independently verified.

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B

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HELPFUL DEFINITIONS

Absolute Return:	A low-risk investment strategy that attempts to generate positive returns in all market environments.
Absolute Return Overlay:	Refers to a specific implementation of the Absolute Return Strategy that is very capital efficient. This efficiency can enhance the long-term returns of the Plan on top of the underlying portfolio's performance while also seeking to add value in all market environments.
Active Management:	An investment strategy used by management with the goal of outperforming an industry benchmark or index.
Annualized Rate of Return:	The return of an investment for a given period, converted to an average annual rate. For example, a 21% return over two years is equivalent to a 10% annualized rate of return since $1.1 \times 1.1 = 1.21$.
Asset Mix:	Refers to the proportion of different types of assets within the Plan's investment portfolio. This is an important component to managing the risk and return of the portfolio.
Benchmark:	An industry standard against which rates of return can be measured, such as equity and bond market indices developed by stock exchanges and investment dealers.
Nominal Rate of Return:	The rate of return on an investment without adjusting for inflation.

A glossary with more definitions can be found at vestcor.org/glossary.

CBE PENSION PLAN FINANCIAL STATEMENTS

The Board is responsible for the integrity and fair presentation of the statements, including amounts based on best estimates and judgments.

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

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

The Plan is referred to as the Shared Risk Plan for Certain Bargaining Employees of New Brunswick Hospitals throughout the financial statements, as this remains the Plan's legal name.



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Independent auditor's report

To the Board of Trustees of the Shared Risk Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals

Opinion

We have audited the financial statements of the Shared Risk Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals which comprise the statement of financial position as at December 31, 2025, and the statements of changes in net assets available for benefits and changes in pension obligations for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Shared Risk Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals as at December 31, 2025, and its changes in net assets available for benefits and its changes in pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Shared Risk Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals 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 these financial statements in accordance with Canadian accounting standards for pension plans, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Shared Risk Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals' 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 Shared Risk Pension Plan for

Certain Bargaining Employees of New Brunswick Hospitals or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Shared Risk Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals' financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

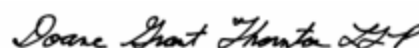
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 these 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 Shared Risk Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals' 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 Shared Risk Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals' 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 Shared Risk Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals 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.

We 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.

Fredericton, Canada
July 22, 2026



Chartered Professional Accountants

Shared Risk Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals**Statement of Financial Position***(In thousands of Canadian dollars)***December 31**

	2025	2024
Assets		
Investments <i>(notes 3. and 4.)</i>	\$ 3,610,916	\$ 3,363,977
Contributions receivable from employers	8,830	9,314
Contributions receivable from employees	7,682	8,032
Other receivables	13,480	12,672
Total assets	3,640,908	3,393,995
Liabilities		
Accounts payable and accrued liabilities	3,389	2,923
Total liabilities	3,389	2,923
Net assets available for benefits	3,637,519	3,391,072
Pension obligations <i>(note 6.)</i>	3,111,900	2,948,600
Surplus	\$ 525,619	\$ 442,472

Commitments *(note 13.)*Indemnification *(note 14.)*

Approved on behalf of the Board of Trustees:

Tom Maston
ChairMatt Hiltz
Vice Chair*See accompanying notes to the financial statements*

Shared Risk Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals

Statement of Changes in Net Assets Available for Benefits

(In thousands of Canadian dollars)

Year ended December 31

	2025	2024
Increase in net assets		
Net investment income (<i>note 9.</i>)	\$ 253,562	\$ 345,323
Employer pension contributions - current service	70,210	66,932
Employer pension contributions - prior service	34	171
Employee pension contributions - current service	70,154	67,082
Employee pension contributions - prior service	357	380
Reciprocal transfers	1,343	995
	395,660	480,883
Decrease in net assets		
Pension benefits (<i>note 10.</i>)	140,951	128,745
Administration expenses (<i>note 11.</i>)	8,262	7,311
	149,213	136,056
Increase in net assets available for benefits	246,447	344,827
Net assets available for benefits, beginning of year	3,391,072	3,046,245
Net assets available for benefits, end of year	\$ 3,637,519	\$ 3,391,072

See accompanying notes to the financial statements

Shared Risk Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals

Statement of Changes in Pension Obligations

(In thousands of Canadian dollars)

Year ended December 31

	2025	2024
Pension obligations, beginning of year	\$ 2,948,600	\$ 2,771,600
Change in pension obligations		
Interest accrued on benefits	146,500	137,300
Experience loss (gain)	7,600	(4,700)
Improvements to accrued pensions	1,500	800
Net transfers and other actions	1,700	1,500
Normal actuarial cost	87,300	84,200
Benefits paid	(141,000)	(128,700)
Cost of living adjustment	59,700	86,600
	163,300	177,000
Pension obligations, end of year	\$ 3,111,900	\$ 2,948,600

See accompanying notes to the financial statements

Shared Risk Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals

Notes to the Financial Statements

For the year ended December 31, 2025

(In thousands of Canadian dollars)

1. Description of the Plan

The following description of the Shared Risk Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals ("the Plan") is a summary only. For more information, reference should be made to the Plan Document.

On July 1, 2012, the Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals was converted to the Shared Risk Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals. This model, governed by the Board of Trustees, introduced changes to address the funding deficiency in the Plan. The Plan is reported as a continuation of the pre-existing Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals. The shared risk model provides additional funding through increased member and employer contributions. It also introduces risk management procedures, funding goals and sharing of benefit risks to prudently manage the variability of funding results over time.

The shared risk pension model is not defined in existing accounting standards. Under current standards, a pension plan must be accounted for as either a defined contribution plan or a defined benefit plan. Determining the appropriate accounting treatment for these plans requires a high degree of professional judgement. Based on research performed, enabling legislation and specific plan documents, management has concluded that the defined benefit method represents appropriate accounting treatment for the Plan at this time.

a. General

The Plan is a shared risk pension plan covering employees who are members of the New Brunswick Nurses Union, the New Brunswick Union of Public and Private Employees (Specialized Health Care Professionals and Paramedical), union staff members of the New Brunswick Nurses Union (effective July 1, 2013), and union staff members of the New Brunswick Union of Public and Private Employees (effective October 1, 2015).

Full-time and part-time employees of these groups are required to join the Plan immediately. Effective July 1, 2014, all other employees of these groups (e.g. casuals, temporary employees, etc.) are required to join the Plan if certain eligibility criteria are met.

b. Funding policy

Contributions are made by the Plan members and the Employers to fund the benefits as determined under the provisions of the Plan Document and Funding Policy.

c. Pension benefits

The base benefits described in Article V of the Plan Document (summarized below) are the intended benefits under this Plan. Notwithstanding any other provision of the Plan, the Funding Policy will allow or require the Board of Trustees to make changes to the base benefits. Such changes may be positive or negative and will affect all classes of plan members.

i. For each year (or part year) of pensionable service on and after July 1, 2012:

1.4% X annualized pensionable earnings accrued during the year up to the YMPE for the year
 Plus
 2.0% X annualized pensionable earnings accrued during the year in excess of the YMPE for the year
 Multiplied by
 Number of hours worked (and contributed) / 1,950 hours

Shared Risk Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals

Notes to the Financial Statements

For the year ended December 31, 2025

(In thousands of Canadian dollars)

II. For all pensionable service between January 1, 1990 and June 30, 2012:

Pensionable service X 1.3% X best 5 year average earnings at June 30, 2012 up to the average YMPE at the same date

Plus

Pensionable service X 2.0% X best 5 year average earnings at June 30, 2012 in excess of the average YMPE at the same date

III. For all pensionable service prior to January 1, 1990:

Pensionable service X 2.0% X best 5 year average earnings at June 30, 2012

All benefits (paid or payable) may be adjusted annually by any cost of living increases granted in accordance with the Funding Policy.

A member may elect a basic pension, providing a life pension with a guarantee period of 5 years, or one of four optional forms of pensions being: 1) life pension with a guarantee period of 10 years; 2) joint life and survivor pension at 60%; 3) joint life and survivor pension at 75%; 4) joint life and survivor pension at 100%.

