

SASKATCHEWAN PENSION PLAN

**ANNUAL REPORT
FOR THE YEAR ENDING
DECEMBER 31, 2025**

TABLE OF CONTENTS

Letters of transmittal.....	5
Board of trustees' message	6
Chief Executive Officer's message	8
Corporate philosophy	9
Strategic direction	10
Plan operations.....	11
Investment report	14
Investment policy summary	18
2025 Financial statements:	
Actuaries' opinion	21
Management's responsibility for financial reporting.....	21
Auditor's report.....	22
Statement of financial position.....	24
Statement of changes in net assets available for benefits.....	25
Statement of changes in provision for annuity obligations.....	26
Notes to the financial statements.....	27

Saskatchewan Pension Plan

Box 5555

Kindersley, Saskatchewan

SOL 1S0

Toll-free number: 1-800-667-7153

E-mail: info@saskpension.com

Website: saskpension.com

LETTERS OF TRANSMITTAL



Her Honour
The Honourable Bernadette McIntyre, M.S.M, S.O.M.
Lieutenant Governor of Saskatchewan

Your Honour:

I have the honour to submit the Annual Report of the Saskatchewan Pension Plan for the year ended December 31, 2025.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Jim Reiter". The signature is fluid and cursive.

Jim Reiter
Minister Responsible
Saskatchewan Pension Plan



The Honourable Jim Reiter
Minister Responsible
Saskatchewan Pension Plan

Sir:

On behalf of the Board of Trustees for the Saskatchewan Pension Plan, I have the honour to present the Annual Report for the Saskatchewan Pension Plan for the year ended December 31, 2025.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Chad Hilton". The signature is fluid and cursive.

Chad Hilton
Chief Executive Officer
Saskatchewan Pension Plan

BOARD OF TRUSTEES' MESSAGE



The Saskatchewan Pension Plan (SPP) continued its evolution with notable progress and transformation throughout 2025. On behalf of the SPP Board of Trustees (the Board), it is my honour to present the 2025 Annual Report.

SPP was created to provide everyone with access to a pension plan, and in 2025 we continued to advance this mission by focusing on growth, member experience, and operational excellence.

The Board acknowledges the leadership of Shannan Corey during her tenure as Executive Director of SPP from 2021 to 2025 and congratulates her on her retirement. Shannan guided the Plan through a period of significant strategic, regulatory, and operational advancement.

As the new CEO for SPP, Chad Hilton brings more than 20 years of progressive leadership experience in the financial services sector. Chad's deep expertise in the financial sector, combined with a dedication to enhancing client experiences across a wide geographical footprint, positions him to bring a broad, member-centric approach to lead SPP through the next stages of growth.

Our \$1 billion fund vision is within reach, thanks to members embracing SPP's flexibility and value. Enhancements over the past five years, along with our easy-to-use platform, low fees, and competitive returns, reinforce SPP's position as a trusted choice for retirement planning.

Late in the year, SPP enhanced its investment diversification by adding private equities to the portfolio. HarbourVest Partners LLC was hired as the specialty manager for this allocation. The Board continues to have a history of long-term relationships with its investment managers. TD Asset Management and its predecessor Greystone have managed all or part of the balanced fund since the Plan's inception in 1986. In 1995, the Board shifted a portion of the balanced fund mandate to Leith Wheeler Investment Counsel. Both TD Asset Management and Leith Wheeler, along with more recently added managers, Ninepoint Partners LP and Fengate Capital Management Ltd., continue as key parts of the investment management team.

During 2025, the Balanced Fund (BF) delivered a return of 9.4 per cent, while the Diversified Income Fund (DIF) returned 3.0 per cent. The management expense ratio (MER) for the BF was 93 bps, and for the DIF 85 bps. The audited financial statements and actuarial reports included in this document confirm the Plan's strong financial position.

A core responsibility of the Board is the prudent investment of member funds. Our carefully developed investment policy, supported by professional managers and rigorous fiduciary oversight, ensures long-term sustainability and resilience through market cycles. The BF remains globally diversified across equities, bonds, real estate, private debt, private equity, and infrastructure, with a goal of delivering above-average performance and lower-than-average volatility. The DIF continues to provide a lower-risk option through diversified income sources, while the annuity fund is structured to match cash flows with pension obligations.

The Board's governance model emphasizes transparency, accountability, and sound decision-making. We recognize the trust members place in us each time they contribute, transfer funds, or draw retirement income from SPP. This trust drives our commitment to comprehensive oversight and strategic direction.

Enhancing member experience remains a key priority. In 2025, we advanced our multi-year technology transformation, moving closer to a fully digital service model that will deliver convenience and efficiency for members. These investments will strengthen operations and position SPP for continued growth.

SPP is dedicated to providing superior investment opportunities that enhance financial security in retirement. We achieve this by focusing on member needs throughout their lifecycle with SPP—from acquisition and accumulation to decumulation. This commitment is realized every day through the dedication and professionalism of our staff, who serve members with integrity. We take pride in the products and services offered by SPP and are honoured to play a role in strengthening members' financial futures. Looking ahead, we remain committed to advancing our mission and delivering exceptional value for our members.

Respectfully submitted,

A handwritten signature in black ink, reading "Timothy Calibaba". The signature is written in a cursive style with a large, stylized initial 'T'.

Timothy W. Calibaba, ICD.D
Chairperson, Board of Trustees
Saskatchewan Pension Plan

CHIEF EXECUTIVE OFFICER'S MESSAGE



I am pleased to share leadership's perspective on the Saskatchewan Pension Plan (SPP) as we reflect on 2025.

This year marked continued progress in strengthening the foundations that support SPP's long-term growth. Our focus remains on delivering enhanced outcomes for members, whether by reducing costs as our asset base grows or by streamlining and improving the member experience. We are now entering the final stage of our pension administration system transformation, turning our attention to implementing new technology and member portals. While much of this work happens behind the scenes, our priority is ensuring a seamless experience for members throughout this transition. Looking ahead, we are exploring further opportunities for business transformation through the implementation of new technologies and processes.

Growth is our central theme at SPP. We are passionate about and committed to helping Canadians address gaps in retirement security by offering a trusted, low-cost option. Both individuals and employers recognize the value of SPP, whether they contribute within their available RRSP room, consolidate funds from other registered non-locked-in products, or offer SPP as an employee benefit. We are honoured to be able to serve members from coast-to-coast. As individuals plan for and transition into retirement, SPP offers a range of options, including a fixed annuity and a variable benefit

that provides flexible drawdowns, reflecting our member-centric approach and supporting continued engagement with SPP.

Our commitment to serving our members in the best way possible is central to our approach and that comes down to our incredibly capable teams in Kindersley and Saskatoon. I am honoured to work alongside a team that brings their best for each other and our membership every day—thank you for your energy, talent, support and dedication to SPP. The work that you do is important and impactful and you make a positive difference every day.

As the new CEO of SPP, a trusted retirement product that fills a key need in Canada's retirement security landscape, it is a privilege to work with an engaged and professional Board. I thank the Board and the Ministry of Finance for their ongoing support and partnership. This report provides an overview of key statistics and financial information as we reflect on the outcomes achieved in 2025.

Understanding what is important to our members is essential and we welcome your feedback; it helps us refine our approach so that we deliver the best for you. Our team at SPP will continue to strive to deliver superior service, cost-effective oversight, and products that Canadians value.

Together, we are building a stronger future, one where every member can retire with confidence and peace of mind. Looking ahead to 2026, our focus will be on completing our digital transformation while unlocking new opportunities for growth and innovation. By continuing to modernize our systems and processes, we aim to deliver even greater value and convenience for our members while strengthening SPP's role as a trusted partner in retirement security.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'CHAD HILTON', written in a cursive style.

Chad Hilton
Chief Executive Officer
Saskatchewan Pension Plan

CORPORATE PHILOSOPHY

OUR MISSION

The Saskatchewan Pension Plan will provide a superior investment opportunity to enhance financial security.

OUR VISION

The trusted pension plan.

OUR VALUES

RESPECT

- Listening and working to understand and meet needs
- Communication must be direct, open, honest, and timely

INTEGRITY

- Behaving in a consistent manner, respecting commitments, and being true to one's word
- Upholding the highest ethical standard

INITIATIVE

- Encouraging creativity, learning, and self development
- Planning and executing new approaches and methods

TEAMWORK

- Accepting diversity and difference
- Co-operating to accomplish common goals

ACCOUNTABILITY

- Following through on commitments, agreements, and promises
- Openly sharing relevant information

STRATEGIC DIRECTION

SPP provides members with a smart and affordable means to save for retirement. Established as a fully funded capital accumulation plan by the provincial government, SPP was designed to offer supplementary retirement income to individuals who are underserved by traditional workplace pension arrangements. The Plan's mission is to deliver a superior investment experience that enhances long-term financial security for its members. SPP is a unique success story—not replicated by any other province or country. Canada's retirement income system is commonly described as having three pillars: Universal government benefits, such as Old Age Security; Canada Pension Plan (CPP); and employment pension plans and individual retirement savings. SPP is part of the third pillar, providing an individually funded, flexible retirement savings option that complements members' broader retirement strategies.

The Board is responsible for providing strategic direction for the administration of SPP. Its primary objective for the Plan is sustainable growth. While investment returns continue to play a major role in driving asset growth, the organization is increasingly focused on expanding membership as a key contributor to long-term success.

The Plan's expense ratio is influenced by economies of scale and operational expenditure decisions. As both membership and assets grow, fixed costs are spread across a larger base, improving overall efficiency. Maintaining disciplined and prudent management of operating expenditures remains essential to sustaining a favourable expense ratio.

SPP offers significant advantages to businesses seeking cost-effective and easy-to-administer retirement solutions. Many employers find traditional pension plans too expensive, rigid, or complex. SPP provides a flexible, accessible option that supports both employers and employees.

In an increasingly competitive labour market, employers report that offering a pension plan enhances their ability to recruit and retain employees. Research conducted by SPP confirms that access to a pension option is an important factor in achieving these outcomes. As a result, SPP continues to expand outreach to businesses, especially those without access to private pension arrangements.

