

ARTICLE 3 – LEAVES AND SUPPLEMENTARY BENEFITS

3.8.8 Benefits While on Maternity Leave

a) Supplementary Benefits Plan

The objective of the Plan is to supplement Employment Insurance benefits received by permanent Employees while on maternity leave. Temporary and term Employees are not eligible for the Supplementary Benefits Plan.

b) Maternity Leave

The Employer agrees to provide to eligible Employees a Supplementary Benefits Plan that falls within the regulations of Employment and Social Development Canada (ESDC). The Plan shall top up Employment Insurance benefits to one hundred per cent (100%) of basic salary for a maximum of twenty-six (26) weeks following the waiting period. The total top-up payment shall be based on the standard (non-extended) leave.

3.9.8 Benefits while on Adoption Leave

b) Adoption Leave. The Employer agrees to provide to the eligible Employee(s), a Supplementary Benefits plan that falls within regulations of Employment and Social Development Canada (ESDC). The Plan will top up the benefits of Employees eligible for Employment Benefits to one hundred per cent (100%) of basic salary to a maximum of twenty-six (26) weeks following the waiting period. The total top-up payment will be based on the standard (non-extended) leave.

c) The total of all Supplementary Benefits Plan payments for maternity, adoption and/or parental leave shall not exceed twenty-six (26) weeks in any combination for each occurrence of such leave, whether shared by two (2) Employees or taken individually by one (1) Employee.

e) Employees receiving benefits under this Article will be required to sign a return in service commitment for two (2) times the length of the top-up period.

3.10.8 Benefits while on Parental Leave

b) Parental Leave. The Employer agrees to provide to the eligible Employee(s), a Supplementary Benefits plan that falls within regulations of Employment and Social Development Canada (ESDC). The Plan will top up the benefits of Employees eligible for Employment Benefits to one hundred per cent (100%) of basic salary to a maximum of twenty-six (26) weeks following the waiting period. The total top-up payment will be based on the standard (non-extended) leave.

e) Employees receiving benefits under this Article will be required to sign a return in service commitment for two (2) times the length of the top-up period.

3.11.8 Benefits while on Compassionate Care Leave

b) Compassionate Care Leave. The Employer agrees to provide to the eligible Employee(s), a Supplementary Benefits plan that falls within regulations of Employment and Social Development Canada (ESDC). The Plan will top up the benefits of Employees eligible for Employment Benefits to one hundred per cent (100%) of basic salary to a maximum of thirteen (13) weeks within a fifty-two (52) week period, following the waiting period.

d) Employees receiving benefits under this Article will be required to sign a return in service commitment for two (2) times the length of the top-up period.

3.12.8 Benefits while on Family Caregiver Benefit for Children Leave

b) Family Caregiver Benefit for Children. The Employer agrees to provide to the eligible Employee(s), a Supplementary Benefits plan that falls within regulations of Employment and Social Development Canada (ESDC). The Plan will top up the benefits of Employees eligible for Employment Benefits to one hundred per cent (100%) of basic salary to a maximum of seventeen (17) weeks within a fifty-two (52) week period, following the waiting period.

d) Employees receiving benefits under this Article will be required to sign a return in service commitment for two (2) times the length of the top-up period.

3.17.8 Benefits while on Family Caregiver for Adults Leave

a) Supplementary Benefits Plan. The objective of the Plan is to supplement Employment Insurance benefits received by permanent Employees while on Family Caregiver for Adults leave. Temporary and term Employees are not eligible for the Supplementary Benefits Plan.

b) Family Caregiver for Adults Leave. The Employer agrees to provide to the eligible Employee(s), a Supplementary Benefits plan that falls within regulations of Employment and Social Development Canada (ESDC). The Plan will top up the benefits of Employees eligible for Employment Benefits to one hundred per cent (100%) of basic salary to a maximum of seven (7) weeks within a fifty-two (52) week period, following the waiting period.

d) Employees receiving benefits under this Article will be required to sign a return in service commitment for two (2) times the length of the top-up period.

ARTICLE 24 – BENEFIT PLANS

24.1 Pension Plans

24.1.1 The Employer shall provide contributions, as required by the plan text, on behalf of Employees registered in the following pension plans:

- Contributory Superannuation Plan for the Employees of SGI.
- Public Service Superannuation Plan.
- Public Employees Pension Plan.

24.2 Short-Term and Long-Term Disability Plans

24.2.4 Short-Term Disability (STD)

- a) After seven (7) consecutive calendar days of absence due to illness, Employees are required to submit an application for short-term disability benefits.
- b) The short-term disability plan will be funded by the Employer.
- c) The Employee may supplement the short-term disability benefit up to a maximum of one hundred per cent (100%) of basic salary for an approved short-term disability claim using their accumulated sick leave.
- d) Short-term disability benefits will be adjusted for economic increases on effective dates as per Appendix A – Salary Schedule.
- e) Short-term disability will be provided to Employees beyond age sixty-five (65).

24.2.5 Long-Term Disability (LTD)

- a) The costs of the long-term disability portion of the plan shall be cost-shared between the Employee and the Employer.
- b) Long-term disability benefits will be adjusted when there is an economic increase in Appendix A – Salary Schedule. Employees will be eligible for seventy per cent (70%) of the economic increase, capped at one hundred per cent (100%) of Consumer Price Index (CPI), after being on long-term disability for one (1) year at the effective date of the increase. The cost of this benefit will be borne by the Disability Plan.
- d) Long-term disability benefits will not be provided to Employees after the age of sixty-five (65).
- e) Long-term disability benefits will not be provided to temporary Employees.
- f) Long-term disability benefits will be provided to term Employees for a maximum of two (2) years.

24.3 Benefit Premium Contributions

24.3.1 The Employer paid share of the Group Life Insurance Plan premium will be the first \$30,000 coverage.

24.3.2 The Employer shall pay one hundred percent (100%) of the premiums for the Travel Accident Plan for Company Business. Additional coverage available under the Voluntary Accident Insurance Plan shall be at the Employee's expense.

24.3.3 The Employer shall pay one hundred percent (100%) of the premiums for the Basic Dental Plan.

24.3.4 The Employer paid premiums of the Health Care Plan, Vision Care Plan, and Dental Supplemental Plan will be negotiated and the terms identified in a Letter of Understanding. Any

premiums in excess of the Employer paid premiums that are required to support these plans with appropriate reserves shall be at the Employee's expense.

24.4 The Employer will in no instance be considered to be the insurer for any of the benefit plans referenced in Article 24.1 to Article 24.3.

24.6 Flexible Spending and Wellness Account

24.6.1 The Employer shall provide eligible permanent and term Employees with a Flexible Spending and Wellness Account (FSWA), as follows:

On October 1, 2024, \$1,900 will be allocated to the FSWA

- On October 1, 2025, and annually thereafter, \$1,750 will be allocated to the FSWA.

ARTICLE 35 – ALLOWANCES AND EXPENSES

35.1 Travel Expenses & Per Diems

35.1.2 Meal Rates

a) When meals are not provided for Employees when they are required to travel, they will be entitled to meal per diems as follows:

Effective January 1, 2025 – move to one rate:

Breakfast \$15.00

Lunch \$20.00

Dinner \$30.00
\$65.00

35.1.3 Kilometre Rates

a) Effective July 1, 2005, the kilometre rate will be adjusted to the current Public Service Commission Private Vehicle rate. Kilometre rates will be adjusted within seven- (7) calendar days of the effective date of future changes in the Public Service Commission rate.

Effective January 1, 2025, the kilometre rate will be adjusted to the current Public Service Commission Private Vehicle rate or the CRA recommended Mileage Rate, whichever is greater. Kilometre rates will be reviewed on an annual basis and adjusted each January, if required.

35.1.4 Business Travel Per Diems

- a. Where business travel requires an overnight stay, a daily per diem of twenty-five (\$25) will be available for incidental expenses such as: phone calls, dry cleaning, laundry, snacks, toiletries, and other incidentals. Employees claiming this per diem may not submit a claim under Article 35.1.4 (b).

- b. Employees who travel a minimum of one hundred (100) kilometres per day outside of their branch city/town limits for business travel, will be entitled to a daily per diem of ten dollars (\$10) for incidental expenses. This does not apply to in-city/town travel.

35.2 Personal Protective Equipment (PPE)

35.2.1 Appropriate personal protective equipment will be provided to Employees where the Job Safety Analysis (JSA) has identified it as a requirement to control a workplace hazard.

35.2.2 Where safety boots (CSA approved), steel toe and shank rubber boots are identified as a requirement of the job, Employees will be provided up to a maximum of two-hundred and twenty-five dollars (\$225) per year towards the purchase of boots, based on Management approval. Receipts will be required to claim reimbursement.

- a. Upon Management approval, Employees may carry over the boot allowance from one (1) year to the next. At no point can the reimbursement exceed four-hundred and fifty dollars (\$450) in any two (2) year period. Should an Employee receive reimbursement for less than the two-hundred and twenty-five dollar (\$225) annual allowance the remainder will not be carried over.

35.4 Tools

35.4.1 The Corporation will assist in the purchase of tools for all Employees in the Auto Mechanic, Auto Body Repair Technician, Auto Tradesperson and Technical Advisor classifications by providing interest free loans to a maximum of one thousand dollars (\$1000). To qualify for the interest free loan, the tools must be for use in employment at SGI. The money will be recovered by payroll deductions over a period of twelve (12) months.

35.4.2 Technical Advisors and Salvage Production Coordinator who possess a basic tool kit and have been employed by the Corporation for at least one (1) year will receive an annual tool allowance not to exceed five hundred dollars (\$500) on their employment anniversary date. Auto Mechanics, Auto Tradespersons, and Auto Body Repair Technicians who possess a basic tool kit and have been employed by the Corporation for at least one (1) year will receive an annual tool allowance not to exceed five hundred dollars (\$500) on their employment anniversary date. To qualify for the allowance, the tools must be for use in employment at SGI. Receipts will be required to claim the allowance. All tool kits will be checked by Managers who will forward authorization for payment to the Human Resources Department.

APPENDIX D –LETTER OF UNDERSTANDING NO. 12

RE: RETIREMENT ALLOWANCE PROGRAM

In order to recognize permanent in-scope Employees for their years of service to SGI, a retirement allowance benefit will be payable at termination or retirement to eligible permanent Employees. It is understood and agreed that the following terms and conditions will apply to this program:

- 1 Eligibility for Benefit

1.1 All permanent in-scope Employees including part-time, full-time, and term part-time Driver Examiners with three (3) or more years of continuous service, who meet the following conditions are eligible to receive a benefit under this program:

1.1.1 The Employee must terminate or retire from the Corporation; and

1.1.2 At termination date, the Employee's age must equal or exceed fifty (50) or age plus service must equal or exceed seventy-five (75) years; and

1.1.3 The Employee must commence employment prior to January 1, 2012.

1.2 Determination of the "75 year" eligibility requirement will be calculated on continuous SGI service and prior SGI service. Service performed as a part-time or job-sharing Employee will count as full-time service for the purposes of determining eligibility.

1.3 Any in-scope Employee who passes away while employed by SGI will be deemed to be eligible for the payment, regardless of age or service.

1.4 (a) In the event any in-scope Employee terminates or retires after being away from the workplace for two (2) consecutive years on a long-term disability, Workers' Compensation or No Fault claim, the Employee will be eligible for the payment regardless of age or service.

(b) In the event any in-scope Employee is away from the workplace for two (2) consecutive years on a long-term disability, Workers' Compensation or No Fault claim, and the Employee's age is equal to or exceeding fifty (50) years of age, the Employee may request a payout of their Retirement Allowance.

1.5 Any in-scope Employee who terminates SGI employment under Appendix E – Listed Letter of Understanding No.13 of the Collective Bargaining Agreement is deemed to be eligible for the payment, regardless of age or service.

1.6 Any in-scope Employee who is terminated for cause by SGI will not be eligible for the payment regardless of age or service.

2 Payment of Benefit

2.1 Payment for all eligible permanent part-time and full-time Employees will be based on twenty-four (24) hours of pay per year of continuous service to December 31, 2011 or retirement date whichever is earlier, prorated for start or finish dates within the year.

2.2 Payment for all eligible permanent part-time and full-time Employees will be based on twenty-four (24) hours of pay per year of continuous service to December 31, 2011 or retirement date whichever is earlier, for those Employees who work at a rate of more than fifty per cent (50%) of full time hours. Employees working at fifty per cent (50%) or less of full-time hours will have their payment based on twelve (12) hours of pay per year of continuous service to December 31, 2011 or retirement date whichever is earlier. The determination of whether an

Employee gets credit for twenty-four (24) hours versus twelve (12) hours will be determined at the end of the calendar year. Payment will be prorated for start or finish dates within the year.

2.3 Notwithstanding Item 2.2 term part-time Driver Examiners who have three (3) or more years of continuous service, will receive a pro-rata payment based on actual hours worked in each year of continuous service to December 31, 2011 or retirement date whichever is earlier.

2.4 The payment will be based on continuous service to December 31, 2011 or retirement date whichever is earlier, at SGI, less time as specified:

2.4.1 Leave to serve as Union Representative under Appendix E – Listed Letter of Understanding No. **13** of the Collective Bargaining Agreement; and

2.4.2 Any amount greater than two (2) years per leave occurrence under the disability plan, Workers' Compensation plan or No Fault plan.

2.5 Notwithstanding 2.4, Employees who transferred to SGI in 1977, 1986, and 1996 from the Department of Finance and Department of Highways, will have their previous continuous service recognized as SGI service for the purpose of the benefit.

2.6 The days will be paid out at the Employee's salary at the date of termination or retirement in all cases except for:

2.6.1 Employees on long-term disability, Workers' Compensation or No Fault will be paid out at the Employee's salary at the commencement of the long-term disability, Workers' Compensation or No Fault; and

2.6.2 Employees terminating under Appendix E – Listed Letter of Understanding No. **13** of the Collective Bargaining Agreement will be paid out at the salary they would have received had they returned to SGI on their termination date. This salary is determined through the provisions of the Collective Bargaining Agreement.

2.6.3 Employees on Temporary Performance of Higher Duty (TPHD) for two (2) consecutive years or more of uninterrupted TPHD shall have the retirement allowance benefit paid using the TPHD salary rate. Employees must be on TPHD at the time of retirement.

2.7 Any receivable amounts owing from the Employee to SGI at termination date will be deducted from the benefit prior to payment.

APPENDIX D – LETTER OF UNDERSTANDING NO. 13

RE: EMPLOYEE SERVICE ALLOWANCE PROGRAM

In order to recognize permanent in-scope Employees for their service to SGI, an employee service allowance benefit will be payable annually to eligible Employees. It is understood and agreed that the following terms and conditions will apply to this program:

1 All permanent in-scope Employees including part-time, full-time, and term part-time Driver Examiners with three (3) or more years continuous service are eligible to receive a benefit under this program.

2 The benefit plan year will be October 1st to September 30th. The initial plan year will be October 1, 2011, to September 30, 2012, with the first benefit payment in October, 2012.

3 Employees, to be eligible, must be on active employment on September 30th of the plan year.

4 Commencing on October 1, 2012 benefit payment for all eligible Employees will be based on twenty-four (24) hours of pay for those Employees working at a rate of more than fifty per cent (50%) of full-time hours. Employees working at fifty per cent (50%) or less of full-time hours will have their benefit payment based on twelve (12) hours of pay.

5 Notwithstanding Item 4, term part-time Driver Examiners, who have three (3) or more years of continuous service, will receive a pro-rata payment based on actual hours worked during the plan year.

6 Benefit payments on October 1st will be prorated for Employees who became eligible for the benefit payment during the plan year, based on the portion of the plan year they were a permanent Employee.

7 Eligible Employees on leave of absence on September 30th will receive the benefit payment upon their date of return to active employment. Employees on salary continuance will be considered active as per Item 3.

8 Any eligible Employee who has been away from work on a long-term disability, Worker's Compensation or No Fault claim for more than two (2) years will be deemed eligible to receive up to a maximum of two (2) years benefit. The Employee must return to active employment with SGI to trigger the benefit.

9 Any eligible Employee who terminates employment within the plan year and meets the eligibility requirement for retirement will be deemed to be eligible for a prorated payment within the plan year. Eligibility for retirement is defined as the Employee's age must equal or exceed fifty (50) or age plus service must equal or exceed seventy-five (75).

10 Eligible Employees terminating under Appendix E – Listed Letter of Understanding No. 13 of the Collective Bargaining Agreement will be deemed to be eligible for a prorated payment within the plan year.

11 Any eligible Employee who passes away while employed by SGI will be deemed to be eligible for a prorated payment within the plan year.

12 Notwithstanding Items 9, 10, and 11, eligible Employees terminating for any other reason will not be deemed to be eligible for a prorated payment within the plan year.

13 Any in-scope Employee who is terminated for cause by SGI will not be eligible for the payment regardless of age or service.

14 Benefit payments available to eligible Employees may be allocated to the Pension Plan, Group RRSP, Health Care Spending Account (HSA), or received in cash. Benefit payments may be distributed to any one or a combination of the options.

15 Benefit payments to Employees will be at their hourly rate of pay for their base position in effect at the time the benefit payment is triggered.

16 Eligible Employees on Temporary Performance of Higher Duty (TPHD) for two (2) consecutive years or more of uninterrupted TPHD shall have the benefit paid using the TPHD salary rate. Employees must be on TPHD on September 30th of the plan year.

17 Any receivable amount owing from the Employee to SGI at termination date will be deducted from the benefit prior to payment.

APPENDIX D – LETTER OF UNDERSTANDING NO. 14

Re: Flexible Spending *AND WELLNESS* Account

In order to support the benefit programs available to permanent Employees, a Flexible Spending and Wellness Account (FSWA) will be provided. This FSWA has been designed to allow eligible permanent Employees to supplement their benefit programs including health and wellness-related activities. It is understood and agreed that the following terms and conditions will apply to this program:

Eligibility for Benefit

1.2 The FSWA plan year will be October 1 – September 30.

Payment of Benefit

2.1 Eligible permanent and term full-time Employees:

2.1.1 On October 1, 2024, \$1,900 will be allocated to the FSWA.

2.1.2 On October 1, 2025 and annually thereafter, all eligible permanent and term full-time Employees on staff will receive \$1,750 to be allocated to their FSWA.

2.2 Eligible permanent and term part-time Employees:

2.2.1 On October 1, 2024 all eligible permanent and term part-time Employees working at fifty per cent (50%) or less of full-time hours will receive a benefit allocation of \$950 to their

FSWA. The determination of whether an Employee receives **\$1,900** or **\$950** will be based on the twelve- (12) month period preceding June 30th of each year.

2.2.2 On October 1, 2025 and annually thereafter, all eligible permanent and term part-time Employees working at fifty per cent (50%) or less of full-time hours will receive a benefit allocation of \$875 to their FSWA. The determination of whether an Employee receives \$1,750 or \$875 will be based on the twelve- (12) month period preceding June 30th of each year.

Distribution of Funds:

3.1 There are four (4) elements of the FSWA as follows:

- Pension Plan
- Group RRSP Plan (Royal Bank)
- Healthcare Spending Account
- Cash Payout (taxed at source)

3.2 On October 1 of each year, FSWA funds available to eligible Employees may be allocated to the Pension Plan, Group RRSP Plan, Healthcare Spending Account, or Cash Payout. Funds may be distributed into any one of or a combination of the options.

SAF Response Attachment IR 1 - 4

Profile	Model Year	Gender	Age	Occupation	Marital Status	Years Licensed	License Type	Vehicle(s)	Claims and Convictions ('Months ago' shown in brackets)	Commute	Annual KM's	6-Digit IBC Code	
Motor Vehicles	1	2012	Male	18	Student	Single	2	Stage 2 Learners	2012 HONDA CIVIC LX4DR	None	7 KM	15,000 KM	025100
	2	2012	Female	18	Student	Single	2	Stage 2 Learners	2012 HONDA CIVIC LX4DR	None	7 KM	15,000 KM	025100
	3	2008	Male	22	Student	Single	6	Fully Licensed	2008 HONDA CIVIC EX 2DR COUPE	At-fault claim (36)	10 KM	15,000 KM	025808
	4	2008	Female	22	Student	Single	6	Fully Licensed	2008 HONDA CIVIC EX 2DR COUPE	At-fault claim (36)	10 KM	15,000 KM	025808
	5	2019	Male	30	Employed	Married/Common Law	14	Fully Licensed	2019 FORD F350 S/D CREWCAB 4WD DIESEL	At-fault claim (18)	10 KM	20,000 KM	376300
	6	2019	Female	30	Employed	Married/Common Law	14	Fully Licensed	2019 FORD F350 S/D CREWCAB 4WD DIESEL	At-fault claim (18)	10 KM	20,000 KM	376300
	7	2018	Male	35	Employed	Single	19	Fully Licensed	2018 VOLKSWAGEN TIGUAN 2.0 TSI 4DR AWD	Major conviction (12)	20 KM	20,000 KM	966000
	8	2018	Female	35	Employed	Single	19	Fully Licensed	2018 VOLKSWAGEN TIGUAN 2.0 TSI 4DR AWD	Major conviction (12)	20 KM	20,000 KM	966000
	9	2021	Male	37	Employed	Married/Common Law	21	Fully Licensed	2021 TESLA MODEL 3 STANDARD RANGE PLUS 50 4DR	Minor conviction (6)	80 KM	30,000 KM	402101
	10	2021	Female	37	Employed	Married/Common Law	21	Fully Licensed	2021 TESLA MODEL 3 STANDARD RANGE PLUS 50 4DR	Minor conviction (6)	80 KM	30,000 KM	402101
	11	2017	Male	40	Unemployed	Single	24	Fully Licensed	2017 FORD ESCAPE SE 4DR 4WD	None	0 KM	10,000 KM	373701
	12	2017	Female	40	Unemployed	Single	24	Fully Licensed	2017 FORD ESCAPE SE 4DR 4WD	None	0 KM	10,000 KM	373701
	13	2018	Male	45	Employed	Married/Common Law	29	Fully Licensed	2018 FORD F150 XLT SUPERCREW 4WD	None	120 KM	30,000 KM	355801
	14	2018	Female	45	Employed	Married/Common Law	29	Fully Licensed	2018 FORD F150 XLT SUPERCREW 4WD	None	120 KM	30,000 KM	355801
	15	2010	Male	50	Employed	Married/Common Law	34	Fully Licensed	2010 DODGE/RAM GRAND CARAVAN SE	None	10 KM	15,000 KM	266200
	16	2010	Female	50	Employed	Married/Common Law	34	Fully Licensed	2010 DODGE/RAM GRAND CARAVAN SE	None	10 KM	15,000 KM	266200
	17	1997	Male	51	Employed	Single	35	Fully Licensed	1997 FORD F150 SUPERCAB 2WD	None	10 KM	20,000 KM	363000
	18	1997	Female	51	Employed	Single	35	Fully Licensed	1997 FORD F150 SUPERCAB 2WD	None	10 KM	20,000 KM	363000
	19	2018	Male	58	Employed	Single	42	Fully Licensed	2018 HONDA CR-V EX 4DR AWD	None	20 KM	20,000 KM	027101
	20	2018	Female	58	Employed	Single	42	Fully Licensed	2018 HONDA CR-V EX 4DR AWD	None	20 KM	20,000 KM	027101
	21	2014	Male	60	Employed	Single	44	Fully Licensed	2014 CHEVROLET CRUZE LT TURBO 4DR	None	20 KM	20,000 KM	509900
	22	2014	Female	60	Employed	Single	44	Fully Licensed	2014 CHEVROLET CRUZE LT TURBO 4DR	None	20 KM	20,000 KM	509900
	23	2018	Male	57	Employed	Married/Common Law	41	Fully Licensed	2018 DODGE/RAM 1500 ST QUAD CAB 4WD	At-fault claim (24)	10 KM	15,000 KM	277401
			Female	55	Employed	Married/Common Law	39	Fully Licensed	2016 MAZDA CX-5 GT 4DR AWD	None	10 KM	20,000 KM	784102
	24	2010	Female	24	Student	Single	8	Fully Licensed		None			
			Male	65	Retired	Married/Common Law	49	Fully Licensed	2010 TOYOTA COROLLA CE 4DR	None	0 KM	5,000 KM	044501
	25	2017	Female	31	Employed	Married/Common Law	15	Fully Licensed		None			
Male			30	Employed	Married/Common Law	14	Fully Licensed	2017 TOYOTA TACOMA V6 DOUBLE CAB 4WD	At-fault claim (6)	10 KM	20,000 KM	768100	
26	2019	Male	50	Employed	Married/Common Law	34	Fully Licensed	2019 CHEVROLET SILVERADO 1500 WT CREW CAB 4WD	None	20 KM	20,000 KM	584606	
		Female	51	Employed	Married/Common Law	35	Fully Licensed	2010 TOYOTA MATRIX WAGON	None	20 KM	30,000 KM	766400	
		Male	21	Student	Single	5	Fully Licensed		At-fault claim (12)				
		Female	18	Student	Single	2	Stage 2 Learners		None				
27	2007	Male	45	Employed	Married/Common Law	29	Fully Licensed	2007 HONDA ODYSSEY	At-fault claim (6)	7 KM	15,000 KM	091400	
		Female	40	Employed	Married/Common Law	24	Fully Licensed		None	7 KM	15,000 KM		
Motorcycles	28	2003	Male	53	Employed	Married/Common Law	37	Fully Licensed	2003 YAMAHA V-STAR 1100 CLASSIC (1001+ c.c engine, \$4001 - \$8000 declared value)	None	N/A	N/A	
	29	2020	Female	35	Employed	Married/Common Law	19	Fully Licensed	2020 HONDA NPS50 (0 - 500 c.c engine, \$2001 - \$4000 declared value)	None	N/A	N/A	
	30	2011	Male	45	Employed	Single	29	Fully Licensed	2011 Suzuki DL650A V-STROM (501 - 1000 c.c engine, \$4001 - \$8000 declared value)	None	N/A	N/A	

SASKATCHEWAN AUTO FUND

Statement of Operations
(thousands of \$)

SAF Response Attachment IR 1 - 8b

No Rate Increases

year ended March 31	Actual	Actual	Actual	Forecast	
	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
	\$	\$	\$	\$	\$
Gross premiums written	1,036,243	1,077,880	1,127,954	1,165,005	1,201,352
Change in gross unearned premiums	(14,493)	(17,179)	(21,659)	(17,043)	(16,339)
Short-term Registration and AutoPay Revenue	38,082	39,684	39,738	41,139	42,422
Insurance Revenue	1,059,832	1,100,386	1,146,033	1,189,100	1,227,435
Gross claims incurred	685,709	845,333	896,567	1,013,960	1,066,802
Prior year claims (Net of Disc/Risk Margin)	119,081	18,220	25,580	(20,688)	-
Loss adjusting expense (LAE)	185,612	157,353	269,070	221,986	227,006
Issuer fees and premium taxes	99,539	103,535	116,324	119,112	122,431
Change in Loss Component	8,467	20,901	19,214	19,764	(11,742)
Insurance expenses	14,113	10,848	29,785	32,129	35,375
Insurance Service Expenses	1,112,520	1,156,191	1,356,540	1,386,263	1,439,872
Premiums ceded to reinsurers	(18,907)	(18,394)	(26,242)	(20,892)	(20,732)
Change in unearned reinsurance premiums	4,740	(53)	621	(251)	625
Ceded claims incurred	3,010	2,913	21,464	-	-
Ceded admin expenses	(83)	(210)	(199)	(158)	(170)
Net revenue (expenses) from reinsurance contracts	(11,240)	(15,744)	(4,357)	(21,301)	(20,277)
Insurance Service Result	(63,928)	(71,550)	(214,865)	(218,464)	(232,714)
Investment earnings (losses)	75,391	183,452	257,701	218,723	152,629
Insurance finance income (expense)	(48,534)	(78,903)	(139,085)	(64,051)	(63,715)
Reinsurance finance income (expense)	233	1,107	330	325	6
Investments Result	27,090	105,656	118,947	154,997	88,920
Other Revenue	117,708	126,560	125,989	128,774	130,745
Traffic safety	20,242	17,793	21,714	25,762	26,506
Other Expenses	194,769	213,142	206,365	213,173	216,679
Increase (decrease) to Rate Stabilization Reserve and Comprehensive Income before rebate to policyholders	(134,141)	(70,269)	(198,007)	(173,628)	(256,234)
Rebate to policyholders	(325)	-	-	-	-
Increase (decrease) to Rate Stabilization Reserve and Comprehensive Income	(134,465)	(70,269)	(198,007)	(173,628)	(256,234)
RSR:					
Rate Stabilization Reserve, beginning of the year	1,129,625	995,159	924,890	726,884	553,255
Rate Stabilization Reserve, end of the year	995,159	924,890	726,884	553,255	297,021
Loss ratio excl LAE	76.7%	79.5%	80.4%	85.0%	88.4%
LAE ratio	17.8%	14.5%	24.0%	19.0%	18.8%
Loss ratio	94.5%	94.0%	104.4%	104.0%	107.2%
Issuer fee and premium tax ratio	9.5%	9.6%	10.4%	10.2%	10.1%
Loss component ratio	0.8%	1.9%	1.7%	1.7%	-1.0%
Administrative expense ratio	20.0%	20.7%	21.1%	21.0%	20.9%
Traffic safety ratio	1.9%	1.6%	1.9%	2.2%	2.2%
Combined ratio (partially discounted)	126.7%	127.8%	139.5%	139.1%	139.4%
Minimum Capital Test	119%	143%	112%	83%	45%
MCT - Rolling 12 month avg.	135%	149%	133%	97%	64%
Loss Ratio (fully discounted)	99.0%	101.3%	116.8%	109.5%	112.4%
Combined ratio (fully discounted)	132.1%	135.1%	153.6%	146.3%	143.7%

SASKATCHEWAN AUTO FUND

Statement of Operations

SAF Response Attachment IR 1 - 8b

(thousands of \$)

Impact of 3.75% and 3.75% Rate Increases on Revenues

year ended March 31	Actual	Actual	Actual	Forecast	
	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
	\$	\$	\$	\$	\$
Gross premiums written	-	-	-	-	35,673
Change in gross unearned premiums	-	-	-	-	(17,455)
Short-term Registration and AutoPay Revenue	-	-	-	-	1,260
Insurance Revenue	-	-	-	-	19,477
Gross claims incurred	-	-	-	-	-
Prior year claims (Net of Disc/Risk Margin)	-	-	-	-	-
Loss adjusting expense (LAE)	-	-	-	-	-
Issuer fees and premium taxes	-	-	-	-	3,428
Change in Loss Component	-	-	-	-	(8,199)
Insurance expenses	-	-	-	-	-
Insurance Service Expenses	-	-	-	-	(4,771)
Premiums ceded to reinsurers	-	-	-	-	-
Change in unearned reinsurance premiums	-	-	-	-	-
Ceded claims incurred	-	-	-	-	-
Ceded admin expenses	-	-	-	-	-
Net revenue (expenses) from reinsurance contracts	-	-	-	-	-
Insurance Service Result	-	-	-	-	24,249
Investment earnings (losses)	-	-	-	-	-
Insurance finance income (expense)	-	-	-	-	-
Reinsurance finance income (expense)	-	-	-	-	-
Investments Result	-	-	-	-	-
Other Revenue	-	-	-	-	979
Traffic safety	-	-	-	-	-
Other Expenses	-	-	-	-	96
Increase (decrease) to Rate Stabilization Reserve and Comprehensive Income before rebate to policyholders	-	-	-	-	25,132
Rebate to policyholders	-	-	-	-	-
Increase (decrease) to Rate Stabilization Reserve and Comprehensive Income	-	-	-	-	25,132
RSR:					
Rate Stabilization Reserve, beginning of the year	-	-	-	-	-
Rate Stabilization Reserve, end of the year	-	-	-	-	25,132
Loss ratio excl LAE	0.0%	0.0%	0.0%	0.0%	-1.4%
LAE ratio	0.0%	0.0%	0.0%	0.0%	-0.3%
Loss ratio	0.0%	0.0%	0.0%	0.0%	-1.7%
Issuer fee and premium tax ratio	0.0%	0.0%	0.0%	0.0%	0.2%
Loss component ratio	0.0%	0.0%	0.0%	0.0%	-0.6%
Administrative expense ratio	0.0%	0.0%	0.0%	0.0%	-0.3%
Traffic safety ratio	0.0%	0.0%	0.0%	0.0%	0.0%
Combined ratio (partially discounted)	0.0%	0.0%	0.0%	0.0%	-2.4%
Minimum Capital Test	0%	0%	0%	0%	4%
MCT - Rolling 12 month avg.	0%	0%	0%	0%	2%
Loss Ratio (fully discounted)	0.0%	0.0%	0.0%	0.0%	-1.7%
Combined ratio (fully discounted)	0.0%	0.0%	0.0%	0.0%	-3.2%

SASKATCHEWAN AUTO FUND
Statement of Financial Position

Forecast assuming rate increases of 3.75% in June 2026 and 3.75% in June 2027

Year ended March 31 (\$000's)	Actuals		Forecast	
	2023-24	2024-25	2025-26	2026-27
			\$	\$
Assets				
Cash and treasury bills	53,565	47,361	41,244	41,857
Accounts receivable	30,004	28,554	28,861	29,228
Reinsurance asset	3,902	13,509	(7,828)	(11,114)
Investments	3,105,240	3,133,121	3,081,978	2,910,954
Other Assets	17,723	7,047	7,047	7,047
Intangible Assets	22,050	28,720	33,747	32,868
Capital Assets	41,489	41,399	47,862	59,574
Total Assets	<u>3,273,972</u>	<u>3,299,711</u>	<u>3,232,913</u>	<u>3,070,415</u>
Liabilities				
Accounts payable and accrued charges	57,110	57,729	62,787	64,455
Liability for Incurred Claims	2,030,930	2,209,229	2,281,044	2,347,441
Liability for Remaining Coverage	261,042	305,870	335,827	336,366
Total Liabilities	<u>2,349,082</u>	<u>2,572,828</u>	<u>2,679,657</u>	<u>2,748,262</u>
Equity				
Rate Stabilization Reserve	924,890	726,884	553,255	322,153
Total Liabilities and Equity	<u>3,273,972</u>	<u>3,299,711</u>	<u>3,232,913</u>	<u>3,070,415</u>

SASKATCHEWAN AUTO FUND

Minimum Capital Test

(Thousands of \$)

SAF Response Attachment IR 1 - 8c

	2023/2024	2024/2025	2025/2026	2026/2027
Capital Available				
Retained Earnings	924,890	726,884	553,255	322,153
Deductions:				
Intangible assets, including computer software (net of eligible deferred tax liability)	22,050	28,720	33,747	32,868
Receivables and recoverables from unregistered insurers not covered by acceptable collateral	2,369	5,661	3,610	3,322
Total Capital Available	900,471	692,503	515,897	285,962
Capital (Margin) Required at Target				
Insurance Risk:				
Unexpired Coverage	89,830	100,208	103,828	107,113
Liability for Incurred Claims	213,458	230,166	241,519	249,904
Earthquake and nuclear catastrophe reserves	0	0	0	0
Reinsurance held with unregistered insurers	590	1,475	762	638
Subtotal: Insurance Risk Margin	303,879	331,850	346,109	357,655
Market Risk:				
Interest Rate Risk	63,643	57,211	65,573	67,101
Foreign Exchange Risk	97,915	95,916	89,252	74,267
Equity Risk	238,047	217,882	219,244	192,065
Real Estate Risk	157,616	142,272	124,714	93,934
Other Market Risk Exposure	955	1,505	1,520	1,524
Subtotal: Market Risk Margin	558,175	514,786	500,303	428,892
Credit Risk:				
Counterparty default risk for balance sheet assets	86,059	87,143	95,838	103,244
Counterparty default risk for off-balance sheet exposures	0	222	222	222
Counterparty default risk for unregistered reinsurance collateral and SIRs	0	7	0	0
Subtotal: Credit Risk Margin	86,059	87,372	96,060	103,466
Operational Risk Margin	109,049	109,248	110,786	108,187
Less: Diversification Credit	109,573	113,920	116,732	114,305
Total Capital (Margin) Required at Target	947,589	929,336	936,526	883,895
Minimum Capital Required	631,726	619,557	624,350	589,263
Phase-in of capital required	0	0	0	0
Total Minimum Capital Required	631,726	619,557	624,350	589,263
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required				
.....	268,746	72,946	-108,453	-303,301
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	143%	112%	83%	49%

SASKATCHEWAN AUTO FUND
Breakdown of Net Written Premiums
(thousands of \$)

year ended March 31	Actual						
	<u>2016/2017</u>	<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>
Net premiums written before discounts	1,059,692	1,071,819	1,090,895	1,103,686	1,136,186	1,144,937	1,183,379
Safe Driver Recognition	(123,112)	(127,267)	(131,037)	(132,995)	(138,148)	(141,011)	(144,324)
Business Recognition	(11,626)	(16,909)	(18,068)	(18,535)	(18,791)	(19,848)	(21,718)
Net Premiums Written	924,954	927,643	941,790	952,156	979,246	984,078	1,017,336
Exposure Change %		-0.3%	0.7%	-0.5%	2.6%	1.0%	0.6%
Impact of Rate Increase %		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Drift %		<u>1.4%</u>	<u>1.1%</u>	<u>1.7%</u>	<u>0.4%</u>	<u>-0.3%</u>	<u>2.7%</u>
Overall Change in net premiums written before discounts		<u><u>1.1%</u></u>	<u><u>1.8%</u></u>	<u><u>1.2%</u></u>	<u><u>2.9%</u></u>	<u><u>0.8%</u></u>	<u><u>3.4%</u></u>

*Forecast is consistent with the updated forecast used for IR 8 which uses 2026/27 budget information, but aligns the rate changes to June 2026 and June 2027

SASKATCHEWAN AUTO FUND
Breakdown of Net Written Premiums
(thousands of \$)

year ended March 31	Actual		Forecast (assuming 3.75% and 3.75% rate increases)*					
	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
Net premiums written before discounts	1,232,546	1,282,848	1,331,919	1,415,834	1,514,744	1,573,209	1,621,733	1,671,120
Safe Driver Recognition	(149,960)	(156,864)	(162,621)	(172,689)	(184,746)	(191,931)	(197,886)	(204,025)
Business Recognition	(23,100)	(24,272)	(25,185)	(26,853)	(28,844)	(30,087)	(31,145)	(32,239)
Net Premiums Written	1,059,487	1,101,712	1,144,113	1,216,292	1,301,154	1,351,191	1,392,702	1,434,856
Exposure Change %	1.7%	2.6%	1.7%	1.2%	1.3%	1.3%	1.3%	1.3%
Impact of Rate Increase %	0.0%	0.0%	0.0%	3.0%	3.8%	0.8%	0.0%	0.0%
Drift %	2.4%	1.4%	2.1%	1.9%	1.8%	1.8%	1.8%	1.7%
Overall Change in net premiums written before discounts	4.2%	4.1%	3.8%	6.3%	7.0%	3.9%	3.1%	3.0%

*Forecast is consistent with the updated forecast used for IR 8 which uses 2026/27 budget information, but aligns the rate changes to June 2026 and June 2027

SGI
 Class TNC
 Ratemaking date as of: 31/03/2025
 Data Source: Internal Data
 Coverage: All
 Rating year: 01/06/2026
 Exhibit 1 - Page 1

	Projected On Level Average Premium Including Capital Amount	1,505.53
1.	Projected On Level Average Premium Excluding Capital Amount	1,504.62
2.	Class Specific Experience Required Premium	1,237.24
	Number of Claims	140
	Standard of Full Credibility	2,164
3.	Credibility	0.25
4.	Complement of Credibility Required Premium*	1,704.61
5.	Indicated Required Premium	1,585.73
6.	Indicated Required Per Cent Rate Change	5.39%

*Complement of Credibility = Current premium trended and adjusted
 5. = (3. x 2.) + (1 - 3.) x 4.
 6. = (5. / 1.) - 1

SGI
 Class TNC
 Ratemaking date as of: 31/03/2025
 Data Source: Internal Data
 Coverage: All
 Rating year: 01/06/2026
 Exhibit 1 - Page 2

	Coverage			Total
	Damage	Injury	Liability	
1. Discounted Pure Premium	373.33	201.90	288.04	863.28
2. Loss Adjusting Expense	17.51	27.05	30.16	74.71
3. Administrative Expense	54.29	54.29	54.29	162.86
4. Salvage	-14.23	0.00	-10.98	-25.21
5. Reinsurance	19.36	0.00	0.00	19.36
6. Medical Funding	0.00	54.75	0.00	54.75
7. Appeal Commissions	0.00	0.19	0.00	0.19
8. Safe Driver Recognition Malus	0.00	0.00	0.00	0.00
9. Variable Expense Per Cent	9.02%	9.02%	9.02%	9.02%
10. Break Even Margin	-1.97%	-1.97%	-1.97%	-1.97%
11. Adequate Gross Premium	484.43	363.85	388.95	1,237.24

$$11 = (1 + 2 + 3 + 4 + 5 + 6 + 7 + 8) / (1 - 9 - 10)$$

SGI
 Class TNC
 Ratemaking date as of: 31/03/2025
 Data Source: Internal Data
 Coverage: All
 Rating year: 01/06/2026
 Exhibit 1 - Page 3

Coverage	Discounted Pure Premium	Adjusted Current Premium	Final Complement of Credibility
Damage Liability to Others Auto (21)	269.12	410.09	410.09
Damage Liability to Others Property (22)	0.00	0.00	0.00
Loss of Use (23)	18.91	29.19	29.19
Damage to Own Vehicle (31)	365.70	592.87	592.87
Comprehensive (32)	4.67	10.64	10.64
Glass (33)	0.00	0.00	0.00
Deductible (34)	0.00	0.00	0.00
Fire/Lightning/Explosion (41)	0.00	0.00	0.00
Theft (42)	0.00	0.00	0.00
Damage Catastrophes	2.96	5.14	5.14
Liability - Economic Loss	0.00	0.00	0.00
Liability - Non-Economic Loss	0.00	0.00	0.00
Liability - Out of Province	0.00	0.00	0.00
Injury - Appeal	0.32	0.55	0.55
Injury - Care Benefits	6.81	10.69	10.69
Injury - Income Replacement Benefits	126.54	172.08	172.08
Injury - Death Benefits	5.09	7.40	7.40
Injury - Medical Expenses without Funding	58.90	86.56	86.56
Injury - Permanent Impairment	4.06	5.17	5.17
Tort - Injury	0.19	0.26	0.26
Tort - Liability	0.00	0.00	0.00
Projected Pure Premium (discounted)	863.28	1,330.65	1,330.65
Expenses			
Loss Adjusting Expenses	74.71	74.71	74.71
Administrative Expenses	162.86	162.86	162.86
Reinsurance Costs and Salvage	-5.85	-5.85	-5.85
Issuer Fees	65.81	65.81	65.81
Medical Funding	54.75	54.75	54.75
Appeal Commission	0.19	0.19	0.19
Credit for Malus component of SDR	0.00	0.00	0.00
Impact of Variable Expenses (Premium Tax, Traffic Safety and Auto Pay)	45.80	45.80	45.80
Impact of Break Even Margin	-24.32	-24.32	-24.32
Total Expenses	373.96	373.96	373.96
Required Premium	1,237.24	1,704.61	1,704.61

SGI
 Class TNC
 Ratemaking date as of: 31/03/2025
 Data Source: Internal Data
 Coverage: All
 Rating year: 01/06/2026
 Exhibit 1 - Page 4

Trend Period	Past	20.32
	Future	32.02
Complement of Credibility		1,330.65

Coverage	2026 RP Discounted Pure Premium	Current Premium Excluding Implied Expenses	Loss Trend Adjusted	ILA Adjusted	2024 RP PP Adjustments	Complement of Credibility
Damage Liability to Others Auto (21)	269.12	369.26	374.36	374.36	410.09	410.09
Damage Liability to Others Property (22)	0.00	0.00	0.00	0.00	0.00	0.00
Loss of Use (23)	18.91	25.95	29.19	29.19	29.19	29.19
Damage to Own Vehicle (31)	365.70	501.77	541.41	541.41	592.87	592.87
Comprehensive (32)	4.67	6.41	9.72	9.72	10.64	10.64
Glass (33)	0.00	0.00	0.00	0.00	0.00	0.00
Deductible (34)	0.00	0.00	0.00	0.00	0.00	0.00
Fire/Lightning/Explosion (41)	0.00	0.00	0.00	0.00	0.00	0.00
Theft (42)	0.00	0.00	0.00	0.00	0.00	0.00
Damage Catastrophes	2.96	4.06	4.87	4.87	5.14	5.14
Liability - Economic Loss	0.00	0.00	0.00	0.00	0.00	0.00
Liability - Non-Economic Loss	0.00	0.00	0.00	0.00	0.00	0.00
Liability - Out of Province	0.00	0.00	0.00	0.00	0.00	0.00
Injury - Appeal	0.32	0.44	0.55	0.55	0.55	0.55
Injury - Care Benefits	6.81	9.35	10.69	10.69	10.69	10.69
Injury - Income Replacement Benefits	126.54	173.63	176.36	176.36	172.08	172.08
Injury - Death Benefits	5.09	6.98	7.45	7.45	7.40	7.40
Injury - Medical Expenses without Funding	58.90	80.82	94.06	94.06	86.56	86.56
Injury - Permanent Impairment	4.06	5.57	5.24	5.24	5.17	5.17
Tort - Injury	0.19	0.26	0.26	0.26	0.26	0.26
Tort - Liability	0.00	0.00	0.00	0.00	0.00	0.00
Projected Pure Premium (discounted)	863.28	1,184.49	1,254.14	1,254.14	1,330.65	1,330.65

**Saskatchewan Auto Fund
Seasonality Analysis
As of December 31, 2021
Damage**

Claim Counts

		April	May	June	July	August	September	October	November	December	January	February	March
Claim Counts	Selected	6.94%	7.87%	8.60%	9.50%	8.20%	7.81%	8.45%	9.53%	8.41%	8.62%	8.04%	8.04%
	Cumulative	6.94%	14.81%	23.41%	32.90%	41.10%	48.91%	57.36%	66.89%	75.30%	83.92%	91.96%	100.00%
Prior Selected for Claim Counts	Selected	7.23%	7.98%	8.91%	9.02%	8.41%	8.04%	8.57%	9.24%	8.49%	8.81%	7.42%	7.87%
	Cumulative	7.23%	15.21%	24.12%	33.15%	41.56%	49.60%	58.17%	67.40%	75.89%	84.71%	92.13%	100.00%
Change in Selected to Apply to Ultimate Claims	Selected	-0.29%	-0.11%	-0.31%	0.47%	-0.22%	-0.23%	-0.12%	0.30%	-0.09%	-0.20%	0.62%	0.17%
	Cumulative	0.29%	0.40%	0.72%	0.24%	0.46%	0.69%	0.81%	0.51%	0.59%	0.79%	0.17%	0.00%

Losses

		April	May	June	July	August	September	October	November	December	January	February	March
Incurred Losses	Selected	6.99%	6.87%	7.76%	8.54%	7.55%	7.71%	8.74%	11.33%	9.46%	9.08%	8.58%	7.39%
	Cumulative	6.99%	13.86%	21.62%	30.16%	37.71%	45.42%	54.16%	65.48%	74.95%	84.03%	92.61%	100.00%
Paid Losses	Selected	7.00%	6.90%	7.79%	8.50%	7.59%	7.72%	8.73%	11.29%	9.47%	9.08%	8.56%	7.39%
	Cumulative	7.00%	13.89%	21.68%	30.18%	37.76%	45.48%	54.21%	65.50%	74.97%	84.04%	92.61%	100.00%
Average of Incurred and Paid Losses	Selected	6.99%	6.88%	7.77%	8.52%	7.57%	7.71%	8.73%	11.31%	9.46%	9.08%	8.57%	7.39%
	Cumulative	6.99%	13.88%	21.65%	30.17%	37.74%	45.45%	54.18%	65.49%	74.96%	84.04%	92.61%	100.00%
Prior Selected for Losses (Applied to Ultimate Loss)	Selected	6.55%	7.15%	8.08%	8.26%	7.83%	8.01%	8.84%	10.42%	9.81%	9.94%	7.57%	7.55%
	Cumulative	6.55%	13.70%	21.78%	30.04%	37.86%	45.87%	54.71%	65.13%	74.94%	84.87%	92.45%	100.00%
Selected to Apply to Ultimate Loss	Selected	6.99%	6.88%	7.77%	8.52%	7.57%	7.71%	8.73%	11.31%	9.46%	9.08%	8.57%	7.39%
	Cumulative	6.99%	13.88%	21.65%	30.17%	37.74%	45.45%	54.18%	65.49%	74.96%	84.04%	92.61%	100.00%
Change in Selected to Apply to Ultimate Loss	Selected	0.45%	-0.27%	-0.31%	0.26%	-0.26%	-0.29%	-0.11%	0.89%	-0.34%	-0.86%	1.00%	-0.16%
	Cumulative	0.45%	0.18%	-0.13%	0.13%	-0.13%	-0.42%	-0.52%	0.36%	0.02%	-0.84%	0.16%	0.00%

**Collision
31**

Fiscal Loss Month	1	2	3	4	5	6	7	8	9	10	11	12
Duration	12	11	10	9	8	7	6	5	4	3	2	1

Paid Loss

Year	April	May	June	July	August	September	October	November	December	January	February	March
2017/2018	18,777,179	17,920,977	21,461,495	21,220,083	19,706,929	22,029,102	24,476,992	33,306,521	25,065,986	22,077,513	15,059,153	4,862,238
2018/2019	20,020,681	17,714,053	21,248,902	19,462,358	20,326,129	20,140,646	24,453,636	34,175,945	25,411,505	21,072,976	17,330,320	3,601,346
2019/2020	18,929,452	17,748,144	19,832,412	21,569,793	20,075,704	20,536,467	25,572,531	34,077,783	27,886,315	24,470,081	10,719,868	3,897,497
2020/2021	13,704,479	13,434,953	17,334,460	19,155,671	19,132,306	22,792,950	25,539,915	28,546,762	20,464,375	19,731,691	12,513,184	4,088,427
2021/2022	17,497,063	16,440,835	20,886,990	20,458,611	20,505,978	23,224,767	22,150,358	29,801,433	25,493,341	19,171,144	10,079,738	2,692,132
2021/2022 vs 2018/19-2019/20 avg	-10%	-7%	2%	0%	2%	14%	-11%	-13%	-4%	-16%	-28%	-28%

Incurred Loss

Year	April	May	June	July	August	September	October	November	December	January	February	March
2017/2018	18,423,241	17,600,086	21,178,017	21,115,273	19,691,401	22,074,345	24,771,464	34,234,791	26,060,178	24,179,872	18,295,121	12,819,659
2018/2019	19,711,129	17,530,658	21,189,574	19,452,665	20,178,377	20,364,950	24,739,046	34,942,686	26,871,428	23,251,601	22,256,558	11,439,622
2019/2020	18,895,553	17,555,711	19,628,635	21,475,908	20,294,159	20,919,267	26,211,601	34,968,913	29,494,286	26,763,965	13,680,553	9,399,860
2020/2021	13,468,983	13,294,217	17,332,035	19,348,493	19,356,413	22,953,339	26,019,101	29,435,362	21,514,587	21,309,104	14,956,769	9,947,630
2021/2022	18,023,841	16,246,604	20,885,278	20,644,987	20,881,678	23,814,323	22,814,288	31,155,228	28,593,328	23,215,211	15,708,251	13,635,556
2021/2022 vs 2018/19-2019/20 avg	-7%	-7%	2%	1%	3%	15%	-10%	-11%	1%	-7%	-13%	31%

Financial Counts

Year	April	May	June	July	August	September	October	November	December	January	February	March
2017/2018	3,852	4,407	4,916	4,705	4,302	4,657	4,993	6,387	5,050	4,691	3,428	2,566
2018/2019	4,117	4,161	4,548	4,280	4,220	4,169	4,758	6,028	4,801	4,380	4,281	2,206
2019/2020	3,563	3,984	4,180	4,506	4,242	4,148	4,929	5,782	5,172	4,832	2,560	1,754
2020/2021	2,360	2,943	3,597	4,045	3,993	4,258	4,767	5,177	3,998	3,795	2,956	1,853
2021/2022	2,890	3,340	4,118	3,961	3,843	4,161	3,974	4,920	4,960	4,064	2,669	2,409
2021/2022 vs 2018/19-2019/20 avg	-25%	-18%	-6%	-10%	-9%	0%	-18%	-17%	-1%	-12%	-22%	22%

Reported Counts

Year	April	May	June	July	August	September	October	November	December	January	February	March
2017/2018	5,298	6,232	6,961	6,453	6,208	6,582	7,082	9,108	7,516	7,391	6,319	5,665
2018/2019	5,617	5,819	6,338	6,014	5,950	5,982	6,723	8,550	7,191	7,219	8,338	4,962
2019/2020	4,996	5,747	5,934	6,235	6,061	5,902	7,057	7,998	7,358	7,818	4,845	3,764
2020/2021	3,004	3,863	4,715	5,401	5,458	5,739	6,396	7,071	5,772	5,817	5,318	4,091
2021/2022	3,990	4,629	5,758	5,838	5,644	6,200	6,037	7,756	8,994	8,785	7,074	5,916
2021/2022 vs 2018/19-2019/20 avg	-25%	-20%	-6%	-5%	-6%	4%	-12%	-6%	24%	17%	7%	36%

Selected Adjustments	
ELR	-5.00%
Freq	-5.00%
Sev	0.00%

Valuation Selections - Damage Excl Cats & Liab	
	0.00%
	0.00%
	0.00%

First half year impact is COVID, then restrictions lifted and effect hidden behind slowdown of repairs.
 Selected judgmentally from column W plus a bit more for the last half of the year (but not to the same degree)
 Reported counts imply not as much impact here, though it was a bad winter. Pick -5% as middle ground.