Normal retirement age is 65 at which time unreduced pension benefits are available with five or more years of continuous employment, two or more years of pensionable service, or two or more years of plan membership. Reduced benefits are available between age 55 and age 65 with five or more years of continuous employment, two or more years of pensionable service, or two or more years of plan membership. A member who elects to take an early retirement will also receive a temporary bridge benefit payable to age 65 equal to \$27 per month per year of pensionable service.

d. Death benefits

If a member dies prior to retirement and before completing one of the following criteria; five years continuous employment; two years of pensionable service; or two years of membership in the Plan, the benefit payable to the member's surviving spouse (or the member's beneficiary if there is no spouse) is a refund of the member's own contributions with accumulated interest.

If a member dies prior to retirement and has completed five or more years of continuous employment, two or more years of pensionable service, or has two years or more of membership in the Plan, the member's surviving spouse (or the member's beneficiary if there is no spouse) will receive a lump sum equal to the termination value amount the member would have received if the member had terminated just before death.

If a member dies after retirement, the death benefit payable is determined in accordance with the provisions of the form of pension selected by the member at the time of retirement.

Shared Risk Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals

Notes to the Financial Statements

For the year ended December 31, 2025

(In thousands of Canadian dollars)

e. Benefits on termination

A member who is terminated and who has less than five years of continuous employment, less than two years of pensionable service, and less than two years of membership in the Plan will receive a refund of the member's own contributions with accumulated interest.

A member with five or more years continuous employment, two or more years of pensionable service, or two or more years of membership in the Plan who is terminated and who is not eligible to receive an immediate pension benefit may elect to receive a deferred pension commencing as early as age 55 or an amount equal to the termination value of the pension benefit as at the date of the member's termination. The termination value of the pension benefit is to be transferred on a locked-in basis to any registered retirement savings arrangement where the transfer is allowed under the Pension Benefits Act ("the Act"). Members who terminate their employment and are immediately eligible to receive a monthly pension benefit may elect an immediate or deferred pension only.

f. Income taxes

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

g. Reciprocal transfer agreements

The Board of Trustees may, in its discretion, from time to time, enter into reciprocal agreements with the sponsors of other pension plans. Effective June 11, 2017, the Board of Trustees entered into a new reciprocal transfer agreement between the Plan and the Pension Plan for Employees of New Brunswick Union of Public and Private Employees. A reciprocal agreement is also in place between the Plan and the Pension Plan for Part-Time and Seasonal Employees of the Province of New Brunswick.

2. Significant Accounting Policies

a. Basis of presentation

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

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

These financial statements have been prepared in accordance with the significant accounting policies set out below.

b. Basis of measurement

These financial statements have been prepared on the historical cost basis except for investments, which are measured at fair value through the Statement of Changes in Net Assets Available for Benefits.

Shared Risk Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals

Notes to the Financial Statements

For the year ended December 31, 2025

(In thousands of Canadian dollars)

c. Financial instruments

i. Classification, recognition and measurement

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

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

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

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

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

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

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

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

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

Shared Risk Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals

Notes to the Financial Statements

For the year ended December 31, 2025

(In thousands of Canadian dollars)

ii. Derecognition

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

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

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

d. Pension obligations

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

e. Functional and presentation currency

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

f. Use of estimates and judgments

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

g. Contributions

Contributions from members and the employer are recorded in the period that payroll deductions are made, and accrued up to year-end for payroll periods that extend to the subsequent fiscal year.

h. Net investment income

Investment transactions are recognized by the underlying Vestcor Investment Entities as of their trade date. Net investment income includes interest, dividends, and realized and unrealized gains and losses in the value of the units held in each of the Vestcor Investment Entities.

Shared Risk Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals

Notes to the Financial Statements

For the year ended December 31, 2025

(In thousands of Canadian dollars)

i. Foreign currency translation

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

3. Investments

The Plan invests primarily in units of the Vestcor Investment Entities, consisting of unit trust funds and limited partnership structures. Each Vestcor Investment Entity has a specific investment mandate. Investing in the Vestcor Investment Entities enables the Plan to achieve its required asset class weights in accordance with its Statement of Investment Policies and Goals ("SIPG"). Following is a description of each Vestcor Investment Entity ("entity") in which the Plan invested during the year ended December 31, 2025:

NBIMC Nominal Bond Fund

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

NBIMC Corporate Bond Fund

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

NBIMC International High Yield Fixed Income Fund

This entity is managed by external managers and invests primarily in securities included in the Bloomberg Barclays Global High Yield Total Return Index Value Hedged \$C. Its benchmark is the Bloomberg Barclays Global High Yield Total Return Index Hedged \$C.

Vestcor Alternative Fixed Income, LP

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

NBIMC Money Market Fund

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

Shared Risk Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals

Notes to the Financial Statements

For the year ended December 31, 2025

(In thousands of Canadian dollars)

Vestcor Long Term Money Market Fund

This entity invests primarily in high quality, short-term debt securities which typically include government guaranteed paper, bank paper, commercial paper, asset backed commercial paper, listed or OTC derivatives, short term bonds of less than 3 years in maturity, or other securities to allow the fund to achieve its return target or otherwise manage risk. Its benchmark is the FTSE Canada 365 Day T-Bill Index.

NBIMC Canadian Equity Index Fund

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

NBIMC Canadian Small Cap Equity Fund

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

NBIMC Low Volatility Canadian Equity Fund

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

NBIMC External Canadian Equity Fund

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

NBIMC External International Equity Fund

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

NBIMC EAFE Equity Index Fund

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

Shared Risk Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals

Notes to the Financial Statements

For the year ended December 31, 2025

(In thousands of Canadian dollars)

Vestcor International Active Equity Fund

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

Vestcor International Small Cap Equity Fund

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

Vestcor Low Volatility International Equity Fund

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

NBIMC Low Volatility Emerging Markets Equity Fund - Class N

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

Vestcor Emerging Markets Active Equity Fund

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

NBIMC U.S. Equity Index (2017) Fund

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

NBIMC Canadian Real Estate Investment Trust Fund

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

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For the year ended December 31, 2025

(In thousands of Canadian dollars)

Vestcor Investments Private Real Estate, L.P.

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

Vestcor Investments Private Real Estate 2, L.P.

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

Vestcor Real Estate Fund Feeder Inc.

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

NBIMC International Real Estate (2017) Fund

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

NBIMC Public Infrastructure (2017) Fund

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

Vestcor Investments Infrastructure, L.P.

This entity provides additional investment diversification through direct investment in infrastructure through co-investment structures. Its benchmark is inflation, as measured by the percentage change in the twelve-month CPI-Canada All Items Index, plus 4%.

NBIMC Quantitative Strategies (2017) Fund

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

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NBIMC Quantitative Equity Strategic Beta (2017) Fund

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

Vestcor Global Alternative Risk Premia Fund

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

Vestcor Absolute Return Overlay Fund

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

Vestcor Investments Private Equity, L.P.

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

NBIMC Asset Mix Strategy Fund

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

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(In thousands of Canadian dollars)