Goal 1: Growth

Growth remains a central focus of the organization. The 848 new members who joined SPP in 2025, had an average age of 38.4 years. Combined contributions and transfers-in totaled \$45.8 million. Net assets under administration in the Contribution Fund (CF) reached \$790.0 million, consisting of: Balanced Fund (BF): \$778.9 million; Diversified Income Fund (DIF): \$11.1 million. The Annuity Fund (AF) managed \$114.7 million.

Goal 2: Enhance Member Experience

Superior service continues to be a key component of SPP's member experience. Online access tools and social media platforms provide timely information about participant accounts, financial planning, and pension education. Member engagement across digital channels remains strong. The Plan is nearing completion of a new pension administration system, which will further enhance member experience, streamline operations, and support future growth.

Goal 3: Prudent Financial Management

The Board remains committed to ensuring that the Plan is prudently and efficiently managed while delivering competitive rates of return. Effective cost management is an essential component of this stewardship. Management expense ratios (MER) for the year were: BF: 93 bps; DIF: 85 bps; and AF: 49 bps. These results demonstrate SPP's commitment to maintaining a cost-effective structure that supports strong net returns for members over time.

Goal 4: Efficient Organization

SPP continues to strengthen foundational systems to support long-term organizational efficiency. These efforts ensure the Plan remains operationally strong, technologically modernized, and well-equipped to meet current and future member needs.

Looking Ahead

SPP's continued success depends on its ability to meet evolving member expectations for high-quality service and competitive product offerings. The Plan remains committed to being the pension plan of choice for individuals, businesses, and their employees by providing accessible, reliable, and value-driven retirement solutions.

PLAN OPERATIONS

SPP is a voluntary, professionally managed, low cost retirement plan that supports members through both the accumulation of savings and the conversion of those savings into a secure pension. Individuals may join and contribute between the ages of 18 and 71. After contributions end, members can continue with SPP by converting their account balance to an SPP pension, allowing them to remain with the Plan throughout retirement. SPP members are full-time employees, part-time employees, self-employed people, homemakers, farmers and students. At December 31, 2025, SPP had 30,423 members (2024: 30,795).

NEW MEMBER PROFILE

- 848 people joined SPP in 2025.
- 88 per cent identified themselves as full-time, part-time or self-employed.
- Average age of new members in 2025 was 38.4 years.

SPP has comprehensive materials available for individuals who want more detailed Plan information. This literature can be obtained by:

- visiting the Plan's website at saskpension.com;
- visiting SPP's blog at savewithSPP.com;
- calling the toll-free line at 1-800-667-7153; or
- e-mailing the Plan at info@saskpension.com.

FEATURES OF SPP

The Plan is flexible so that members can make it fit their life situation and budget. The main features of SPP are:

- Voluntary - no obligation to contribute;
- Flexible - payment at any time during the year;
- Portable - people can join and contribute to the Plan regardless of where they reside or work;
- Professionally managed investments;
- Economies of scale which keep expenses low;

- Business pension option; and
- Several retirement options.

Members and the public use the toll-free inquiry line, email and the website to contact SPP. In 2025 the inquiry centre responded to approximately 16,982 inquiries.

MEMBER STATISTICS

Member status	%	Occupation	%	Age distribution	%
Active	75	Homemaker	10	18-25	2
Retired	25	Farmer	5	26-34	8
		Self-employed	10	35-49	28
		Full-time	47	50-65	30
		Part-time	16	Over 65	32
		Student	7		
		Other	5		

Sex	%
Female	62
Male	38

CONTRIBUTING TO SPP

Non-retired members can contribute subject to their available RRSP room. There is no minimum contribution. Contributions are tax deductible by the member or their spouse within RRSP guidelines.

During 2025, 10,429 members contributed to SPP with an average contribution of \$3,233 (2024: 10,403; \$2,995).

Business plans and individual members like the easy payment options available at SPP. They can use the pre-authorized contribution system; mail contributions to the Plan; use their Visa® or Mastercard® by phone, in person or on SPP's website; use the online banking service available at their financial institutions; or contribute, in person, at financial institutions.

Non-retired and variable benefit (VB) members can transfer in unlocked funds from Registered Retirement Savings Plans (RRSP), Registered Retirement Income Funds (RRIF), Deferred Profit Sharing Plans (DPSP) and Registered Pension Plans (RPP). In 2025, 302 members transferred \$12.1 million (2024: 338; \$12.5 million) into their SPP accounts.

Funds are locked in and vested and are used to provide the member with a pension at retirement. Contributions are creditor protected and cannot be seized, claimed or garnished in any way except in

PLAN OPERATIONS

the event of a court order under a marital division or Enforcement of Maintenance Order.

Assets of members who have not yet retired and for those receiving the VB are held in the CF.

Contributing and VB members may choose between a BF and DIF for investment. The BF is actively managed and contains bonds, mortgages, equities, real estate, infrastructure, private equity, private debt and money market investments. The purpose of the BF is to provide members with long-term growth. The DIF contains Canadian bonds, mortgages and money market instruments; it is designed to provide lower-risk returns by investing in diversified sources of income.

The Statement of Investment Policies and Goals is summarized on pages 18-20. More information on the CF performance in 2025 is found in the Investment report section (pages 14-17).

BUSINESS PLANS

SPP is uniquely positioned to help businesses enhance their employee benefit package by offering employers a simple, affordable and easily managed pension plan option for employees. Employers can use SPP to offer the benefit of a pension plan without incurring the costs of administration or future liability for pension payments. Employers simply deduct the contributions from their payroll or contribute on behalf of their employees on whatever schedule they choose.

RETIRING FROM SPP

Plan members can choose to retire from SPP between the ages of 55 and 71. At the time of retirement, members may direct all or part of their account to purchase an annuity from SPP, receive income from SPP's VB, transfer their account to a locked-in retirement account or prescribed registered retirement income fund with another financial institution, or a combination of the annuity and transfer options. SPP also offers a small pension payout option for members whose monthly benefit is less than the prescribed amount. In 2025, pensions under \$29.71 per month qualified for this option.

Each annuity the Plan offers will pay the recipient lifetime monthly benefits with possible payments to a beneficiary or survivor after the member's death.

RETIRED MEMBERS

- 971 members retired with an average age of 66.8 years.
- 94 members started an SPP annuity in 2025.
- Average monthly SPP annuity for new retirees was \$361.
- Highest monthly SPP annuity is \$2,113.
- 6,893 members received an SPP annuity at the end of 2025.
- Oldest retiree receiving payments is 103.
- 376 members elected the VB product.
- 317 members transferred into other retirement income vehicles.
- 184 chose the small account balance payout.

Annuity payments are determined by the member's account balance, age at retirement, annuity option and interest and annuity rates in effect. When members retire from SPP and choose an annuity from the Plan, their funds are transferred from the CF to the Annuity Fund (AF). The AF, a non-trading portfolio, invests in high-quality, long-term, fixed income instruments.

The VB is a retirement income option with no maximum withdrawal restriction and the option to withdraw part or all of the balance at any time. VB provides control over how much retirement income is withdrawn and when the withdrawals occur throughout the year. Members have the choice of how the money is invested within the Plan: the BF and/or the DIF. In this way, retirees can continue to receive the low fees while the investment continues to grow on a tax-sheltered basis.

PLAN OPERATIONS

ADMINISTRATION

SPP is administered by a Board of Trustees (Board) who act as trustee of the fund and administer the Plan in accordance with *The Saskatchewan Pension Plan Act* and Regulations and Board policies.

Board members are appointed by Order-in-Council and serve staggered three-year terms. Trustees for the period reviewed in this report were: Timothy Calibaba, Chairperson; Rene Benoit; Kimberly Enge; Paul Jaspar; Barbara Shourounis, and Rodney Trayhorne.

Responsibility for daily administration of the Plan is delegated to the Chief Executive Officer. In addition, the Board employs a number of consultants and specialists to assist them with managing member funds. These include:

- professional money managers: TD Asset Management (TDAM), Leith Wheeler Investment Counsel Ltd. (Leith Wheeler), Fengate Capital Management Ltd (Fengate), Ninepoint Partners LP (Ninepoint), and HarbourVest Partners LLC (HarbourVest) who are responsible for investing member funds according to the Board's investment policies;
- a custodian, RBC Investor and Treasury Services, who holds all securities and cash in the funds and reports independently to the Board, thereby ensuring all funds are safeguarded;
- an investment consultant, Convyta, formerly George & Bell, who assists the Board in monitoring the performance of the investment managers; and
- an actuarial consultant, Aon, who performs the annual actuarial valuation which assists the Board with monitoring the AF performance.

Administrative expenses are paid from Plan earnings. SPP focuses on providing efficient service at a reasonable cost.



SPP Board of Trustees: (Left to Right) Rodney Trayhorne, Barbara Shourounis, Timothy Calibaba, Rene Benoit, Kimberly Enge, and Paul Jaspar.

PRIVACY

The Plan only collects the personal information necessary to run the program. The general rule of SPP's internal privacy policy stipulates that personal information can only be disclosed to the member or their authorized representative.

The Freedom of Information and Protection of Privacy Act was enacted in 1992 and is the primary piece of provincial legislation governing privacy. In addition to complying with this legislation, SPP also complies with the Overarching Personal Information Privacy Framework for Executive Government.

Questions about privacy should be directed to the Plan's Privacy Officer.

INVESTMENT REPORT

Equities were a key driver for returns in 2025. Canadian equities performed particularly well, benefiting from strength in financials and materials, including record high gold prices. International and emerging markets also ended strongly. Real assets and private markets produced varied results but continued to demonstrate their diversification benefits. Infrastructure remained resilient, supported by contracted revenues and defensive characteristics. Real estate markets showed tentative signs of stabilization after a challenging period. As SPP added the HarbourVest Private Equity Fund to the Balance Fund's asset mix in December, private equity markets were showing renewed strength. By year end, financing conditions had improved and exit markets had largely reopened, creating a favourable backdrop for introducing this new private equity exposure.

