TEACHERS' PENSION PLAN CORPORATION
NEWFOUNDLAND & LABRADOR

2024 ANNUAL REPORT

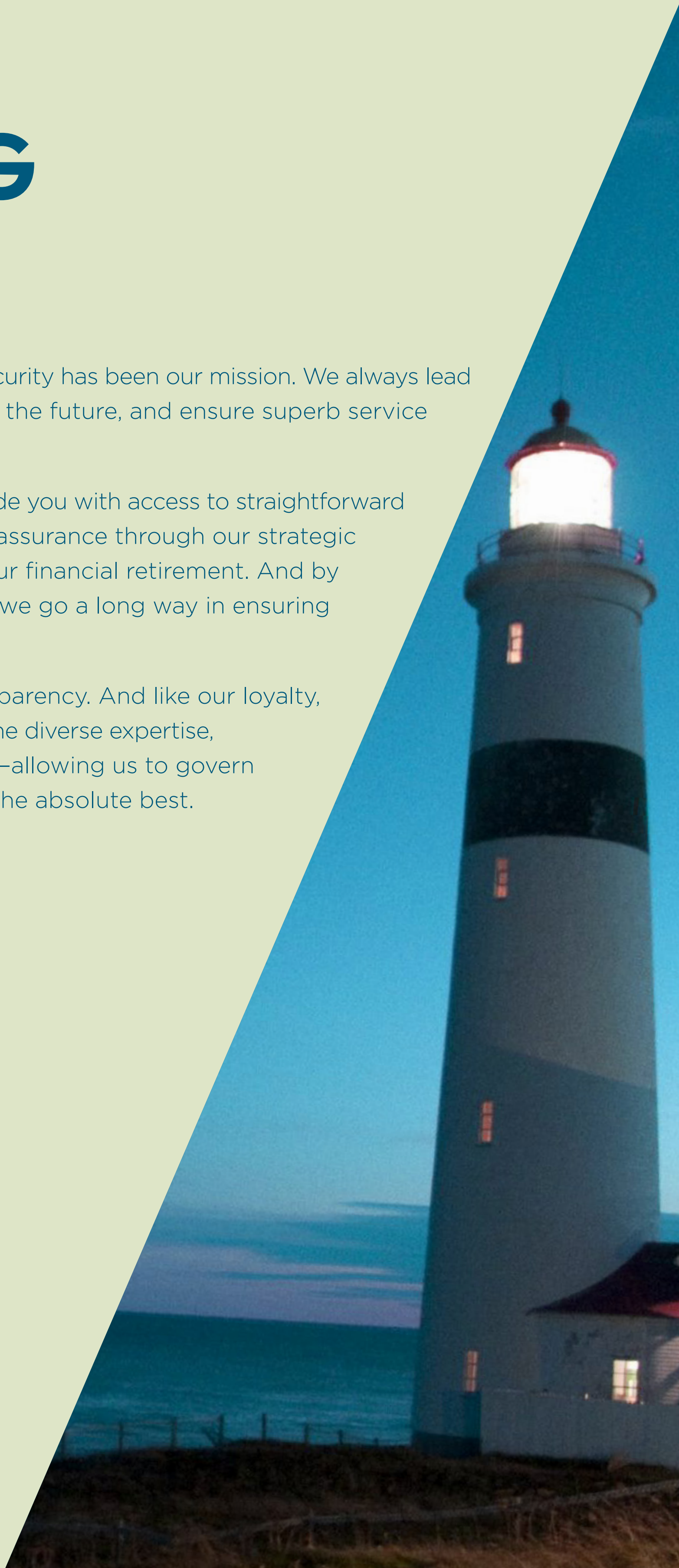
UNWAVERING VISION

Since the beginning, providing you with retirement security has been our mission. We always lead with our core values—as these guide us steadily into the future, and ensure superb service for all our Plan members.

By governing and executing with excellence, we provide you with access to straightforward and accurate information, at any time. We maintain assurance through our strategic clarity and strong financial results—safeguarding your financial retirement. And by delivering a predictable, lifetime retirement income, we go a long way in ensuring your peace of mind. Now, and in retirement.

Comparable to an open book, we're built from transparency. And like our loyalty, wisdom and confidence, our stability is unwavering. The diverse expertise, knowledge, and skills we possess are quiet strengths—allowing us to govern the Plan and serve Plan members with nothing but the absolute best.

We are *your*
Teachers' Pension Plan Corporation
of Newfoundland and Labrador.



MESSAGE FROM THE CHAIR

Reflecting on the past year, 2024 reinforced that our foundation is strong, and the strategy that guides us plays a vital role in ensuring the Plan's financial security.

I am pleased to share that our 2024 net annual investment return was 15.1%, contributing to an impressive 10-year annualized net return of 8.2%. This robust performance, driven by market conditions and the resilience of our diversified portfolio, reinforces the Plan's financial health. With a funded ratio of 125.7%, we continue to provide stability and assurance that members' retirement security remains well protected.

Our disciplined, long-term approach enables us to deliver strong results while safeguarding against volatility—even in turbulent economic times. Rather than reacting to short-term fluctuations, we remain anchored in a well-diversified portfolio designed to deliver returns that will provide a predictable, lifelong pension for our members. This steady, forward-looking strategy continues to serve us well, allowing us to navigate uncertainty with confidence.

We've also advanced key initiatives to ensure members have a modern, intuitive experience that meets, or exceeds, their expectations. You may have noticed we're sporting a refreshed look, with a crisp, vibrant brand that reflects our forward momentum. Alongside it, our redesigned website affirms our commitment to providing clear, actionable insights about pensions and how the Plan supports our members' financial futures. By strengthening digital tools, expanding access to meaningful resources, and refining how we communicate key information, we're making it easier than ever for members to engage with us, and understand their Plan.

As we advance our 2025–2027 Strategic Plan, we remain focused on ensuring the Plan's long-term stability while continuing to evolve how members engage with us and raising the bar on the member experience. Above all, our commitment to delivering secure retirement income, now and in the future, remains steadfast.

To the Sponsor Body, my esteemed colleagues on the Board, the external members of the Investment Committee, and the dedicated staff of the Corporation, thank you for the time, expertise, and commitment you bring to this work.

To our members and pensioners, on behalf of the Corporation, thank you for your trust in us. It is our privilege to serve you.

Paula McDonald
Board Chair

"Our disciplined, long-term approach enables us to deliver strong results while safeguarding against volatility—even in turbulent economic times."

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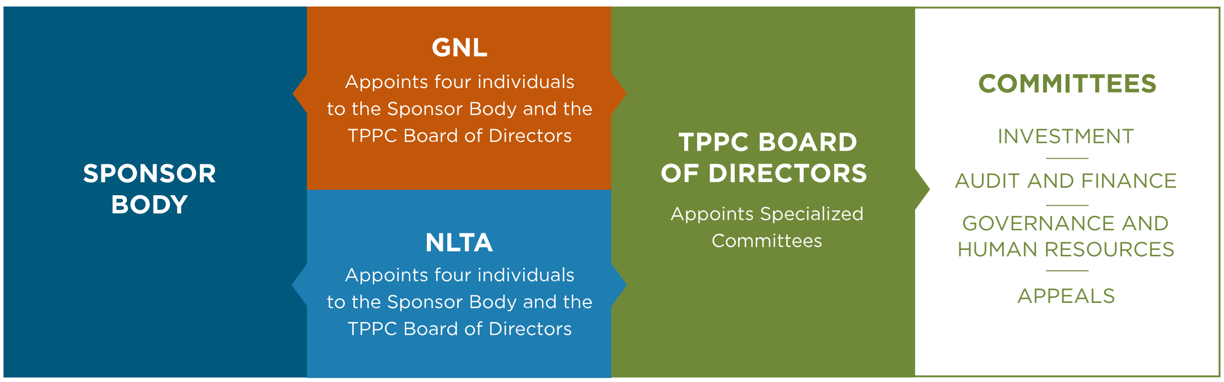
PLAN GOVERNANCE

At the Teachers' Pension Plan Corporation (TPPC or Corporation), our vision is to be an outstanding pension plan administrator and institutional investor.

Our mission is to provide retirement security and excellent service to members—not only now but in the future. Transparency is at the forefront of everything we do, like managing our day-to-day operations, setting our strategic direction, and holding a fiduciary responsibility for the Plan and its investments.

In 2016, the Government of Newfoundland and Labrador (GNL) and the Newfoundland and Labrador Teachers' Association (NLTA) signed a Joint Sponsorship Agreement (JSA). The ultimate goal of this agreement was to create a world-class organization to administer the Teachers' Pension Plan (Plan) and its fund—hence, the birth of the TPPC.

The Plan's governance structure is designed to support effective oversight and decision-making.



The Sponsor Body is comprised of eight members that are appointed by the GNL and the NLTA. It is responsible for approving Plan amendments, determining the frequency of actuarial valuations, amending actuarial assumptions, implementing the funding policy, and ensuring Plan longevity.

The Plan is overseen by an expert Board of Directors that makes decisions in the best interest of all members. The TPPC's eight Board members are selected based on the following specialized skills: governance, investments, finance, human resources, pensions, customer service, risk management, stakeholder involvement, and regulatory matters.

The Board is the Trustee of the Teachers' Pension Plan Fund and oversees the management and prudent investment of the Plan's assets and its administration.

The Board has established a robust governance structure and, as such, maintains three standing committees: Investment, Audit and Finance, and Governance and Human Resources. Each committee provides expertise to the Board, which allows the TPPC's corporate goals, objectives, and responsibilities to be fulfilled. An Appeals Committee also exists to ensure a fair adjudication process is in place to resolve matters related to the interpretation of Plan rules.

BOARD OF DIRECTORS

Paula McDonald BComm, FCPA, FCA, CMA
Board Chair

Eric Thoms BA, MBA, CPA, CMA
Board Vice-Chair

Don Ash BSc, BEd, MBA
Robert Blais BSc, FSA, FCIA
Richard Dixon BA, MIR, ICD.D
Scott Perkin BComm, LLB, ICD.D
Janet Rabovsky BA, MBA
Gretchen Van Riesen BSc

EXTERNAL INVESTMENT COMMITTEE MEMBERS

The Investment Committee also includes two external members who bring additional subject matter expertise to the Board and are as follows:

Kevin Fahey BComm, LLB, CFA
Johannus (John) Poos BA, LLB

STANDING COMMITTEES

INVESTMENT

Assists the Board in overseeing all investment activities of the TPPC.

Janet Rabovsky, Committee Chair
Don Ash
Robert Blais
Kevin Fahey
Paula McDonald
John Poos

AUDIT AND FINANCE

Assists the Board in fulfilling its oversight responsibility related to the TPPC's financial reporting, accounting systems, internal controls, and risk management.

Eric Thoms, Committee Chair
Robert Blais
Paula McDonald
Scott Perkin
Gretchen Van Riesen

GOVERNANCE AND HUMAN RESOURCES

Assists the Board in fulfilling its governance, people and culture, and human resource policy responsibilities.