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

	Number of Units (rounded)	Unit Value (in dollars)	Fair Value 2025	Fair Value 2024
Fixed Income				
NBIMC Nominal Bond Fund	165,896	3,095.99	\$ 513,609	\$ 460,483
NBIMC Corporate Bond Fund	401,975	1,646.98	662,044	620,953
NBIMC International High Yield Fixed Income Fund	99,439	1,447.10	143,898	133,456
Vestcor Alternative Fixed Income, LP	24,926	1,221.03	30,435	16,569
NBIMC Money Market Fund	12,206	2,027.02	24,742	10,892
Vestcor Long Term Money Market Fund	73,498	1,136.45	83,527	79,992
			1,458,255	1,322,345
Equities				
NBIMC Canadian Equity Index Fund	5,656	9,381.76	53,067	53,549
NBIMC Canadian Small Cap Equity Fund	7,935	2,799.58	22,214	17,362
NBIMC Low Volatility Canadian Equity Fund	22,444	4,072.76	91,411	81,845
NBIMC External Canadian Equity Fund	3,345	11,230.50	37,566	27,099
NBIMC External International Equity Fund	3,813	5,085.86	19,392	16,607
NBIMC EAFE Equity Index Fund	13,502	3,237.53	43,714	43,098
Vestcor International Active Equity Fund	12,930	1,607.06	20,779	17,783
Vestcor International Small Cap Equity Fund	54,383	1,323.49	71,975	64,880
Vestcor Low Volatility International Equity Fund	163,592	1,591.99	260,437	239,049
NBIMC Low Volatility Emerging Markets Equity Fund - Class N	80,255	1,787.88	143,487	133,723
Vestcor Emerging Markets Active Equity Fund	14,166	1,354.44	19,187	8,796
NBIMC U.S. Equity Index (2017) Fund	18,412	9,508.90	175,079	166,544
			958,308	870,335
Real Estate and Infrastructure				
NBIMC Canadian Real Estate Investment Trust Fund	6,945	1,937.80	13,458	22,663
Vestcor Investments Private Real Estate, L.P.				
Series III	36,621	1,300.32	47,618	39,219
Series IV	9,342	982.87	9,182	3,459
Series V	306	967.85	296	-
Vestcor Investments Private Real Estate 2, L.P.				
Series II	4,994	797.13	3,981	3,906
Series III	7,363	965.66	7,110	7,319
Vestcor Real Estate Fund Feeder Inc.	108,193	1,326.66	143,535	125,142
NBIMC International Real Estate (2017) Fund	5,934	11,626.98	68,997	76,376
NBIMC Public Infrastructure (2017) Fund	4,420	2,023.61	8,945	7,864
Vestcor Investments Infrastructure, L.P.				
Series III	16,230	1,626.47	26,397	25,335
Series IV	53,761	1,467.82	78,910	70,316
Series V	26,721	1,258.80	33,637	29,207
Fiera Properties Core Pension Trust	79,275	2,006.54	159,067	155,341
BlackRock Granite Property Fund, Inc.	6,245	1,288.39	8,047	8,276
BlackRock Asia Property Fund IV	5,729	449.80	2,577	4,598
BlackRock Europe Property Fund IV	451	2,013.87	908	1,372
Global Diversified Infrastructure Fund	186,725	329.67	61,557	59,701
Macquarie Infrastructure Partners III, L.P.	37,669	4,332.91	163,214	174,199
			837,436	814,293

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	Number of Units (rounded)	Unit Value (in dollars)	Fair Value 2025	Fair Value 2024
Alternative Investments				
NBIMC Quantitative Strategies (2017) Fund	13,771	2,771.32	38,165	61,611
NBIMC Quantitative Equity Strategic Beta (2017) Fund	18,016	1,643.05	29,602	51,060
Vestcor Global Alternative Risk Premia Fund	7,876	1,170.83	9,222	3,389
Vestcor Absolute Return Overlay Fund	35,156	653.42	22,972	4,018
Vestcor Investments Private Equity, L.P.				
Series II	7,488	2,791.50	20,903	60,197
Series III	70,705	1,842.74	130,292	122,433
Series V	31,641	1,492.99	47,240	33,140
Series VI	14,813	603.71	8,942	4,021
Series VII	11,270	1,695.40	19,107	16,206
Series VIII	22,925	1,014.12	23,249	929
NBIMC Asset Mix Strategy Fund	14,060	513.76	7,223	-
			356,917	357,004
			\$ 3,610,916	\$ 3,363,977

4. Fair Value of Financial Instruments

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

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

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

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

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

There are eleven investments classified as level 3:

Fiera Properties Core Pension Trust

This fund invests in a diversified portfolio of Canadian real estate properties with a market value of \$159,067 (2024 – \$ 155,341). This is an open fund with no active market for its units and no published net asset value as of December 31, 2025 and is therefore classified as a level 3 investment in the fair value hierarchy.

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BlackRock Granite Property Fund, Inc.

This fund invests in US real property and real estate related investments with a market value of \$8,047 (2024 – \$8,276). This is an open fund with no active market for its units and no published net asset value as of December 31, 2025 and is therefore classified as a level 3 investment in the fair value hierarchy.

BlackRock Asia Property Fund IV

This limited partnership invests in real estate properties across the Asia Pacific region with a market value of \$2,577 (2024 – \$4,598). This closed-end fund has no active market for its units and no published net asset value as of December 31, 2025 and is therefore classified as a level 3 investment in the fair value hierarchy. This fund commenced on October 5, 2015 and will continue to operate until April 7, 2026.

BlackRock Europe Property Fund IV

This limited partnership invests in real estate related assets in Europe with a market value of \$908 (2024 – \$1,372). This closed-end fund has no active market for its units and no published net asset value as of December 31, 2025 and is therefore classified as a level 3 investment in the fair value hierarchy. This fund commenced on October 15, 2015 and will continue to operate until April 15, 2026.

Global Diversified Infrastructure Fund

This fund invests in a diversified portfolio of mature, global unlisted infrastructure assets with a market value of \$61,557 (2024 – \$59,701). This is an open fund with no active market for its units and no published net asset value as of December 31, 2025 and is therefore classified as a level 3 investment in the fair value hierarchy.

Macquarie Infrastructure Partners III, L.P.

This limited partnership invests global infrastructure assets with a market value of \$163,214 (2024 – \$174,199). This closed-end fund has no active market for its units and no published net asset value as of December 31, 2025 and is therefore classified as a level 3 investment in the fair value hierarchy. This fund commenced on August 30, 2013 and will continue to operate until December 31, 2030.

Vestcor Investments Private Real Estate, L.P.

This limited partnership invests in private domestic and international real estate investments through co-investments, limited partnerships or similar investment vehicles with a market value of \$57,096 (2024 – \$42,678). There is no active market for the units of this limited partnership and no published net asset value as of December 31, 2025 and is therefore classified as a level 3 investment in the fair value hierarchy.

Vestcor Investments Private Real Estate 2, L.P.

This limited partnership invests in private domestic and international real estate investments through co-investments, limited partnerships or similar investment vehicles with a market value of \$11,091 (2024 – \$11,225). There is no active market for the units of this limited partnership and no published net asset value as of December 31, 2025 and is therefore classified as a level 3 investment in the fair value hierarchy.

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Vestcor Real Estate Fund Feeder Inc.

This entity is a real estate investment corporation that has invested in the Vestcor Real Estate Fund Limited Partnership (VREFLP). VREFLP invests directly in private domestic real estate investments with a market value of \$143,535 (2024 – \$125,142). There is no active market for the units of this limited partnership and no published net asset value as of December 31, 2025 and is therefore classified as a level 3 investment in the fair value hierarchy.

Vestcor Investments Infrastructure, L.P.

This limited partnership provides additional investment diversification through direct investment in infrastructure through co- investment structures with a market value of \$138,944 (2024 – \$124,858). There is no active market of the units of this limited partnership and no published net asset value as of December 31, 2025 and is therefore classified as a level 3 investment in the fair value hierarchy.

Vestcor Investments Private Equity, L.P.

This limited partnership invests primarily in non-publicly traded securities of U.S. and European companies through co-investments, limited partnerships or similar investment vehicles with a market value of \$249,733 (2024 – \$236,926). There is no active market of the units of this limited partnership and no published net asset value as of December 31, 2025 and is therefore classified as a level 3 investment in the fair value hierarchy.

The following fair value hierarchy table presents the Plan's assets measured at fair value on a recurring basis as of December 31:

	2025			Total Fair Value	2024			Total Fair Value
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Fixed Income								
NBIMC Nominal Bond Fund	\$ -	\$ 513,609	\$ -	\$ 513,609	\$ -	\$ 460,483	\$ -	\$ 460,483
NBIMC Corporate Bond Fund	-	662,044	-	662,044	-	620,953	-	620,953
NBIMC International High Yield Fixed Income Fund	-	143,898	-	143,898	-	133,456	-	133,456
Vestcor Alternative Fixed Income, LP	-	30,435	-	30,435	-	16,569	-	16,569
NBIMC Money Market Fund	-	24,742	-	24,742	-	10,892	-	10,892
Vestcor Long Term Money Market Fund	-	83,527	-	83,527	-	79,992	-	79,992
Equities								
NBIMC Canadian Equity Index Fund	-	53,067	-	53,067	-	53,549	-	53,549
NBIMC Canadian Small Cap Equity Fund	-	22,214	-	22,214	-	17,362	-	17,362
NBIMC Low Volatility Canadian Equity Fund	-	91,411	-	91,411	-	81,845	-	81,845
NBIMC External Canadian Equity Fund	-	37,566	-	37,566	-	27,099	-	27,099
NBIMC External International Equity Fund	-	19,392	-	19,392	-	16,607	-	16,607
NBIMC EAFE Equity Index Fund	-	43,714	-	43,714	-	43,098	-	43,098
Vestcor International Active Equity Fund	-	20,779	-	20,779	-	17,783	-	17,783
Vestcor International Small Cap Equity Fund	-	71,975	-	71,975	-	64,880	-	64,880
Vestcor Low Volatility International Equity Fund	-	260,437	-	260,437	-	239,049	-	239,049
NBIMC Low Volatility Emerging Markets Equity Fund - Class N	-	143,487	-	143,487	-	133,723	-	133,723
Vestcor Emerging Markets Active Equity Fund	-	19,187	-	19,187	-	8,796	-	8,796
NBIMC U.S. Equity Index (2017) Fund	-	175,079	-	175,079	-	166,544	-	166,544

