

**Pension Investment Committee
Province of Newfoundland and Labrador
Pooled Pension Fund**

2026-2028 Activity Plan

Message from the Pension Investment Committee

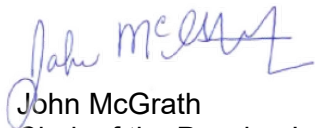
Since its establishment in 1981, the Pension Investment Committee of the Province of Newfoundland and Labrador Pension Fund (PIC) has overseen the management of the Pooled Pension Fund (the Fund). The PIC is responsible for the assets of the Uniformed Services Pension Plan, the Members of the House of Assembly Pension Plan, and the Provincial Court Judges Pension Plan. Over this period, the Fund's investment performance has helped moderate the growth of the net unfunded liability of these three government-sponsored pension plans. The PIC's guiding principle continues to be the prudent investment of assets within acceptable risk tolerances.

Pursuant to the **Transparency and Accountability Act**, the PIC is a category 3 government entity, and as such, is accountable for the preparation of a three-year activity plan and for the achievement of the objective outlined in this plan. The enclosed activity plan is presented for the years ending December 31, 2026, 2027 and 2028. This activity plan meets the requirements of the **Transparency and Accountability Act** and was prepared taking into consideration the following:

- the strategic directions of government, in the area of the committee's mandate;
- the mandate of the committee; and,
- the financial resources of the committee.

As Chair of the Pension Investment Committee, I am pleased to submit the Committee's activity plan for the fiscal years ending December 31, 2026, 2027, and 2028. My signature below signifies my accountability for the preparation of this plan and for the achievement of its objectives.

Sincerely,



John McGrath
Chair of the Pension Investment Committee

1.0 Overview

The Pension Investment Committee (PIC) provides advice to the President of Treasury Board, in their capacity as Trustee, on the investment operations of the Province of Newfoundland and Labrador Pooled Pension Fund (the Fund). The Fund was established to finance benefits under government-sponsored pension plans. The PIC is responsible for overseeing the assets associated with the Uniformed Services Pension Plan (USPP), the Members of the House of Assembly Pension Plan (MHA), and the Provincial Court Judges Pension Plan (PCJPP), with total assets of approximately \$209 million as of December 31, 2025.

The PIC oversees the operations of the Pooled Pension Fund (PPF) and is comprised of members appointed by the Lieutenant-Governor in Council to advise the President of Treasury Board, as Trustee, on the management of the Fund. The Committee consists of six members including representatives from government and plan stakeholders, which include employee groups. The Secretary to Treasury Board serves as Chair of the Committee.

2.0 Mandate

Pursuant to section 14 of the **Pensions Funding Act**, the Lieutenant Governor in Council established the Pension Investment Committee to administer and manage the Newfoundland and Labrador Pooled Pension Fund. This mandate is delivered by completing the following activities:

- review all financial activities of the Fund;
- develop, review, and implement Fund objectives and investment strategies; and
- recommend the appointment of a custodian and investment manager as required.

3.0 Values

The guiding principle of the PIC is to ensure that the assets of the Newfoundland and Labrador Pooled Pension Fund are invested prudently and within acceptable risk tolerances. To support this objective, the PIC has established the following values:

Inclusion: Each member of the PIC acknowledges each other's views and perspectives and has the right/opportunity to express their own.

Independence: Each member, while representing the interests of stakeholders, recognizes that the decisions of the PIC are in the best interests of all stakeholders.

4.0 Primary Clients and Stakeholders

The primary clients and stakeholders of the PIC include both the active and retired members of the pension plans, government as the employer/former employer of active/retired plan members, and the unions representing those active/retired members, where applicable.

5.0 Vision

The vision of the PIC is for government sponsored registered pension plans to be fully funded.

6.0 Objective

The Pooled Pension Fund was established to invest net employee and employer pension contributions in capital markets with the long-term objective of generating investment returns sufficient to meet pension obligations. As the Fund's assets are currently insufficient to fully cover the value of those obligations, it is critical that the investment strategy focus on achieving returns in excess of market benchmarks while operating within an acceptable level of risk. Any excess returns will contribute to slowing the growth of the unfunded liability.

A key component of the Pension Investment Committee's mandate is the development and oversight of an active investment strategy having the primary long-term objective of outperforming passive or index-based returns across relevant market sectors. This strategy is implemented through the selection and monitoring of an investment manager whose approach is designed to add value relative to applicable market indices over a four-year investment horizon. Through this active investment strategy, the Committee seeks to advance its long-term objective of moderating the growth of the plans' net unfunded liability.

The Committee is committed to fulfilling its mandated responsibilities and will provide annual reports outlining its activities for each fiscal year covered by this activity plan (i.e., December 31, 2026; December 31, 2027; and December 31, 2028), in accordance with its mandate.

Objective: By December 31, 2026, 2027 and 2028, the PIC will have prudently managed the Newfoundland and Labrador Pooled Pension Fund.

Indicators:

- Developed, reviewed, and implemented Fund objectives and investment strategies aimed at achieving annual returns above the relevant market benchmarks.
- Oversaw and reviewed the Fund's financial activities and provided advice to the Minister responsible as required.
- Recommended the appointment of a custodian and investment manager, as required.