Richard Dixon, Committee Chair
Don Ash
Paula McDonald
Scott Perkin
Gretchen Van Riesen

BOARD ATTENDANCE

Board members are expected to attend Board meetings and the meetings of Committees of which they are members. Board members met five times in 2024 for Board meetings. In addition, the Investment Committee met six times, the Audit and Finance Committee met five times, and the Governance and Human Resources Committee met four times. The Appeals Committee did not meet.

Board Members	Attendance	Board Meetings	Committee Meetings
Paula McDonald	100%	5	15
Eric Thoms	100%	5	6
Don Ash	100%	5	9
Robert Blais	100%	5	11
Richard Dixon	100%	5	4
Scott Perkin	100%	5	9
Janet Rabovsky	100%	5	6
Gretchen Van Riesen	92%	5	7

2024 HIGHLIGHTS

Invested Assets
$5.3 Billion

Net Rate of Return on Invested Assets (1-year)
15.1%

Net Rate of Return on Invested Assets (10-year annualized)
8.2%

Contributions

Members
$71.0 Million

Employers
$65.5 Million

Benefits Paid

$336.9 Million

Net Assets Available for Benefits
$6.9 Billion

Accrued Benefit Obligation
$5.5 Billion

Funded Ratio
125.7%
Fully funded for the eighth year in a row

MANAGEMENT'S COMMENTARY

INVESTMENT STRATEGY AND PERFORMANCE

2024 Performance Highlights

15.1%	12.7%	7.6%	8.2%
2024 Net Rate of Return on Invested Assets	2024 Net Rate of Return on Total Pension Assets (including the promissory note)	Net Rate of Return on Invested Assets (4-year annualized)	Net Rate of Return on Invested Assets (10-year annualized)

Overview

Our investment approach is focused on balancing risk and investment returns to ensure the Plan can meet its obligations to members over the long term and fulfill the funding targets outlined in the JSA. The Board has established our Statement of Investment Policies and Procedures (SIPP) and related policies to provide broad investment guidelines for the Plan. These policies govern the management and oversight of a diversified portfolio, which is determined based on periodic asset-liability studies. In addition to asset class diversification, the Plan further utilizes portfolio construction to spread investment risk across different geographies, sectors and time horizons, ensuring the portfolio performs well in different investment environments.

In 2024, building on its strong 2023 performance, the Plan delivered a net investment return of 15.1%. This return exceeded both the Plan's benchmark and its 6.0% discount rate and contributed to the increase in the Plan's funded ratio to 125.7%. Importantly, the four- and ten-year net annualized returns of 7.6% and 8.2%, respectively, continue to contribute to the Plan's long-term sustainability.

Asset Allocation

Our asset allocation is the most influential determinant of the Plan's investment performance. It has been developed with the objective of maintaining a return over the long term that is equal to or greater than the Plan's 6.0% discount rate. Meeting this objective helps ensure the Plan remains fully funded.

During 2024, the Corporation conducted an asset-liability study that confirmed changes to the previous strategic asset allocation (SAA) were not required. Since 2021, we have been implementing a plan that targets increased allocations to real estate and infrastructure, with a smaller increase to private equity. These increased allocations are primarily funded through redemptions from public equity.

Progression of the Actual Asset Allocation Towards the Strategic Asset Allocation (2021-2024)

Plan Assets	2021	2022	2023	2024	SAA Target %
Public Equity	50.6%	46.3%	46.6%	44.6%	38.0%
Private Equity	5.8%	6.1%	6.1%	6.6%	7.0%
Real Estate	6.6%	8.6%	8.1%	8.4%	12.5%
Infrastructure	8.3%	11.4%	13.5%	17.2%	17.5%
Public Bonds	14.5%	13.9%	14.2%	14.1%	15.5%
Mortgages	2.6%	1.5%	0.1%	0.1%	0.0%
Private Credit	8.2%	10.0%	9.5%	7.5%	7.5%
Cash	3.4%	2.2%	1.9%	1.5%	2.0%

In 2024, changes were made to the structure of the global equity portfolio to improve its expected risk-return profile. Progress continued toward meeting the Plan's SAA as we committed to two new real estate mandates in the second half of 2024.

Based on current projections, we anticipate having sufficient commitments in place by the end of 2025 to facilitate future capital deployment, as required to meet the SAA target. As a result of future growth in the Plan and capital being returned from existing investments, additional new commitments will be required in 2026 and beyond to maintain invested assets at the SAA target level.

We continuously monitor the actual asset allocation to assess progress toward meeting the SAA. However, the pace of new commitments, capital deployment, and the return of capital remain dependent on market conditions and the availability of appropriate investment opportunities.

Additionally, the performance of each asset class varies over time, which can cause the actual asset allocation to deviate from the targeted SAA and annual interim asset allocation targets. Our SIPP allows for deviations from these targets within ranges approved by the Board, avoiding unnecessary portfolio disruption and cost. During 2024, the asset allocation for each asset class was consistently within these permitted ranges.

2024 Market Review

The investment environment in 2024 faced significant changes shaped by shifting macroeconomic conditions, evolving central bank policies, and geopolitical uncertainties. Inflation eased, but in the latter part of the year, questions surrounding interest rates, trade policies, and growth led to increased market volatility. Despite this evolving landscape, equities, infrastructure, and fixed income posted strong returns.

The Bank of Canada cut its overnight rate from 5.00% to 3.25% over the course of the year as inflation cooled. The US Federal Reserve also adjusted its policy from 5.33% to 4.33%, making three rate cuts in the latter half of the year as inflation moderated, though policymakers signalled a more cautious path ahead. Over the same period, the Bank of England lowered its interest rate from 5.25% to 4.75%, while the European Central Bank reduced its rate from 4.0% to 3.0%.

Towards the end of 2024, the Canadian dollar weakened against several major currencies. Relative to the US dollar, the Canadian dollar started the year at 75.8 cents and ended the year at 69.5 cents, reflecting depreciation of 8.3%. In comparison to the euro and pound sterling, the Canadian dollar depreciated by 2.2% and 6.7%, respectively.

Equities posted strong gains throughout the year, supported by continued enthusiasm for artificial intelligence (AI). Fixed income also benefitted from falling bond yields, though Canadian bonds remained flat in the final months of the year as investors assessed central bank policy changes.

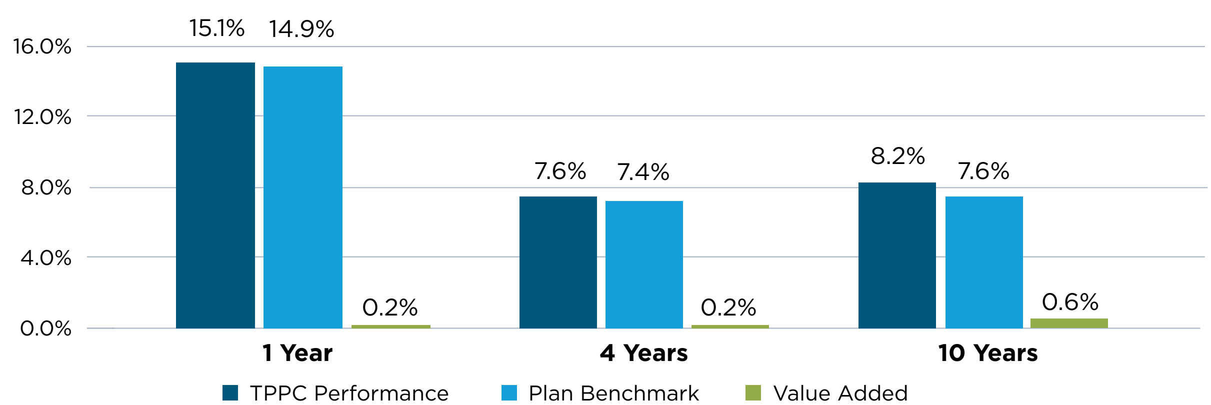
Private market classes also benefitted from the general shift in central bank policy towards interest rate cuts; however, inflationary risk remained, particularly in the US. While deal activity increased across most private market asset classes, it remained low compared to levels seen post pandemic in 2021, prior to the latest cycle of interest rate hikes. Infrastructure performance provided the inflation protection expected, while real estate values continue to be challenged, albeit showing some signs of improvement. Private equity and private credit benefitted from increased deal flow driven by a more favourable interest rate environment.

2024 Performance

The Plan realized a net return of 15.1% on invested assets, largely due to the performance of public and private equity. While real estate, infrastructure, and private credit all contributed positive absolute returns, real estate continued to be challenged with performance turning positive during the second half of the year.

The Plan continued to produce strong returns over the long term, outperforming its benchmark and exceeding the 6.0% discount rate. The Plan realized 0.2% and 0.6% in value-add net of fees over the past four- and ten-year periods, respectively.

Annualized Net Return on Invested Assets vs Plan Benchmark



Many of the Plan's investments are made in currencies other than the Canadian dollar. While currency exposure can provide a further source of diversification, it can also present a significant source of risk, uncertainty, and volatility. We use a passive hedging strategy focused on the US dollar to reduce its currency exposure. During 2024, the impact of our hedging activities resulted in a 1.3% reduction in performance. While currency exchange rates can fluctuate significantly in the short and medium term, long-term impacts are expected to be neutral.

The $1.6 billion promissory note due from the GNL bears interest at an annual rate of 6.0%. In years where the Plan's invested assets return is below 6.0%, the note serves to enhance investment returns. However, when the return on the Plan's invested assets exceeds 6.0%, as it did in 2024, the note will have a dampening effect on performance. The Plan's net return, including the promissory note, was 12.7% in 2024. As noted in the following table, all asset classes, except for mortgages, had a positive absolute return in 2024.

Asset Class Net Returns vs Benchmark Returns

	1 Year			4 Years		
	Net Return	Benchmark Return	Value Added	Net Return	Benchmark Return	Value Added
Total Plan	**15.1%**	**14.9%**	**0.2%**	**7.6%**	**7.4%**	**0.2%**
Equities						
Canadian Equity	18.8%	21.6%	-2.8%	11.8%	12.5%	-0.7%
Global Equity	23.6%	28.7%	-5.1%	8.0%	12.4%	-4.4%
Private Equity	17.7%	32.6%	-14.9%	19.4%	15.8%	3.6%
Real Assets						
Real Estate	2.5%	6.0%	-3.5%	3.9%	8.3%	-4.4%
Infrastructure	14.1%	7.0%	7.1%	13.4%	9.3%	4.1%
Fixed Income						
Universe Bonds	4.5%	4.2%	0.3%	-0.7%	-1.1%	0.4%
Corporate Bonds	7.1%	7.0%	0.1%	1.8%	0.7%	1.1%
Mortgages	-0.9%	8.9%	-9.8%	2.6%	3.7%	-1.1%
Private Credit	9.5%	8.0%	1.5%	10.1%	8.0%	2.1%
Cash	4.7%	4.7%	0.0%	2.5%	2.8%	-0.3%

Public Markets

In 2024, the Plan's public market portfolios produced strong absolute returns and contributed positively to overall Plan performance.

