MEPP Board Quarterly Update

Q2 2026 September 2026

MEPP

Management Employees Pension Board Priorities and Activities

The Management Employees Pension Board (MEPB or the Board) provides quarterly updates for stakeholders. These updates are a snapshot of current activities related to the governance of the Management Employees Pension Plan (MEPP or the Plan).

The Board oversees the investment and administration management of MEPP and sets investment and other general policies, such as the Funding Policy. The Board acts in an advisory capacity to the Minister (the Trustee) on MEPP-related matters.

As part of its work, the Board holds meetings at regular intervals throughout the year. Highlights from the meetings that took place in the second quarter (Q2) of 2026 are as follows:

Board Meetings

The Board held meetings on April 15, June 17 and June 18, 2026, to:

- Review pension administration and governance matters, including Board governance documents and updates;
- Discuss assumptions supporting the Plan's actuarial valuation, including retirement, mortality, and demographic experience, and review the results of an experience study completed as at December 31, 2025;
- Discuss member communications initiatives and opportunities to enhance member education on pension topics of interest.

The Board also met with representatives from:

The Board's investment consultant, **Eckler**, to:

- Review Q1 2026 investment performance, funded status, implementation of the revised asset mix, and ongoing monitoring of investment performance and risk. Long-term performance challenges in certain asset classes, including real estate, were discussed;
- Review the Alberta Investment Management Corporation's (AIMCo) proposed product descriptions and reporting changes, including public equity structure enhancements, mortgage-related initiatives, portfolio customization tools, and investment risk reporting.
- Consider pension investment risk, including funded status risk, contribution stability, and risk measures used to support long-term pension plan decision-making.

The Board welcomes feedback about the information contained in these reports, as well as any questions regarding MEPP governance. Please email comments to the Board at board@mepp.ca.

MEPP's Plan administrator, **Alberta Pensions Services Corporation (APS)**, to:

- Review APS' Q1 2026 service and operational results, including performance, employer reporting activities, and ongoing work to modernize pension administration systems and employer services;
- Receive updates on strategic initiatives and the MEPP 2026 Service Delivery Plan, including retirement process improvements, online service enhancements, member experience initiatives, automation projects, privacy-related enhancements, and progress toward the D8 pension administration system upgrade. The Board also discussed project status reporting and implementation timelines for major technology initiatives.

MEPP's Investment Manager, **AIMCo**, to:

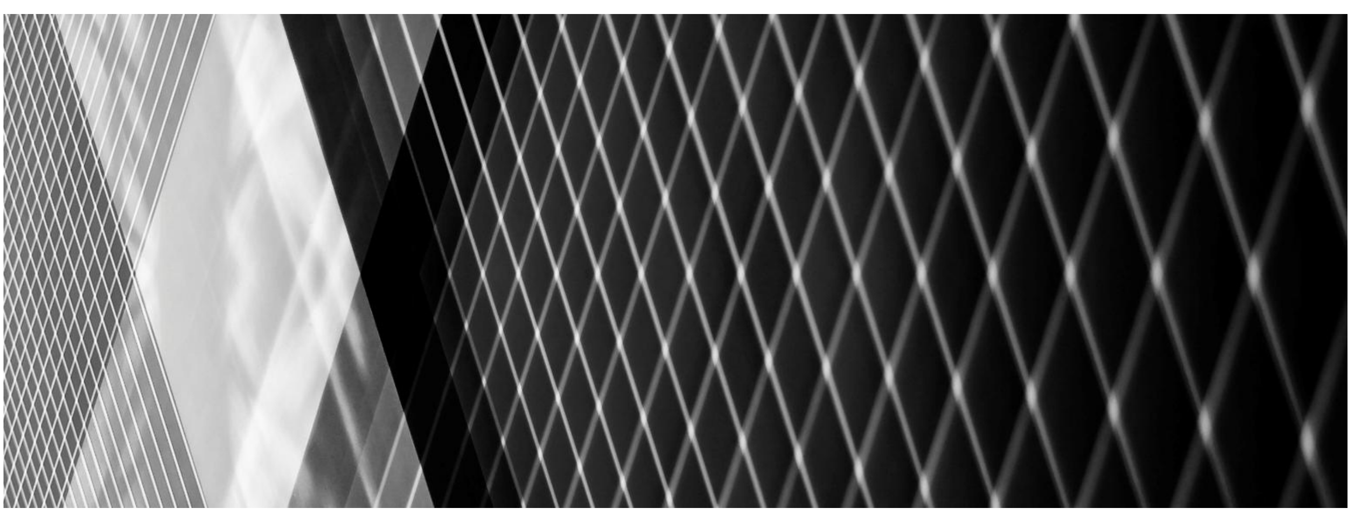
- Receive updates on investment strategy initiatives, fixed income management, portfolio customization opportunities, risk management activities, and AIMCo's Business Transformation initiative. Discussions included market conditions, liquidity management, operational readiness, emerging economic and geopolitical risks, and the continued evolution of investment and risk reporting for clients.