YTD Total	YTD adjusted to 2021/22 Level	Trend Factors	April-Sept Total	YTD Adjusted to 2021/22 Level	Half Year Impact
245,964,168	297,135,568	1.20804	121,115,765	146,313,188	
244,958,499	281,116,105	1.14761	118,912,769	136,465,135	
245,316,048	268,938,779	1.09630	118,691,973	130,121,427	
216,439,173	228,192,646	1.05430	105,554,819	111,286,848	
228,402,390	228,402,390	1.00000	119,014,243	119,014,243	
-7%	-17%		0%	-11%	-4.9%

YTD Total	YTD adjusted to 2021/22 Level	Trend Factors	April-Sept Total	YTD Adjusted to 2021/22 Level	Half Year Impact
260,443,448	314,627,176	1.20804	120,082,363	145,064,793	
261,928,294	300,590,762	1.14761	118,427,353	135,908,067	
259,288,412	284,256,613	1.09630	118,769,233	130,206,127	
228,936,034	241,368,134	1.05430	105,753,480	111,496,297	
255,618,572	255,618,572	1.00000	120,496,711	120,496,711	
-2%	-13%		2%	-9%	-4.3%

YTD Total	YTD adjusted to 2021/22 Level	Trend Factors	April-Sept Total	YTD Adjusted to 2021/22 Level	Half Year Impact
53,954	56,744	1.05171	26,839	28,227	
51,949	53,732	1.03432	25,495	26,370	
49,652	50,790	1.02291	24,623	25,187	
43,742	44,548	1.01842	21,196	21,586	
45,309	45,309	1.00000	22,313	22,313	
-11%	-13%		-11%	-13%	-6.6%

YTD Total	YTD adjusted to 2021/22 Level	Trend Factors	April-Sept Total	YTD Adjusted to 2021/22 Level	Half Year Impact
80,815	84,994	1.05171	37,734	39,685	
78,703	81,404	1.03432	35,720	36,946	
73,715	75,404	1.02291	34,875	35,674	
62,645	63,799	1.01842	28,180	28,699	
76,621	76,621	1.00000	32,059	32,059	
1%	-2%		-9%	-12%	-5.7%

SAF Response Attachment IR 1 - 15a

Observed SAF Fin Count Reductions - March				March Seasonality	
Damage Liability	-32.18%	97.47%		Damage	7.87%
Damage Collision	-32.42%	97.45%	Reserving data		
Damage Excl Liab & Cats	-31.83%	97.49%			

March 31, 2020 Selections				March Seasonality		
Month	Year - Losses	Year - Counts		Losses	Counts	
Damage Liability	-30%	97.73%	97.64%	Damage	7.55%	7.87%
Damage Excl Liab & Cats	-30%	97.73%	97.64%	Injury	6.00%	7.99%
Injury	-30%	98.20%	97.60%	Liability	9.56%	8.12%
Liability	-30%	97.13%	97.57%			

March 31, 2020 Selections			
Month	Year - Losses	Year - Counts	
21	-30%	97.73%	97.64%
22	-15%	98.87%	98.82%
23	-30%	97.73%	97.64%
31	-25%	98.11%	98.03%
32	-25%	98.11%	98.03%
33	-30%	97.73%	97.64%
34	0%	100.00%	100.00%
41	-25%	98.11%	98.03%
42	0%	100.00%	100.00%

Mar 31, 2021 Selections			
	ELR	Frequency	Severity
21	-27.00%	-27.00%	0.00%
22	-9.90%	-15.40%	6.50%
23	-36.20%	-36.20%	0.00%
31	-17.20%	-14.10%	-3.61%
32	-15.10%	-12.90%	-2.53%
33	-5.70%	-13.40%	8.89%
34	0.00%	0.00%	0.00%
41	0.00%	0.00%	0.00%
42	-38.40%	-38.40%	0.00%
Injury	-24.30%	-27.30%	4.13%
Liability	-24.30%	-27.30%	4.13%
Out of Province	-42.40%	-42.40%	0.00%

Mar 31, 2022 Selections			
	ELR	Frequency	Severity
21	-7.50%	-7.50%	0.00%
22	0.00%	0.00%	0.00%
23	-4.00%	-10.00%	6.67%
31	-5.00%	-5.00%	0.00%
32	-7.50%	-7.50%	0.00%
33	-5.00%	-5.00%	0.00%
34	0.00%	0.00%	0.00%
41	0.00%	0.00%	0.00%
42	-10.00%	-10.00%	0.00%
Injury	-8.60%	-3.78%	-5.01%
Liability	-8.60%	-3.78%	-5.01%
Out of Province	-40.00%	-40.00%	0.00%

Mar 31, 2023 Selections

	ELR	Frequency	Severity
21	0.00%	0.00%	0.00%
22	0.00%	0.00%	0.00%
23	0.00%	0.00%	0.00%
31	0.00%	0.00%	0.00%
32	0.00%	0.00%	0.00%
33	0.00%	0.00%	0.00%
34	0.00%	0.00%	0.00%
41	0.00%	0.00%	0.00%
42	0.00%	0.00%	0.00%
Injury	0.00%	0.00%	0.00%
Liability	0.00%	0.00%	0.00%
Out of Province	-40.00%	-40.00%	0.00%

Mar 31, 2024 Selections

	ELR	Frequency	Severity
21	0.00%	0.00%	0.00%
22	0.00%	0.00%	0.00%
23	0.00%	0.00%	0.00%
31	0.00%	0.00%	0.00%
32	0.00%	0.00%	0.00%
33	0.00%	0.00%	0.00%
34	0.00%	0.00%	0.00%
41	0.00%	0.00%	0.00%
42	0.00%	0.00%	0.00%
Injury	0.00%	0.00%	0.00%
Liability	0.00%	0.00%	0.00%
Out of Province	-20.00%	-20.00%	0.00%

Mar 31, 2025 Selections

	ELR	Frequency	Severity
21	0.00%	0.00%	0.00%
22	0.00%	0.00%	0.00%
23	0.00%	0.00%	0.00%
31	0.00%	0.00%	0.00%
32	0.00%	0.00%	0.00%
33	0.00%	0.00%	0.00%
34	0.00%	0.00%	0.00%
41	0.00%	0.00%	0.00%
42	0.00%	0.00%	0.00%
Injury	0.00%	0.00%	0.00%
Liability	0.00%	0.00%	0.00%
Out of Province	-20.00%	-20.00%	0.00%

ILA - Out of Province

2015	0.8000
2016	0.8000
2017	0.8000
2018	0.8000
2019	0.8000
2020	0.8236
2021	1.3888
2022	1.3333
2023	1.3333
2024	1.0000
2025	1.0000

SAF Response Attachment IR 1 - 16

Loss Period	Paint Materials as a			Expected Payment Patterns		Fiscal AY Average Paint Cost
	Percentage of Estimates	Light Vehicle Paint Material Cost	Commercial Paint Material Cost	First FY	Second FY	
2014-2015	8.50%	\$42.46	\$51.91	81%	19%	\$47.57
2015-2016	8.28%	\$44.29	\$54.15	84%	16%	\$49.57
2016-2017	7.96%	\$46.26	\$56.55	84%	16%	\$51.86
2017-2018	7.98%	\$48.80	\$59.66	83%	17%	\$54.78
2018-2019	8.38%	\$51.73	\$63.24	82%	18%	\$57.49
2019-2020	8.30%	\$51.73	\$63.24	83%	17%	\$57.98
2020-2021	8.23%	\$54.37	\$66.47	82%	18%	\$61.13
2021-2022	7.86%	\$57.94	\$70.83	68%	32%	\$67.02
2022-2023	8.11%	\$65.34	\$79.88	67%	33%	\$75.73
2023-2024	9.33%	\$73.86	\$90.30	70%	30%	\$83.69
2024-2025	9.59%	\$78.69	\$96.20	71%	29%	\$88.41
2025-2026	9.50%	\$81.67	\$99.85	70%	30%	\$92.53
2026-2027	9.50%	\$86.98	\$106.34	70%	30%	\$98.54
2027-2028	9.50%	\$92.64	\$113.25	70%	30%	\$104.95
2028-2029	9.50%	\$98.66	\$120.61	70%	30%	\$111.77
2029-2030	9.50%	\$105.07	\$128.45			
Rating Year	9.50%					\$102.82

% of Rating Year Losses Occuring In:

2026/27	34.72%
2027/28	63.89%
2028/29	1.39%
Total Check:	<u>100.00%</u>

SAF Response Attachment IR 1 - 16

Historical Paint Increases

Cov 21 OLF	Cov 31 OLF	Cov 32 OLF	Cov 41 OLF	Cov 42 OLF	CAT OLF
1.0462	1.0449	1.0458	1.0059	1.0177	1.0562
1.0410	1.0399	1.0407	1.0053	1.0157	1.0500
1.0355	1.0345	1.0352	1.0046	1.0136	1.0432
1.0310	1.0301	1.0307	1.0040	1.0119	1.0377
1.0285	1.0277	1.0283	1.0037	1.0109	1.0347
1.0276	1.0268	1.0273	1.0035	1.0105	1.0336
1.0232	1.0226	1.0230	1.0030	1.0089	1.0283
1.0159	1.0154	1.0157	1.0020	1.0061	1.0193
1.0086	1.0083	1.0085	1.0011	1.0033	1.0105
1.0033	1.0032	1.0033	1.0004	1.0013	1.0041
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1.0098	1.0095	1.0097	1.0013	1.0037	1.0119

Fiscal Year	Paint Cost	YOY Increase
2005	\$26.86	
2006	\$28.46	5.96%
2007	\$29.74	4.50%
2008	\$31.21	4.94%
2009	\$32.68	4.71%
2010	\$32.95	0.83%
2011	\$34.78	5.55%
2012	\$36.79	5.78%
2013	\$38.59	4.89%
2014	\$40.52	5.00%
2015	\$42.46	4.79%
2016	\$44.29	4.31%
2017	\$46.26	4.45%
2018	\$48.80	5.49%
2019	\$51.73	6.00%
2020	\$51.73	0.00%
2021	\$54.37	5.10%
2022	\$57.94	6.57%
2023	\$65.34	12.77%
2024	\$73.86	13.04%
2025	\$78.69	6.54%
20 yr avg		5.56%
15 yr avg		6.02%
10 yr avg		6.43%
5 yr avg		8.80%
20 yr exp trend		5.08%
15 yr exp trend		5.50%
10 yr exp trend		6.14%
5 yr exp trend		9.38%
20yr exp excl 2023 and 2024		4.89%
15yr exp excl 2023 and 2024		5.25%
10yr exp excl 2023 and 2024		5.79%
5yr exp excl 2023 and 2024		9.02%

Selection 6.50%

Cov 31 - Collision Losses Light excl. motorcycles

Light Vehicle Classes in each Incurred Loss Adjustment (ILA) Group	
1	Antique, MT NUDrive
2	T-U NUDrive, T-U UDrive, MH NUDrive, MH UDrive, Motorized Bicycle
3	A-Light, Class L (not Motorcycle Dealers), P-TextT, Hearse, PPV UDrive, Police C, Police T
4	F-Lite04, PT-T, PPV, PPV-FD, PPV-FR, 24 Hour, 8 Day, TIC, Intransit
5	F-Lite93, F-Lite94-03
6	Class L - Motorcycle Dealers

Incurred Losses by ILA Group							
FY	1	2	3	4	5	6	Total
2014/2015	10,240	536,517	4,307,671	202,442,227	1,483,805	9,835	208,790,296
2015/2016	28,737	656,626	4,577,432	218,474,653	1,296,985	0	225,034,433
2016/2017	22,772	797,851	4,736,416	241,545,946	961,231	11,637	248,075,852
2017/2018	33,982	786,375	5,431,726	258,844,171	881,686	2,627	265,980,567
2018/2019	42,260	819,224	5,442,647	260,972,915	836,923	4,272	268,118,240
2019/2020	22,113	1,058,596	5,023,761	261,821,925	784,305	10,342	268,721,042
2020/2021	35,386	504,066	4,204,519	230,493,630	672,750	251	235,910,602
2021/2022	31,144	628,334	5,947,309	294,460,024	680,825	0	301,747,635
2022/2023	57,406	1,038,340	6,670,777	333,456,406	645,271	18,549	341,886,750
2023/2024	36,907	737,965	6,945,974	343,126,272	492,855	0	351,339,975
2024/2025	83,591	912,576	7,046,951	307,622,873	510,442	0	316,176,433

ILAs by Group							Weighted Average ILA
FY	1	2	3	4	5	6	
2014/2015	1.2341	1.2353	1.2801	1.2997	1.2530	1.2341	1.2988
2015/2016	1.2280	1.2293	1.2726	1.2938	1.2484	1.2280	1.2929
2016/2017	1.2217	1.2230	1.2660	1.2859	1.2409	1.2217	1.2851
2017/2018	1.2086	1.2098	1.2515	1.2718	1.2281	1.2086	1.2710
2018/2019	1.2057	1.2057	1.2433	1.2433	1.2057	1.2057	1.2431
2019/2020	1.2264	1.2264	1.2513	1.2513	1.2264	1.2264	1.2511
2020/2021	1.4387	1.4387	1.4640	1.4640	1.4387	1.4387	1.4639
2021/2022	1.1750	1.1750	1.1896	1.1896	1.1750	1.1750	1.1895
2022/2023	1.0418	1.0418	1.0444	1.0444	1.0418	1.0418	1.0443
2023/2024	1.0032	1.0032	1.0032	1.0032	1.0032	1.0032	1.0032
2024/2025	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

ILA Adjusted Incurred Losses by ILA Group								Incurred Loss Development Factor	On-Level Labour Rate	Ultimate Losses
FY	1	2	3	4	5	6	Total			
2014/2015	12,638	662,765	5,514,139	263,109,096	1,859,184	12,137	271,169,959	1.0345	1.0690	299,863,992
2015/2016	35,289	807,202	5,825,253	282,659,419	1,619,203	0	290,946,366	1.0407	1.0399	314,876,982
2016/2017	27,820	975,733	5,996,298	310,603,496	1,192,804	14,217	318,810,369	1.0432	1.0212	339,649,509
2017/2018	41,069	951,378	6,797,963	329,193,120	1,082,816	3,175	338,069,521	1.0399	1.0212	359,006,637
2018/2019	50,954	987,776	6,767,093	324,479,639	1,009,117	5,151	333,299,732	1.0385	1.0202	353,103,187
2019/2020	27,118	1,298,224	6,286,126	327,612,235	961,843	12,683	336,198,230	1.0357	1.0196	355,044,407
2020/2021	50,911	725,214	6,155,474	337,445,804	967,905	361	345,345,669	1.0431	1.0194	367,191,157
2021/2022	36,596	738,323	7,074,834	350,285,462	800,002	0	358,935,217	1.0558	1.0206	386,782,478
2022/2023	59,806	1,081,738	6,966,649	348,246,327	672,240	19,324	357,046,083	1.0504	1.0171	381,440,515
2023/2024	37,026	740,354	6,968,460	344,237,048	494,451	0	352,477,339	1.0758	1.0077	382,127,760
2024/2025	83,591	912,576	7,046,951	307,622,873	510,442	0	316,176,433	1.2905	1.0000	408,030,333

Light Vehicle Classes in each CCA Group	
1	All Light Classes

FY	Number of Claims	Claim Count Adjustment	Adjusted claims	Claim Count Development Factor	Ultimate Number of Claims
2014/2015	58,723	1.0000	58,723	1.0005	58,755
2015/2016	57,131	1.0000	57,131	1.0005	57,160
2016/2017	60,689	1.0000	60,689	1.0005	60,720
2017/2018	61,773	1.0000	61,773	1.0006	61,808
2018/2019	59,585	1.0000	59,585	1.0010	59,643
2019/2020	55,849	1.0201	56,970	1.0002	56,983
2020/2021	49,636	1.1641	57,784	1.0004	57,806
2021/2022	57,642	1.0526	60,676	1.0026	60,831
2022/2023	57,200	1.0000	57,200	1.0124	57,912
2023/2024	53,019	1.0000	53,019	1.0407	55,176
2024/2025	44,806	1.0000	44,806	1.3162	58,973

Rate Class	Tbl1	Tbl2	Tbl3	Tbl4	Tbl5	Tbl6	Tbl7	Tbl8	Tbl9	Tbl10	Tbl11	Tbl12	Tbl13	Group
Ambulance Make Rated	1		3				7	8		10	11		13	
Ambulance Not Make Rated	1		3				7	8		10	11		13	
Antique	1		3				7	8		10	11		13	1
Class A HTV IRP 15KDed No XS Cov	1		3				7		9	10	11		13	
Class A HTV IRP RegDed No XS Cov	1		3				7		9	10	11		13	
Class A HTV Non-IRP No XS Cov	1		3				7		9	10	11		13	
Class A HTV Unknown Coverage	1		3				7		9	10	11		13	
Class A Light	1	2	3				7	8		10	11	12	13	3
Class A Power Unit IRP 15KDed No XS Cov	1		3				7		9	10	11		13	
Class A Power Unit IRP RegDed No XS Cov	1		3				7		9	10	11		13	
Class A Power Unit Non-IRP No XS Cov	1		3				7		9	10	11		13	
Class CD HTV Non-Res No XS Cov	1		3				7		9	10	11		13	
Class CD HTV excl. Non-Res No XS Cov	1		3				7		9	10	11		13	
Class CD Industrial Tracked No XS Cov	1		3				7		9	10	11		13	
Class CD Power Units excl. Non-Res No XS Cov	1		3				7		9	10	11		13	
Class F HTV	1		3	4			7		9	10	11		13	
Class F Light Model Year 1993 and Older	1		3		5		7	8		10	11		13	5
Class F Light Model Year 1994 to 2003	1		3		5		7	8		10	11		13	5
Class F Light Model Year 2004 and Newer	1	2	3		5		7	8		10	11	12	13	4
Class F Power Units	1		3	4			7		9	10	11		13	
Class F Trailers	1		3	4			7	8		10	11		13	
Class L Car and Truck Dealer	1	2	3				7	8		10	11	12	13	3
Class L Motorcycle Dealer	1		3				7	8		10	11		13	6
Class L Unknown Dealer	1	2	3				7	8		10	11	12	13	3
Class LT	1		3				7	8		10	11		13	
Class LV HTV	1		3	4			7		9	10	11		13	
Class MT Non-UDrive	1		3				7	8		10	11		13	1
Class PB	1		3				7	8		10	11		13	
Class PC	1		3				7	8		10	11		13	
Class PS	1		3				7	8		10	11		13	
Class PT - Popn Greater than 2000	1	2	3				7	8		10	11	12	13	3
Class PT - Popn of 2000 or Less	1	2	3		5		7	8		10	11	12	13	4
Class PV Converted Vehicle	1		3	4			7		9	10	11		13	
Class PV HTV	1		3	4			7		9	10	11		13	
Class PV Industrial Tracked	1		3				7		9	10	11		13	
Class PV Power Units	1		3	4			7		9	10	11		13	
Class T Non-Utility Non-UDrive	1		3	4			7	8		10	11		13	
Class T Non-Utility UDrive	1		3	4			7	8		10	11		13	
Class T Utility Non-UDrive	1		3	4			7	8		10	11		13	2
Class T Utility UDrive	1		3	4			7	8		10	11		13	2
Class TS Non-XS Coverage	1		3				7		9	10	11		13	
Hearse BT 1-4	1	2	3				7	8		10	11	12	13	3
Hearse BT 6, 8, 40	1	2	3				7	8		10	11	12	13	3

Rate Class	Tbl1	Tbl2
LV-Bus	1	
LV-Bus Res	1	
Motorcycles	1	
MH NUdrive	1	
MH Udrive	1	
M Bicycles	1	
PPV	1	
PPV-FD	1	
PPV-FR	1	
PPV-Udrive	1	
Police C	1	
Police T	1	
A-XS		2
CD-XS		2
A-HTV NIRP		2
A-PU IRP X		2
A-PU NIRP		2
CD-HTV		2
CD-PU		2
TS		2
TS-XS		2
24 Hour	1	
8 Day	1	
TIC	1	
Intransit	1	
24 Hour MC	1	
8 Day MC	1	
TIC MC	1	
Intransit MC	1	

Group
1
1
1
1
1
1
1
1
1
1
1
1
1

FY	1
2014/2015	1.0000
2015/2016	1.0000
2016/2017	1.0000
2017/2018	1.0000
2018/2019	1.0000
2019/2020	1.0201
2020/2021	1.1641
2021/2022	1.0526
2022/2023	1.0000
2023/2024	1.0000
2024/2025	1.0000

Distribution of Adjusted Incurred Amounts by Class Grouping**Medical**

Class	Occurrences	Mean	StDev pop	Median	Percentiles				Selected Threshold
					95%	99.0%	99.5%	99.95%	
CLEAR	49,295	9,454	68,780	2,050	\$30,354	\$89,839	\$146,430	\$1,214,977	\$1,500,000
Motorcycles	1,103	26,253	124,866	4,428	\$83,606	\$372,641	\$538,300	\$2,235,757	\$1,000,000
All Other	1,713	13,980	118,393	2,303	\$42,853	\$150,008	\$245,141	\$1,664,773	\$250,000
Permits	343	20,004	73,888	2,905	\$80,085	\$238,386	\$462,872	\$893,620	\$500,000

Income Replacement Benefits

Class	Occurrences	Mean	StDev pop	Median	Percentiles				Selected Threshold
					95%	99.0%	99.5%	99.95%	
CLEAR	11,981	89,715	443,698	7,551	\$277,063	\$2,103,677	\$3,268,785	\$6,875,452	\$5,000,000
Motorcycles	564	138,845	397,217	21,595	\$639,063	\$2,152,853	\$3,109,916	\$3,361,709	\$2,500,000
All Other	527	87,259	402,068	9,869	\$278,780	\$2,070,150	\$3,310,886	\$4,863,858	\$2,500,000
Permits	128	131,180	388,593	21,282	\$665,866	\$1,929,100	\$2,498,745	\$3,054,615	\$1,500,000

Care Benefits

Class	Occurrences	Mean	StDev pop	Median	Percentiles				Selected Threshold
					95%	99.0%	99.5%	99.95%	
CLEAR	9,682	54,873	474,573	3,501	\$83,793	\$966,794	\$2,362,473	\$9,376,170	\$4,000,000
Motorcycles	410	45,036	296,656	3,920	\$90,635	\$1,011,382	\$1,364,435	\$4,520,880	\$750,000
All Other	540	38,642	178,249	5,511	\$140,911	\$668,475	\$996,571	\$2,447,552	\$1,250,000
Permits	148	48,691	367,330	4,227	\$81,596	\$344,307	\$1,481,264	\$4,165,864	\$1,250,000

Permanent Impairment

Class	Occurrences	Mean	StDev pop	Median	Percentiles				Selected Threshold
					95%	99.0%	99.5%	99.95%	
CLEAR	6,766	31,791	52,348	16,228	\$113,700	\$313,608	\$328,619	\$483,607	\$350,000
Motorcycles	633	45,697	54,735	28,975	\$141,609	\$277,330	\$319,128	\$498,265	\$300,000
All Other	343	36,706	70,698	20,992	\$120,908	\$254,762	\$278,433	\$950,273	\$300,000
Permits	138	38,150	52,397	22,043	\$132,486	\$291,524	\$329,166	\$336,297	\$300,000

Death Benefits

Class	Occurrences	Mean	StDev pop	Median	Percentiles				Selected Threshold
					95%	99.0%	99.5%	99.95%	
CLEAR	1,188	230,148	315,329	98,441	\$898,059	\$1,496,811	\$1,645,063	\$2,424,777	\$2,000,000
Motorcycles	43	304,779	309,171	196,899	\$897,326	\$1,013,930	\$1,031,787	\$1,047,858	\$1,000,000
All Other	90	280,040	289,275	139,299	\$778,450	\$1,141,535	\$1,315,650	\$1,472,353	\$1,000,000
Permits	13	129,014	78,541	98,126	\$255,122	\$291,895	\$296,492	\$300,629	\$1,000,000

Appeal

Class	Occurrences	Mean	StDev pop	Median	Percentiles				Selected Threshold
					95%	99.0%	99.5%	99.95%	
CLEAR	1,169	12,313	42,628	2,767	\$53,676	\$156,112	\$218,258	\$687,380	\$300,000
Motorcycles	49	11,882	26,349	3,333	\$73,809	\$118,206	\$126,826	\$134,584	\$200,000
All Other	63	8,223	12,444	3,012	\$29,164	\$53,451	\$61,037	\$67,864	\$200,000
Permits	16	4,662	4,299	3,454	\$11,821	\$15,665	\$16,145	\$16,577	\$200,000

Tort-Injury

Class	Occurrences	Mean	StDev pop	Median	Percentiles				Selected Threshold
					95%	99.0%	99.5%	99.95%	
CLEAR	856	16,634	46,394	5,357	\$65,712	\$114,662	\$131,518	\$839,450	\$500,000
Motorcycles	106	31,393	77,770	11,607	\$86,289	\$144,574	\$442,350	\$737,623	\$250,000
All Other	33	11,210	17,892	2,412	\$48,262	\$71,073	\$74,723	\$78,008	\$250,000
Permits	5	6,511	5,221	6,931	\$13,915	\$15,223	\$15,386	\$15,533	\$250,000

SAF Response Attachment IR 1 - 20b

Cover Code	Average	CLEAR			Motorcycles			AllExclCLEAR&MC			Permits		
		Adjusted Incurred	Excess	Net Excess Ratio	Adjusted Incurred	Excess	Net Excess Ratio	Adjusted Incurred	Excess	Net Excess Ratio	Adjusted Incurred	Excess	Net Excess Ratio
2011 Appeal	15 yr	14,394,211	878,886	6.50%	582,234	0	0.00%	513,419	0	0.00%	74,589	0	0.00%
2016 Appeal	10 yr	6,016,301	0	0.00%	268,404	0	0.00%	263,209	0	0.00%	63,318	0	0.00%
2021 Appeal	5 yr	491,834	0	0.00%	15,135	0	0.00%	26,054	0	0.00%	19,912	0	0.00%
2011 Care	15 yr	531,283,555	100,604,599	23.36%	20,866,454	4,054,514	24.12%	18,464,813	4,448,846	31.74%	7,206,292	3,214,153	80.51%
2016 Care	10 yr	157,599,564	9,395,917	6.34%	5,699,887	0	0.00%	13,928,220	4,448,846	46.93%	2,184,827	0	0.00%
2021 Care	5 yr	44,272,303	0	0.00%	1,454,876	0	0.00%	1,539,089	0	0.00%	712,061	0	0.00%
2011 Death	15 yr	273,414,471	948,929	0.35%	13,105,499	49,644	0.38%	25,203,578	747,617	3.06%	1,677,182	0	0.00%
2016 Death	10 yr	147,851,045	208,757	0.14%	5,908,172	49,644	0.85%	16,474,978	747,617	4.75%	1,061,557	0	0.00%
2021 Death	5 yr	63,734,849	208,757	0.33%	2,428,762	0	0.00%	5,056,980	0	0.00%	324,119	0	0.00%
2011 IRB	15 yr	1,074,870,202	32,168,835	3.09%	78,308,070	2,900,048	3.85%	45,985,351	6,383,117	16.12%	16,791,005	2,260,106	15.55%
2016 IRB	10 yr	449,079,109	0	0.00%	28,623,885	602,004	2.15%	27,668,442	4,413,993	18.98%	12,453,206	1,616,378	14.92%
2021 IRB	5 yr	114,709,159	0	0.00%	6,540,372	0	0.00%	4,478,940	0	0.00%	4,271,752	0	0.00%
2011 Medical	15 yr	466,030,471	24,334,667	5.51%	28,956,201	2,664,194	10.13%	23,947,288	6,157,684	34.61%	6,861,485	761,774	12.49%
2016 Medical	10 yr	259,778,917	7,663,220	3.04%	14,128,856	0	0.00%	16,778,882	5,795,647	52.77%	4,554,546	400,238	9.63%
2021 Medical	5 yr	118,015,906	10,594	0.01%	7,635,786	0	0.00%	5,306,337	112,813	2.17%	1,601,433	0	0.00%
2011 Permlmp	15 yr	215,079,008	1,857,845	0.87%	28,925,846	399,486	1.40%	12,590,122	786,857	6.67%	5,264,663	62,612	1.20%
2016 Permlmp	10 yr	117,301,568	349,629	0.30%	13,956,814	5,836	0.04%	8,082,650	786,857	10.79%	3,713,198	0	0.00%
2021 Permlmp	5 yr	45,897,079	227,315	0.50%	5,886,002	5,836	0.10%	2,487,782	0	0.00%	1,658,651	0	0.00%
2011 Tort-Injury	15 yr	14,238,407	596,223	4.37%	3,327,624	520,431	18.54%	369,917	0	0.00%	32,555	0	0.00%
2016 Tort-Injury	10 yr	7,805,514	0	0.00%	3,179,540	520,431	19.57%	242,119	0	0.00%	25,176	0	0.00%
2021 Tort-Injury	5 yr	3,465,520	0	0.00%	2,141,780	520,431	32.10%	107,561	0	0.00%	22,480	0	0.00%
Overall	15 yr	2,589,310,325	161,389,983	6.65%	174,071,927	10,588,317	6.48%	127,074,489	18,524,122	17.07%	37,907,771	6,298,645	19.93%
	10 yr	1,145,432,019	17,617,523	1.56%	71,765,559	1,177,915	1.67%	83,438,501	16,192,960	24.08%	24,055,827	2,016,616	9.15%
	5 yr	390,586,650	446,667	0.11%	26,102,712	526,267	2.06%	19,002,743	112,813	0.60%	8,610,408	0	0.00%

SAF Response Attachment IR 1 - 25

Historical Rate Changes by Class

Vehicle Class	Includes CM									
	July 1, 2007	November 1, 2009	August 4, 2012	August 31, 2013	August 31, 2014	May 21, 2017	May 20, 2018	May 19, 2019	April 1, 2022	
CLEAR Rated Vehicles										
A - Commercial Light Trucks	2.3%	14.3%	19.5%	21.9%	14.5%	2.3%	3.7%	2.2%	13.2%	
F - Farm Light Truck - 1994 to 03	-5.6%	0.2%	-2.0%	3.6%	1.9%	0.1%	2.1%	1.6%	-19.3%	
F - Farm Light Truck - 2004 & Newer	-5.6%	0.2%	-2.0%	3.6%	1.9%	0.1%	2.1%	1.6%	1.2%	
LV - Private Passenger Vehicles (PPV)	-7.0%	4.8%	1.4%	1.5%	4.2%	0.0%	-0.1%	-0.1%	-0.6%	
LV - PPV - Farm Cars, SUVs and Vans	-7.0%	4.8%	-8.5%	-0.8%	3.8%	0.5%	-0.2%	0.1%	6.0%	
LV - Police Cars	-10.1%	-2.5%	8.0%	10.7%	16.7%	0.8%	-0.6%	-1.1%	-13.4%	
LV - Police Trucks, Vans & SUVs	-7.0%	4.8%	-9.2%	-12.9%	-5.7%	0.4%	1.0%	-0.2%	20.3%	
LV - U Drives	-11.0%	9.5%	-3.1%	10.3%	5.6%	1.3%	1.4%	1.6%	3.6%	
PT - Taxis (Rural)	-3.9%	8.1%	-2.8%	-5.3%	7.1%	-0.5%	-1.5%	-1.8%	-0.1%	
Conventionally Rated Vehicles										
Ambulances	5.0%	0.0%	15.1%	3.3%	3.9%	0.0%	0.0%	0.0%	7.8%	
A - Commercial Vehicles:										
Heavy Trucks and Vans IRP \$2500 Ded	-1.3%	-4.1%	-12.9%	-6.3%	3.9%	0.0%	0.0%	0.0%	4.0%	
Heavy Trucks and Vans IRP \$15K Ded.	-1.3%	-4.1%	-12.9%	-16.8%	-6.7%	0.0%	0.0%	0.0%	6.9%	
Heavy Trucks and Vans Non-IRP	-1.3%	-4.1%	13.6%	3.2%	4.0%	0.0%	0.0%	0.0%	6.0%	
Power Units IRP \$2500 Ded.	0.7%	7.7%	13.7%	-0.7%	2.5%	0.0%	0.0%	0.0%	7.7%	
Power Units IRP \$15K Ded.	0.7%	7.7%	13.7%	-12.3%	-3.5%	0.0%	0.0%	0.0%	7.7%	
Power Units Non-IRP	0.7%	7.7%	-13.6%	-13.3%	-1.2%	0.0%	0.0%	0.0%	5.4%	
C & D - Commercial Vehicles:										
Heavy Trucks and Vans	-25.5%	-9.8%	22.8%	15.2%	10.1%	0.0%	0.0%	0.0%	-7.5%	
Power Units	-23.3%	-4.0%	15.9%	5.4%	2.3%	0.0%	0.0%	0.0%	-8.4%	
F - Farm Vehicles:										
Heavy Trucks and Vans	0.3%	-8.5%	-7.3%	-7.6%	-0.4%	0.0%	0.0%	0.0%	0.0%	
Light Trucks - 1993 & Older	-5.6%	-6.9%	-9.3%	-14.3%	-10.2%	0.0%	0.0%	0.0%	-16.3%	
Power Units	-19.3%	-5.2%	-16.9%	-8.2%	8.8%	0.0%	0.0%	0.0%	6.8%	
Hearses										
Hearse Car	0.0%	0.0%	-10.8%	16.5%	1.2%	0.0%	0.0%	0.0%	4.0%	
Hearse Truck	0.0%	100.0%	-10.8%	16.5%	1.2%	0.0%	0.0%	0.0%	4.0%	
L - Dealer Plates:										
L - Snowmobile Dealers	-20.0%	-1.9%	13.5%	4.8%	-2.8%	0.0%	0.0%	0.0%	4.2%	
LV - Antiques	0.0%	10.0%	0.0%	22.7%	4.9%	0.0%	0.0%	0.0%	8.2%	
LV - Buses	1.8%	5.1%	33.1%	25.6%	11.2%	0.0%	0.0%	0.0%	0.7%	
LV - Buses (Restricted)	-0.6%	-5.0%	31.8%	22.5%	0.2%	0.0%	0.0%	0.0%	10.1%	
LV - Motorcycles	9.0%	13.4%	18.2%	16.8%	11.1%	0.0%	0.0%	0.0%	0.0%	
LV - Motorhomes	5.4%	9.8%	10.3%	15.7%	7.5%	0.0%	0.0%	0.0%	12.1%	
MT - Snowmobiles										
MT excl Udrive	-27.3%	-10.0%	0.0%	0.0%	-2.5%	0.0%	0.0%	0.0%	-8.9%	
MT Udrive	-27.3%	-16.9%	0.0%	0.0%	-2.5%	0.0%	0.0%	0.0%	-8.9%	
PB - Passenger Inter-City Buses	6.5%	9.3%	15.0%	14.2%	3.1%	0.0%	0.0%	0.0%	5.9%	
PC - Passenger City Buses	-2.4%	10.0%	14.8%	16.6%	8.9%	0.0%	0.0%	0.0%	0.4%	
PS - Passenger School Buses	3.9%	9.8%	26.0%	26.7%	12.7%	0.0%	0.0%	0.0%	10.4%	
PT - Taxis	6.5%	9.1%	15.6%	16.4%	11.1%	0.0%	0.0%	0.0%	0.0%	
Trailers										
F - Trailers	-9.5%	5.7%	0.0%	17.9%	4.1%	0.0%	0.0%	0.0%	13.5%	
LT - Trailer Dealers/Movers:	-0.6%	3.4%	6.6%	2.6%	1.2%	0.0%	0.0%	0.0%	-1.6%	
T - Personal Trailers:	-0.4%	7.5%	10.5%	10.0%	14.3%	0.0%	0.0%	0.0%	19.7%	
T - Utility	0.0%	0.0%	0.0%	70.0%	17.6%	0.0%	0.0%	0.0%	-10.0%	
TS - Commercial Trailers	-27.9%	1.1%	0.0%	13.1%	11.5%	0.0%	0.0%	0.0%	-0.1%	
Miscellaneous Classes										
A - Excess Value	0.0%	5.3%	-15.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
C&D - Non-Resident	0.0%	0.0%	-6.3%	1.3%	1.3%	0.0%	0.0%	0.0%	-2.6%	
C&D - Excess Value	0.0%	0.0%	-10.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
C&D - Industrial Tracked Vehicles	0.0%	0.0%	37.5%	1.1%	1.1%	0.0%	0.0%	0.0%	-2.1%	
PV - Industrial Tracked Vehicles	0.0%	0.0%	37.5%	1.1%	1.1%	0.0%	0.0%	0.0%	-2.1%	
LV - Motorized Bicycle	0.0%	10.0%	0.0%	2.3%	37.8%	0.0%	0.0%	0.0%	-1.6%	
PV - Converted Vehicles	0.0%	0.0%	0.0%	5.3%	-0.9%	0.0%	0.0%	0.0%	-3.5%	
PV - Heavy Trucks and Vans	-7.0%	4.8%	0.0%	0.6%	-1.3%	0.0%	0.0%	0.0%	-8.1%	
LV - HTV	0.0%	0.0%	0.0%	0.6%	-1.3%	0.0%	0.0%	0.0%	-8.1%	
PV - Power Units	-7.0%	4.8%	0.0%	-1.2%	1.7%	0.0%	0.0%	0.0%	-5.3%	
TS - Excess Value	0.0%	0.0%	-10.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Permits										
24 Hour Permit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	120.0%	
8 Day Permit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	104.2%	
In-transit Permit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	76.5%	
TIC	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	154.5%	
Total										
All Vehicles Excluding Trailers & Misc	-7.0%	4.2%	1.5%	1.9%	4.2%	0.0%	0.0%	0.0%	-0.2%	
All Vehicles	-7.1%	4.2%	1.6%	2.3%	4.4%	0.0%	0.0%	0.0%	0.0%	

**Overall Tariff Potential Impact
As at August 12, 2025**

Tariff Impact by Type of Tariff

- (1) Steel and Aluminum tariff impacts on Damage claims
- (2) Vehicle tariff impacts on Damage claims
- (3) Other potential impacts not accounted for above on Damage claims
- (4) Overall tariff impact on Damage claims

Saskatchewan	
	3.8%
	3.2%
	0.0%
	7.0%

Notes

Steel and Aluminum Tariff Potential Impacts exhibit
 Vehicle Tariff Potential Impacts exhibit
 Judgmental impact of additional considerations in both exhibits not explicitly included in calculations

Summary of Tariffs Currently in Effect

United States Tariffs

- 1) Mar 12, 2025 The U.S. imposed tariffs of 25% on Canadian steel and aluminum products.
- 2) Apr 3, 2025 The U.S. imposed a 25% tariff on Canadian automobiles.
- 3) Jun 4, 2025 The U.S. raised the tariff on steel and aluminum imports from 25% to 50%.

Canada Counter Tariffs

- 1) Apr 9, 2025 A 25% tariff on fully assembled vehicles imported from the United States that do not comply with CUSMA (Canada-United States-Mexico Agreement) rules.
- 2) Apr 9, 2025 A 25% tariff on non-Canadian and non-Mexican content in CUSMA-compliant vehicles imported from the U.S.
- 3) Mar 13, 2025 Canada imposed 25% reciprocal tariffs on a list of products including steel and aluminum products.

Sources

[List of vehicle products from the United States subject to 25 per cent tariffs effective April 9, 2025 - Canada.ca](#)
[Canada's response to U.S. tariffs - Canada.ca](#)

Overall Tariff Potential Impact by Coverage
As at August 12, 2025

Tariff Impact by Type of Tariff

	21-PD Auto	22-PD Real Property	23-Loss of Use	31-Collision	32-Comprehensive	33-Glass	34-Deductible Payment Plan	41-Fire/Lightning/Explosion	42-Theft	Damage Catastrophes	Overall SK Total
(1) Steel and Aluminum tariff impacts on Damage claims	4.1%	0.0%	0.0%	4.1%	4.1%	0.0%	0.0%	3.5%	3.6%	3.4%	3.8%
(2) Vehicle tariff impacts on Damage claims	3.3%	0.0%	0.0%	3.5%	3.3%	0.0%	0.0%	8.2%	6.8%	2.4%	3.2%
(3) Other potential impacts not accounted for above on Damage claims	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
(4) Overall tariff impact on Damage claims	7.4%	0.0%	0.0%	7.5%	7.4%	0.0%	0.0%	11.7%	10.5%	5.7%	7.0%

	Saskatchewan Total	22-PD		31-Collision	32- Comprehensive	34- Deductible Payment Plan		41-Fire/ Lightning/ Explosion	42-Theft	Damage Catastrophes	
		21-PD Auto	Real Property			23-Loss of Use	33-Glass				0.0%
(1) Repairable % of Damage claims	61.6%	63.3%	0.0%	0.0%	61.5%	62.7%	100.0%	0.0%	8.1%	23.9%	73.5%
(2) Parts costs impacted by tariffs as a % of repairable claims	35.2%	37.6%	0.0%	0.0%	37.6%	37.6%	0.0%	0.0%	37.6%	37.6%	28.2%
		No impact/No impact					No impact	No impact			

Calculation of Impact of Steel & Aluminum Tariffs on Repairable Vehicles

Impact of 25% counter-tariff on raw steel and aluminum tariffs used to manufacture vehicles in Canada.

Canadian Manufactured Parts

(3) Steel parts as a % of all parts	70.0%	70.0%			70.0%	70.0%			70.0%	70.0%	70.0%
(4) Steel parts cost as a % of all manufacturing costs	46.7%	46.7%			46.7%	46.7%			46.7%	46.7%	46.7%
(5) % of US-sourced steel	9.9%	9.9%			9.9%	9.9%			9.9%	9.9%	9.9%
(6) Potential impact of 25% tariff on steel on repairable Damage claims	0.3%	0.3%			0.3%	0.3%			0.0%	0.1%	0.2%
(7) Aluminium parts as a % of all parts	20.0%	20.0%			20.0%	20.0%			20.0%	20.0%	20.0%
(8) Aluminium parts cost as a % of all manufacturing costs	13.3%	13.3%			13.3%	13.3%			13.3%	13.3%	13.3%
(9) % of US-sourced aluminium	4.4%	4.4%			4.4%	4.4%			4.4%	4.4%	4.4%
(10) Potential impact of 25% aluminium tariff on repairable Damage claims	0.0%	0.0%			0.0%	0.0%			0.0%	0.0%	0.0%

US Imported Parts

Impact of 50% tariff on steel and aluminum imported into the US from Canada used to manufacture vehicle parts in the US.

(11) Steel parts as a % of all parts	70.0%	70.0%			70.0%	70.0%			70.0%	70.0%	70.0%
(12) Steel parts cost as a % of all manufacturing costs	46.7%	46.7%			46.7%	46.7%			46.7%	46.7%	46.7%
(13) Increase to steel prices in the US	30.0%	30.0%			30.0%	30.0%			30.0%	30.0%	30.0%
(14) Potential impact of 50% US tariff on steel on repairable Damage claims	3.0%	3.3%			3.2%	3.3%			0.4%	1.3%	2.9%
(15) Aluminium parts as a % of all parts	20.0%	20.0%			20.0%	20.0%			20.0%	20.0%	20.0%
(16) Aluminium parts cost as a % of all manufacturing costs	13.3%	13.3%			13.3%	13.3%			13.3%	13.3%	13.3%
(17) Increase to aluminum prices in the US	40.0%	40.0%			40.0%	40.0%			40.0%	40.0%	40.0%
(18) Potential impact of 50% US tariff on aluminum on repairable Damage claims	1.2%	1.3%			1.2%	1.3%			0.2%	0.5%	1.1%

Indirect Impact on Other Parts Costs (non-steel and aluminum)

(19) Non-Steel & Aluminium parts costs as a % of all manufacturing costs	40.0%	40.0%			40.0%	40.0%			40.0%	40.0%	40.0%
(20) Indirect effect on other parts costs	2.0%	2.0%			2.0%	2.0%			2.0%	2.0%	2.0%
(21) Total impact on parts costs from indirect effect	0.2%	0.2%			0.2%	0.2%			0.0%	0.1%	0.2%

Impact of Steel & Aluminum Prices on Parts Costs

(22) % of vehicle parts used in Canada that are imported from the US	62.0%	62.0%			62.0%	62.0%			62.0%	62.0%	62.0%
(23) Mitigation factors for repairable vehicles	10.0%	10.0%			10.0%	10.0%			10.0%	10.0%	10.0%
(24) Total impact on parts costs for repairable vehicles	2.6%	2.8%	0.0%	0.0%	2.8%	2.8%	0.0%	0.0%	0.4%	1.1%	2.5%

Calculation of Impact of Steel & Aluminum Tariffs on Total Losses

Impact of steel and aluminum tariffs on the price of new vehicles.