- The Canadian equity portfolio fell short of its benchmark for 2024, primarily due to underweighting in energy and materials, which were the strongest-performing sectors for the year. On a four-year basis, Canadian equity has also performed well but again fell short of its benchmark as the 2024 performance impacted the longer-term results.
- Global equity returns in 2024 were again driven by the momentum surrounding AI and the outsized performance of a concentrated few mega-cap technology stocks. Performance fell short of the one- and four-year benchmarks largely due to our investment managers' underweighting of those stocks.
- Both the universe and corporate bond portfolios benefitted from the falling interest rate environment and slightly exceeded their respective benchmarks for the one- and four-year periods.

Private Markets

All private market asset classes, except for mortgages, produced positive absolute returns for 2024, with private equity and infrastructure showing the strongest performance. Private credit continued to provide solid returns. While global real estate markets have remained challenged, overall performance turned positive in the second half of the year as central banks began to cut interest rates.

- The 2024 absolute return for private equity was in line with expectations, but continued to trail its public equity-based benchmark. This was primarily due to the exceptional performance of top technology stocks that dominated the US public equity market, that underpinned the benchmark. Over the four-year period, private equity has provided significant value-add compared with its benchmark, reflecting both the quality of the private equity portfolio and volatility of public equity market returns.
- During 2024, real estate performance began to improve as central banks began cutting interest rates. However, the returns for both one- and four-year periods continued to be negatively impacted by the steep valuation declines experienced in the US and European markets during the cycle of interest rate hikes that commenced in 2022.
- Infrastructure continued to perform well in 2024, posting strong absolute returns and exceeding its benchmark over both one- and four-year periods.
- The 2024 absolute returns for private credit showed improvement over the prior year, providing attractive value-add relative to its benchmark over both one- and four-year periods.

Looking Ahead

Financial markets remain sensitive to economic conditions, central bank policies, and geopolitical uncertainties, including those created by the policy shifts of the new US administration. While inflation has eased, allowing central banks to begin cutting interest rates, uncertainty remains regarding future interest rate expectations. Geopolitical tensions continue to affect international trade, advances in AI, and the transition to a low-carbon economy.

While these uncertainties can create short-term volatility in the markets, we remain focused on the long-term performance of the Plan. Our resolute commitment to implementing the SAA and adhering to our robust investment processes will ensure the Plan is best positioned to take advantage of opportunities as they arise and to successfully weather future volatility. With this robust framework and our dedicated team of professionals and partners, we are well positioned to ensure the Plan remains fully funded and provides for our members now and in the future.

CORPORATE

Strategic Planning

In 2024, the Board and management team undertook an exercise to develop the 2025-2027 Strategic Plan, which was informed by the achievements and solid groundwork of our previous plans.
The 2025-2027 Strategic Plan focuses on four strategic pillars:

Investments	Member Experience	Thriving Culture	Strong Governance
Invest Plan assets with a long-term view so we deliver the pension promise now and in the future	Develop proactive services, with a digital focus, that elevate member experience and engagement	Empower our people, foster a sense of belonging and promote innovation	Lead, govern and execute with excellence

These strategic pillars guide every decision and action we take, driving our commitment to delivering exceptional service and enhancing our members' pension security. This strategic plan is enabled by our people, processes, technology, and enterprise risk management (ERM).

Enterprise Risk Management

We have a strong risk-conscious culture, and ERM plays a key role in all our activities. Our Board plays a critical role in setting the direction and overseeing appropriate risk management practices that are integrated into our strategic decisions and execution. Our ERM takes a disciplined approach to risk, providing us with a consistent framework that helps us identify, evaluate, track, report, and effectively mitigate the financial, investment, operational, IT and cybersecurity, reputational, and governance risks.

Security Posture

In addition to ERM, we view information security as critically important in our current global environment. We continue to invest in our information and cybersecurity infrastructure to protect the sensitive data and systems used in our operations. We use an information management framework and policies, which were reviewed and updated in 2024, to ensure best practices are being followed. In addition, our risk mitigation includes annual vulnerability assessments and penetration testing by industry experts, desktop exercises to test our incident response plan, and increased monitoring of network traffic. In 2024, we also refreshed our internal cybersecurity awareness initiatives, fostering a culture of cybersecurity mindfulness across the organization that helps identify and prevent potential cyber threats.

As a result of our proactive actions, our 2024 vulnerability assessment and penetration testing assessed the organization's risk profile as low, indicating a strong security posture.

Plan Funding

The Plan is required to file actuarial valuations with the Canada Revenue Agency every three years. A triennial valuation for funding purposes was completed as at August 31, 2024. This valuation, completed by Eckler Ltd., independent actuaries, showed that the funded ratio of the Plan at that date was 122.0%. This is a point-in-time determination of the Plan's financial health. The next required valuation is as at August 31, 2027.

Plan Text Amendments

Effective September 12, 2024

An amendment was made to the Plan Text to align it with changes made to the *Teachers' Pensions Act, 2018*. This amendment extended the definition of "Teacher" to include certain employees of the Department of Education.

Effective December 11, 2024

An amendment was made to the Plan Text regarding the number of days a pensioner may be hired without impacting their pension. As a result of the present demand for retired teachers, the 90-day re-employment limit was suspended, and a pensioner could be re-employed without limit during the 2024-2025 teaching year. At the commencement of the 2025-2026 teaching year, the 90-day re-employment limit will again be considered in determining the impact on a re-employed pensioner.

Rooted in Community, Committed to Giving Back

We believe deeply in the importance of giving back to the community in which we live and work.

In 2024, our team and Board members supported local organizations that strengthen our community and promote sustainable practices. Through the commitment of time and personal financial donations, we assisted several local organizations, including Kids Eat Smart Foundation, Ronald McDonald House Charities, VOCM Coats for Kids, VOCM Happy Tree and the Community Food Sharing Association.

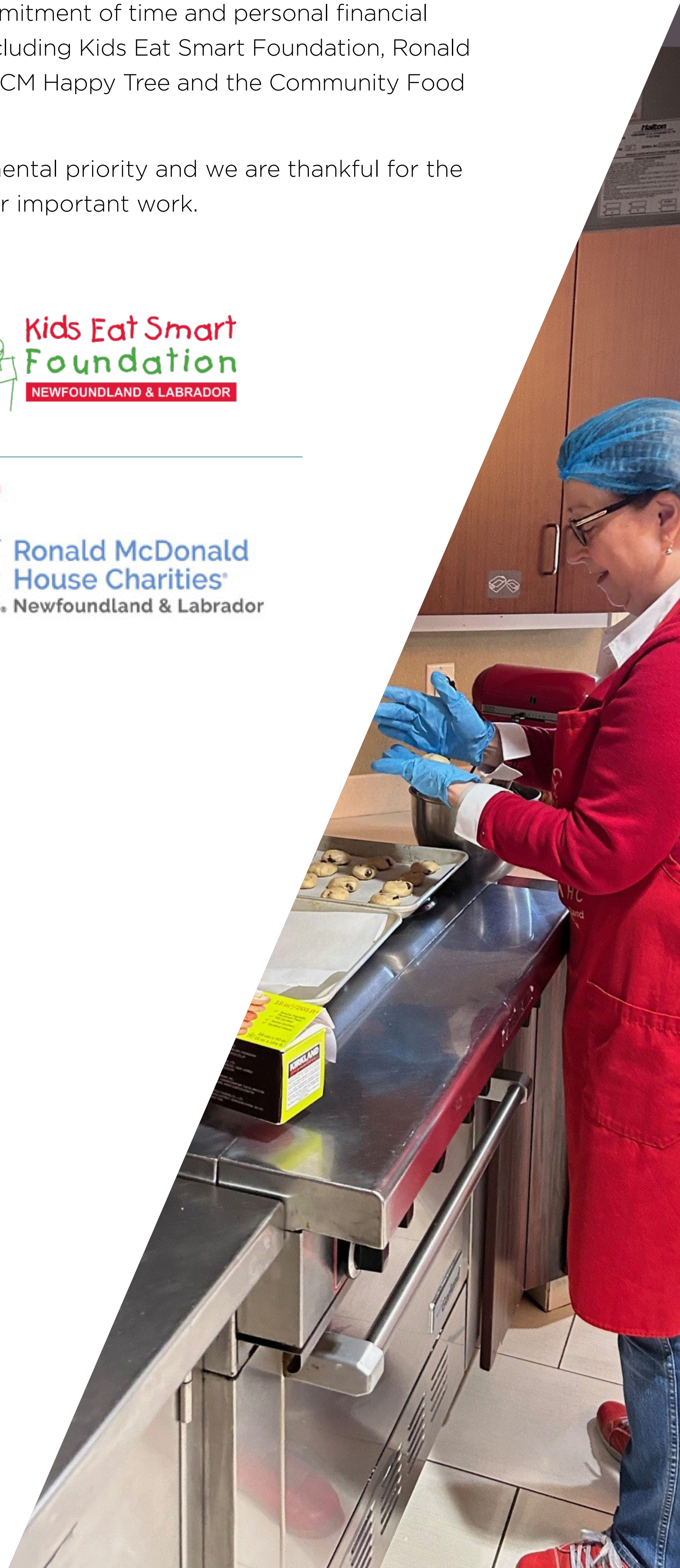
Our commitment to social responsibility is a fundamental priority and we are thankful for the opportunity to support these organizations and their important work.

VOCM Cares For The Community

Kids Eat Smart Foundation NEWFOUNDLAND & LABRADOR

Community Food Sharing

Ronald McDonald House Charities Newfoundland & Labrador



MEMBER PROFILE

Active Members	Pensioners	Ratio of Active Members to Pensioners
6,076	9,959	0.61:1

Average Age of Active Members	Average Age of Pensioners	Pensioners in Pay > 30 Years
43.7	72.9	1,145
	Pensioners over 100 Years Old: 4	

2024 Retirees

New Retirees	Average Retirement Age	Average Years Contributing to the Plan
202	58.5	27.0

Years Expected to Collect a Pension	Average Annual Lifetime Pension
32.5	$38,658

MEMBER SERVICE

We are a lifelong partner to our members at every step of their journey, from early career to their well-earned retirement. We appreciate that not every journey is the same, and we strive to make everything related to our members' pensions as easy as possible. We are dedicated to helping members make informed decisions about their pension and retirement.

To assist in elevating our members' experience, our redesigned website contains a full range of resources and tools that members can access to better understand their Plan and achieve their pension objectives. It includes two videos which showcase the benefits and functionality of myPENSION, a secure, web-based application where members can

- access personal data, including annual statements of their TPP benefits each year;
- use retirement modelling tools to help them understand their retirement benefit options and create a personalized retirement plan;
- share documents more securely and efficiently than through email or mail;
- add and change beneficiaries as their life circumstances change; and
- view their pension cheque stub on each payment date, change their address and banking information or request additional income tax deductions from their pension payments.