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	2025				2024			
	Level 1	Level 2	Level 3	Total Fair Value	Level 1	Level 2	Level 3	Total Fair Value
Real Estate and Infrastructure								
NBIMC Canadian Real Estate Investment Trust Fund	-	13,458	-	13,458	-	22,663	-	22,663
Vestcor Investments Private Real Estate, L.P.	-	-	57,096	57,096	-	-	42,678	42,678
Vestcor Investments Private Real Estate 2, L.P.	-	-	11,091	11,091	-	-	11,225	11,225
Vestcor Real Estate Fund Feeder Inc.	-	-	143,535	143,535	-	-	125,142	125,142
NBIMC International Real Estate (2017) Fund	-	68,997	-	68,997	-	76,376	-	76,376
NBIMC Public Infrastructure (2017) Fund	-	8,945	-	8,945	-	7,864	-	7,864
Vestcor Investments Infrastructure, L.P.	-	-	138,944	138,944	-	-	124,858	124,858
Fiera Properties Core Pension Trust	-	-	159,067	159,067	-	-	155,341	155,341
BlackRock Granite Property Fund, Inc.	-	-	8,047	8,047	-	-	8,276	8,276
BlackRock Asia Property Fund IV	-	-	2,577	2,577	-	-	4,598	4,598
BlackRock Europe Property Fund IV	-	-	908	908	-	-	1,372	1,372
Global Diversified Infrastructure Fund	-	-	61,557	61,557	-	-	59,701	59,701
Macquarie Infrastructure Partners III, L.P.	-	-	163,214	163,214	-	-	174,199	174,199
Alternative Investments								
NBIMC Quantitative Strategies (2017) Fund	-	38,165	-	38,165	-	61,611	-	61,611
NBIMC Quantitative Equity Strategic Beta (2017) Fund	-	29,602	-	29,602	-	51,060	-	51,060
Vestcor Global Alternative Risk Premia Fund	-	9,222	-	9,222	-	3,389	-	3,389
Vestcor Absolute Return Overlay Fund	-	22,972	-	22,972	-	4,018	-	4,018
Vestcor Investments Private Equity, L.P.	-	-	249,733	249,733	-	-	236,926	236,926
NBIMC Asset Mix Strategy Fund	-	7,223	-	7,223	-	-	-	-
	\$ -	\$2,615,147	\$ 995,769	\$3,610,916	\$ -	\$2,419,661	\$ 944,316	\$3,363,977

A reconciliation of changes during the year ended December 31, 2025 for those investments that are measured at fair value using Level 3 inputs is as follows:

	Fair Value, beginning of year	Gains (losses) in profit or loss	Purchases	Sales	Fair Value, end of year
Vestcor Investments Private Real Estate, L.P.	\$ 42,678	\$ 1,773	\$ 14,449	\$ (1,804)	\$ 57,096
Vestcor Investments Private Real Estate 2, L.P.	11,225	59	790	(983)	11,091
Vestcor Real Estate Fund Feeder Inc.	125,142	8,973	14,896	(5,476)	143,535
Vestcor Investments Infrastructure, L.P.	124,858	9,701	9,286	(4,901)	138,944
Fiera Properties Core Pension Trust	155,341	9,086	-	(5,360)	159,067
BlackRock Granite Property Fund, Inc.	8,276	17	226	(472)	8,047
BlackRock Asia Property Fund IV	4,598	(2,013)	103	(111)	2,577
BlackRock Europe Property Fund IV	1,372	(554)	99	(9)	908
Global Diversified Infrastructure Fund	59,701	1,824	966	(934)	61,557
Macquarie Infrastructure Partners III, L.P.	174,199	(1,913)	4,780	(13,852)	163,214
Vestcor Investments Private Equity, L.P.	236,926	5,145	52,500	(44,838)	249,733
	\$ 944,316	\$ 32,098	\$ 98,095	\$ (78,740)	\$ 995,769

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A reconciliation of changes during the year ended December 31, 2024 for those investments that are measured at fair value using Level 3 inputs is as follows:

	Fair Value, beginning of year	Gains (losses) in profit or loss	Purchases	Sales	Fair Value, end of year
Vestcor Investments Private Real Estate, L.P.	\$ 32,402	\$ (807)	\$ 11,703	\$ (620)	\$ 42,678
Vestcor Investments Private Real Estate 2, L.P.	10,177	(124)	1,532	(360)	11,225
Vestcor Real Estate Fund Feeder Inc.	114,932	5,157	5,477	(424)	125,142
Vestcor Investments Infrastructure, L.P.	92,011	9,792	26,146	(3,091)	124,858
Fiera Properties Core Pension Trust	150,199	10,497	-	(5,355)	155,341
BlackRock Granite Property Fund, Inc.	9,235	(1,445)	670	(184)	8,276
BlackRock Asia Property Fund IV	7,634	(2,499)	512	(1,049)	4,598
BlackRock Europe Property Fund IV	4,211	(1,324)	154	(1,669)	1,372
Global Diversified Infrastructure Fund	50,677	7,319	1,802	(97)	59,701
Macquarie Infrastructure Partners III, L.P.	190,931	65	13,672	(30,469)	174,199
Vestcor Investments Private Equity, L.P.	172,126	37,110	46,653	(18,963)	236,926
	<u>\$ 834,535</u>	<u>\$ 63,741</u>	<u>\$ 108,321</u>	<u>\$ (62,281)</u>	<u>\$ 944,316</u>

There were no transfers between Level 1, Level 2 and Level 3 in the current or prior period.

5. Financial Instrument Risk Management

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

a. Market risk

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

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

Vestcor conducts certain of its investment activities in the Vestcor Investment Entities on behalf of the Plan by trading through broker channels on regulated exchanges and in the over-the-counter market. Brokers typically require that collateral be pledged against potential market fluctuations when trading in derivative financial instruments or when shorting security positions. As at December 31, 2025, the fair value of the Plan’s underlying securities that have been deposited or pledged with various financial institutions as collateral or margin on account was \$263,692 (2024 – \$184,771) (*see note 5.c.*).

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Foreign currency risk arises from holding investments denominated in currencies other than the Canadian dollar. The SIPG permits hedging of foreign currency exposure at the portfolio manager's discretion. Approximately 29.4% (2024 – 30.1%) of the Plan's underlying investments are denominated in currencies other than the Canadian dollar, with the largest foreign currency exposure being to the U.S. dollar of 20.2% (2024 – 21.1%), Japanese Yen of 1.1% (2024 – 1.1%) and the Euro of 3.2% (2024 – 2.5%).

A 1% absolute increase or decrease in the value of the Canadian dollar against all other currencies with all other variables held constant would result in an approximate decrease or increase in the value of the net investment assets at December 31, 2025 of \$10,619 (2024 – \$10,112).

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

If interest rates increased by 1%, and all other variables are held constant, the potential loss in fair value to the net investment assets at December 31, 2025 would be approximately \$77,742 (2024 – \$73,511).

Other price risk is the risk that the market value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). All investments represent a risk of loss of capital. The portfolio managers moderate this risk through a careful selection and diversification of securities and other financial instruments within the limits of the Plan's investment objectives and strategy. The maximum risk resulting from financial instruments is determined by the market value of the financial instruments. The Plan's overall market positions are monitored on a daily basis by the portfolio managers. Financial instruments held by the Plan are susceptible to market price risk arising from uncertainties about future prices of the instruments.

The impact on net assets of the Plan due to a 1% in the benchmark, using historical correlation between the Plan's return as compared to the Plan's benchmark return, with all other variables held constant, as at December 31, 2025 is estimated to be \$17,266 (2024 – \$16,282).

