



MUNICIPAL EMPLOYEES
BENEFITS PROGRAM

2025
ANNUAL REPORT TO MEMBERS

www.mebp.mb.ca
Toll-Free – 1-800-432-1908



MESSAGE FROM THE CHAIR

Like many of you, I have spent many years in municipal service. As a former Mayor and Town Councillor I know the pride and honour that comes with serving your community and the importance of knowing your pension will be there for you now and in to the future. As the Chair of MEBP I am pleased to share that your pension plan is strong, carefully managed, and moving in the right direction.

The Pension Plan has a durable foundation, is well funded, and financially stable which has been confirmed by independent actuarial reviews. Your Plan has sufficient assets to meet its long-term commitments, even during periods of economic uncertainty.

At the end of 2025 your pension fund assets were \$1.14 billion, up from the previous year's total of \$1.03 billion. Strong, consistent funding matters as it protects your earned benefits and gives the Board flexibility to make responsible decisions when opportunities arise.

The Board is also pleased to announce that we have good news for our Pensioners. Due to the Plan's continued strength a 1.6% Cost of Living Adjustment (COLA) has been provided to eligible pensioners and deferred members, effective April 1, 2026. This is the second year in a row that the Plan has been in a position to grant a COLA to Pensioners.

Rising costs and inflation affect day-to-day life, and while COLAs are never automatic, the Board is intent on granting them when the Plan can afford to do so without putting long-term security of the plan at risk. The past two increases reflect both careful planning and strong financial results. Your pension investments continue to perform well delivering an annual rate of return of 12.19% this past year. Despite market ups and downs, recent returns have been strong and ahead of expectations, helping to further strengthen your Plan.

The investment approach remains well-diversified and focused on long-term results, not short-term trends. This disciplined strategy has served members well and continues to support the Plan's financial health.

The Board is working diligently on updating funding and surplus policies which guide future decisions in a consistent and transparent way. These policies help ensure that benefit improvements, such as COLAs, are considered carefully and granted only when they are sustainable. At the same time, the Plan continues to modernize governance practices and strengthen risk management with our members best interests in mind.

Over the past year, the Plan has continued to:

- Offer well attended member and employer education sessions.
- Maintain strong pension processing timelines.
- Protect member information through robust cybersecurity measures.
- Revitalize our website portal to make information easier to access and understand.

Members will be notified as new online tools and resources become available.

Your Pension Plan is overseen by a Board of Trustees drawn from municipalities, employers, and plan members. With ongoing education and use of independent professional advice they have provided steady oversight for the past 49 years. Their dedication to your needs as a member and thoughtful insights around the board table are two of the key reasons your Plan continues to perform well.

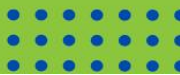


As someone who has been in municipal office, I understand the value of trust and planning not only for today, but for tomorrow. The Board remains focused on protecting the pension you have earned, improving how we serve members, and keeping the Plan strong for future generations.

On behalf of the Board of Trustees, I thank you for your service to your community and for your continued confidence in the Municipal Employees Benefits Program.

Sincerely,

Stuart Olmstead
Chair, Board of Trustees
Municipal Employees Benefits Program





2025 In Review

The estimated December 31, 2024, Funding Valuation Results for the Pension Plan showed a going-concern surplus of \$148 million, an increase from 2024 (\$90.1 million). The Plan is 102.4% funded on a solvency basis, up from 98.4% in 2024. This slight increase in solvency is mainly due to continued investment returns exceeding expectations.

In 2025, the Trustees determined new parameters for the Funding and Surplus Policy based on the advice of the actuary. The new parameters combined with the increased funded ratios resulted in granting a COLA of 1.2% effective April 1, 2025.

In 2025, the Pension Plan's investment earnings were positive, with Canadian Equity returns performing exceptionally well driven by the materials and financials sector. The portfolio benefitted from its asset mix, particularly the overweight position to equities. As a result, the Pension Plan was able to generate returns exceeding the benchmark for the year. Within alternative assets, the Plan outperformed benchmarks across real estate, private credit, and infrastructure in the year, but was unable to keep up in the private equity space. Overall, the pension plan reflected a 12.19% return in 2025.

