

MEPP Board Quarterly Update

Q3 2025 November 2025

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's role is to oversee the investment and administration management of MEPP and to set 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 third quarter (Q3) of 2025 are described as follows:

Board Meetings

The Board held meetings on September 17 and 18 to:

- Approve the 2026 Board-specific budget and 2026 Board meeting dates;
- Approve participation in APS' Calgary office three-year pilot; and
- Discuss the Request for Proposal (RFP) process for Investment Consulting Services.

The Board also met with representatives from:

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

- Review Q2 2025 investment performance, noting the Fund underperformed its benchmark (delivering 1.3% instead of the benchmark of 3.3%) but grew by approximately \$62 million after cash flows;
- Discuss contributors and detractors to performance, including strong Public Equity and Private Debt results and weaker Renewable Resources and Private Equity returns;
- Review the Asset Liability Study (ALS) and asset mix recommendations;
- Discuss scenario testing (stagflation, inflation, interest rate shifts) and confirm robustness of recommended mixes; and
- Receive updates on AIMCo's Investment Policy Consistency initiative.

MEPP's investment manager, **Alberta Investment Management Company (AIMCo)**, to:

- Review Q2 2025 investment performance, noting underperformance relative to benchmarks and valuation adjustments in private markets;
- Receive updates on Public Equities, including strategy, performance, and external/internal management split;
- Review Real Estate portfolio strategy, performance, and disposition progress, continued execution of AIMCo's five-year strategic plan;

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.

- Discuss organizational changes and succession planning for key positions; and
- Highlight ongoing risks (tariff uncertainty, inflation, recessionary pressures) and opportunities.

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

- Review the Q2 2025 Quarterly Service Report and corporate updates, including:
 - Strategic plan development for 2027 and Service Delivery Plan for 2026;
 - Launch of Microsoft Copilot to explore AI tools;
 - Calgary office pilot update;
- Review Q2 2025 Plan Financial Information, including costs related to Plan changes and system upgrade delays; and
- Receive updates on member service enhancements, human resources, and education initiatives at APS, including Employer Hub improvements.

Investments

Market values (unaudited) for Q3 2025, as well as the four previous quarters, follow:

	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
Beginning Market Value	\$6,864,065,167	\$7,070,102,117	\$7,264,898,644	\$7,290,679,265	\$7,352,450,004
Net Cash Flow*	\$(27,000,000)	\$(26,000,000)	\$(32,000,000)	\$(35,000,000)	\$(27,000,000)
Investment Income	\$233,036,951	\$220,796,526	\$57,780,621	\$96,770,739	\$332,482,983
Ending Market Value	\$7,070,102,117	\$7,264,898,644	\$7,290,679,265	\$7,352,450,004	\$7,657,932,987

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

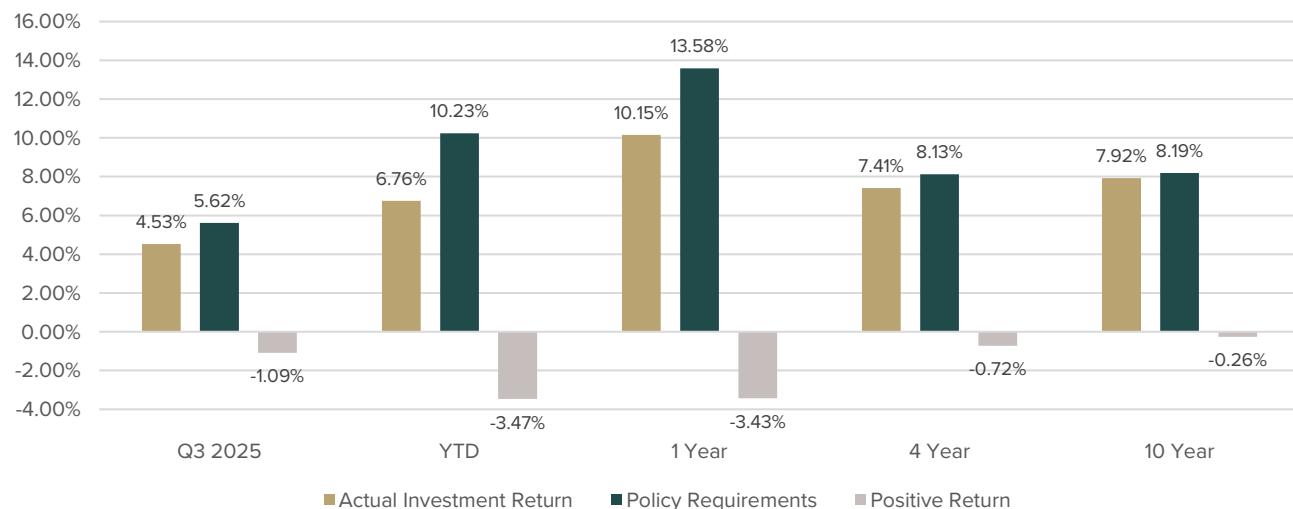


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Investment Performance (Unaudited)

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

In Q3 2025, the actual investment return for the MEPP Fund was 4.53%. Results for this quarter are above the Policy requirement of 5.62%, yielding a negative return of -1.09%. 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 Q3 2025 Quarterly Services Report (QSR) follow:



Year over year, the number of active members increased by 6.6% as at the end of Q3, and there was a 2.5% increase in the number of retired members. Compared to Q2 2025, the number of active members increased by 2.2%, and the number of retired members increased by 0.7%. The number of deferred members increased by 0.4% year over year and by 0.8% from Q2 2025.