(25) Vehicles manufactured in Canada	10.8%	10.8%			10.8%	10.8%			10.8%	10.8%	10.8%
(26) Vehicles imported from the US	51.7%	51.7%			51.7%	51.7%			51.7%	51.7%	51.7%
(27) Vehicles imported from Other	37.6%	37.6%			37.6%	37.6%			37.6%	37.6%	37.6%
(28) % of vehicle prices that are from steel and aluminum	15.0%	15.0%			15.0%	15.0%			15.0%	15.0%	15.0%
(29) Increase in vehicle prices for vehicles manufactured in Canada	0.0%	0.0%			0.0%	0.0%			0.0%	0.0%	0.0%
(30) Increase in vehicle prices for vehicles imported from the US	6.5%	6.5%			6.5%	6.5%			6.5%	6.5%	6.5%
(31) Increase in vehicle prices for vehicles imported from Other	0.0%	0.0%			0.0%	0.0%			0.0%	0.0%	0.0%
(32) Impact on new vehicle prices	3.4%	3.4%			3.4%	3.4%			3.4%	3.4%	3.4%
(33) Impact on used vehicle prices	3.4%	3.4%			3.4%	3.4%			3.4%	3.4%	3.4%
(34) % of vehicles replaced with new vehicles	15.0%	15.0%			15.0%	15.0%			15.0%	15.0%	15.0%
(35) Overall percentage of total losses with potential impact	93.8%	100.0%			100.0%	100.0%			100.0%	100.0%	100.0%
(36) Overall impact on total losses	1.2%	1.2%	0.0%	0.0%	1.3%	1.3%	0.0%	0.0%	3.1%	2.6%	0.9%

Impact of Steel & Aluminum Tariffs

(37) Total Potential Impact to overall Damage claims	3.8%	4.1%	0.0%	0.0%	4.1%	4.1%	0.0%	0.0%	3.5%	3.6%	3.4%
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SAF Response Attachment IR 1 - 27

Vehicle Tariffs Potential Impacts
As at August 12, 2025

	34-									
	22-PD		23-Loss		32-		41-Fire/		Damage	
Saskatchewan	Real	Property	of Use	31-Collision	Comprehensive	33-Glass	e Payment	Lightning/ Explosion	42-Theft	Catastrophes
Total	21-PD Auto	No impact	No impact	No impact	No impact	No impact	No impact	No impact	No impact	No impact
US-sourced vehicles										
(1) US-sourced vehicles as a % of all vehicles sold in Canada	51.7%	51.7%		51.7%	51.7%			51.7%	51.7%	51.7%
(2) % not CUSMA compliant vehicles (have 25% tariff)	10.0%	10.0%		10.0%	10.0%			10.0%	10.0%	10.0%
(3) 25% tariff on non-CUSMA compliant vehicles	25.0%	25.0%		25.0%	25.0%			25.0%	25.0%	25.0%
(4) % CUSMA compliant vehicles	90.0%	90.0%		90.0%	90.0%			90.0%	90.0%	90.0%
(5) 25% tariff on non-Canadian and non-Mexican content in CUSMA compliant vehicles	10.0%	10.0%		10.0%	10.0%			10.0%	10.0%	10.0%
(6) Tariff Impact New Vehicles	11.5%	11.5%		11.5%	11.5%			11.5%	11.5%	11.5%
(7) Additional indirect effect of tariffs on US sourced vehicles	4.0%	4.0%		4.0%	4.0%			4.0%	4.0%	4.0%
(8) Impact on used vehicles values used for TL settlements	100.0%	100.0%		100.0%	100.0%			100.0%	100.0%	100.0%
(9) Delay in being reflected in vehicle prices	100.0%	100.0%		100.0%	100.0%			100.0%	100.0%	100.0%
(10) Total loss % of Damage claims	38.4%	36.7%		38.5%	37.3%			91.9%	76.1%	26.5%
(11) Tariff impact on overall Damage claims - US-sourced vehicles	3.1%	2.9%	0.0%	0.0%	3.1%	3.0%	0.0%	0.0%	7.4%	6.1%
Non-US-sourced vehicles										
(12) Non-US-sourced vehicles as a % of all vehicles sold in Canada	48.3%	48.3%		48.3%	48.3%			48.3%	48.3%	48.3%
(13) Indirect effect of tariffs on non-US sourced vehicles	2.0%	2.0%		2.0%	2.0%			2.0%	2.0%	2.0%
(14) Impact on used vehicles values used for TL settlements	100.0%	100.0%		100.0%	100.0%			100.0%	100.0%	100.0%
(15) Delay in being reflected in vehicle prices	100.0%	100.0%		100.0%	100.0%			100.0%	100.0%	100.0%
(16) Total loss % of Damage claims	38.4%	36.7%		38.5%	37.3%			91.9%	76.1%	26.5%
(17) Tariff impact on overall Damage claims - Non-US-sourced vehicles	0.4%	0.4%	0.0%	0.0%	0.4%	0.4%	0.0%	0.0%	0.9%	0.7%
(18) Overall percentage of total losses with potential impact	93.8%	100.0%		100.0%	100.0%			100.0%	100.0%	100.0%
(19) Total Tariff Impact of Vehicle Tariffs	3.2%	3.3%	0.0%	0.0%	3.5%	3.3%	0.0%	0.0%	8.2%	6.8%

**Saskatchewan Government Insurance
2026 Rate Program
On-Level Labour Rate Factors - Page 3**

Labour Cost as as Percentage of Estimates

Fiscal Year	Labour Cost as as Percentage of Estimates
2002	
2003	
2004	
2005	
2006	43.01%
2007	42.86%
2008	44.33%
2009	43.54%
2010	44.77%
2011	46.32%
2012	48.33%
2013	46.02%
2014	46.56%
2015	46.75%
2016	48.05%
2017	49.14%
2018	49.14%
2019	46.75%
2020	45.45%
2021	44.87%
2022	47.77%
2023	46.48%
2024	42.35%
2025	42.32%
Rating Yr	42.00%
All yrs Average	45.74%
7 yr Average	45.14%
5 yr Average	44.76%
3 yr Average	43.71%
2 yr Average	42.33%

Saskatchewan Government Insurance
 2025 Rate Program
 On-Level Labour Rate Factors - Page 1

Proportion of Repairable Losses to Total Losses by Cover Code

21 - PD Auto

Incurred Losses					
Fiscal				% Total	
Year	Repairable	Total Loss	Total	% Repairable	Loss
2016	73,746,506	43,705,455	117,451,961	63%	37%
2017	78,279,568	46,403,343	124,682,911	63%	37%
2018	81,667,998	47,606,597	129,274,595	63%	37%
2019	83,114,618	46,182,373	129,296,991	64%	36%
2020	75,219,619	44,754,704	119,974,323	63%	37%
2021	57,856,311	33,714,979	91,571,290	63%	37%
2022	79,705,058	47,241,511	126,946,569	63%	37%
2023	93,001,251	52,206,059	145,207,310	64%	36%
2024	96,135,748	57,578,705	153,714,453	63%	37%
2025	79,660,729	54,138,757	133,799,486	60%	40%
Total	798,387,406	473,532,481	1,271,919,887	63%	37%

Total - Damage

Incurred Losses					
Fiscal				%	% Total
Year	Repairable	Total Loss	Total	Repairable	Loss
2016	264,342,375	170,309,374	434,651,748	61%	39%
2017	292,945,872	196,430,297	489,376,168	60%	40%
2018	319,268,177	194,744,200	514,012,377	62%	38%
2019	319,249,063	202,267,800	521,516,864	61%	39%
2020	307,386,474	196,769,488	504,155,962	61%	39%
2021	270,537,530	159,953,353	430,490,883	63%	37%
2022	414,094,636	214,349,237	628,443,873	66%	34%
2023	437,069,060	250,814,391	687,883,451	64%	36%
2024	383,791,700	265,509,749	649,301,449	59%	41%
2025	329,630,562	273,187,687	602,818,250	55%	45%
Total	3,338,315,449	2,124,335,576	5,462,651,025	61.59%	38.41%

31 - Collision

Incurred Losses					
Fiscal				% Total	
Year	Repairable	Total Loss	Total	% Repairable	Loss
2016	147,054,178	95,310,607	242,364,785	61%	39%
2017	162,219,792	105,885,213	268,105,005	61%	39%
2018	178,100,719	107,480,639	285,581,358	62%	38%
2019	178,312,918	108,369,319	286,682,237	62%	38%
2020	177,641,695	106,030,162	283,671,856	63%	37%
2021	163,515,877	90,157,338	253,673,215	64%	36%
2022	207,575,175	113,258,465	320,833,641	65%	35%
2023	231,891,676	134,173,422	366,065,097	63%	37%
2024	221,063,620	149,100,636	370,164,256	60%	40%
2025	174,245,902	158,957,256	333,203,158	52%	48%
Total	1,841,621,551	1,168,723,056	3,010,344,608	62%	38%

	% Repairable	% Damage	Weight
21 - PD Auto	63.3%	20.6%	21.2%
31 - Collision	61.5%	53.6%	55.3%
32 - Comprehensive	62.7%	8.0%	8.3%
33 - Glass	100.0%	3.2%	3.3%
41 - Fire/Lightening/Explosion	8.1%	1.7%	1.7%
42 - Theft	23.9%	3.8%	4.0%
Cat	73.5%	6.0%	6.2%
		97.0%	100.0%

32 - Comprehensive

Incurred Losses					
Fiscal				% Total	
Year	Repairable	Total Loss	Total	% Repairable	Loss
2016	14,098,655	8,402,720	22,501,374	63%	37%
2017	15,270,691	11,207,505	26,478,196	58%	42%
2018	17,360,883	10,953,010	28,313,893	61%	39%
2019	21,293,524	11,939,013	33,232,537	64%	36%
2020	21,351,505	14,630,688	35,982,193	59%	41%
2021	21,532,938	12,173,150	33,706,088	64%	36%
2022	30,769,154	15,008,169	45,777,324	67%	33%
2023	34,188,649	19,429,612	53,618,261	64%	36%
2024	33,807,533	23,006,572	56,814,106	60%	40%
2025	30,451,106	24,347,484	54,798,591	56%	44%
Total	240,124,639	151,097,924	391,222,563	63%	37%

33 - Glass

Incurred Losses					
Fiscal				% Total	
Year	Repairable	Total Loss	Total	% Repairable	Loss
2016	3,225,281	351	3,225,632	100%	0%
2017	4,028,817	-	4,028,817	100%	0%
2018	4,868,723	891	4,869,614	100%	0%
2019	6,270,428	(753)	6,269,675	100%	0%
2020	7,944,517	-	7,944,517	100%	0%
2021	9,496,131	671	9,496,803	100%	0%
2022	13,084,291	-	13,084,291	100%	0%
2023	17,042,611	1,623	17,044,235	100%	0%
2024	21,993,967	-	21,993,967	100%	0%
2025	19,991,194	620	19,991,814	100%	0%
Total	107,945,961	3,404	107,949,366	100%	0%

41 - Fire/Lightening/Explosion

Incurred Losses

Fiscal					% Total	
Year	Repairable	Total Loss	Total	% Repairable	Loss	
2016	566,151	5,379,128	5,945,279	10%	90%	
2017	551,579	6,291,069	6,842,648	8%	92%	
2018	602,981	6,281,862	6,884,842	9%	91%	
2019	630,795	7,249,446	7,880,241	8%	92%	
2020	707,757	5,982,899	6,690,656	11%	89%	
2021	778,414	6,806,613	7,585,027	10%	90%	
2022	580,083	7,316,034	7,896,117	7%	93%	
2023	816,650	9,447,954	10,264,604	8%	92%	
2024	889,137	9,084,158	9,973,295	9%	91%	
2025	862,413	10,712,330	11,574,742	7%	93%	
Total	6,985,960	74,551,492	81,537,452	8%	92%	Selection

42 - Theft

Incurred Losses

Fiscal					% Total	
Year	Repairable	Total Loss	Total	% Repairable	Loss	
2016	3,515,057	11,866,072	15,381,129	23%	77%	
2017	4,691,686	16,816,139	21,507,825	22%	78%	
2018	5,613,039	16,184,695	21,797,734	26%	74%	
2019	5,307,105	17,848,798	23,155,903	23%	77%	
2020	5,683,750	16,597,226	22,280,976	26%	74%	
2021	4,101,199	10,878,376	14,979,575	27%	73%	
2022	5,895,553	16,668,451	22,564,004	26%	74%	
2023	7,229,106	21,440,618	28,669,724	25%	75%	
2024	5,642,567	23,872,134	29,514,700	19%	81%	
2025	4,264,282	16,985,164	21,249,446	20%	80%	
Total	51,943,344	169,157,674	221,101,018	24%	76%	Selection

Cat

Incurred Losses

Fiscal					% Total	
Year	Repairable	Total Loss	Total	% Repairable	Loss	
2015	11,976,290	5,099,698	17,075,988	70%	30%	
2016	22,136,548	5,645,041	27,781,589	80%	20%	
2017	27,903,738	9,827,027	37,730,765	74%	26%	
2018	31,053,835	6,236,506	37,290,341	83%	17%	
2019	24,319,674	10,679,605	34,999,279	69%	31%	
2020	18,837,630	8,773,810	27,611,440	68%	32%	
2021	13,256,660	6,222,225	19,478,885	68%	32%	
2022	76,485,321	14,856,606	91,341,927	84%	16%	
2023	52,899,118	14,115,103	67,014,221	79%	21%	
2024	4,259,128	2,867,545	7,126,672	60%	40%	
2025	20,154,936	8,046,076	28,201,012	71%	29%	
Total	291,306,588	87,269,543	378,576,131	74%	26%	Selection

SGI Salvage Operating Statement

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Projected	Budget
Sales								
Parts	14,649,686	15,424,987	14,668,210	15,378,846	17,351,073	19,535,279	19,516,000	19,681,000
Property	1,698,929	1,948,743	1,558,514	648,307	25,485	6,497	-	-
Whole Vehicle	47,958,251	46,947,914	60,909,562	60,549,276	57,700,041	56,163,674	57,202,865	57,737,642
Other	358,672	382,193	1,214,684	2,337,746	3,586,289	3,173,790	3,459,530	3,498,768
Returns & Adj	- 3,817,132	- 3,903,141	- 4,035,063	- 4,266,226	- 4,173,488	- 4,321,836	- 4,371,208	- 4,412,588
Total Sales	60,848,408	60,800,697	74,315,907	74,647,949	74,489,400	74,557,404	75,807,188	76,504,823
Cost of Goods Sold								
Product	- 27,537,036	- 27,234,041	- 33,802,617	- 33,664,024	- 29,639,328	- 31,179,174	- 31,777,861	- 32,066,580
GST Contra	2,308,443	2,424,843	3,008,616	3,070,603	2,662,528	2,657,712	2,728,687	2,753,862
Wages & Salaries	- 7,067,673	- 7,713,526	- 7,866,688	- 8,095,680	- 8,941,548	- 9,770,070	- 10,601,973	- 11,206,172
Production Expenses	- 3,131,016	- 3,349,433	- 3,459,191	- 3,746,649	- 5,979,668	- 3,968,651	- 4,817,592	- 4,838,950
Total COGS	- 35,427,281	- 35,872,157	- 42,119,880	- 42,435,751	- 41,898,017	- 42,260,183	- 44,468,738	- 45,357,840
Net Sales	25,421,127	24,928,540	32,196,027	32,212,198	32,591,384	32,297,221	31,338,450	31,146,983
Other Income	748,180	813,521	1,423,258	1,312,141	1,329,156	1,370,206	1,371,511	1,404,204
Gross Profit	26,169,307	25,742,061	33,619,285	33,524,340	33,920,540	33,667,427	32,709,961	32,551,187
Admin Salaries & Expenses	5,044,218	5,206,381	6,818,411	6,450,858	9,132,957	9,024,238	9,593,917	9,607,933
Net Profit	21,125,089	20,535,680	26,800,874	27,073,482	24,787,583	24,643,189	23,116,044	22,943,254

Notes:

- FTE increase of 10
- Vehicle Donations for TREX
- FM Cost Allocation Increased
- IAA Auction Platform

Legend

Sales	
Parts	Total parts sales to both retail customers and SGI auto claims
Property	Disposal of SGI CANADA property losses was transferred to SGI CANADA in 2022-23
Whole Vehicle	Total-loss vehicles sales through public auction
Other	Includes warranty, shipping, storage and auction fees
Returns & Adjustments	Parts and whole vehicle returns and warranty adjustments
Cost of Goods Sold	
Product	Cost of purchasing salvage from claims process as well as direct expenses incurred servicing parts and whole vehicle sales, including dismantling and vehicle conditioning
GST Contra	Imputed GST on salvage product obtained through claims process
Wages & Salaries	Wages and salaries associated with SGI Salvage dismantling and sales
Production Expenses	Shipping, freight and transaction fees
Other Income	Corporate fleet vehicle rental revenue, gains/losses on disposal of assets and rental income
Admin Expenses	Administrative Salaries and expenses which include Systems and Facilities Management cost allocations

SAF Response Attachment IR 1 - 31a

(thousands of \$)

	Internal Loss Adjusting	External Loss Adjusting	Total loss adjusting	Annual Growth (%)	Total Underwriting / Insurance service expenses**	% LAE
2013	60,433	0	60,433		875,542	6.9%
2014	59,820	0	59,820	-1.0%	975,115	6.1%
2015-16*	58,663	0	58,663	-1.9%	881,009	6.7%
2016-17	62,228	0	62,228	6.1%	944,912	6.6%
2017-18	61,813	0	61,813	-0.7%	931,572	6.6%
2018-19	61,138	71,066	132,204	113.9%	1,047,639	12.6%
2019-20	67,112	76,654	143,766	8.7%	1,056,159	13.6%
2020-21	64,010	71,796	135,806	-5.5%	950,271	14.3%
2021-22	71,147	79,874	151,021	11.2%	1,116,240	13.5%
2022-23	76,344	80,566	156,910	3.9%	1,407,188	11.2%
2022-23 (restated for IFRS 17)	79,275	80,566	159,841	1.9%	1,161,054	13.8%
2023-24	90,352	84,733	175,085	9.5%	1,156,191	15.1%
2024-25	115,984	87,095	203,079	16.0%	1,356,541	15.0%
2025-26 (projection)	119,122	92,529	211,651	4.2%	1,386,478	15.3%
2026-27 (budget)	121,342	95,327	216,669	2.4%	1,438,160	15.1%
2027-28 (forecast)	123,031	98,428	221,459	2.2%	1,479,778	15.0%

* SAF moved to a April 1 - March 31 fiscal year

** Under IFRS 4, includes net underwriting expenses (less Traffic Safety). Under IFRS 17 includes insurance expenses

*** 2026/27 budget

Note - this exhibit excludes changes in the LAE reserve balance (see response to 1-19 for changes in that balance)

SAF Expenses

	2022-23 (restated)		2023-24		2024-25		2025-26 Projection		2026-27 Budget		2027-28 Forecast	
	IFRS 17*											
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Claims Incurred												
Injury claims - total	383,535,159	33.02%	301,394,567	23.77%	453,295,256	30.36%	339,363,459	22.73%	346,893,650	22.36%	352,680,518	21.47%
Medical funding	39,662,148	3.13%	37,886,367	2.89%	39,094,818	2.62%	39,243,000	2.53%	40,517,135	2.47%	42,489,519	2.52%
STARS**	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Other injury claims	343,873,010	27.12%	263,508,199	20.08%	414,200,438	27.75%	300,120,459	19.34%	306,376,515	18.65%	310,190,999	18.41%
Damage claims - total	876,757,147	69.15%	829,951,497	63.24%	900,604,786	60.33%	990,478,059	63.84%	1,060,138,912	64.54%	1,094,321,521	64.95%
Auto Body	500,074,524	39.44%	431,090,611	32.85%	474,508,497	31.79%	531,048,047	34.23%	571,422,298	34.79%	591,300,935	35.09%
Other damage costs	376,682,623	29.71%	398,860,886	30.39%	426,096,290	28.54%	459,430,013	29.61%	488,716,614	29.75%	503,020,586	29.85%
Change in Discounting and RA	-	-21.52%	-	-8.64%	-	-12.34%	-	-7.39%	-	-6.89%	-	-6.83%
Claims Incurred	987,391,035	77.87%	1,017,993,361	77.56%	1,169,753,941	78.36%	1,215,258,000	78.33%	1,293,808,000	78.77%	1,331,890,000	79.04%
Issuer Fees	49,112,851	3.87%	49,641,318	3.78%	59,925,577	4.01%	60,862,074	3.92%	63,555,508	3.87%	67,986,729	4.03%
Premium Taxes	51,087,492	4.03%	53,894,015	4.11%	56,398,441	3.78%	58,250,225	3.75%	61,360,865	3.74%	65,639,073	3.90%
Administration Expenses	160,116,277	12.63%	173,152,814	13.19%	185,064,496	12.40%	191,397,764	12.34%	197,327,280	12.01%	192,916,477	11.45%
Traffic Safety Expense	20,241,919	1.60%	17,793,216	1.36%	21,713,749	1.45%	25,762,000	1.66%	26,506,000	1.61%	26,559,000	1.58%
Total Claims and Expenses	1,267,949,574	100.00%	1,312,474,724	100.00%	1,492,856,205	100.00%	1,551,530,063	100.00%	1,642,557,654	100.00%	1,684,991,280	100.00%

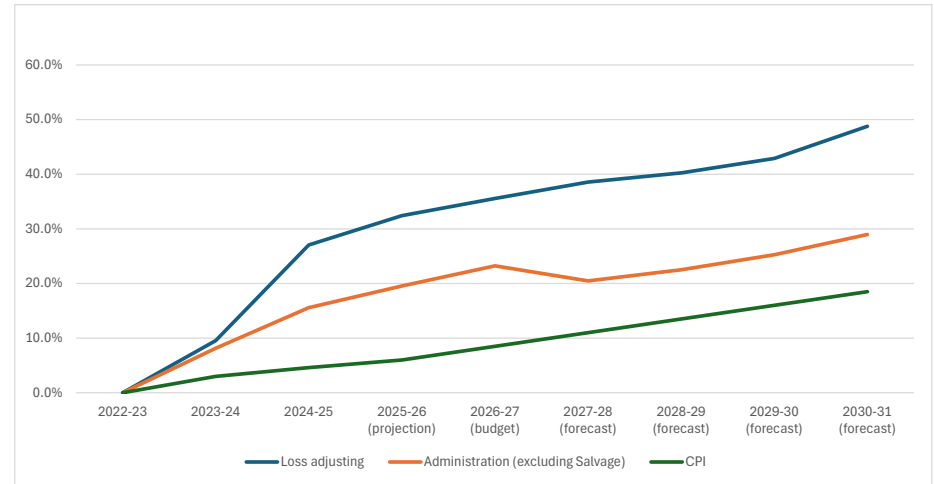
* IFRS 17 was adopted as of April 1, 2022, causing a shift in how expenses are reported.

** Up until 2020-21, annual STARS funding was coded to claims incurred. Starting in 2021-22 and up until now, it gets coded to donations within administration expenses and is allocated like all other administration expenses.

SAF Response Attachment IR 1 - 31d

	Loss adjusting	Administration (excluding Salvage)
2022-23	159,841	160,116
2023-24	175,085	173,153
2024-25	203,079	185,064
2025-26 (projection)	211,651	191,398
2026-27 (budget)	216,669	197,327
2027-28 (forecast)	221,459	192,916
2028-29 (forecast)	224,198	196,150
2029-30 (forecast)	228,376	200,599
2030-31 (forecast)	237,798	206,493

	Loss adjusting	Administration (excluding Salvage)	CPI
2022-23	0.0%	0.0%	0.0%
2023-24	9.5%	8.1%	3.0%
2024-25	27.1%	15.6%	4.6%
2025-26 (projection)	32.4%	19.5%	6.0%
2026-27 (budget)	35.6%	23.2%	8.5%
2027-28 (forecast)	38.5%	20.5%	11.0%
2028-29 (forecast)	40.3%	22.5%	13.5%
2029-30 (forecast)	42.9%	25.3%	16.0%
2030-31 (forecast)	48.8%	29.0%	18.5%



SAF Expenses

	2020-21		2021-22		2022-23		2023-24		2024-25		2025-26 Projection		2026-27 Budget		2027-28 Forecast	
	IFRS 4		IFRS 4		IFRS 17		IFRS 17		IFRS 17		IFRS 17		IFRS 17		IFRS 17	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Claims Incurred																
Injury claims - total	472,521,418		416,397,726		383,535,159		301,394,567		453,295,256		339,363,459		346,893,650		352,680,518	
Medical funding	39,258,060	4.00%	40,035,542	3.45%	39,662,148	3.13%	37,886,367	2.89%	39,094,818	2.62%	39,243,000	2.53%	40,517,135	2.47%	42,489,519	2.52%
STARS	400,000	0.04%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Other injury claims	432,863,358	44.09%	376,362,184	32.41%	343,873,010	27.12%	263,508,199	20.08%	414,200,438	27.75%	300,120,459	19.34%	306,376,515	18.65%	310,190,999	18.41%
Damage claims - total	508,635,963	51.81%	643,024,617	55.37%	876,757,147	69.15%	829,951,497	63.24%	900,604,786	60.33%	990,478,059	63.84%	1,060,138,912	64.54%	1,094,321,521	64.95%
Auto Body	270,359,213	27.54%	368,877,212	31.76%	-	0.00%	431,090,611	32.85%	457,369,845	30.64%	531,048,047	34.23%	571,422,298	34.79%	591,300,935	35.09%
Other damage costs	238,276,750	24.27%	274,147,405	23.60%	876,757,147	69.15%	398,860,886	30.39%	443,234,941	29.69%	459,430,013	29.61%	488,716,614	29.75%	503,020,586	29.85%
Change in Discounting	-195,703,091	-19.93%	-133,172,393	-11.47%	-272,901,271	-21.52%	-113,352,704	-8.64%	-184,146,101	-12.34%	-114,583,518	-7.39%	-113,224,562	-6.89%	-115,112,039	-6.83%
Claims Incurred	785,454,290	80.00%	926,249,950	79.75%	987,391,035	77.87%	1,017,993,361	77.56%	1,169,753,941	78.36%	1,215,258,000	78.33%	1,293,808,000	78.77%	1,331,890,000	79.04%
Issuer Fees	47,070,631	4.79%	48,624,593	4.19%	49,112,851	3.87%	49,641,318	3.78%	59,925,577	4.01%	60,862,074	3.92%	63,555,508	3.87%	67,986,729	4.03%
Premium Taxes	48,556,984	4.95%	50,181,770	4.32%	51,087,492	4.03%	53,894,015	4.11%	56,398,441	3.78%	58,250,225	3.75%	61,360,865	3.74%	65,639,073	3.90%
Administration Expenses excluding Salvage E	69,189,462	7.05%	91,183,372	7.85%	160,116,277	12.63%	173,152,814	13.19%	185,064,496	12.40%	191,397,764	12.34%	197,327,280	12.01%	192,916,477	11.45%
Traffic Safety Expense	31,553,924	3.21%	45,164,809	3.89%	20,241,919	1.60%	17,793,216	1.36%	21,713,749	1.45%	25,762,000	1.66%	26,506,000	1.61%	26,559,000	1.58%
Total Claims and Expenses	981,825,291	100.00%	1,161,404,494	100.00%	1,267,949,574	100.00%	1,312,474,724	100.00%	1,492,856,205	100.00%	1,551,530,063	100.00%	1,642,557,654	100.00%	1,684,991,280	100.00%
% of Claims incurred outside of SAF control	39,658,060	5.05%	40,035,542	4.32%	39,662,148	4.02%	37,886,367	3.72%	39,094,818	3.34%	39,243,000	3.23%	40,517,135	3.13%	42,489,519	3.19%
% of Premium tax outside of SAF control	48,556,984	100.00%	50,181,770	100.00%	51,087,492	100.00%	53,894,015	100.00%	56,398,441	100.00%	58,250,225	100.00%	61,360,865	100.00%	65,639,073	100.00%
% of Traffic Safety outside of SAF control	31,553,924	100.00%	45,164,809	100.00%	20,241,919	100.00%	17,793,216	100.00%	21,713,749	100.00%	25,762,000	100.00%	26,506,000	100.00%	26,559,000	100.00%

* For 2021-22, costs previously coded as contra expenses were moved out of expense and into revenue.

* The 2025-26 Projection, 2026-27 Budget, and 2027-28 Forecast are from the 2026-27 (yet to be approved) budget.

* Items highlighted in green are outside of SGI control. Using the following definition "specifically taxes, components of legislated programs that SAF is required to fund and other such payments".

Note: We have not included licensing and registrar activities in the above identified non-controllable costs, though they are required to be administered and funded by SAF and do not form part of the delivery of insurance in other jurisdictions.

Fee	Description	Current Legislation & Regulation	Date of Last Change
Registration Vehicle including: <ul style="list-style-type: none"> • Full payment (annual licence plate) • Short term (licence plate issued between 1 & 12 months) • AutoPay (monthly payment licence plate) 	The registration fee (road use fee) of licence plates for motor vehicles and trailers	s.64 <i>The Traffic Safety Act & The Traffic Safety Act Fee Regulations</i>	2005/2006
Registration Permits	24-hour, 8-day and 7-day in-transit permits for moving vehicles	s.73 <i>The Traffic Safety Act & s. 18 The Traffic Safety Act Fee Regulations.</i>	24-hour and 7-day in-transit permits: 1987/1988 (under the Highway Traffic Board at the time). 8-day permits: 2006
Perpetual Plates	Registration only (no insurance) for commercial semi-trailers and farm trailers and semi-trailers (both are optional)	s. 60(2), (3), & (4) <i>The Traffic Safety Act & s.10 & 11 of The Traffic Safety Act Fee Regulations</i>	2005/2006
Trail Fees	Revenue collected from snowmobile registrations that are remitted to the Saskatchewan Snowmobile Association (SSA) for construction and maintenance of the provincial snowmobile trail system	<i>The Snowmobile Act & The Snowmobile Registrations.</i>	November 2025
Driver's Licence Fee	The annual pro-rated fee or the five-year fee for holding a valid driver'	s. 30 <i>The Traffic Safety Act & s. 17 Traffic Safety Act Fee Regulations</i>	December 2010

Fee	Description	Current Legislation & Regulation	Date of Last Change
Permit Office including: <ul style="list-style-type: none"> • Vehicle load permits • Increase in GVW permits • Commercial semi-trailer permits • Axle overweight permits issued on behalf of the Ministry of Highways (MOH) • Over-size load permits issued on behalf of MOH 	Traffic Safety Act Registration and registered weight permits for commercial transportation for non-resident and Saskatchewan-based for hire and private carriers.	<i>s. 73 The Traffic Safety Act & s. 19 of The Traffic Safety Act Fee Regulations.</i>	1987/1988 (under the Highway Traffic Board at the time)
	Highway and Transportation Act Permits issued by SGI on behalf of MOH for vehicles exceeding size and weight limits for heavy commercial vehicles.	<i>s. 36 The Highways and Transportation Act (Administered by MOH) & Part VI The Vehicle Weight and Dimension Regulations 2010</i>	2018 & 2019 (under Ministry of Highways at the time)
Fuel Tax – Revenue collected on behalf of the Ministry of Finance in connection with non-resident commercial trucking companies and Saskatchewan farm trucks operating commercially.	Non-resident commercial trucks are required account for fuel imported from out of province and burned in Saskatchewan either through the International Fuel Tax agreement or by paying fuel tax permits.	SGI collects this at the direction of the Ministry of Finance under <i>The Fuel Tax and Road Use Charge Act & The Fuel Tax and Road Use Charge Regulations</i>	The current fee has been in place since the mid 80s; it is not known when it was last reviewed.
EV Road Use Charge – A fee collected by SGI for electric vehicles.	Money collected at the direction of the Ministry of Finance meant to offset loss of GRF revenue from electric vehicles not paying fuel tax	<i>The Fuel Tax and Road Use Charge Act & The Fuel Tax and Road Use Charge Regulations</i>	June 1, 2025
PST New Vehicles - Sales tax collected on behalf of the Ministry of Finance on new cars.	Provincial sales tax charged for new vehicles when not collected at the point of sale.	<i>The Provincial Sales Tax Act & The Provincial Sales Tax Regulations.</i>	The rules and rates for PST are set and reviewed by the Provincial Government.
PST Used Vehicles (Prev Registered)	Provincial sales tax collected on behalf of the Ministry of Finance on used vehicles (over	<i>The Provincial Sales Tax Act & The Provincial Sales Tax Regulations.</i>	The rules and rates for PST are set and reviewed by the Provincial Government Ministry of Finance.

Fee	Description	Current Legislation & Regulation	Date of Last Change
	\$5,000) when ownership changes		
Short Term Admin Fee	Collected when a customer chooses a short-licence plate instead of a full year. Is a flat fee	<i>The Traffic Safety Act Fee Regulations</i>	1996/1997
Short Term Finance Fee – Funds collected to offset the loss of revenue when a person chooses a short-term plate instead of an annual term.	Collected when a customer chooses a short-term licence plate instead of a full year.	<i>The Traffic Safety Act Fee Regulations</i>	1996 & 1997
Autopay Finance Fee – A fee charged when a customer ops for monthly payments instead of paying their annual registration fee at once.	Collected when a customer selects monthly payments.	<i>The Traffic Safety Act Fee Regulations</i>	1996 & 1997
Pro-rate Vehicle Tax (PVT) – Collected Under IRP	Pro-rate vehicle tax collected under the International Registration Plan (IRP) for all vehicles operating under IRP & travelling in Saskatchewan. Collected annually based on kms travelled within the province.	<i>The Provincial Sales Tax Act</i>	The rules and rates for PVT are set and reviewed by the Ministry of Finance. Last updated in March 2017
OOP Registration	IRP fees manually submitted by jurisdictions that were not part of Clearing House. As of 2022 all IRP jurisdiction money transfers flow through Clearing House.		
PST Remuneration	SGI received remuneration from the Ministry of Finance for collecting PST on their behalf.		Program eliminated April 1, 2017.

Fee	Description	Current Legislation & Regulation	Date of Last Change
Clearing House	Money received from the other IRP jurisdictions that are collected from their jurisdiction carriers for their operations in Saskatchewan. This is registration fees and PVT fees	Registration falls under <i>The Traffic Safety Act</i> , PVT fees fall under <i>The Provincial Sales Tax Act</i> .	As noted in the corresponding row(s) above.
OOP PST	No longer segregated. Amalgamated into the appropriate PST category above.		
Sr Photo Costs	SK residents 65 years old and older do not have to pay the fees for their photo identification.	<i>The Traffic Safety Act Fee Regulations</i>	Fees were removed with the introduction of Seniors' Gold Plan by government June 1, 2006.
Other	Contains mostly write-offs for uncollectible amounts from deceased customers. A portion of the receivable write offs goes to the Ministry of Finance and a portion remains with Auto Fund.		

Adjusted Payment Pattern Based on Selected Discount Rates

Period	Disc Rate	IRB	IRB INCL Lump Sum	Care	Death	Lump Sum	Appeal	Damage Cats Gross	Damage Cats Net	Damage Excl Cats and Liab Gross of Recov	Damage Excl Cats and Liab Recov
6	2.94%	0.014589	0.013495	0.010153	0.100290	0.000000	0.000091	0.320534	0.320534	0.213382	0.037663
12	2.94%	0.043549	0.040282	0.028194	0.212706	0.000000	0.000826	0.395020	0.395020	0.458876	0.202354
18	2.94%	0.041743	0.038612	0.021023	0.202970	0.000000	0.002596	0.161163	0.161163	0.230916	0.276447
24	2.94%	0.027739	0.025658	0.013456	0.129017	0.000000	0.005613	0.041733	0.041733	0.036499	0.136004
30	3.26%	0.022225	0.020659	0.010533	0.054011	0.001344	0.012154	0.048507	0.048507	0.023053	0.065081
36	3.26%	0.018285	0.017402	0.008761	0.067408	0.006508	0.015470	0.006242	0.006242	0.006636	0.036085
42	3.26%	0.014952	0.014550	0.007822	0.020868	0.009582	0.018179	0.001124	0.001124	0.004704	0.007812
48	3.26%	0.013115	0.012921	0.008316	0.021881	0.010530	0.026189	0.001106	0.001106	0.000355	0.009361
54	3.26%	0.012865	0.012671	0.007492	0.019111	0.010278	0.026962	0.000563	0.000563	0.000158	0.011180
60	3.26%	0.011517	0.011446	0.006876	0.007381	0.010564	0.020288	0.000036	0.000036	0.000050	0.006570
66	3.47%	0.010697	0.010688	0.007208	0.023305	0.010586	0.024774	0.000035	0.000035	0.000082	0.009212
72	3.47%	0.010277	0.010303	0.006730	0.013254	0.010622	0.018905	0.000035	0.000035	0.000028	0.006557
78	3.47%	0.009380	0.009476	0.005820	0.009084	0.010659	0.017292	0.000034	0.000034	0.000052	0.008824
84	3.47%	0.008994	0.009120	0.005627	0.003685	0.010684	0.017326	0.000034	0.000034	0.000003	0.005054
90	3.47%	0.008454	0.008617	0.005287	0.003855	0.010629	0.007564	0.000033	0.000033	0.000003	0.005547
96	3.47%	0.009562	0.009646	0.005005	0.001803	0.010675	0.020774	0.000033	0.000033	0.000003	0.005154
102	3.47%	0.007928	0.008129	0.005406	0.004105	0.010611	0.010316	0.000000	0.000000	0.000002	0.006381
108	3.47%	0.007445	0.007676	0.004995	0.001869	0.010527	0.012994	0.000000	0.000000	0.000002	0.003416
114	3.47%	0.007377	0.007601	0.006256	0.001580	0.010358	0.020619	0.000000	0.000000	0.000002	0.003563
120	3.47%	0.006557	0.006838	0.005668	0.003781	0.010304	0.021567	0.000000	0.000000	0.000002	0.002279
126	3.81%	0.006049	0.006341	0.004650	0.001529	0.009938	0.016095	0.000000	0.000000	0.000002	0.003403
132	3.81%	0.006684	0.006916	0.004802	0.001500	0.009774	0.013548	0.000000	0.000000	0.000002	0.001990
138	3.81%	0.006868	0.007072	0.004505	0.001026	0.009593	0.008688	0.000000	0.000000	0.000002	0.002799
144	3.81%	0.006143	0.006392	0.004414	0.002827	0.009465	0.014328	0.000000	0.000000	0.000002	0.001668
150	3.81%	0.005114	0.005429	0.004706	0.000981	0.009314	0.021758	0.000000	0.000000	0.000002	0.001150
156	3.81%	0.005162	0.005464	0.004235	0.001159	0.009190	0.022930	0.000000	0.000000	0.000002	0.001789
162	3.81%	0.005318	0.005600	0.004731	0.001597	0.009065	0.005741	0.000000	0.000000	0.000002	0.002219
168	3.81%	0.004680	0.004999	0.003909	0.000813	0.008936	0.008409	0.000000	0.000000	0.000002	0.002287
174	3.81%	0.004960	0.005251	0.004191	0.000682	0.008839	0.006030	0.000000	0.000000	0.000002	0.001865
180	3.81%	0.004261	0.004608	0.004603	0.000701	0.008888	0.001059	0.000000	0.000000	0.000002	0.001631
186	4.06%	0.004502	0.004796	0.003716	0.000650	0.008422	0.001002	0.000000	0.000000	0.000002	0.001189
192	4.06%	0.003847	0.004178	0.003441	0.001442	0.008263	0.012156	0.000000	0.000000	0.000002	0.001219
198	4.06%	0.004270	0.004557	0.003824	0.000438	0.008101	0.020110	0.000000	0.000000	0.000002	0.001273
204	4.06%	0.003784	0.004096	0.003331	0.000419	0.007940	0.005410	0.000000	0.000000	0.000002	0.001298
210	4.06%	0.004646	0.004881	0.003171	0.000305	0.007776	0.000348	0.000000	0.000000	0.000002	0.001478
216	4.06%	0.003921	0.004198	0.003206	0.000418	0.007613	0.005201	0.000000	0.000000	0.000002	0.001184
222	4.06%	0.003774	0.004049	0.003159	0.000606	0.007448	0.005076	0.000000	0.000000	0.000002	0.001750
228	4.06%	0.003631	0.003905	0.003015	0.000491	0.007284	0.021865	0.000000	0.000000	0.000002	0.000899
234	4.06%	0.004192	0.004412	0.003158	0.000184	0.007119	0.004245	0.000000	0.000000	0.000002	0.000954
240	4.06%	0.003767	0.004006	0.002960	0.000180	0.006954	0.011452	0.000000	0.000000	0.000001	0.000769
246	5.99%	0.002524	0.002685	0.001793	0.000122	0.004673	0.004966	0.000000	0.000000	0.000001	0.000283
252	5.99%	0.002759	0.002891	0.001824	0.000059	0.004518	0.001571	0.000000	0.000000	0.000001	0.000820
258	5.99%	0.002352	0.002503	0.001842	0.000057	0.004366	0.001537	0.000000	0.000000	0.000001	0.000491
264	5.99%	0.002424	0.002558	0.002092	0.000056	0.004216	0.001552	0.000000	0.000000	0.000001	0.000785
270	5.99%	0.002605	0.002715	0.002087	0.000054	0.004069	0.003618	0.000000	0.000000	0.000001	0.000393
276	5.99%	0.002623	0.002720	0.001992	0.000053	0.003925	0.003515	0.000000	0.000000	0.000001	0.000703
282	5.99%	0.002272	0.002386	0.001987	0.000051	0.003783	0.003038	0.000000	0.000000	0.000001	0.000686
288	5.99%	0.002233	0.002339	0.001899	0.000050	0.003644	0.002951	0.000000	0.000000	0.000001	0.000505
294	5.99%	0.002186	0.002285	0.001893	0.000048	0.003508	0.002551	0.000000	0.000000	0.000001	0.000189
300	5.99%	0.002157	0.002248	0.001811	0.000047	0.003375	0.002478	0.000000	0.000000	0.000001	0.000452
306	5.99%	0.002165	0.002246	0.001804	0.000046	0.003242	0.002142	0.000000	0.000000	0.000001	0.000280
312	5.99%	0.002110	0.002185	0.001728	0.000044	0.003109	0.002081	0.000000	0.000000	0.000001	0.000310
318	5.99%	0.001954	0.002030	0.001721	0.000043	0.002978	0.001799	0.000000	0.000000	0.000001	0.000354
324	5.99%	0.001915	0.001985	0.001650	0.000042	0.002851	0.001747	0.000000	0.000000	0.000001	0.000250
330	5.99%	0.001844	0.001911	0.001642	0.000041	0.002727	0.001510	0.000000	0.000000	0.000001	0.000239
336	5.99%	0.001786	0.001848	0.001576	0.000039	0.002606	0.001467	0.000000	0.000000	0.000001	0.000205
342	5.99%	0.001579	0.001647	0.001568	0.000038	0.002488	0.001268	0.000000	0.000000	0.000001	0.000144
348	5.99%	0.001535	0.001598	0.001506	0.000037	0.002374	0.001232	0.000000	0.000000	0.000001	0.000171
354	5.99%	0.001396	0.001461	0.001498	0.000064	0.002262	0.001065	0.000000	0.000000	0.000001	0.000158
360	5.99%	0.001373	0.001432	0.001448	0.000045	0.002153	0.001975	0.000000	0.000000	0.000001	0.000145
366	5.99%	0.001346	0.001398	0.001423	0.000044	0.002047	0.001918	0.000000	0.000000	0.000001	0.000134
372	5.99%	0.001323	0.001370	0.001384	0.000040	0.001944	0.001863	0.000000	0.000000	0.000001	0.000123
378	5.99%	0.001399	0.001433	0.001361	0.000038	0.001844	0.001809	0.000000	0.000000	0.000000	0.000114
384	5.99%	0.001376	0.001404	0.001324	0.000035	0.001748	0.001758	0.000000	0.000000	0.000000	0.000105
390	5.99%	0.001334	0.001358	0.001302	0.000034	0.001654	0.001707	0.000000	0.000000	0.000000	0.000096
396	5.99%	0.001312	0.001331	0.001267	0.000031	0.001563	0.001658	0.000000	0.000000	0.000000	0.000089
402	5.99%	0.001316	0.001328	0.001246	0.000030	0.001475	0.001611	0.000000	0.000000	0.000000	0.000082
408	5.99%	0.001294	0.001301	0.001213	0.000027	0.001390	0.001564	0.000000	0.000000	0.000000	0.000075
414	5.99%	0.001196	0.001205	0.001193	0.000026	0.001308	0.000000	0.000000	0.000000	0.000000	0.000070
420	5.99%	0.001177	0.001180	0.001161	0.000024	0.001229	0.000000	0.000000	0.000000	0.000000	0.000064
426	5.99%	0.001105	0.001109	0.001142	0.000023	0.001153	0.000000	0.000000	0.000000	0.000000	0.000059
432	5.99%	0.001087	0.001086	0.001112	0.000021	0.001080	0.000000	0.000000	0.000000	0.000000	0.000054
438	5.99%	0.001023	0.001022	0.001094	0.000021	0.001010	0.000000	0.000000	0.000000	0.000000	0.000050
444	5.99%	0.001006	0.001002	0.001065	0.000019	0.000943	0.000000	0.000000	0.000000	0.000000	0.000046
450	5.99%	0.000912	0.000909	0.001048	0.000018	0.000879	0.000000	0.000000	0.000000	0.000000	0.000043
456	5.99%	0.000897	0.000891	0.001021	0.000017	0.000818	0.000000	0.000000	0.000000	0.000000	0.000039
462	5.99%	0.000847	0.000840	0.001004	0.000016	0.000760	0.000000	0.000000	0.000000	0.000000	0.000036

Adjusted Payment Pattern Based on Selected Discount Rates

Period	Disc Rate	IRB	IRB INCL Lump Sum	Care	Death	Lump Sum	Appeal	Damage Cats Gross	Damage Cats Net	Damage Excl Cats and Liab Gross of Recov	Damage Excl Cats and Liab Recov
468	5.99%	0.000833	0.000823	0.000979	0.000015	0.000706	0.000000	0.000000	0.000000	0.000000	0.000033
474	5.99%	0.000786	0.000776	0.000962	0.000015	0.000654	0.000000	0.000000	0.000000	0.000000	0.000069
480	5.99%	0.000773	0.000760	0.000938	0.000013	0.000605	0.000000	0.000000	0.000000	0.000000	0.000103
486	5.99%	0.000728	0.000715	0.000923	0.000013	0.000558	0.000000	0.000000	0.000000	0.000000	0.000100
492	5.99%	0.000716	0.000701	0.000879	0.000012	0.000515	0.000000	0.000000	0.000000	0.000000	0.000097
498	5.99%	0.000657	0.000644	0.000865	0.000012	0.000474	0.000000	0.000000	0.000000	0.000000	0.000094
504	5.99%	0.000646	0.000631	0.000820	0.000011	0.000436	0.000000	0.000000	0.000000	0.000000	0.000091
510	5.99%	0.000593	0.000577	0.000807	0.000010	0.000381	0.000000	0.000000	0.000000	0.000000	0.000000
516	5.99%	0.000583	0.000564	0.000762	0.000010	0.000322	0.000000	0.000000	0.000000	0.000000	0.000000
522	5.99%	0.000534	0.000514	0.000749	0.000009	0.000272	0.000000	0.000000	0.000000	0.000000	0.000000
528	5.99%	0.000525	0.000503	0.000703	0.000009	0.000230	0.000000	0.000000	0.000000	0.000000	0.000000
534	5.99%	0.000468	0.000446	0.000692	0.000008	0.000178	0.000000	0.000000	0.000000	0.000000	0.000000
540	5.99%	0.000460	0.000435	0.000646	0.000008	0.000129	0.000000	0.000000	0.000000	0.000000	0.000000
546	5.99%	0.000410	0.000386	0.000635	0.000007	0.000093	0.000000	0.000000	0.000000	0.000000	0.000000
552	5.99%	0.000403	0.000378	0.000589	0.000007	0.000067	0.000000	0.000000	0.000000	0.000000	0.000000
558	5.99%	0.000358	0.000335	0.000579	0.000007	0.000049	0.000000	0.000000	0.000000	0.000000	0.000000
564	5.99%	0.000352	0.000329	0.000533	0.000006	0.000035	0.000000	0.000000	0.000000	0.000000	0.000000
570	5.99%	0.000305	0.000284	0.000524	0.000006	0.000025	0.000000	0.000000	0.000000	0.000000	0.000000
576	5.99%	0.000300	0.000279	0.000478	0.000006	0.000018	0.000000	0.000000	0.000000	0.000000	0.000000
582	5.99%	0.000259	0.000241	0.000470	0.000005	0.000012	0.000000	0.000000	0.000000	0.000000	0.000000
588	5.99%	0.000255	0.000236	0.000425	0.000005	0.000006	0.000000	0.000000	0.000000	0.000000	0.000000
594	5.99%	0.000220	0.000204	0.000418	0.000005	0.000003	0.000000	0.000000	0.000000	0.000000	0.000000
600	5.99%	0.000216	0.000200	0.000373	0.000005	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000
606	5.99%	0.000181	0.000168	0.000367	0.000004	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
612	5.99%	0.000178	0.000165	0.000347	0.000004	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
618	5.99%	0.000146	0.000135	0.000341	0.000004	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
624	5.99%	0.000143	0.000133	0.000322	0.000004	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
630	5.99%	0.000071	0.000066	0.000317	0.000004	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
636	5.99%	0.000070	0.000065	0.000290	0.000003	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
642	5.99%	0.000083	0.000077	0.000285	0.000003	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
648	5.99%	0.000082	0.000076	0.000261	0.000003	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
654	5.99%	0.000053	0.000049	0.000257	0.000003	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
660	5.99%	0.000052	0.000048	0.000235	0.000003	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
666	5.99%	0.000025	0.000023	0.000231	0.000003	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
672	5.99%	0.000024	0.000023	0.000212	0.000003	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
678	5.99%	0.000000	0.000000	0.000208	0.000002	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
684	5.99%	0.000000	0.000000	0.000185	0.000002	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
690	5.99%	0.000000	0.000000	0.000182	0.000002	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
696	5.99%	0.000000	0.000000	0.000162	0.000002	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
702	5.99%	0.000000	0.000000	0.000159	0.000002	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
708	5.99%	0.000000	0.000000	0.000141	0.000002	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
714	5.99%	0.000000	0.000000	0.000139	0.000002	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
720	5.99%	0.000000	0.000000	0.000124	0.000002	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
726	5.99%	0.000000	0.000000	0.000122	0.000002	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
732	5.99%	0.000000	0.000000	0.000108	0.000002	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
738	5.99%	0.000000	0.000000	0.000106	0.000002	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
744	5.99%	0.000000	0.000000	0.000089	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
750	5.99%	0.000000	0.000000	0.000088	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
756	5.99%	0.000000	0.000000	0.000073	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
762	5.99%	0.000000	0.000000	0.000072	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
768	5.99%	0.000000	0.000000	0.000060	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
774	5.99%	0.000000	0.000000	0.000059	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
780	5.99%	0.000000	0.000000	0.000050	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
786	5.99%	0.000000	0.000000	0.000049	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
792	5.99%	0.000000	0.000000	0.000041	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
798	5.99%	0.000000	0.000000	0.000040	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
804	5.99%	0.000000	0.000000	0.000032	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
810	5.99%	0.000000	0.000000	0.000031	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
816	5.99%	0.000000	0.000000	0.000023	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
822	5.99%	0.000000	0.000000	0.000023	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
828	5.99%	0.000000	0.000000	0.000015	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
834	5.99%	0.000000	0.000000	0.000015	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
840	5.99%	0.000000	0.000000	0.000007	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
846	5.99%	0.000000	0.000000	0.000007	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
852	5.99%	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
858	5.99%	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
864	5.99%	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
870	5.99%	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
876	5.99%	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
882	5.99%	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
888	5.99%	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
894	5.99%	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
900	5.99%	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
906	5.99%	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
912	5.99%	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
918	5.99%	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Total		0.477056	0.472766	0.335698	0.921691	0.419863	0.563897	0.976233	0.976233	0.974861	0.888785