2025 market returns	
S&P/TSX Capped Composite Index	31.7%
S&P 500 Index (C\$)	12.4%
MSCI EAFE Index (C\$)	25.1%
MSCI/REALPAC Canada Quarterly PFI	1.2%
FTSE Canada Universe Bond Index	2.6%
FTSE Canada 91-day T-Bill	2.8%

Economic conditions remained broadly resilient, despite periods of volatility due to trade tensions, tariff announcements and concerns around global markets. Growth moderated in Canada but stayed positive, while inflation averaged approximately 2.4 per cent—remaining within the Bank of Canada's target range for the second consecutive year. The Canadian dollar strengthened against the U.S. dollar as interest rates between the two countries converged and oil prices remained steady.

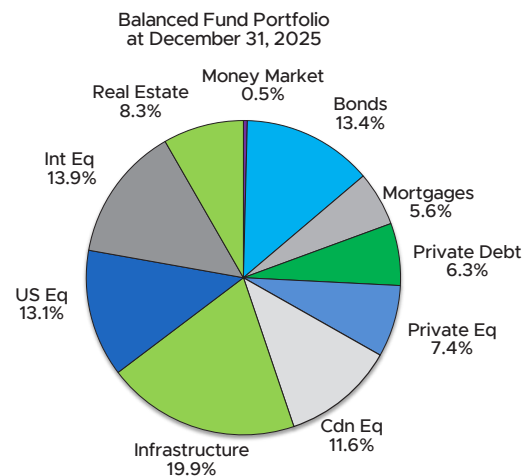
Canada enters 2026 on steadier footing following a volatile prior year. The economy is supported by easing inflation, stable interest rates, and fiscal initiatives aimed at strengthening productivity and broadening trade capacity. We believe our portfolios are well positioned, and we will look to take advantage of the opportunities the new year presents as we move into 2026.

CONTRIBUTION FUND - BF RESULTS

The Balanced Fund (BF) is structured to provide long-term capital growth and downside risk protection in challenging markets, performing above other comparator balanced funds. The fund holds a mixture of equities, fixed income, Canadian real estate, private debt, and infrastructure investments. The net assets of the BF increased in market value from \$704.2 million to \$778.9 this year. This represents a return of 9.4 per cent after administration costs. Historic rates of return are shown in the accompanying table. The fund is managed by TDAM, Leith Wheeler, Ninepoint, HarbourVest, and Fengate.

SPP balanced fund return history	
2025	9.4%
5 year return	6.9%
10 year return	7.1%
Since inception (40 years)	7.8%

The chart below shows the BF asset mix on December 31, 2025.



The narrative that follows summarizes BF performance by asset class. The tables show the sector weighting of all asset class portfolios. The rates of return used exclude administration fees, which allows for a valid comparison to benchmarks. SPP's year-end return, before administration expenses, was 10.3 per cent compared to a benchmark of 11.4 per cent.

INVESTMENT REPORT

CANADIAN EQUITIES

Top 10 Canadian equity holdings					
		% of Portfolio		% of Portfolio	
1.	Royal Bank of Canada	8.4	6.	Constellation Software	3.4
2.	Toronto-Dominion Bank	6.8	7.	Shopify	2.9
3.	Toromont Industries	3.7	8.	Cdn. Natural Resources	2.9
4.	Bank of Montreal	3.7	9.	Waste Connections	2.5
5.	CIBC	3.5	10.	Metro	2.4

The S&P/TSX Composite Index returned 31.7 per cent. The best performing sectors in Canadian equities were materials and financials. Weakness in the health care and industrials offset the overall index returns. SPP's Canadian equity portfolio returned 21.2 in the year with TDAM returning 23.8 per cent and Leith Wheeler returning 19.4 per cent.

	S&P/TSX Weight (%)	Portfolio Weight (%)	Index Return (%)
Materials	14.4	7.2	100.6
Financials	32.4	37.2	35.3
S&P/TSX			31.7
Consumer discretionary	3.3	3.0	31.0
Information technology	10.1	7.9	23.1
SPP			21.2
Utilities	3.7	5.5	19.7
Energy	16.1	13.0	19.2
Consumer staples	3.7	6.5	12.8
Communications	2.2	1.7	11.0
Real estate	1.8	2.3	4.2
Industrials	12.0	15.7	3.1
Health care	0.3	-	0.4
Total	100.0	100.0	

U.S. EQUITIES

Top 10 U.S. equity holdings					
		% of Portfolio		% of Portfolio	
1.	Alphabet	5.1	6.	Amazon.com	2.0
2.	NVIDIA Corporation	4.2	7.	Meta Platforms	2.0
3.	Microsoft	3.8	8.	JPMorgan Chase & Co.	1.9
4.	Apple	3.4	9.	Exxon Mobil Corp.	1.8
5.	Broadcom	2.6	10.	Bank of America	1.3

The S&P 500 Index (C\$) returned 12.4 per cent. Positive contributors to relative performance included communication, information technology, and industrials. Consumer staples and real estate had a negative impact on the portfolio. SPP's U.S. Equity portfolio returned 10.1 per cent: 12.0 per cent from TDAM and 8.9 per cent from Leith Wheeler's sub-advisor Barrow Hanley.

	S&P 500 Weight (%)	Portfolio Weight (%)	Index Return (C\$) (%)
Communications	9.8	8.2	27.3
Information technology	32.8	20.6	18.2
Industrials	8.4	9.8	13.8
S&P 500			12.4
Utilities	2.4	5.0	10.6
SPP			10.1
Financials	13.8	18.5	9.6
Health care	9.8	11.0	9.2
Materials	1.9	4.7	5.4
Energy	3.1	5.6	3.6
Consumer discretionary	10.6	8.7	1.1
Cash	-	0.3	-
Consumer staples	5.4	4.0	-1.0
Real estate	2.0	3.6	-1.7
Total	100.0	100.0	

INVESTMENT REPORT

NON-NORTH AMERICAN EQUITIES

Top 10 Non-North American equity holdings			
	% of Portfolio		% of Portfolio
1. Enel SpA	1.8	6. HSBC Holdings	1.4
2. Julius Baer Group	1.5	7. Aker BP	1.4
3. Boliden AB	1.5	8. ABB Ltd.	1.4
4. Fortum	1.5	9. ASML Holding	1.4
5. Erste Group Bank	1.5	10. Engie SA	1.3

The MSCI EAFE (C\$) returned 25.1 per cent. The SPP Non-North American equity portfolio returned 28.9 per cent for the year. TDAM returned 21.7 per cent and Leith Wheeler 33.7 per cent.

	MSCI EAFE Weight (%)	Portfolio Weight (%)	Index Return (C\$) (%)
Spain	3.9	0.7	73.8
Austria	0.3	1.5	69.2
Finland	1.2	4.2	49.8
Italy	3.3	7.4	48.2
Portugal	0.2	-	30.6
Netherlands	5.0	3.6	30.5
Sweden	3.7	3.8	30.1
Belgium	1.1	-	30.0
Germany	9.7	8.6	29.9
SPP			28.9
United Kingdom	14.9	18.2	28.8
Ireland	0.5	-	28.5
Norway	0.6	3.2	27.7
Switzerland	9.6	5.8	27.2
Singapore	1.7	1.3	26.2
Israel	1.1	-	26.0
MSCI EAFE			25.1
France	10.7	6.9	22.4
Japan	22.1	16.9	18.8
Australia	6.4	3.1	9.4
Hong Kong	2.0	2.6	9.2
New Zealand	0.1	-	-5.2
Denmark	1.9	1.8	-17.5
Other	-	2.9	-
Emerging markets	-	5.8	-
Cash	-	1.7	-
Total	100.0	100.0	

FIXED INCOME

	FTSE UBI Weight (%)	Portfolio Weight (%)	Index Return (%)
Corporate	25.2	29.0	8.4
Municipal	2.0	0.8	7.5
Provincial	33.8	18.3	7.3
Federal	39.0	21.5	5.0
SPP			3.5
FTSE UBI			2.6
High yield	-	0.4	-
Mortgages	-	29.4	-
Cash	-	0.6	-
Total	100.0	100.0	

The FTSE Canada Universe Bond Index, which measures Canadian bond market returns, returned 2.6 per cent. Fixed income markets experienced mixed results. Yields declined early in the year amid policy rate cuts, but later rose as inflation concerns due to tariffs and import costs cautioned investors. SPP's fixed income portfolio had a return of 3.5 per cent. TDAM returned 3.4 per cent and Leith Wheeler returned 3.5 per cent.

REAL ESTATE

The MSCI/REALPAC Canada Quarterly Property Fund Index, which measures real estate market returns, returned 1.2 per cent in the year. Returns remained subdued amid sensitivity to interest rates and input costs. The SPP real estate portfolio, managed exclusively by TDAM, returned -1.5 per cent.

INFRASTRUCTURE

The benchmark for the infrastructure portfolio is the Consumer Price Index (CPI) plus 5 per cent. The infrastructure portfolio returned 8.4 per cent, exceeding the benchmark of 7.4 per cent. TDAM returned 12.0 per cent for their portion of the infrastructure portfolio and Fengate returned 3.9 per cent. The sector remains resilient, supported by contracted revenues and defensive characteristics.

INVESTMENT REPORT

MORTGAGES

The benchmark for the mortgage portfolio is 60 per cent FTSE Canada Short Term Bond Index plus 40 per cent FTSE Canada Mid Term Bond Index plus 0.5 per cent. The mortgage portfolio returned 6.0 per cent exceeding the benchmark return of 4.4 per cent. 2025's strong performance continues to be attributed to robust income generation. TDAM will continue to look to off-market opportunities for creative structuring, to find continued success in a highly competitive lending market.

PRIVATE DEBT

The benchmark for the private debt portfolio is an absolute return of 6.0 per cent. The Ninepoint portfolio returned -6.9 per cent. Quarterly redemptions commenced this year due to underperformance.

PRIVATE EQUITY

This is the Fund's newest asset class to complement the investments in public markets. The goal is to enhance returns without increasing risk.