The number of members participating in the Pension Plan increased to 8,031 in 2025, up from 7,874 in 2024. There were 130 new retirements during the year, and 405 members terminated their employment in the Plan. The demographics of Plan membership remained relatively consistent, with retirees/beneficiaries representing 35% of the total participants for 2024 and 2025. The number of actively participating employers was 224 in 2025.

In 2024, the total return on the Insurance Fund was -7.5% and the Disability Income Fund returned -4.3%. The lower-than-expected returns for both funds were primarily due to an impaired investment and stressed loans in any investment that each fund holds. Following an asset mix review, the asset mix for each plan has been adjusted in 2026 to stabilize investment returns and provide downside protection of the plans assets.

Please review the relevant charts within this report for more detailed information on contributions to and payouts from the Plan, the age breakdown of active members, plan member activity, and Plan administration costs.



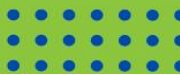
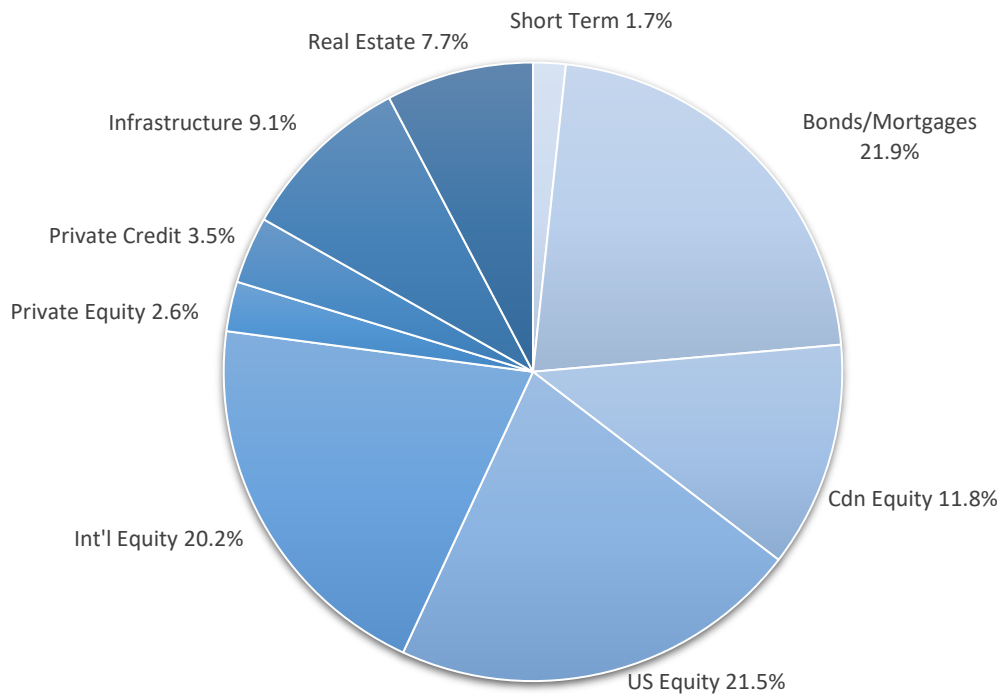
Investment Overview

The Fund registered a return of 12.19% in 2025, compared to 15.91% in 2024. This return outperformed the Plan benchmark of 10.97%.

PENSION PLAN HIGHLIGHTS (\$ Thousands)	<u>2025</u>	<u>2024</u>
Market Value of Investments	\$1,169,989	\$1,044,342
Investment Income	\$32,947	\$38,320
Increase (Decrease) in Fair Value of Investments	\$100,088	\$102,343
Employee Contributions	\$24,723	\$22,464
Employer Contributions	\$22,815	\$21,428
Pension Payments	\$39,204	\$37,366
Refunds and Transfers	\$14,024	\$10,447
Investment Rate of Return	12.19%	15.91%
Investment Benchmark	10.97%	12.88%
Employees and Former Employees	4,998	4,807
Pensioners and Beneficiaries	2,786	2,732
Total Members	7,784	7,539