Adjusted Payment Pattern Based on Selected Discount Rates

Period	Damage Liability Gross of Recov	Damage Liability Recov	Ec Loss	Medical Funding	Medical Excl Funding	Non-Economic Loss Gross of Recov	Non-Economic Loss Recov	Non-Economic Loss INCL WCB	Out of Province	Permanent Impairment	Tort Injury	Tort Liability	WCB Master Claim File
6	0.156087	0.004541	0.000000	0.496487	0.051199	0.000644	0.000348	0.000511	0.000335	0.001297	0.061384	0.001489	0.000000
12	0.421171	0.017949	0.001065	0.465801	0.156589	0.012242	0.000343	0.022006	0.013814	0.012421	0.215901	0.034536	0.020229
18	0.283649	0.039988	0.012898	0.009855	0.130258	0.043204	0.000474	0.085640	0.034521	0.115488	0.283648	0.059145	0.088423
24	0.061624	0.050620	0.000751	0.004318	0.066045	0.081313	0.001659	0.144352	0.065354	0.239810	0.121219	0.074724	0.129577
30	0.028786	0.060376	0.000430	0.004227	0.037059	0.123737	0.003101	0.185089	0.072733	0.168073	0.082628	0.051188	0.120326
36	0.013630	0.044716	0.000339	0.004159	0.025336	0.114123	0.003068	0.177820	0.077578	0.077402	0.029856	0.040305	0.127167
42	0.004590	0.058365	0.022501	0.000000	0.012349	0.100927	0.005090	0.150134	0.061508	0.118789	0.041878	0.092685	0.099264
48	0.000149	0.036230	0.025592	0.000000	0.013087	0.079847	0.004635	0.121556	0.049583	0.035025	0.009681	0.036652	0.085474
54	0.000147	0.049988	0.055002	0.000000	0.014116	0.047432	0.015988	0.061470	0.099060	0.018910	0.002932	0.013972	0.042163
60	0.000144	0.030851	0.023518	0.000000	0.009466	0.040604	0.004643	0.058207	0.073150	0.031481	0.017551	0.021767	0.038050
66	0.000141	0.053241	0.057464	0.000000	0.010095	0.031371	0.009204	0.044500	0.034744	0.015560	0.008067	0.051295	0.034903
72	0.000138	0.024656	0.006887	0.000000	0.004847	0.033983	0.008168	0.044549	0.053131	0.013093	0.004879	0.038798	0.027506
78	0.000136	0.038906	0.043002	0.000000	0.005499	0.024395	0.001928	0.047240	0.050926	0.006485	0.010053	0.019807	0.049366
84	0.000134	0.019968	0.009719	0.000000	0.006105	0.016296	0.003644	0.020974	0.046988	0.005290	0.002393	0.015265	0.011999
90	0.000131	0.024427	0.035290	0.000000	0.006893	0.017955	0.021873	0.012512	0.016521	0.005255	0.003513	0.013885	0.010328
96	0.000122	0.015942	0.034694	0.000000	0.003890	0.011571	0.005947	0.010656	0.040512	0.002475	0.002471	0.009085	0.002947
102	0.000119	0.013448	0.034107	0.000000	0.007159	0.015854	0.002158	0.017214	0.009346	0.001957	0.007423	0.008931	0.002897
108	0.000117	0.013211	0.033531	0.000000	0.004656	0.004845	0.003634	0.004586	0.016858	0.002187	0.004393	0.008780	0.002848
114	0.000115	0.010949	0.020020	0.000000	0.002523	0.011362	0.011362	0.012395	0.009919	0.003587	0.001222	0.008632	0.002800
120	0.000061	0.009908	0.003827	0.000000	0.002878	0.013317	0.005624	0.012615	0.005808	0.001817	0.002195	0.005911	0.002752
126	0.000058	0.016014	0.027135	0.000000	0.003626	0.001381	0.010121	-0.003790	0.004602	0.004154	0.001565	0.004889	0.000000
132	0.000005	0.008937	0.041664	0.000000	0.003064	0.005082	0.008834	0.000860	0.003194	0.001642	0.001874	0.020295	0.000000
138	0.000005	0.015899	0.068660	0.000000	0.004011	0.004245	0.005470	0.001713	0.003135	0.001984	0.001422	0.031417	0.000000
144	0.000005	0.008049	0.013178	0.000000	0.003118	0.001651	0.005368	-0.001023	0.003076	0.001476	0.001396	0.013896	0.000000
150	0.000005	0.007110	0.012171	0.000000	0.003519	0.003847	0.005164	0.001445	0.001599	0.001711	0.001165	0.023990	0.000000
156	0.000005	0.006668	0.011945	0.000000	0.003534	0.000738	0.005068	-0.001848	0.000685	0.000562	0.001143	0.000031	0.000000
162	0.000005	0.004646	0.009965	0.000000	0.008212	0.002378	0.004875	0.000016	0.000990	0.001446	0.000954	0.012795	0.000000
168	0.000004	0.006694	0.009781	0.000000	0.003761	0.003957	0.004785	0.001761	0.000971	0.001168	0.000936	0.012558	0.000000
174	0.000004	0.004749	0.008160	0.000000	0.003113	0.003107	0.003642	0.000942	0.000953	0.001146	0.000781	0.009244	0.000000
180	0.000004	0.004625	0.008009	0.000000	0.002993	0.002287	0.004517	0.000105	0.000655	0.001125	0.000766	0.009073	0.000000
186	0.000004	0.005773	0.010737	0.000000	0.000511	0.001731	0.004189	-0.000322	0.000210	0.000746	0.000617	0.006440	0.000000
192	0.000004	0.004840	0.010526	0.000000	0.000184	0.001273	0.004107	-0.000772	0.000080	0.001095	0.000604	0.006313	0.000000
198	0.000004	0.004575	0.007739	0.000000	0.000180	0.000998	0.003945	-0.000983	0.000079	0.000121	0.000504	0.004642	0.000000
204	0.000004	0.003630	0.007587	0.000000	0.000176	0.000734	0.003868	-0.001226	0.000077	0.000535	0.000494	0.004550	0.000000
210	0.000004	0.004433	0.005578	0.000000	0.000955	0.000576	0.003716	-0.001318	0.000076	0.001109	0.000411	0.003346	0.000000
216	0.000004	0.003898	0.005468	0.000000	0.001895	0.000423	0.003642	-0.001443	0.000074	0.000305	0.000403	0.003280	0.000000
222	0.000004	0.003315	0.004020	0.000000	0.003601	0.000332	0.003499	-0.001467	0.000073	0.000138	0.000336	0.002411	0.000000
228	0.000004	0.002454	0.003941	0.000000	0.002254	0.000244	0.003430	-0.001525	0.000071	0.000368	0.000329	0.002364	0.000000
234	0.000003	0.001348	0.002898	0.000000	0.004113	0.000191	0.003296	-0.001512	0.000070	0.000438	0.000274	0.001738	0.000000
240	0.000003	0.002149	0.002841	0.000000	0.002327	0.000141	0.003231	-0.001533	0.000069	0.000799	0.000269	0.001704	0.000000
246	0.000002	0.001425	0.001438	0.000000	0.002023	0.000076	0.002137	-0.001032	0.000046	0.000131	0.000206	0.000862	0.000000
252	0.000002	0.001422	0.001396	0.000000	0.001220	0.000055	0.002075	-0.001022	0.000045	0.000443	0.000200	0.000838	0.000000
258	0.000002	0.001359	0.001017	0.000000	0.000888	0.000067	0.003951	-0.001987	0.000044	0.000411	0.000194	0.000542	0.000000
264	0.000002	0.001354	0.000988	0.000000	0.000903	0.000078	0.003837	-0.001916	0.000042	0.000333	0.000189	0.000527	0.000000
270	0.000002	0.001158	0.000720	0.000000	0.000620	0.000038	0.003578	-0.001824	0.000041	0.000158	0.000183	0.000512	0.000000
276	0.000002	0.000950	0.000699	0.000000	0.001330	0.000000	0.003476	-0.001811	0.000040	0.000153	0.000178	0.000497	0.000000
282	0.000002	0.000937	0.000509	0.000000	0.001245	0.000000	0.003241	-0.001689	0.000039	0.000179	0.000173	0.000483	0.000000
288	0.000002	0.000812	0.000495	0.000000	0.005043	0.000000	0.003148	-0.001641	0.000038	0.000222	0.000168	0.000469	0.000000
294	0.000002	0.000522	0.000360	0.000000	0.000936	0.000000	0.002935	-0.001530	0.000037	0.000112	0.000163	0.000455	0.000000
300	0.000002	0.000690	0.000350	0.000000	0.000909	0.000000	0.002851	-0.001486	0.000036	0.000105	0.000158	0.000442	0.000000
306	0.000002	0.000443	0.000255	0.000000	0.000912	0.000000	0.002659	-0.001386	0.000035	0.000102	0.000000	0.000430	0.000000
312	0.000002	0.000586	0.000248	0.000000	0.000885	0.000000	0.002582	-0.001346	0.000034	0.000099	0.000000	0.000000	0.000000
318	0.000002	0.000376	0.000180	0.000000	0.000902	0.000000	0.009030	-0.004706	0.000033	0.000096	0.000000	0.000000	0.000000
324	0.000002	0.000497	0.000175	0.000000	0.000876	0.000000	0.008771	-0.004571	0.000032	0.000093	0.000000	0.000000	0.000000
330	0.000002	0.000320	0.000128	0.000000	0.000816	0.000000	0.007241	-0.003774	0.000031	0.000090	0.000000	0.000000	0.000000
336	0.000001	0.000422	0.000124	0.000000	0.000793	0.000000	0.007033	-0.003666	0.000030	0.000088	0.000000	0.000000	0.000000
342	0.000001	0.000271	0.000090	0.000000	0.000740	0.000000	0.005807	-0.003026	0.000029	0.000085	0.000000	0.000000	0.000000
348	0.000001	0.000359	0.000088	0.000000	0.000719	0.000000	0.005640	-0.002940	0.000028	0.000083	0.000000	0.000000	0.000000
354	0.000001	0.000315	0.000064	0.000000	0.000694	0.000000	0.004657	-0.002427	0.000027	0.000080	0.000000	0.000000	0.000000
360	0.000001	0.000388	0.000062	0.000000	0.000674	0.000000	0.004523	-0.002357	0.000027	0.000078	0.000000	0.000000	0.000000
366	0.000001	0.000348	0.000045	0.000000	0.000651	0.000000	0.003734	-0.001946	0.000026	0.000076	0.000000	0.000000	0.000000
372	0.000001	0.000311	0.000308	0.000000	0.000633	0.000000	0.003627	-0.001890	0.000025	0.000074	0.000000	0.000000	0.000000
378	0.000000	0.000279	0.000000	0.000000	0.000611	0.000000	0.002995	-0.001561	0.000024	0.000072	0.000000	0.000000	0.000000
384	0.000000	0.000249	0.000000	0.000000	0.000594	0.000000	0.002909	-0.001516	0.000024	0.000070	0.000000	0.000000	0.000000
390	0.000000	0.000224	0.000000	0.000000	0.000574	0.000000	0.002402	-0.001252	0.000000	0.000000	0.000000	0.000000	0.000000
396	0.000000	0.000200	0.000000	0.000000	0.000558	0.000000	0.002333	-0.001216	0.000000	0.000000	0.000000	0.000000	0.000000
402	0.000000	0.000180	0.000000	0.000000	0.000539</								

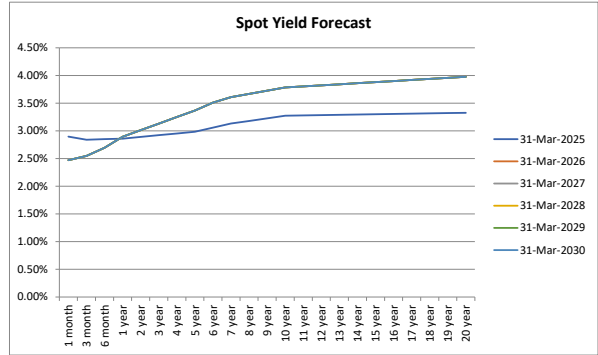
Coverage	Discount Factor
Damage excluding Liability and Cats net of Recov	0.9784
Damage Liability net of Recov	0.9780
Damage Catastrophes	0.9762
Economic Loss	0.7024
Non-Economic Loss Including WCB Master Claim File	1.1566
Out of Province	0.8539
Appeal excluding Commission	0.5639
Care Benefits	0.3357
Income Replacement Including Lump Sum	0.4728
Death Benefits	0.9217
Medical Expenses excluding Funding	0.6653
Permanent Impairment	0.8987
Tort Injury	0.9313
Tort Liability	0.7880

LAE Coverage Grouping	Discount Factor
Damage Total (including damage liability)	0.9783
Liability Total (excluding damage liability)	0.7814
Injury Total	0.5692

SAF Response Attachment IR 1 - 43a

Projected Spot Rates

Time to Maturity	CALCULATED March 31, 2024	2024	2025	2026	2027	2028	2029	2030
1 month	5.09%	31-Mar-2025	31-Mar-2026	31-Mar-2027	31-Mar-2028	31-Mar-2029	31-Mar-2030	
3 month	5.07%	2.84%	2.55%	2.55%	2.55%	2.55%	2.55%	
6 month	4.91%	2.85%	2.69%	2.69%	2.69%	2.69%	2.69%	
1 year	4.73%	2.86%	2.89%	2.89%	2.89%	2.89%	2.89%	
2 year	4.34%	2.89%	3.01%	3.01%	3.01%	3.01%	3.01%	
3 year	4.19%	2.92%	3.13%	3.13%	3.13%	3.13%	3.13%	
4 year	4.03%	2.95%	3.25%	3.25%	3.25%	3.25%	3.25%	
5 year	3.88%	2.98%	3.37%	3.37%	3.37%	3.37%	3.37%	
6 year	3.91%	3.06%	3.51%	3.51%	3.51%	3.51%	3.51%	
7 year	3.85%	3.13%	3.61%	3.61%	3.61%	3.61%	3.61%	
8 year	3.84%	3.18%	3.67%	3.67%	3.67%	3.67%	3.67%	
9 year	3.83%	3.23%	3.72%	3.72%	3.72%	3.72%	3.72%	
10 year	3.82%	3.27%	3.78%	3.78%	3.78%	3.78%	3.78%	
11 year	3.80%	3.28%	3.80%	3.80%	3.80%	3.80%	3.80%	
12 year	3.79%	3.28%	3.82%	3.82%	3.82%	3.82%	3.82%	
13 year	3.78%	3.29%	3.84%	3.84%	3.84%	3.84%	3.84%	
14 year	3.76%	3.29%	3.86%	3.86%	3.86%	3.86%	3.86%	
15 year	3.75%	3.30%	3.88%	3.88%	3.88%	3.88%	3.88%	
16 year	3.74%	3.30%	3.90%	3.90%	3.90%	3.90%	3.90%	
17 year	3.73%	3.31%	3.92%	3.92%	3.92%	3.92%	3.92%	
18 year	3.72%	3.32%	3.94%	3.94%	3.94%	3.94%	3.94%	
19 year	3.71%	3.32%	3.96%	3.96%	3.96%	3.96%	3.96%	
20 year	3.70%	3.33%	3.98%	3.98%	3.98%	3.98%	3.98%	



Forecasted Spot Yields

Time to Maturity	CALCULATED March 31, 2024	31-Mar-2025	31-Mar-2026	31-Mar-2027	31-Mar-2028	31-Mar-2029	31-Mar-2030	46112 Change	46477 Change	46843 Change	47208 Change	47573 Change
0-24	4.73%	2.86%	2.89%	2.89%	2.89%	2.89%	2.89%	0.03%	0.00%	0.00%	0.00%	0.00%
25-60	4.11%	2.94%	3.19%	3.19%	3.19%	3.19%	3.19%	0.25%	0.00%	0.00%	0.00%	0.00%
61-120	3.84%	3.16%	3.64%	3.64%	3.64%	3.64%	3.64%	0.48%	0.00%	0.00%	0.00%	0.00%
121-180	3.78%	3.29%	3.83%	3.83%	3.83%	3.83%	3.83%	0.55%	0.00%	0.00%	0.00%	0.00%
181-240	3.73%	3.31%	3.93%	3.93%	3.93%	3.93%	3.93%	0.62%	0.00%	0.00%	0.00%	0.00%

Mortgage Yields

Mort Yield	CALCULATED March 31, 2024	31-Mar-2025	31-Mar-2026	31-Mar-2027	31-Mar-2028	31-Mar-2029	31-Mar-2030
Mort Yield	6.62%	6.24%	4.04%	4.04%	4.04%	4.04%	4.04%

Forecasted Discount Rate (not including investment expense)

Time to Maturity	CALCULATED March 31, 2024	31-Mar-2025	31-Mar-2026	31-Mar-2027	31-Mar-2028	31-Mar-2029	31-Mar-2030
0-24	5.21%	3.71%	3.18%	3.18%	3.18%	3.18%	3.18%
25-60	4.96%	4.06%	3.48%	3.48%	3.48%	3.48%	3.48%
61-120	4.13%	3.47%	3.68%	3.68%	3.68%	3.68%	3.68%
121-180	3.81%	3.32%	3.83%	3.83%	3.83%	3.83%	3.83%
181-240	3.73%	3.31%	3.93%	3.93%	3.93%	3.93%	3.93%
240+	6.31%	6.31%	6.31%	6.31%	6.31%	6.31%	6.31%

Matching Cash Flows at Mar 31, 2024

	Mortgages	Short-term & Bonds	Total
0-24	\$ 115,946,326	\$ 342,899,480	\$ 458,845,806
25-60	\$ 88,795,969	\$ 173,154,650	\$ 261,950,619
61-120	\$ 36,564,728	\$ 316,704,100	\$ 353,268,828
121-180	\$ 2,792,970	\$ 245,749,500	\$ 248,542,470
181-240	\$ -	\$ 420,734,000	\$ 420,734,000
	\$ 244,099,993	\$ 1,499,241,730	\$ 1,743,341,723

Initial Forecasted Discount Rate Net of Investment Expenses

Time to Maturity	CALCULATED March 31, 2024	31-Mar-2025	31-Mar-2026	31-Mar-2027	31-Mar-2028	31-Mar-2029	31-Mar-2030
0-24	4.89%	3.39%	2.86%	2.86%	2.86%	2.86%	2.86%
25-60	4.84%	3.74%	3.16%	3.16%	3.16%	3.16%	3.16%
61-120	3.81%	3.15%	3.36%	3.36%	3.36%	3.36%	3.36%
121-180	3.49%	3.00%	3.51%	3.51%	3.51%	3.51%	3.51%
181-240	3.41%	2.99%	3.61%	3.61%	3.61%	3.61%	3.61%
240+	5.99%	5.99%	5.99%	5.99%	5.99%	5.99%	5.99%

Matching Weights

	Mortgages	Short-term & Bonds	Total
0-24	25.3%	74.7%	100.0%
25-60	33.9%	66.1%	100.0%
61-120	10.4%	89.6%	100.0%
121-180	1.1%	98.9%	100.0%
181-240	0.0%	100.0%	100.0%

Investment Expense Ratio

0.32%

Reversals?	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
	FALSE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
	FALSE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
	FALSE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE

(1) Modeled Spot Rates at March 31, 2024	(2) Yields on Actual Cashflows at March 31, 2024	(3) Modeled Spot Rates at March 31, 2025	(3) - (2)					
0-24	4.89%	4.91%	3.39%	-1.52%	0-24	4.91%	3.41%	-1.50%
25-60	4.64%	4.91%	4.69%	-0.95%	25-60	4.69%	3.77%	-0.91%
61-120	3.81%	3.96%	3.15%	-0.81%	61-120	3.96%	3.28%	-0.68%
121-180	3.49%	3.86%	3.00%	-0.86%	121-180	3.86%	3.31%	-0.54%
181-240	3.41%	3.91%	2.99%	-0.92%	181-240	3.91%	3.44%	-0.47%
240+	5.99%	5.87%	5.99%	0.12%	240+	5.87%	5.99%	0.12%

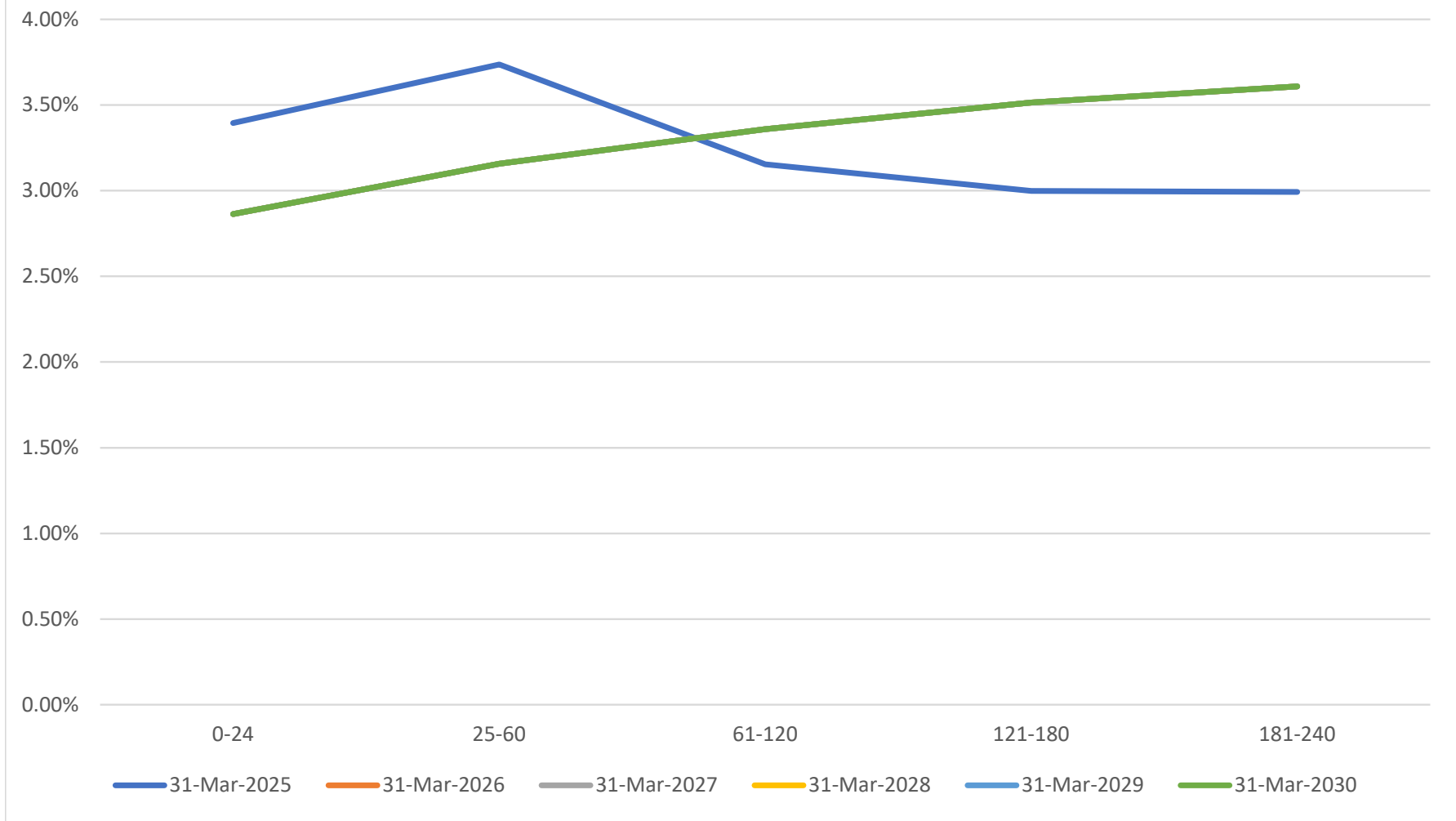
Final Forecasted Discount Rate Net of Investment Expenses

Time to Maturity	31-Mar-2025	31-Mar-2026	31-Mar-2027	31-Mar-2028	31-Mar-2029	31-Mar-2030
0-24	3.41%	2.88%	2.88%	2.88%	2.88%	2.88%
25-60	3.77%	3.19%	3.19%	3.19%	3.19%	3.19%
61-120	3.28%	3.49%	3.49%	3.49%	3.49%	3.49%
121-180	3.31%	3.88%	3.88%	3.88%	3.88%	3.88%
181-240	3.44%	4.15%	4.15%	4.15%	4.15%	4.15%
240+	5.99%	5.99%	5.99%	5.99%	5.99%	5.99%

2025-2026 Rating Year Discount Rate

0-24	2.94%	-0.53%	0.00%	0.00%	0.00%	0.00%
25-60	3.26%	-0.58%	0.00%	0.00%	0.00%	0.00%
61-120	3.47%	0.21%	0.00%	0.00%	0.00%	0.00%
121-180	3.81%	0.57%	0.00%	0.00%	0.00%	0.00%
181-240	4.06%	0.71%	0.00%	0.00%	0.00%	0.00%
240+	5.99%	0.00%	0.00%	0.00%	0.00%	0.00%

Discount Rate Forecast



Adjusted Payment Pattern Based on Selected Discount Rates

Period	Disc Rate	IRB	IRB INCL Lump Sum	Care	Death	Lump Sum	Appeal	Damage Cats Gross	Damage Cats Net	Damage Excl Cats and Liab Gross of Recov	Damage Excl Cats and Liab Recov
6	2.42%	0.014016	0.013021	0.009358	0.082593	0.000000	0.000087	0.259709	0.259709	0.235458	0.034451
12	2.42%	0.042846	0.039804	0.025715	0.211525	0.000000	0.001169	0.398499	0.398499	0.471636	0.194353
18	2.87%	0.042801	0.039762	0.022029	0.205685	0.000000	0.002791	0.210826	0.210826	0.197099	0.276806
24	2.87%	0.028502	0.026479	0.012716	0.122189	0.000000	0.006291	0.046975	0.046975	0.038816	0.142300
30	2.99%	0.020552	0.019181	0.010034	0.047513	0.001234	0.008334	0.049330	0.049330	0.018863	0.070611
36	2.99%	0.018246	0.017400	0.008068	0.074929	0.006323	0.015463	0.008752	0.008752	0.007591	0.032879
42	3.12%	0.014984	0.014671	0.007348	0.026461	0.010572	0.016193	0.000930	0.000930	0.006321	0.007020
48	3.12%	0.014134	0.013916	0.007438	0.023767	0.011063	0.023415	0.000193	0.000193	0.000228	0.010779
54	3.26%	0.013045	0.012911	0.007207	0.019378	0.011163	0.017365	0.000189	0.000189	0.000039	0.003845
60	3.26%	0.011846	0.011789	0.006564	0.013665	0.011037	0.019613	0.000186	0.000186	0.000038	0.006642
66	3.36%	0.011115	0.011121	0.006481	0.021933	0.011203	0.027183	0.000182	0.000182	0.000037	0.012796
72	3.36%	0.009905	0.009995	0.006119	0.017628	0.011175	0.019749	0.000179	0.000179	0.000037	0.006037
78	3.47%	0.009465	0.009585	0.006495	0.010647	0.011144	0.021633	0.000175	0.000175	0.000036	0.007362
84	3.47%	0.009524	0.009633	0.006256	0.003740	0.011063	0.019183	0.000172	0.000172	0.000035	0.004841
90	3.62%	0.008356	0.008537	0.005332	0.004415	0.010917	0.016090	0.000167	0.000167	0.000034	0.007369
96	3.62%	0.009772	0.009847	0.004935	0.003056	0.010836	0.014743	0.000164	0.000164	0.000034	0.004884
102	3.74%	0.008667	0.008805	0.004914	0.004495	0.010618	0.013438	0.000080	0.000080	0.000033	0.006703
108	3.74%	0.006637	0.006911	0.004880	0.001932	0.010495	0.022067	0.000000	0.000000	0.000032	0.003793
114	3.85%	0.006692	0.006943	0.005473	0.001272	0.010232	0.012973	0.000000	0.000000	0.000031	0.005464
120	3.85%	0.006422	0.006684	0.004752	0.003557	0.010107	0.014591	0.000000	0.000000	0.000031	0.002935
126	3.88%	0.006149	0.006430	0.004722	0.001277	0.010101	0.009898	0.000000	0.000000	0.000030	0.001689
132	3.88%	0.006749	0.006978	0.004908	0.001461	0.009966	0.011456	0.000000	0.000000	0.000029	0.002237
138	3.88%	0.007007	0.007203	0.004598	0.001124	0.009771	0.013596	0.000000	0.000000	0.000029	0.002910
144	3.88%	0.005956	0.006215	0.004390	0.002717	0.009610	0.006789	0.000000	0.000000	0.000028	0.001987
150	3.94%	0.005332	0.005619	0.004470	0.001012	0.009384	0.011878	0.000000	0.000000	0.000028	0.002080
156	3.94%	0.005376	0.005649	0.004586	0.001178	0.009227	0.015091	0.000000	0.000000	0.000027	0.001542
162	3.99%	0.005472	0.005725	0.004710	0.001196	0.009037	0.013757	0.000000	0.000000	0.000026	0.001186
168	3.99%	0.004691	0.004990	0.004077	0.000734	0.008899	0.013608	0.000000	0.000000	0.000026	0.002344
174	4.03%	0.004575	0.004867	0.003917	0.000808	0.008688	0.004655	0.000000	0.000000	0.000025	0.001919
180	4.03%	0.004209	0.004516	0.004420	0.001038	0.008530	0.007335	0.000000	0.000000	0.000025	0.001496
186	4.08%	0.004519	0.004789	0.003905	0.000599	0.008319	0.007148	0.000000	0.000000	0.000024	0.002228
192	4.08%	0.004296	0.004570	0.003894	0.001295	0.008157	0.013245	0.000000	0.000000	0.000024	0.001640
198	4.11%	0.004110	0.004382	0.003769	0.000602	0.007947	0.002321	0.000000	0.000000	0.000023	0.001217
204	4.11%	0.003809	0.004091	0.003281	0.000582	0.007783	0.005291	0.000000	0.000000	0.000022	0.001393
210	4.15%	0.004368	0.004596	0.003032	0.000385	0.007575	0.008097	0.000000	0.000000	0.000022	0.001116
216	4.15%	0.003661	0.003927	0.002993	0.000624	0.007410	0.003948	0.000000	0.000000	0.000021	0.001126
222	4.18%	0.003665	0.003916	0.002872	0.000548	0.007206	0.003646	0.000000	0.000000	0.000021	0.001652
228	4.18%	0.003512	0.003762	0.002847	0.000434	0.007040	0.013306	0.000000	0.000000	0.000021	0.001119
234	4.20%	0.003728	0.003949	0.002758	0.000179	0.006841	0.008062	0.000000	0.000000	0.000020	0.000826
240	4.20%	0.003423	0.003654	0.002680	0.000175	0.006675	0.013469	0.000000	0.000000	0.000020	0.000771
246	6.01%	0.002661	0.002798	0.001859	0.000121	0.004593	0.002820	0.000000	0.000000	0.000014	0.000340
252	6.01%	0.002757	0.002876	0.001842	0.000059	0.004439	0.001159	0.000000	0.000000	0.000013	0.000232
258	6.01%	0.002323	0.002462	0.001775	0.000057	0.004287	0.000019	0.000000	0.000000	0.000013	0.000548
264	6.01%	0.002358	0.002485	0.001907	0.000056	0.004138	0.000018	0.000000	0.000000	0.000012	0.000640
270	6.01%	0.002362	0.002478	0.001902	0.000054	0.003992	0.004370	0.000000	0.000000	0.000012	0.000325
276	6.01%	0.002357	0.002463	0.001815	0.000052	0.003849	0.004244	0.000000	0.000000	0.000012	0.000649
282	6.01%	0.002330	0.002428	0.001809	0.000051	0.003708	0.003668	0.000000	0.000000	0.000011	0.000290
288	6.01%	0.002224	0.002320	0.001728	0.000049	0.003571	0.003563	0.000000	0.000000	0.000011	0.000465
294	6.01%	0.002177	0.002267	0.001721	0.000048	0.003436	0.003080	0.000000	0.000000	0.000011	0.000722
300	6.01%	0.002148	0.002230	0.001647	0.000047	0.003304	0.002991	0.000000	0.000000	0.000010	0.000397
306	6.01%	0.002156	0.002228	0.001639	0.000045	0.003173	0.002585	0.000000	0.000000	0.000010	0.000264
312	6.01%	0.002101	0.002168	0.001570	0.000044	0.003042	0.002511	0.000000	0.000000	0.000010	0.000349
318	6.01%	0.001945	0.002014	0.001563	0.000043	0.002914	0.002170	0.000000	0.000000	0.000010	0.000391
324	6.01%	0.001906	0.001969	0.001498	0.000042	0.002790	0.002108	0.000000	0.000000	0.000009	0.000240
330	6.01%	0.001836	0.001895	0.001490	0.000040	0.002668	0.001822	0.000000	0.000000	0.000009	0.000319
336	6.01%	0.001778	0.001832	0.001430	0.000039	0.002550	0.001770	0.000000	0.000000	0.000009	0.000231
342	6.01%	0.001571	0.001633	0.001422	0.000038	0.002434	0.001530	0.000000	0.000000	0.000008	0.000192
348	6.01%	0.001528	0.001584	0.001366	0.000037	0.002322	0.001486	0.000000	0.000000	0.000008	0.000227
354	6.01%	0.001390	0.001448	0.001357	0.000036	0.002212	0.001284	0.000000	0.000000	0.000008	0.000210
360	6.01%	0.001365	0.001418	0.001305	0.000035	0.002105	0.001247	0.000000	0.000000	0.000008	0.000193
366	6.01%	0.001339	0.001386	0.001296	-0.000066	0.002002	0.002450	0.000000	0.000000	0.000008	0.000178
372	6.01%	0.001317	0.001358	0.001253	0.000043	0.001901	0.002380	0.000000	0.000000	0.000007	0.000164
378	6.01%	0.001392	0.001421	0.001232	0.000042	0.001803	0.002311	0.000000	0.000000	0.000007	0.000151
384	6.01%	0.001369	0.001393	0.001198	0.000038	0.001708	0.002245	0.000000	0.000000	0.000007	0.000139
390	6.01%	0.001327	0.001347	0.001178	0.000037	0.001616	0.002180	0.000000	0.000000	0.000007	0.000128
396	6.01%	0.001305	0.001320	0.001146	0.000033	0.001528	0.002117	0.000000	0.000000	0.000007	0.000118
402	6.01%	0.001308	0.001318	0.001127	0.000032	0.001441	0.002056	0.000000	0.000000	0.000007	0.000109
408	6.01%	0.001286	0.001291	0.001096	0.000029	0.001358	0.001997	0.000000	0.000000	0.000007	0.000100
414	6.01%	0.001189	0.001196	0.001078	0.000029	0.001278	0.000000	0.000000	0.000000	0.000007	0.000092
420	6.01%	0.001169	0.001172	0.001049	0.000026	0.001201	0.000000	0.000000	0.000000	0.000007	0.000085
426	6.01%	0.001098	0.001100	0.001032	0.000025	0.001126	0.000000	0.000000	0.000000	0.000007	0.000078
432	6.01%	0.001080	0.001078	0.001004	0.000023	0.001055	0.000000	0.000000	0.000000	0.000007	0.000072
438	6.01%	0.001017	0.001015	0.000988	0.000022	0.000986	0.000000	0.000000	0.000000	0.000007	0.000067
444	6.01%	0.001000	0.000994	0.000962	0.000021	0.000921	0.000000	0.000000	0.000000	0.000007	0.000061
450	6.01%	0.000906	0.000903	0.000946	0.000020	0.000858	0.000000	0.000000	0.000000	0.000007	0.000057
456	6.01%	0.000891	0.000884	0.000921	0.000018	0.000799	0.000000	0.000000	0.000000	0.000007	0.000052
462	6.01%	0.000841	0.000834	0.000906	0.000018	0.000742	0.000000	0.000000	0.000000	0.000007	0.000048

Adjusted Payment Pattern Based on Selected Discount Rates

Period	Disc Rate	IRB	IRB INCL Lump Sum	Care	Death	Lump Sum	Appeal	Damage Cats Gross	Damage Cats Net	Damage Excl Cats and Liab Gross of Recov	Damage Excl Cats and Liab Recov
468	6.01%	0.000827	0.000817	0.000883	0.000016	0.000689	0.000000	0.000000	0.000000	0.000000	0.000044
474	6.01%	0.000781	0.000771	0.000868	0.000016	0.000638	0.000000	0.000000	0.000000	0.000000	0.000041
480	6.01%	0.000768	0.000755	0.000846	0.000015	0.000590	0.000000	0.000000	0.000000	0.000000	0.000038
486	6.01%	0.000723	0.000710	0.000832	0.000014	0.000545	0.000000	0.000000	0.000000	0.000000	0.000078
492	6.01%	0.000711	0.000696	0.000804	0.000013	0.000502	0.000000	0.000000	0.000000	0.000000	0.000116
498	6.01%	0.000653	0.000639	0.000791	0.000013	0.000462	0.000000	0.000000	0.000000	0.000000	0.000112
504	6.01%	0.000642	0.000626	0.000762	0.000012	0.000425	0.000000	0.000000	0.000000	0.000000	0.000328
510	6.01%	0.000589	0.000573	0.000750	0.000011	0.000372	0.000000	0.000000	0.000000	0.000000	0.000000
516	6.01%	0.000579	0.000560	0.000721	0.000010	0.000314	0.000000	0.000000	0.000000	0.000000	0.000000
522	6.01%	0.000530	0.000511	0.000709	0.000010	0.000265	0.000000	0.000000	0.000000	0.000000	0.000000
528	6.01%	0.000521	0.000500	0.000679	0.000009	0.000224	0.000000	0.000000	0.000000	0.000000	0.000000
534	6.01%	0.000464	0.000444	0.000668	0.000009	0.000173	0.000000	0.000000	0.000000	0.000000	0.000000
540	6.01%	0.000457	0.000433	0.000638	0.000008	0.000125	0.000000	0.000000	0.000000	0.000000	0.000000
546	6.01%	0.000407	0.000384	0.000628	0.000008	0.000091	0.000000	0.000000	0.000000	0.000000	0.000000
552	6.01%	0.000400	0.000376	0.000598	0.000008	0.000065	0.000000	0.000000	0.000000	0.000000	0.000000
558	6.01%	0.000356	0.000334	0.000588	0.000007	0.000047	0.000000	0.000000	0.000000	0.000000	0.000000
564	6.01%	0.000350	0.000327	0.000557	0.000007	0.000034	0.000000	0.000000	0.000000	0.000000	0.000000
570	6.01%	0.000302	0.000283	0.000548	0.000007	0.000025	0.000000	0.000000	0.000000	0.000000	0.000000
576	6.01%	0.000297	0.000278	0.000518	0.000006	0.000018	0.000000	0.000000	0.000000	0.000000	0.000000
582	6.01%	0.000257	0.000240	0.000509	0.000006	0.000011	0.000000	0.000000	0.000000	0.000000	0.000000
588	6.01%	0.000253	0.000235	0.000478	0.000005	0.000006	0.000000	0.000000	0.000000	0.000000	0.000000
594	6.01%	0.000218	0.000203	0.000470	0.000005	0.000003	0.000000	0.000000	0.000000	0.000000	0.000000
600	6.01%	0.000214	0.000199	0.000440	0.000005	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000
606	6.01%	0.000180	0.000167	0.000432	0.000005	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
612	6.01%	0.000177	0.000164	0.000414	0.000004	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
618	6.01%	0.000145	0.000134	0.000407	0.000004	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
624	6.01%	0.000142	0.000132	0.000389	0.000004	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
630	6.01%	0.000071	0.000066	0.000382	0.000004	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
636	6.01%	0.000070	0.000065	0.000351	0.000004	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
642	6.01%	0.000082	0.000077	0.000345	0.000004	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
648	6.01%	0.000081	0.000075	0.000317	0.000003	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
654	6.01%	0.000053	0.000049	0.000311	0.000003	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
660	6.01%	0.000052	0.000048	0.000285	0.000003	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
666	6.01%	0.000025	0.000023	0.000281	0.000003	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
672	6.01%	0.000024	0.000022	0.000257	0.000003	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
678	6.01%	0.000000	0.000000	0.000253	0.000003	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
684	6.01%	0.000000	0.000000	0.000225	0.000002	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
690	6.01%	0.000000	0.000000	0.000221	0.000002	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
696	6.01%	0.000000	0.000000	0.000197	0.000002	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
702	6.01%	0.000000	0.000000	0.000194	0.000002	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
708	6.01%	0.000000	0.000000	0.000173	0.000002	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
714	6.01%	0.000000	0.000000	0.000170	0.000002	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
720	6.01%	0.000000	0.000000	0.000151	0.000002	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
726	6.01%	0.000000	0.000000	0.000148	0.000002	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
732	6.01%	0.000000	0.000000	0.000132	0.000002	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
738	6.01%	0.000000	0.000000	0.000130	0.000002	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
744	6.01%	0.000000	0.000000	0.000109	0.000002	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
750	6.01%	0.000000	0.000000	0.000107	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
756	6.01%	0.000000	0.000000	0.000090	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
762	6.01%	0.000000	0.000000	0.000088	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
768	6.01%	0.000000	0.000000	0.000074	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
774	6.01%	0.000000	0.000000	0.000073	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
780	6.01%	0.000000	0.000000	0.000061	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
786	6.01%	0.000000	0.000000	0.000060	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
792	6.01%	0.000000	0.000000	0.000050	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
798	6.01%	0.000000	0.000000	0.000049	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
804	6.01%	0.000000	0.000000	0.000039	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
810	6.01%	0.000000	0.000000	0.000038	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
816	6.01%	0.000000	0.000000	0.000028	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
822	6.01%	0.000000	0.000000	0.000028	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
828	6.01%	0.000000	0.000000	0.000018	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
834	6.01%	0.000000	0.000000	0.000018	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
840	6.01%	0.000000	0.000000	0.000009	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
846	6.01%	0.000000	0.000000	0.000009	0.000001	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
852	6.01%	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
858	6.01%	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
864	6.01%	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
870	6.01%	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
876	6.01%	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
882	6.01%	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
888	6.01%	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
894	6.01%	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
900	6.01%	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
906	6.01%	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
912	6.01%	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
918	6.01%	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Total		0.475637	0.471746	0.322392	0.920036	0.420829	0.541149	0.976707	0.976707	0.977141	0.884028

Adjusted Payment Pattern Based on Selected Discount Rates

Period	Damage Liability Gross of Recov	Damage Liability Recov	Ec Loss	Medical Funding	Medical Excl Funding	Non-Economic Loss Gross of Recov	Non-Economic Loss Recov	Non-Economic Loss INCL WCB	Out of Province	Permanent Impairment	Tort Injury	Tort Liability	WCB Master Claim File
6	0.177064	0.003716	0.000000	0.511806	0.051609	0.000620	0.000334	0.000472	0.000324	0.000872	0.052806	0.001491	0.000000
12	0.428672	0.019065	0.000982	0.448070	0.148868	0.011782	0.000330	0.020953	0.009600	0.009460	0.264772	0.038098	0.021137
18	0.253463	0.046726	0.010112	0.014728	0.126074	0.041943	0.000482	0.078098	0.034640	0.125099	0.210621	0.058114	0.082483
24	0.054163	0.060760	0.004353	0.004350	0.066362	0.080730	0.002334	0.126681	0.067044	0.247041	0.124186	0.062302	0.106724
30	0.029683	0.046994	0.012211	0.004278	0.030739	0.126487	0.002210	0.185394	0.073456	0.156259	0.103128	0.087003	0.136190
36	0.019253	0.050543	0.012032	0.004215	0.030526	0.115280	0.004031	0.179760	0.080467	0.093014	0.034260	0.046704	0.150524
42	0.007698	0.041018	0.011808	0.000000	0.018017	0.090125	0.003560	0.113531	0.058386	0.078791	0.032188	0.098542	0.057042
48	0.000440	0.040710	0.007779	0.000000	0.014458	0.080464	0.004776	0.112848	0.056849	0.034924	0.012484	0.029916	0.078482
54	0.000431	0.042916	0.004521	0.000000	0.009810	0.063754	0.016495	0.086370	0.058709	0.061321	0.034028	0.005168	0.067932
60	0.000424	0.031463	0.004486	0.000000	0.012043	0.042166	0.005704	0.063121	0.069300	0.022165	0.007108	0.016183	0.053312
66	0.000415	0.042084	0.062018	0.000000	0.006845	0.025107	0.012951	0.037362	0.067059	0.014547	0.016294	0.034596	0.040734
72	0.000408	0.024705	0.003316	0.000000	0.005197	0.032970	0.010634	0.039080	0.045182	0.012670	0.006566	0.057209	0.024595
78	0.000399	0.045938	0.090810	0.000000	0.007637	0.026630	0.008856	0.036738	0.041076	0.007920	0.001196	0.017282	0.031823
84	0.000392	0.020169	0.018924	0.000000	0.006371	0.019492	0.005377	0.023161	0.035392	0.006497	0.000996	0.009845	0.013764
90	0.000382	0.034770	0.028930	0.000000	0.004170	0.013756	0.009253	0.015439	0.047982	0.004999	0.004029	0.015589	0.013088
96	0.000086	0.016602	0.028421	0.000000	0.004134	0.010891	0.008412	0.009130	0.020160	0.003318	0.001880	0.009245	0.004448
102	0.000084	0.021745	0.027654	0.000000	0.006118	0.014291	0.009446	0.012013	0.019616	0.003799	0.002603	0.008995	0.004328
108	0.000082	0.014343	0.027151	0.000000	0.004580	0.004574	0.009056	0.002461	0.022831	0.003042	0.004381	0.008832	0.004249
114	0.000080	0.017738	0.016216	0.000000	0.005630	0.014234	0.000464	0.015815	0.009007	0.002453	0.003590	0.008584	0.004130
120	0.000061	0.011453	0.013090	0.000000	0.003180	0.014647	0.006106	0.013714	0.005970	0.001471	0.001779	0.003024	0.004052
126	0.000060	0.009278	0.020392	0.000000	0.001416	0.004206	0.010668	-0.000494	0.010281	0.001217	0.001215	0.019113	0.000000
132	0.000005	0.009928	0.010202	0.000000	0.003557	0.004658	0.007788	0.001222	0.001910	0.001194	0.001747	0.018753	0.000000
138	0.000005	0.007357	0.061323	0.000000	0.003139	0.001925	0.005367	-0.000439	0.001873	0.001103	0.001225	0.018396	0.000000
144	0.000005	0.006644	0.024201	0.000000	0.002796	0.001512	0.005266	-0.000807	0.001838	0.001653	0.001202	0.018050	0.000000
150	0.000005	0.007803	0.013836	0.000000	0.003277	0.003684	0.005030	0.001463	0.001102	0.001010	0.000996	0.011350	0.000000
156	0.000005	0.005746	0.013571	0.000000	0.002925	0.003449	0.004933	0.001271	0.001285	0.000381	0.000977	0.001165	0.000000
162	0.000004	0.005893	0.011240	0.000000	0.003644	0.003326	0.004711	0.001246	0.001726	0.000369	0.000809	0.012870	0.000000
168	0.000004	0.005954	0.011023	0.000000	0.003407	0.003227	0.004620	0.001187	0.001693	0.000216	0.000793	0.012621	0.000000
174	0.000004	0.003671	0.009129	0.000000	0.008060	0.002515	0.004412	0.000569	0.001649	0.000210	0.000657	0.009223	0.000000
180	0.000004	0.004550	0.008951	0.000000	0.004704	0.001850	0.004325	-0.000057	0.000989	0.000206	0.000644	0.009043	0.000000
186	0.000004	0.003975	0.012356	0.000000	0.001659	0.001442	0.004130	-0.000377	0.000211	0.000201	0.000534	0.006608	0.000000
192	0.000004	0.004714	0.012111	0.000000	0.001269	0.001060	0.004049	-0.000722	0.000083	0.000728	0.000523	0.006478	0.000000
198	0.000004	0.004677	0.008852	0.000000	0.001237	0.000826	0.003866	-0.000875	0.000081	0.000135	0.000433	0.004735	0.000000
204	0.000004	0.003862	0.008675	0.000000	0.001212	0.000607	0.003789	-0.001060	0.000080	0.000518	0.000425	0.004640	0.000000
210	0.000004	0.003166	0.006342	0.000000	0.001181	0.000474	0.003619	-0.001118	0.000077	0.000958	0.000352	0.003392	0.000000
216	0.000004	0.003435	0.006214	0.000000	0.001158	0.000348	0.003547	-0.001212	0.000076	0.000279	0.000345	0.003324	0.000000
222	0.000003	0.002897	0.004543	0.000000	0.001128	0.000271	0.003388	-0.001218	0.000074	0.000046	0.000286	0.002430	0.000000
228	0.000003	0.002455	0.004451	0.000000	0.001106	0.000199	0.003320	-0.001260	0.000073	0.000517	0.000280	0.002381	0.000000
234	0.000003	0.002480	0.003255	0.000000	0.001941	0.000156	0.003172	-0.001239	0.000071	0.000054	0.000232	0.001741	0.000000
240	0.000003	0.002049	0.003189	0.000000	0.002857	0.000114	0.003107	-0.001251	0.000069	0.000872	0.000227	0.001705	0.000000
246	0.000002	0.000822	0.001653	0.000000	0.001654	0.000063	0.002104	-0.000862	0.000048	0.000174	0.000178	0.000884	0.000000
252	0.000002	0.001435	0.001605	0.000000	0.002054	0.000046	0.002044	-0.000852	0.000046	0.000397	0.000173	0.000859	0.000000
258	0.000002	0.001236	0.001169	0.000000	0.002180	0.000056	0.003891	-0.001654	0.000045	0.000465	0.000168	0.000556	0.000000
264	0.000002	0.001129	0.001136	0.000000	0.001009	0.000065	0.003779	-0.001596	0.000044	0.000295	0.000163	0.000540	0.000000
270	0.000002	0.000691	0.000827	0.000000	0.000832	0.000032	0.003523	-0.001517	0.000043	0.000131	0.000158	0.000524	0.000000
276	0.000002	0.001031	0.000803	0.000000	0.001541	0.000000	0.003422	-0.001504	0.000041	0.000128	0.000154	0.000509	0.000000
282	0.000002	0.000786	0.000585	0.000000	0.002764	0.000000	0.003190	-0.001402	0.000040	0.000151	0.000149	0.000495	0.000000
288	0.000002	0.000867	0.000568	0.000000	0.002684	0.000000	0.003099	-0.001362	0.000039	0.000190	0.000145	0.000480	0.000000
294	0.000002	0.000684	0.000414	0.000000	0.001142	0.000000	0.002889	-0.001270	0.000038	0.000318	0.000141	0.000467	0.000000
300	0.000002	0.000736	0.000402	0.000000	0.001109	0.000000	0.002806	-0.001233	0.000037	0.000087	0.000137	0.000453	0.000000
306	0.000002	0.000581	0.000293	0.000000	0.000896	0.000000	0.002616	-0.001150	0.000036	0.000084	0.000000	0.000440	0.000000
312	0.000002	0.000625	0.000284	0.000000	0.000870	0.000000	0.002541	-0.001117	0.000035	0.000082	0.000000	0.000000	0.000000
318	0.000002	0.000493	0.000207	0.000000	0.000890	0.000000	0.002884	-0.003904	0.000034	0.000079	0.000000	0.000000	0.000000
324	0.000002	0.000531	0.000201	0.000000	0.000865	0.000000	0.002829	-0.003792	0.000033	0.000077	0.000000	0.000000	0.000000
330	0.000001	0.000419	0.000147	0.000000	0.000829	0.000000	0.007123	-0.003130	0.000032	0.000075	0.000000	0.000000	0.000000
336	0.000001	0.000450	0.000142	0.000000	0.000805	0.000000	0.006918	-0.003040	0.000031	0.000073	0.000000	0.000000	0.000000
342	0.000001	0.000355	0.000104	0.000000	0.000743	0.000000	0.005711	-0.002510	0.000030	0.000071	0.000000	0.000000	0.000000
348	0.000001	0.000382	0.000101	0.000000	0.000721	0.000000	0.005547	-0.002438	0.000029	0.000069	0.000000	0.000000	0.000000
354	0.000001	0.000302	0.000073	0.000000	0.000699	0.000000	0.004579	-0.002012	0.000028	0.000067	0.000000	0.000000	0.000000
360	0.000001	0.000325	0.000071	0.000000	0.000679	0.000000	0.004447	-0.001954	0.000027	0.000065	0.000000	0.000000	0.000000
366	0.000001	0.000632	0.000052	0.000000	0.000657	0.000000	0.003672	-0.001613	0.000027	0.000063	0.000000	0.000000	0.000000
372	0.000001	0.000361	0.000353	0.000000	0.000639	0.000000	0.003566	-0.001567	0.000026	0.000061	0.000000	0.000000	0.000000
378	0.000000	0.000324	0.000000	0.000000	0.000619	0.000000	0.002944	-0.001294	0.000025	0.000059	0.000000	0.000000	0.000000
384	0.000000	0.000289	0.000000	0.000000	0.000601	0.000000	0.002859	-0.001256	0.000024	0.000058	0.000000	0.000000	0.000000
390	0.000000	0.000260	0.000000	0.000000	0.000582	0.000000	0.002360	-0.001037	0.000000	0.000000	0.000000	0.000000	0.000000
396	0.000000	0.000232	0.000000	0.000000	0.000566	0.000000	0.002292	-0.001007	0.000000	0.000000	0.000000	0.000000	0.000000
402	0.000000	0.000208	0.000000	0.000000	0.000548</								

Coverage	Discount Factor
Damage excluding Liability and Cats net of Recov	0.9809
Damage Liability net of Recov	0.9795
Damage Catastrophes	0.9767
Economic Loss	0.6906
Non-Economic Loss Including WCB Master Claim File	1.1126
Out of Province	0.8491
Appeal excluding Commission	0.5411
Care Benefits	0.3224
Income Replacement Including Lump Sum	0.4717
Death Benefits	0.9200
Medical Expenses excluding Funding	0.6564
Permanent Impairment	0.9044
Tort Injury	0.9344
Tort Liability	0.7909

LAE Coverage Grouping	Discount Factor
Damage Total (including damage liability)	0.9804
Liability Total (excluding damage liability)	0.7826
Injury Total	0.5604