CONTRIBUTION FUND – DIF RESULTS

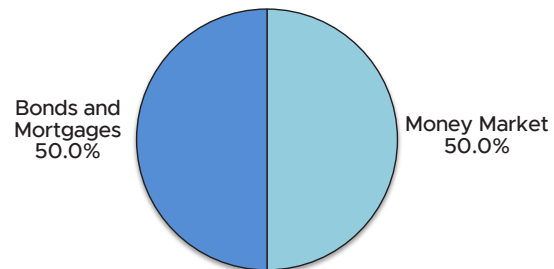
SPP diversified income fund return history	
2025	3.0%
5 year return	1.2%
Since inception (6 years)	1.7%

The objective of the Diversified Income Fund (DIF) is to provide a low-risk option that offers income from diversified sources. The fund invests

in Canadian short-term investments, bonds, and mortgages with an equal target split between the two investment fund types. The benchmark for the fund, invested solely by TDAM, returned 3.4 per cent while SPP's return was 3.8 per cent.

At year-end the DIF held \$11.1 million in net assets. The DIF return to members after administration costs was 3.0 per cent. The chart in the next column shows the DIF asset mix on December 31, 2025.

Diversified Income Fund Portfolio at December 31, 2025



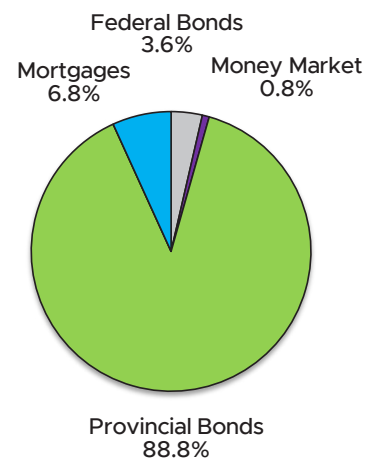
ANNUITY FUND

The annuity fund's (AF) purpose is to provide lifetime retirement income to members. The fund is structured to provide adequate cash to meet pension payments in the early years and to immunize the portfolio beyond. Immunization is a strategy that matches the duration of assets and liabilities to minimize the impact of changes in interest rates.

The AF consists of high-quality bonds, mortgages and short-term investments. Global bond markets saw flat returns as inflation concerns persisted.

Total assets of the fund on December 31, 2025 were \$114.7 million and there was an actuarial surplus of \$3.5 million as at the same date. The fund is managed by TDAM and the chart below shows its composition as of December 31, 2025.

Annuity Fund Portfolio at December 31, 2025



INVESTMENT POLICY SUMMARY

The Saskatchewan Pension Plan's aim is to create portfolios with risk/return characteristics suitable for members to grow their retirement savings.

The Plan has developed and implemented investment policies that communicate the investment philosophy to the pension plan investment managers. Each fund has its own Statement of Investment Policies and Goals (SIP&G) which describe the objectives and the overall risk philosophy of the fund.

The asset mix policy, or the Fund's allocation to different asset classes, is a key component of the SIP&G. It is through the asset allocation decision that SPP diversifies its investments across asset classes and attempts to balance the level of risk in each portfolio. The Board monitors, on an ongoing basis, the performance of the Funds, the investment managers and reviews the SIP&G for each fund at least once annually. The SIP&Gs are available on the SPP website at saskpension.com under Resources/Annual Reports.

SPP has established two funds to hold the assets of the Plan: the CF and AF. The investments must be eligible investments as outlined in *The Pension Benefits Act* and Regulations, the *Income Tax Act* (Canada) and Regulations, and all subsequent amendments.

CONTRIBUTION FUND

The CF holds assets of non-retired members and VB members. The assets are accumulated under a defined contribution or capital accumulation arrangement.

Members have two options in which to invest their money, the BF and the DIF.

The BF is the default investment fund for new members. The objective of this fund is to accumulate the assets of members and invest these assets in a prudent, risk-controlled manner to provide for long-term growth. The fund balances the need for capital growth of younger members with the desire for capital preservation of older members by targeting a well-diversified portfolio with a slight bias to equities over fixed income investments.

The DIF is designed for members who are seeking a low risk option that offers income. The objective of the DIF is to reduce risk by investing in diversified sources of income, allowing members who typically have a shorter-term horizon, to reduce their equity exposure. Those who are willing to accept a lower return in order to minimize financial risk may choose this fund.

RISK MANAGEMENT

The Plan is exposed to a variety of financial risks as a result of its investment activities. In the BF these risks include credit risk, market risk, liquidity risk, and real estate and infrastructure risk. The DIF is subject to interest rate risk, inflation risk and credit risk. The Plan has implemented strategies to mitigate financial risks through its investment policy.

This policy contains risk management provisions that govern investment decisions and is designed to achieve the objectives of the Board.

These risks are closely monitored and managed by:

- diversifying the asset classes, diversifying within each individual asset class and diversifying by manager style;
- establishing quality, quantity and diversification guidelines;
- setting performance goals and objectives and establishing benchmark performance;
- expectations to measure progress towards the attainment of these goals;
- retaining an investment consultant who monitors the investment performance of the fund on a quarterly basis and reports to the Board on investment manager-related issues that may have an impact on fund performance;
- having management conduct monthly reviews of compliance of each investment manager with the quality and quantity guidelines contained in the policy; and
- reviewing quarterly reports from investment managers on compliance with the Investment Policy.

INVESTMENT POLICY SUMMARY

ASSET MIX

The BF has adopted an asset mix that has a slight bias to equity investments as shown in the table below:

Asset Mix			
Asset Class (% of fair value)	Minimum %	Benchmark %	Maximum %
Equities			
Canadian	3	<u>10</u>	17
U.S.	5	12.5	20
Non-North American	5	<u>12.5</u>	20
Foreign	10	<u>25</u>	40
Private	0	<u>7.5</u>	15
Total equities	27.5	42.5	57.5
Alternatives			
Real estate	-	5	15
Infrastructure	-	<u>25</u>	35
Total alternatives	-	30	40
Fixed income			
Bonds*	4	14	30
Mortgages	-	5	10
Private Debt	-	7.5	15
Short term	-	1	10
Total Fixed income	15	<u>27.5</u>	40
Total Fund		<u>100</u>	

*Includes core plus bond, multi credit, and global bond funds.

A balanced investment management structure has been adopted for management of the BF assets, consisting of two active balanced managers with offsetting styles, a specialist private debt manager, a specialist private equity manager, and a specialist infrastructure manager.

The Board has established the following long-term parameters for the allocation of the BF assets:

Assets (as a % of market value)	Long-term Benchmark (%)
TDAM	47.5
Leith Wheeler	27.5
Ninepoint	7.5
Fengate	10
HarbourVest	7.5

The DIF invests between the pooled money market fund and fixed income pooled fund as seen below:

Asset Mix			
Asset Class (% of fair value)	Minimum %	Benchmark %	Maximum %
Short-term	40	50	60
Short-term Core Plus Bonds	40	<u>50</u>	60
Total Fund		<u>100</u>	

The pooled money market fund contains high quality money market instruments issued by governments, corporations, trusts and other commercial entities.

All securities in the fund have a term to maturity of 365 days or less. The pooled fixed income securities fund is a diversified portfolio of Canadian fixed income securities, high yield securities and Canadian commercial real estate mortgages.

PERFORMANCE MEASUREMENT

The primary investment performance objective of each fund is to earn a rate of return that exceeds the rate of return earned on the benchmark portfolio. A second objective is to exceed the benchmark index in each of the asset classes in which the manager invests. Finally, the BF's long-term investment goal is to achieve a minimum annualized rate of return of three per cent in excess of the Canadian Consumer Price Index assessed over annualized rolling four-year periods.

The DIF's long-term investment goal is to provide members with an investment option that provides a measure of protection from interest rate and credit risk by investing in diversified sources of income.

INVESTMENT POLICY SUMMARY

ANNUITY FUND

The AF holds assets of retired members transferred from the CF and SPP variable benefit pension. Assets in the fund are used to provide annuity payments for the life of a retired member. Overall, the risk tolerance of the fund is low as the fund cannot tolerate loss of principal.

RISK MANAGEMENT

The objectives of the AF are:

- to structure the investment portfolio so that the Fund's net assets are immune to changes in the level of interest rates;
- to provide sufficient liquidity to ensure payments to retired members when due; and
- to ensure long-term solvency of the Fund.

The ability to meet this objective is affected by two factors:

- fluctuations in the value of the investment portfolio, which are caused by changes in financial markets (primarily credit, market and liquidity risks); and
- changes in the value of the Plan's accrued benefit obligation, which is driven by both economic and demographic factors.

To achieve its objectives, the fund invests in high-quality fixed income and short-term investments all denominated and payable in Canadian dollars. Interest rate risk is addressed by matching estimated future cash payments with interest and principal payments.

ACTUARIES' OPINION

Aon was retained by the Saskatchewan Pension Plan (the Plan) to perform an actuarial valuation of the assets and liabilities of the Saskatchewan Pension Plan on a funding basis as at December 31, 2025. The valuation of the Plan's actuarial assets and liabilities were based on:

- Membership and asset data compiled by the Saskatchewan Pension Plan as at December 31, 2025; and
- Assumptions about future events (economic and demographic) which were developed by Aon.

While the actuarial assumptions used to estimate liabilities for the Plan are, in our opinion, appropriate, the Plan's future experience will differ from the actuarial assumptions. Emerging experience differing from the assumptions will result in gains or losses that will be revealed in future valuations and will affect the financial position of the Plan.

We have tested the data for reasonableness and consistency with prior valuations and in our opinion the data is sufficient and reliable for the purposes of the valuation. We are also of the opinion that the methods employed in the valuation and assumptions used are appropriate. Our opinions have been given and our valuation has been performed in accordance with accepted actuarial practice in Canada.



Nathan Conway, FSA, FCIA
Fellow, Canadian Institute of Actuaries



Brad Nehring, FSA, FCIA
Fellow, Canadian Institute of Actuaries

March 13, 2026

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the Saskatchewan Pension Plan, and all information in this annual report, have been prepared by Plan management which is responsible for the reliability, integrity and objectivity of the information provided. The statements have been prepared in accordance with Canadian accounting standards for pension plans and necessarily include some estimates based on management's judgment. Other financial information in this annual report is consistent with that provided in the financial statements.

The Plan's accounting system and related system of internal controls are designed to provide reasonable assurance that transactions are properly authorized and recorded, assets are safeguarded and financial records are properly maintained to provide reliable information for use in the preparation of financial statements.

The Board of the Plan is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board reviews and approves the financial statements.