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

b. Credit risk

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

Shared Risk Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals

Notes to the Financial Statements

For the year ended December 31, 2025

(In thousands of Canadian dollars)

The quality of the aggregate credit exposure in the underlying investments of the Plan's investment in pooled funds at December 31 is as follows:

	2025	2024
AAA	\$ 294,948	\$ 243,303
AA	320,414	279,532
A	227,555	277,728
BBB	410,502	341,121
R-1	56,331	58,351
Other	5,397	8,708
	\$ 1,315,147	\$ 1,208,743

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

c. Liquidity risk

Liquidity risk is the risk of not having sufficient funds available to meet cash demands. Sources of liquidity include pension contributions collected from the employers and employees as well as redemption of units in pooled funds. Uses of liquidity include payments to the plan beneficiaries, plan service providers and purchases of units of pooled funds.

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

Net liquid assets are defined to include the fair value of all assets excluding private real estate, private infrastructure, and the Plan's proportionate share of the fair value of collateral pledged with brokers and counterparties, and any unfunded investment commitments.

Shared Risk Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals

Notes to the Financial Statements

For the year ended December 31, 2025

(In thousands of Canadian dollars)

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

	2025	2024
Net assets available for benefits	\$ 3,637,519	\$ 3,391,072
Less investment in:		
Vestcor Investments Private Real Estate, L.P.	(57,096)	(42,678)
Vestcor Investments Private Real Estate 2, L.P.	(11,091)	(11,225)
Vestcor Real Estate Fund Feeder Inc.	(143,535)	(125,142)
Vestcor Investments Infrastructure, L.P.	(138,944)	(124,858)
Fiera Properties Core Pension Trust	(159,067)	(155,341)
BlackRock Granite Property Fund, Inc.	(8,047)	(8,276)
BlackRock Asia Property Fund IV	(2,577)	(4,598)
BlackRock Europe Property Fund IV	(908)	(1,372)
Global Diversified Infrastructure Fund	(61,557)	(59,701)
Macquarie Infrastructure Partners III, L.P.	(163,214)	(174,199)
Vestcor Investments Private Equity, L.P.	(249,733)	(236,926)
Collateral pledged (note 5.a.)	(263,692)	(184,771)
Investment commitments (note 13.)	(296,889)	(293,662)
Net liquid assets	\$ 2,081,169	\$ 1,968,323

d. Securities lending

The Plan's SIPG permits Vestcor to enter into a securities lending arrangement externally with their securities custodian or internally among the Vestcor Investment Entities with the objective of enhancing portfolio returns.

Under the external program, the securities custodian, who is an independent third party, may loan securities owned by the Vestcor Investment Entities to other approved borrowers in exchange for collateral in the form of readily marketable government-backed securities equal to at least 105% of the value of securities on loan and a borrowing fee. Vestcor has restricted the approved borrowers under the external securities lending program to manage exposure to counterparty credit risk. As at December 31, 2025, underlying securities in the amount of \$335,771 (2024 – \$350,798) were loaned on behalf of the Plan.

6. Pension obligations

The funding policy valuation actuarial liabilities and normal costs were calculated using the accrued benefit (or unit credit) actuarial cost method in accordance with the requirement of paragraph 14(7)(a) of Regulation 2012-75 under the Act. The last actuarial valuation was performed as of December 31, 2024 by TELUS Health, a firm of consulting actuaries.

The funding policy valuation actuarial liabilities at December 31, 2025 is based on an extrapolation of the funding policy liability at December 31, 2024. The pension obligations do not take into account the impact of any future salary increases or the impact of any future cost-of-living adjustments that may be granted by the Board of Trustees in accordance with the Plan terms and the Funding Policy.

This approach provides a shared risk benefit to members with a high degree of certainty, but without an absolute guarantee.

Shared Risk Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals

Notes to the Financial Statements

For the year ended December 31, 2025

(In thousands of Canadian dollars)

Significant long-term assumptions used in the December 31, 2024 valuation as well as the December 31, 2025 extrapolation are:

	2025	2024
Discount rate	5.00%	5.00%
Mortality	2014 Public Sector Mortality Table (CPM2014Publ) projected with Improvement Scale B (CPM-B) with size adjustment factors of 115% for both males and females	2014 Public Sector Mortality Table (CPM2014Publ) projected with Improvement Scale B (CPM-B) with size adjustment factors of 115% for both males and females

The next actuarial valuation for funding purposes, which was not complete as at the date of this report, is to be performed as of December 31, 2025.

7. Funding policy

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

The purpose of the Plan is to provide secure pension benefits to plan members and beneficiaries of the plan without an absolute guarantee, but with a risk-focused management approach delivering a high degree of certainty that base benefits can be met in the vast majority of potential future economic scenarios.

The funding policy sets out a primary and two secondary risk management objectives as follows:

- a) The primary objective is to achieve a 97.5% probability that the past base benefits at the end of each year will not be reduced over a 20-year period.
- b) The secondary objectives are:
 - I. on average, provide contingent indexing on base benefits for services that is in excess of 75% of the Consumer Price Index ("CPI") over the next 20-year period; and
 - II. achieve at least a 75% probability that ancillary benefits described in the Plan Text can be provided over the next 20 years.

The above risk management objectives were measured at conversion and the primary risk management objective is tested annually using an asset liability model with future economic scenarios developed using a stochastic process.

The funding policy sets out the decisions to be made by the Board of Trustees. These decisions are based on the 15 year open group funded ratio calculated as the sum of the present value of excess contributions over the normal cost for base and ancillary other than the potential future cost-of-living adjustments plus the market value of the assets divided by the funding policy liabilities. Depending upon the result, these decisions may involve either a funding deficit recovery plan or a funding excess utilization plan that will ensure future changes to contribution rates and benefits are made within the constraints of the above risk management objectives.

The funding deficit recovery plan is triggered if the open group funded ratio of the Plan falls below 100% for two successive plan year ends. The summarized actions that must be taken, in order of priority are:

- 1. Increase in contribution rates of up to a maximum of 1.0% for both employees and employer;

Shared Risk Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals

Notes to the Financial Statements

For the year ended December 31, 2025

(In thousands of Canadian dollars)

2. Change the early retirement rules for post-conversion service for members who are not yet eligible to retire and receive an immediate pension under the terms of the Plan to a full actuarial reduction for retirement before age 65;
3. Change the early retirement rules for pre-conversion service for members who are not yet eligible to retire and receive an immediate pension under the terms of the Plan to a full actuarial reduction for retirement before age 60;
4. Reduce base benefit accrual rates for future service after the date of implementation of the deficit recovery plan by not more than 5%;
5. Reduce base benefits on a proportionate basis for all members for both past and future service in equal proportions.

The funding excess utilization plan is triggered when the open group funded ratio exceeds 105%. The actions that can be taken depend on whether the base or ancillary benefits have ever been reduced and such reduction was not subsequently reversed on the priority below:

1. Reverse previously reduced base benefits with respect to future payments after the date of reversal until all previous reductions to base benefits have been eliminated; then
2. Reverse reductions in ancillary benefits other than contingent indexing with respect to future payments until all previous reductions have been reversed.

If base and/or ancillary benefits have never been reduced or after all previous reductions have been reversed for future payments then the Board may take the action with respect to the excess available for utilization in the following order of priority:

1. Provide indexing of base benefits up to full CPI since the last date full CPI was achieved;
2. Provide further increases in base benefits of members who were not in receipt of a pension at the actuarial valuation report date that triggered the action such that base benefits are upgraded to a final five year average as at the same date (or such shorter averaging period as applicable for those with less than 5 years of service at that date);
3. Provide a further increase to retired members such that a final average formula is reasonably replicated for each retired member at their retirement date and indexed to full CPI thereafter subject to any limitation imposed under the Income Tax Act;
4. Provide a lump sum payment representing a reasonable estimate of missed increased payments up to the levels of benefits arising out of Steps 2 and 3;
5. Establish a reserve to cover the next ten years of potential contingent indexing; then provided the secondary risk management goals are met,
6. Apply contribution adjustments of up to 2%;
7. Improve the normal form of pension for all members who are not in receipt of a pension;
8. Improve the bridge pension for all members eligible for a bridge pension whether or not in pay;

Shared Risk Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals

Notes to the Financial Statements

For the year ended December 31, 2025

(In thousands of Canadian dollars)

9. Improve the early retirement rules for service after June 30, 2012 provided that the Board of Trustees considers life expectancy experience as it develops.