Projected Risk-Free Spot Rates

Time to Maturity	31-Mar-2025	31-Mar-2026	31-Mar-2027	31-Mar-2028	31-Mar-2029	31-Mar-2030	31-Mar-2031
1 month	2.68%	2.41%	2.41%	2.41%	2.41%	2.41%	2.41%
3 month	2.63%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%
6 month	2.63%	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%
1 year	2.53%	2.76%	2.76%	2.76%	2.76%	2.76%	2.76%
2 year	2.47%	2.83%	2.83%	2.83%	2.83%	2.83%	2.83%
3 year	2.52%	2.91%	2.91%	2.91%	2.91%	2.91%	2.91%
4 year	2.57%	2.98%	2.98%	2.98%	2.98%	2.98%	2.98%
5 year	2.62%	3.05%	3.05%	3.05%	3.05%	3.05%	3.05%
6 year	2.72%	3.15%	3.15%	3.15%	3.15%	3.15%	3.15%
7 year	2.82%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
8 year	2.87%	3.31%	3.31%	3.31%	3.31%	3.31%	3.31%
9 year	2.92%	3.36%	3.36%	3.36%	3.36%	3.36%	3.36%
10 year	2.97%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%
11 year	2.99%	3.44%	3.44%	3.44%	3.44%	3.44%	3.44%
12 year	3.02%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%
13 year	3.04%	3.48%	3.48%	3.48%	3.48%	3.48%	3.48%
14 year	3.07%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
15 year	3.10%	3.52%	3.52%	3.52%	3.52%	3.52%	3.52%
16 year	3.12%	3.54%	3.54%	3.54%	3.54%	3.54%	3.54%
17 year	3.15%	3.56%	3.56%	3.56%	3.56%	3.56%	3.56%
18 year	3.17%	3.58%	3.58%	3.58%	3.58%	3.58%	3.58%
19 year	3.20%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%
20 year	3.23%	3.62%	3.62%	3.62%	3.62%	3.62%	3.62%

SGI Investment Spot Rates

Time to Maturity	31-Mar-2025	31-Mar-2026	31-Mar-2027	31-Mar-2028	31-Mar-2029	31-Mar-2030	31-Mar-2031
1 month	2.75%	2.48%	2.48%	2.48%	2.48%	2.48%	2.48%
3 month	2.70%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%
6 month	2.73%	2.72%	2.72%	2.72%	2.72%	2.72%	2.72%
1 year	2.87%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%
2 year	2.87%	3.23%	3.23%	3.23%	3.23%	3.23%	3.23%
3 year	2.96%	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%
4 year	3.08%	3.49%	3.49%	3.49%	3.49%	3.49%	3.49%
5 year	3.20%	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%
6 year	3.25%	3.69%	3.69%	3.69%	3.69%	3.69%	3.69%
7 year	3.42%	3.85%	3.85%	3.85%	3.85%	3.85%	3.85%
8 year	3.54%	3.98%	3.98%	3.98%	3.98%	3.98%	3.98%
9 year	3.65%	4.09%	4.09%	4.09%	4.09%	4.09%	4.09%
10 year	3.75%	4.21%	4.21%	4.21%	4.21%	4.21%	4.21%
11 year	3.70%	4.15%	4.15%	4.15%	4.15%	4.15%	4.15%
12 year	3.77%	4.21%	4.21%	4.21%	4.21%	4.21%	4.21%
13 year	3.83%	4.26%	4.26%	4.26%	4.26%	4.26%	4.26%
14 year	3.88%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%
15 year	3.93%	4.36%	4.36%	4.36%	4.36%	4.36%	4.36%
16 year	3.98%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%
17 year	4.02%	4.43%	4.43%	4.43%	4.43%	4.43%	4.43%
18 year	4.06%	4.46%	4.46%	4.46%	4.46%	4.46%	4.46%
19 year	4.09%	4.49%	4.49%	4.49%	4.49%	4.49%	4.49%
20 year	4.13%	4.52%	4.52%	4.52%	4.52%	4.52%	4.52%
20+ year	6.31%	6.31%	6.31%	6.31%	6.31%	6.31%	6.31%

Investment Expense Ratio 0.30%

Forecasted Discount Rate Net of Investment Expenses

Time to Maturity	31-Mar-2025	31-Mar-2026	31-Mar-2027	31-Mar-2028	31-Mar-2029	31-Mar-2030	31-Mar-2031
1 year	2.43%	2.42%	2.42%	2.42%	2.42%	2.42%	2.42%
2 year	2.57%	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%
3 year	2.61%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%
4 year	2.72%	3.12%	3.12%	3.12%	3.12%	3.12%	3.12%
5 year	2.84%	3.26%	3.26%	3.26%	3.26%	3.26%	3.26%
6 year	2.93%	3.36%	3.36%	3.36%	3.36%	3.36%	3.36%
7 year	3.04%	3.47%	3.47%	3.47%	3.47%	3.47%	3.47%
8 year	3.18%	3.62%	3.62%	3.62%	3.62%	3.62%	3.62%
9 year	3.29%	3.74%	3.74%	3.74%	3.74%	3.74%	3.74%
10 year	3.40%	3.85%	3.85%	3.85%	3.85%	3.85%	3.85%
11 year	3.42%	3.88%	3.88%	3.88%	3.88%	3.88%	3.88%
12 year	3.43%	3.88%	3.88%	3.88%	3.88%	3.88%	3.88%
13 year	3.50%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%
14 year	3.55%	3.99%	3.99%	3.99%	3.99%	3.99%	3.99%
15 year	3.61%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%
16 year	3.66%	4.08%	4.08%	4.08%	4.08%	4.08%	4.08%
17 year	3.70%	4.11%	4.11%	4.11%	4.11%	4.11%	4.11%
18 year	3.74%	4.15%	4.15%	4.15%	4.15%	4.15%	4.15%
19 year	3.78%	4.18%	4.18%	4.18%	4.18%	4.18%	4.18%
20 year	3.81%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%
20+ year	6.01%	6.01%	6.01%	6.01%	6.01%	6.01%	6.01%

	2026-2027 Rating Year Discount Rate
1 year	2.42%
2 year	2.87%
3 year	2.99%
4 year	3.12%
5 year	3.26%
6 year	3.36%
7 year	3.47%
8 year	3.62%
9 year	3.74%
10 year	3.85%
11 year	3.88%
12 year	3.88%
13 year	3.94%
14 year	3.99%
15 year	4.03%
16 year	4.08%
17 year	4.11%
18 year	4.15%
19 year	4.18%
20 year	4.20%
20+ year	6.01%

Assumes an average start of the loss year of Dec 1, 2026 for a June 1, 2026 rate change

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Investments as a Percentage of the Total Portfolio Composition

	2020-21	2021-22	2022-23	2023-24	2024-25	Forecast - 2025/26 Budget consistent with 2025 rate indication				
						2025-26	2026-27	2027-28	2028-29	2029-30
Short Term Investments	8.6%	0.8%	0.8%	1.1%	1.0%	1.1%	1.2%	1.3%	1.4%	1.5%
Bonds	33.2%	35.9%	42.0%	41.1%	43.0%	46.5%	50.3%	53.6%	56.9%	60.5%
Mortgages	6.8%	7.1%	7.6%	8.1%	9.3%	9.8%	10.5%	11.2%	11.9%	12.7%
Canadian Equities	3.8%	3.0%	1.9%	1.9%	2.1%	1.9%	1.8%	1.6%	1.5%	1.3%
Global Equities	23.2%	16.5%	12.5%	11.6%	14.7%	11.5%	11.0%	10.0%	8.9%	7.6%
Global Low Vol Equities	0.0%	8.2%	6.2%	5.7%	0.0%	5.7%	5.5%	4.9%	4.5%	3.8%
Global Small Cap Equity	8.1%	7.8%	6.1%	5.8%	5.7%	5.1%	4.6%	4.1%	3.7%	3.2%
Real Estate	7.4%	9.9%	10.5%	10.5%	7.3%	4.7%	3.8%	3.4%	3.0%	2.5%
Infrastructure	8.9%	10.8%	12.3%	13.8%	14.3%	10.6%	8.4%	7.1%	5.9%	5.1%
Sask-Based Opportunistic	0.0%	0.0%	0.2%	0.3%	0.5%	0.9%	1.1%	1.0%	0.9%	0.8%
Return Seeking Bonds	0.0%	0.0%	0.0%	0.0%	2.0%	2.1%	1.9%	1.7%	1.3%	1.1%
Total Portfolio	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Matching Portfolio	48.6%	43.8%	50.4%	50.3%	53.3%	57.4%	62.0%	66.1%	70.3%	74.7%
Total Return Seeking Portfolio	51.4%	56.2%	49.6%	49.7%	46.7%	42.6%	38.0%	33.9%	29.7%	25.3%

IR 1-45 d)

Return Seeking Portfolio Compared to Dec 1, 2024 Statement of Investment Policies and Goals

Return Seeking Portfolio	Min (%)	01-Dec-24		2025/26		Variance Explanation
		Target (%)	Max (%)	\$000	%	
Canadian Equities	3	5	7	54,929	4.5%	In-line with policies weights, ongoing liquidity needs are generally funded from equities bringing actuals below target
Global Equities	20	30	40	329,575	27.0%	In-line with policies weights, ongoing liquidity needs are generally funded from equities bringing actuals below target
Global Low Vol Equities	10	15	20	164,788	13.5%	In-line with policies weights, ongoing liquidity needs are generally funded from equities bringing actuals below target
Global Small Cap Equity	<u>10/7.5</u>	<u>15/12.5</u>	<u>20/17.5</u>	<u>146,478</u>	12.0%	In-line with policies weights, ongoing liquidity needs are generally funded from equities bringing actuals below target
Total Foreign Equities	<u>45/42.5</u>	<u>60/57.5</u>	<u>75/72.5</u>	<u>640,841</u>	52.5%	In-line with policies weights, ongoing liquidity needs are generally funded from equities bringing actuals below target
Total Equities	50/47.5	65/62.5	75/72.5	695,770	57.0%	In-line with policies weights, ongoing liquidity needs are generally funded from equities bringing actuals below target
Real Estate	10/7.5	15/12.5	20/17.5	134,271	11.0%	In-line with policies weights, but awaiting outstanding redemptions to achieve the 11% expectation
Infrastructure	10	<u>20</u>	30	305,162	25.0%	In-line with policies weights, actual values above this threshold as legacy funds have delayed redemptions to investors
Sask-Based Opportunistic	0	<u>0</u>	4	24,413	2.0%	In-line with policies weights
Return Seeking Bonds	0/2.5	0/5	0/7.5	61,032	5.0%	In-line with policies weights
Total		100		1,220,649	100.0%	

IR 1-45 d)

Return Seeking Portfolio Compared to June 1, 2025 Statement of Investment Policies and Goals

Return Seeking Portfolio	Min (%)	01-Jun-25		2025/26		Variance Explanation
		Target (%)	Max (%)	\$000	%	
Canadian Equities	3	5	7	54,929	4.5%	In-line with policies weights, ongoing liquidity needs are generally funded from equities bringing actuals below target. Canadian equities recently terminated (Dec 2025) under new Dec 1, 2025 investment policy.
Global Equities	25	35	45	329,575	27.0%	In-line with policies weights, ongoing liquidity needs are generally funded from equities bringing actuals below target Investment manager terminated in March 2025, with allocation re-distributed to global equities (5%), infrastructure (5%) and return seeking bonds (5%)
Global Low Vol Equities	0	0	0	164,788	13.5%	
Global Small Cap Equity	<u>7.5</u>	<u>12.5</u>	<u>17.5</u>	<u>146,478</u>	12.0%	In-line with policies weights, ongoing liquidity needs are generally funded from equities bringing actuals below target
Total Foreign Equities	<u>32.5</u>	<u>47.5</u>	<u>62.5</u>	<u>640,841</u>	52.5%	In-line with policies weights
Total Equities	35.5	52.5	69.5	695,770	57.0%	In-line with policies weights
Real Estate	7.5	12.5	17.5	134,271	11.0%	In-line with policies weights, but awaiting outstanding redemptions to achieve the 11% expectation
Infrastructure	15	<u>25</u>	35	305,162	25.0%	In-line with policies weights, actual values above this threshold as legacy funds have delayed redemptions to investors
Sask-Based Opportunistic	0	<u>0</u>	4	24,413	2.0%	In-line with policies weights
Return Seeking Bonds	2.5	10	15	61,032	5.0%	In-line with policies weights, new return seeking bond managers expected to be added during 2026
Total		100		1,220,649	100.0%	

IR 1-45 e)

Detailed Investment Income Breakdown

Matching Portfolio Earnings (\$000)	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Short Term Interest	227	528	1,670	2,572	2,962	848	855	883	910	939
Bonds										
-Interest Income	25,656	24,516	33,204	50,886	56,144	49,906	50,338	51,871	53,503	55,192
-Gains (losses)	-13,188	-71,005	-41,875	-45,325	34,646	-41,696	-	1,145	-	-
Mortgages										
- Distribution	12,168	10,429	13,034	15,641	15,735	11,221	11,319	11,682	12,050	12,430
- Gains (losses)	947	-6,044	-4,787	773	6,167	1,185	1,401	1,446	1,491	1,538
Total Matching (\$000)	25,810	-41,575	1,247	24,547	115,653	21,464	63,913	67,027	67,954	70,099
Return Seeking Portfolio Earnings (\$000)	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Canadian Equities										
- Dividend Distribution	4,967	2,472	2,295	1,780	1,469	1,449	1,373	1,223	1,079	958
- Gains (losses)	64,216	16,299	-6,994	5,941	7,391	1,913	1,813	1,614	1,424	1,264
Global Equities										
-Dividend Revenue	14,763	14,305	13,570	8,493	8,230	7,305	6,921	6,316	5,570	4,828
-Capital Gains (losses)	250,954	64,573	2,125	75,574	31,779	15,653	14,831	13,535	11,936	10,345
Global Low Vol Equities										
-Dividend Revenue						4,000	3,790	3,447	2,999	2,644
-Capital Gains (losses)		-6,545	11,107	24,968	28,046	5,218	4,944	4,496	3,911	3,448
Global Small Cap Equity										
- Dividend Distribution	4,497	4,880	3,875	3,227	3,661	2,690	2,344	1,998	1,755	1,533
- Gains (losses)	137,310	-20,835	-4,316	20,853	9,231	8,742	7,617	6,494	5,704	4,981
Real Estate										
- Dividend Distribution						-	-	-	-	-
- Gains (losses)	-3,265	43,279	8,249	731	840	12,435	6,982	5,412	4,676	3,985
Infrastructure										
- Dividend Distribution	4,135	8,469	4,363	5,375	12,748	15,537	12,206	9,158	7,553	6,131
- Gains (losses)	16,729	37,510	52,462	25,449	49,300	11,264	8,850	6,640	5,476	4,445
Sask-Based Opportunistic										
- Dividend Distribution			80	205		-	-	-	-	-
- Gains (losses)				497	1,342	1,100	1,684	2,154	1,861	1,586
Return Seeking Bonds										
- Interest Income						3,942	4,150	3,539	3,057	2,345
- Gains (losses)					1,661	-	-	-	-	-
Total Return Seeking (\$000)	494,309	164,408	86,817	173,093	155,698	91,248	77,505	66,026	57,001	48,493
Investment Expense	-11,636	-14,087	-12,673	-14,188	-13,650	-9,866	-9,179	-8,773	-8,491	-8,243
Total Portfolio (\$000)	508,482	108,746	75,391	183,452	257,701	102,846	132,239	124,280	116,464	110,349

IR 1-45 f)

YTD Earnings and Portfolio Composition (Dec 31, 2025)

Asset Class	Earnings (\$000)	Total Portfolio (\$000)	Total Portfolio %
<u>Matching Portfolio</u>			
Short-term	\$ 1,477	30,959	1.0%
Bonds	(5,007)	1,308,255	40.6%
Mortgages	11,150	381,080	11.8%
Long-term Private debt	104	41,361	1.3%
	7,723	1,761,654	54.7%
<u>Return Seeking Portfolio</u>			
Canadian equities	20,108	-	0.0%
Global equities	79,358	509,064	15.8%
Global low vol equities	-	-	0.0%
Global small cap equities	28,486	191,287	5.9%
Real estate	(3,000)	226,667	7.0%
Infrastructure	28,866	448,866	13.9%
Sask-based Opportunistic	703	19,110	0.6%
Return Seeking Bonds	1,414	65,658	2.0%
	155,936	1,460,652	45.3%
Investment expenses	(9,584)		
Total Investment Earnings	154,076	3,222,306	100.0%

**Statement of
Investment
Policies and
Goals**

Saskatchewan Auto
Fund

December 2021

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Section 1—Overview

1.01 Purpose of Statement

The purpose of this policy statement is to provide a framework for the prudent investment and administration of the Saskatchewan Auto Fund investment portfolio (the Fund). This policy provides an investment manager with a written statement of specific quality, quantity, and rate of return standards for the corporation's investment portfolio.

A major goal of this policy is to establish ongoing communication between Saskatchewan Government Insurance (“SGI” or the “Company”) and an investment manager. Effective communication will contribute to management of the portfolio in a manner that is consistent with market conditions and with the objectives of the Company. Consultation between the parties will take the form of regular meetings supplemented, from time to time, by informal contact requested by any of the parties.

1.02 General

The Saskatchewan Auto Fund was established to provide compulsory automobile insurance to Saskatchewan people. The Fund is self-sustaining with the objective of breaking even over the long term.

Section 87(3) of *The Automobile Accident Insurance Act* (Act) authorizes the Fund to hold property of every nature and kind.

Section 92(1) of the Act authorizes investment of monies of the Fund in:

- investments authorized for Crown corporations pursuant to *The Crown Corporations Act*, which references similar principles contained in the *Pension Benefits Standards Act and Regulations*; or
- investments authorized pursuant to Part IX of the *Insurance Companies Act (Canada)*.

The overall standard guiding investment of the portfolio is the “prudent person rule” which is set out in section 492 of the *Insurance Companies Act (Canada)*. This standard requires that investments be made in a manner that “a reasonable and prudent person would apply in respect of a portfolio of investments to avoid undue risk of loss and to obtain a reasonable return.”

Both the *Insurance Companies Act (Canada)* and the *Pension Benefits Standards Act and Regulations* follow this “prudent person portfolio approach.”

Given the structure of the Auto Fund, the quantitative restrictions included in the *Insurance Companies Act* are not applicable. However, the Auto Fund is monitored against the quantitative guidelines established by the *Pension Benefits Standards Act and Regulations*. These guidelines are:

- Maximum 10% of the market value of total assets in any one corporation or two or more affiliated corporations
- Maximum 30% of the voting shares of any one corporation

Responsibility for the investment policy rests with the Board of Directors. The Board has delegated day to day implementation and monitoring to management.

SGI has delegated its investment authority to professional investment managers to invest in accordance with this policy. In addition, a trust company has been appointed as custodian with responsibilities for safekeeping of investments, income collection, and settlement of investment transactions. The Investment Committee (Committee) of the Board makes recommendations on policy matters contained in this document and monitors the performance of the investment assets.

1.03 Nature of the Auto Fund

The Auto Fund, as the compulsory automobile insurance program for Saskatchewan residents, provides vehicle registrations, driver's licenses, the basic minimum liability insurance required to operate a vehicle and coverage for damage to or loss of an insured's vehicle, subject to a deductible. Uncertain claim levels due to driving conditions, storm activity and court awards leads to cyclical profits from underwriting activities. Due to this instability of profits from underwriting, stability from investment income is an important objective, along with safety of capital. Investment capital is used to cover policyholder liabilities.

1.04 Liability Characteristics

The Auto Fund's injury program pays for medical, rehabilitation, living assistance and income replacement benefits, which have the potential to be paid for the remaining lifetime of the most severely injured claimants, estimated as long as 55 years. The payments on current claims expected to be made later than 20 years into the future exceed \$1 billion. Such estimates have a large amount of uncertainty from inflation rates, customer rehabilitation rates, mortality rates and future benefit levels. The long tailed nature of these injury claims results in a high overall claims duration relative to other P&C insurance companies. The most significant characteristics of the Auto Fund's assets and liabilities, which impact on the investment strategy, are:

- Unpaid claims and unearned premiums account for 97% of total liabilities. At March 31, 2021, the liability for these two items was \$2.3 billion, up from \$2.2 billion last year.
- The duration of the unpaid claims liability was approximately 9.8 years as at March 31, 2021 down from 9.8 years the previous year. With the addition of expected losses in unearned premiums the duration on the total unpaid liabilities was 8.4 years (2020 – 8.1 years).
- At March 31, 2021, the market value of investments was \$3.1 billion, up from \$2.6 billion last year. As measured by the Minimum Capital Test at March 31, 2021, assets were 168% of required capital and above the operating target level of 140%.

- At March 31, 2021 the Rate Stabilization Reserve balance was at \$1.1 billion , down from \$807 million the previous year.

Projected liability cash flows up to 20 years are matched off with fixed income securities. A partial cash flow matching approach has been adopted for the portfolio which allows some diversification into equities, real estate and infrastructure in order to match longer-dated liabilities. This diversification into other asset classes serves to increase the long-term return on investment potential while controlling overall portfolio risk.

1.05 Investment and Risk Philosophy

(a) Investment Beliefs

The Policy sets out the parameters under which the Fund is managed, which are influenced by several basic assumptions about the characteristics and trends in capital markets. The key investment beliefs that shape the Policy are:

- (i) Asset allocation is the most important determining factor in the investment performance of the Fund.
- (ii) In the long term, equities will outperform bonds to compensate for their higher risk.
- (iii) Accepting mismatch risk between portfolio assets and liabilities provides an opportunity to enhance long term returns but introduces specific risks like interest rate risk, credit risk and equity market risk. A liability sensitive approach to investing reduces these risks somewhat by matching both the size and duration of claims liabilities with fixed income securities. Investing the remaining assets in asset classes with long term return expectations greater than fixed income investments provides the potential to improve overall returns.
- (iv) Market movements between asset classes are not perfectly correlated as equity, bond and other asset class portfolios respond differently to economic factors. In addition, Canadian and foreign asset classes are not perfectly correlated due to different economic environments and the underlying composition of the capital markets. As a result, diversification across different asset classes and markets offers the opportunity to improve risk-adjusted returns.
- (v) Foreign currency exposure gained from holding investments outside of Canada has historically provided diversification benefits. SGI monitors foreign currency exposure, and where seen appropriate from a risk management perspective and where cost effective, may hedge some or all of the Auto Fund's foreign currency exposure.
- (vi) The success of active management varies based on efficiency of capital markets. Where markets are efficient, the quick dissemination of information limits the ability of investment professionals to consistently add value to the broad market indices.

(b) Investment Philosophy

Fund assets should be prudently managed to assist in avoiding excessive volatility in annual rates of return.

The prudent management of investment portfolios requires that the Company adhere to investment and lending policies that a reasonable and prudent person would apply in respect of a portfolio of investments and loans to avoid undue risk of loss and obtain a reasonable return.

Assessment of the risk profile of the Fund considers the nature of the industry and liability characteristics as outlined above. Based on these factors, the Fund can assume a moderate level of investment risk (defined as the volatility of returns). Accordingly, a diversified long-term asset mix strategy which includes allocations to both liability hedging assets and return seeking assets is warranted. Further, the fixed income allocation and target benchmark indices are set with regard to the structure of the claims liabilities.

(c) Risk Philosophy

In order to achieve the long-term investment goals, the Fund must invest in assets that have uncertain returns, such as Canadian equities, foreign equities, bonds, real estate and infrastructure. Interest rate risk, one of the primary risks faced by the portfolio, is addressed by matching the size and duration of the claims liabilities with fixed income securities. Equity market risk is partially managed through diversification by sector and country. Credit risk is addressed by ensuring broad diversification by sector in a high quality (investment grade) portfolio.

The Fund accepts foreign currency exposure in its equity and infrastructure portfolios, as foreign currency exposure provides diversification benefits without accepting undue risk.

The Fund is invested relative to a Benchmark Portfolio. The return from the benchmark portfolio represents an achievable return for the Fund given the capital market conditions in which it is invested. The specific weights for each asset class are set based on the risk profile of the Fund. Risk profile is assessed through a detailed review of the Fund and the investment markets that considers:

- Liability structure
- Investment time horizon
- Liquidity needs
- Regulatory environment
- Other unique factors
- Historical and prospective risk (volatility) and return of various asset classes and benchmark portfolios.

Section 2—Asset Mix Policy

2.01 Asset Mix

The following guidelines are based on the total market value of each of the investment portfolios. The Committee may consider and approve temporary deviations from these guidelines, or other policy constraints, based on changing market conditions and/or investment manager requests. Should an investment manager wish to deviate from these guidelines or the quantity and quality guidelines, or revise them, a written request will be forwarded to the Company.

(a) Matching Portfolio

The Matching Portfolio will be constructed to match the anticipated liability cash flows as provided by SGI to an investment manager from time to time. Annual estimated liability cash flows will be supplied from 0 through 20 years. (Liability cash flows beyond the Matching Portfolio will be backed by the Return Seeking Portfolio which is outlined next). The Matching Portfolio will be constructed to match the liability cash flows in the following term groupings (buckets):

Liability Cash Flow Buckets*

Up to 2 years (short-term investments)
 Over 2 years to 5 years
 Over 5 years to 10 years
 Over 10 years to 15 years
 Over 15 years to 20 years (or as far out as assets allow)

* For Liability Cash Flow Buckets with terms over 2 years, asset cash flows are to be matched to within +/- 5% of the estimated liability cash flow for each bucket. The Up to 2 years Liability Cash Flow Bucket, is to be matched to within +/- 10% of the estimated liability cash flow for the bucket.

The Matching Portfolio will be comprised of:

- Short-term investments and cash, subject to a minimum balance of \$20 million;
- Bonds of Canadian issuers; and
- Mortgages, to a maximum of 20% of the Matching Portfolio (distributions from the Mortgage Investment Fund are to be received as cash in the Matching Portfolio).

(b) Return Seeking Portfolio

	Minimum %	Benchmark ⁽³⁾ %	Maximum %
Canadian equities	3.0	5.0	7.0
Global equities	20.0	30.0	40.0
Global low volatility equities	10.0	15.0	20.0
Global small cap equities	10.0	15.0	20.0
Foreign equities	<u>45.0</u>	<u>60.0</u>	<u>75.0</u>
Total equities ⁽¹⁾	50.0	65.0	75.0
Real estate	10.0	15.0	20.0
Infrastructure	10.0	<u>20.0</u>	30.0
Opportunistic ⁽⁴⁾	0.0	<u>0.0</u>	4.0
Cash and Short Term Investments	0.0	<u>0.0</u>	5.0
		100	

⁽¹⁾ Convertible securities and preferred shares are considered to be equities in the asset mix guidelines.

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⁽²⁾ The current benchmark was effective November 1, 2021.

⁽⁴⁾ Investment in Saskatchewan-based investment funds

The Return Seeking Portfolio is managed under a specialist structure, where each asset class is a separate mandate. It is expected that each asset class would be fully invested with cash and short term investments not to exceed 10% of the market value of the asset class.

Cash and Short Term Investments held in the Return Seeking Portfolio are to assist with normal cash flow requirements including capital calls and distributions of real asset mandates and quarterly rebalancing.

The Return Seeking Portfolio is currently undergoing a transition to the long term target asset mix and investment manager structure.

(c) Global Equity Rebalancing

The Return Seeking Portfolio uses two managers that have different but complementary styles. Each manager has a current benchmark weight of 15%. The permissible range for each manager is, +/-5% of their benchmark weight. Rebalancing between the global equity managers shall be consistent with the cash flow and rebalancing policy set out in Section 2.01(e). This policy does not apply to the global low volatility equity manager.

(d) Cash Flow and Rebalancing

Cash generated in each of the Matching and Return Seeking Portfolios will typically be reinvested in those portfolios, while net external cash flows will typically be drawn from or invested in the Matching Portfolio. SGI shall, however, exercise judgment in allocating and drawing cash flows based on:

- i) the magnitude of the cash flow;
- ii) liquidity considerations;
- iii) transaction cost considerations;
- iv) the necessity to rebalance assets between the Matching Portfolio and the Return Seeking Portfolio;
- v) the necessity to rebalance assets within the Return Seeking Portfolio;
and
- vi) in order to meet cash commitments related to investment in any new asset class that may be introduced to the benchmark.

Unless otherwise instructed, external cash flows in the Matching Portfolio will be invested in, or drawn from, the short-term investment (up to two years) bucket.

The Matching Portfolio will be rebalanced, as necessary, in conjunction with the Auto Fund's quarterly actuarial valuations, to align the asset cash flows with the revised liability cash flows and to allocate assets between the Matching and Return Seeking Portfolios.

For the Return Seeking Portfolio, the assets allocated to each manager will be reviewed subsequent to each month end. Should any manager's range be breached, SGI Management will initiate a rebalancing and advise the Investment Committee of the rebalancing at its next meeting.

Section 3—Permitted and Prohibited Investments

3.01 General Investment Guidelines

The investments must comply with the requirements and restrictions imposed by the applicable legislation, including but not limited to, the *Insurance Companies Act (Canada)* and *The Crown Corporations Act*.

3.02 Permitted Investments

Provisions respecting permitted investments as may be applicable for each of the Matching and Return Seeking Portfolios are outlined in this section. In general, and subject to Section 3.04 and the restrictions in Section 2 and 3, an investment manager may, within its mandate, invest the investment assets in the following asset classes and any of the investment instruments listed below.

(a) Canadian and Foreign Equities

- (i) Equity securities traded through a marketplace, as well as listed equity substitutes that are convertible into equities traded through those same marketplaces.
- (ii) Unlisted equity securities, such as private placement equities, where the investment manager determines the security will become eligible for trading through a marketplace within a reasonable and defined timeframe, not to exceed six months, and the issuing company is publicly listed through a marketplace.

(b) Bonds, Mortgages and Real Estate

- (i) Nominal and real return bonds, debentures, notes, and other evidence of indebtedness denominated and payable in Canadian dollars. Issuers may be Canadian, supranational or foreign if domiciled in developed markets.
- (ii) Mortgages on income producing commercial property and multi-unit residential properties in Canada, held in investment funds deemed permissible by the Board.
- (iii) Term deposits and guaranteed investment certificates.
- (iv) Private placements of bonds subject to Section 3.03.
- (v) Real Estate investment fund units subject to 3.03(f).

(c) Cash and Short-Term Investments

- (i) Cash on hand and demand deposits.

- (ii) Treasury bills issued by the federal and provincial governments and their agencies.
- (iii) Obligations of trust companies and Canadian and foreign banks chartered to operate in Canada, including bankers' acceptances.
- (iv) Commercial paper and term deposits.
- (v) Non-bank asset backed commercial paper is not permitted.

(d) Infrastructure

- (i) Indirect infrastructure investment via independently managed investment funds, limited partnerships or specialist corporate structures (eg. LLCs). The mandate of each fund, partnership or corporate structure will vary with the long-term goal of assembling a diversified portfolio.
- (ii) Permitted and prohibited investments in infrastructure will be governed by the terms and conditions set out in the respective investment fund contract, Offering Memorandum, Trust Agreement or similar document that is applicable to each Investment Manager.

(e) Other Investments

- (i) Investments in open-or closed-ended investment funds provided that the assets of such funds are permissible investments under the Policy.
- (ii) Deposit accounts of the custodian can be used to invest surplus cash holdings.

(f) Derivatives

The use of derivatives (such as options, futures and forward contracts) is permitted with prior approval by the Committee to protect against losses from changes in exchange rates, interest rates and market indices; and for non-hedging purposes, as a substitute for direct investment. Sufficient assets or cash must be held to cover commitments due to the derivatives transactions. No derivatives can be used for speculative trading or to create a portfolio with leverage. Derivative use in investment funds is subject to the investment fund guidelines.

(g) Investment Funds

Investment in investment funds is permissible.

Investment funds are governed by the policies for each fund. The Committee shall review the guidelines for any investment fund investment to determine if they are appropriate. Any change to the investment fund policy shall be communicated to the Company at least 30 days prior to the change. However, the managers will endeavor to provide 90 days' notice of material change to the policy.

3.03 Minimum Quality and Quantity Guidelines

Provisions respecting quality and quantity guidelines as may be applicable for each of the Matching and Return Seeking Portfolios are outlined in this section.

Investments of any kind (stocks, bonds, real estate, mortgages, short term investments) of any one issuer in the aggregate (other than the Government of Canada or a Canadian province) should not exceed 10% of the market value of the related Matching or Return Seeking portfolio.

(a) Capital Stock

- (i) An investment manager is expected to maintain a relatively high quality portfolio. In general, investments should be limited to stocks that are publicly traded through a marketplace.
- (ii) No single issuer's equities, private or public, shall represent more than 10% of the market value of each equity portfolio managed on a segregated basis.
- (iii) No one holding can represent more than 10% of the voting shares of any corporation, except for substantial investments, as defined by the *Insurance Companies Act* (no substantial investments can be made without prior approval).
- (iv) Total private placement equities shall not exceed 10% of the equity portfolio market value at the time of purchase.
- (v) As well, in accordance with subsection 9(3) of Schedule III of the regulations of the *Pension Benefits Standards Act*, the 10% limit referred to in the preceding paragraph does not apply to investments in an investment corporation, real estate corporation or resource corporation.
- (vi) Investments in equities may be held in an investment fund vehicle, subject to 3.02(e)(i) and 3.02(g). The investment guidelines of the investment fund, as updated from time to time, shall be disclosed to SGI.
- (vii) The minimum quality standard for individual preferred shares is P-1 or equivalent, as rated by a recognized credit rating service at the time of purchase.

(b) Bonds

- (i) The minimum quality standard for purchase of bonds and debentures is "BBB" or equivalent rating, as rated by a recognized credit rating service (includes all sub-rating levels within the overall "BBB" rating). In cases where the credit rating services do not agree on the credit rating of an issue, the rating is classified in accordance with the rules established by FTSE Russell for the FTSE Canada Universe and Maple Bond Indexes.

- (ii) “BBB” bonds may not be purchased if it would result in raising holdings rated “BBB” or lower to more than 15% of the market value of the bond portfolio.
- (iii) An investment manager will take the following steps in the event of a downgrade in the credit rating of a portfolio asset by a recognized bond rating agency to below the purchase standards set out in Section 3.03(b)(i):
 - (A) The Company will be notified of the downgrade at the earliest possible opportunity;
 - (B) Within five business days of the downgrade, an investment manager will advise the Company in writing of the course of action taken or to be taken by the investment manager, and its rationale; and
 - (C) An investment manager will provide regular reporting on the status of the asset until such time as it matures, is sold or is upgraded to a level consistent with the purchase quality standards as expressed in the above guidelines.
- (iv) An investment manager shall report to the Company, along with the recommended strategy for bringing the portfolio into line with the policy restrictions, should the total exposure to “BBB” or lower bonds move above 15% of the market value of the bond portfolio.
- (v) The minimum quality rating for mortgage backed and asset backed securities is “AA” or equivalent.
- (vi) Unrated bonds should be assigned a rating by an investment manager before purchase.
- (vii) No more than 10% of the market value of the bond portfolio shall be invested in bonds of foreign issuers.
- (viii) Holdings for any one issuer, other than the Government of Canada or a province, should not exceed 10% of the market value of the bond investment portfolio.
- (ix) Holdings for any one province should not exceed 20% of the market value of the bond portfolio.

(c) Rating Agencies

For the purposes of this Policy, the following rating agencies shall be considered to be ‘recognized bond rating agencies’:

- (i) DBRS Morningstar;
- (ii) S&P Global Ratings;
- (iii) Moody’s Investors Services; and

(iv) Fitch Ratings

(d) Split Ratings

In cases where the Recognized Bond Rating Agencies do not agree on the credit rating, the bond will be classified in accordance with the rules established by FTSE Russell for the FTSE Canada Universe and Maple Bond Indexes.

(e) Mortgages

Investments in mortgages are held in an investment fund vehicle subject to 3.02 (e)(i) and 3.02 (g). The investment guidelines of the investment fund, as updated from time to time, shall be disclosed to SGI.

(f) Real Estate

When considering investment in real estate investment funds, the following are attributes favoured by the Company:

- (i) Canadian real estate capable of yielding overall rates of return in excess of current and projected levels of inflation in the long term.
- (ii) A portfolio capable of providing a stable long term income flow.

(g) Infrastructure

When considering investment in infrastructure investment funds, the following are attributes favoured by the Company:

- (i) Global infrastructure capable of yielding overall rates of return in excess of current and projected levels of inflation in the long term.
- (ii) A portfolio capable of providing a stable, long term income flow.

(h) Short Term Investments

- (i) Short-term investments for the purpose of this Statement are defined as securities purchased with a maturity of one year or less.
- (ii) It is anticipated that an investment manager will invest only in instruments of the highest quality. Securities with an "R-1" or equivalent rating, as rated by a recognized credit rating service, are permissible investments (includes all sub-rating levels within the overall "R-1" rating).
- (iii) Holdings for any one issuer, other than the Government of Canada or a Canadian province, should not exceed 10% of the market value of the short-term investment portfolio in the Matching Portfolio, and 10% of the market value of the short-term investment portfolio in each equity mandate of, and overall, within the Return Seeking Portfolio, excluding overnight term deposits.

(i) Exceptions

When applying the Quality and Quantity Guidelines, it is recognized that there may be occasions during which these guidelines are not met temporarily for

valid investment reasons. It is the responsibility of an investment manager to report any violations to the Company immediately, and to recommend an appropriate course of action.

3.04 Prior Permission Required

The following investments are permitted provided that prior permission for such investments has been obtained from the Committee:

- (a) Investments in private placement equities, other than those permitted in Section 3.02 (a)(ii);
- (b) Derivatives, as per Section 3.02(f) above;
- (c) Any other investments not expressly permitted by this policy statement.

3.05 Prohibited Investments

An investment manager shall not:

- (a) Directly invest in companies for the purpose of managing them;
- (b) Purchase securities on margin or engage in short sales, except as allowed in 3.02(f); or,
- (c) Make any investment not specifically permitted by this Policy.

3.06 Securities Lending

The investments of the assets may be loaned, for the purpose of generating revenue for the Fund assets, subject to the provisions of the applicable legislation.

Such loans must be secured by cash and/or readily marketable government bonds, treasury bills and/or letters of credit, discount notes and banker's acceptances of Canadian chartered banks. The amount of collateral taken for securities lending should reflect best practices in local markets. In Canada, the current market practice is to obtain collateral of at least 102% of the market value of the securities lent. This market relationship must be calculated at least daily.

If the assets are invested in an investment fund, security lending will be governed by the terms and conditions set out in the investment fund contract. The investment fund manager shall disclose whether the fund uses securities lending.

Section 4—Monitoring and Control

4.01 Responsibility of an Investment Manager

The overall responsibility of an investment manager is to provide competitive returns over time, measured against specified market-oriented standards.

An investment manager will have full discretion in managing the portfolio subject to the general guidelines presented in this policy statement, and any amendments, that may be made from time to time, by SGI's Board of Directors.

An investment manager will report to SGI as requested by the Company. The meetings will allow the managers to report on investment performance, and to advise the Company of the investment strategy that is being followed, and any changes in the strategy.

An investment manager should, within 30 business days of each quarter-end, forward a written report to the Company each quarter on the performance of the assets under management and on the firm's investment outlook.

An investment manager will notify the Board immediately, in writing, of any legal or regulatory proceedings or charges of which the manager may be aware, against the manager's firm or investment personnel, or against any sub-advisor or that firm's investment personnel.

The investment standards outlined in this policy statement provide a framework for management of the portfolio within levels of risk acceptable to the Company. If a manager believes the Asset Mix Guidelines are inappropriate for anticipated economic conditions, the manager is responsible for advising the Company that a change in guidelines is desirable, and the reasons therefore.

4.02 Compliance Reporting

A report on compliance with the investment policy, directed to Management, will be completed quarterly. The report format is included as part of this policy. The Company must be notified immediately of any deviation from the investment policy.

4.03 Performance Measurement

Investment results will be monitored on a quarterly basis. Performance will be evaluated over moving four-year periods.

Return objectives include realized and unrealized capital gains and losses plus income from all sources. Investment returns are measured on a time-weighted basis.

(a) Matching Portfolio Benchmark

The primary objective is to exceed the return of the least risk portfolio (LRP). The LRP is a portfolio of investable federal government bonds, meeting the quality and quantity guidelines set out in this policy, structured to match the annual liability cash flows as calculated by SGI and provided to an investment manager from time to time. A hurdle rate will be added to the return of the LRP based on the average yield spread for a portfolio constructed with an approximate weight of 1/3 in each of the federal, provincial and corporate sectors. It is expected that the structure of the LRP will change up to three times per year as updated cash flows are provided based on quarterly actuarial valuations.

(b) Return Seeking Portfolio Benchmark

The primary objective is to outperform a benchmark portfolio consisting of the following market index total returns weighted as follows:

Asset Class	Representative Index	Weight ⁽¹⁾ %
Canadian equities	S&P/TSX Capped Composite	5.0
Global equities	MSCI All Country World Index (\$C)	30.0
Global low volatility equities	MSCI All Country World Index (\$C)	15.0
Global small cap equities	MSCI All Country World Small Cap Index (\$C)	15.0
Real estate	MSCI/REALPAC Canada Quarterly Property Fund Index	15.0
Infrastructure	Canadian CPI + 5%	20.0
		<u>100.0</u>

⁽¹⁾ The current benchmark was effective November 1, 2021. Historical benchmark portfolio weights are shown in Appendix B.

(c) Asset Class Benchmarks

A secondary objective is to earn asset class returns that exceed the benchmark index for each of the asset classes in which an investment manager invests. In addition, the following value added objectives have been set, which will be monitored over rolling four-year periods.

Asset Class	Representative Index	Value added target basis points⁽¹⁾
Canadian equities	S&P/TSX Capped Composite	125
Global equities	MSCI All Country World Index (\$C)	150
Global low volatility equities	MSCI All Country World Index (\$C)	n/a
Global small cap equities	MSCI All Country World Small Cap Index (\$C)	150
Real Estate	MSCI/REALPAC Canada Quarterly Property Fund Index	n/a
Infrastructure	Canadian CPI + 5%	n/a
Private Equity	Canadian CPI + 7%	n/a
Short term investments	FTSE Canada 91-Day T-Bills	n/a

⁽¹⁾ Asset class value added targets are before fees.

The market indices referred to in this section may be changed by the Committee to match the specific investment mandates for an investment manager selected to manage the portfolio, recognizing that at all times the Fund must be managed in accordance with the asset mix guidelines set out in Section 2 and permitted and prohibited investments set out in Section 3 above.

4.04 Soft Dollars

The Fund does not use soft dollars (directed commissions) to pay for any goods or services. An investment manager may use soft dollars to pay for research and other investment-related services with disclosure to the Company, provided they comply with the Soft Dollar Standards promulgated by the CFA Institute.

4.05 Dismissal of an Investment Manager

Reasons for reviewing and considering the termination of the services of an investment manager include, but are not limited to, the following factors:

- (a) Performance results, which over a reasonable period of time, are below the stated performance benchmarks;
- (b) Changes in the overall structure of the Fund such that an investment manager's services are no longer required;
- (c) Change in personnel, firm structure and investment philosophy, style or approach which might adversely affect the potential return and/or risk level of the portfolio;
- (d) Legal or regulatory proceedings against an investment manager or its investment personnel, or any sub-advisor firm or that firm's investment personnel;
- (e) Failure to adhere to this Policy; and/or

- (f) Performance consistently falling below the median of an investment manager peer group.

4.06 Standard of Professional Conduct

An investment manager is expected to comply, at all times and in all respects, with the Code of Ethics and Standards of Professional Conduct as promulgated by the CFA Institute or such other internal code of conduct as considered acceptable by SGI. An investment manager will manage the assets with the care, diligence and skill that a prudent person skilled as a professional investment manager would use in dealing with an investment portfolio. An investment manager will also use all relevant knowledge and skill that it possesses or ought to possess as a prudent investment manager.

Section 5—Administration

5.01 Conflicts of Interest

(a) Fiduciary Responsibilities

This standard applies to Board members, members of the Committee, management advisors and all agents employed by the Company.

An agent is defined to mean a company, organization, association or individual retained by the Committee to provide services to the Company.

In carrying out their fiduciary responsibilities, these parties must act at all times in the best interest of the Company.

(b) Disclosure

In execution of their duties, Board members, Committee members, management advisors and agents shall disclose any material conflict of interest relating to them, or any material ownership of securities, which could impair their ability to render unbiased decisions as it relates to administration of the Fund.

Parties affected by this Statement shall not make any personal financial gain (direct or indirect) because of their fiduciary position. However, normal and reasonable fees and expenses incurred in the discharge of their responsibilities are permitted if documented and approved by the Committee.

Any party affected by this Statement who believes that he/she may have a conflict of interest, or who is aware of any conflict of interest, must notify the Chair of the Board and the Chair of the Committee. Disclosure should be made promptly after the affected person becomes aware of the conflict. The Chairs will decide what action is appropriate under the circumstances, but at a minimum, will table the matter at the next regularly scheduled meeting of the Committee.

No affected person who has or is required to make a disclosure which is determined to be in conflict as contemplated by this policy shall participate in any discussion, decision or vote relating to any proposed investment or transaction in respect of which he or she has made or is required to make disclosure.

No affected person shall accept a gift or gratuity or other personal favour, other than one of nominal value, from an individual or entity that the person deals with in performing responsibilities for the Company.

5.02 Related Party Transactions

The Fund may not enter into a transaction with a related party unless permitted under the *Insurance Companies Act* and *The Crown Corporations Act*, which takes into consideration the *Pension Benefits Standards Act and Regulations*.

Related party includes any officer, director or employee of the Company. It also includes the investment managers and their employees, a union representing employees of the Company, a spouse or child of the persons named previously, or a corporation that is directly or indirectly controlled by the persons named previously, among others.

Under the preceding conflict of interest guidelines, it is incumbent on any person to notify the Committee Chair if a conflict arises. Such conflict includes related party transactions.

5.03 Selecting an Investment Manager

If a new investment manager is to be selected or additional investment manager(s) added to the existing investment managers, the Committee will undertake an investment manager search. The criteria used for selecting an investment manager will be consistent with the investment and risk philosophy set out in Section 1.05 (Investment and Risk Philosophy).

5.04 Monitoring of an Investment Manager

To enable the Committee to fulfill its responsibility of monitoring and reviewing an investment manager, the investment consultant will assist the Committee, on an ongoing basis, in considering:

- (a) Investment manager's staff turnover, consistent application of investment philosophy and record of service;
- (b) Investment manager's current economic outlook and investment strategies;
- (c) Investment manager's compliance with this Policy, where a manager is required to complete and sign a compliance report; and,
- (d) Investment performance of the assets of the Fund in relation to;
 - Rate of return expectations outlined in this Policy
 - Applicable peer groups, including consideration to broad peer universes and style groups as may be applicable

5.05 Voting Rights

The Company has delegated voting rights acquired through investments to the custodian of the securities to be exercised in accordance with investment manager instructions.

An investment manager is expected to exercise all voting rights related to investments held by the Fund in the best interests of the Fund.

The Company reserves the right to direct the custodian to vote in a specified manner.

An investment manager should disclose their proxy voting policies and report annually on (1) whether all eligible proxies were voted on the Fund's behalf and (2) if the proxy voting guidelines were followed and report on any deviations.

5.06 Valuation of Investments not Regularly Traded

The following principles will apply for the valuation of investments that are not traded regularly:

(a) Equities

Average of bid-and-ask prices from two major investment dealers, at least once every calendar quarter.

(b) Bonds

Same as for equities.

(c) Mortgages

Unless in arrears, at the outstanding principal plus/minus the premium/discount resulting from the difference between the face rate and the currently available rate for a mortgage of similar quality and term, determined at least once every calendar quarter.

(d) Infrastructure

Value based on the manager(s) internal appraisal process, with ultimate values determined upon sale of assets.

(e) Real Estate

Real estate is valued at fair value as estimated by an annual independent appraisal. Real estate acquired within the year is recorded at cost, which approximates its fair value.

(f) Investment Funds

Investment fund units shall be valued by the investment manager according to the valuation policies and procedures as found in the fund's investment policy, offering memorandum or trust agreement.

(g) Others

Securities that are not publicly traded and for which no external transaction or other evidence of market value exists, will be valued at cost.

5.07 Annual Review

This policy is open to review at any time, but must be reviewed annually.

Appendix A – Compliance Reports

**Saskatchewan Auto Fund
Matching Portfolio**
Compliance Report for the Period from _____ to _____
(date) (date)

		Guidelines	Policy Complied With Yes/No*
Matching Portfolio	Asset cash flows matched in term buckets greater than 1 year within +/- 5% of liability cash flows and +/-10% of liability cash flows for the Up to 2 Years term bucket		
Constraints			
Permitted and Prohibited Investments	- Bonds and Mortgages	Only as permitted in Section 3.02 (b)	
	- Cash and Short-Term Investments	Only as permitted in Section 3.02 (c)	
	- Derivatives	Only as permitted in Section 3.02 (f)	
	- Foreign Currency Exposure	Securities denominated and payable in Canadian dollars	
Bonds	- Single Issuer	Max 10% of short-term and bond portfolio market value other than Government of Canada or a province	
	- Quality	Min "BBB" for bonds Min "AA" for asset-backed and mortgage-backed "BBB" ineligible for purchase if it would raise "BBB" or lower holdings above 15% of the market value of the bond portfolio Minimum "A" for private placement bonds	
	- Foreign Issuer	Max 10% of bond portfolio market value	
	- Concentration	Max 20% of total bond portfolio market value in any one province	
Short Term Investments	- Maximum term	One year or less	
	- Minimum Quality	"R-1" or equivalent	
	- Single Issuer	Max 10% other than Government of Canada or a province	
Investment Funds	- Compliance	Investment funds in compliance with their investment policies	
	- Disclosure	Changes to investment fund policies disclosed to SGI	
Other	- Statutory Requirements	Compliance with the <i>Insurance Companies Act (Canada)</i> and <i>The Crown Corporations Act</i>	
	- Proxy Voting	All eligible voting rights voted in best interest of Fund	
	- Soft Dollars	Manager uses Soft Dollars (yes/no)? If yes, manager complies with CFA Institute Soft Dollar Standards	
Conflicts of Interest	- Disclosure	Conflicts of interest (if any) disclosed to the Chair of the Board and Chair of the Investment Committee.	
Policy Violations	- Disclosure	All circumstances that either are or may potentially be in violation to the Statement of Investment Policies and Goals disclosed to SGI	

*If policy not complied with, comment on specifics.

I believe this to be a factual representation of compliance with the Statement of Investment Policies and Goals throughout the reporting period.

Signature and Title

TD Asset Management
Company Name

**Saskatchewan Auto Fund
Canadian Equity Management**
Compliance Report for the Period from _____ to _____
(date) (date)

Compliance Reporting

On a calendar quarterly basis, the Canadian equity fund manager, Connor, Clark and Lunn Investment Management, will complete and make available a signed compliance letter for CC&L Fundamental Canadian Equity Fund. The compliance letter should indicate whether the fund was in compliance with the internal investment fund policy guidelines through the period and confirm that any changes to the investment fund policy have been disclosed

**Saskatchewan Auto Fund
Global Equity Management
Compliance Report for the Period from _____ to _____
(date) (date)**

Compliance Reporting

On a calendar quarterly basis, the global equity fund manager, Arrowstreet Capital L.P., will complete and make available a signed compliance letter for the Arrowstreet (Canada) Global All-Country Fund II. The compliance letter should indicate whether the fund was in compliance with the internal investment fund policy guidelines through the period and confirm that any changes to the investment fund policy have been disclosed.