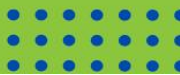
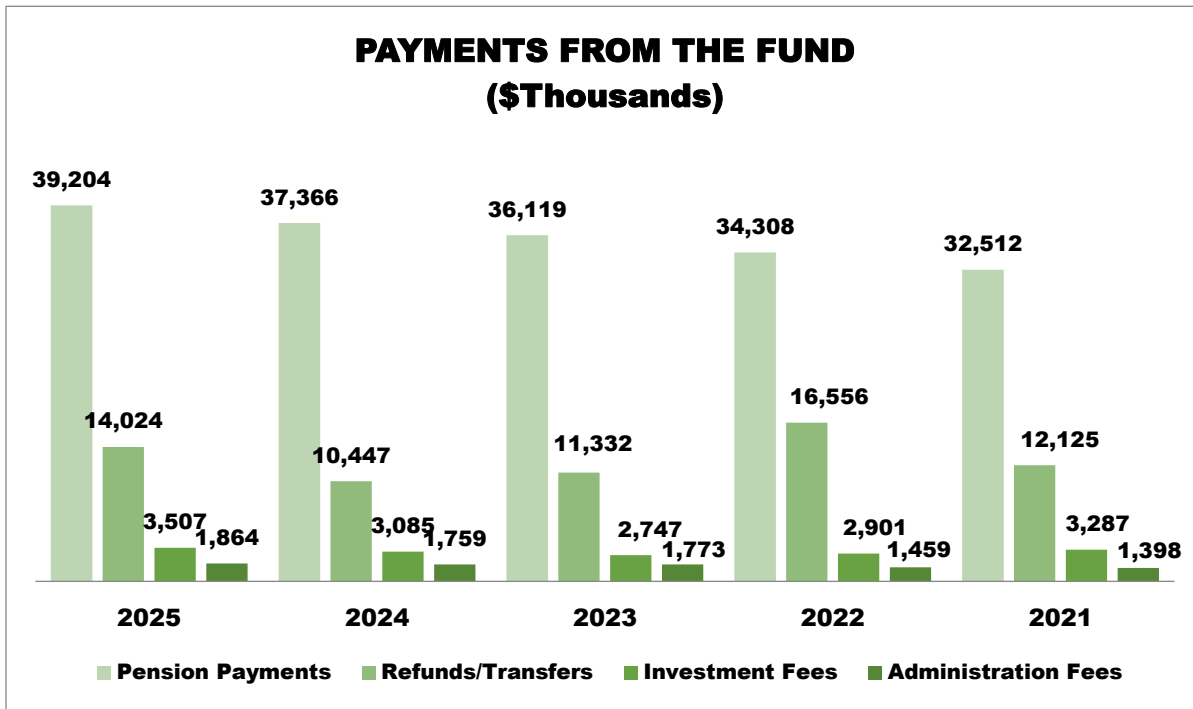
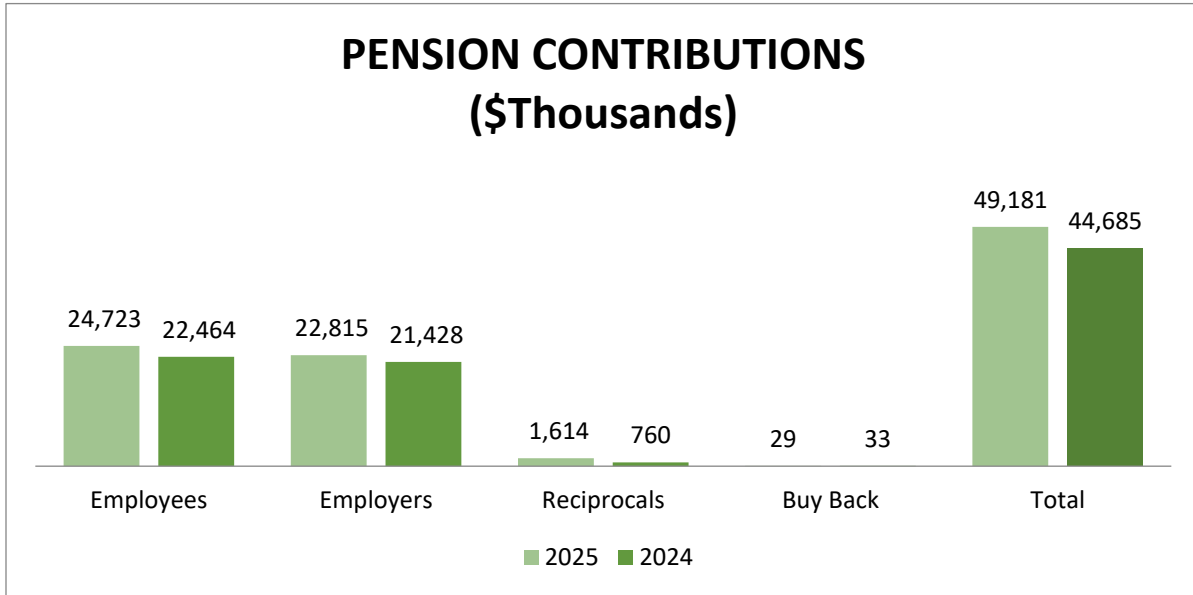