8. Capital

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

The Board of Trustees is responsible for the establishment of a SIPG, including approval of a recommended investment asset mix that seeks to deliver the long-term investment returns necessary for the sustainability of the Plan. Determining the asset mix requires information from independent actuarial valuations as well as expectations concerning financial markets and uses a portfolio optimization process. This process has the intent of achieving the maximum investment returns possible while meeting the risk management tests in the funding policy. The recommended strategic asset allocation is reviewed on at least an annual basis to ensure that it remains appropriate. The SIPG was last reviewed and approved by the Board of Trustees on September 19, 2025.

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

The Board-approved SIPG outlines the following investment objectives:

- i. In the long term, preserve the capital value of the Pension Fund, and provide the best possible long-term real return on investments while continuing to achieve the risk management goals as set out in the Funding Policy and the regulations under the *Pension Benefits Act*. It is understood that the policy portfolio may experience uneven returns from year to year consistent with general economic and investment cycles, but a diversified portfolio of long-term assets will partially mitigate the variability of the returns; and
- ii. Over shorter time periods, achieve competitive rates of return on the total Pension Fund and each major asset class while avoiding undue investment risk and excessive market volatility.

9. Net investment income

Net investment income (loss) by fund for the year ended December 31 is as follows:

	2025			2024		
	Realized	Unrealized	Net investment income	Realized	Unrealized	Net investment income
Fixed Income						
NBIMC Nominal Bond Fund	\$ 756	\$ 10,593	\$ 11,349	\$ 461	\$ 15,327	\$ 15,788
NBIMC Corporate Bond Fund	3,331	26,314	29,645	859	41,503	42,362
NBIMC International High Yield Fixed Income Fund	-	10,342	10,342	172	10,404	10,576
Vestcor Alternative Fixed Income, LP	154	1,671	1,825	6	817	823
NBIMC Money Market Fund	501	31	532	880	(20)	860
Vestcor Long Term Money Market Fund	282	3,154	3,436	53	4,775	4,828
	5,024	52,105	57,129	2,431	72,806	75,237

Shared Risk Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals

Notes to the Financial Statements

For the year ended December 31, 2025

(In thousands of Canadian dollars)

	2025			2024		
	Realized	Unrealized	Net investment income	Realized	Unrealized	Net investment income
Equities						
NBIMC Canadian Equity Index Fund	9,562	6,082	15,644	15,234	(2,835)	12,399
NBIMC Canadian Small Cap Equity Fund	1,250	6,917	8,167	128	3,071	3,199
NBIMC Low Volatility Canadian Equity Fund	6,740	14,616	21,356	9,211	8,196	17,407
NBIMC External Canadian Equity Fund	60	8,924	8,984	388	3,889	4,277
NBIMC External International Equity Fund	663	3,629	4,292	3,244	193	3,437
NBIMC EAFE Equity Index Fund	5,986	4,826	10,812	8,799	(2,739)	6,060
Vestcor International Active Equity Fund	-	2,996	2,996	-	2,837	2,837
Vestcor International Small Cap Equity Fund	412	7,771	8,183	13	10,257	10,270
Vestcor Low Volatility International Equity Fund	1,616	19,503	21,119	5,166	38,878	44,044
NBIMC Low Volatility Emerging Markets Equity Fund - Class N	486	9,830	10,316	4,718	25,494	30,212
Vestcor Emerging Markets Active Equity Fund	13	2,238	2,251	-	735	735
NBIMC U.S. Equity Index (2017) Fund	10,516	10,551	21,067	11,332	32,888	44,220
	37,304	97,883	135,187	58,233	120,864	179,097
Real Estate and Infrastructure						
NBIMC Canadian Real Estate Investment Trust Fund	629	1,361	1,990	8	(452)	(444)
Vestcor Investments Private Real Estate, L.P.	55	1,718	1,773	18	(825)	(807)
Vestcor Investments Private Real Estate 2, L.P.	(54)	113	59	(43)	(81)	(124)
Vestcor Real Estate Fund Feeder Inc.	605	8,368	8,973	37	5,120	5,157
NBIMC International Real Estate (2017) Fund	927	(3,661)	(2,734)	239	12,157	12,396
NBIMC Public Infrastructure (2017) Fund	537	636	1,173	36	1,558	1,594
Vestcor Investments Infrastructure, L.P.	1,112	8,589	9,701	587	9,205	9,792
Fiera Properties Core Pension Trust	2,547	6,539	9,086	2,343	8,154	10,497
BlackRock Granite Property Fund, Inc.	59	(42)	17	32	(1,477)	(1,445)
BlackRock Asia Property Fund IV	(154)	(1,859)	(2,013)	(229)	(2,270)	(2,499)
BlackRock Europe Property Fund IV	(5)	(549)	(554)	589	(1,913)	(1,324)
Global Diversified Infrastructure Fund	320	1,504	1,824	30	7,289	7,319
Macquarie Infrastructure Partners III, L.P.	8,693	(10,606)	(1,913)	20,710	(20,645)	65
	15,271	12,111	27,382	24,357	15,820	40,177
Alternative Investments						
NBIMC Quantitative Strategies (2017) Fund	11,029	(4,949)	6,080	1,406	2,284	3,690
NBIMC Quantitative Equity Strategic Beta (2017) Fund	6,960	(5,006)	1,954	422	4,677	5,099
Vestcor Global Alternative Risk Premia Fund	1	147	148	14	340	354
Vestcor Absolute Return Overlay Fund	4	17,753	17,757	1,801	2,737	4,538
Vestcor Investments Private Equity, L.P.	21,299	(16,154)	5,145	8,994	28,116	37,110
NBIMC Asset Mix Strategy Fund	-	2,778	2,778	-	-	-
	39,293	(5,431)	33,862	12,637	38,154	50,791
Other Income	2	-	2	21	-	21
	\$ 96,894	\$ 156,668	\$ 253,562	\$ 97,679	\$ 247,644	\$ 345,323

Shared Risk Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals**Notes to the Financial Statements****For the year ended December 31, 2025***(In thousands of Canadian dollars)***10. Pension benefits**

A breakdown of pension benefits by type is as follows:

	2025	2024
Retirements	\$ 127,561	\$ 118,156
Terminations	5,518	5,453
Survivors	5,679	3,037
Marriage breakdowns	285	184
Phased retirements	1,908	1,915
	\$ 140,951	\$ 128,745

11. Administration expenses

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

	2025	2024
Plan administration		
Administration services	\$ 2,170	\$ 1,770
Actuarial services	224	149
Audit fees	57	50
Legal and regulatory fees	55	19
Investment performance monitoring	15	16
Board of Trustees	86	65
	2,607	2,069
Investment management costs		
Investment management fees	4,659	4,364
Securities custody	193	168
	4,852	4,532
HST	803	710
	\$ 8,262	\$ 7,311

12. Related party transactions

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

Included in the Plan's investments are New Brunswick provincial and municipal bonds of \$7,297 (2024 – \$8,613).

13. Commitments

The Plan has made capital commitments of \$296,889 (2024 - \$293,662).

Shared Risk Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals

Notes to the Financial Statements

For the year ended December 31, 2025

(In thousands of Canadian dollars)

14. Indemnification

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

15. Comparative figures

Certain figures for the comparative year have been reclassified to conform with the current presentation.

APPENDIX A

BOARD OF TRUSTEES 2025 ACCOMPLISHMENTS AND DECISIONS

This summary highlights key activities and decisions of the Board of Trustees from January to December 2025, beyond regular business and standing items.