Compliance Reporting

On a calendar quarterly basis, the global equity fund manager, Fiera Capital Inc., will complete and make available a signed compliance letter for the Fiera Global Equity Fund. The compliance letter should indicate whether the fund was in compliance with the internal investment fund policy guidelines through the period and confirm that any changes to the investment fund policy have been disclosed.

Compliance Reporting

On a calendar quarterly basis, the global equity fund manager, Unigestion Asset Management (Canada) Inc., will complete and make available a signed compliance letter for the Unigestion Global Equities Class A Fund. The compliance letter should indicate whether the fund was in compliance with the internal investment fund policy guidelines through the period and confirm that any changes to the investment fund policy have been disclosed.

**Saskatchewan Auto Fund
Global Equity Management**

Compliance Report for the Period from _____ to _____
(date) (date)

**Saskatchewan Auto Fund
Canadian Real Estate Management
Compliance Report for the Period from _____ to _____
(date) (date)**

Compliance Reporting

On a calendar quarterly basis, the Canadian real estate fund manager, TD Asset Management, will complete and make available a signed compliance letter for TD Greystone Real Estate Fund. The compliance letter should indicate whether the fund was in compliance with the internal investment fund policy guidelines through the period and confirm that any changes to the investment fund policy have been disclosed.

**Saskatchewan Auto Fund
Global Small Cap Specialty Equity Management
Compliance Report for the Period from _____ to _____
(date) (date)**

Compliance Reporting

On a calendar quarterly basis, the global small cap equity fund manager, Invesco Canada Ltd., will complete and make available a signed compliance letter for the Invesco Global Small Equity Fund. The compliance letter should indicate whether the fund was in compliance with the internal investment fund policy guidelines through the period and confirm that any changes to the investment fund policy have been disclosed.

**Saskatchewan Auto Fund
Infrastructure Management Compliance**

Compliance Report

The infrastructure managers shall provide a letter for each Limited Partnership held by the Auto Fund, confirming compliance with the investment policies and procedures as set out in the Limited Partnership Agreement and related documents shall be periodically completed when requested by SGI. Deviations, if any, from the investment policies and procedures and explanation for such deviations, along with any changes to the investment policies and procedures shall be provided to SGI.

Appendix B – Return Seeking Portfolio Benchmark Portfolio Weights

Return Seeking Portfolio Benchmark Portfolio Weights

Return Seeking Portfolio Current Benchmark Portfolio Weights⁽¹⁾

Asset Class ⁽²⁾	Representative Index	Weight ⁽³⁾ %
Canadian equities	S&P/TSX Capped Composite	5.0
Global equities	MSCI All Country World Index (\$C)	30.0
Global low volatility equities	MSCI All Country World Index (\$C)	15.0
Global small cap equities	MSCI All Country World Small Cap Index (\$C)	15.0
Real estate	MSCI/REALPAC Canada Quarterly Property Fund Index	15.0
Infrastructure	CPI + 5%	20.0
		<u>100.0</u>

⁽¹⁾ Effective November 1, 2021

⁽²⁾ Convertible securities and preferred shares are considered to be equities in the asset mix guidelines.

⁽³⁾ Where two figures are shown, the first represents the current benchmark, while the second represents the long term target benchmark. Transition to the long term target benchmark will occur in stages; first in global low volatility equities, then incrementally as the Auto Fund's commitment to infrastructure is drawn down.

Historical Benchmark Portfolio Weights

Asset Class	Prior to Oct 1 1991	Oct 1 1991	Jan 1 1995	Aug 1 1996	Jan 1 1999	Feb 1 2003	Feb 1 2004	Jan 1 2006	Apr 1 2006	Oct 1 2006	Dec 1 2008	Oct 1 2010	Apr 1 2012	Sep 13 2013
Canadian equities	22	20	15	15	15	15	15	15	15	15	15	50	37.5	38.0
U.S. equities	5	5	5	5	5	5	5	5	5	5	5	16	15.0	15.5
NNA equities	-	-	5	5	5	5	5	5	5	5	5	16	12.5	13.0
Global SC equities	-	-	-	-	-	-	-	-	-	-	-	-	12.5	13.0
Real estate	-	-	-	2	2	2	1	1	3	5	5	16	20.0	20.5
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0
"Universe" bonds	58	55	55	58	63	32	38	69	67	65	62	-	-	-
Short-term bonds	-	-	-	-	-	31	31	-	-	-	-	-	-	-
Mortgages	-	5	5	5	-	-	-	-	-	-	5	-	-	-
Short-term investments	<u>15</u>	<u>15</u>	<u>15</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>3</u>	<u>2</u>	<u>2.5</u>	-
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100.0</u>	<u>100.0</u>

Total Fund historical benchmark weights to September 30, 2010 and Return Seeking historical benchmark weights thereafter.

SAF Response Attachment IR 1 - 46a

Asset Class	Oct 1 2013	July 1 2014	Sept 1 2014	Apr 1 2015	Apr 1 2016	Dec 1 2016	Feb 1 2017	Apr 1 2017	Dec 1 2017	Oct 1 2018
Canadian equities	38	36	34	24	23	25	22	20	23	22
U.S. equities	15.5	15.5	15.5	-	-	-	-	-	-	-
NNA equities	13.0	13.0	13.0	-	-	-	-	-	-	-
Global equities	-	-	-	42	42	42	42	42	42	42
Global SC equities	13	13	13	10	10	10	13	15	15	15
Real estate	20.5	20.5	20.5	20	20	18	18	18	15	18
Infrastructure	-	2	4	4	5	5	5	5	5	6
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Asset Class	Jan 1 2019	Aug 1 2019	Nov 1, 2019
Canadian equities	21	19	13
Global equities	42	42	42
Global low volatility equities			
Global SC equities	15	15	15
Real estate	15	15	15
Infrastructure	7	9	15
	<u>100</u>	<u>100</u>	<u>100</u>

**Statement of
Investment
Policies and
Goals**

Saskatchewan Auto
Fund

December 2022

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Section 1—Overview

1.01 Purpose of Statement

The purpose of this policy statement is to provide a framework for the prudent investment and administration of the Saskatchewan Auto Fund investment portfolio (the Fund). This policy provides an investment manager with a written statement of specific quality, quantity, and rate of return standards for the corporation's investment portfolio.

A major goal of this policy is to establish ongoing communication between Saskatchewan Government Insurance (“SGI” or the “Company”) and an investment manager. Effective communication will contribute to management of the portfolio in a manner that is consistent with market conditions and with the objectives of the Company. Consultation between the parties will take the form of regular meetings supplemented, from time to time, by informal contact requested by any of the parties.

1.02 General

The Saskatchewan Auto Fund was established to provide compulsory automobile insurance to Saskatchewan people. The Fund is self-sustaining with the objective of breaking even over the long term.

Section 87(3) of *The Automobile Accident Insurance Act* (Act) authorizes the Fund to hold property of every nature and kind.

Section 92(1) of the Act authorizes investment of monies of the Fund in:

- investments authorized for Crown corporations pursuant to *The Crown Corporations Act*, which references similar principles contained in the *Pension Benefits Standards Act and Regulations*; or
- investments authorized pursuant to Part IX of the *Insurance Companies Act (Canada)*.

The overall standard guiding investment of the portfolio is the “prudent person rule” which is set out in section 492 of the *Insurance Companies Act (Canada)*. This standard requires that investments be made in a manner that “a reasonable and prudent person would apply in respect of a portfolio of investments to avoid undue risk of loss and to obtain a reasonable return.”

Both the *Insurance Companies Act (Canada)* and the *Pension Benefits Standards Act and Regulations* follow this “prudent person portfolio approach.”

Given the structure of the Auto Fund, the quantitative restrictions included in the *Insurance Companies Act* are not applicable. However, the Auto Fund is monitored against the quantitative guidelines established by the *Pension Benefits Standards Act and Regulations*. These guidelines are:

- Maximum 10% of the market value of total assets in any one corporation or two or more affiliated corporations
- Maximum 30% of the voting shares of any one corporation

Responsibility for the investment policy rests with the Board of Directors. The Board has delegated day to day implementation and monitoring to management.

SGI has delegated its investment authority to professional investment managers to invest in accordance with this policy. In addition, a trust company has been appointed as custodian with responsibilities for safekeeping of investments, income collection, and settlement of investment transactions. The Investment Committee (Committee) of the Board makes recommendations on policy matters contained in this document and monitors the performance of the investment assets.

1.03 Nature of the Auto Fund

The Auto Fund, as the compulsory automobile insurance program for Saskatchewan residents, provides vehicle registrations, driver's licenses, the basic minimum liability insurance required to operate a vehicle and coverage for damage to or loss of an insured's vehicle, subject to a deductible. Uncertain claim levels due to driving conditions, storm activity and court awards leads to cyclical profits from underwriting activities. Due to this instability of profits from underwriting, stability from investment income is an important objective, along with safety of capital. Investment capital is used to cover policyholder liabilities.

1.04 Liability Characteristics

The Auto Fund's injury program pays for medical, rehabilitation, living assistance and income replacement benefits, which have the potential to be paid for the remaining lifetime of the most severely injured claimants, estimated as long as 55 years. The payments on current claims expected to be made later than 20 years into the future exceed \$1 billion. Such estimates have a large amount of uncertainty from inflation rates, customer rehabilitation rates, mortality rates and future benefit levels. The long-tailed nature of these injury claims results in a high overall claims duration relative to other P&C insurance companies. The most significant characteristics of the Auto Fund's assets and liabilities, which impact on the investment strategy, are:

- Unpaid claims and unearned premiums account for 93% of total liabilities. At March 31, 2022, the liability for these two items was \$2.4 billion, up from \$2.3 billion last year.
- The duration of the unpaid claims liability was approximately 9.8 years as at March 31, 2022 the same as the previous year. With the addition of expected losses in unearned premiums the duration on the total unpaid liabilities was 8.5 years (2021 – 8.4 years).
- At March 31, 2022, the market value of investments was \$3.2 billion, down from \$3.3 billion last year. As measured by the Minimum Capital Test at March 31, 2022, assets were 149% of required capital and above the operating target level of 140%.

- At March 31, 2022 the Rate Stabilization Reserve balance was at \$1.1 billion, the same as the previous year.

Projected liability cash flows up to 20 years are matched off with fixed income securities. A partial cash flow matching approach has been adopted for the portfolio which allows some diversification into equities, real estate and infrastructure in order to match longer-dated liabilities. This diversification into other asset classes serves to increase the long-term return on investment potential while controlling overall portfolio risk.

1.05 Investment and Risk Philosophy

(a) Investment Beliefs

The Policy sets out the parameters under which the Fund is managed, which are influenced by several basic assumptions about the characteristics and trends in capital markets. The key investment beliefs that shape the Policy are:

- (i) Asset allocation is the most important determining factor in the investment performance of the Fund.
- (ii) In the long term, equities will outperform bonds to compensate for their higher risk.
- (iii) Accepting mismatch risk between portfolio assets and liabilities provides an opportunity to enhance long term returns but introduces specific risks like interest rate risk, credit risk and equity market risk. A liability sensitive approach to investing reduces these risks somewhat by matching both the size and duration of claims liabilities with fixed income securities. Investing the remaining assets in asset classes with long term return expectations greater than fixed income investments provides the potential to improve overall returns.
- (iv) Market movements between asset classes are not perfectly correlated as equity, bond and other asset class portfolios respond differently to economic factors. In addition, Canadian and foreign asset classes are not perfectly correlated due to different economic environments and the underlying composition of the capital markets. As a result, diversification across different asset classes and markets offers the opportunity to improve risk-adjusted returns.
- (v) Foreign currency exposure gained from holding investments outside of Canada has historically provided diversification benefits. SGI monitors foreign currency exposure, and where seen appropriate from a risk management perspective and where cost effective, may hedge some or all of the Auto Fund's foreign currency exposure.
- (vi) The success of active management varies based on efficiency of capital markets. Where markets are efficient, the quick dissemination of information limits the ability of investment professionals to consistently add value to the broad market indices.

(b) Investment Philosophy

Fund assets should be prudently managed to assist in avoiding excessive volatility in annual rates of return.

The prudent management of investment portfolios requires that the Company adhere to investment and lending policies that a reasonable and prudent person would apply in respect of a portfolio of investments and loans to avoid undue risk of loss and obtain a reasonable return.

Assessment of the risk profile of the Fund considers the nature of the industry and liability characteristics as outlined above. Based on these factors, the Fund can assume a moderate level of investment risk (defined as the volatility of returns). Accordingly, a diversified long-term asset mix strategy which includes allocations to both liability hedging assets and return seeking assets is warranted. Further, the fixed income allocation and target benchmark indices are set with regard to the structure of the claims liabilities.

(c) Risk Philosophy

In order to achieve the long-term investment goals, the Fund must invest in assets that have uncertain returns, such as Canadian equities, foreign equities, bonds, real estate and infrastructure. Interest rate risk, one of the primary risks faced by the portfolio, is addressed by matching the size and duration of the claims liabilities with fixed income securities. Equity market risk is partially managed through diversification by sector and country. Credit risk is addressed by ensuring broad diversification by sector in high quality, investment grade securities in the Matching Portfolio but with some exposure to lower quality bonds within return seeking bond mandates.

The Fund accepts foreign currency exposure in its equity and infrastructure portfolios, as foreign currency exposure provides diversification benefits without accepting undue risk.

The Fund is invested relative to a Benchmark Portfolio. The return from the benchmark portfolio represents an achievable return for the Fund given the capital market conditions in which it is invested. The specific weights for each asset class are set based on the risk profile of the Fund. Risk profile is assessed through a detailed review of the Fund and the investment markets that considers:

- Liability structure
- Investment time horizon
- Liquidity needs
- Regulatory environment
- Other unique factors
- Historical and prospective risk (volatility) and return of various asset classes and benchmark portfolios.

Section 2—Asset Mix Policy

2.01 Asset Mix

The following guidelines are based on the total market value of each of the investment portfolios. The Committee may consider and approve temporary deviations from these guidelines, or other policy constraints, based on changing market conditions and/or investment manager requests. Should an investment manager wish to deviate from these guidelines or the quantity and quality guidelines, or revise them, a written request will be forwarded to the Company.

(a) Matching Portfolio

The Matching Portfolio will be constructed to match the anticipated liability cash flows as provided by SGI to an investment manager from time to time. Annual estimated liability cash flows will be supplied from 0 through 20 years. (Liability cash flows beyond the Matching Portfolio will be backed by the Return Seeking Portfolio which is outlined next). The Matching Portfolio will be constructed to match the liability cash flows in the following term groupings (buckets):

Liability Cash Flow Buckets*

Up to 2 years (short-term investments)
 Over 2 years to 5 years
 Over 5 years to 10 years
 Over 10 years to 15 years
 Over 15 years to 20 years (or as far out as assets allow)

* For Liability Cash Flow Buckets with terms over 2 years, asset cash flows are to be matched to within +/- 5% of the estimated liability cash flow for each bucket. The Up to 2 years Liability Cash Flow Bucket, is to be matched to within +/- 10% of the estimated liability cash flow for the bucket.

The Matching Portfolio will be comprised of:

- Short-term investments and cash, subject to a minimum balance of \$20 million;
- Bonds of Canadian issuers; and
- Mortgages, to a maximum of 20% of the Matching Portfolio (distributions from the Mortgage Investment Fund are to be received as cash in the Matching Portfolio).

(b) Return Seeking Portfolio

	Minimum %	Benchmark ⁽²⁾ %	Maximum %
Canadian equities	3.0	5.0	7.0
Global equities	20.0	30.0	40.0
Global low volatility equities	10.0	15.0	20.0
Global small cap equities	7.5	12.5	17.5
Foreign equities	<u>42.5</u>	<u>57.5</u>	<u>72.5</u>
Total equities ⁽¹⁾	47.5	62.5	72.5
Return Seeking Bonds	0.0/2.5	0.0/5.0	0.0/7.5
Real estate	10.0/7.5	15.0/12.5	20.0/17.5
Infrastructure	10.0	<u>20.0</u>	30.0
Opportunistic ⁽³⁾	0.0	<u>0.0</u>	4.0
Cash and Short Term Investments	0.0	<u>0.0</u>	5.0
		100	

⁽¹⁾ Convertible securities and preferred shares are considered to be equities in the asset mix guidelines.

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⁽²⁾ The current benchmark was effective November 1, 2021. Where two figures are shown, the first represents the current benchmark, while the second represents the long term target benchmark.

⁽³⁾ Investment in Saskatchewan-based investment funds

The Return Seeking Portfolio is managed under a specialist structure, where each asset class is a separate mandate. It is expected that each asset class would be fully invested with cash and short term investments not to exceed 10% of the market value of the asset class.

Cash and Short Term Investments held in the Return Seeking Portfolio are to assist with normal cash flow requirements including capital calls and distributions of real asset mandates and quarterly rebalancing.

The Return Seeking Portfolio is currently undergoing a transition to the long term target asset mix and investment manager structure.

(c) Global Equity Rebalancing

The Return Seeking Portfolio uses two managers that have different but complementary styles. Each manager has a current benchmark weight of 15%. The permissible range for each manager is, +/-5% of their benchmark weight. Rebalancing between the global equity managers shall be consistent with the cash flow and rebalancing policy set out in Section 2.01(e). This policy does not apply to the global low volatility equity manager.

(d) Cash Flow and Rebalancing

Cash generated in each of the Matching and Return Seeking Portfolios will typically be reinvested in those portfolios, while net external cash flows will

typically be drawn from or invested in the Matching Portfolio. SGI shall, however, exercise judgment in allocating and drawing cash flows based on:

- i) the magnitude of the cash flow;
- ii) liquidity considerations;
- iii) transaction cost considerations;
- iv) the necessity to rebalance assets between the Matching Portfolio and the Return Seeking Portfolio;
- v) the necessity to rebalance assets within the Return Seeking Portfolio; and
- vi) in order to meet cash commitments related to investment in any new asset class that may be introduced to the benchmark.

Unless otherwise instructed, external cash flows in the Matching Portfolio will be invested in, or drawn from, the short-term investment (up to two years) bucket.

The Matching Portfolio will be rebalanced, as necessary, in conjunction with the Auto Fund's quarterly actuarial valuations, to align the asset cash flows with the revised liability cash flows and to allocate assets between the Matching and Return Seeking Portfolios.

For the Return Seeking Portfolio, the assets allocated to each manager will be reviewed subsequent to each month end. Should any manager's range be breached, SGI Management will initiate a rebalancing and advise the Investment Committee of the rebalancing at its next meeting.

Section 3—Permitted and Prohibited Investments

3.01 General Investment Guidelines

The investments must comply with the requirements and restrictions imposed by the applicable legislation, including but not limited to, the *Insurance Companies Act (Canada)* and *The Crown Corporations Act*.

3.02 Permitted Investments

Provisions respecting permitted investments as may be applicable for each of the Matching and Return Seeking Portfolios are outlined in this section. In general, and subject to Section 3.04 and the restrictions in Section 2 and 3, an investment manager may, within its mandate, invest the investment assets in the following asset classes and any of the investment instruments listed below.

(a) Canadian and Foreign Equities

- (i) Equity securities traded through a marketplace, as well as listed equity substitutes that are convertible into equities traded through those same marketplaces.
- (ii) Unlisted equity securities, such as private placement equities, where the investment manager determines the security will become eligible for trading through a marketplace within a reasonable and defined timeframe, not to exceed six months, and the issuing company is publicly listed through a marketplace.

(b) Bonds, Mortgages and Real Estate

- (i) Nominal and real return bonds, debentures, notes, and other evidence of indebtedness denominated and payable in Canadian dollars. Issuers may be Canadian, supranational or foreign if domiciled in developed markets.
- (ii) Mortgages on income producing commercial property and multi-unit residential properties in Canada, held in investment funds deemed permissible by the Board.
- (iii) Term deposits and guaranteed investment certificates.
- (iv) Private placements of bonds subject to Section 3.03.
- (v) Real Estate investment fund units subject to 3.03(f).

(c) Cash and Short-Term Investments

- (i) Cash on hand and demand deposits.

- (ii) Treasury bills issued by the federal and provincial governments and their agencies.
- (iii) Obligations of trust companies and Canadian and foreign banks chartered to operate in Canada, including bankers' acceptances.
- (iv) Commercial paper and term deposits.
- (v) Non-bank asset backed commercial paper is not permitted.

(d) Infrastructure

- (i) Indirect infrastructure investment via independently managed investment funds, limited partnerships or specialist corporate structures (eg. Limited Liability Companies; LLCs). The mandate of each fund, partnership or corporate structure will vary with the long-term goal of assembling a diversified portfolio.
- (ii) Permitted and prohibited investments in infrastructure will be governed by the terms and conditions set out in the respective investment fund contract, Offering Memorandum, Trust Agreement or similar document that is applicable to each Investment Manager.

(e) Other Investments

- (i) Investments in open-or closed-ended investment funds provided that the assets of such funds are permissible investments under the Policy.
- (ii) Deposit accounts of the custodian can be used to invest surplus cash holdings.

(f) Derivatives

The use of derivatives (such as options, futures and forward contracts) is permitted with prior approval by the Committee to protect against losses from changes in exchange rates, interest rates and market indices; and for non-hedging purposes, as a substitute for direct investment. Sufficient assets or cash must be held to cover commitments due to the derivatives transactions. No derivatives can be used for speculative trading or to create a portfolio with leverage. Derivative use in investment funds is subject to the investment fund guidelines.

(g) Investment Funds

Investment in investment funds is permissible.

Investment funds are governed by the policies for each fund. The Committee shall review the guidelines for any investment fund investment to determine if they are appropriate. Any change to the investment fund policy shall be communicated to the Company at least 30 days prior to the change. However, the managers will endeavor to provide 90 days' notice of material change to the policy.

3.03 Minimum Quality and Quantity Guidelines

Provisions respecting quality and quantity guidelines as may be applicable for each of the Matching and Return Seeking Portfolios are outlined in this section.

Investments of any kind (stocks, bonds, real estate, mortgages, short term investments) of any one issuer in the aggregate (other than the Government of Canada or a Canadian province) should not exceed 10% of the market value of the related Matching or Return Seeking portfolio.

(a) Capital Stock

- (i) An investment manager is expected to maintain a relatively high quality portfolio. In general, investments should be limited to stocks that are publicly traded through a marketplace.
- (ii) No single issuer's equities, private or public, shall represent more than 10% of the market value of each equity portfolio managed on a segregated basis.
- (iii) No one holding can represent more than 10% of the voting shares of any corporation, except for substantial investments, as defined by the *Insurance Companies Act* (no substantial investments can be made without prior approval).
- (iv) Total private placement equities shall not exceed 10% of the equity portfolio market value at the time of purchase.
- (v) As well, in accordance with subsection 9(3) of Schedule III of the regulations of the *Pension Benefits Standards Act*, the 10% limit referred to in the preceding paragraph does not apply to investments in an investment corporation, real estate corporation or resource corporation.
- (vi) Investments in equities may be held in an investment fund vehicle, subject to 3.02(e)(i) and 3.02(g). The investment guidelines of the investment fund, as updated from time to time, shall be disclosed to SGI.
- (vii) The minimum quality standard for individual preferred shares is P-1 or equivalent, as rated by a recognized credit rating service at the time of purchase.

(b) Bonds

Excluding the Return Seeking Bond mandate, which is subject to the guidelines and restrictions noted in that fund's policy, the following restrictions apply:

- (i) The minimum quality standard for purchase of bonds and debentures is "BBB" or equivalent rating, as rated by a recognized credit rating service (includes all sub-rating levels within the overall "BBB" rating). In cases where the credit rating services do not agree on the credit rating of an

issue, the rating is classified in accordance with the rules established by FTSE Russell for the FTSE Canada Universe and Maple Bond Indexes.

- (ii) “BBB” bonds may not be purchased if it would result in raising holdings rated “BBB” or lower to more than 15% of the market value of the bond portfolio.
- (iii) An investment manager will take the following steps in the event of a downgrade in the credit rating of a portfolio asset by a recognized bond rating agency to below the purchase standards set out in Section 3.03(b)(i):
 - (A) The Company will be notified of the downgrade at the earliest possible opportunity;
 - (B) Within five business days of the downgrade, an investment manager will advise the Company in writing of the course of action taken or to be taken by the investment manager, and its rationale; and
 - (C) An investment manager will provide regular reporting on the status of the asset until such time as it matures, is sold or is upgraded to a level consistent with the purchase quality standards as expressed in the above guidelines.
- (iv) An investment manager shall report to the Company, along with the recommended strategy for bringing the portfolio into line with the policy restrictions, should the total exposure to “BBB” or lower bonds move above 15% of the market value of the bond portfolio.
- (v) The minimum quality rating for mortgage backed and asset backed securities is “AA” or equivalent.
- (vi) Unrated bonds should be assigned a rating by an investment manager before purchase.
- (vii) No more than 10% of the market value of the bond portfolio shall be invested in bonds of foreign issuers.
- (viii) Holdings for any one issuer, other than the Government of Canada or a province, should not exceed 10% of the market value of the bond investment portfolio.
- (ix) Holdings for any one province should not exceed 20% of the market value of the bond portfolio.

(c) Rating Agencies

For the purposes of this Policy, the following rating agencies shall be considered to be ‘recognized bond rating agencies’:

- (i) DBRS Morningstar;
- (ii) S&P Global Ratings;
- (iii) Moody's Investors Services; and
- (iv) Fitch Ratings

(d) Split Ratings

In cases where the Recognized Bond Rating Agencies do not agree on the credit rating, the bond will be classified in accordance with the rules established by FTSE Russell for the FTSE Canada Universe and Maple Bond Indexes.

(e) Mortgages

Investments in mortgages are held in an investment fund vehicle subject to 3.02 (e)(i) and 3.02 (g). The investment guidelines of the investment fund, as updated from time to time, shall be disclosed to SGI.

(f) Real Estate

When considering investment in real estate investment funds, the following are attributes favoured by the Company:

- (i) Canadian real estate capable of yielding overall rates of return in excess of current and projected levels of inflation in the long term.
- (ii) A portfolio capable of providing a stable long term income flow.

(g) Infrastructure

When considering investment in infrastructure investment funds, the following are attributes favoured by the Company:

- (i) Global infrastructure capable of yielding overall rates of return in excess of current and projected levels of inflation in the long term.
- (ii) A portfolio capable of providing a stable, long term income flow.

(h) Short Term Investments

- (i) Short-term investments for the purpose of this Statement are defined as securities purchased with a maturity of one year or less.
- (ii) It is anticipated that an investment manager will invest only in instruments of the highest quality. Securities with an "R-1" or equivalent rating, as rated by a recognized credit rating service, are permissible investments (includes all sub-rating levels within the overall "R-1" rating).
- (iii) Holdings for any one issuer, other than the Government of Canada or a Canadian province, should not exceed 10% of the market value of the short-term investment portfolio in the Matching Portfolio, and 10% of the market value of the short-term investment portfolio in each equity mandate of, and overall, within the Return Seeking Portfolio, excluding overnight term deposits.

(i) Exceptions

When applying the Quality and Quantity Guidelines, it is recognized that there may be occasions during which these guidelines are not met temporarily for valid investment reasons. It is the responsibility of an investment manager to report any violations to the Company immediately, and to recommend an appropriate course of action.

3.04 Prior Permission Required

The following investments are permitted provided that prior permission for such investments has been obtained from the Committee:

- (a) Investments in private placement equities, other than those permitted in Section 3.02 (a)(ii);
- (b) Derivatives, as per Section 3.02(f) above;
- (c) Any other investments not expressly permitted by this policy statement.

3.05 Prohibited Investments

An investment manager shall not:

- (a) Directly invest in companies for the purpose of managing them;
- (b) Purchase securities on margin or engage in short sales, except as allowed in 3.02(f); or,
- (c) Make any investment not specifically permitted by this Policy.

3.06 Securities Lending

The investments of the assets may be loaned, for the purpose of generating revenue for the Fund assets, subject to the provisions of the applicable legislation.

Such loans must be secured by cash and/or readily marketable government bonds, treasury bills and/or letters of credit, discount notes and banker's acceptances of Canadian chartered banks. The amount of collateral taken for securities lending should reflect best practices in local markets. In Canada, the current market practice is to obtain collateral of at least 102% of the market value of the securities lent. This market relationship must be calculated at least daily.

If the assets are invested in an investment fund, security lending will be governed by the terms and conditions set out in the investment fund contract. The investment fund manager shall disclose whether the fund uses securities lending.

Section 4—Monitoring and Control

4.01 Responsibility of an Investment Manager

The overall responsibility of an investment manager is to provide competitive returns over time, measured against specified market-oriented standards.

An investment manager will have full discretion in managing the portfolio subject to the general guidelines presented in this policy statement, and any amendments, that may be made from time to time, by SGI's Board of Directors.

An investment manager will report to SGI as requested by the Company. The meetings will allow the managers to report on investment performance, and to advise the Company of the investment strategy that is being followed, and any changes in the strategy.

An investment manager should, within 30 business days of each quarter-end, forward a written report to the Company each quarter on the performance of the assets under management and on the firm's investment outlook.

An investment manager will notify the Board immediately, in writing, of any legal or regulatory proceedings or charges of which the manager may be aware, against the manager's firm or investment personnel, or against any sub-advisor or that firm's investment personnel.

The investment standards outlined in this policy statement provide a framework for management of the portfolio within levels of risk acceptable to the Company. If a manager believes the Asset Mix Guidelines are inappropriate for anticipated economic conditions, the manager is responsible for advising the Company that a change in guidelines is desirable, and the reasons therefore.

4.02 Compliance Reporting

A report on compliance with the investment policy, directed to Management, will be completed quarterly. The report format is included as part of this policy. The Company must be notified immediately of any deviation from the investment policy.

4.03 Performance Measurement

Investment results will be monitored on a quarterly basis. Performance will be evaluated over moving four-year periods.

Return objectives include realized and unrealized capital gains and losses plus income from all sources. Investment returns are measured on a time-weighted basis.

(a) Matching Portfolio Benchmark

The primary objective is to exceed the return of the least risk portfolio (LRP). The LRP is a portfolio of investable federal government bonds, meeting the quality and quantity guidelines set out in this policy, structured to match the annual liability cash flows as calculated by SGI and provided to an investment manager from time to time. A hurdle rate will be added to the return of the LRP based on the average yield spread for a portfolio constructed with an approximate weight of 1/3 in each of the federal, provincial and corporate sectors. It is expected that the structure of the LRP will change up to three times per year as updated cash flows are provided based on quarterly actuarial valuations.

(b) Return Seeking Portfolio Benchmark

The primary objective is to outperform a benchmark portfolio consisting of the following market index total returns weighted as follows:

Asset Class	Representative Index	Weight ⁽¹⁾ %
Canadian equities	S&P/TSX Capped Composite	5.0
Global equities	MSCI All Country World Index (\$C)	30.0
Global low volatility equities	MSCI All Country World Index (\$C)	15.0
Global small cap equities	MSCI All Country World Small Cap Index (\$C)	15.0/12.5
Return Seeking Bonds	FTSE Canada 91 Day T-Bills + 3.0%	0.0/5.0
Real estate	MSCI/REALPAC Canada Quarterly Property Fund Index	15.0/12.5
Infrastructure	Canadian CPI + 5%	20.0
		<u>100.0</u>

⁽¹⁾ The current benchmark was effective November 1, 2021. Where two figures are shown, the first represents the current benchmark, while the second represents the long term target benchmark. Historical benchmark portfolio weights are shown in Appendix B.

(c) Asset Class Benchmarks

A secondary objective is to earn asset class returns that exceed the benchmark index for each of the asset classes in which an investment manager invests. In addition, the following value added objectives have been set, which will be monitored over rolling four-year periods.

Asset Class	Representative Index	Value added target basis points⁽¹⁾
Canadian equities	S&P/TSX Capped Composite	125
Global equities	MSCI All Country World Index (\$C)	150
Global low volatility equities	MSCI All Country World Index (\$C)	n/a
Global small cap equities	MSCI All Country World Small Cap Index (\$C)	150
Return Seeking Bonds	FTSE Canada 91 Day T-Bills + 3.0%	n/a
Real Estate	MSCI/REALPAC Canada Quarterly Property Fund Index	n/a
Infrastructure	Canadian CPI + 5%	n/a
Private Equity	Canadian CPI + 7%	n/a
Short term investments	FTSE Canada 91-Day T-Bills	n/a

⁽¹⁾ Asset class value added targets are before fees.

The market indices referred to in this section may be changed by the Committee to match the specific investment mandates for an investment manager selected to manage the portfolio, recognizing that at all times the Fund must be managed in accordance with the asset mix guidelines set out in Section 2 and permitted and prohibited investments set out in Section 3 above.

4.04 Soft Dollars

The Fund does not use soft dollars (directed commissions) to pay for any goods or services. An investment manager may use soft dollars to pay for research and other investment-related services with disclosure to the Company, provided they comply with the Soft Dollar Standards promulgated by the CFA Institute.

4.05 Dismissal of an Investment Manager

Reasons for reviewing and considering the termination of the services of an investment manager include, but are not limited to, the following factors:

- (a) Performance results, which over a reasonable period of time, are below the stated performance benchmarks;
- (b) Changes in the overall structure of the Fund such that an investment manager's services are no longer required;
- (c) Change in personnel, firm structure and investment philosophy, style or approach which might adversely affect the potential return and/or risk level of the portfolio;
- (d) Legal or regulatory proceedings against an investment manager or its investment personnel, or any sub-advisor firm or that firm's investment personnel;

- (e) Failure to adhere to this Policy; and/or
- (f) Performance consistently falling below the median of an investment manager peer group.

4.06 Standard of Professional Conduct

An investment manager is expected to comply, at all times and in all respects, with the Code of Ethics and Standards of Professional Conduct as promulgated by the CFA Institute or such other internal code of conduct as considered acceptable by SGI. An investment manager will manage the assets with the care, diligence and skill that a prudent person skilled as a professional investment manager would use in dealing with an investment portfolio. An investment manager will also use all relevant knowledge and skill that it possesses or ought to possess as a prudent investment manager.

Section 5—Administration

5.01 Conflicts of Interest

(a) Fiduciary Responsibilities

This standard applies to Board members, members of the Committee, management advisors and all agents employed by the Company.

An agent is defined to mean a company, organization, association or individual retained by the Committee to provide services to the Company.

In carrying out their fiduciary responsibilities, these parties must act at all times in the best interest of the Company.

(b) Disclosure

In execution of their duties, Board members, Committee members, management advisors and agents shall disclose any material conflict of interest relating to them, or any material ownership of securities, which could impair their ability to render unbiased decisions as it relates to administration of the Fund.

Parties affected by this Statement shall not make any personal financial gain (direct or indirect) because of their fiduciary position. However, normal and reasonable fees and expenses incurred in the discharge of their responsibilities are permitted if documented and approved by the Committee.

Any party affected by this Statement who believes that he/she may have a conflict of interest, or who is aware of any conflict of interest, must notify the Chair of the Board and the Chair of the Committee. Disclosure should be made promptly after the affected person becomes aware of the conflict. The Chairs will decide what action is appropriate under the circumstances, but at a minimum, will table the matter at the next regularly scheduled meeting of the Committee.

No affected person who has or is required to make a disclosure which is determined to be in conflict as contemplated by this policy shall participate in any discussion, decision or vote relating to any proposed investment or transaction in respect of which he or she has made or is required to make disclosure.

No affected person shall accept a gift or gratuity or other personal favour, other than one of nominal value, from an individual or entity that the person deals with in performing responsibilities for the Company.

5.02 Related Party Transactions

The Fund may not enter into a transaction with a related party unless permitted under the *Insurance Companies Act* and *The Crown Corporations Act*, which takes into consideration the *Pension Benefits Standards Act and Regulations*.

Related party includes any officer, director or employee of the Company. It also includes the investment managers and their employees, a union representing employees of the Company, a spouse or child of the persons named previously, or a corporation that is directly or indirectly controlled by the persons named previously, among others.

Under the preceding conflict of interest guidelines, it is incumbent on any person to notify the Committee Chair if a conflict arises. Such conflict includes related party transactions.

5.03 Selecting an Investment Manager

If a new investment manager is to be selected or additional investment manager(s) added to the existing investment managers, the Committee will undertake an investment manager search. The criteria used for selecting an investment manager will be consistent with the investment and risk philosophy set out in Section 1.05 (Investment and Risk Philosophy).

5.04 Monitoring of an Investment Manager

To enable the Committee to fulfill its responsibility of monitoring and reviewing an investment manager, the investment consultant will assist the Committee, on an ongoing basis, in considering:

- (a) Investment manager's staff turnover, consistent application of investment philosophy and record of service;
- (b) Investment manager's current economic outlook and investment strategies;
- (c) Investment manager's compliance with this Policy, where a manager is required to complete and sign a compliance report; and,
- (d) Investment performance of the assets of the Fund in relation to;
 - Rate of return expectations outlined in this Policy
 - Applicable peer groups, including consideration to broad peer universes and style groups as may be applicable

5.05 Voting Rights

The Company has delegated voting rights acquired through investments to the custodian of the securities to be exercised in accordance with investment manager instructions.

An investment manager is expected to exercise all voting rights related to investments held by the Fund in the best interests of the Fund.

The Company reserves the right to direct the custodian to vote in a specified manner.

An investment manager should disclose their proxy voting policies and report annually on (1) whether all eligible proxies were voted on the Fund's behalf and (2) if the proxy voting guidelines were followed and report on any deviations.

5.06 Valuation of Investments not Regularly Traded

The following principles will apply for the valuation of investments that are not traded regularly:

(a) Equities

Average of bid-and-ask prices from two major investment dealers, at least once every calendar quarter.

(b) Bonds

Same as for equities.

(c) Mortgages

Unless in arrears, at the outstanding principal plus/minus the premium/discount resulting from the difference between the face rate and the currently available rate for a mortgage of similar quality and term, determined at least once every calendar quarter.

(d) Infrastructure

Value based on the manager(s) internal appraisal process, with ultimate values determined upon sale of assets.

(e) Real Estate

Real estate is valued at fair value as estimated by an annual independent appraisal. Real estate acquired within the year is recorded at cost, which approximates its fair value.

(f) Investment Funds

Investment fund units shall be valued by the investment manager according to the valuation policies and procedures as found in the fund's investment policy, offering memorandum or trust agreement.

(g) Others

Securities that are not publicly traded and for which no external transaction or other evidence of market value exists, will be valued at cost.

5.07 Annual Review

This policy is open to review at any time, but must be reviewed annually.

Appendix A – Compliance Reports

**Saskatchewan Auto Fund
Matching Portfolio**
Compliance Report for the Period from _____ to _____
(date) (date)

		Guidelines	Policy Complied With Yes/No*
Matching Portfolio	Asset cash flows matched in term buckets greater than 1 year within +/- 5% of liability cash flows and +/-10% of liability cash flows for the Up to 2 Years term bucket		
Constraints			
Permitted and Prohibited Investments	- Bonds and Mortgages	Only as permitted in Section 3.02 (b)	
	- Cash and Short-Term Investments	Only as permitted in Section 3.02 (c)	
	- Derivatives	Only as permitted in Section 3.02 (f)	
	- Foreign Currency Exposure	Securities denominated and payable in Canadian dollars	
Bonds	- Single Issuer	Max 10% of short-term and bond portfolio market value other than Government of Canada or a province	
	- Quality	Min "BBB" for bonds Min "AA" for asset-backed and mortgage-backed "BBB" ineligible for purchase if it would raise "BBB" or lower holdings above 15% of the market value of the bond portfolio Minimum "A" for private placement bonds	
	- Foreign Issuer	Max 10% of bond portfolio market value	
	- Concentration	Max 20% of total bond portfolio market value in any one province	
Short Term Investments	- Maximum term	One year or less	
	- Minimum Quality	"R-1" or equivalent	
	- Single Issuer	Max 10% other than Government of Canada or a province	
Investment Funds	- Compliance	Investment funds in compliance with their investment policies	
	- Disclosure	Changes to investment fund policies disclosed to SGI	
Other	- Statutory Requirements	Compliance with the <i>Insurance Companies Act (Canada)</i> and <i>The Crown Corporations Act</i>	
	- Proxy Voting	All eligible voting rights voted in best interest of Fund	
	- Soft Dollars	Manager uses Soft Dollars (yes/no)? If yes, manager complies with CFA Institute Soft Dollar Standards	
Conflicts of Interest	- Disclosure	Conflicts of interest (if any) disclosed to the Chair of the Board and Chair of the Investment Committee.	
Policy Violations	- Disclosure	All circumstances that either are or may potentially be in violation to the Statement of Investment Policies and Goals disclosed to SGI	

*If policy not complied with, comment on specifics.

I believe this to be a factual representation of compliance with the Statement of Investment Policies and Goals throughout the reporting period.

TD Asset Management

Company Name

Signature and Title

**Saskatchewan Auto Fund
Canadian Equity Management**
Compliance Report for the Period from _____ to _____
(date) (date)

Compliance Reporting

On a calendar quarterly basis, the Canadian equity fund manager, Connor, Clark and Lunn Investment Management, will complete and make available a signed compliance letter for CC&L Fundamental Canadian Equity Fund. The compliance letter should indicate whether the fund was in compliance with the internal investment fund policy guidelines through the period and confirm that any changes to the investment fund policy have been disclosed.

**Saskatchewan Auto Fund
Global Equity Management**
Compliance Report for the Period from _____ to _____
(date) (date)

Compliance Reporting

On a calendar quarterly basis, the global equity fund manager, Arrowstreet Capital L.P., will complete and make available a signed compliance letter for the Arrowstreet (Canada) Global All-Country Fund II. The compliance letter should indicate whether the fund was in compliance with the internal investment fund policy guidelines through the period and confirm that any changes to the investment fund policy have been disclosed.

Compliance Reporting

On a calendar quarterly basis, the global equity fund manager, Fiera Capital Inc., will complete and make available a signed compliance letter for the Fiera Global Equity Fund. The compliance letter should indicate whether the fund was in compliance with the internal investment fund policy guidelines through the period and confirm that any changes to the investment fund policy have been disclosed.

Compliance Reporting

On a calendar quarterly basis, the global equity fund manager, Unigestion Asset Management (Canada) Inc., will complete and make available a signed compliance letter for the Unigestion Global Equities Class A Fund. The compliance letter should indicate whether the fund was in compliance with the internal investment fund policy guidelines through the period and confirm that any changes to the investment fund policy have been disclosed.

**Saskatchewan Auto Fund
Canadian Real Estate Management
Compliance Report for the Period from _____ to _____
(date) (date)**

Compliance Reporting

On a calendar quarterly basis, the Canadian real estate fund manager, TD Asset Management, will complete and make available a signed compliance letter for TD Greystone Real Estate Fund. The compliance letter should indicate whether the fund was in compliance with the internal investment fund policy guidelines through the period and confirm that any changes to the investment fund policy have been disclosed.

**Saskatchewan Auto Fund
Global Small Cap Specialty Equity Management
Compliance Report for the Period from _____ to _____
(date) (date)**

Compliance Reporting

On a calendar quarterly basis, the global small cap equity fund manager, Invesco Canada Ltd., will complete and make available a signed compliance letter for the Invesco Global Small Equity Fund. The compliance letter should indicate whether the fund was in compliance with the internal investment fund policy guidelines through the period and confirm that any changes to the investment fund policy have been disclosed.

**Saskatchewan Auto Fund
Infrastructure Management Compliance**

Compliance Reporting

The infrastructure managers shall provide a letter for each Limited Partnership held by the Auto Fund, confirming compliance with the investment policies and procedures as set out in the Limited Partnership Agreement and related documents shall be periodically completed when requested by SGI. Deviations, if any, from the investment policies and procedures and explanation for such deviations, along with any changes to the investment policies and procedures shall be provided to SGI.

**Saskatchewan Auto Fund
Return Seeking Bond Compliance**

Compliance Reporting

On a calendar quarterly basis, the return seeking bond manager will complete and make available a signed compliance letter for the Fund. The compliance letter should indicate whether the fund was in compliance with the internal investment fund policy guidelines through the period and confirm that any changes to the investment fund policy have been disclosed.

Appendix B – Return Seeking Portfolio Benchmark Portfolio Weights

Return Seeking Portfolio Benchmark Portfolio Weights

Return Seeking Portfolio Current Benchmark Portfolio Weights⁽¹⁾

Asset Class ⁽²⁾	Representative Index	Weight ⁽³⁾ %
Canadian equities	S&P/TSX Capped Composite	5.0
Global equities	MSCI All Country World Index (\$C)	30.0
Global low volatility equities	MSCI All Country World Index (\$C)	15.0
Global small cap equities	MSCI All Country World Small Cap Index (\$C)	15.0/12.5
Return Seeking Bonds	FTSE Canada 91 Day T-Bills + 3.0%	0.0/5.0
Real estate	MSCI/REALPAC Canada Quarterly Property Fund Index	15.0/12.5
Infrastructure	CPI + 5%	20.0
		<u>100.0</u>

⁽¹⁾ Effective November 1, 2021

⁽²⁾ Convertible securities and preferred shares are considered to be equities in the asset mix guidelines.

⁽³⁾ Where two figures are shown, the first represents the current benchmark, while the second represents the long term target benchmark..

Historical Benchmark Portfolio Weights

Asset Class	Prior to Oct 1 1991	Oct 1 1991	Jan 1 1995	Aug 1 1996	Jan 1 1999	Feb 1 2003	Feb 1 2004	Jan 1 2006	Apr 1 2006	Oct 1 2006	Dec 1 2008	Oct 1 2010	Apr 1 2012	Sep 13 2013
Canadian equities	22	20	15	15	15	15	15	15	15	15	15	50	37.5	38.0
U.S. equities	5	5	5	5	5	5	5	5	5	5	5	16	15.0	15.5
NNA equities	-	-	5	5	5	5	5	5	5	5	5	16	12.5	13.0
Global SC equities	-	-	-	-	-	-	-	-	-	-	-	-	12.5	13.0
Real estate	-	-	-	2	2	2	1	1	3	5	5	16	20.0	20.5
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0
"Universe" bonds	58	55	55	58	63	32	38	69	67	65	62	-	-	-
Short-term bonds	-	-	-	-	-	31	31	-	-	-	-	-	-	-
Mortgages	-	5	5	5	-	-	-	-	-	-	5	-	-	-
Short-term investments	<u>15</u>	<u>15</u>	<u>15</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>3</u>	<u>2</u>	<u>2.5</u>	-
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100.0</u>	<u>100.0</u>

Total Fund historical benchmark weights to September 30, 2010 and Return Seeking historical benchmark weights thereafter.

SAF Response Attachment IR 1 - 46a

Asset Class	Oct 1 2013	July 1 2014	Sept 1 2014	Apr 1 2015	Apr 1 2016	Dec 1 2016	Feb 1 2017	Apr 1 2017	Dec 1 2017	Oct 1 2018
Canadian equities	38	36	34	24	23	25	22	20	23	22
U.S. equities	15.5	15.5	15.5	-	-	-	-	-	-	-
NNA equities	13.0	13.0	13.0	-	-	-	-	-	-	-
Global equities	-	-	-	42	42	42	42	42	42	42
Global SC equities	13	13	13	10	10	10	13	15	15	15
Real estate	20.5	20.5	20.5	20	20	18	18	18	15	18
Infrastructure	-	2	4	4	5	5	5	5	5	6
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Asset Class	Jan 1 2019	Aug 1 2019	Nov 1, 2019
Canadian equities	21	19	13
Global equities	42	42	42
Global low volatility equities			
Global SC equities	15	15	15
Real estate	15	15	15
Infrastructure	7	9	15
	<u>100</u>	<u>100</u>	<u>100</u>

**Statement of
Investment
Policies and
Goals**

Saskatchewan Auto
Fund

December 2023

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Section 1—Overview

1.01 Purpose of Statement

The purpose of this policy statement is to provide a framework for the prudent investment and administration of the Saskatchewan Auto Fund investment portfolio (the Fund). This policy provides an investment manager with a written statement of specific quality, quantity, and rate of return standards for the corporation's investment portfolio.

A major goal of this policy is to establish ongoing communication between Saskatchewan Government Insurance (“SGI” or the “Company”) and an investment manager. Effective communication will contribute to management of the portfolio in a manner that is consistent with market conditions and with the objectives of the Company. Consultation between the parties will take the form of regular meetings supplemented, from time to time, by informal contact requested by any of the parties.

1.02 General

The Saskatchewan Auto Fund was established to provide compulsory automobile insurance to Saskatchewan people. The Fund is self-sustaining with the objective of breaking even over the long term.

Section 87(3) of *The Automobile Accident Insurance Act* (Act) authorizes the Fund to hold property of every nature and kind.

Section 92(1) of the Act authorizes investment of monies of the Fund in:

- investments authorized for Crown corporations pursuant to *The Crown Corporations Act*, which references similar principles contained in the *Pension Benefits Standards Act and Regulations*; or
- investments authorized pursuant to Part IX of the *Insurance Companies Act (Canada)*.

The overall standard guiding investment of the portfolio is the “prudent person rule” which is set out in section 492 of the *Insurance Companies Act (Canada)*. This standard requires that investments be made in a manner that “a reasonable and prudent person would apply in respect of a portfolio of investments to avoid undue risk of loss and to obtain a reasonable return.”

Both the *Insurance Companies Act (Canada)* and the *Pension Benefits Standards Act and Regulations* follow this “prudent person portfolio approach.”

Given the structure of the Auto Fund, the quantitative restrictions included in the *Insurance Companies Act* are not applicable. However, the Auto Fund is monitored against the quantitative guidelines established by the *Pension Benefits Standards Act and Regulations*. These guidelines are:

- Maximum 10% of the market value of total assets in any one corporation or two or more affiliated corporations
- Maximum 30% of the voting shares of any one corporation

Responsibility for the investment policy rests with the Board of Directors. The Board has delegated day to day implementation and monitoring to management.

SGI has delegated its investment authority to professional investment managers to invest in accordance with this policy. In addition, a trust company has been appointed as custodian with responsibilities for safekeeping of investments, income collection, and settlement of investment transactions. The Investment and Lending Committee (Committee) of the Board makes recommendations on policy matters contained in this document and monitors the performance of the investment assets.

1.03 Nature of the Auto Fund

The Auto Fund, as the compulsory automobile insurance program for Saskatchewan residents, provides vehicle registrations, driver's licenses, the basic minimum liability insurance required to operate a vehicle and coverage for damage to or loss of an insured's vehicle, subject to a deductible. Uncertain claim levels due to driving conditions, storm activity and court awards leads to cyclical profits from underwriting activities. Due to this instability of profits from underwriting, stability from investment income is an important objective, along with safety of capital. Investment capital is used to cover policyholder liabilities.