ASSET MIX



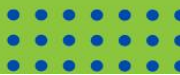
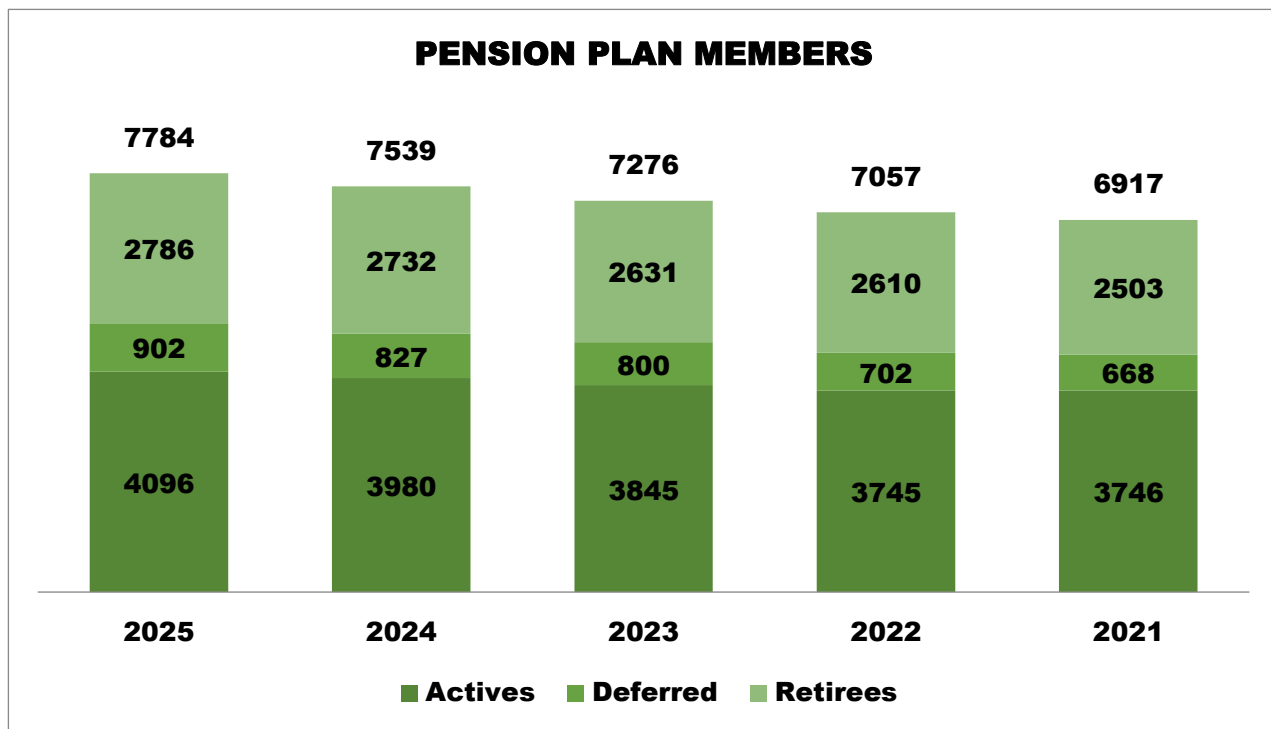
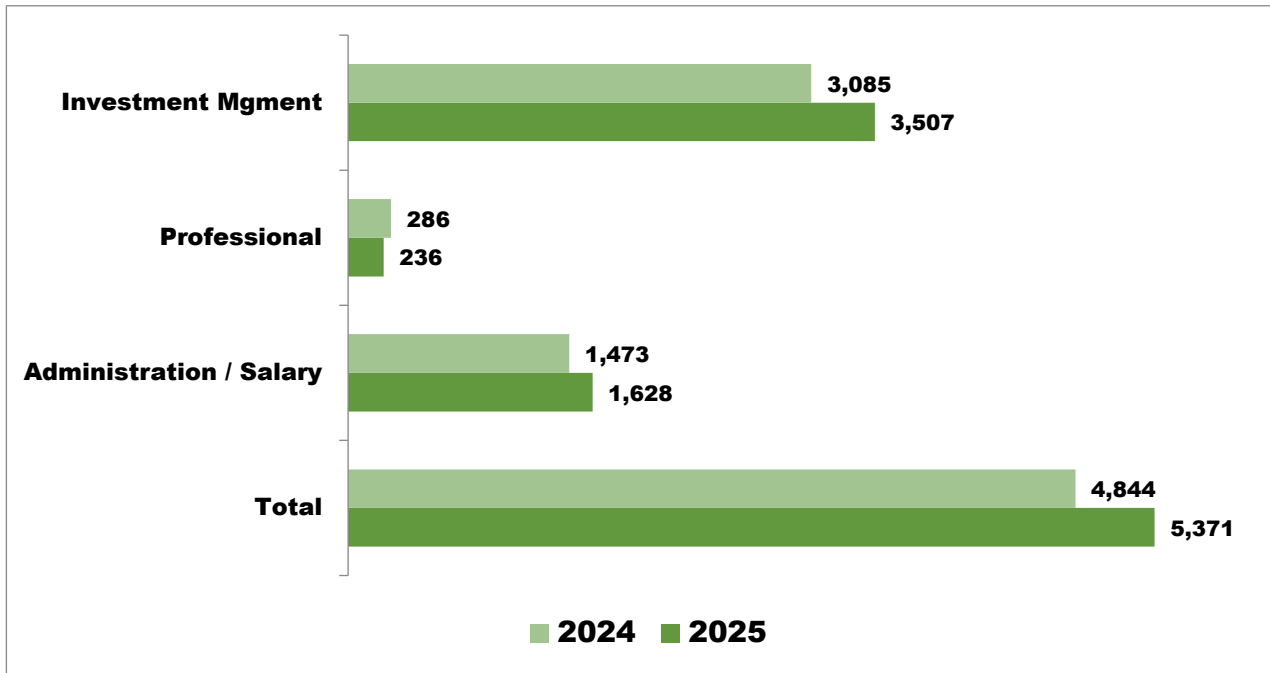


