NEWFOUNDLAND AND LABRADOR GOVERNMENT SINKING FUND

Activity Plan
For the Period
April 1, 2026 to March 31, 2029

BOARD OF TRUSTEES
NEWFOUNDLAND AND LABRADOR
GOVERNMENT SINKING FUND

TREASURY MANAGEMENT DIVISION
DEPARTMENT OF FINANCE
CONFEDERATION BUILDING
P.O. BOX 8700
ST. JOHN'S, NL
A1B 4J6

Honourable Craig Pardy
Minister of Finance
Government of Newfoundland and Labrador
Confederation Building
St. John's, NL
Canada   A1B 4J6

Dear Minister Pardy:

As Chair of the Board of Trustees responsible for the Newfoundland and Labrador Government Sinking Fund (NLGSF), I am pleased to submit the 2026-2029 Activity Plan.

The NLGSF is a category three government entity, and in accordance with the **Transparency and Accountability Act** is required to develop a three-year Activity Plan to present information on its planned activities for the plan period. The Board of Trustees is accountable for the preparation of this plan and the achievement of the plan's objectives.

The mandate of the Board of Trustees for the NLGSF is to administer the sinking funds established by the Government of Newfoundland and Labrador for the repayment of the Province's debenture debt. This plan provides an overview of the NLGSF and identifies the key issue of the Board of Trustees during the fiscal periods covered in the plan.

Sincerely,

David Drover, CPA, CGA
Chair

Newfoundland and Labrador Government Sinking Fund
2026-2029 Activity Plan

1.0 Overview

The Newfoundland and Labrador Government Sinking Fund (NLGSF) was created pursuant to the **Financial Administration Act** (FAA) to consolidate and administer sinking funds established for the repayment of the Province's debenture debt. The Province has established sinking funds for some of its long-term debenture issues, including all new issues, and the annual contributions to these sinking funds are invested under the direction of the Board of Trustees of the NLGSF. The Board of Trustees is appointed by the Lieutenant Governor in Council to manage and control the day-to-day operation of the sinking funds and consists of the incumbents in four senior public service positions with the Department of Finance as follows:

David Drover	Deputy Minister
Corey Tucker	Assistant Deputy Minister Treasury Management and Budgeting
Thomas Nemec	Director, Treasury Management
Calen Harrison	Manager of Capital Markets & Financial Assistance

The NLGSF with a March 31 fiscal year end and the results of its activities are fully consolidated in the Province's annual financial statements.

2.0 Mandate

The mandate of the Board is to manage and control the operational activities of the NLGSF and the sinking funds of certain Crown corporations where the Province has guaranteed the related debt. These activities include setting investment policy, investment of funds and the monitoring of such. These funds are invested in accordance with the FAA, and the NLGSF Investment Policy, primarily in equities, bonds, debentures or securities issued or guaranteed by the Government of Canada, the government of a province of Canada, or a chartered bank, with the goal of earning the maximum return from investment of the portfolio while ensuring security of the funds. Additional information is available online at: www.investorrelations.gov.nl.ca.

3.0 Sources of Funding

For debenture issues which have sinking fund requirements, the Province makes the required sinking fund contributions to the NLGSF. In the fiscal years 2026-27, 2027-28 and 2028-29, these contributions will amount to approximately $823.6 million based on anticipated sinking fund debentures outstanding in each fiscal year, reflecting both a growing outstanding balance of sinking fund debentures, and a planned increase in the annual rate of sinking fund contributions on new debentures issued in FY2026-27 and thereafter. These contribution figures will be subject to change if anticipated borrowings vary from levels estimated as a part of the Budget 2026 process, or if sinking fund contribution rates change.

The NLGSF’s day-to-day activities are managed by employees of the Department of Finance and the NLGSF is invoiced quarterly by the Province for reimbursement of these expenses on a cost-recovery basis. Sinking fund contributions are invested and the earnings (i.e. interest, dividends, etc.), less the amount to cover administrative costs, are re-invested.

4.0 Priorities

The NLGSF supports the Department of Finance in its responsibilities related to stewardship of public money and fiscal management by the investing of funds in accordance with parameters set out in the FAA.

The unpredictable nature of the investment market will continue to challenge the Board to ensure that the investment strategy maximizes the rate of return earned on its investment portfolio, while at the same time, protecting the security of the sinking funds. The Board will operationalize the target asset mix as determined by the NLGSF Investment Policy, while managing cash flow needs for upcoming maturities of sinking fund debentures.

The Board is committed to fulfilling its mandated responsibilities. As such, it will provide annual reports detailing the activities it undertook during each preceding fiscal year in compliance with its mandate.

Objective: By March 31, 2027, 2028 and 2029, Board of Trustees will have continued the prudent investment of the assets of the Newfoundland and Labrador Government Sinking Fund.

Indicator: The assets of the Newfoundland and Labrador Government Sinking Fund are prudently invested in accordance with the **Financial Administration Act** as evidenced by the completion of periodic reviews of reports to the Board of Trustees.