1.04 Liability Characteristics

The Auto Fund's injury program pays for medical, rehabilitation, living assistance and income replacement benefits, which have the potential to be paid for the remaining lifetime of the most severely injured claimants, estimated as long as 55 years. The payments on current claims expected to be made later than 20 years into the future exceed \$1 billion. Such estimates have a large amount of uncertainty from inflation rates, customer rehabilitation rates, mortality rates and future benefit levels. The long-tailed nature of these injury claims results in a high overall claims duration relative to other P&C insurance companies. The most significant characteristics of the Auto Fund's assets and liabilities, which impact on the investment strategy, are:

- Unpaid claims and unearned premiums account for 96% of total liabilities. At March 31, 2023, the liability for these two items was \$2.6 billion, up from \$2.4 billion last year.
- The duration of the unpaid claims liability was approximately 9.2 years as at March 31, 2023 down from 9.8 in the previous year. With the addition of expected losses in unearned premiums the duration on the total unpaid liabilities was 7.9 years (2022 – 8.5 years).
- At March 31, 2023, the market value of investments was \$3.1 billion, down from \$3.2 billion last year. As measured by the Minimum Capital Test at March 31, 2023, assets were 119% of required capital and below the operating target level of 140%.

- At March 31, 2023 the Rate Stabilization Reserve balance was at \$0.8 billion, down from \$1.1 billion the previous year.

A key rate duration matching approach has been adopted for the portfolio which allows some diversification into equities, real estate and infrastructure in order to match longer-dated liabilities. This diversification into other asset classes serves to increase the long-term return on investment potential while controlling overall portfolio risk.

1.05 Investment and Risk Philosophy

(a) Investment Beliefs

The Policy sets out the parameters under which the Fund is managed, which are influenced by several basic assumptions about the characteristics and trends in capital markets. The key investment beliefs that shape the Policy are:

- (i) Asset allocation is the most important determining factor in the investment performance of the Fund.
- (ii) In the long term, equities will outperform bonds to compensate for their higher risk.
- (iii) Accepting mismatch risk between portfolio assets and liabilities provides an opportunity to enhance long term returns but introduces specific risks like interest rate risk, credit risk and equity market risk. A liability sensitive approach to investing reduces these risks somewhat by matching both the size and duration of claims liabilities with fixed income securities. Investing the remaining assets in asset classes with long term return expectations greater than fixed income investments provides the potential to improve overall returns.
- (iv) Market movements between asset classes are not perfectly correlated as equity, bond and other asset class portfolios respond differently to economic factors. In addition, Canadian and foreign asset classes are not perfectly correlated due to different economic environments and the underlying composition of the capital markets. As a result, diversification across different asset classes and markets offers the opportunity to improve risk-adjusted returns.
- (v) Foreign currency exposure gained from holding investments outside of Canada has historically provided diversification benefits. SGI monitors foreign currency exposure, and where seen appropriate from a risk management perspective and where cost effective, may hedge some or all of the Auto Fund's foreign currency exposure.
- (vi) The success of active management varies based on efficiency of capital markets. Where markets are efficient, the quick dissemination of information limits the ability of investment professionals to consistently add value to the broad market indices.

(b) Investment Philosophy

Fund assets should be prudently managed to assist in avoiding excessive volatility in annual rates of return.

The prudent management of investment portfolios requires that the Company adhere to investment and lending policies that a reasonable and prudent person would apply in respect of a portfolio of investments and loans to avoid undue risk of loss and obtain a reasonable return.

Assessment of the risk profile of the Fund considers the nature of the industry and liability characteristics as outlined above. Based on these factors, the Fund can assume a moderate level of investment risk (defined as the volatility of returns). Accordingly, a diversified long-term asset mix strategy which includes allocations to both liability hedging assets and return seeking assets is warranted. Further, the fixed income allocation and target benchmark indices are set with regard to the structure of the claims liabilities.

(c) Risk Philosophy

In order to achieve the long-term investment goals, the Fund must invest in assets that have uncertain returns, such as Canadian equities, foreign equities, bonds, real estate and infrastructure. Interest rate risk, one of the primary risks faced by the portfolio, is addressed by matching the size and duration of the claims liabilities with fixed income securities. Equity market risk is partially managed through diversification by sector and country. Credit risk is addressed by ensuring broad diversification by sector in high quality, investment grade securities in the Matching Portfolio but with some exposure to lower quality bonds within return seeking bond mandates.

The Fund accepts foreign currency exposure in its equity and infrastructure portfolios, as foreign currency exposure provides diversification benefits without accepting undue risk.

The Fund is invested relative to a Benchmark Portfolio. The return from the benchmark portfolio represents an achievable return for the Fund given the capital market conditions in which it is invested. The specific weights for each asset class are set based on the risk profile of the Fund. Risk profile is assessed through a detailed review of the Fund and the investment markets that considers:

- Liability structure
- Investment time horizon
- Liquidity needs
- Regulatory environment
- Other unique factors
- Historical and prospective risk (volatility) and return of various asset classes and benchmark portfolios.

Section 2—Asset Mix Policy

2.01 Asset Mix

The following guidelines are based on the total market value of each of the investment portfolios. The Committee may consider and approve temporary deviations from these guidelines, or other policy constraints, based on changing market conditions and/or investment manager requests. Should an investment manager wish to deviate from these guidelines or the quantity and quality guidelines, or revise them, a written request will be forwarded to the Company.

(a) Matching Portfolio

The Matching Portfolio will be constructed to key rate duration (“KRD”) match the projected liability cash flows (“liabilities”) as provided by SGI to an investment manager from time to time in the following KRD buckets:.

KRD Buckets

2 year
5 year
10 year
15 year
20 year
30 year

The Matching Portfolio will be comprised of:

- Short-term investments and cash, subject to a minimum balance of \$30 million;
- Bonds of Canadian issuers; and
- Mortgages, to a maximum of 25% of the Matching Portfolio

(b) Return Seeking Portfolio

	Minimum %	Benchmark ⁽²⁾ %	Maximum %
Canadian equities	3.0	5.0	7.0
Global equities	20.0	30.0	40.0
Global low volatility equities	10.0	15.0	20.0
Global small cap equities	10/7.5	15/12.5	20/17.5
Foreign equities	<u>45/42.5</u>	<u>60/57.5</u>	<u>75/72.5</u>
Total equities ⁽¹⁾	50/47.5	65/62.5	75/72.5
Return Seeking Bonds	0.0/2.5	0.0/5.0	0.0/7.5
Real estate	10.0/7.5	15.0/12.5	20.0/17.5
Infrastructure	10.0	<u>20.0</u>	30.0
Opportunistic ⁽³⁾	0.0	<u>0.0</u>	4.0
Cash and Short Term Investments	0.0	<u>0.0</u>	5.0
		100	

⁽¹⁾ Convertible securities and preferred shares are considered to be equities in the asset mix guidelines.

⁽²⁾ The current benchmark was effective November 1, 2021. Where two figures are shown, the first represents the current benchmark, while the second represents the long term target benchmark.

⁽³⁾ Investment in Saskatchewan-based investment funds

The Return Seeking Portfolio is managed under a specialist structure, where each asset class is a separate mandate. For purpose of the Return Seeking Portfolio asset mix described above, investments in investment funds are deemed to be fully invested in that investment fund's assets class even though the investment fund may have cash reserves.

Cash and Short-Term Investments held in the Return Seeking Portfolio are to assist with normal cash flow requirements including capital calls and distributions of real asset mandates and quarterly rebalancing.

The Return Seeking Portfolio is currently undergoing a transition to the long-term target asset mix and investment manager structure.

(c) Global Equity Rebalancing

The Return Seeking Portfolio uses two managers that have different but complementary styles. Each manager has a current benchmark weight of 15%. The permissible range for each manager is, +/-5% of their benchmark weight. Rebalancing between the global equity managers shall be consistent with the cash flow and rebalancing policy set out in Section 2.01(d). This policy does not apply to the global low volatility equity manager.

(d) Cash Flow and Rebalancing

Cash generated in each of the Matching and Return Seeking Portfolios will typically be reinvested in those portfolios, while net external cash flows will typically be drawn from or invested in the Matching Portfolio. SGI shall, however, exercise judgment in allocating and drawing cash flows based on:

- i) the magnitude of the cash flow;
- ii) liquidity considerations;
- iii) transaction cost considerations;
- iv) the necessity to rebalance assets between the Matching Portfolio and the Return Seeking Portfolio;
- v) the necessity to rebalance assets within the Return Seeking Portfolio; and
- vi) in order to meet cash commitments related to investment in any new asset class that may be introduced to the benchmark.

Unless otherwise instructed, external cash flows in the Matching Portfolio will be invested in, or drawn from, the two year bucket.

The Matching Portfolio will be monitored and rebalanced by the Fixed Income Manager to maintain Key Rate Durations within +/- 1 year for each bucket, and overall portfolio duration within +/- 1 year of the Liability Proxy.

For the Return Seeking Portfolio, the assets allocated to each manager will be reviewed subsequent to each month end. Should any manager's range be breached, SGI Management will initiate a rebalancing and advise the Investment Committee of the rebalancing at its next meeting. It is recognized that rebalancing actions for real estate and infrastructure allocations may require flexibility relative to policy guidelines due to their less liquid nature.

Section 3—Permitted and Prohibited Investments

3.01 General Investment Guidelines

The investments must comply with the requirements and restrictions imposed by the applicable legislation, including but not limited to, the *Insurance Companies Act (Canada)* and *The Crown Corporations Act*.

3.02 Permitted Investments

Provisions respecting permitted investments as may be applicable for each of the Matching and Return Seeking Portfolios are outlined in this section. In general, and subject to Section 3.04 and the restrictions in Section 2 and 3, an investment manager may, within its mandate, invest the investment assets in the following asset classes and any of the investment instruments listed below.

(a) Canadian and Foreign Equities

- (i) Equity securities traded through a marketplace, as well as listed equity substitutes that are convertible into equities traded through those same marketplaces.
- (ii) Unlisted equity securities, such as private placement equities, where the investment manager determines the security will become eligible for trading through a marketplace within a reasonable and defined timeframe, not to exceed six months, and the issuing company is publicly listed through a marketplace.

(b) Bonds, Mortgages and Real Estate (excluding Return Seeking Bonds)

- (i) Nominal and real return bonds, debentures, notes, and other evidence of indebtedness denominated and payable in Canadian dollars. Issuers may be Canadian, supranational or foreign if domiciled in developed markets.
- (ii) Mortgages on income producing commercial property and multi-unit residential properties in Canada, held in investment funds deemed permissible by the Board.
- (iii) Term deposits and guaranteed investment certificates.
- (iv) Private placements of bonds subject to Section 3.03.
- (v) Real Estate investment fund units subject to 3.03(f).

(c) Return Seeking Bonds

- (i) Investment in Return Seeking Bond investment fund units which are governed by the investment funds investment policy. Underlying investments

may include, but are not limited to, nominal and real return bonds, debentures, notes, asset backed securities, or other fixed income instruments including but not limited to debt instruments issued by governments, government agencies or corporations.

(d) Cash and Short-Term Investments

- (i) Cash on hand and demand deposits.
- (ii) Treasury bills issued by the federal and provincial governments and their agencies.
- (iii) Obligations of trust companies and Canadian and foreign banks chartered to operate in Canada, including bankers' acceptances.
- (iv) Commercial paper and term deposits.
- (v) Non-bank asset backed commercial paper is not permitted.

(e) Infrastructure

- (i) Indirect infrastructure investment via independently managed investment funds, limited partnerships or specialist corporate structures (eg. Limited Liability Companies; LLCs). The mandate of each fund, partnership or corporate structure will vary with the long-term goal of assembling a diversified portfolio.
- (ii) Permitted and prohibited investments in infrastructure will be governed by the terms and conditions set out in the respective investment fund contract, Offering Memorandum, Trust Agreement or similar document that is applicable to each Investment Manager.

(f) Other Investments

- (i) Investments in open-or closed-ended investment funds provided that the assets of such funds are permissible investments under the Policy.
- (ii) Deposit accounts of the custodian can be used to invest surplus cash holdings.
- (iii) Investments in Saskatchewan based ventures through investment funds, limited partnerships, or co-investments that may arise from time to time that do not readily fit a specific asset class.

(g) Derivatives

The use of derivatives (such as options, futures and forward contracts) is permitted with prior approval by the Committee to protect against losses from changes in exchange rates, interest rates and market indices; and for non-hedging purposes, as a substitute for direct investment. Sufficient assets or cash must be held to cover commitments due to the derivatives transactions. No derivatives can be used for speculative trading or to create a portfolio with

leverage. Derivative use in investment funds is subject to the investment fund guidelines.

(h) Investment Funds

Investment in investment funds is permissible.

Investment funds are governed by the policies for each fund. The Committee shall review the guidelines for any investment fund investment to determine if they are appropriate. Any change to the investment fund policy shall be communicated to the Company at least 30 days prior to the change. However, the managers will endeavor to provide 90 days' notice of material change to the policy.

3.03 Minimum Quality and Quantity Guidelines

Provisions respecting quality and quantity guidelines as may be applicable for each of the Matching and Return Seeking Portfolios are outlined in this section.

Investments of any kind (stocks, bonds, real estate, mortgages, short term investments) of any one issuer in the aggregate (other than the Government of Canada or a Canadian province) should not exceed 10% of the market value of the related Matching or Return Seeking portfolio.

(a) Capital Stock

- (i) An investment manager is expected to maintain a relatively high quality portfolio. In general, investments should be limited to stocks that are publicly traded through a marketplace.
- (ii) No single issuer's equities, private or public, shall represent more than 10% of the market value of each equity portfolio managed on a segregated basis.
- (iii) No one holding can represent more than 10% of the voting shares of any corporation, except for substantial investments, as defined by the *Insurance Companies Act* (no substantial investments can be made without prior approval).
- (iv) Total private placement equities shall not exceed 10% of the equity portfolio market value at the time of purchase.
- (v) As well, in accordance with subsection 9(3) of Schedule III of the regulations of the *Pension Benefits Standards Act*, the 10% limit referred to in the preceding paragraph does not apply to investments in an investment corporation, real estate corporation or resource corporation.
- (vi) Investments in equities may be held in an investment fund vehicle, subject to 3.02(f)(i) and 3.02(h). The investment guidelines of the investment fund, as updated from time to time, shall be disclosed to SGI.

- (vii) The minimum quality standard for individual preferred shares is P-1 or equivalent, as rated by a recognized credit rating service at the time of purchase.

(b) Bonds

Excluding the Return Seeking Bond mandate, which is subject to the guidelines and restrictions noted in that fund's policy, the following restrictions apply:

- (i) The minimum quality standard for purchase of bonds and debentures is "BBB" or equivalent rating, as rated by a recognized credit rating service (includes all sub-rating levels within the overall "BBB" rating). In cases where the credit rating services do not agree on the credit rating of an issue, the rating is classified in accordance with the rules established by FTSE Russell for the FTSE Canada Universe and Maple Bond Indexes.
- (ii) "BBB" bonds may not be purchased if it would result in raising holdings rated "BBB" or lower to more than 25% of the market value of the bond portfolio.
- (iii) An investment manager will take the following steps in the event of a downgrade in the credit rating of a portfolio asset by a recognized bond rating agency to below the purchase standards set out in Section 3.03(b)(i):
 - (A) The Company will be notified of the downgrade at the earliest possible opportunity;
 - (B) Within five business days of the downgrade, an investment manager will advise the Company in writing of the course of action taken or to be taken by the investment manager, and its rationale; and
 - (C) An investment manager will provide regular reporting on the status of the asset until such time as it matures, is sold or is upgraded to a level consistent with the purchase quality standards as expressed in the above guidelines.
- (iv) An investment manager shall report to the Company, along with the recommended strategy for bringing the portfolio into line with the policy restrictions, should the total exposure to "BBB" or lower bonds move above 25% of the market value of the bond portfolio.
- (v) The minimum quality rating for mortgage backed and asset backed securities is "AA" or equivalent.
- (vi) Unrated bonds should be assigned a rating by an investment manager before purchase.
- (vii) No more than 10% of the market value of the bond portfolio shall be invested in bonds of foreign issuers. .

(viii) Holdings for any one issuer, other than the Government of Canada or a province, should not exceed 10% of the market value of the bond investment portfolio.

(ix) Holdings for any one province should not exceed 20% of the market value of the bond portfolio.

(c) Rating Agencies

For the purposes of this Policy, the following rating agencies shall be considered to be 'recognized bond rating agencies':

- (i) DBRS Morningstar;
- (ii) S&P Global Ratings;
- (iii) Moody's Investors Services; and
- (iv) Fitch Ratings

(d) Split Ratings

In cases where the Recognized Bond Rating Agencies do not agree on the credit rating, the bond will be classified in accordance with the rules established by FTSE Russell for the FTSE Canada Universe and Maple Bond Indexes.

(e) Mortgages

Investments in mortgages are held in an investment fund vehicle subject to 3.02 (f)(i) and 3.02 (h). The investment guidelines of the investment fund, as updated from time to time, shall be disclosed to SGI.

(f) Real Estate

When considering investment in real estate investment funds, the following are attributes favoured by the Company:

- (i) Canadian real estate capable of yielding overall rates of return in excess of current and projected levels of inflation in the long term.
- (ii) A portfolio capable of providing a stable long term income flow.

(g) Infrastructure

When considering investment in infrastructure investment funds, the following are attributes favoured by the Company:

- (i) Global infrastructure capable of yielding overall rates of return in excess of current and projected levels of inflation in the long term.
- (ii) A portfolio capable of providing a stable, long term income flow.

(h) Short Term Investments

- (i) Short-term investments for the purpose of this Statement are defined as securities purchased with a maturity of one year or less.

- (ii) It is anticipated that an investment manager will invest only in instruments of the highest quality. Securities with an “R-1” or equivalent rating, as rated by a recognized credit rating service, are permissible investments (includes all sub-rating levels within the overall “R-1” rating).
- (iii) Holdings for any one issuer, other than the Government of Canada or a Canadian province, should not exceed 10% of the market value of the short-term investment portfolio in the Matching Portfolio, and 10% of the market value of the short-term investment portfolio in each equity mandate of, and overall, within the Return Seeking Portfolio, excluding overnight term deposits.

(i) Exceptions

When applying the Quality and Quantity Guidelines, it is recognized that there may be occasions during which these guidelines are not met temporarily for valid investment reasons. It is the responsibility of an investment manager to report any violations to the Company immediately, and to recommend an appropriate course of action.

3.04 Prior Permission Required

The following investments are permitted provided that prior permission for such investments has been obtained from the Committee:

- (a) Investments in private placement equities, other than those permitted in Section 3.02 (a)(ii);
- (b) Derivatives, as per Section 3.02(g) above;
- (c) Any other investments not expressly permitted by this policy statement.

3.05 Prohibited Investments

An investment manager shall not:

- (a) Directly invest in companies for the purpose of managing them, with the exception of the infrastructure or private equity limited partnerships and/or funds;
- (b) Purchase securities on margin or engage in short sales, except as allowed in 3.02(g); or,
- (c) Make any investment not specifically permitted by this Policy.

3.06 Securities Lending

The investments of the assets may be loaned, for the purpose of generating revenue for the Fund assets, subject to the provisions of the applicable legislation.

Acceptable collateral will at all times comply with the Office of the Superintendent of Financial Institutions (OSFI) guideline B4 respecting collateral permitted in securities

lending by federally regulated trust companies, unless granted by prior written approval from SGI. Eligible collateral should be readily marketable and is generally restricted to the following assets, denominated in Canadian or U.S. dollars:

- cash;
- widely traded debt instruments having a rating of single A (or the equivalent) or higher from a recognized, widely followed North American credit rating agency;
- commercial paper rated A-1 or R-1 or the equivalent by a recognized, widely followed North American credit rating agency;
- acceptances of banks and trust and loan companies whose short-term deposits are rated A-1 or R-1 or the equivalent by a recognized, widely followed North American credit rating agency;
- high quality common and preferred shares.

The amount of collateral taken for securities lending should reflect best practices in local markets. In Canada, the current market practice is to obtain collateral of at least 102% of the market value of the securities lent. This market relationship must be calculated at least daily.

If the assets are invested in an investment fund, security lending will be governed by the terms and conditions set out in the investment fund contract. The investment fund manager shall disclose whether the fund uses securities lending.

Section 4—Monitoring and Control

4.01 Responsibility of an Investment Manager

The overall responsibility of an investment manager is to provide competitive returns over time, measured against specified market-oriented standards.

An investment manager will have full discretion in managing the portfolio subject to the general guidelines presented in this policy statement, and any amendments, that may be made from time to time, by SGI's Board of Directors.

An investment manager will report to SGI as requested by the Company. The meetings will allow the managers to report on investment performance, and to advise the Company of the investment strategy that is being followed, and any changes in the strategy.

An investment manager should, within 30 business days of each quarter-end, forward a written report to the Company each quarter on the performance of the assets under management and on the firm's investment outlook.

An investment manager will notify the Board immediately, in writing, of any legal or regulatory proceedings or charges of which the manager may be aware, against the manager's firm or investment personnel, or against any sub-advisor or that firm's investment personnel.

The investment standards outlined in this policy statement provide a framework for management of the portfolio within levels of risk acceptable to the Company. If a manager believes the Asset Mix Guidelines are inappropriate for anticipated economic conditions, the manager is responsible for advising the Company that a change in guidelines is desirable, and the reasons therefore.

4.02 Compliance Reporting

A report on compliance with the investment policy, directed to Management, will be completed quarterly by the investment managers. The report format for the Matching Portfolio is included as part of this policy. For investments in investment funds, the investment manager will provide a signed compliance letter. The compliance letter should indicate whether the fund was in compliance with the internal investment fund policy guidelines through the period and confirm that any changes to the investment fund policy have been disclosed.

The Company must be notified immediately of any deviation from the investment policy.

4.03 Performance Measurement

Investment results will be monitored on a quarterly basis. Performance will be evaluated over moving four-year periods.

Return objectives include realized and unrealized capital gains and losses plus income from all sources. Investment returns are measured on a time-weighted basis.

(a) Matching Portfolio Benchmark

The primary objective is to exceed the return of the Liability Proxy ("Proxy"). It is determined based on liabilities provided by SGI and discounted using the investment manager's approximation of SGI Auto's IFRS 17 discount curve based on the investment manager's curve construction methodology. Proxy is calculated daily based on liabilities discounted at daily market curves. Liabilities within Proxy will be updated when revised liabilities are provided to the Manager by SGI. For additional certainty, the Proxy is measured and constructed similar to the industry accepted yield curve utilized under IFRS 17 methodology.

(b) Return Seeking Portfolio Benchmark

The primary objective of the Return Seeking Portfolio is to earn a rate of return, net of fees, that exceeds the rate of return on a benchmark portfolio consisting of the following market index total returns weighted as follows:

Asset Class	Representative Index	Weight ⁽¹⁾ %
Canadian equities	S&P/TSX Capped Composite	5.0
Global equities	MSCI All Country World Index (\$C) (Net)	30.0
Global low volatility equities	MSCI World ex Canada (\$C) (Net)	15.0
Global small cap equities	MSCI All Country World Small Cap Index (\$C) (Net)	15.0/12.5
Return Seeking Bonds	FTSE Canada 91 Day T-Bills + 3.0%	0.0/5.0
Real estate	MSCI/REALPAC Canada Quarterly Property Fund Index	15.0/12.5
Infrastructure	Canadian CPI + 5%	20.0
Short term investments	FTSE Canada 91-Day T-Bills	0.0
Opportunistic Private Equity	Canadian CPI + 7%	0.0
		<u>100.0</u>

⁽¹⁾ The current benchmark was effective November 1, 2021. Where two figures are shown, the first represents the current benchmark, while the second represents the long term target benchmark. Historical benchmark portfolio weights are shown in Appendix B.

(c) Asset Class Benchmarks

The primary objective for each investment manager is to earn a net of fee return that exceeds the benchmark index for each of the asset classes in which an investment manager invests, measured over rolling four year periods.

A secondary objective for the investment manager is to achieve asset class returns within each asset class that, measured over rolling four-year periods, place above the median in a recognized investment manager universe, where available.

The market indices referred to in this section may be changed by the Committee to match the specific investment mandates for an investment manager selected to manage the portfolio, recognizing that at all times the Fund must be managed in accordance with the asset mix guidelines set out in Section 2 and permitted and prohibited investments set out in Section 3 above.

4.04 Soft Dollars

The Fund does not use soft dollars (directed commissions) to pay for any goods or services. An investment manager may use soft dollars to pay for research and other investment-related services with disclosure to the Company, provided they comply with the Soft Dollar Standards promulgated by the CFA Institute.

4.05 Dismissal of an Investment Manager

Reasons for reviewing and considering the termination of the services of an investment manager include, but are not limited to, the following factors:

- (a) Performance results, which over a reasonable period of time, are below the stated performance benchmarks;
- (b) Changes in the overall structure of the Fund such that an investment manager's services are no longer required;
- (c) Change in personnel, firm structure and investment philosophy, style or approach which might adversely affect the potential return and/or risk level of the portfolio;
- (d) Legal or regulatory proceedings against an investment manager or its investment personnel, or any sub-advisor firm or that firm's investment personnel;
- (e) Failure to adhere to this Policy; and/or

- (f) Performance consistently falling below the median of an investment manager peer group.

4.06 Standard of Professional Conduct

An investment manager is expected to comply, at all times and in all respects, with the Code of Ethics and Standards of Professional Conduct as promulgated by the CFA Institute or such other internal code of conduct as considered acceptable by SGI. An investment manager will manage the assets with the care, diligence and skill that a prudent person skilled as a professional investment manager would use in dealing with an investment portfolio. An investment manager will also use all relevant knowledge and skill that it possesses or ought to possess as a prudent investment manager.

Section 5—Administration

5.01 Conflicts of Interest

(a) Fiduciary Responsibilities

This standard applies to Board members, members of the Committee, management advisors and all agents employed by the Company.

An agent is defined to mean a company, organization, association or individual retained by the Committee to provide services to the Company.

In carrying out their fiduciary responsibilities, these parties must act at all times in the best interest of the Company.

(b) Disclosure

In execution of their duties, Board members, Committee members, management advisors and agents shall disclose any material conflict of interest relating to them, or any material ownership of securities, which could impair their ability to render unbiased decisions as it relates to administration of the Fund.

Parties affected by this Statement shall not make any personal financial gain (direct or indirect) because of their fiduciary position. However, normal and reasonable fees and expenses incurred in the discharge of their responsibilities are permitted if documented and approved by the Committee.

Any party affected by this Statement who believes that he/she may have a conflict of interest, or who is aware of any conflict of interest, must notify the Chair of the Board and the Chair of the Committee. Disclosure should be made promptly after the affected person becomes aware of the conflict. The Chairs will decide what action is appropriate under the circumstances, but at a minimum, will table the matter at the next regularly scheduled meeting of the Committee.

No affected person who has or is required to make a disclosure which is determined to be in conflict as contemplated by this policy shall participate in any discussion, decision or vote relating to any proposed investment or transaction in respect of which he or she has made or is required to make disclosure.

No affected person shall accept a gift or gratuity or other personal favour, other than one of nominal value, from an individual or entity that the person deals with in performing responsibilities for the Company.

5.02 Related Party Transactions

The Fund may not enter into a transaction with a related party unless permitted under the *Insurance Companies Act* and *The Crown Corporations Act*, which takes into consideration the *Pension Benefits Standards Act and Regulations*.

Related party includes any officer, director or employee of the Company. It also includes the investment managers and their employees, a union representing employees of the Company, a spouse or child of the persons named previously, or a corporation that is directly or indirectly controlled by the persons named previously, among others.

Under the preceding conflict of interest guidelines, it is incumbent on any person to notify the Committee Chair if a conflict arises. Such conflict includes related party transactions.

5.03 Selecting an Investment Manager

If a new investment manager is to be selected or additional investment manager(s) added to the existing investment managers, the Committee will undertake an investment manager search. The criteria used for selecting an investment manager will be consistent with the investment and risk philosophy set out in Section 1.05 (Investment and Risk Philosophy).

5.04 Monitoring of an Investment Manager

To enable the Committee to fulfill its responsibility of monitoring and reviewing an investment manager, the investment consultant will assist the Committee, on an ongoing basis, in considering:

- (a) Investment manager's staff turnover, consistent application of investment philosophy and record of service;
- (b) Investment manager's current economic outlook and investment strategies;
- (c) Investment manager's compliance with this Policy, where a manager is required to complete and sign a compliance report; and,
- (d) Investment performance of the assets of the Fund in relation to;
 - Rate of return expectations outlined in this Policy
 - Applicable peer groups, including consideration to broad peer universes and style groups as may be applicable

5.05 Voting Rights

The Company has delegated voting rights acquired through investments to the custodian of the securities to be exercised in accordance with investment manager instructions.

An investment manager is expected to exercise all voting rights related to investments held by the Fund in the best interests of the Fund.

The Company reserves the right to direct the custodian to vote in a specified manner.

An investment manager should disclose their proxy voting policies and report annually on (1) whether all eligible proxies were voted on the Fund's behalf and (2) if the proxy voting guidelines were followed and report on any deviations.

5.06 Valuation of Investments not Regularly Traded

The following principles will apply for the valuation of investments that are not traded regularly:

(a) Equities

Average of bid-and-ask prices from two major investment dealers, at least once every calendar quarter.

(b) Bonds

Same as for equities.

(c) Mortgages

Unless in arrears, at the outstanding principal plus/minus the premium/discount resulting from the difference between the face rate and the currently available rate for a mortgage of similar quality and term, determined at least once every calendar quarter.

(d) Infrastructure

Value based on the manager(s) internal appraisal process, with ultimate values determined upon sale of assets.

(e) Real Estate

Real estate is valued at fair value as estimated by an annual independent appraisal. Real estate acquired within the year is recorded at cost, which approximates its fair value.

(f) Investment Funds

Investment fund units shall be valued by the investment manager according to the valuation policies and procedures as found in the fund's investment policy, offering memorandum or trust agreement.

(g) Others

Securities that are not publicly traded and for which no external transaction or other evidence of market value exists, will be valued at cost.

5.07 Annual Review

This policy is open to review at any time, but must be reviewed annually.

Appendix A – Compliance Reports

Saskatchewan Auto Fund Return Seeking Bond Compliance

		Guidelines	Policy Complied With Yes/No*
Matching Portfolio	Key Rate Durations maintained within +/- 1 year for each bucket; Portfolio duration maintained within +/- 1 year of the Liability Proxy		
Constraints			
Permitted and Prohibited Investments	- Bonds and Mortgages	Only as permitted in Section 3.02 (b)	
	- Cash and Short-Term Investments	Only as permitted in Section 3.02 (d)	
	- Derivatives	Only as permitted in Section 3.02 (g)	
	- Foreign Currency Exposure	Securities denominated and payable in Canadian dollars	
Bonds	- Single Issuer	Max 10% of short-term and bond portfolio market value other than Government of Canada or a province	
	- Quality	Min "BBB" for bonds Min "AA" for asset-backed and mortgage-backed "BBB" ineligible for purchase if it would raise "BBB" or lower holdings above 25% of the market value of the bond portfolio Minimum "A" for private placement bonds	
	- Foreign Issuer	Max 10% of bond portfolio market value	
	- Concentration	Max 20% of total bond portfolio market value in any one province	
Short Term Investments	- Maximum term	One year or less	
	- Minimum Quality	"R-1" or equivalent	
	- Single Issuer	Max 10% other than Government of Canada or a province	
Investment Funds	- Compliance	Investment funds in compliance with their investment policies	
	- Disclosure	Changes to investment fund policies disclosed to SGI	
Other	- Statutory Requirements	Compliance with the <i>Insurance Companies Act (Canada)</i> and <i>The Crown Corporations Act</i>	
	- Proxy Voting	All eligible voting rights voted in best interest of Fund	
	- Soft Dollars	Manager uses Soft Dollars (yes/no)? If yes, manager complies with CFA Institute Soft Dollar Standards	
Conflicts of Interest	- Disclosure	Conflicts of interest (if any) disclosed to the Chair of the Board and Chair of the Investment Committee.	
Policy Violations	- Disclosure	All circumstances that either are or may potentially be in violation to the Statement of Investment Policies and Goals disclosed to SGI	

*If policy not complied with, comment on specifics.

I believe this to be a factual representation of compliance with the Statement of Investment Policies and Goals throughout the reporting period.

TD Asset Management

Signature and Title Company Name

Appendix B – Return Seeking Portfolio Benchmark Portfolio Weights

Return Seeking Portfolio Benchmark Portfolio Weights

Return Seeking Portfolio Current Benchmark Portfolio Weights⁽¹⁾

Asset Class ⁽²⁾	Representative Index	Weight ⁽³⁾ %
Canadian equities	S&P/TSX Capped Composite	5.0
Global equities	MSCI All Country World Index (\$C) (Net)	30.0
Global low volatility equities	MSCI World ex Canada (\$C) (Net)	15.0
Global small cap equities	MSCI All Country World Small Cap Index (\$C)	15.0/12.5
Return Seeking Bonds	FTSE Canada 91 Day T-Bills + 3.0%	0.0/5.0
Real estate	MSCI/REALPAC Canada Quarterly Property Fund Index	15.0/12.5
Infrastructure	CPI + 5%	20.0
		<u>100.0</u>

⁽¹⁾ Effective November 1, 2021

⁽²⁾ Convertible securities and preferred shares are considered to be equities in the asset mix guidelines.

⁽³⁾ Where two figures are shown, the first represents the current benchmark, while the second represents the long term target benchmark.

Historical Benchmark Portfolio Weights

Asset Class	Prior to Oct 1 1991	Oct 1 1991	Jan 1 1995	Aug 1 1996	Jan 1 1999	Feb 1 2003	Feb 1 2004	Jan 1 2006	Apr 1 2006	Oct 1 2006	Dec 1 2008	Oct 1 2010	Apr 1 2012	Sep 13 2013
Canadian equities	22	20	15	15	15	15	15	15	15	15	15	50	37.5	38.0
U.S. equities	5	5	5	5	5	5	5	5	5	5	5	16	15.0	15.5
NNA equities	-	-	5	5	5	5	5	5	5	5	5	16	12.5	13.0
Global SC equities	-	-	-	-	-	-	-	-	-	-	-	-	12.5	13.0
Real estate	-	-	-	2	2	2	1	1	3	5	5	16	20.0	20.5
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0
"Universe" bonds	58	55	55	58	63	32	38	69	67	65	62	-	-	-
Short-term bonds	-	-	-	-	-	31	31	-	-	-	-	-	-	-
Mortgages	-	5	5	5	-	-	-	-	-	-	5	-	-	-
Short-term investments	<u>15</u>	<u>15</u>	<u>15</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>3</u>	<u>2</u>	<u>2.5</u>	-
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100.0</u>	<u>100.0</u>

Total Fund historical benchmark weights to September 30, 2010 and Return Seeking historical benchmark weights thereafter.

SAF Response Attachment IR 1 - 46a

Asset Class	Oct 1 2013	July 1 2014	Sept 1 2014	Apr 1 2015	Apr 1 2016	Dec 1 2016	Feb 1 2017	Apr 1 2017	Dec 1 2017	Oct 1 2018
Canadian equities	38	36	34	24	23	25	22	20	23	22
U.S. equities	15.5	15.5	15.5	-	-	-	-	-	-	-
NNA equities	13.0	13.0	13.0	-	-	-	-	-	-	-
Global equities	-	-	-	42	42	42	42	42	42	42
Global SC equities	13	13	13	10	10	10	13	15	15	15
Real estate	20.5	20.5	20.5	20	20	18	18	18	15	18
Infrastructure	-	2	4	4	5	5	5	5	5	6
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Asset Class	Jan 1 2019	Aug 1 2019	Nov 1 2019	Mar 1 2021	Jun 1 2021
Canadian equities	21	19	13	11	6
Global equities	42	42	42	42	47
Global low volatility equities					
Global SC equities	15	15	15	15	15
Real estate	15	15	15	15	15
Infrastructure	7	9	15	15	17
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

**Statement of
Investment
Policies and
Goals**

Saskatchewan Auto
Fund

December 2024

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Appendix B – Return Seeking Portfolio Benchmark Portfolio Weights

Section 1—Overview

1.01 Purpose of Statement

The purpose of this policy statement is to provide a framework for the prudent investment and administration of the Saskatchewan Auto Fund investment portfolio (the Fund). This policy provides an investment manager with a written statement of specific quality, quantity, and rate of return standards for the corporation's investment portfolio.

A major goal of this policy is to establish ongoing communication between Saskatchewan Government Insurance (“SGI” or the “Company”) and an investment manager. Effective communication will contribute to management of the portfolio in a manner that is consistent with market conditions and with the objectives of the Company. Consultation between the parties will take the form of regular meetings supplemented, from time to time, by informal contact requested by any of the parties.

1.02 General

The Saskatchewan Auto Fund was established to provide compulsory automobile insurance to Saskatchewan people. The Fund is self-sustaining with the objective of breaking even over the long term.

Section 87(3) of *The Automobile Accident Insurance Act* (Act) authorizes the Fund to hold property of every nature and kind.

Section 92(1) of the Act authorizes investment of monies of the Fund in:

- investments authorized for Crown corporations pursuant to *The Crown Corporations Act*, which references similar principles contained in the *Pension Benefits Standards Act and Regulations*; or
- investments authorized pursuant to Part IX of the *Insurance Companies Act (Canada)*.

The overall standard guiding investment of the portfolio is the “prudent person rule” which is set out in section 492 of the *Insurance Companies Act (Canada)*. This standard requires that investments be made in a manner that “a reasonable and prudent person would apply in respect of a portfolio of investments to avoid undue risk of loss and to obtain a reasonable return.”

Both the *Insurance Companies Act (Canada)* and the *Pension Benefits Standards Act and Regulations* follow this “prudent person portfolio approach.”

Given the structure of the Auto Fund, the quantitative restrictions included in the *Insurance Companies Act* are not applicable. However, the Auto Fund is monitored against the quantitative guidelines established by the *Pension Benefits Standards Act and Regulations*. These guidelines are:

- Maximum 10% of the market value of total assets in any one corporation or two or more affiliated corporations
- Maximum 30% of the voting shares of any one corporation

Responsibility for the investment policy rests with the Board of Directors. The Board has delegated day to day implementation and monitoring to management.

SGI has delegated its investment authority to professional investment managers to invest in accordance with this policy. In addition, a trust company has been appointed as custodian with responsibilities for safekeeping of investments, income collection, and settlement of investment transactions. The Investment and Lending Committee (Committee) of the Board makes recommendations on policy matters contained in this document and monitors the performance of the investment assets.

1.03 Nature of the Auto Fund

The Auto Fund, as the compulsory automobile insurance program for Saskatchewan residents, provides vehicle registrations, driver's licenses, the basic minimum liability insurance required to operate a vehicle and coverage for damage to or loss of an insured's vehicle, subject to a deductible. Uncertain claim levels due to driving conditions, storm activity and court awards leads to cyclical profits from underwriting activities. Due to this instability of profits from underwriting, stability from investment income is an important objective, along with safety of capital. Investment capital is used to cover policyholder liabilities.

1.04 Liability Characteristics

The Auto Fund's injury program pays for medical, rehabilitation, living assistance and income replacement benefits, which have the potential to be paid for the remaining lifetime of the most severely injured claimants, estimated as long as 55 years. The payments on current claims expected to be made later than 20 years into the future exceed \$1 billion. Such estimates have a large amount of uncertainty from inflation rates, customer rehabilitation rates, mortality rates and future benefit levels. The long-tailed nature of these injury claims results in a high overall claims duration relative to other P&C insurance companies. The most significant characteristics of the Auto Fund's assets and liabilities, which impact on the investment strategy, are:

- Insurance contract liabilities account for 98% of total liabilities. At March 31, 2024, the liability for these two items was \$2.3 billion, up from \$2.2 billion last year.
- The liability duration of 9.8 years remains well matched to the fixed income asset duration of 9.8 years as at March 31, 2024.
- At March 31, 2024, the market value of investments was \$3.1 billion, comparable to the \$3.1 billion last year. As measured by the Minimum Capital Test at March 31, 2024, assets were 143% of required capital and above the operating target level of 140%.
- At March 31, 2024 the Rate Stabilization Reserve balance was at \$0.9 billion, down from \$1.0 billion the previous year.

A key rate duration matching approach has been adopted for the portfolio which allows some diversification into equities, real estate and infrastructure in order to match longer-dated liabilities. This diversification into other asset classes serves to increase the long-term return on investment potential while controlling overall portfolio risk.

1.05 Investment and Risk Philosophy

(a) Investment Beliefs

The Policy sets out the parameters under which the Fund is managed, which are influenced by several basic assumptions about the characteristics and trends in capital markets. The key investment beliefs that shape the Policy are:

- (i) Asset allocation is the most important determining factor in the investment performance of the Fund.
- (ii) In the long term, equities will outperform bonds to compensate for their higher risk.
- (iii) Accepting mismatch risk between portfolio assets and liabilities provides an opportunity to enhance long term returns but introduces specific risks like interest rate risk, credit risk and equity market risk. A liability sensitive approach to investing reduces these risks somewhat by matching both the size and duration of claims liabilities with fixed income securities. Investing the remaining assets in asset classes with long term return expectations greater than fixed income investments provides the potential to improve overall returns.
- (iv) Market movements between asset classes are not perfectly correlated as equity, bond and other asset class portfolios respond differently to economic factors. In addition, Canadian and foreign asset classes are not perfectly correlated due to different economic environments and the underlying composition of the capital markets. As a result, diversification across different asset classes and markets offers the opportunity to improve risk-adjusted returns.
- (v) Foreign currency exposure gained from holding investments outside of Canada has historically provided diversification benefits. SGI monitors foreign currency exposure, and where seen appropriate from a risk management perspective and where cost effective, may hedge some or all of the Auto Fund's foreign currency exposure.
- (vi) The success of active management varies based on efficiency of capital markets. Where markets are efficient, the quick dissemination of information limits the ability of investment professionals to consistently add value to the broad market indices.

(b) Investment Philosophy

Fund assets should be prudently managed to assist in avoiding excessive volatility in annual rates of return.

The prudent management of investment portfolios requires that the Company adhere to investment and lending policies that a reasonable and prudent person would apply in respect of a portfolio of investments and loans to avoid undue risk of loss and obtain a reasonable return.

Assessment of the risk profile of the Fund considers the nature of the industry and liability characteristics as outlined above. Based on these factors, the Fund can assume a moderate level of investment risk (defined as the volatility of returns). Accordingly, a diversified long-term asset mix strategy which includes allocations to both liability hedging assets and return seeking assets is warranted. Further, the fixed income allocation and target benchmark indices are set with regard to the structure of the claims liabilities.

(c) Risk Philosophy

In order to achieve the long-term investment goals, the Fund must invest in assets that have uncertain returns, such as Canadian equities, foreign equities, bonds, real estate and infrastructure. Interest rate risk, one of the primary risks faced by the portfolio, is addressed by matching the size and duration of the claims liabilities with fixed income securities. Equity market risk is partially managed through diversification by sector and country. Credit risk is addressed by ensuring broad diversification by sector in high quality, investment grade securities in the Matching Portfolio but with some exposure to lower quality bonds within return seeking bond mandates.

The Fund accepts foreign currency exposure in its equity and infrastructure portfolios, as foreign currency exposure provides diversification benefits without accepting undue risk.

The Fund is invested relative to a Benchmark Portfolio. The return from the benchmark portfolio represents an achievable return for the Fund given the capital market conditions in which it is invested. The specific weights for each asset class are set based on the risk profile of the Fund. Risk profile is assessed through a detailed review of the Fund and the investment markets that considers:

- Liability structure
- Investment time horizon
- Liquidity needs
- Regulatory environment
- Other unique factors
- Historical and prospective risk (volatility) and return of various asset classes and benchmark portfolios.

Section 2—Asset Mix Policy

2.01 Asset Mix

The following guidelines are based on the total market value of each of the investment portfolios. The Committee may consider and approve temporary deviations from these guidelines, or other policy constraints, based on changing market conditions and/or investment manager requests. Should an investment manager wish to deviate from these guidelines or the quantity and quality guidelines, or revise them, a written request will be forwarded to the Company.

(a) Matching Portfolio

The Matching Portfolio will be constructed to key rate duration (“KRD”) match the projected liability cash flows (“liabilities”) as provided by SGI to an investment manager from time to time in the following KRD buckets:.

KRD Buckets

2 year
5 year
10 year
15 year
20 year
30 year

The Matching Portfolio will be comprised of:

- Short-term investments and cash, subject to a minimum balance of \$30 million;
- Publicly traded bonds of Canadian issuers;
- Investment grade private debt, to a maximum of 20% of the Matching Portfolio; and,
- Mortgages, to a maximum of 25% of the Matching Portfolio.

(b) Return Seeking Portfolio

	Minimum %	Benchmark ⁽²⁾ %	Maximum %
Canadian equities	3.0	5.0	7.0
Global equities	20.0	30.0	40.0
Global low volatility equities	10.0	15.0	20.0
Global small cap equities	10/7.5	15/12.5	20/17.5
Foreign equities	<u>45/42.5</u>	<u>60/57.5</u>	<u>75/72.5</u>
Total equities ⁽¹⁾	50/47.5	65/62.5	75/72.5
Return Seeking Bonds	0.0/2.5	0.0/5.0	0.0/7.5
Real estate	10.0/7.5	15.0/12.5	20.0/17.5
Infrastructure	10.0	<u>20.0</u>	30.0
Opportunistic ⁽³⁾	0.0	<u>0.0</u>	4.0
Cash and Short-Term Investments	0.0	<u>0.0</u>	5.0
		100	

⁽¹⁾ Convertible securities and preferred shares are considered to be equities in the asset mix guidelines.

⁽²⁾ The current benchmark was effective November 1, 2021. Where two figures are shown, the first represents the current benchmark, while the second represents the long term target benchmark.

⁽³⁾ Investment in Saskatchewan-based investment funds

The Return Seeking Portfolio is managed under a specialist structure, where each asset class is a separate mandate. For purpose of the Return Seeking Portfolio asset mix described above, investments in investment funds are deemed to be fully invested in that investment fund's assets class even though the investment fund may have cash reserves.

Cash and Short-Term Investments held in the Return Seeking Portfolio are to assist with normal cash flow requirements including capital calls and distributions of real asset mandates and quarterly rebalancing.

The Return Seeking Portfolio is currently undergoing a transition to the long-term target asset mix and investment manager structure.

(c) Global Equity Rebalancing

The Return Seeking Portfolio uses two managers that have different but complementary styles. Each manager has a current benchmark weight of 15%. The permissible range for each manager is, +/-5% of their benchmark weight. Rebalancing between the global equity managers shall be consistent with the cash flow and rebalancing policy set out in Section 2.01(d). This policy does not apply to the global low volatility equity manager.

(d) Cash Flow and Rebalancing

Cash generated in each of the Matching and Return Seeking Portfolios will typically be reinvested in those portfolios, while net external cash flows will typically be drawn from or invested in the Matching Portfolio. SGI shall, however, exercise judgment in allocating and drawing cash flows based on:

- i) the magnitude of the cash flow;
- ii) liquidity considerations;
- iii) transaction cost considerations;
- iv) the necessity to rebalance assets between the Matching Portfolio and the Return Seeking Portfolio;
- v) the necessity to rebalance assets within the Return Seeking Portfolio;
and
- vi) in order to meet cash commitments related to investment in any new asset class that may be introduced to the benchmark.

Unless otherwise instructed, external cash flows in the Matching Portfolio will be invested in, or drawn from, the two year bucket.

The overall allocation to the Matching Portfolio is determined based on the desired duration hedge ratio. The duration hedge ratio is evaluated at minimum annually and is currently set at 80% however may drift between 70% and 90% based on the market environments or operational considerations at the discretion of management. The duration hedge ratio will be evaluated, at minimum, twice per year, based on March 31 and September 30 valuation dates and will be rebalanced towards target as required.

The Matching Portfolio will be monitored and rebalanced by the Fixed Income Manager to maintain Key Rate Durations within +/- 1 year for each bucket, and overall portfolio duration within +/- 1 year of the Liability Proxy.

For the Return Seeking Portfolio, the assets allocated to each manager will be reviewed subsequent to each month end. Should any manager's range be breached, SGI Management will initiate a rebalancing and advise the Investment Committee of the rebalancing at its next meeting. It is recognized that rebalancing actions for real estate and infrastructure allocations may require flexibility relative to policy guidelines due to their less liquid nature.

Section 3—Permitted and Prohibited Investments

3.01 General Investment Guidelines

The investments must comply with the requirements and restrictions imposed by the applicable legislation, including but not limited to, the *Insurance Companies Act (Canada)* and *The Crown Corporations Act*.

3.02 Permitted Investments

Provisions respecting permitted investments as may be applicable for each of the Matching and Return Seeking Portfolios are outlined in this section. In general, and subject to Section 3.04 and the restrictions in Section 2 and 3, an investment manager may, within its mandate, invest the investment assets in the following asset classes and any of the investment instruments listed below.

(a) Canadian and Foreign Equities

- (i) Equity securities traded through a marketplace, as well as listed equity substitutes that are convertible into equities traded through those same marketplaces.
- (ii) Unlisted equity securities, such as private placement equities, where the investment manager determines the security will become eligible for trading through a marketplace within a reasonable and defined timeframe, not to exceed six months, and the issuing company is publicly listed through a marketplace.

(b) Bonds, Mortgages and Real Estate (excluding Return Seeking Bonds)

- (i) Nominal and real return bonds, debentures, notes, and other evidence of indebtedness denominated and payable in Canadian dollars. Issuers may be Canadian, supranational or foreign if domiciled in developed markets.
- (ii) Mortgages on income producing commercial property and multi-unit residential properties in Canada, held in investment funds deemed permissible by the Board.
- (iii) Term deposits and guaranteed investment certificates.
- (iv) Private placements of bonds subject to Section 3.03.
- (v) Real Estate investment fund units subject to 3.03(f).

(c) Return Seeking Bonds

- (i) Investment in Return Seeking Bond investment fund units which are governed by the investment funds investment policy. Underlying investments

may include, but are not limited to, nominal and real return bonds, debentures, notes, asset backed securities, or other fixed income instruments including but not limited to debt instruments issued by governments, government agencies or corporations.

(d) Private Debt

- (i) Private debt including, but not limited to, debt secured by real assets, senior secured and unsecured loans, and securitized loan obligations, if explicitly allowed in the investment manager's investment policy. Due to the illiquid nature of Private Debt, Committee approval is required for any increase in target allocation to Private Debt within the Matching Portfolio.

(e) Cash and Short-Term Investments

- (i) Cash on hand and demand deposits.
- (ii) Treasury bills issued by the federal and provincial governments and their agencies.
- (iii) Obligations of trust companies and Canadian and foreign banks chartered to operate in Canada, including bankers' acceptances.
- (iv) Commercial paper and term deposits.
- (v) Non-bank asset backed commercial paper is not permitted.

(f) Infrastructure

- (i) Indirect infrastructure investment via independently managed investment funds, limited partnerships or specialist corporate structures (eg. Limited Liability Companies; LLCs). The mandate of each fund, partnership or corporate structure will vary with the long-term goal of assembling a diversified portfolio.
- (ii) Permitted and prohibited investments in infrastructure will be governed by the terms and conditions set out in the respective investment fund contract, Offering Memorandum, Trust Agreement or similar document that is applicable to each Investment Manager.

(g) Other Investments

- (i) Investments in open-or closed-ended investment funds provided that the assets of such funds are permissible investments under the Policy.
- (ii) Deposit accounts of the custodian can be used to invest surplus cash holdings.
- (iii) Investments in Saskatchewan based ventures through investment funds, limited partnerships, or co-investments that may arise from time to time that do not readily fit a specific asset class.