When members need more personalized support, TPPC employees are available by telephone, email, or in person to assist members and provide the details they need to make informed decisions about their pension.

Following meaningful interactions with our employees, members are asked to complete a short survey. The survey provides valuable feedback about their service experience and overall level of satisfaction. We are proud to share that the average satisfaction rating for 2024 was 4.8 out of 5.

To further support our members in 2024, our pension administration team was delighted to present at the NLTA pre-retirement and financial information seminars and engage one-on-one with attendees who had questions about their pensions.

64%

of active members and 20% of pensioners registered to use myPENSION as of December 31, 2024

7,103

online pension estimates by members

2,524

uses of retirement modelling

FINANCIAL REPORTING

The Financial Reporting section highlights aspects of the financial statements that management views as key to understanding the financial position of the Plan.

Included in the pages preceding the financial statements are three letters that describe the responsibility of management, the actuaries, and the auditor.

- Management's Responsibility for Financial Reporting – identifies that management is responsible for the preparation of the financial statements that are prepared according to Canadian accounting standards for pension plans. The Board has ultimate responsibility for the financial statements and is assisted in its responsibility by the Audit and Finance Committee.
- Actuarial Opinion – identifies that valuation methods are appropriate, data is sufficient and reliable, and the assumptions are in accordance with accepted actuarial practices. The actuarial valuation is based on membership data, actuarial and accounting standards and long-term interest rates.
- Independent Auditor's Report – the formal opinion issued by the external auditor on the financial statements.

Financial Statement Valuation

The financial statement valuation measures the fair value of the Plan's net assets available for benefits and the accrued benefit obligation at a point in time. The financial statement valuation provides a snapshot of the financial health of the Plan, and it does not assume any future contributions or project the cost of benefits that members have not yet earned. Therefore, the financial statement valuation is not considered an indicator of the long-term sustainability of the Plan.

The financial statement valuation is prepared in accordance with guidance from the Chartered Professional Accountants of Canada. The accrued benefit obligation, prepared by independent actuaries, takes into account pension credit earned to date by all Plan members and contributions already received by the Plan. Valuation techniques, estimates and the accrued benefit obligation are described further in the notes to the financial statements.

The actuarial assumptions used in determining the accrued benefit obligation, reflect best estimates of future economic and non-economic factors proposed by management and approved by the Board. Actual experience typically differs from these assumptions, and the differences are recognized as experience gains and losses in future years.

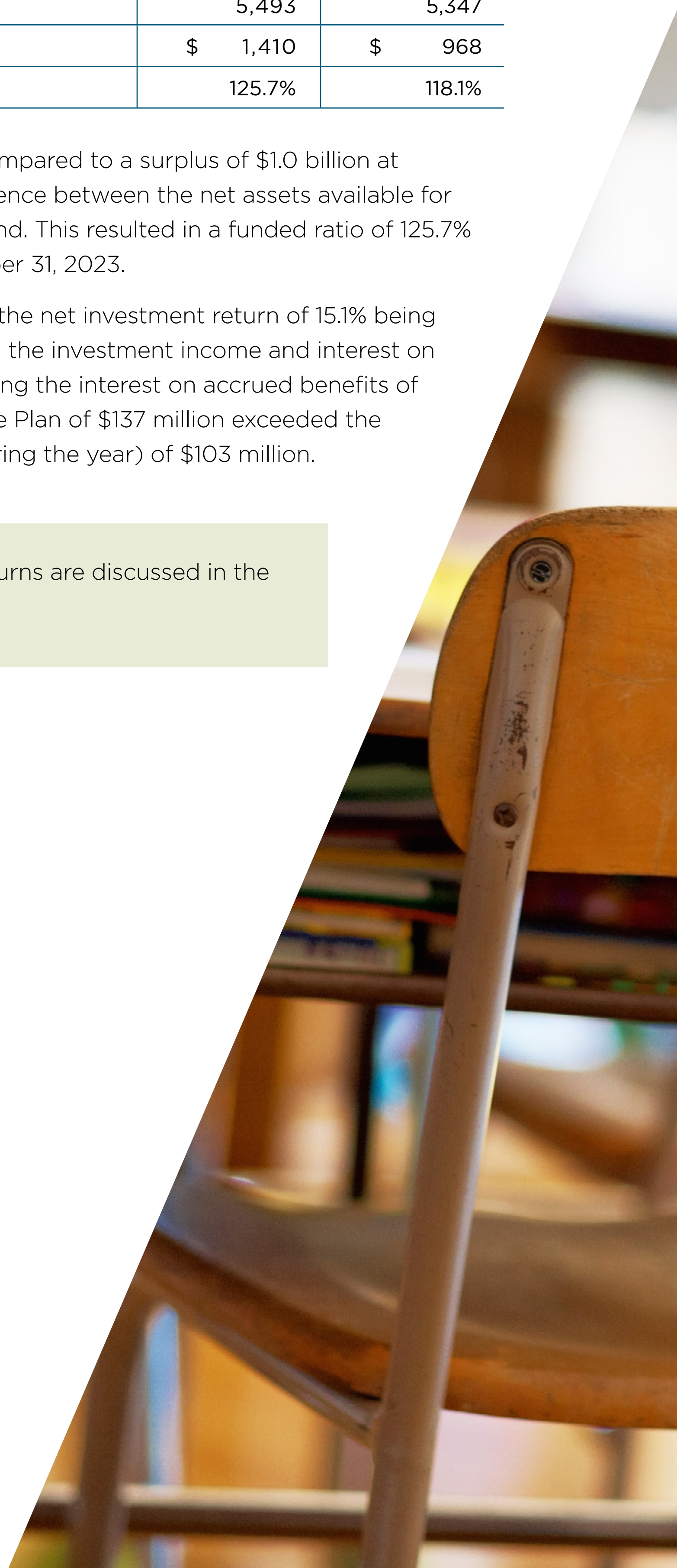
Year End Financial Position

(As at December 31) (millions of dollars)	2024	2023
Net assets available for benefits	$ 6,903	$ 6,315
Accrued benefit obligation	5,493	5,347
Surplus	$ 1,410	$ 968
Funded ratio	125.7%	118.1%

The Plan ended 2024 with a surplus of $1.4 billion, compared to a surplus of $1.0 billion at December 31, 2023. The surplus represents the difference between the net assets available for benefits and the accrued benefit obligation at year end. This resulted in a funded ratio of 125.7% at December 31, 2024, compared to 118.1% at December 31, 2023.

The increase in funded ratio was primarily a result of the net investment return of 15.1% being higher than the discount rate of 6.0%. This resulted in the investment income and interest on the promissory note from GNL of $811 million exceeding the interest on accrued benefits of $314 million. In addition, contributions received by the Plan of $137 million exceeded the current service cost (the cost of benefits accrued during the year) of $103 million.

Further details on the investment income and returns are discussed in the **Investment Strategy and Performance Section**.



RESPONSIBLE INVESTING REPORT

Responsible investing (RI) aims to incorporate relevant and material environmental, social, and governance (ESG) factors into investment decisions and capital stewardship.

As outlined in our Responsible Investing Policy, RI plays an important role in meeting our fiduciary duty and ensuring the sustainability of the Plan for the long term. We consider ESG factors within our investment analysis and decision-making processes in the context of both risks and opportunities, with the aim of improving risk-adjusted returns. Furthermore, we seek to use our rights and influence to protect and enhance the overall long-term value of the Plan for our beneficiaries.

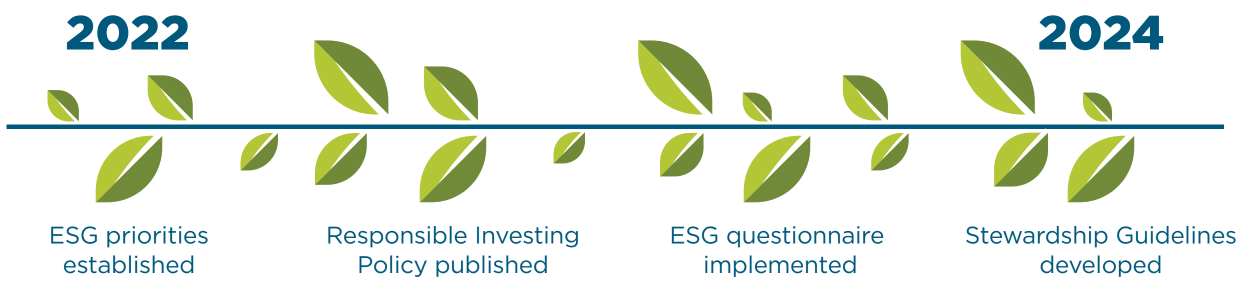
Responsible Investing Framework

We have established a framework to guide our approach to RI, which focuses on four principles:

Our Approach

Our approach to RI has been evolving since the inception of the Corporation.

Since creating our 2022 ESG workplan, we have developed an RI policy and integrated ESG considerations into the selection and monitoring of our investment managers. In 2024, we also developed Stewardship Guidelines to provide a framework for conducting and monitoring stewardship activities and to articulate our beliefs regarding key ESG issues. We have refreshed our ESG workplan for 2025-2027 and look forward to communicating our progress with you as our ESG journey continues.



In addition to updating our ESG workplan, we believe engagement is a critical part of our RI Policy; therefore, we actively collaborate with our peers through our membership in the Pension Investment Association of Canada (PIAC), the Canadian Coalition for Good Governance (CCGG) and the Institutional Limited Partners Association (ILPA).

Responsible Investing Priorities

In considering the potential ESG risks that may impact the Plan, our Board identified four priorities to focus our investment monitoring and engagement activities:

Climate Change
How companies are managing climate risks, capturing climate change-related opportunities, measuring their greenhouse gas emissions and setting reduction goals

Labour Practices
How companies are advancing fair labour practices and safe workplaces

Diversity, Equity and Inclusion
How companies are increasing the diversity of their boards and workforces as well as integrating equitable and inclusive practices into their business

Inequality
How companies are contributing to global social and economic equality of members of society

Governance

Our Board is responsible for all investment activities of the Plan, including the approval and oversight of our RI Policy. Our management team is responsible for implementing, reviewing, and updating the Policy and providing an annual update to the Board, describing how ESG considerations are integrated into the administration, execution, and operation of our investment activities.

Our continuous learning regarding ESG trends and the integration of best practices is part of our RI framework. We also incorporate an overview of ESG considerations in our orientation and onboarding process for new employees and Board members and provide periodic training opportunities for our Board and investment team. Some recent topics we've explored included Stewardship and Sustainable Transition.

Asset Manager Selection and Monitoring

As part of our ongoing monitoring of existing investment managers, we administer a customized ESG questionnaire, which is also used in our due diligence process when selecting investment managers. The questionnaire is designed to gather information regarding each investment manager's approach to RI, and in 2024, it was used to provide valuable insights into the performance and practices of three new investment managers.