These financial statements have been audited by the Plan's independent external auditor, KPMG LLP, in accordance with Canadian generally accepted auditing standards, on behalf of the Members of the Legislative Assembly of Saskatchewan.



Chad Hilton
Chief Executive Officer



Cheryl Andreas, CPA, CGA
Senior Director, Finance and Member Service

March 30, 2026



INDEPENDENT AUDITOR'S REPORT

To the Members of the Legislative Assembly,
Province of Saskatchewan

OPINION

We have audited the financial statements of Saskatchewan Pension Plan (the Plan), which comprise:

- the statement of financial position as at December 31, 2025
- the statement of changes in net assets available for benefits for the year then ended
- the statement of changes in provision for annuity obligations for the year then ended
- and notes to the financial statements, including a summary of material accounting policy information

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

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

BASIS FOR OPINION

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

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

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

OTHER INFORMATION

Management is responsible for the other information. Other information comprises the 2025 Annual Report

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

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

We obtained the information, other than the financial statements and the auditor's report thereon, included in the 2025 Annual Report document as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

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

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

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



INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and,

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

March 30, 2026

**SASKATCHEWAN PENSION PLAN
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31 (\$ THOUSANDS)**

	2025			2024		
	Contribution Fund	Annuity Fund	Total	Contribution Fund	Annuity Fund	Total
ASSETS						
Investments (Notes 4 and 5)	\$ 781,027	\$ 114,005	\$ 895,032	\$ 706,710	\$ 115,952	\$ 822,662
Cash	3,231	3,144	6,375	3,150	1,313	4,463
Accrued investment income	310	579	889	301	604	905
Prepaid (deferred)						
retirement transfers	3,893	(3,893)	-	2,104	(2,104)	-
Prepaid annuity benefits	-	911	911	-	903	903
Other assets	3,516	285	3,801	1,943	182	2,125
Total assets	791,977	115,031	907,008	714,208	116,850	831,058
LIABILITIES						
Administrative expenses payable	1,209	117	1,326	819	127	946
Death and other benefits payable	602	187	789	461	61	522
Lease liability	180	15	195	171	16	187
Total liabilities	1,991	319	2,310	1,451	204	1,655
NET ASSETS AVAILABLE FOR BENEFITS						
	789,986	114,712	904,698	712,757	116,646	829,403
Obligation to Contribution Fund members	789,986	-	789,986	712,757	-	712,757
Accrued obligations (Note 6)	-	111,248	111,248	-	111,555	111,555
SURPLUS	\$ -	\$ 3,464	\$ 3,464	\$ -	\$ 5,091	\$ 5,091

Commitments (Note 13)

(See accompanying notes to the financial statements)

ON BEHALF OF THE TRUSTEES:



Timothy W. Calibaba, ICD.D



Paul Jaspar, SVM, FCPA, FCA

SASKATCHEWAN PENSION PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31 (\$ THOUSANDS)

	2025			2024		
	Contribution Fund	Annuity Fund	Total	Contribution Fund	Annuity Fund	Total
INCREASE IN ASSETS						
Investment income						
Interest and other income	\$ 1,878	\$ 4,399	\$ 6,277	\$ 2,133	\$ 4,498	\$ 6,631
Dividends	1,799	-	1,799	1,675	-	1,675
Pooled funds	28,659	428	29,087	34,703	427	35,130
	<u>32,336</u>	<u>4,827</u>	<u>37,163</u>	<u>38,511</u>	<u>4,925</u>	<u>43,436</u>
Change in fair value of investments						
Realized	34,071	(382)	33,689	8,924	(591)	8,333
Unrealized	8,400	(537)	7,863	25,100	346	25,446
Contributions	45,768	-	45,768	43,648	-	43,648
Transfers from Contribution Fund	-	6,418	6,418	-	7,535	7,535
Total increase in assets	<u>120,575</u>	<u>10,326</u>	<u>130,901</u>	<u>116,183</u>	<u>12,215</u>	<u>128,398</u>
DECREASE IN ASSETS						
Annuities to pensioners	-	10,763	10,763	-	10,764	10,764
Administrative expenses (Note 9)	7,005	568	7,573	6,121	573	6,694
Transfers to other plans	18,609	-	18,609	16,270	-	16,270
Transfers to Annuity Fund	6,418	-	6,418	7,535	-	7,535
Variable benefit to pensioners	9,788	-	9,788	8,365	-	8,365
Deaths and other benefits	1,526	929	2,455	1,723	600	2,323
Total decrease in assets	<u>43,346</u>	<u>12,260</u>	<u>55,606</u>	<u>40,014</u>	<u>11,937</u>	<u>51,951</u>
Increase (decrease) in net assets	77,229	(1,934)	75,295	76,169	278	76,447
NET ASSETS AVAILABLE FOR BENEFITS						
BEGINNING OF YEAR	<u>712,757</u>	<u>116,646</u>	<u>829,403</u>	<u>636,588</u>	<u>116,368</u>	<u>752,956</u>
NET ASSETS AVAILABLE FOR BENEFITS						
END OF YEAR	<u>\$ 789,986</u>	<u>\$ 114,712</u>	<u>\$ 904,698</u>	<u>\$ 712,757</u>	<u>\$ 116,646</u>	<u>\$ 829,403</u>

(See accompanying notes to the financial statements)

SASKATCHEWAN PENSION PLAN
STATEMENT OF CHANGES IN PROVISION FOR ANNUITY OBLIGATIONS
FOR THE YEAR ENDED DECEMBER 31 (\$ THOUSANDS)

	2025	2024
PROVISION FOR ANNUITY OBLIGATIONS, BEGINNING OF YEAR	\$ 111,555	\$ 111,532
INCREASE IN PROVISION FOR ANNUITY OBLIGATIONS		
Mortality experience	57	-
Interest on annuity obligations	3,960	3,948
Liability due to new annuities	6,116	7,230
Change in interest rate assumption	944	-
	<u>11,077</u>	<u>11,178</u>
DECREASE IN PROVISION FOR ANNUITY OBLIGATIONS		
Mortality experience	-	102
Change in interest rate assumption	-	79
Annuities paid with interest	11,384	10,974
	<u>11,384</u>	<u>11,155</u>
Net (decrease) increase in provision for annuity obligations	<u>(307)</u>	<u>23</u>
PROVISION FOR ANNUITY OBLIGATIONS, END OF YEAR	<u>\$ 111,248</u>	<u>\$ 111,555</u>

(See accompanying notes to the financial statements)

SASKATCHEWAN PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

1. Description of Plan

(a) General

The Saskatchewan Pension Plan ("SPP" or the "Plan") was established by the Government of Saskatchewan to provide an opportunity for individuals with little or no access to private pensions or other retirement savings arrangements to save for their retirement. Details of the Plan are contained in *The Saskatchewan Pension Plan Act* (the "Act") and Regulations.

(b) Funds established

The Plan is comprised of a Contribution Fund (CF) and an Annuity Fund (AF). These funds are managed by professional investment managers whose investment performance is measured against objectives established by the Saskatchewan Pension Plan Board of Trustees (Board) as outlined in the Statement of Investment Policies and Goals.

Contribution Fund (CF)

The CF is a defined contribution fund established to accumulate all contributions and earnings for all non-retired and variable benefit (VB) members. There are two investment options available to CF members, the Balanced Fund (BF) and the Diversified Income Fund (DIF). The asset mix of each fund is established based on the expected volatility of the underlying securities. The BF portfolio includes equities, real estate, infrastructure, private debt, private equity, mortgages, bonds and money market investments. The DIF holds Canadian bonds, mortgages and money market investments. Members of SPP have the option to invest in the BF, the DIF or a combination of both. New members who do not make a choice are invested in the Plan's default option which is the BF. Members bear the risk of investment losses and are the beneficiaries of investment gains.

Annuity Fund (AF)

The AF was established to provide Plan members with the option of purchasing a life annuity at retirement. If a member elects to purchase an annuity from the AF, the individual account balance is transferred from the CF to the AF and a pension contract is established. The AF holds investments in high quality long-term bonds and mortgages. The AF also holds money market investments for current pension needs and to pay administration costs. Equity investments are not permitted. The investment portfolio is structured to limit the effect on the AF due to changes in the level of interest rates, to provide sufficient liquidity for annuity payments to retirees when due and to ensure long-term solvency.

(c) Contributions

Participation in the CF is voluntary and non-retired members can contribute any amount subject to their available RRSP room. Contributions are vested immediately in the member's name and are locked into the Plan until retirement. Both non-retired and VB members may also transfer in from unlocked Registered Retirement Savings Plans (RRSP), Registered Retirement Income Funds (RRIF), Deferred Profit Sharing Plans (DPSP) or Registered Pension Plans (RPP) to SPP.

(d) Retirement

Members may retire under the Plan as early as age 55 or delay retirement as late as age 71. A member's accumulated account balance at retirement consists of member's contributions to the Plan together with the investment income and changes to the fair value of the Plan's investments allocable to the member as of that date under the terms of the Plan. Upon retirement, members may purchase an annuity through the AF, choose the VB pension option staying invested in the CF, or they may transfer all or part of their account to a locked-in pension option with another financial institution.

(e) Income tax

The Plan is a specified pension plan under the *Income Tax Act* and is not subject to income tax.

SASKATCHEWAN PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

1. Description of Plan, continued

(f) Death benefits

Should a member die prior to retirement, the funds in his or her account will be paid to the named beneficiary or estate in accordance with the member's designation and are subject to the *Income Tax Act* and applicable legislation. If the beneficiary is the member's spouse, the funds may be transferred to the spouse's SPP account or to their own registered retirement savings plan.

Should a member die after retirement, death benefits are payable according to the type of pension option the member selected at retirement.

(g) Withdrawal provisions

Members whose monthly pensions are less than the prescribed amount can withdraw their total pension in one lump sum instead of receiving monthly benefits. In 2025, the prescribed amount was \$29.71 (2024: \$28.54).

2. Basis of presentation

(a) Statement of compliance

The financial statements for the year ended December 31, 2025 have been prepared in accordance with Canadian accounting standards for pension plans as defined in the CPA Handbook, Section 4600, Pension Plans. For matters not addressed in Section 4600, IFRS Accounting Standards have been followed.