The Pension Plan



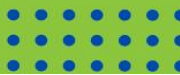
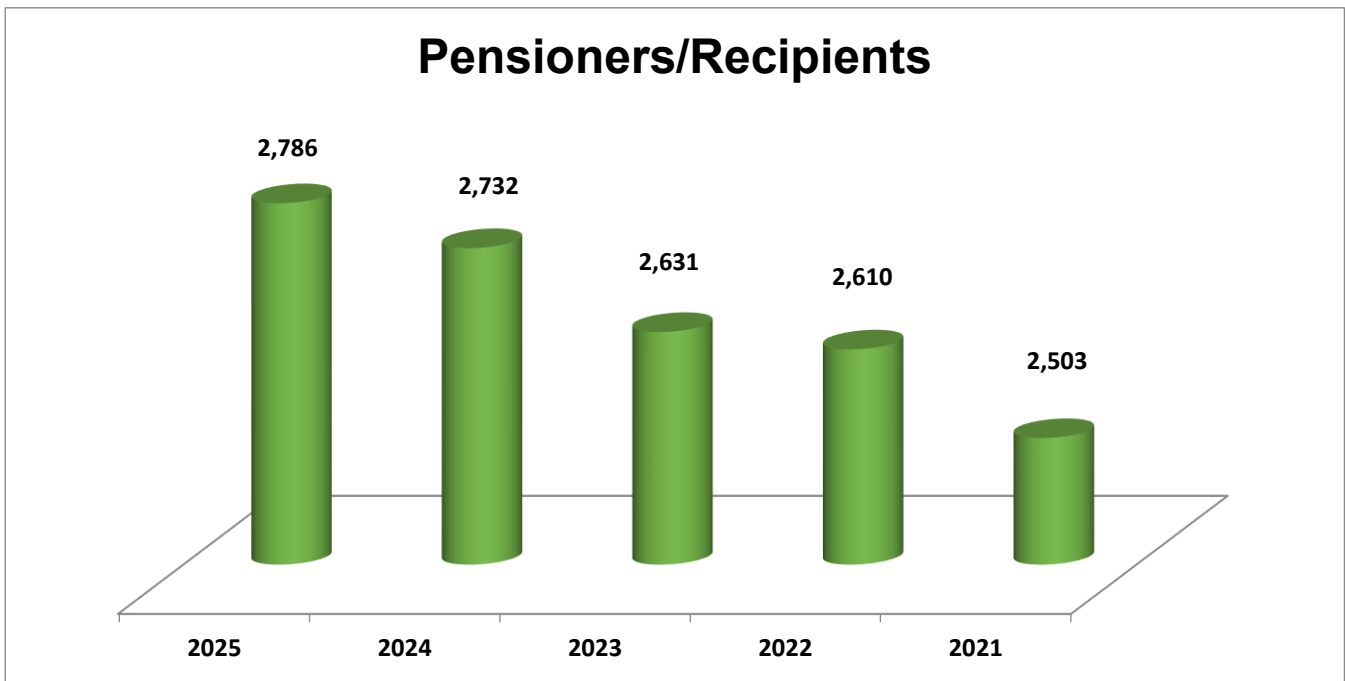
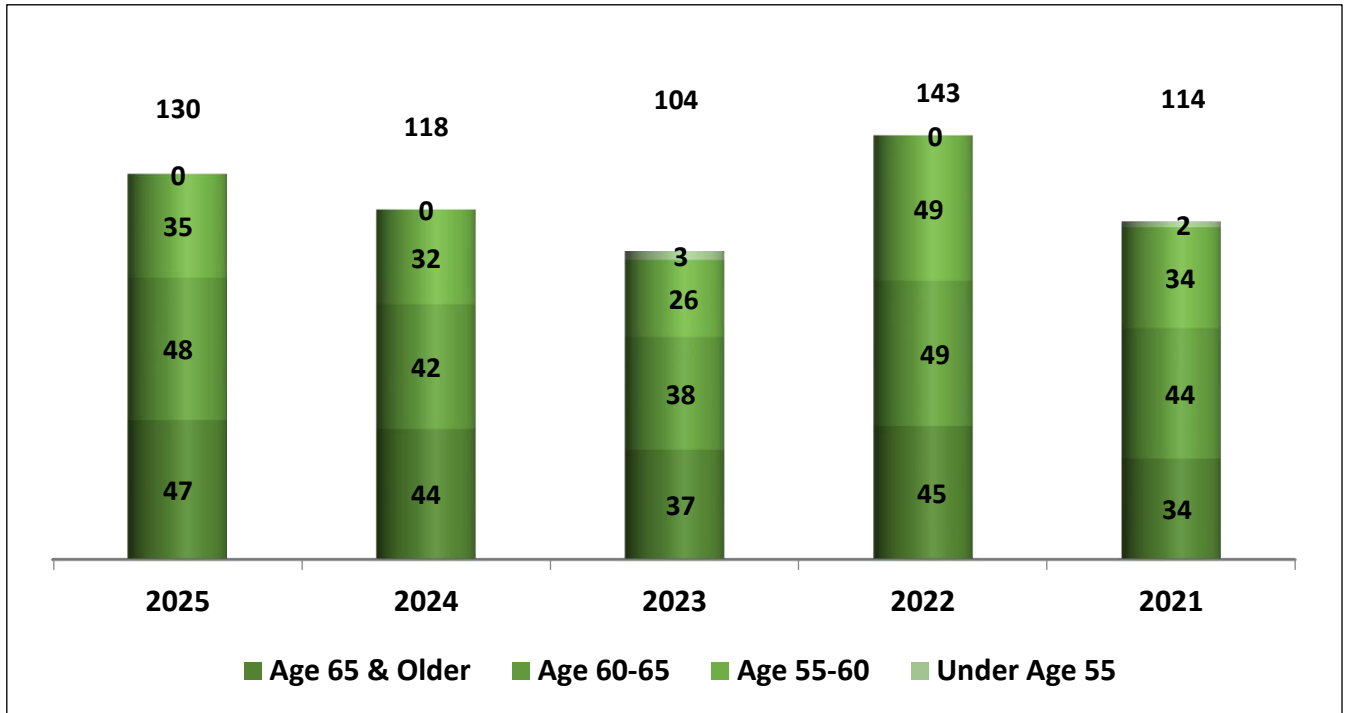