In 2024, 95% of our investment managers completed our ESG questionnaire with responses indicating a strong degree of alignment with our RI beliefs. The questionnaire also revealed that 95% of our investment managers are United Nations Principles of Responsible Investment (PRI) signatories and participate in the PRI assessment process. As PRI signatories, these investment managers commit to incorporating ESG factors into their investment decision-making and ownership practices and report on their responsible investment activities.

The ESG questionnaire process, which includes consideration of the investment managers' PRI assessments, enables us to engage in meaningful dialogue regarding each investment managers' approach to RI with a view of identifying opportunities for improvement and sharing best practices.

95%
of our investment managers completed our ESG questionnaire

95%
of our investment managers are PRI signatories

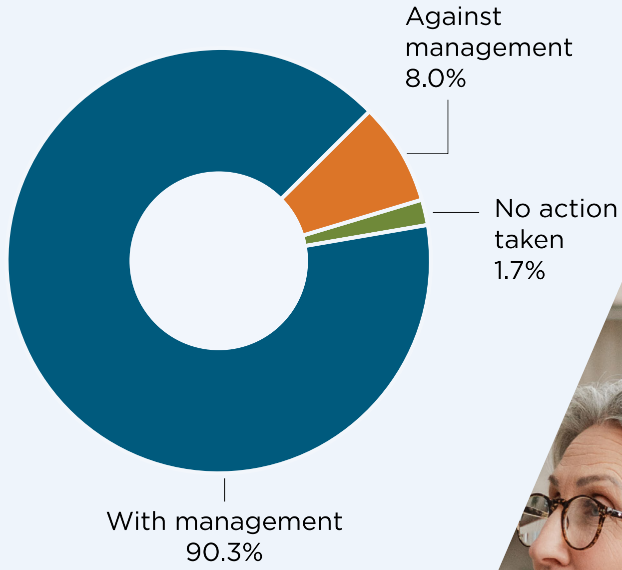
Stewardship

We aim to use our influence to promote sustainability and advance our ESG priority areas by improving the corporate behaviour of our investee companies and engaging with policymakers.

Proxy Voting

To ensure our voice is heard among companies, we have delegated responsibility for proxy voting to our external public equity investment managers, who endeavour to vote at all shareholder meetings of the companies in our portfolios. Votes may be withheld or cast against to signal concern to management or due to a lack of information regarding a proposal. During 2024, our investment managers voted against management 8% of the time.

2024 Proxy Voting



Our investment managers support proposals that address issues material to the company as well as those which are in the long-term financial interest of shareholders. Specific to proposals related to climate, they tend to support calls for additional disclosure, including emissions reporting, which enables the company and its shareholders to better understand the company's climate risks. As well, they tend to support management's *Say on Climate* proposals, which present a company's climate-related strategies and policies.

Engagement and Advocacy

Throughout 2024, our investment managers engaged with companies on ESG issues to enhance their understanding of the risks and opportunities companies are facing, as well as their approach to and oversight of those issues. Our investment managers also encourage enhancements to disclosure where they feel shareholders would benefit from further information.

In 2024, we participated in the CCGG annual engagement program, and a member of our investment team serves on the CCGG's Public Policy Committee. Our investment team members also attended PIAC conferences, taking advantage of the opportunity to network with peers and discuss current issues, including RI topics.

We believe that RI plays an important role in meeting our fiduciary obligations, and our approach to RI will continue to evolve. Building on our understanding of our investment managers' RI practices, we will further progress our climate change priority. In 2025, we will work to establish a baseline carbon footprint for our portfolio. We intend to utilize portfolio emissions data to assess our exposure to climate-related risks and opportunities, as well as to inform our stewardship activities.

We look forward to providing updates on our RI activities and outcomes as part of our annual reporting cycle.

If you are interested in learning more about our RI activities, please contact us by email at **memberservices@tppcnl.ca**, or by phone at **709-793-8772** or **1-833-345-8772.**

2024 FINANCIAL STATEMENTS

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the Teachers' Pension Plan (the Plan) have been prepared by management, which is responsible for the integrity and fairness of the data presented, including the many amounts which must, of necessity, be based on estimates and judgments. The accounting policies followed in the preparation of these financial statements conform to Canadian accounting standards for pension plans. Financial information presented throughout the annual report is consistent with the financial statements.

Systems of internal control and supporting procedures are maintained to provide reasonable assurance that transactions are authorized, assets safeguarded, and proper records maintained. These controls include quality standards in hiring and training of employees, a code of conduct, the establishment of an organizational structure that provides a well-defined division of responsibilities and accountability for performance and the communication of policies and guidelines throughout the organization.

Ultimate responsibility for the financial statements rests with the Teachers' Pension Plan Corporation Board of Directors (the Board). The Board is assisted in its responsibilities by the Audit and Finance Committee (the Committee) consisting of four Board members. In carrying out its duties and responsibilities, the Committee meets regularly with management and the external auditor to review the scope and timing of the audit, to review findings and to ensure their responsibilities have been properly discharged. The Committee reviews the financial statements and recommends them for approval by the Board.

The Plan's external auditor, KPMG LLP, is directly accountable to and has full and unrestricted access to the Committee. They discuss with the Committee their audit and related findings as to the integrity of the Plan's financial reporting and adequacy of internal control systems in the context of their financial statement audit. KPMG LLP has conducted an independent examination of the financial statements in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures, as they consider necessary, to express the opinion in their Independent Auditor's Report.

Paula McDonald
Chief Executive Office

Levi May
Chief Financial Officer

June 5, 2025

ACTUARIAL OPINION

Eckler Ltd. (Eckler) was retained by the Board of the Newfoundland and Labrador Teachers' Pension Plan Corporation (the TPPC), Administrator of the Newfoundland and Labrador Teachers' Pension Plan to perform an actuarial valuation of the Plan as at August 31, 2024. The results of this valuation were extrapolated to estimate the accrued benefit obligation as at December 31, 2024. The purpose of the extrapolation was to determine the pension obligation and benefit accrual of the Plan for inclusion in the Plan's financial statements in accordance with Section 4600 of Part IV of the *Chartered Professional Accountants of Canada (CPA Canada) Handbook.*

As this extrapolation was undertaken for purposes of the Plan's financial statements as at December 31, 2024 under the *CPA Handbook* Section 4600, it may not be appropriate for other purposes and should not be relied upon or used for any other purpose. Specifically, the objective of this extrapolation was different than that of the full or interim valuations required for funding purposes as per the terms of the Plan's Joint Sponsorship Agreement.

The valuation of the Plan's actuarial liabilities was based on:

- membership data provided by the TPPC as at August 31, 2024;
- methods prescribed by Section 4600 of the CPA Canada Handbook for pension plan financial statements; and
- assumptions regarding future investment returns, inflation, salary growth and demographic experience, with a margin for conservatism where appropriate;

We have reviewed the data used for the valuation and have performed tests of reasonableness and consistency, and it is our opinion that the membership data on which the valuation are based are sufficient and reliable for the purpose of the valuation. Additionally, it is our opinion that the assumptions and the methods employed in the valuation are appropriate for the purpose of the valuation.

Notwithstanding the foregoing opinion, emerging experience differing from the assumptions will result in gains or losses which will be revealed in future valuations.

This report has been prepared, and our opinions given, in accordance with accepted actuarial practice in Canada.

Jill Wagman
Fellow, Canadian Institute of Actuaries

Mary Kate Archibald
Fellow, Canadian Institute of Actuaries

April 16, 2025

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Canada
Telephone 416 777 8500
Fax 416 777 8818

INDEPENDENT AUDITOR'S REPORT

To the Administrator of the Teachers' Pension Plan

Opinion

We have audited the financial statements of the Teachers' Pension Plan (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of changes in net assets available for benefit for the year then ended
- the statement of changes in accrued benefit obligation for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its changes in net assets available for benefits and its changes in accrued benefit obligation for the year then ended in accordance with Canadian accounting standards for pension plans.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in Annual Report

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in Annual Report as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for pension plans, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

KPMG

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants.

Toronto, Canada

June 5, 2025

TEACHERS' PENSION PLAN

Statement of Financial Position

As at December 31 ($ thousands)	2024	2023
Assets		
Cash and cash equivalents	$ 52,276	$ 29,383
Accrued investment income	65,146	57,904
Member contributions receivable	724	661
Employer contributions receivable	536	29
Receivable from pending trades	610	2,225
Harmonized Sales Tax receivable	377	415
Investments (note 3)	5,197,025	4,600,838
Promissory note receivable (note 12)	1,591,353	1,628,892
Total Assets	**$ 6,908,047**	**$ 6,320,347**
Liabilities		
Accounts payable and accrued liabilities	$ 2,758	$ 2,439
Payable for pending trades	1,711	2,382
Payable to Teachers' Pension Plan Corporation	243	154
Total Liabilities	**$ 4,712**	**$ 4,975**
Net assets available for benefits	**$ 6,903,335**	**$ 6,315,372**
Accrued benefit obligation (note 8)	5,493,555	5,347,117
Commitments (note 13)		
Surplus	**$ 1,409,780**	**$ 968,255**

The accompanying notes to the financial statements are an integral part of this financial statement.

On behalf of the Plan Administrator

Paula McDonald
________________________ Chair

________________________ Director

TEACHERS' PENSION PLAN

Statement of Changes in Net Assets Available for Benefits

For the year ended December 31 ($ thousands)	2024	2023
Income and contributions		
Investment income (note 4)	$ 714,256	$ 392,844
Interest on promissory note (note 12)	96,975	99,142
	811,231	491,986
Contributions (note 9)	136,506	117,297
Total income and contributions	**947,737**	**609,283**
Decrease in net assets		
Benefits (note 10)	(336,855)	(334,411)
Investment related expenses (note 7)	(15,534)	(13,981)
Management fees (note 12)	(5,601)	(5,381)
Harmonized Sales Tax	(1,784)	(1,643)
Total decrease in net assets	**$ (359,774)**	**$ (355,416)**
Increase in net assets available for benefits	**$ 587,963**	**$ 253,867**
Net assets available for benefits, beginning of year	6,315,372	6,061,505
Net assets available for benefits, end of year	**$ 6,903,335**	**$ 6,315,372**

The accompanying notes to the financial statements are an integral part of this financial statement.

TEACHERS' PENSION PLAN

Statement of Changes in Accrued Benefit Obligation

For the year ended December 31 ($ thousands)	2024	2023
Accrued benefit obligation, beginning of year	**$ 5,347,117**	**$ 5,351,292**
Interest on accrued benefits	313,826	313,714
Benefits accrued	103,489	88,956
Benefits paid	(336,855)	(334,411)
Experience losses (gains)	65,978	(72,434)
Net increase (decrease) in accrued benefit obligation	**146,438**	**(4,175)**
Accrued benefit obligation, end of year (note 8)	**$ 5,493,555**	**$ 5,347,117**

The accompanying notes to the financial statements are an integral part of this financial statement.