MEMBER SERVICES AND COMMUNICATIONS

In 2025, the Board strengthened its commitment to transparent, accessible and meaningful communication with Plan members by:

- Releasing the Plan's 2024 Annual Report
- Hosting the Plan's third Annual Information Meeting
- Publishing the Plan's Spring & Fall 2025 newsletters

Building on insights from the 2024 Plan Member Engagement Survey, the Board continued to incorporate member feedback into its planning and decision-making. This input helped shape strategic priorities and initiatives, with a focus on:

- Strengthening member confidence
- Simplifying the member experience
- Enhancing education
- Improving the reach and effectiveness of communication

PLAN DOCUMENTS AND OVERSIGHT

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

- Amendments to the Plan Text:
 - Amended to document the benefit increase associated with the Steps 2-4 Increase of the Funding Policy
 - Amended to document the awarding of indexing (cost of living adjustment - COLA) as at January 1, 2026 of 2.01%
- Conducted their annual review of the Statement of Investment Policies and approved amendments to ensure consistent language is being used, and to change the calculation of the benchmark return from using daily actual portfolio weights to using the Policy Portfolio weights
- Conducted their annual review of the Funding Policy and approved amendments to clarify that COLA also applies to the bridge benefit, and to clarify the exact version of final average earnings calculation that is needed in the application of Steps 2 and 3 of the Funding Excess Utilization Plan. The changes do not modify the practice that has been applied to date
- Approved the audited financial statements for the CBE SRP for the year ended December 31, 2024
- Approved the CBE SRP Actuarial Valuation Report as at December 31, 2024

The Board met all regulatory filing and disclosure requirements outlined under the *New Brunswick Pension Benefits Act*.

BOARD GOVERNANCE

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

- Terms of Reference for the Board, the Audit Committee, Governance Committee and the Investment Committee
- Code of Conduct and Ethics
- Communications and Disclosure Policies
- Discount Rate Selection Policy
- Document Retention Policy
- Orientation and Education Policy
- Compensation and Travel Expense Policy
- Trustee Nomination Guidelines
- Audit Partner Rotation Policy

Risk Preparedness: The Board established Guidelines with Respect to Benefit Reduction Mitigation Strategies as a proactive governance measure. While benefit reductions are not expected, these guidelines ensure a thoughtful and structured approach is in place to protect members and support the Plan's sustainability under adverse scenarios.

Board Effectiveness and Priorities: The Board engaged John T. Dinner Board Governance Services to facilitate its 2025 triennial Board effectiveness assessment. The results informed the development of the 2025–2028 Board Priorities, which are monitored quarterly by the Governance Committee.

BOARD EDUCATION AND RESPONSIBLE INVESTMENT

The Investment Committee continued its commitment to ongoing education, receiving presentations on:

- Quantitative Investing
- Fixed Income
- Real Assets
- Private and Public Equity

With support from Vestcor's Risk Management Team, the Board also released its second annual Responsible Investment Report, outlining how environmental, social, and governance (ESG) factors are considered in investment decision-making.

SERVICE PROVIDER ENGAGEMENT

The Board engaged the following service providers:

- Vestcor Inc. – Pension administration and investment management
- TELUS Health – Actuarial services for the 2025 plan year
- Doane Grant Thornton – External auditor for the 2025 financial statements
- Ellement Consulting Group – Investment advisory and performance measurement
- Osler, Hoskin & Harcourt LLP – Legal services
- John T. Dinner Board Governance Services – Governance advisory and Board effectiveness support

APPENDIX B



CBE Pension Plan Composite Nine years and four months ended December 31, 2025

Year Ended December 31	Full Gross Return ² %	Net Return %	Total Fund Benchmark Return %	Full Gross Return ² 3-Yr Annualized %	Total Fund Benchmark Return 3-Yr Annualized %	Total Fund 3-Yr SD ³ %	Total Fund Benchmark 3-Yr SD ³ %	Total Fund AUM ⁴ (in millions of \$CAD)	Total Vestcor AUM ⁴ (in millions of \$CAD)
2025	7.53	7.38	7.29	9.49	8.74	3.81	4.24	3,610.9	24,446.6
2024	11.42	11.27	11.06	6.11	4.43	5.12	5.67	3,364.0	23,084.1
2023	9.55	9.39	7.94	5.44	2.86	5.07	5.45	3,022.6	20,939.2
2022	-2.12	-2.27	-4.96	4.54	2.31	6.86	6.29	2,751.3	19,883.1
2021	9.31	9.17	6.07	9.13	7.45	5.95	5.02	2,793.7	21,018.0
2020	6.78	6.65	6.21	7.09	5.89	5.88	4.97	2,561.4	19,442.0
2019	11.36	11.21	10.11	7.76	6.39	3.77	3.08	2,395.0	18,536.7
2018	3.29	3.15	1.52	n/a	n/a	n/a	n/a	2,144.2	16,901.6
2017	8.80	8.68	7.73	n/a	n/a	n/a	n/a	1,764.5	16,645.4
2016 ¹	3.80	3.73	2.26	n/a	n/a	n/a	n/a	908.1	15,706.5

¹ Four months ended December 31, 2016

² Supplemental information

³ SD means standard deviation

⁴ AUM means assets under management

Composite Description

The CBE Pension Plan includes all portfolios managed by Vestcor Inc. (Vestcor) on behalf of the CBE, based on that pension plan's objectives and risk management goals. The CBE composite includes public equity, fixed income, inflation linked, absolute return, real estate, infrastructure and private equity asset classes.

Composite Creation Date

The inception date of this Total Fund is September 1, 2016 and the historical results are presented on a calendar basis.



CBE Pension Plan Composite

Nine years and four months ended December 31, 2025

Firm Description

Vestcor was established pursuant to the *New Brunswick Investment Management Corporation Act* proclaimed on March 11, 1996 and was continued on October 1, 2016 and amalgamated on January 1, 2018 pursuant to the *Vestcor Act*. Vestcor provides investment management and advisory services for pension, trust, and endowment entities and funds.

The composite funds are invested in unit trust funds, separate accounts, and limited partnerships, established by Vestcor to facilitate the collective investment management and administration of these assets. The funds managed by Vestcor are held in accordance with each composite's investment policy.

A complete list and description of firm composites are available upon request.

Compliance Statement

Vestcor claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. Vestcor has been independently verified for the periods December 1, 1996 through December 31, 2025. The verification reports are available upon request.

Verification assesses whether the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. Verification does not ensure the accuracy of any specific composite presentation.

Calculation Methodology

Composite returns were calculated in Canadian dollars using the aggregate return method on a daily basis. Daily returns were linked geometrically to calculate periodic returns. Returns include dividends net of withholding taxes, interest, as well as realized and unrealized gains and losses as of the last business day of the reporting period. Performance returns expressed on a full gross basis are after the deduction of all trading expenses, but before the deduction of investment management costs and custodial fees.

Under the terms of its investment management agreements, Vestcor charges for its investment management services on a cost recovery basis, allocated *pro rata* to its clients according to their share of Vestcor's total assets under management. Performance returns expressed on a net basis are after the deduction of all expenses charged for the composite assets under management, including trading expenses, custodial fees, and investment management costs.



CBE Pension Plan Composite

Nine years and four months ended December 31, 2025

As of 31 December 2025, 27.58% Of Total Fund assets were valued using subjective unobservable inputs. The Total Fund performance presented in this schedule may not be indicative of future performance. Readers should also be aware that other performance calculation methods may produce different results, and that the results for specific accounts and for different periods may vary from composite returns presented. Comparisons of investment results should consider qualitative circumstances and should be made only to portfolios with generally similar objectives.

In the calculation and presentation of performance returns, Vestcor is not aware of any instances in which this presentation does not conform with the laws and regulations of any province or territory of Canada in which Vestcor operates.

Additional information regarding Vestcor's policies and procedures for valuing portfolios, calculating and reporting composite results, and preparing compliant presentations, is available upon request.

Number of Portfolios and Internal Dispersion

The internal dispersion measure and number of portfolios are not presented because the CBE is the only portfolio in the composite.

Three-Year Annualized Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation measures the variability of the composite and the benchmark daily returns, aggregated to a monthly basis, over the preceding 36 month period.

Sub-advisors

Vestcor enters into sub-advisory agreements whereby certain assets are managed by sub-advisors. Rates of return earned on assets managed by the sub-advisors are included in Vestcor's composite presentations because Vestcor maintains full discretion over the use and choice of sub-advisors.

Derivative Instruments and Short Positions

Futures contracts, forward foreign exchange contracts, exchange traded and over-the-counter options and swaps, and short positions are used in Vestcor's investment management activities.

These derivative instruments are used for various purposes, including:

- to simulate exposure to a particular market index, but with lower transaction costs;
- to enhance performance returns;
- to modify the cash flow characteristics of an investment; or
- to hedge against potential losses due to changes in foreign exchange rates or stock prices.



CBE Pension Plan Composite

Nine years and four months ended December 31, 2025

In using derivative instruments, as described on the previous page, Vestcor has established investment criteria, policies and procedures over the extent and use of derivative instruments to manage performance returns and mitigate market risks such as foreign currency, interest rate and pricing risk.