The financial statements were authorized and issued by the Board on March 31, 2026.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for investments, which are stated at fair value.

(c) Functional and presentation currency

These financial statements are presented in Canadian Dollars, which is the Plan's functional currency, and are rounded to the nearest thousand as noted.

3. Summary of material accounting policies

(a) Valuation of investments

Investments are stated at fair value in the statement of financial position. The change in the fair value of investments from the beginning to end of each year is reflected in the statement of changes in net assets available for benefits.

The fair value of investments is determined as follows:

- (i) Money market and money market pooled fund investments, comprising of treasury bills and bankers acceptances, are valued at cost, which together with accrued investment income, approximates fair value given the short-term nature of these investments.
- (ii) Bonds and the bond pooled fund are valued at year-end quoted market prices in an active market when available. When quoted market prices are not available, the fair value is based on a valuation technique, being the present value of the principal and interest receivable discounted at appropriate market interest rates.
- (iii) Equities are valued at year-end quoted prices from accredited stock exchanges on which the security is principally traded. Equity pooled fund investments are valued at the unit price supplied by the pooled fund administrator, which represents the underlying net assets of the pooled fund at fair values determined using closing prices.
- (iv) Real estate pooled fund is valued using market values from independent appraisals.

SASKATCHEWAN PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3. Summary of material accounting policies, continued

- (v) Mortgage pooled fund is valued using spread-based pricing, over Government of Canada bonds, with a similar term to maturity.
- (vi) Infrastructure pooled fund is valued using a discounted cash flow method by an independent third party valuation firm.
- (vii) Private debt pooled funds are valued at the fair value established by external investment managers. These fair values are prices 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.
- (viii) Private equity pooled funds are valued at fair value, generally based on the most recent quarterly net asset value reported by the underlying investment managers and adjusted, where applicable, to reflect a monthly valuation. On a monthly basis, such valuations may be adjusted to reflect capital contributions, distributions, foreign exchange movements, changes in relevant public market comparables, and other material events occurring through the valuation date.

(b) Investment transactions and income recognition

Investment transactions are recorded as of the trade date (the date upon which the substantial risks and rewards are transferred). The Plan follows the accrual method for the recording of income and expenses. All transaction costs in respect of purchases and sales of investments are recorded as part of administrative expenses in the statement of changes in net assets available for benefits. Dividend income is recognized based on the date of record. Realized and unrealized gains and losses of investments are reflected in the change in fair value of investments.

(c) Fair value of other liabilities

Administrative expenses payable and death and other benefits payable are all short term in nature and, as such, their carrying value approximates fair value.

(d) Accrued obligations

The accrued obligation for the AF is determined based on an actuarial valuation prepared by Aon, an independent firm of actuaries. The valuation is prepared annually at December 31. Any change in the liability pursuant to the valuation is recognized as an increase or decrease in that year's statement of changes in provision for annuity obligations.

(e) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate in effect at year-end. Investments, revenues and expenses are translated at the exchange rate in effect at the transaction date. The realized and unrealized gains and losses arising on translation are included in the change in fair value of investments.

(f) Use of estimates and judgments

The preparation of financial statements in accordance with Canadian accounting standards for pension plans requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses, and related disclosures of contingent assets and liabilities. Actual results could differ from these estimates. Significant estimates included in the financial statements relate to the valuation of investments (see Note 4 and Note 5) and the provision for annuity obligations (see Note 6).

(g) Adoption of amended accounting standards

The following standards have upcoming amendments or changes that are not yet in effect:

- (i) IFRS Accounting Standards – amendments to IFRS 9 for classification and measurement of financial instruments will be effective for fiscal years beginning on or after January 1, 2026; and
- (ii) Section 4600, Accounting standards for pension plans – improvements to presentation and disclosure of investment for pension plans. These amendments are intended to increase consistency, clarity, and usefulness of investment information provided to users of pension plan financial statements and will be effective for years on or after January 1, 2027.

SASKATCHEWAN PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

3. Summary of material accounting policies, continued

The Plan intends to adopt the amended standards in the fiscal year in which they become effective. Management is currently analyzing the impact these new standards will have on the financial statements.

4. Contribution fund investments

(a) Investments

The CF invests directly or through pooled funds in accordance with the Board's policy of asset diversification. The CF investments consist of the following:

<i>(\$ thousands)</i>	2025	2024
Bonds and bond pooled funds		
Federal	\$ 14,050	\$ 23,249
Provincial	14,260	19,137
Corporate	12,950	13,352
Bond pooled fund	67,746	46,469
	109,006	102,207
Equities and equity pooled funds		
Canadian equities	43,248	41,375
Canadian equity pooled fund	46,017	33,411
United States equities	48,106	44,050
US equity pooled fund	52,666	69,548
International equity pooled funds	106,848	105,664
	296,885	294,048
Other		
Money market pooled funds	8,928	12,360
Infrastructure pooled fund	153,279	135,924
Real estate pooled fund	63,764	67,709
Mortgage pooled fund	43,284	38,080
Private debt pooled fund	48,881	56,382
Private equity pooled fund	57,000	-
	375,136	310,455
Total CF Investments	\$ 781,027	\$ 706,710

Bonds and bond pooled funds

The portfolio contains bonds that the CF holds directly or in pooled funds, including multi credit bonds, private placement bonds and bonds issued by foreign entities, all denominated and paid in Canadian dollars. Bonds are subject to a minimum quality standard of "BBB" or equivalent, as rated by a recognized credit rating service at the time of purchase, with the exception of multi credit bonds. No more than 35% of the fair market value of investment managers bond portfolio may be held in "BBB" issues. No one bond holding shall represent more than 10% of the market value of a single bond issue except for federal and provincial bonds. The Bond pooled fund has bond future exchange contracts in place to manage interest rate risk.

Equities and equity pooled funds

Equity holdings are made directly or through pooled funds. No one holding of an individual stock may represent more than 10% of the fair market value of the equity portfolio or more than 10% of the voting stock of the issuer. Pooled funds have no fixed distribution rates and returns are based on the investment performance attained by the fund manager. International equity pooled funds may use derivatives for hedging currency and to replicate indices.

SASKATCHEWAN PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

4. Contribution fund investments, continued

Money market and money market pooled funds

Money market investments are defined as securities purchased with a maturity of one year or less. Only securities with an "R-1" rating, as rated by a recognized bond rating agency at the time of purchase, are permissible.

Infrastructure pooled fund

The assets of the infrastructure pooled fund investments are global infrastructure investments diversified by geographic location with a core risk strategy.

Real estate pooled fund

The real estate pooled fund consists of Canadian real estate and is diversified by property type and geographic location.

Mortgage pooled fund

The assets of the mortgage pooled fund include first and subsequent priority mortgages in Canadian real estate.

Private debt pooled fund

The assets of the private debt pooled fund include senior secured and first lien loans.

Private equity pooled fund

The assets of the private equity pooled fund include limited partnerships and other pooled investment vehicles.

(b) Fair value measurements

The Plan has classified its investments using the hierarchy that reflects the significance of the inputs used in determining their measurements.

Under the classification structure, financial instruments recorded at unadjusted quoted prices in active markets for identical assets or liabilities are classified as Level 1. Instruments valued using inputs other than quoted prices that are observable for the asset or liability either directly or indirectly are classified as Level 2. Instruments valued using inputs that are not based on observable market data are classified as Level 3. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

SASKATCHEWAN PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

4. Contribution fund investments, continued

The following table illustrates the classification of the CF's financial instruments within the fair value hierarchy as of December 31:

(\$ thousands)	2025			
	Level 1	Level 2	Level 3	Total
Money market and money market pooled funds	\$ -	\$ 8,928	\$ -	\$ 8,928
Bonds and bond pooled funds	-	109,006	-	109,006
Equities and equity pooled funds	91,354	205,531	-	296,885
Infrastructure pooled fund	-	-	153,279	153,279
Mortgage pooled fund	-	-	43,284	43,284
Real estate pooled fund	-	-	63,764	63,764
Private debt pooled fund	-	-	48,881	48,881
Private equity pooled fund	-	-	57,000	57,000
	\$ 91,354	\$ 323,465	\$ 366,208	\$ 781,027

(\$ thousands)	2024			
	Level 1	Level 2	Level 3	Total
Money market and money market pooled funds	\$ -	\$ 12,360	\$ -	\$ 12,360
Bonds and bond pooled funds	-	102,207	-	102,207
Equities and equity pooled funds	85,425	208,623	-	294,048
Infrastructure pooled fund	-	-	135,924	135,924
Mortgage pooled fund	-	-	38,080	38,080
Real estate pooled fund	-	-	67,709	67,709
Private debt pooled fund	-	-	56,382	56,382
	\$ 85,425	\$ 323,190	\$ 298,095	\$ 706,710

Below is a reconciliation of the level 3 fair value measurements for the year ended December 31:

(\$ thousands)	Infrastructure	Mortgage	Real estate	Private debt	Private equity	Total
	pooled funds	pooled fund	pooled fund	pooled fund	pooled fund	
Balance at December 31, 2024	\$ 135,924	\$ 38,080	\$ 67,709	\$ 56,382	\$ -	\$ 298,095
Purchases	6,047	5,181	-	1,415	57,000	69,643
Sales	-	-	(1,786)	(4,975)	-	(6,761)
Unrealized gains (losses)	11,308	23	(2,159)	(3,941)	-	5,231
Balance at December 31, 2025	\$ 153,279	\$ 43,284	\$ 63,764	\$ 48,881	\$ 57,000	\$ 366,208

(\$ thousands)	Infrastructure	Mortgage	Real estate	Private debt	Private equity	Total
	pooled fund	pooled fund	pooled fund	pooled fund	pooled fund	
Balance at December 31, 2023	\$ 120,928	\$ 36,171	\$ 62,181	\$ 58,850	\$ -	\$ 278,130
Purchases	2,132	1,532	5,350	3,100	-	12,114
Unrealized gains (losses)	12,864	377	178	(5,568)	-	7,851
Balance at December 31, 2024	\$ 135,924	\$ 38,080	\$ 67,709	\$ 56,382	\$ -	\$ 298,095

SASKATCHEWAN PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

4. Contribution fund investments, continued

(c) Financial risk management

The nature of the Plan's operations results in a Statement of financial position that consists primarily of financial instruments. The risks that arise are credit risk, market risk (consisting of foreign currency risk, interest rate risk, equity price risk and geopolitical environmental risk), liquidity risk, and real estate and infrastructure risk.