TEACHERS' PENSION PLAN

Notes to Financial Statements
For the year ended December 31, 2024

The Teachers' Pension Plan (the "Plan" or "TPP") was continued on April 15, 2019, with an effective date retroactive to January 1, 1991, by the Teachers' Pension Act, 2018 (the "Act"). The Teachers' Pension Plan Fund (the "Fund") was continued under Section 5 of the Act.

The Act provides for two Plan components: a Registered Plan (registration number 0375709), which provides registered pension benefits allowable under the Income Tax Act (Canada), and a Supplementary Plan, which provides benefits in excess of the Income Tax Act (Canada) maximum benefit limits. The Supplementary Plan is not included in the TPP. The Teachers' Pension Plan Corporation (the "Corporation") is the Trustee and Administrator of the Registered Plan. The Province of Newfoundland and Labrador (the "Province") continues to provide pension payroll and refund services for the Plan under a service level agreement for an interim period which will end in 2025.

1. Description of Plan

a) General
The Plan is a contributory defined benefit pension plan covering teachers as defined under the Act ("Members").

These financial statements include only amounts that pertain to the Registered Plan. Amounts that pertain to the Supplementary Plan are included within the accounts of the Province.

The Plan is exempt from income tax, but is subject to indirect taxes, including the Harmonized Sales Tax ("HST"). The Plan receives a 33% rebate of HST paid.

b) Funding
Plan benefits are funded by contributions and investment earnings.

Member contributions are equal to 11.35% of salary, up to the maximum allowed under the Income Tax Act (Canada). Amounts in excess of the maximum allowed are included in the Supplementary Plan.

The employer funding requirement is to match the Member contributions for current service. Matching of contributions may also occur for certain types of past service, which may be purchased under contract.

c) Pension amounts
A service pension is available from the Plan based on 1/45th of the Member's best five years' average salary times years of pensionable service prior to January 1, 1991, plus 2% of the Member's best five years' average salary times years of pensionable service after January 1, 1991. When a Member who retired after August 31, 1998, reaches age 65, this pension is reduced by 0.6% of the Member's best five years' average salary up to the average Year's Maximum Pensionable Earnings ("YMPE") times years of pensionable service after April 1, 1967.

In respect of service accrued after August 31, 2015, the calculation is based on the best eight years of salary. For service accrued before September 1, 2015, the calculation will be based on the greater of the average best five years of salary to August 31, 2015, or the average best eight years of salary.

1. Description of Plan (continued)

d) Disability pensions

A disability pension equal to the service pension is available on permanent incapacity at any age with a minimum of five years pensionable service.

e) Death benefits

Upon the death of a Member, deferred pensioner or pensioner, benefits may be payable to a principal beneficiary, dependent child(ren), other dependents, a designated beneficiary or the person's estate.

f) Termination benefits

On termination of employment, a Member may elect to receive a refund of the Member's own contributions with interest or, if the Member has at least five years pensionable service, may elect to receive a deferred pension, commuted value or a combination of commuted value and refund of the Member's own contributions with interest based on certain service requirements. A Member who terminates after August 31, 2016 with less than 24.5 years of service and who chooses to take a deferred pension will access that pension at the normal retirement age of 62.

g) Indexing

Effective September 1, 2002, and each September 1 thereafter the amount of a pension or survivor benefit paid to an individual who has reached the age of 65 will be adjusted by 60% of the Consumer Price Index for Canada for the previous calendar year as published by Statistics Canada, to a maximum of 1.2% of the annual pension or survivor benefit. This provision only applies to a pension or survivor benefit where the Member to whom that pension or benefit relates retires after August 31, 1998. For individuals who retire after August 31, 2015, the indexing adjustment is only applicable for the years and months of service credited before August 31, 2015.

2. Summary of Material Accounting Policies

a) Basis of presentation

The financial statements are prepared in Canadian dollars, which is the Plan's functional currency, in accordance with Canadian accounting standards for pension plans in Part IV of the Chartered Professional Accountants ("CPA") Canada Handbook (Section 4600). Section 4600 provides specific accounting guidance on investments and pension obligations.

In selecting or changing accounting policies that do not relate to its investment portfolio or pension obligations, Canadian accounting standards for pension plans require the Plan to comply on a consistent basis with either IFRS Accounting Standards ("IFRS") in Part I of the CPA Canada Handbook, or Accounting Standards for Private Enterprises ("ASPE") in Part II of the Handbook. The Plan has chosen to comply on a consistent basis with IFRS. To the extent that IFRS in Part I is inconsistent with Section 4600, Section 4600 takes precedence.

Consistent with Section 4600, investments and liabilities are presented on a non-consolidated basis even when the investment is in an entity over which the Plan has effective control. Earnings of such entities are recognized as income is earned and as

2. Summary of Material Accounting Policies (continued)

a) Basis of presentation (continued)

dividends are declared. The Plan's total investment income includes valuation adjustments required to bring the investments to their fair value.

These financial statements for the year ended December 31, 2024 were approved by the Board of Directors on June 5, 2025.

b) Fair value measurement

As allowed under IFRS 13, if an asset or a liability measured at fair value has a bid and an ask price, the price within the bid-ask spread that is the most representative of fair value in the circumstances shall be used to measure fair value.

When available, the Plan measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

In the absence of an active market, fair value is determined by valuation techniques that make maximum use of inputs observed from markets.

Fair values of investments are determined as follows:

Short-term notes, treasury bills and term deposits maturing within a year are stated at cost, which together with accrued interest income approximates fair value given the short-term nature of these investments.

Bonds and debentures are valued at the closing mid-price at the valuation date.

Publicly traded equities are valued at period-end quoted closing prices where available. Where quoted prices are not available on the valuation date, estimated fair values are calculated using the last trade date.

Pooled fund investments are valued at the unit values supplied by the pooled fund administrator which represent the Plan's proportionate share of underlying net assets at fair values.

Private equity, infrastructure, private credit, real estate and mortgage investments are held through ownership in limited partnerships and private fund investment arrangements. Fair value is determined by the general partner, using the most recent financial information obtained from underlying investments, and/or forecasts of future financial performance and then applying appropriate valuation techniques such as market comparables and/or discounted cash flows.

Investments in derivative financial instruments, including futures, forwards and option contracts, are valued at period-end quoted market prices where available. Where quoted prices are not available, values are determined using pricing models, which take into account current market and contractual prices of the underlying instruments, as well as

2. Summary of Material Accounting Policies (continued)

b) Fair value measurement (continued)

time value and yield curve or volatility factors underlying the positions. Unrealized gains and losses on derivative financial instruments, net of premiums paid or received on options contracts, are included in derivative contracts investments.

All changes in fair value, other than interest and dividend income and expense, are recognized in the statement of changes in net assets available for benefits as part of the change in market value of investments.

c) Use of estimates and judgments

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the valuation of investments, as well as assumptions used in the calculation of pension obligations. Actual results could differ from these estimates and the impact of any such differences will be recorded in future periods.

d) Financial assets and liabilities

Financial assets and liabilities are offset, and the net amount is presented in the statement of net assets available for benefits when, and only when, the Plan has a legal right to offset the amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

i. Recognition and initial measurement

Financial assets and financial liabilities at fair value through profit and loss ("FVTPL") are recognized in the statement of financial position on the trade date, which is the date on which the Plan becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities at FVTPL are initially measured at fair value, with transaction costs recognized in profit or loss.

ii. Classification

Financial assets are required to be classified as measured at amortized cost, fair value through other comprehensive income or FVTPL according to the business model used for managing them and their contractual cash flow characteristics. Financial liabilities are classified as measured through amortized cost unless they are measured at FVTPL.

The Plan makes an assessment of the objective of a business model because this best reflects the way the business is managed, and information is provided. Investments are managed and their performance is evaluated on a fair value basis. As such, the Plan classifies all investments and derivative assets as FVTPL with changes in fair value being recognized in net investment income in the statement of changes in net assets available for benefits.

2. Summary of Material Accounting Policies (continued)

d) Financial assets and liabilities (continued)

ii. Classification (continued)

Financial assets at amortized cost include cash and cash equivalents, accrued investment income, contributions receivable, receivable from pending trades, Harmonized Sales Tax receivable and promissory note receivable. Financial liabilities at amortized cost include accounts payable and accrued liabilities, payable for pending trades and payable to Teachers' Pension Plan Corporation.

iii. De-recognition

The Plan de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Plan neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset.
On de-recognition of a financial asset, the difference between the carrying amount of the asset and consideration received is recognized in the statement of changes in net assets available for benefits as a realized gain or loss included in Investment Income as presented in note 4.

The Plan de-recognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

The Plan considers all liabilities, except for derivative contracts payable, to be non-derivative financial liabilities.

iv. Derivative financial instruments

Derivative financial instruments are recognized initially at fair value and attributable transaction costs are recognized in the statement of changes in net assets available for benefits as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and all changes are recognized immediately in the statement of changes in net assets available for benefits.

e) Receivable/payable for pending trades

For securities transactions, the fair value of receivable from pending trades and payable for pending trades approximate their carrying amounts due to their short-term nature.

f) Investment income

Investment income is recorded on an accrual basis and includes interest income, dividends and other income as well as gains and losses that have been realized on the sale of investments and unrealized current period change in market value of investments.

Dividend income is recognized as of the date of record.

2. Summary of Material Accounting Policies (continued)

f) Investment Income (continued)

The net realized gain (loss) on sale of investments is the difference between proceeds received and the average cost of investments sold.

g) Foreign currency translation

Transactions denominated in foreign currencies are translated into Canadian dollars at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into Canadian dollars at the exchange rate at that date.

Foreign currency differences arising on retranslation are recognized in the statement of changes in net assets available for benefits as a change in the market value of the investment.

h) Contributions

Contributions from employers and Members due to the Plan at the reporting date are recorded on an accrual basis. Service purchases that include, but are not limited to leaves of absence, periods of reduced accrual and transfer from other pension plans are recorded, and service is credited when the signed contract to purchase is received.

i) Benefits

Benefit payments are recorded as they are due and paid, twice monthly. Termination benefit payments, transfers to other pension plans and death benefits are recorded when paid. Accrued benefits for Members are recorded as part of the accrued pension obligation.

j) Expenses

Expenses incurred by the Corporation as Trustee and Administrator, as well as external investment management expenses, are recorded on an accrual basis. Under the Service Level Agreement, the Province continues to provide pension payroll and refund services for the Plan whereby certain related salaries, overhead and administrative expenses are charged to the Plan on a cost recovery basis.