Benchmark Description

The CBE's composite blended benchmark is calculated daily using a blend of the asset class benchmarks, based on the beginning daily weights for the respective asset classes. Benchmark returns were calculated using the following indices and weights on December 31, 2025:

Index	Weight (%)
S&P/TSX Composite Total Return Index	2.53
S&P/TSX Small Cap Total Return Index	0.62
MSCI Canada Minimum Volatility Total Return Index, Gross	2.55
MSCI World (ex. Canada) Total Return Index in \$C, Net	7.23
MSCI World (ex. Canada) Minimum Volatility Total Return Index in \$C, Net	7.27
MSCI World (ex. Canada) Small Cap Total Return Index in \$C, Net	2.01
MSCI Emerging Markets Total Return Index in \$C, Net	0.51
MSCI Emerging Markets Minimum Volatility (USD) Total Return Index in \$C, Net	3.98
Bloomberg Barclays Global High Yield Total Return Index Hedged \$C	3.74
S&P/TSX Capped REIT Total Return Index	0.37
MSCI USA IMI REIT Index in \$C, Gross	1.93
MSCI/REALPAC Canada Quarterly Property Fund Index (Levered), Net Total Return	10.48
MSCI World Total Return Index in \$C, Net	6.93
MSCI World Infrastructure Index (USD) in \$C, Net	0.25
FTSE Canada All Government Bond Index	14.29
FTSE Canada All Corporate Bond Index	18.54
FTSE Canada 91 Day T-Bill Index	3.21
FTSE Canada 365 Day T-Bill Index	2.32
FTSE Canada Short Term Overall Bond Index	0.37
FTSE Canada Short Term Corporate Bond Index	0.35
One-day Canadian Call Loan Rate	0.24
4% Real Return*	10.08
Not applicable	0.20

*Inflation is defined as the percentage change in the twelve-month average CPI-Canada All Items Index



CBE Pension Plan Composite

Nine years and four months ended December 31, 2025

Effective March 30, 2017, the benchmark for Absolute Return Strategies changed from a 4% Real Return to a blend of the FTSE TMX Canada 91 Day T-bill Index and the One-day Canadian Call Loan Rate.

Effective October 1, 2017, the benchmark for Global Market Cap Equity changed from the MSCI World (ex Canada) Total Return Index in \$C, Net to a blend of the S&P 500 Total Return Index in \$C and MSCI EAFE Total Return Index in \$C, Net. The benchmark for Canadian bonds changed from a blend of the FTSE TMX Canada Universe Bond Index and the FTSE TMX Canada Long Term Overall Bond Index, to a blend of the FTSE TMX Canada All Government Bond Index for Government bonds and the FTSE TMX Canada All Corporate Bond Index for Canadian corporate bonds.

Effective July 1, 2018, the FTSE NAREIT All Equity REITS Total Return Index in \$C benchmark replaced the CPI+4% for the Public Real Estate Fund.

Effective July 1, 2018, a blend of the FTSE TMX Canada 91 Day T-Bill Index and the One-day Canadian Call Loan Rate benchmark replaced the FTSE All Government Bond Index for the Money Market Fund.

In July of 2018, FTSE Russell announced the rebranding of the FTSE TMX Canada Indices to the FTSE Canada Indices.

Effective October 1, 2020, the MSCI USA IMI REIT Index in \$C, Net replaced the FTSE NAREIT All Equity REITS Total Return Index in \$C for the U.S. Public Real Estate Funds.

Effective January 1, 2021, the MSCI USA IMI REIT Index in \$C, Gross replaced the MSCI USA IMI REIT Index in \$C, Net for the U.S. Public Real Estate Funds.

Effective April 1, 2021, the MSCI World (ex. Canada) Minimum Volatility Total Return Index in \$C, Net replaced the MSCI EAFE Minimum Volatility (USD) Total Return Index in \$C, Net and the MSCI USA Minimum Volatility (USD) Total Return Index in \$C, Net for the US and EAFE Low Volatility Funds.

Effective January 1, 2022, the MSCI/REALPAC Canada Quarterly Property Fund Index (Levered), Net Total Return replaced the 4% Real Return for all Private Real Estate Funds.

Effective April 1, 2022, the MSCI World (ex. Canada) Total Return Index in \$C, Net replaced the S&P 500 Total Return Index in \$C and the MSCI EAFE Total Return Index in \$C, Net for the US and EAFE Public Market Funds.

Effective April 1, 2022, the MSCI World Total Return Index in \$C, Net replaced the S&P/TSX Composite Total Return Index, the S&P 500 Total Return Index in \$C and the MSCI EAFE Total Return Index in \$C, Net for all Private Equity Funds.

Effective January 1, 2023, the MSCI World Infrastructure Index (USD) in \$C, Net replaced the 4% Real Return for the Public Infrastructure Funds.

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APPENDIX C

SUMMARY OF PLAN VALUATION

The funding policy valuation compares the fair market value of the Plan's assets to the Plan's liabilities. The Plan's liabilities are based on the benefits earned as at the valuation date, assuming the Plan continues indefinitely.

Funding Policy Valuation	December 31, 2025 \$ in millions	December 31, 2024 \$ in millions
Market Value of Net Assets	3,637.5	3,391.1
Funding Policy Actuarial Liabilities		
Active Members	1,320.7	1,265.4
Retirees and Survivors	1,564.6	1,478.5
Deferred Vested, Suspended Members and Outstanding Refunds	213.8	212.3
Total Funding Policy Actuarial Liabilities	3,099.1	2,956.2
Funding Policy Valuation Excess	538.4	434.9
Termination Value Funded Ratio	117.4%	114.7%

On December 31, 2025, the funding policy valuation excess increased to \$538.4 million from \$434.9 million on December 31, 2024 as a result of the following:

CHANGES IN FUNDING POLICY VALUATION EXCESS

	December 31, 2025 \$ in millions
Investment return on actuarial value of assets was higher than assumed	75.7
Total contributions exceeded normal cost	54.4
Impact of changes in assumptions	9.9
Various other increases and decreases	24.8
Cost of indexing and other Funding Policy steps provided on January 1, 2025	(61.3)
Change in Funding Policy Valuation Excess from December 31, 2024 to December 31, 2025	103.5

OPEN GROUP FUNDED RATIO

The open group funded ratio compares the fair market value of the Plan's assets, plus the present value of excess contributions over the next 15 years, to the Plan's liabilities. This is an important ratio as it is used to determine the actions, such as granting indexing, to be taken by the Board under the Plan's Funding Policy.

The excess contributions for the year following the valuation date are as follows:

Excess Contributions

	\$ in millions
Funding Policy Valuation Normal Cost	98.3
Member and Employer Contribution	163.1
Excess Contributions for the Year Following 2025	64.8

The present value of the above excess contributions for the 15-year period following December 31, 2025 are equal to \$808.4 million and are used in the calculation of the open group funded ratio.

Open Group Funded Ratio	December 31, 2025 \$ in millions	December 31, 2024 \$ in millions
Market Value of Net Assets	3,637.5	3,391.1
Present Value of Excess Contributions Over Next 15 Years	808.4	680.0
Total Assets including the Present Value of Excess Contributions	4,445.9	4,071.1
Funding Policy Actuarial Liabilities	3,099.1	2,956.2
Open Group Funded Ratio	143.5%	137.7%

The Plan is in a position to provide benefit improvements, such as a cost of living adjustment (COLA), when the open group funded ratio exceeds 105% and the primary risk management test is met. When this occurs, the Board is able to use up to 1/5th of the excess that exists between a ratio of 105% and 140% (as of the December 31, 2025 Actuarial Valuation Report) in addition to 100% of any excess that exists above a ratio of 140% to grant benefit improvements found under the Funding Policy, such as COLA.

With the Open Group Funded Ratio at 143.5% as at December 31, 2025, the Plan was in a position to award a cost of living adjustment (COLA) of 2.33% to Plan members. This COLA will be applied on January 1, 2027. It represents the maximum that can be awarded by the Board which is equal to the increase in the average of the Consumer Price Index (Canada) for the 12-month period ending the preceding June.

The Plan has to be in a deficit position (which would be the case if the open group funded ratio was less than 100%) for two consecutive years before any corrective action (such as a contribution increase or a benefit reduction) is required under the Plan's Funding Policy.