Pension Administration





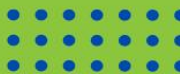
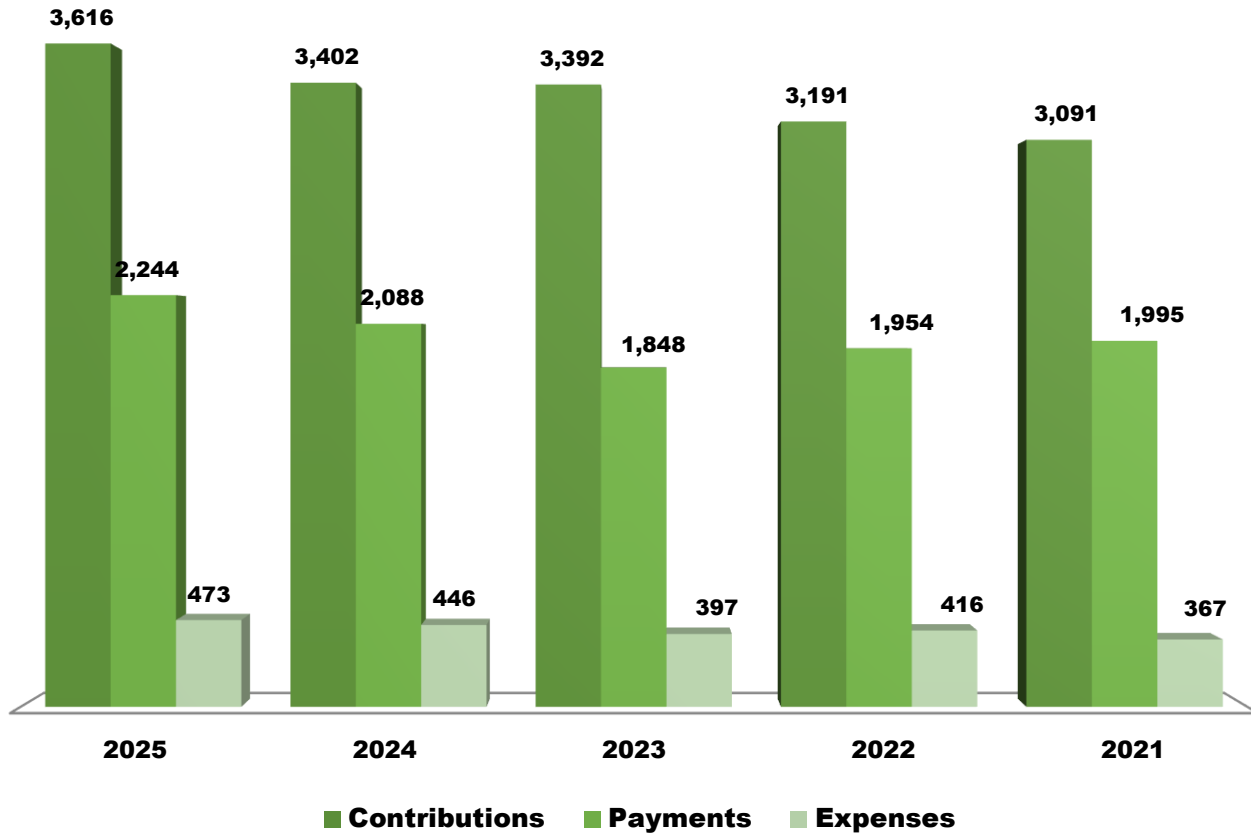
RETIREMENTS





The Disability Income Plan

(\$ Thousands)





The Group Insurance Plan

(\$ Thousands)