These risks are managed by having an investment policy which is subject to review and approval by the Board annually. The investment policies provide guidelines to the Plan's investment managers for the asset mix of the portfolio regarding quality and quantity of permitted investments in order to achieve sufficient asset growth on a risk-controlled basis. The minimum, maximum and target weighting for each class is clearly established in the policy. The Board reviews compliance reports from its investment managers as to their compliance with the investment policies.

(i) Credit risk

Credit risk is the risk of loss arising from the failure of a counter party to fully honour its financial obligation with the Plan, including its inability or unwillingness to pay borrowed principal and interest when they come due. Credit risk can also lead to losses when issuers and debtors are downgraded by credit rating agencies, usually leading to a fall in the market value of the debtor's obligation. The Plan has put in place investment policies and procedures with established investment criteria designed to manage credit risk by setting limits to credit exposure through quality, quantity and diversification guidelines set out in the Investment Policy and by monitoring compliance to those guidelines. The credit quality of financial assets is generally assessed by reference to external credit rating.

The Plan's most significant credit risk exposure arises from its investments in interest bearing investments. At December 31 the maximum credit risk from interest bearing investments to which the CF is exposed is summarized as follows:

<i>(\$ thousands)</i>	2025	2024
Cash	\$ 3,231	\$ 3,150
Accrued interest income	211	15
Bonds and bond pooled funds	109,006	102,207
Money market and money market pooled funds	8,928	12,360
Mortgage pooled fund	43,284	38,080
Private debt pooled fund	48,881	56,382
Private equity pooled fund	57,000	-
	\$ 270,541	\$ 212,194

The credit ratings of the bond portfolio as of December 31 are summarized as follows:

<i>(\$ thousands)</i>	2025		2024	
	Fair value	% of Portfolio	Fair value	% of Portfolio
AAA	\$ 14,332	34.7%	\$ 23,545	42.2%
AA	19,548	47.4%	23,772	42.7%
A	3,299	8.0%	4,151	7.4%
BBB	4,081	9.9%	4,270	7.7%
	\$ 41,260	100.0%	\$ 55,738	100.0%

Other than the Government of Canada, no single issuer represents more than 21.0% (2024: 21.2%) of the overall bond portfolio. Fixed rate bonds have effective interest rates ranging between 2.9% and 5.3% (2024: 3.0% and 5.2%) and coupon rates ranging between 1.1% and 6.3% (2024: 1.3% and 6.3%).

SASKATCHEWAN PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

4. Contribution fund investments, continued

(ii) Market risk

Market risk is the risk that fair value of an investment will fluctuate as a result of changes in market prices. Market risk is comprised of four types of risk which include foreign currency risk, interest rate risk, equity price risk and geopolitical environment risk. The investment policy addresses risk through a diversified investment approach that permits exposure to multiple asset classes within defined quality, quantity and diversification guidelines. This, along with limits on foreign currency exposure, controls on equity concentration and the permitted use of hedging, mitigates the foreign exchange risk and equity price risk. Significant volatility in interest rates, equity values and the value of the Canadian dollar against the currencies in which the Plan's investments are held can impact the value of the Plan's investments.

Foreign currency risk

The Plan is exposed to currency risk through the holdings of foreign equities and foreign equity pooled funds where investment values may fluctuate due to changes in foreign exchange rates. The Plan manages foreign currency risk by limiting investment in foreign funds through the asset mix guidelines set out in the Plan's Investment Policy and by investing in securities that are strategically distributed over several geographic areas to limit exposure to any one foreign currency.

At December 31, 2025, the Plan's foreign currency exposure in U.S. equities was \$48.1 million (2024: \$44.0 million). If the Canadian dollar had strengthened or weakened by 10% in relation to the U.S. dollar exchange rate, with all other variables held constant, the net assets would have decreased or increased respectively, by approximately \$4.8 million (2024: \$4.4 million). In practice, the actual trading results may differ from this approximate sensitivity analysis.

Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of a change in market interest rates. The Plan manages interest rate risk by establishing a target asset mix of interest-sensitive investments and investments subject to other risks. Investments are actively managed to mitigate or take advantage of changes in interest rates.

The CF holds approximately 19.5% (2024: 19.8%) of its investments in fixed income securities. As of December 31, 2025, a 1.0% increase in interest rates (all else being equal) would result in a decline in the fair market value of bonds of 5.6% (2024: 5.3%).

The table below summarizes the CF's exposure to interest rate risk by the remaining term to maturity:

		2025			
<i>(\$ thousands)</i>					
Years to maturity	Federal	Provincial	Corporate	Fair value	
1 to 5	\$ 3,091	\$ 1,054	\$ 5,237	\$	9,382
6 to 10	9,952	7,658	5,717		23,327
Over 10	1,007	5,548	1,996		8,551
	\$ 14,050	\$ 14,260	\$ 12,950	\$	41,260
		2024			
<i>(\$ thousands)</i>					
Years to maturity	Federal	Provincial	Corporate	Fair value	
Within 1	\$ -	\$ -	\$ 130	\$	130
1 to 5	-	-	4,810		4,810
6 to 10	22,451	12,389	5,788		40,628
Over 10	798	6,748	2,624		10,170
	\$ 23,249	\$ 19,137	\$ 13,352	\$	55,738

SASKATCHEWAN PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

4. Contribution fund investments, continued

Equity price risk

The Plan is exposed to changes in equity prices in global markets. The Board's policy is to invest in a diversified portfolio of investments. No one investee or related group of investees represents greater than 10% of the total book value of the assets of the Plan.

Equities and equity pooled funds comprise 38.0% (2024: 41.6%) of the Plan's total investments. At December 31, if the market prices, as measured by the benchmark indices, increased or decreased by 10%, with all other variables held constant, the Plan's net assets would have increased or decreased by approximately:

<i>(\$ thousands)</i>	2025 Impact	2024 Impact
S&P/TSX Capped Composite Index	\$ 8,927	\$ 7,479
S&P 500 Index (CAD)	10,077	11,360
MSCI EAFE Index (CAD)	10,685	10,566

Geopolitical environment risk

The current geopolitical environment increases uncertainty in financial markets with a possible resurgence of trade tariffs and inflation, including upward pressure on commodity prices and the potential for global supply-chain disruptions. With the current U.S. Government, the threat of protectionism increases the risks of tariffs, stagflation, turbulence in the financial markets, and a weakening of the Canadian Dollar against other currencies. Management will continue to monitor the impact of geopolitical risk on its use of judgements, estimates and assumptions.

(iii) Liquidity risk

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity requirements are managed through income generated from investments, monthly contributions made by members and by investing in publicly traded liquid assets that are easily sold and converted to cash. These sources are used to pay benefits, fund operating expenses and make transfers at retirement.

(iv) Real estate and infrastructure risk

Real estate and infrastructure valuations are verified by independent third parties annually. These independent appraisals ensure the estimated fair values are fairly stated in all material aspects. The infrastructure portfolio is well-diversified across sectors generating a stable cash flow for investors. The real estate portfolio risk is managed through diversification by property type and region.

(d) Investment performance

The following is a summary of the CF investment performance before administration expenses:

	Annual Return		Rolling Four Year Return	
	2025	2024	2025	2024
Portfolio return	10.3%	12.0%	6.8%	7.2%
Benchmark return	11.4%	12.3%	7.1%	7.1%

**SASKATCHEWAN PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

4. Contribution fund investments, continued

The portfolio return is a time-weighted rate of return calculation. The benchmark return aggregates the actual market index returns according to the weightings specified in the Investment Policy. The indices used to measure performance are Canadian equities: S&P/TSX Capped Composite Index; U.S. equities: S&P 500 Index (Cdn \$); Non-North American equities: MSCI EAFE Index (Cdn \$); Bonds: FTSE Canadian Universe Bond Index; Mortgages: FTSE Canada Short Term Bond Index and FTSE Canada Mid-term Bond Index; Real Estate: MSCI/REALPAC Canada Quarterly Property Fund Index; Infrastructure: CPI; and Short-term: FTSE Canada 91-day T-Bill Index.

5. Annuity fund investments

(a) Investments

The AF investments consist of the following:

<i>(\$ thousands)</i>	2025	2024
Bonds		
Federal	\$ 4,084	\$ 4,247
Provincial	101,304	102,292
Corporate	-	1,623
	105,388	108,162
Other		
Money market	859	469
Mortgage pooled fund	7,758	7,321
	8,617	7,790
Total AF Investments	\$ 114,005	\$ 115,952

Bonds

The portfolio contains bonds that the Plan holds directly, all denominated and paid in Canadian dollars. Bonds are subject to a minimum quality standard of "BBB" or equivalent as rated by a recognized credit rating service at the time of purchase and no more than 15% of the fair market value of the total bond portfolio may be held in "BBB" issues. Corporate bonds must meet a minimum quality standard of "A" at the time of purchase. The combined fair market value of corporate bonds and mortgage holdings shall not exceed 10% of the AF's fair market value, with the limit reviewed annually relative to the AF's funding position.

Money market

Money market investments are defined as securities purchased with a maturity of one year or less. Only securities with an "R-1" rating, as rated by a recognized bond rating agency at the time of purchase, are permissible.

Mortgage pooled fund

The assets of the mortgage pooled fund include first and subsequent priority mortgages in Canadian real estate.

(b) Fair value measurements

The Plan has classified its fair valued financial instrument holdings using the hierarchy that reflects the significance of the inputs used in determining their measurements.