Investments

Market values (unaudited) for Q2 2026, as well as the four previous quarters, follow:

	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Beginning Market Value	**$7,290,679,265**	**$7,352,450,004**	**$7,657,932,987**	**$7,780,739,517**	**$7,792,089,660**
Net Cash Flow*	$(35,000,000)	$(27,000,000)	$(6,000,000)	$(36,000,000)	$(30,000,000)
Investment Income	$96,770,739	$332,482,983	$128,806,529	$47,350,143	$461,682,021
Ending Market Value	**$7,352,450,004**	**$7,657,932,987**	**$7,780,739,517**	**$7,792,089,660**	**$8,223,771,681**

**Due to backdates and timing of information, the quarterly cash flow values may not always reconcile to the ending market value*



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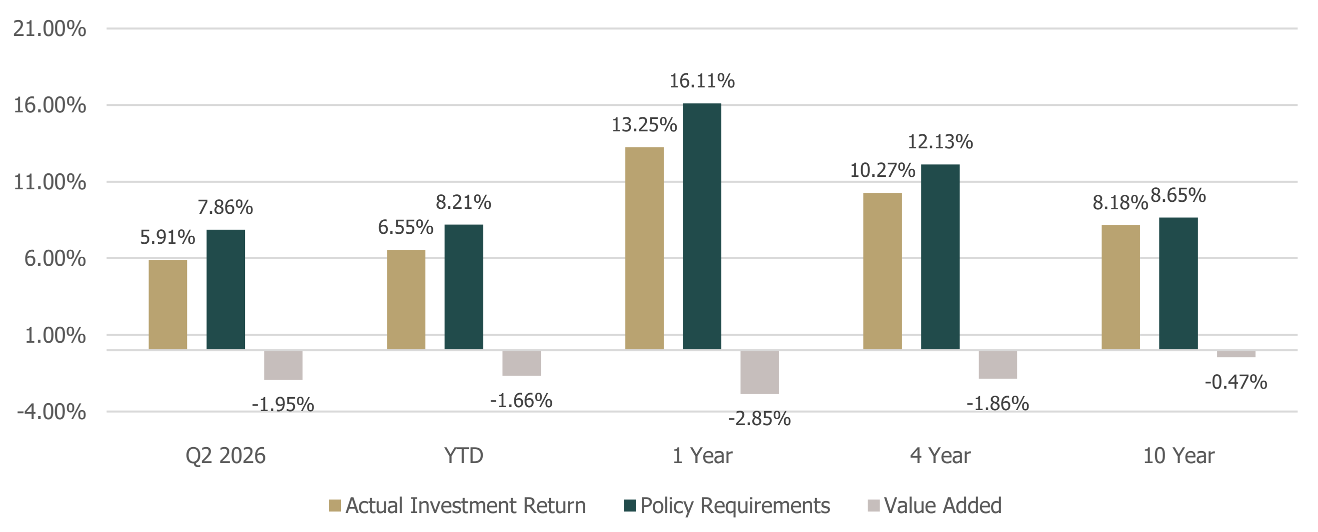
Investment Performance (Unaudited)

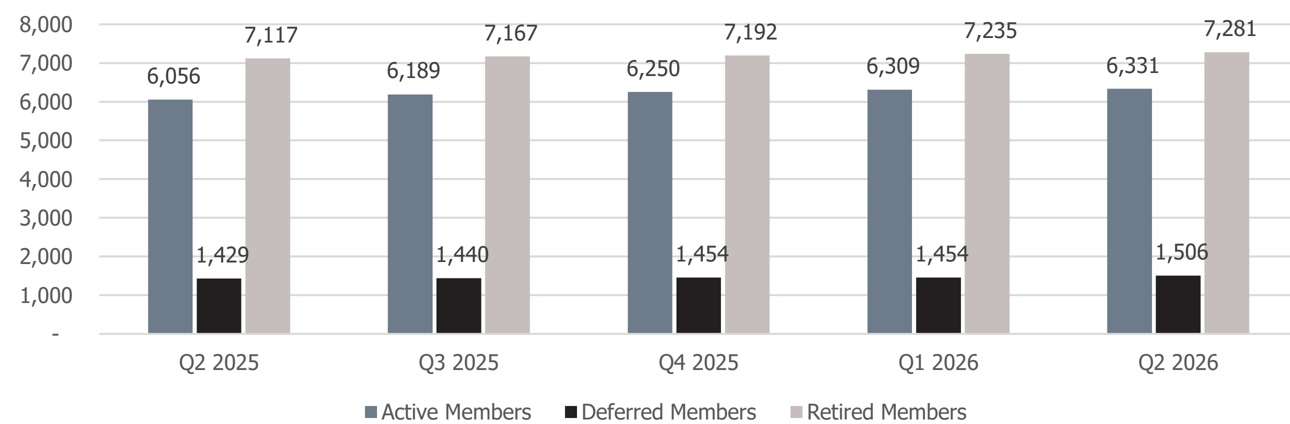
The investment performance is reviewed quarterly against the objectives set by the MEPP Investment Policy.

In Q2 2026, the actual investment return for the MEPP Fund was 5.91%. Results for this quarter are below the Policy requirement of 7.86%, resulting in a negative return of -1.95%. The long-term investment performance is depicted below:



Membership Trends

As part of its ongoing work, the Board monitors MEPP membership data for trends that may affect the health of the Plan. The MEPP membership highlights from the Q2 2026 Quarterly Services Report (QSR) follow:



Year over year, the number of active members increased by 4.5% as at the end of Q2, and the number of retired members increased by 2.3%. Compared to Q1 2026, the number of active members increased by 0.3%, and the number of retired members increased by 0.6%. The number of deferred members increased by 5.4% year over year and increased by 3.6% from Q1 2026.

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