

MEPP Board Quarterly Update

Q4 2025 February 2026



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 (Q4) of 2025 are described as follows:

Board Meetings

The Board held meetings on October 23, December 1, and December 2, 2025, to:

- Review and approve governance items, including the draft 2026 Governance Calendar, Board reappointments, draft meeting minutes, and Board policies;
- Receive updates on strategic initiatives, including Pension Administration Service Agreement (PASA) review, risk management, Board education, and retreat debriefs;
- Review progress on the Request for Proposal process for investment consulting services and confirm 2026 contracts;
- Discuss Alberta Pensions Services Corporation's (APS) 2026 Service Delivery Plan, including operational priorities, technology modernization, and AI initiatives; and
- Review investment topics, including asset mix recommendations, long-term balance risk reporting, and market outlook considerations.

The Board also met with representatives from:

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

- Review Q3 2025 investment performance, noting the Fund underperformed its benchmark for the quarter but grew by approximately \$305 million after cash flows;
- Provide updates on the Asset Liability Study and present recommended asset mix alternatives, including analysis of liquidity, contribution stability, and long-term funded projections;
- Discuss considerations related to Alberta Investment Management Corporation's (AIMCo) Investment Policy Consistency initiative, governance implications, and the timing of asset mix implementation; and
- Review organizational updates at AIMCo and potential impacts on investment operations and oversight.

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 investment manager, **AIMCo**, to:

- Receive updates across various asset classes and teams on performance perspectives, market conditions, and strategic priorities;
- Review the Private Mortgage Program's portfolio composition, year-to-date performance, geographic and sector allocation, and risk management practices;
- Discuss ongoing Business Transformation activities, including data readiness;
- Review the Private Equity program, including long-term performance, valuation considerations, sector exposures, and geographic strategy;
- Receive an update from AIMCo's Chief Investment Officer on market themes, corporate strategy, system modernization, and organizational changes; and
- Discuss long-term balance sheet risk reporting, including funded status projections, contribution sustainability, liquidity considerations, and potential future advisory support from AIMCo.

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

- Review the Q3 2025 Quarterly Service Report, including service performance, operational volumes, and progress on technology enhancements such as call transcription, document automation, and online workflow improvements;
- Receive updates on the development of the new Calgary office, scheduled for early 2026, and ongoing digital modernization efforts;
- Discuss benchmarking results from CEM, noting APS continues to deliver high service at comparatively low cost among Canadian public-sector peer plans;
- Receive an update on APS' artificial intelligence strategy; and
- Receive updates from the APS CEO on strategic planning, vendor relationships, risk management, and modernization of APS' core pension administration systems.

Government of Alberta stakeholder representatives, including:

Treasury Board and Finance, to:

- Discuss public-sector pension policy updates;
- Review broader legislative and policy initiatives affecting Alberta pension plans; and
- Provide updates on long-term plan considerations, including plan maturity and employer eligibility questions.

The Office of the Auditor General, to:

- Review the 2025 audit plan, materiality, and key audit focus areas, including private investment valuations, pension obligations, and benefits and contribution processes; and
- Conduct the standard risk-of-fraud discussion with the Board.

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Investments

Market values (unaudited) for Q4 2025, as well as the four previous quarters, follow:

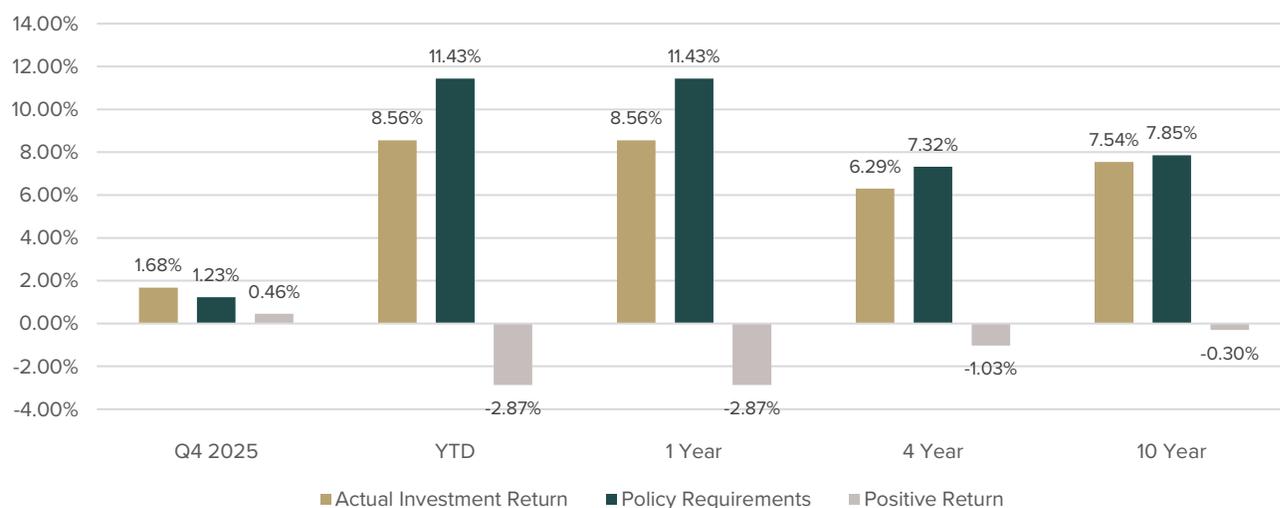
	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Beginning Market Value	\$7,070,102,117	\$7,264,898,644	\$7,290,679,265	\$7,352,450,004	\$7,657,932,987
Net Cash Flow*	\$(26,000,000)	\$(32,000,000)	\$(35,000,000)	\$(27,000,000)	\$(6,000,000)
Investment Income	\$220,796,526	\$57,780,621	\$96,770,739	\$332,482,983	\$128,806,529
Ending Market Value	\$7,264,898,644	\$7,290,679,265	\$7,352,450,004	\$7,657,932,987	\$7,780,739,517

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

Investment Performance (Unaudited)

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

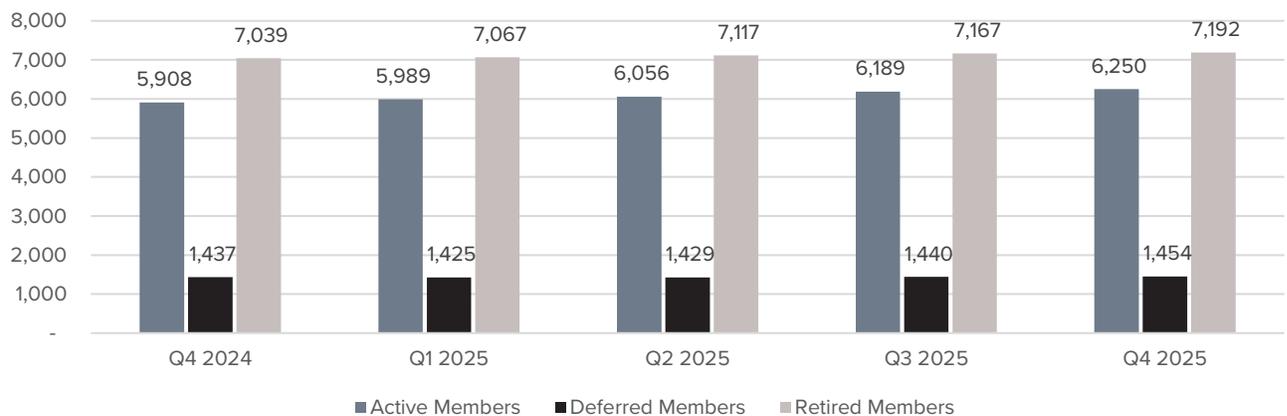
In Q4 2025, the actual investment return for the MEPP Fund was 1.68%. Results for this quarter are below the Policy requirement of 1.23%, yielding a positive return of 0.46%. The long-term investment performance is depicted below:



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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 Q4 2025 Quarterly Services Report (QSR) follow:



Year over year, the number of active members increased by 5.8% as at the end of Q4, and there was a 2.2% increase in the number of retired members. Compared to Q3 2025, the number of active members increased by 1.0%, and the number of retired members increased by 0.3%. The number of deferred members increased by 1.2% year over year and by 1.0% from Q3 2025.

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