Under the classification structure, financial instruments recorded at unadjusted quoted prices in active markets for identical assets or liabilities are classified as Level 1. Instruments valued using inputs other than quoted prices that are observable for the asset or liability either directly or indirectly are classified as Level 2. Instruments valued using inputs that are not based on observable market data are classified as Level 3. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

**SASKATCHEWAN PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

5. Annuity fund investments, continued

The following table illustrates the classification of the AF's financial instruments within the fair value hierarchy as of December 31:

(\$ thousands)	2025			
	Level 1	Level 2	Level 3	Total
Bonds	\$ -	\$ 105,388	\$ -	\$ 105,388
Money market	-	859	-	859
Mortgage pooled fund	-	-	7,758	7,758
	\$ -	\$ 106,247	\$ 7,758	\$ 114,005

(\$ thousands)	2024			
	Level 1	Level 2	Level 3	Total
Bonds	\$ -	\$ 108,162	\$ -	\$ 108,162
Money market	-	469	-	469
Mortgage pooled fund	-	-	7,321	7,321
	\$ -	\$ 108,631	\$ 7,321	\$ 115,952

Below is a reconciliation of the level 3 fair value measurements for the year ended December 31:

(\$ thousands)	Total
Balance at December 31, 2024	\$ 7,321
Purchases	428
Unrealized gains	9
Balance at December 31, 2025	\$ 7,758

(\$ thousands)	Total
Balance at December 31, 2023	\$ 6,819
Purchases	427
Unrealized gains	75
Balance at December 31, 2024	\$ 7,321

(c) Financial risk management

The investment objectives of the AF are to maximize retirement wealth, ensure sufficient assets to meet future pension obligations and to generate enough cash flow to meet pension obligations. The AF is exposed to a variety of financial risks as a result of its investment activities and has formal policies and procedures that govern the management of credit, market and liquidity risk.

SASKATCHEWAN PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5. Annuity fund investments, continued

These risks are managed by having an investment policy, which is reviewed and approved annually by the Board. The investment policy provides guidelines to the AF's investment manager for the asset mix of the portfolio regarding quality and quantity of permitted investments. Funds transferred from the CF to the AF are used to purchase long-term bonds. The combined duration of the bonds purchased is matched to the duration of the annuities purchased from the AF. Under the policy of the Plan such bonds are generally held to maturity.

(i) Credit risk

Credit risk arises from the potential for issuers of securities to default on their contractual obligation to the AF. The Plan limits credit risk through quality, quantity and diversification guidelines set out in the Investment Policy and by monitoring compliance to those guidelines. At December 31, 2025 the Fund's maximum credit risk exposure relates to cash, bonds, accrued interest income and money market investments totaling \$117,727,253 (2024: \$117,868,859). At year end the AF held no bonds with a BBB rating. Other than the Government of Canada, no single issuer represents more than 30.0% (2024: 29.9%) of the overall bond portfolio. Fixed rate bonds have effective interest rates ranging between 2.3% and 4.9% (2024: 2.8% and 4.5%).

The credit ratings of the bond portfolio as of December 31 are summarized as follows:

Credit rating	2025		2024	
	Fair value	% of Portfolio	Fair value	% of Portfolio
AAA	\$ 4,084	3.9%	\$ 4,247	3.9%
AA	79,105	75.1%	80,638	74.6%
A	22,199	21.0%	23,277	21.5%
	\$ 105,388	100.0%	\$ 108,162	100.0%

(ii) Market risk

Market risk is the risk that the fair value of an investment will fluctuate as a result of changes in market prices. Market risk is comprised of three types of risk which include foreign exchange risk, interest rate risk and equity price risk. The investment policy addresses risk through an investment approach that allows investments solely in high quality fixed income instruments denominated in Canadian dollars. This mitigates the foreign exchange risk and equity price risk.

Interest rate risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Fund's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Fund's assets and liabilities. Interest rate risk is managed by investing in fixed income investments that provide cash flows that match payments to annuitants.

The AF holds 100.0% (2024: 100.0%) of its investments in fixed income securities. As of December 31, 2025, a 1.0% increase in nominal interest rates (all else being equal) would result in a decline in the fair market value of bonds of 7.0% (2024: 7.0%).

**SASKATCHEWAN PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

5. Annuity fund investments, continued

The table below summarizes the AF's exposure to interest rate risk by the remaining term to maturity:

<i>(\$ thousands)</i>		2025			
Years to maturity	Federal	Provincial	Corporate	Fair value	
Within 1	\$ -	\$ 1,543	\$ -	\$ 1,543	
1 to 5	1,613	23,936	-	25,549	
6 to 10	1,330	35,303	-	36,633	
Over 10	1,141	40,522	-	41,663	
	\$ 4,084	\$ 101,304	\$ -	\$ 105,388	

<i>(\$ thousands)</i>		2024			
Years to maturity	Federal	Provincial	Corporate	Fair value	
Within 1	\$ 36	\$ 5,505	\$ 172	\$ 5,713	
1 to 5	1,679	20,310	1,450	23,439	
6 to 10	1,355	34,001	-	35,356	
Over 10	1,176	42,478	-	43,654	
	\$ 4,246	\$ 102,294	\$ 1,622	\$ 108,162	

(iii) Liquidity risk

The AF is exposed to liquidity risk through its responsibility to pay annuities on a timely basis.

The AF manages liquidity risk by maintaining adequate cash and cash equivalent balances. It ensures there is sufficient cash to meet its obligations by continuously monitoring and reviewing actual and forecasted cash flows, and by matching the maturity profile of investment assets to operating needs.

6. Provision for annuity obligations

The provision for annuity obligations is the actuarial present value of the future expected annuity benefit obligation to pensioners as determined by Aon, an independent actuary. The actuarial valuation is a complex process requiring professional judgment on the part of the actuary and must ensure consistency with the asset valuation methodology. Measurement of this amount involves uncertainty, as estimates must be made of future interest rates and mortality rates.

The valuation method used to calculate the basic pension liability of retired members was the single premium actuarial cost method. An interest rate of 3.43% (2024: 3.55%) was used to determine the liabilities as of December 31, 2025. The mortality table assumption used the 2014 CPM Combined table with the MI-2017 improvement scale for the actuarial valuation as it closely reflects actual experience of the Plan. The duration of annuity payments is 8.1 years.

Pension annuities are issued based on the prevailing interest rates at the dates of retirement of the annuitants. The duration of the investments purchased are matched with the duration of the liabilities. As such, the risk to the Plan relates to:

- (i) any differences, which may be material, between the estimated and actual life expectancy of the annuitant group which may cause the Plan to have insufficient funds to meet the liability or more funds than required; and
 - (ii) reinvestment of assets at maturity at rates greater than or less than rates used in determining the annuities.
- To manage this risk, the Plan uses investment managers and actuaries to assist in determining the investment strategy.

SASKATCHEWAN PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

6. Provision for annuity obligations, continued

Further, subsection 7(3.2) of the Act requires any amount by which the liabilities of the AF exceeds the assets of the AF to be a charge on and payable from the General Revenue Fund of the Province of Saskatchewan. At December 31, 2025 the AF was in a surplus position.

Actual results may vary from the assumptions used. If the interest rate used increases by 1.0%, the provision for annuity benefits decreases by \$7,979,000 (2024: \$8,020,000) or if the interest rate decreases by 1.0%, the provision for annuity obligation increases by \$9,158,000 (2024: \$9,209,000). If the average mortality age increases by 1 year, the provision for annuity benefits increases by \$6,660,000 (2024: \$6,478,000).

The expected cash inflows from investment income and maturity payments and the expected outflows to pay annuity benefits are based on actual dollar forecasts without any provision for inflation. The total estimated cash outflows for the next five years are \$49.2 million and for the next ten years \$88.7 million.

The next actuarial valuation is required as of December 31, 2026.

7. Earnings allocation to members

Investment income plus the change in the market value of investments less administration expenses are allocated monthly to members in the CF.

8. Related party transactions

The Plan conducts a portion of its transactions with Saskatchewan Crown-controlled agencies, ministries and corporations. These transactions are at the agreed upon exchange rates and are settled on normal trade terms. During the year, the Plan incurred operating expenses of \$125,265 (2024: \$111,691) and at year end had \$14,416 (2024: \$10,291) in accounts payable with these related parties.

At December 31, 2025, the Plan has \$3,859,781 (2024: \$4,055,542) invested in Province of Saskatchewan bonds with varying maturity dates and interest rates. Interest income during the year was \$199,141 (2024: \$197,996) and change in the fair market value of these bonds was a decrease of \$39,681 (2024: increase of \$93,655).

9. Administrative expenses

Administrative expenses are allocated to the Funds as prescribed by Board policy.

<i>(\$ thousands)</i>	2025	2024
Administration expenses	\$ 2,469	\$ 2,262
Investment management fees	2,751	2,458
Salaries and benefits	2,210	1,842
Custodial fees	80	69
Audit fees	53	47
Actuarial fee	10	16
Total administrative expenses	\$ 7,573	\$ 6,694

10. Investment management fees

Investment management fees incurred directly by the Plan are reported in the Statement of Changes in Net Assets Available for Benefits. In addition, indirect investment fees are included within the unrealized market value gain on the Statement of Changes in Net Assets Available for benefits. Total investment management fees incurred by the Plan are:

<i>(\$ thousands)</i>	2025	2024
Incurring directly by the Plan	\$ 2,751	\$ 2,458
Incurring indirectly by the Plan	596	630
Total investment fees	\$ 3,347	\$ 3,088

SASKATCHEWAN PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

11. Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Plan. The compensation to directors and other members of key management personnel are included in the administrative expenses of the Plan and are summarized below.

<i>(\$ thousands)</i>	2025	2024
Short-term employee benefits	\$ 322	\$ 229
Post-employment retirement benefits	16	11
	\$ 338	\$ 240

12. Capital management

The Plan receives new capital from member contributions. The Plan also benefits from income and fair market value increases on invested capital. The Plan's capital is invested in a number of asset classes including equities, fixed income, pooled funds, infrastructure, private debt, private equity and short-term investments. The Board of Trustees has delegated the operational investment decisions to our investment managers based on investment mandates as defined in the Plan's Statement of Investment Policies and Goals.

13. Commitments

As at December 31, 2025, the Plan has committed to a further investment in software development expenditures up to \$0.9 million (2024 - \$2.4 million).



**SASKATCHEWAN
PENSION PLAN**

608 Main Street
Kindersley SK Canada
S0L 1S0

1-800-667-7153
Fax (306) 463-3500
info@saskpension.com
saskpension.com