3. Investments

a) Investment portfolio:

The fair value of investments relative to the cost is summarized in the following table:

($ thousands)	2024 Fair Value	2024 Cost	2023 Fair Value	2023 Cost
Short-term investments	$ 71,063	$ 71,063	$ 83,024	$ 83,024
Equities				
Canadian	623,046	497,470	650,142	554,874
Global	1,663,386	1,236,605	1,475,575	1,075,135
Private	347,062	155,940	282,168	125,649
Real assets				
Real estate	447,764	422,788	372,516	355,599
Infrastructure	922,322	653,286	622,209	468,144
Fixed income				
Bonds	740,562	815,702	653,377	741,276
Mortgages	5,625	6,000	5,821	6,000
Private debt	400,495	331,053	436,895	380,735
Derivatives	(24,300)	-	19,111	-
Total	**$ 5,197,025**	**$ 4,189,907**	**$ 4,600,838**	**$ 3,790,436**

b) Fair value measurement

Financial instruments are classified according to the following fair value hierarchy that reflects the significance of inputs used in determining the fair values:

Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - inputs for assets and liabilities that are not based on observable market data.

3. Investments (continued)

b) Fair value measurement (continued)

Investments based on the valuation level within the fair value hierarchy are as follows:

($ thousands)	2024 Level 1	Level 2	Level 3	Total
Short-term investments	$ -	$ 71,063	$ -	$ 71,063
Equities	1,754,810	531,622	347,062	2,633,494
Real assets	-	165,681	1,204,405	1,370,086
Fixed income	3,573	736,989	406,120	1,146,682
Derivatives	-	(24,300)	-	(24,300)
Total	**$ 1,758,383**	**$ 1,481,055**	**$ 1,957,587**	**$ 5,197,025**

($ thousands)	2023 Level 1	Level 2	Level 3	Total
Short-term investments	$ -	$ 83,024	$ -	$ 83,024
Equities	1,952,235	173,482	282,168	2,407,885
Real assets	-	137,307	857,418	994,725
Fixed income	3,123	650,254	442,716	1,096,093
Derivatives	-	19,111	-	19,111
Total	**$ 1,955,358**	**$ 1,063,178**	**$ 1,582,302**	**$ 4,600,838**

There have been no transfers between levels in 2024 or 2023.

3. Investments (continued)

b) Fair value measurement (continued)

The following table reconciles the Plan's Level 3 fair value measurements from year to year:

($ thousands)	Equities	Real Assets	Fixed Income	Total
Fair value, December 31, 2023	$ 282,168	$ 857,418	$ 442,716	$ 1,582,302
Acquisitions	41,520	351,931	20,849	414,300
Dispositions	(27,393)	(119,024)	(85,220)	(231,637)
Realized gains	16,164	11,667	14,689	42,520
Change in unrealized gains (losses) on assets sold	(15,211)	(9,010)	(7,110)	(31,331)
Change in unrealized gains (losses) on assets held	49,814	111,423	20,196	181,433
Fair value, December 31, 2024	**$ 347,062**	**$ 1,204,405**	**$ 406,120**	**$ 1,957,587**
Fair value, December 31, 2022	$ 266,133	$ 740,300	$ 504,445	$ 1,510,878
Acquisitions	11,884	174,439	47,512	233,835
Dispositions	(14,436)	(8,121)	(98,244)	(120,801)
Realized gains	8,016	3,308	1,612	12,936
Change in unrealized gains (losses) on assets sold	(7,682)	(4,739)	(1,737)	(14,158)
Change in unrealized gains (losses) on assets held	18,253	(47,769)	(10,872)	(40,388)
Fair value, December 31, 2023	**$ 282,168**	**$ 857,418**	**$ 442,716**	**$ 1,582,302**

The Plan's private equity, infrastructure, private credit, real estate and mortgage investments are structured as indirect investments in private funds; these funds are valued using various methods including the discount rate method. Based on the structure of these investments, the Plan's ability to access information on underlying individual fund investments is limited. Accordingly, the fair value of these investments is based on the net asset value provided by the fund's general partner or investment manager, and therefore, in the absence of specific information to support deviating from this value, no other reasonably possible alternative assumptions could be applied.

c) Derivatives

Derivatives are financial contracts, the value of which is derived from the value of underlying assets or interest or exchange rates. Derivatives provide flexibility in implementing investment strategies. The Plan uses such contracts to enhance investment returns and for managing exposure to foreign currency volatility.

Notional amounts of derivative contracts are the contract amounts used to calculate the cash flow to be exchanged. They represent the contractual amounts to which a rate or price is applied for computing the cash to be paid or received. Notional amounts are the basis on which the returns from and fair value of the contracts are determined. They are not

3. Investments (continued)

c) Derivatives (continued)

recorded as financial assets or liabilities on the annual statement of financial position and statement of change in net assets available for benefits. They are a common measure of volume of outstanding transactions but do not represent credit or market risk exposure. The aggregate notional amounts and fair value of derivative contracts can fluctuate significantly.

Derivative contracts transacted on either regulated exchange market or in the over the counter market directly between two counterparts include the following:

i. Futures
Futures are transacted in standard amounts on regulated exchanges and are subject to daily cash management.

ii. Currency forwards
Currency forwards are contractual obligations to exchange one currency for another at a specified price or settlement at a predetermined future date. Forward contracts are used to manage the currency exposure of investments held in foreign currencies. The notional amount of a currency forward represents the contracted amount purchased or sold for settlement at a future date. The fair value is determined by the difference between the market value and the notional value upon settlement.

The following table sets out the notional values of the Plan's currency forwards and their related assets and liabilities:

($ thousands)	Notional amount	Fair value asset	Fair value liability	Fair value net
December 31, 2024	$ 581,438	$ -	$ 24,300	$ (24,300)
December 31, 2023	$ 506,028	$ 19,111	$ -	$ 19,111

4. Investment Income

a) Investment income is as follows:

($ thousands)	2024	2023
Dividend income	$ 85,196	$ 79,061
Interest income	41,062	37,128
Other income	86	62
Dividend, interest and other investment income	126,344	116,251
Realized gains (losses)	391,082	14,115
Change in unrealized appreciation (depreciation)	196,830	262,478
Investment income	**$ 714,256**	**$ 392,844**

b) Investment income (loss) by asset class, is as follows:

($ thousands)	Investment Income	Realized gains (losses)	Change in unrealized appreciation (depreciation)	2024	2023
Short-term investments	$ 22,461	$ 5,620	$ -	$ 28,081	$ 12,483
Equities	57,941	364,369	91,250	513,560	330,992
Real assets	14,330	13,210	123,030	150,570	(37,125)
Fixed income	31,461	17,275	25,846	74,582	75,444
Derivatives	65	(9,392)	(43,296)	(52,623)	10,988
Other	86	-	-	86	62
Total	**$ 126,344**	**$ 391,082**	**$ 196,830**	**$ 714,256**	**$ 392,844**

5. Investment Risk Management

Risk management relates to the understanding and active management of risks associated with all areas of the business and the associated operating environment. The use of financial instruments exposes the Plan to interest rate, market price, credit, foreign currency, and liquidity risks. The Plan has policies and operating procedures that establish a strategic asset allocation among equity (public and private), real assets and fixed income asset classes, require diversification of investments within asset class categories and set limits on the size of exposure to individual investment and counterparties. Board of Directors oversight, procedures and compliance functions are incorporated into Plan processes to achieve consistent controls and mitigate operational risk.

5. Investment Risk Management (continued)

a) Interest rate risk

Interest rate risk refers to the fact that the Plan's financial position will change with market interest rate changes, as fixed income securities are sensitive to changes in nominal interest rates. Interest rate risk is inherent in the management of a pension plan due to prolonged timing differences between cash flows related to the Plan's assets and cash flows related to the Plan's liabilities.

The fair value of the Plan is affected by short term changes in nominal interest rates. Pension liabilities are exposed to the long-term expectation of rate of return on the investments, as well as expectations of inflation and salary escalation.

The term to maturity classifications of interest-bearing investments, based upon the contractual maturity of these securities, are as follows:

(%)	2024	2023
Within 1 year	12.0	9.2
Short (1-5 years)	30.6	26.8
Medium (5-10 years)	25.2	33.6
Long (10+ years)	32.2	30.4
Total	**100.0**	**100.0**

Assuming a parallel change in the long and short-term yields, a 1% increase or decrease in interest rates would have the effect of decreasing or increasing, respectively, the fair value of the Plan's fixed income investments by approximately $51.6 million or 7.13% (2023 - $45.1 million or 7.04%).

b) Market price risk

Market price risk is the risk of fluctuation in market values of investments from influences specific to a particular investment or from influences on the market as a whole. All changes in market conditions will directly result in an increase or decrease in net assets available for benefits. Market price risk is managed by the Plan through the construction of a diversified portfolio of instruments traded on various markets representing various industries. If equity market indices (S&P/TSX, MSCI ACWI and MSCI Emerging Markets and their sectors) declined or increased by 10%, and all other variables are held constant, the potential loss or gain to the Plan would be approximately $228.6 million or 4.40% (2023 - $212.6 million or 4.62%).

c) Credit risk

Credit risk is the risk that the issuer of a debt security or counterparty to a contract is unable to fulfill its financial obligation and causes the other party to incur a loss.

Credit risk in the fixed income portfolio is monitored by evaluating the Plan's exposure by sector (government versus corporate) and by credit quality.

5. Investment Risk Management (continued)

c) Credit risk (continued)

The Plan is exposed to credit risk from the following interest earning investments, classified by sector as at year end:

(%)	2024	2023
Federal government	19.5	24.7
Provincial governments	17.3	16.2
Corporate	60.5	57.1
Other	2.7	2.0
Total	**100.0**	**100.0**

The Plan's risk by credit rating as at year end is as follows:

(%)	2024	2023
AAA	20.0	23.9
AA	23.9	22.1
A	17.3	15.8
BBB	22.3	24.1
Below BBB	8.4	9.6
Not rated	8.1	4.5
Total	**100.0**	**100.0**

d) Foreign currency risk

Foreign currency exposure arises through holdings of non-Canadian dollar denominated investments. Fluctuations in the relative value of the Canadian dollar against these foreign currencies can result in a positive or a negative effect on the fair value of the investments. The Plan's exposure to foreign currencies provides diversification benefits that should be assessed by asset class. United States dollar exposures arising from investments in fixed income, real estate or infrastructure are hedged, while investments in global public and private equity are not hedged. In addition, certain investment managers of the Plan are given flexibility through their mandate to periodically hedge currency for opportunistic or defensive purposes.

5. Investment Risk Management (continued)

d) Foreign currency risk (continued)

The Plan's unhedged currency exposure from net investment assets as at year end is summarized in the following table:

(%)	2024	2023
Canadian Dollar	61.8	59.5
United States Dollar	27.2	26.2
Euro	4.7	6.3
Japanese Yen	1.4	2.0
British Pound	1.4	1.9
Other currencies	3.5	4.1
Total	**100.0**	**100.0**

A 10% increase or decrease in the value of the Canadian dollar in relation to all unhedged foreign currencies, with all other variables held constant, would result in an unrealized investment loss or gain of $201.2 million, or 3.82% (2023 - $187.9 million or 4.04%).

e) Liquidity risk

Liquidity risk refers to the risk that the Plan does not have sufficient cash to meet its current liabilities, including benefit payments, and to acquire investments in a timely and cost-effective manner. Cash obligations are fulfilled from contributions to the Plan, cash income of the Plan and planned dispositions of Plan assets as required. Cash requirements of the Plan are reviewed on an ongoing basis to provide for the orderly availability of resources to meet the financial obligations. In general, the Plan's investments in cash and cash equivalents, bonds and public equities are expected to be highly liquid and are invested in securities that are actively traded. Investments in private equity, private credit, certain infrastructure and real estate funds are considered highly illiquid due to their private nature and longer term to maturity.

6. Capital Management

The capital of the Plan is defined as the net assets available for benefits. The Plan was established to invest Member and employer pension plan contributions in capital markets with a long-term goal to achieve investment returns. The main objective of the Plan is to meet its long-term funding requirements and pension payment obligations.

The Plan is jointly sponsored by the Government of Newfoundland and Labrador and the Newfoundland and Labrador Teachers' Association. The Board of Directors of the Corporation has overall responsibility to oversee all investment activities of the Plan.

6. Capital Management (continued)

a) Portfolio management

The Plan utilizes investment management firms to invest the assets of the Plan. Each investment manager is selected following a comprehensive due diligence process. Existing managers are monitored on an ongoing basis by the Corporation. The Corporation also retains external custodial and investment counselling advisory services for the Plan.

b) Strategic asset allocation

The Plan's investments are selected and held in accordance with the criteria and limitations set forth in the Statement of Investment Policies and Procedures (SIPP), which requires diversification of investments within asset classes and sets constraints on the exposure to individual investments. These constraints are outlined within the Plan's strategic asset allocation contained within the SIPP. The SIPP is subject to review by the Board of Directors at least annually.

In December 2024, the Board of Directors approved a strategic asset allocation based on the Asset Liability Study finalized in December 2024. Factors evaluated before adopting the new strategic asset allocation included the Plan's going concern funded ratio, demographics, cash flow requirements, actuarial assumptions and liquidity requirements. Based on the current asset implementation plan, and subject to market conditions and investment opportunities, Management believes the strategic asset allocation will be fully committed by the end of 2025.

The following summarizes the current strategic asset allocation approved by the Board of Directors in December 2024:

%	Strategic Asset Allocation
Cash and short-term investments	2.0
Equities	
Public equity	38.0
Private equity	7.0
Real assets	
Real estate	12.5
Infrastructure	17.5
Fixed income	
Bonds	15.5
Private credit	7.5
Total	**100.0**

7. Investment Related Expenses

Investment related expenses consist of management fees and expenses charged by the external investment management firms, the custodian and others and are as follows:

($ thousands)	2024	2023
Investment management fees	$ 15,038	$ 13,564
Custodian fees	424	347
Other	72	70
Total	**$ 15,534**	**$ 13,981**

8. Accrued Benefit Obligation

The actuarial present value of the accrued benefit obligation is an estimate of the value of pension obligations of the Plan in respect of benefits accrued to December 31, 2024 for all active and inactive Members including pensioners and survivors. In accordance with Section 4600 the obligation is measured using the projected unit credit method, prorated on service. This method calculates the actuarial value of benefits accrued up to the financial reporting date, after the projected benefits have been attributed equally to each year of a Member's service.

The actuarial valuation of the Plan was performed as at August 31, 2024, based on plan membership as at this date, and results were extrapolated to December 31, 2024. This valuation was a triennial valuation required for funding purposes as per the Plan's Joint Sponsorship Agreement.

The actuarial assumptions used in determining the value of the accrued benefit obligation at December 31, 2024 of $5.494 billion (2023 - $5.347 billion) were determined using a methodology that is consistent with the methodology used to determine the assumptions made in the funding valuation.

The primary economic assumptions include the discount rate, the salary escalation rate and the inflation rate. The discount rate was developed by calculating the expected average annual gross rate of return for the Plan's assets, net of estimated fees, and adding back any expected value-added return resulting from active management, less a provision for adverse deviation. The salary increase assumptions incorporates the underlying inflation assumption and includes an additional margin of 0.50% for productivity. The salary increase assumption also includes a service-based merit component and a component for promotional increases.

8. Accrued Benefit Obligation (continued)

The key assumptions used in the valuation are summarized in the table below:

	For the years ended December 31, 2024, and 2023
Net of expense discount rate:	6.0% per annum
Inflation:	2.0% per annum
Pensioner indexing:	1.0% per annum
Annual salary increase:	
• Service based merit	<10 years of service: 3.2% per annum 10 + years of service: 0% per annum
• Promotional increase	Dependent on Certificate Level and time from valuation
• Contractual	2.5% per annum
Retirement age:	100% at earliest age Member is eligible for an unreduced pension
Mortality:	CPM Public Sector Mortality Table projected generationally with Improvement Scale MI-2017

9. Contributions

($ thousands)	2024	2023
Members		
Current service	$ 64,846	$ 56,473
Past service	3,666	3,239
Transfers from other pension plans	2,472	416
	70,984	60,128
Employers		
Current service	64,846	56,473
Past service	676	696
	65,522	57,169
Total	**$ 136,506**	**$ 117,297**

10. Benefits

($ thousands)	2024	2023
Retirement pensions	$ 328,182	$ 322,291
Termination benefits	6,328	9,625
Transfers to other pension plans	908	1,699
Death benefits	1,437	796
Total	**$ 336,855**	**$ 334,411**

11. Interest in Subsidiaries

The Plan's subsidiaries were created for the purposes of providing investment earnings from private market investment arrangements. The Plan's subsidiaries are presented on a non-consolidated basis. The following table shows the fair value of the Plan's subsidiaries:

($ thousands)	Purpose	Ownership	2024	2023
TPP Neptune Corporation	Private equity, Infrastructure, Real estate and Private credit	100%	$ 805,069	$ 745,155
TPP Investment Corporation	Private credit	100%	$ 78,451	$ 91,928
TPP Bonavista Corporation	Infrastructure and Private equity	100%	$ 288,213	$ 89,352

Funding is made by capital investment from the Plan via share capital or contributed surplus. TPP Neptune Corporation, TPP Investment Corporation and TPP Bonavista Corporation have commitments that must be funded directly through capital investment by the Plan. These amounts are included in the Plan's commitments (note 13).

12. Related Party Transactions

Expenses are incurred by the Corporation as Trustee and Administrator and charged to the Plan as a management fee. Expenses for the year ended December 31, 2024 and the year ended December 31, 2023 include an allocation of costs of the Government of Newfoundland and Labrador under the Service Level Agreement with the Corporation, as well as direct costs incurred by the Corporation. A breakdown of the expenses included in the management fee are as follows:

12. Related Party Transactions (continued)

($ thousands)	2024	2023
Salaries and benefits	$ 2,508	$ 2,212
Consulting and other professional services	1,394	1,615
Insurance	361	395
Premises and equipment	233	100
Board and committee fees and expenses	199	197
Rent	175	174
Other expenses	731	688
Total	**$ 5,601**	**$ 5,381**

The following related party investments were held by the Plan at year end:

	2024		2023	
($ thousands)	Cost	Market Value	Cost	Market Value
Province of Newfoundland and Labrador Debentures				
Series maturing October 17, 2046	$ 392	$ 353	$ 354	$ 320
Series maturing October 17, 2050	1,350	1,104	1,217	999
Total	**$ 1,742**	**$ 1,457**	**$ 1,571**	**$ 1,319**

As part of the pension reform process, the Province issued a promissory note to the Corporation on August 29, 2016, for the benefit of the Plan. The principal sum of $1.862 billion, valued at September 1, 2015, together with interest at 6% per annum, is payable in annual blended payments of principal and interest of $135 million on August 31 of each year, with the first payment made on August 31, 2016 and continuing for 29 years. Payments under the promissory note are fixed and will be made regardless of the funded status of the Plan in the future. The promissory note is non-marketable. In addition, the promissory note and the payments due are not assignable or transferrable by the Corporation.

The amount of the promissory note outstanding at December 31, 2024 was $1.591 billion (2023 - $1.629 billion).

12. Related Party Transactions (continued)

Principal repayments of the promissory note by the Province to the Corporation and by the Corporation to the Plan for the next five fiscal years ending December 31 are as follows:

($ thousands)	
2025	$ 39,791
2026	$ 42,179
2027	$ 44,709
2028	$ 47,392
2029	$ 50,235

The Province continues to provide pension payroll and refund services for the Plan under a Service Level Agreement on a cost recovery basis. The cost of the services for the year ended December 31, 2024, is $0.14 million (2023 - $0.11 million).

13. Commitments

The Plan has committed to invest in certain private market investments, including private equity, private credit, infrastructure, and real estate, which may be funded over the next several years in accordance with the terms and conditions agreed to. As at December 31, 2024, the unfunded commitments totaled $1,257.4 million (2023 - $1,249.2 million).

EIGHT-YEAR REVIEW

EIGHT-YEAR REVIEW
(unaudited)

(millions of dollars)	2024	2023	2022	2021	2020	2019	2018	2017
Investment assets	5,313	4,688	4,397	4,722	4,250	3,833	3,419	3,468
Promissory note	1,591	1,629	1,664	1,698	1,729	1,759	1,787	1,814
Other assets (liabilities) (net)	(1)	(2)	-	(1)	(1)	(1)	3	(1)
Net assets available for benefits	**6,903**	**6,315**	**6,061**	**6,419**	**5,978**	**5,591**	**5,209**	**5,281**
Investment income (loss)	714	393	(227)	552	502	480	26	346
Interest on promissory note	97	99	101	103	105	107	108	110
Contributions	137	117	118	121	115	115	114	110
Benefit payments	(337)	(334)	(332)	(318)	(319)	(305)	(304)	(294)
Investment and management expenses	(23)	(21)	(17)	(18)	(15)	(15)	(16)	(16)
Net change in net assets available for benefits	**588**	**254**	**(357)**	**440**	**388**	**382**	**(72)**	**256**
Accrued benefit obligation	**5,493**	**5,347**	**5,351**	**5,284**	**5,204**	**5,208**	**5,121**	**5,103**
Funded ratio (%)	**125.7**	**118.1**	**113.3**	**121.5**	**114.9**	**107.4**	**101.7**	**103.5**
Performance (%)								
Annual investment return, gross of fees	15.6	9.3	-4.8	13.3	13.6	14.4	0.9	11.3
Annual investment return, net of fees	15.1	8.8	-5.2	12.9	13.2	13.9	0.4	10.9
Benchmark	14.9	13.1	-6.2	9.2	10.3	13.7	0.0	9.7
Membership								
Active members	6,076	6,064	5,991	6,062	6,116	5,935	5,898	5,913
Inactive members	2,251	2,603	3,081	3,016	3,042	3,319	3,392	4,041
Retirees and survivors	9,959	9,891	9,756	9,615	9,499	9,405	9,290	9,140
Total members	**18,286**	**18,558**	**18,828**	**18,693**	**18,657**	**18,659**	**18,580**	**19,094**