(h) Derivatives

The use of derivatives (such as options, futures and forward contracts) is permitted with prior approval by the Committee to protect against losses from changes in exchange rates, interest rates and market indices; and for non-hedging purposes, as a substitute for direct investment. Sufficient assets or cash must be held to cover commitments due to the derivatives transactions. No derivatives can be used for speculative trading or to create a portfolio with leverage. Derivative use in investment funds is subject to the investment fund guidelines.

(i) Investment Funds

Investment in investment funds is permissible.

Investment funds are governed by the policies for each fund. The Committee shall review the guidelines for any investment fund investment to determine if they are appropriate. Any change to the investment fund policy shall be communicated to the Company at least 30 days prior to the change. However, the managers will endeavor to provide 90 days' notice of material change to the policy.

3.03 Minimum Quality and Quantity Guidelines

Provisions respecting quality and quantity guidelines as may be applicable for each of the Matching and Return Seeking Portfolios are outlined in this section.

Investments of any kind (stocks, bonds, real estate, mortgages, short term investments) of any one issuer in the aggregate (other than the Government of Canada or a Canadian province) should not exceed 10% of the market value of the related Matching or Return Seeking portfolio.

(a) Capital Stock

- (i) An investment manager is expected to maintain a relatively high quality portfolio. In general, investments should be limited to stocks that are publicly traded through a marketplace.
- (ii) No single issuer's equities, private or public, shall represent more than 10% of the market value of each equity portfolio managed on a segregated basis.
- (iii) No one holding can represent more than 10% of the voting shares of any corporation, except for substantial investments, as defined by the *Insurance Companies Act* (no substantial investments can be made without prior approval).
- (iv) Total private placement equities shall not exceed 10% of the equity portfolio market value at the time of purchase.
- (v) As well, in accordance with subsection 9(3) of Schedule III of the regulations of the *Pension Benefits Standards Act*, the 10% limit referred to

in the preceding paragraph does not apply to investments in an investment corporation, real estate corporation or resource corporation.

- (vi) Investments in equities may be held in an investment fund vehicle, subject to 3.02(f)(i) and 3.02(h). The investment guidelines of the investment fund, as updated from time to time, shall be disclosed to SGI.
- (vii) The minimum quality standard for individual preferred shares is P-1 or equivalent, as rated by a recognized credit rating service at the time of purchase.

(b) Bonds

Excluding the Return Seeking Bond and Private Debt mandate, which is subject to the guidelines and restrictions noted in that fund's policy, the following restrictions apply:

- (i) The minimum quality standard for purchase of bonds and debentures is "BBB" or equivalent rating, as rated by a recognized credit rating service (includes all sub-rating levels within the overall "BBB" rating). In cases where the credit rating services do not agree on the credit rating of an issue, the rating is classified in accordance with the rules established by FTSE Russell for the FTSE Canada Universe and Maple Bond Indexes.
- (ii) "BBB" bonds may not be purchased if it would result in raising holdings rated "BBB" or lower to more than 25% of the market value of the bond portfolio.
- (iii) An investment manager will take the following steps in the event of a downgrade in the credit rating of a portfolio asset by a recognized bond rating agency to below the purchase standards set out in Section 3.03(b)(i):
 - (A) The Company will be notified of the downgrade at the earliest possible opportunity;
 - (B) Within five business days of the downgrade, an investment manager will advise the Company in writing of the course of action taken or to be taken by the investment manager, and its rationale; and
 - (C) An investment manager will provide regular reporting on the status of the asset until such time as it matures, is sold or is upgraded to a level consistent with the purchase quality standards as expressed in the above guidelines.
- (iv) An investment manager shall report to the Company, along with the recommended strategy for bringing the portfolio into line with the policy restrictions, should the total exposure to "BBB" or lower bonds move above 25% of the market value of the bond portfolio.

- (v) The minimum quality rating for mortgage backed and asset backed securities is “AA” or equivalent.
- (vi) Unrated bonds should be assigned a rating by an investment manager before purchase.
- (vii) No more than 10% of the market value of the bond portfolio shall be invested in bonds of foreign issuers. .
- (viii) Holdings for any one issuer, other than the Government of Canada or a province, should not exceed 10% of the market value of the bond investment portfolio.
- (ix) Holdings for any one province should not exceed 20% of the market value of the bond portfolio.

(c) Rating Agencies

For the purposes of this Policy, the following rating agencies shall be considered to be ‘recognized bond rating agencies’:

- (i) DBRS Morningstar;
- (ii) S&P Global Ratings;
- (iii) Moody’s Investors Services; and
- (iv) Fitch Ratings

(d) Split Ratings

In cases where the Recognized Bond Rating Agencies do not agree on the credit rating, the bond will be classified in accordance with the rules established by FTSE Russell for the FTSE Canada Universe and Maple Bond Indexes.

(e) Mortgages

Investments in mortgages are held in an investment fund vehicle subject to 3.02 (f)(i) and 3.02 (h). The investment guidelines of the investment fund, as updated from time to time, shall be disclosed to SGI.

(f) Real Estate

When considering investment in real estate investment funds, the following are attributes favoured by the Company:

- (i) Canadian real estate capable of yielding overall rates of return in excess of current and projected levels of inflation in the long term.
- (ii) A portfolio capable of providing a stable long term income flow.

(g) Infrastructure

When considering investment in infrastructure investment funds, the following are attributes favoured by the Company:

- (i) Global infrastructure capable of yielding overall rates of return in excess of current and projected levels of inflation in the long term.
- (ii) A portfolio capable of providing a stable, long term income flow.

(h) Short Term Investments

- (i) Short-term investments for the purpose of this Statement are defined as securities purchased with a maturity of one year or less.
- (ii) It is anticipated that an investment manager will invest only in instruments of the highest quality. Securities with an “R-1” or equivalent rating, as rated by a recognized credit rating service, are permissible investments (includes all sub-rating levels within the overall “R-1” rating).
- (iii) Holdings for any one issuer, other than the Government of Canada or a Canadian province, should not exceed 10% of the market value of the short-term investment portfolio in the Matching Portfolio, and 10% of the market value of the short-term investment portfolio in each equity mandate of, and overall, within the Return Seeking Portfolio, excluding overnight term deposits.

(i) Exceptions

When applying the Quality and Quantity Guidelines, it is recognized that there may be occasions during which these guidelines are not met temporarily for valid investment reasons. It is the responsibility of an investment manager to report any violations to the Company immediately, and to recommend an appropriate course of action.

3.04 Prior Permission Required

The following investments are permitted provided that prior permission for such investments has been obtained from the Committee:

- (a) Investments in private placement equities, other than those permitted in Section 3.02 (a)(ii);
- (b) Derivatives, as per Section 3.02(g) above;
- (c) Any other investments not expressly permitted by this policy statement.

3.05 Prohibited Investments

An investment manager shall not:

- (a) Directly invest in companies for the purpose of managing them, with the exception of the infrastructure or private equity limited partnerships and/or funds;
- (b) Purchase securities on margin or engage in short sales, except as allowed in 3.02(g); or,

(c) Make any investment not specifically permitted by this Policy.

3.06 Securities Lending

The investments of the assets may be loaned, for the purpose of generating revenue for the Fund assets, subject to the provisions of the applicable legislation.

Acceptable collateral will at all times comply with the Office of the Superintendent of Financial Institutions (OSFI) guideline B4 respecting collateral permitted in securities lending by federally regulated trust companies, unless granted by prior written approval from SGI. Eligible collateral should be readily marketable and is generally restricted to the following assets, denominated in Canadian or U.S. dollars:

- cash;
- widely traded debt instruments having a rating of single A (or the equivalent) or higher from a recognized, widely followed North American credit rating agency;
- commercial paper rated A-1 or R-1 or the equivalent by a recognized, widely followed North American credit rating agency;
- acceptances of banks and trust and loan companies whose short-term deposits are rated A-1 or R-1 or the equivalent by a recognized, widely followed North American credit rating agency;
- high quality common and preferred shares.

The amount of collateral taken for securities lending should reflect best practices in local markets. In Canada, the current market practice is to obtain collateral of at least 102% of the market value of the securities lent. This market relationship must be calculated at least daily.

If the assets are invested in an investment fund, security lending will be governed by the terms and conditions set out in the investment fund contract. The investment fund manager shall disclose whether the fund uses securities lending.

Section 4—Monitoring and Control

4.01 Responsibility of an Investment Manager

The overall responsibility of an investment manager is to provide competitive returns over time, measured against specified market-oriented standards.

An investment manager will have full discretion in managing the portfolio subject to the general guidelines presented in this policy statement, and any amendments, that may be made from time to time, by SGI's Board of Directors.

An investment manager will report to SGI as requested by the Company. The meetings will allow the managers to report on investment performance, and to advise the Company of the investment strategy that is being followed, and any changes in the strategy.

An investment manager should, within 30 business days of each quarter-end, forward a written report to the Company each quarter on the performance of the assets under management and on the firm's investment outlook.

An investment manager will notify the Board immediately, in writing, of any legal or regulatory proceedings or charges of which the manager may be aware, against the manager's firm or investment personnel, or against any sub-advisor or that firm's investment personnel.

The investment standards outlined in this policy statement provide a framework for management of the portfolio within levels of risk acceptable to the Company. If a manager believes the Asset Mix Guidelines are inappropriate for anticipated economic conditions, the manager is responsible for advising the Company that a change in guidelines is desirable, and the reasons therefore.

4.02 Compliance Reporting

A report on compliance with the investment policy, directed to Management, will be completed quarterly by the investment managers. The report format for the Matching Portfolio is included as part of this policy. For investments in investment funds, the investment manager will provide a signed compliance letter. The compliance letter should indicate whether the fund was in compliance with the internal investment fund policy guidelines through the period and confirm that any changes to the investment fund policy have been disclosed.

The Company must be notified immediately of any deviation from the investment policy.

4.03 Performance Measurement

Investment results will be monitored on a quarterly basis. Performance will be evaluated over moving four-year periods.

Return objectives include realized and unrealized capital gains and losses plus income from all sources. Investment returns are measured on a time-weighted basis.

(a) Matching Portfolio Benchmark

The primary objective is to exceed the return of the Liability Proxy ("Proxy"). It is determined based on liabilities provided by SGI and discounted using the investment manager's approximation of SGI Auto's IFRS 17 discount curve based on the investment manager's curve construction methodology. Proxy is calculated daily based on liabilities discounted at daily market curves. Liabilities within Proxy will be updated when revised liabilities are provided to the Manager by SGI. For additional certainty, the Proxy is measured and constructed similar to the industry accepted yield curve utilized under IFRS 17 methodology.

(b) Return Seeking Portfolio Benchmark

The primary objective of the Return Seeking Portfolio is to earn a rate of return, net of fees, that exceeds the rate of return on a benchmark portfolio consisting of the following market index total returns weighted as follows:

Asset Class	Representative Index	Weight ⁽¹⁾ %
Canadian equities	S&P/TSX Capped Composite	5.0
Global equities	MSCI All Country World Index (\$C) (Net)	30.0
Global low volatility equities	MSCI World ex Canada (\$C) (Net)	15.0
Global small cap equities	MSCI All Country World Small Cap Index (\$C) (Net)	15.0/12.5
Return Seeking Bonds	FTSE Canada 91 Day T-Bills + 3.0%	0.0/5.0
Real estate	MSCI/REALPAC Canada Quarterly Property Fund Index	15.0/12.5
Infrastructure	Canadian CPI + 5%	20.0
Short term investments	FTSE Canada 91-Day T-Bills	0.0
Opportunistic Private Equity	Canadian CPI + 7%	0.0
		<u>100.0</u>

⁽¹⁾ The current benchmark was effective November 1, 2021. Where two figures are shown, the first represents the current benchmark, while the second represents the long term target benchmark. Historical benchmark portfolio weights are shown in Appendix B.

(c) Asset Class Benchmarks

The primary objective for each investment manager is to earn a net of fee return that exceeds the benchmark index for each of the asset classes in which an investment manager invests, measured over rolling four year periods.

A secondary objective for the investment manager is to achieve asset class returns within each asset class that, measured over rolling four-year periods, place above the median in a recognized investment manager universe, where available.

The market indices referred to in this section may be changed by the Committee to match the specific investment mandates for an investment manager selected to manage the portfolio, recognizing that at all times the Fund must be managed in accordance with the asset mix guidelines set out in Section 2 and permitted and prohibited investments set out in Section 3 above.

4.04 Soft Dollars

The Fund does not use soft dollars (directed commissions) to pay for any goods or services. An investment manager may use soft dollars to pay for research and other investment-related services with disclosure to the Company, provided they comply with the Soft Dollar Standards promulgated by the CFA Institute.

4.05 Dismissal of an Investment Manager

Reasons for reviewing and considering the termination of the services of an investment manager include, but are not limited to, the following factors:

- (a) Performance results, which over a reasonable period of time, are below the stated performance benchmarks;
- (b) Changes in the overall structure of the Fund such that an investment manager's services are no longer required;
- (c) Change in personnel, firm structure and investment philosophy, style or approach which might adversely affect the potential return and/or risk level of the portfolio;
- (d) Legal or regulatory proceedings against an investment manager or its investment personnel, or any sub-advisor firm or that firm's investment personnel;
- (e) Failure to adhere to this Policy; and/or
- (f) Performance consistently falling below the median of an investment manager peer group.

4.06 Standard of Professional Conduct

An investment manager is expected to comply, at all times and in all respects, with the Code of Ethics and Standards of Professional Conduct as promulgated by the CFA Institute or such other internal code of conduct as considered acceptable by SGI. An investment manager will manage the assets with the care, diligence and skill that a prudent person skilled as a professional investment manager would use in dealing with an investment portfolio. An investment manager will also use all relevant knowledge and skill that it possesses or ought to possess as a prudent investment manager.

Section 5—Administration

5.01 Conflicts of Interest

(a) Fiduciary Responsibilities

This standard applies to Board members, members of the Committee, management advisors and all agents employed by the Company.

An agent is defined to mean a company, organization, association or individual retained by the Committee to provide services to the Company.

In carrying out their fiduciary responsibilities, these parties must act at all times in the best interest of the Company.

(b) Disclosure

In execution of their duties, Board members, Committee members, management advisors and agents shall disclose any material conflict of interest relating to them, or any material ownership of securities, which could impair their ability to render unbiased decisions as it relates to administration of the Fund.

Parties affected by this Statement shall not make any personal financial gain (direct or indirect) because of their fiduciary position. However, normal and reasonable fees and expenses incurred in the discharge of their responsibilities are permitted if documented and approved by the Committee.

Any party affected by this Statement who believes that he/she may have a conflict of interest, or who is aware of any conflict of interest, must notify the Chair of the Board and the Chair of the Committee. Disclosure should be made promptly after the affected person becomes aware of the conflict. The Chairs will decide what action is appropriate under the circumstances, but at a minimum, will table the matter at the next regularly scheduled meeting of the Committee.

No affected person who has or is required to make a disclosure which is determined to be in conflict as contemplated by this policy shall participate in any discussion, decision or vote relating to any proposed investment or transaction in respect of which he or she has made or is required to make disclosure.

No affected person shall accept a gift or gratuity or other personal favour, other than one of nominal value, from an individual or entity that the person deals with in performing responsibilities for the Company.

5.02 Related Party Transactions

The Fund may not enter into a transaction with a related party unless permitted under the *Insurance Companies Act* and *The Crown Corporations Act*, which takes into consideration the *Pension Benefits Standards Act and Regulations*.

Related party includes any officer, director or employee of the Company. It also includes the investment managers and their employees, a union representing employees of the Company, a spouse or child of the persons named previously, or a corporation that is directly or indirectly controlled by the persons named previously, among others.

Under the preceding conflict of interest guidelines, it is incumbent on any person to notify the Committee Chair if a conflict arises. Such conflict includes related party transactions.

5.03 Selecting an Investment Manager

If a new investment manager is to be selected or additional investment manager(s) added to the existing investment managers, the Committee will undertake an investment manager search. The criteria used for selecting an investment manager will be consistent with the investment and risk philosophy set out in Section 1.05 (Investment and Risk Philosophy).

5.04 Monitoring of an Investment Manager

To enable the Committee to fulfill its responsibility of monitoring and reviewing an investment manager, the investment consultant will assist the Committee, on an ongoing basis, in considering:

- (a) Investment manager's staff turnover, consistent application of investment philosophy and record of service;
- (b) Investment manager's current economic outlook and investment strategies;
- (c) Investment manager's compliance with this Policy, where a manager is required to complete and sign a compliance report; and,
- (d) Investment performance of the assets of the Fund in relation to;
 - Rate of return expectations outlined in this Policy
 - Applicable peer groups, including consideration to broad peer universes and style groups as may be applicable

5.05 Voting Rights

The Company has delegated voting rights acquired through investments to the custodian of the securities to be exercised in accordance with investment manager instructions.

An investment manager is expected to exercise all voting rights related to investments held by the Fund in the best interests of the Fund.

The Company reserves the right to direct the custodian to vote in a specified manner.

An investment manager should disclose their proxy voting policies and report annually on (1) whether all eligible proxies were voted on the Fund's behalf and (2) if the proxy voting guidelines were followed and report on any deviations.

5.06 Valuation of Investments not Regularly Traded

The following principles will apply for the valuation of investments that are not traded regularly:

(a) Equities

Average of bid-and-ask prices from two major investment dealers, at least once every calendar quarter.

(b) Bonds

Same as for equities.

(c) Mortgages

Unless in arrears, at the outstanding principal plus/minus the premium/discount resulting from the difference between the face rate and the currently available rate for a mortgage of similar quality and term, determined at least once every calendar quarter.

(d) Infrastructure

Value based on the manager(s) internal appraisal process, with ultimate values determined upon sale of assets.

(e) Real Estate

Real estate is valued at fair value as estimated by an annual independent appraisal. Real estate acquired within the year is recorded at cost, which approximates its fair value.

(f) Investment Funds

Investment fund units shall be valued by the investment manager according to the valuation policies and procedures as found in the fund's investment policy, offering memorandum or trust agreement.

(g) Others

Securities that are not publicly traded and for which no external transaction or other evidence of market value exists, will be valued at cost.

5.07 Annual Review

This policy is open to review at any time, but must be reviewed annually.

Appendix A – Compliance Reports

Saskatchewan Auto Fund Return Seeking Bond Compliance

		Guidelines	Policy Complied With Yes/No*
Matching Portfolio	Key Rate Durations maintained within +/- 1 year for each bucket; Portfolio duration maintained within +/- 1 year of the Liability Proxy		
Constraints			
Permitted and Prohibited Investments	- Bonds and Mortgages	Only as permitted in Section 3.02 (b)	
	- Cash and Short-Term Investments	Only as permitted in Section 3.02 (d)	
	- Derivatives	Only as permitted in Section 3.02 (g)	
	- Foreign Currency Exposure	Securities denominated and payable in Canadian dollars	
Bonds	- Single Issuer	Max 10% of short-term and bond portfolio market value other than Government of Canada or a province	
	- Quality	Min "BBB" for bonds Min "AA" for asset-backed and mortgage-backed "BBB" ineligible for purchase if it would raise "BBB" or lower holdings above 25% of the market value of the bond portfolio	
	- Foreign Issuer	Max 10% of bond portfolio market value	
	- Concentration	Max 20% of total bond portfolio market value in any one province	
Short Term Investments	- Maximum term	One year or less	
	- Minimum Quality	"R-1" or equivalent	
	- Single Issuer	Max 10% other than Government of Canada or a province	
Investment Funds	- Compliance	Investment funds in compliance with their investment policies	
	- Disclosure	Changes to investment fund policies disclosed to SGI	
Other	- Statutory Requirements	Compliance with the <i>Insurance Companies Act (Canada)</i> and <i>The Crown Corporations Act</i>	
	- Proxy Voting	All eligible voting rights voted in best interest of Fund	
	- Soft Dollars	Manager uses Soft Dollars (yes/no)? If yes, manager complies with CFA Institute Soft Dollar Standards	
Conflicts of Interest	- Disclosure	Conflicts of interest (if any) disclosed to the Chair of the Board and Chair of the Investment Committee.	
Policy Violations	- Disclosure	All circumstances that either are or may potentially be in violation to the Statement of Investment Policies and Goals disclosed to SGI	

*If policy not complied with, comment on specifics.

I believe this to be a factual representation of compliance with the Statement of Investment Policies and Goals throughout the reporting period.

TD Asset Management

Signature and Title Company Name

Appendix B – Return Seeking Portfolio Benchmark Portfolio Weights

Return Seeking Portfolio Benchmark Portfolio Weights

Return Seeking Portfolio Current Benchmark Portfolio Weights⁽¹⁾

Asset Class ⁽²⁾	Representative Index	Weight ⁽³⁾ %
Canadian equities	S&P/TSX Capped Composite	5.0
Global equities	MSCI All Country World Index (\$C) (Net)	30.0
Global low volatility equities	MSCI World ex Canada (\$C) (Net)	15.0
Global small cap equities	MSCI All Country World Small Cap Index (\$C)	15.0/12.5
Return Seeking Bonds	FTSE Canada 91 Day T-Bills + 3.0%	0.0/5.0
Real estate	MSCI/REALPAC Canada Quarterly Property Fund Index	15.0/12.5
Infrastructure	CPI + 5%	20.0
		<u>100.0</u>

⁽¹⁾ Effective November 1, 2021

⁽²⁾ Convertible securities and preferred shares are considered to be equities in the asset mix guidelines.

⁽³⁾ Where two figures are shown, the first represents the current benchmark, while the second represents the long term target benchmark.

Historical Benchmark Portfolio Weights

Asset Class	Prior to Oct 1 1991	Oct 1 1991	Jan 1 1995	Aug 1 1996	Jan 1 1999	Feb 1 2003	Feb 1 2004	Jan 1 2006	Apr 1 2006	Oct 1 2006	Dec 1 2008	Oct 1 2010	Apr 1 2012	Sep 13 2013
Canadian equities	22	20	15	15	15	15	15	15	15	15	15	50	37.5	38.0
U.S. equities	5	5	5	5	5	5	5	5	5	5	5	16	15.0	15.5
NNA equities	-	-	5	5	5	5	5	5	5	5	5	16	12.5	13.0
Global SC equities	-	-	-	-	-	-	-	-	-	-	-	-	12.5	13.0
Real estate	-	-	-	2	2	2	1	1	3	5	5	16	20.0	20.5
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0
"Universe" bonds	58	55	55	58	63	32	38	69	67	65	62	-	-	-
Short-term bonds	-	-	-	-	-	31	31	-	-	-	-	-	-	-
Mortgages	-	5	5	5	-	-	-	-	-	-	5	-	-	-
Short-term investments	<u>15</u>	<u>15</u>	<u>15</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>3</u>	<u>2</u>	<u>2.5</u>	-
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100.0</u>	<u>100.0</u>

Total Fund historical benchmark weights to September 30, 2010 and Return Seeking historical benchmark weights thereafter.

SAF Response Attachment IR 1 - 46a

Asset Class	Oct 1 2013	July 1 2014	Sept 1 2014	Apr 1 2015	Apr 1 2016	Dec 1 2016	Feb 1 2017	Apr 1 2017	Dec 1 2017	Oct 1 2018
Canadian equities	38	36	34	24	23	25	22	20	23	22
U.S. equities	15.5	15.5	15.5	-	-	-	-	-	-	-
NNA equities	13.0	13.0	13.0	-	-	-	-	-	-	-
Global equities	-	-	-	42	42	42	42	42	42	42
Global SC equities	13	13	13	10	10	10	13	15	15	15
Real estate	20.5	20.5	20.5	20	20	18	18	18	15	18
Infrastructure	-	2	4	4	5	5	5	5	5	6
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Asset Class	Jan 1 2019	Aug 1 2019	Nov 1 2019	Mar 1 2021	Jun 1 2021
Canadian equities	21	19	13	11	6
Global equities	42	42	42	42	47
Global low volatility equities					
Global SC equities	15	15	15	15	15
Real estate	15	15	15	15	15
Infrastructure	7	9	15	15	17
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

**Statement of
Investment
Policies and
Goals**

Saskatchewan Auto
Fund

June 2025

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Appendix A – Compliance Reports

Appendix B – Return Seeking Portfolio Benchmark Portfolio Weights

Section 1—Overview

1.01 Purpose of Statement

The purpose of this policy statement is to provide a framework for the prudent investment and administration of the Saskatchewan Auto Fund investment portfolio (the Fund). This policy provides an investment manager with a written statement of specific quality, quantity, and rate of return standards for the corporation's investment portfolio.

A major goal of this policy is to establish ongoing communication between Saskatchewan Government Insurance (“SGI” or the “Company”) and an investment manager. Effective communication will contribute to management of the portfolio in a manner that is consistent with market conditions and with the objectives of the Company. Consultation between the parties will take the form of regular meetings supplemented, from time to time, by informal contact requested by any of the parties.

1.02 General

The Saskatchewan Auto Fund was established to provide compulsory automobile insurance to Saskatchewan people. The Fund is self-sustaining with the objective of breaking even over the long term.

Section 87(3) of *The Automobile Accident Insurance Act* (Act) authorizes the Fund to hold property of every nature and kind.

Section 92(1) of the Act authorizes investment of monies of the Fund in:

- investments authorized for Crown corporations pursuant to *The Crown Corporations Act*, which references similar principles contained in the *Pension Benefits Standards Act and Regulations*; or
- investments authorized pursuant to Part IX of the *Insurance Companies Act (Canada)*.

The overall standard guiding investment of the portfolio is the “prudent person rule” which is set out in section 492 of the *Insurance Companies Act (Canada)*. This standard requires that investments be made in a manner that “a reasonable and prudent person would apply in respect of a portfolio of investments to avoid undue risk of loss and to obtain a reasonable return.”

Both the *Insurance Companies Act (Canada)* and the *Pension Benefits Standards Act and Regulations* follow this “prudent person portfolio approach.”

Given the structure of the Auto Fund, the quantitative restrictions included in the *Insurance Companies Act* are not applicable. However, the Auto Fund is monitored against the quantitative guidelines established by the *Pension Benefits Standards Act and Regulations*. These guidelines are:

- Maximum 10% of the market value of total assets in any one corporation or two or more affiliated corporations
- Maximum 30% of the voting shares of any one corporation

Responsibility for the investment policy rests with the Board of Directors. The Board has delegated day to day implementation and monitoring to management.

SGI has delegated its investment authority to professional investment managers to invest in accordance with this policy. In addition, a trust company has been appointed as custodian with responsibilities for safekeeping of investments, income collection, and settlement of investment transactions. The Investment and Lending Committee (Committee) of the Board makes recommendations on policy matters contained in this document and monitors the performance of the investment assets.

1.03 Nature of the Auto Fund

The Auto Fund, as the compulsory automobile insurance program for Saskatchewan residents, provides vehicle registrations, driver's licenses, the basic minimum liability insurance required to operate a vehicle and coverage for damage to or loss of an insured's vehicle, subject to a deductible. Uncertain claim levels due to driving conditions, storm activity and court awards leads to cyclical profits from underwriting activities. Due to this instability of profits from underwriting, stability from investment income is an important objective, along with safety of capital. Investment capital is used to cover policyholder liabilities.

1.04 Liability Characteristics

The Auto Fund's injury program pays for medical, rehabilitation, living assistance and income replacement benefits, which have the potential to be paid for the remaining lifetime of the most severely injured claimants, estimated as long as 55 years. The payments on current claims expected to be made later than 20 years into the future exceed \$1 billion. Such estimates have a large amount of uncertainty from inflation rates, customer rehabilitation rates, mortality rates and future benefit levels. The long-tailed nature of these injury claims results in a high overall claims duration relative to other P&C insurance companies. The most significant characteristics of the Auto Fund's assets and liabilities, which impact on the investment strategy, are:

- Insurance contract liabilities account for 98% of total liabilities. At March 31, 2024, the liability for these two items was \$2.3 billion, up from \$2.2 billion last year.
- The liability duration of 9.8 years remains well matched to the fixed income asset duration of 9.8 years as at March 31, 2024.
- At March 31, 2024, the market value of investments was \$3.1 billion, comparable to the \$3.1 billion last year. As measured by the Minimum Capital Test at March 31, 2024, assets were 143% of required capital and above the operating target level of 125%.
- At March 31, 2024 the Rate Stabilization Reserve balance was at \$0.9 billion, down from \$1.0 billion the previous year.

A key rate duration matching approach has been adopted for the portfolio which allows some diversification into equities, real estate and infrastructure in order to match longer-dated liabilities. This diversification into other asset classes serves to increase the long-term return on investment potential while controlling overall portfolio risk.

1.05 Investment and Risk Philosophy

(a) Investment Beliefs

The Policy sets out the parameters under which the Fund is managed, which are influenced by several basic assumptions about the characteristics and trends in capital markets. The key investment beliefs that shape the Policy are:

- (i) Asset allocation is the most important determining factor in the investment performance of the Fund.
- (ii) In the long term, equities will outperform bonds to compensate for their higher risk.
- (iii) Accepting mismatch risk between portfolio assets and liabilities provides an opportunity to enhance long term returns but introduces specific risks like interest rate risk, credit risk and equity market risk. A liability sensitive approach to investing reduces these risks somewhat by matching both the size and duration of claims liabilities with fixed income securities. Investing the remaining assets in asset classes with long term return expectations greater than fixed income investments provides the potential to improve overall returns.
- (iv) Market movements between asset classes are not perfectly correlated as equity, bond and other asset class portfolios respond differently to economic factors. In addition, Canadian and foreign asset classes are not perfectly correlated due to different economic environments and the underlying composition of the capital markets. As a result, diversification across different asset classes and markets offers the opportunity to improve risk-adjusted returns.
- (v) Foreign currency exposure gained from holding investments outside of Canada has historically provided diversification benefits. SGI monitors foreign currency exposure, and where seen appropriate from a risk management perspective and where cost effective, may hedge some or all of the Auto Fund's foreign currency exposure.
- (vi) The success of active management varies based on efficiency of capital markets. Where markets are efficient, the quick dissemination of information limits the ability of investment professionals to consistently add value to the broad market indices.

(b) Investment Philosophy

Fund assets should be prudently managed to assist in avoiding excessive volatility in annual rates of return.

The prudent management of investment portfolios requires that the Company adhere to investment and lending policies that a reasonable and prudent person would apply in respect of a portfolio of investments and loans to avoid undue risk of loss and obtain a reasonable return.

Assessment of the risk profile of the Fund considers the nature of the industry and liability characteristics as outlined above. Based on these factors, the Fund can assume a moderate level of investment risk (defined as the volatility of returns). Accordingly, a diversified long-term asset mix strategy which includes allocations to both liability hedging assets and return seeking assets is warranted. Further, the fixed income allocation and target benchmark indices are set with regard to the structure of the claims liabilities.

(c) Risk Philosophy

In order to achieve the long-term investment goals, the Fund must invest in assets that have uncertain returns, such as Canadian equities, foreign equities, bonds, real estate and infrastructure. Interest rate risk, one of the primary risks faced by the portfolio, is addressed by matching the size and duration of the claims liabilities with fixed income securities. Equity market risk is partially managed through diversification by sector and country. Credit risk is addressed by ensuring broad diversification by sector in high quality, investment grade securities in the Matching Portfolio but with some exposure to lower quality bonds within return seeking bond mandates.

The Fund accepts foreign currency exposure in its equity and infrastructure portfolios, as foreign currency exposure provides diversification benefits without accepting undue risk.

The Fund is invested relative to a Benchmark Portfolio. The return from the benchmark portfolio represents an achievable return for the Fund given the capital market conditions in which it is invested. The specific weights for each asset class are set based on the risk profile of the Fund. Risk profile is assessed through a detailed review of the Fund and the investment markets that considers:

- Liability structure
- Investment time horizon
- Liquidity needs
- Regulatory environment
- Other unique factors
- Historical and prospective risk (volatility) and return of various asset classes and benchmark portfolios.

Section 2—Asset Mix Policy

2.01 Asset Mix

The following guidelines are based on the total market value of each of the investment portfolios. The Committee may consider and approve temporary deviations from these guidelines, or other policy constraints, based on changing market conditions and/or investment manager requests. Should an investment manager wish to deviate from these guidelines or the quantity and quality guidelines, or revise them, a written request will be forwarded to the Company.

(a) Matching Portfolio

The Matching Portfolio will be constructed to key rate duration (“KRD”) match the projected liability cash flows (“liabilities”) as provided by SGI to an investment manager from time to time in the following KRD buckets:.

KRD Buckets

2 year
5 year
10 year
15 year
20 year
30 year

The Matching Portfolio will be comprised of:

- Short-term investments and cash, subject to a minimum balance of \$30 million;
- Publicly traded bonds of Canadian issuers;
- Investment grade private debt, to a maximum of 20% of the Matching Portfolio; and,
- Mortgages, to a maximum of 25% of the Matching Portfolio.

(b) Return Seeking Portfolio

	Minimum %	Benchmark ⁽²⁾ %	Maximum %
Canadian equities	3	5	7
Global equities	25	35	45
Global small cap equities	7.5	12.5	17.5
Foreign equities	<u>32.5</u>	<u>47.5</u>	<u>62.5</u>
Total equities ⁽¹⁾	35.5	52.5	69.5
Return Seeking Bonds	2.5	10	15
Real estate	7.5	12.5	17.5
Infrastructure	15	25	35
Opportunistic ⁽³⁾	0	0	4
Cash and Short-Term Investments	0	0	5
		100	

⁽¹⁾ Convertible securities and preferred shares are considered to be equities in the asset mix guidelines.

⁽²⁾ The current benchmark was effective April 1, 2025. Where two figures are shown, the first represents the current benchmark, while the second represents the long term target benchmark.

⁽³⁾ Investment in Saskatchewan-based investment funds

The Return Seeking Portfolio is managed under a specialist structure, where each asset class is a separate mandate. For purpose of the Return Seeking Portfolio asset mix described above, investments in investment funds are deemed to be fully invested in that investment fund's assets class even though the investment fund may have cash reserves.

Cash and Short-Term Investments held in the Return Seeking Portfolio are to assist with normal cash flow requirements including capital calls and distributions of real asset mandates and quarterly rebalancing.

The Return Seeking Portfolio is currently undergoing a transition to the long-term target asset mix and investment manager structure.

(c) Global Equity Rebalancing

The Return Seeking Portfolio uses two managers that have different but complementary styles. Each manager has a current benchmark weight of 17.5%. The permissible range for each manager is, +/-5% of their benchmark weight. Rebalancing between the global equity managers shall be consistent with the cash flow and rebalancing policy set out in Section 2.01(d).

(d) Cash Flow and Rebalancing

Cash generated in each of the Matching and Return Seeking Portfolios will typically be reinvested in those portfolios, while net external cash flows will typically be drawn from or invested in the Matching Portfolio. SGI shall, however, exercise judgment in allocating and drawing cash flows based on:

- i) the magnitude of the cash flow;
- ii) liquidity considerations;
- iii) transaction cost considerations;
- iv) the necessity to rebalance assets between the Matching Portfolio and the Return Seeking Portfolio;
- v) the necessity to rebalance assets within the Return Seeking Portfolio; and
- vi) in order to meet cash commitments related to investment in any new asset class that may be introduced to the benchmark.

Unless otherwise instructed, external cash flows in the Matching Portfolio will be invested in, or drawn from, the two year bucket.

The overall allocation to the Matching Portfolio is determined based on the desired duration hedge ratio. The duration hedge ratio is evaluated at minimum annually and is currently set at 80% however may drift between 70% and 90% based on the market environments or operational considerations at the discretion of management. The duration hedge ratio will be evaluated, at minimum, twice per year, based on March 31 and September 30 valuation dates and will be rebalanced towards target as required.

The Matching Portfolio will be monitored and rebalanced by the Fixed Income Manager to maintain Key Rate Durations within +/- 1 year for each bucket, and overall portfolio duration within +/- 1 year of the Liability Proxy.

For the Return Seeking Portfolio, the assets allocated to each manager will be reviewed subsequent to each month end. Should any manager's range be breached, SGI Management will initiate a rebalancing and advise the Investment Committee of the rebalancing at its next meeting. It is recognized that rebalancing actions for real estate and infrastructure allocations may require flexibility relative to policy guidelines due to their less liquid nature.

Section 3—Permitted and Prohibited Investments

3.01 General Investment Guidelines

The investments must comply with the requirements and restrictions imposed by the applicable legislation, including but not limited to, the *Insurance Companies Act (Canada)* and *The Crown Corporations Act*.

3.02 Permitted Investments

Provisions respecting permitted investments as may be applicable for each of the Matching and Return Seeking Portfolios are outlined in this section. In general, and subject to Section 3.04 and the restrictions in Section 2 and 3, an investment manager may, within its mandate, invest the investment assets in the following asset classes and any of the investment instruments listed below.

(a) Canadian and Foreign Equities

- (i) Equity securities traded through a marketplace, as well as listed equity substitutes that are convertible into equities traded through those same marketplaces.
- (ii) Unlisted equity securities, such as private placement equities, where the investment manager determines the security will become eligible for trading through a marketplace within a reasonable and defined timeframe, not to exceed six months, and the issuing company is publicly listed through a marketplace.

(b) Bonds, Mortgages and Real Estate (excluding Return Seeking Bonds)

- (i) Nominal and real return bonds, debentures, notes, and other evidence of indebtedness denominated and payable in Canadian dollars. Issuers may be Canadian, supranational or foreign if domiciled in developed markets.
- (ii) Mortgages on income producing commercial property and multi-unit residential properties in Canada, held in investment funds deemed permissible by the Board.
- (iii) Term deposits and guaranteed investment certificates.
- (iv) Private placements of bonds subject to Section 3.03.
- (v) Real Estate investment fund units subject to 3.03(f).

(c) Return Seeking Bonds

- (i) Investment in Return Seeking Bond investment fund units which are governed by the investment funds investment policy. Underlying investments

may include, but are not limited to, nominal and real return bonds, debentures, notes, asset backed securities, or other fixed income instruments including but not limited to debt instruments issued by governments, government agencies or corporations.

(d) Private Debt

- (i) Private debt including, but not limited to, debt secured by real assets, senior secured and unsecured loans, and securitized loan obligations, if explicitly allowed in the investment manager's investment policy. Due to the illiquid nature of Private Debt, Committee approval is required for any increase in target allocation to Private Debt within the Matching Portfolio.

(e) Cash and Short-Term Investments

- (i) Cash on hand and demand deposits.
- (ii) Treasury bills issued by the federal and provincial governments and their agencies.
- (iii) Obligations of trust companies and Canadian and foreign banks chartered to operate in Canada, including bankers' acceptances.
- (iv) Commercial paper and term deposits.
- (v) Non-bank asset backed commercial paper is not permitted.

(f) Infrastructure

- (i) Indirect infrastructure investment via independently managed investment funds, limited partnerships or specialist corporate structures (eg. Limited Liability Companies; LLCs). The mandate of each fund, partnership or corporate structure will vary with the long-term goal of assembling a diversified portfolio.
- (ii) Permitted and prohibited investments in infrastructure will be governed by the terms and conditions set out in the respective investment fund contract, Offering Memorandum, Trust Agreement or similar document that is applicable to each Investment Manager.

(g) Other Investments

- (i) Investments in open-or closed-ended investment funds provided that the assets of such funds are permissible investments under the Policy.
- (ii) Deposit accounts of the custodian can be used to invest surplus cash holdings.
- (iii) Investments in Saskatchewan based ventures through investment funds, limited partnerships, or co-investments that may arise from time to time that do not readily fit a specific asset class.

(h) Derivatives

The use of derivatives (such as options, futures and forward contracts) is permitted with prior approval by the Committee to protect against losses from changes in exchange rates, interest rates and market indices; and for non-hedging purposes, as a substitute for direct investment. Sufficient assets or cash must be held to cover commitments due to the derivatives transactions. No derivatives can be used for speculative trading or to create a portfolio with leverage. Derivative use in investment funds is subject to the investment fund guidelines.

(i) Investment Funds

Investment in investment funds is permissible.

Investment funds are governed by the policies for each fund. The Committee shall review the guidelines for any investment fund investment to determine if they are appropriate. Any change to the investment fund policy shall be communicated to the Company at least 30 days prior to the change. However, the managers will endeavor to provide 90 days' notice of material change to the policy.

3.03 Minimum Quality and Quantity Guidelines

Provisions respecting quality and quantity guidelines as may be applicable for each of the Matching and Return Seeking Portfolios are outlined in this section.

Investments of any kind (stocks, bonds, real estate, mortgages, short term investments) of any one issuer in the aggregate (other than the Government of Canada or a Canadian province) should not exceed 10% of the market value of the related Matching or Return Seeking portfolio.

(a) Capital Stock

- (i) An investment manager is expected to maintain a relatively high quality portfolio. In general, investments should be limited to stocks that are publicly traded through a marketplace.
- (ii) No single issuer's equities, private or public, shall represent more than 10% of the market value of each equity portfolio managed on a segregated basis.
- (iii) No one holding can represent more than 10% of the voting shares of any corporation, except for substantial investments, as defined by the *Insurance Companies Act* (no substantial investments can be made without prior approval).
- (iv) Total private placement equities shall not exceed 10% of the equity portfolio market value at the time of purchase.
- (v) As well, in accordance with subsection 9(3) of Schedule III of the regulations of the *Pension Benefits Standards Act*, the 10% limit referred to

in the preceding paragraph does not apply to investments in an investment corporation, real estate corporation or resource corporation.

- (vi) Investments in equities may be held in an investment fund vehicle, subject to 3.02(f)(i) and 3.02(h). The investment guidelines of the investment fund, as updated from time to time, shall be disclosed to SGI.
- (vii) The minimum quality standard for individual preferred shares is P-1 or equivalent, as rated by a recognized credit rating service at the time of purchase.

(b) Bonds

Excluding the Return Seeking Bond and Private Debt mandate, which is subject to the guidelines and restrictions noted in that fund's policy, the following restrictions apply:

- (i) The minimum quality standard for purchase of bonds and debentures is "BBB" or equivalent rating, as rated by a recognized credit rating service (includes all sub-rating levels within the overall "BBB" rating). In cases where the credit rating services do not agree on the credit rating of an issue, the rating is classified in accordance with the rules established by FTSE Russell for the FTSE Canada Universe and Maple Bond Indexes.
- (ii) "BBB" bonds may not be purchased if it would result in raising holdings rated "BBB" or lower to more than 25% of the market value of the bond portfolio.
- (iii) An investment manager will take the following steps in the event of a downgrade in the credit rating of a portfolio asset by a recognized bond rating agency to below the purchase standards set out in Section 3.03(b)(i):
 - (A) The Company will be notified of the downgrade at the earliest possible opportunity;
 - (B) Within five business days of the downgrade, an investment manager will advise the Company in writing of the course of action taken or to be taken by the investment manager, and its rationale; and
 - (C) An investment manager will provide regular reporting on the status of the asset until such time as it matures, is sold or is upgraded to a level consistent with the purchase quality standards as expressed in the above guidelines.
- (iv) An investment manager shall report to the Company, along with the recommended strategy for bringing the portfolio into line with the policy restrictions, should the total exposure to "BBB" or lower bonds move above 25% of the market value of the bond portfolio.

- (v) The minimum quality rating for mortgage backed and asset backed securities is “AA” or equivalent.
- (vi) Unrated bonds should be assigned a rating by an investment manager before purchase.
- (vii) No more than 10% of the market value of the bond portfolio shall be invested in bonds of foreign issuers. .
- (viii) Holdings for any one issuer, other than the Government of Canada or a province, should not exceed 10% of the market value of the bond investment portfolio.
- (ix) Holdings for any one province should not exceed 20% of the market value of the bond portfolio.

(c) Rating Agencies

For the purposes of this Policy, the following rating agencies shall be considered to be ‘recognized bond rating agencies’:

- (i) DBRS Morningstar;
- (ii) S&P Global Ratings;
- (iii) Moody’s Investors Services; and
- (iv) Fitch Ratings

(d) Split Ratings

In cases where the Recognized Bond Rating Agencies do not agree on the credit rating, the bond will be classified in accordance with the rules established by FTSE Russell for the FTSE Canada Universe and Maple Bond Indexes.

(e) Mortgages

Investments in mortgages are held in an investment fund vehicle subject to 3.02 (f)(i) and 3.02 (h). The investment guidelines of the investment fund, as updated from time to time, shall be disclosed to SGI.

(f) Real Estate

When considering investment in real estate investment funds, the following are attributes favoured by the Company:

- (i) Canadian real estate capable of yielding overall rates of return in excess of current and projected levels of inflation in the long term.
- (ii) A portfolio capable of providing a stable long term income flow.

(g) Infrastructure

When considering investment in infrastructure investment funds, the following are attributes favoured by the Company:

- (i) Global infrastructure capable of yielding overall rates of return in excess of current and projected levels of inflation in the long term.
- (ii) A portfolio capable of providing a stable, long term income flow.

(h) Short Term Investments

- (i) Short-term investments for the purpose of this Statement are defined as securities purchased with a maturity of one year or less.
- (ii) It is anticipated that an investment manager will invest only in instruments of the highest quality. Securities with an “R-1” or equivalent rating, as rated by a recognized credit rating service, are permissible investments (includes all sub-rating levels within the overall “R-1” rating).
- (iii) Holdings for any one issuer, other than the Government of Canada or a Canadian province, should not exceed 10% of the market value of the short-term investment portfolio in the Matching Portfolio, and 10% of the market value of the short-term investment portfolio in each equity mandate of, and overall, within the Return Seeking Portfolio, excluding overnight term deposits.

(i) Exceptions

When applying the Quality and Quantity Guidelines, it is recognized that there may be occasions during which these guidelines are not met temporarily for valid investment reasons. It is the responsibility of an investment manager to report any violations to the Company immediately, and to recommend an appropriate course of action.

3.04 Prior Permission Required

The following investments are permitted provided that prior permission for such investments has been obtained from the Committee:

- (a) Investments in private placement equities, other than those permitted in Section 3.02 (a)(ii);
- (b) Derivatives, as per Section 3.02(g) above;
- (c) Any other investments not expressly permitted by this policy statement.

3.05 Prohibited Investments

An investment manager shall not:

- (a) Directly invest in companies for the purpose of managing them, with the exception of the infrastructure or private equity limited partnerships and/or funds;
- (b) Purchase securities on margin or engage in short sales, except as allowed in 3.02(g); or,

(c) Make any investment not specifically permitted by this Policy.

3.06 Securities Lending

The investments of the assets may be loaned, for the purpose of generating revenue for the Fund assets, subject to the provisions of the applicable legislation.

Acceptable collateral will at all times comply with the Office of the Superintendent of Financial Institutions (OSFI) guideline B4 respecting collateral permitted in securities lending by federally regulated trust companies, unless granted by prior written approval from SGI. Eligible collateral should be readily marketable and is generally restricted to the following assets, denominated in Canadian or U.S. dollars:

- cash;
- widely traded debt instruments having a rating of single A (or the equivalent) or higher from a recognized, widely followed North American credit rating agency;
- commercial paper rated A-1 or R-1 or the equivalent by a recognized, widely followed North American credit rating agency;
- acceptances of banks and trust and loan companies whose short-term deposits are rated A-1 or R-1 or the equivalent by a recognized, widely followed North American credit rating agency;
- high quality common and preferred shares.

The amount of collateral taken for securities lending should reflect best practices in local markets. In Canada, the current market practice is to obtain collateral of at least 102% of the market value of the securities lent. This market relationship must be calculated at least daily.

If the assets are invested in an investment fund, security lending will be governed by the terms and conditions set out in the investment fund contract. The investment fund manager shall disclose whether the fund uses securities lending.

Section 4—Monitoring and Control

4.01 Responsibility of an Investment Manager

The overall responsibility of an investment manager is to provide competitive returns over time, measured against specified market-oriented standards.

An investment manager will have full discretion in managing the portfolio subject to the general guidelines presented in this policy statement, and any amendments, that may be made from time to time, by SGI's Board of Directors.

An investment manager will report to SGI as requested by the Company. The meetings will allow the managers to report on investment performance, and to advise the Company of the investment strategy that is being followed, and any changes in the strategy.

An investment manager should, within 30 business days of each quarter-end, forward a written report to the Company each quarter on the performance of the assets under management and on the firm's investment outlook.

An investment manager will notify the Board immediately, in writing, of any legal or regulatory proceedings or charges of which the manager may be aware, against the manager's firm or investment personnel, or against any sub-advisor or that firm's investment personnel.

The investment standards outlined in this policy statement provide a framework for management of the portfolio within levels of risk acceptable to the Company. If a manager believes the Asset Mix Guidelines are inappropriate for anticipated economic conditions, the manager is responsible for advising the Company that a change in guidelines is desirable, and the reasons therefore.

4.02 Compliance Reporting

A report on compliance with the investment policy, directed to Management, will be completed quarterly by the investment managers. The report format for the Matching Portfolio is included as part of this policy. For investments in investment funds, the investment manager will provide a signed compliance letter. The compliance letter should indicate whether the fund was in compliance with the internal investment fund policy guidelines through the period and confirm that any changes to the investment fund policy have been disclosed.

The Company must be notified immediately of any deviation from the investment policy.

4.03 Performance Measurement

Investment results will be monitored on a quarterly basis. Performance will be evaluated over moving four-year periods.

Return objectives include realized and unrealized capital gains and losses plus income from all sources. Investment returns are measured on a time-weighted basis.

(a) Matching Portfolio Benchmark

The primary objective is to exceed the return of the Liability Proxy ("Proxy"). It is determined based on liabilities provided by SGI and discounted using the investment manager's approximation of SGI Auto's IFRS 17 discount curve based on the investment manager's curve construction methodology. Proxy is calculated daily based on liabilities discounted at daily market curves. Liabilities within Proxy will be updated when revised liabilities are provided to the Manager by SGI. For additional certainty, the Proxy is measured and constructed similar to the industry accepted yield curve utilized under IFRS 17 methodology.

(b) Return Seeking Portfolio Benchmark

The primary objective of the Return Seeking Portfolio is to earn a rate of return, net of fees, that exceeds the rate of return on a benchmark portfolio consisting of the following market index total returns weighted as follows:

Asset Class	Representative Index	Weight ⁽¹⁾ %
Canadian equities	S&P/TSX Capped Composite	5
Global equities	MSCI All Country World Index (\$C) (Net)	35
Global small cap equities	MSCI All Country World Small Cap Index (\$C) (Net)	12.5
Return Seeking Bonds	FTSE Canada 91 Day T-Bills + 3.0%	10
Real estate	MSCI/REALPAC Canada Quarterly Property Fund Index	12.5
Infrastructure	Canadian CPI + 5%	25
Short term investments	FTSE Canada 91-Day T-Bills	0
Opportunistic Private Equity	Canadian CPI + 7%	0
		<u>100</u>

⁽¹⁾ The current benchmark was effective April 1, 2025. Historical benchmark portfolio weights are shown in Appendix B.

(c) Asset Class Benchmarks

The primary objective for each investment manager is to earn a net of fee return that exceeds the benchmark index for each of the asset classes in which an investment manager invests, measured over rolling four year periods.

A secondary objective for the investment manager is to achieve asset class returns within each asset class that, measured over rolling four-year periods,

place above the median in a recognized investment manager universe, where available.

The market indices referred to in this section may be changed by the Committee to match the specific investment mandates for an investment manager selected to manage the portfolio, recognizing that at all times the Fund must be managed in accordance with the asset mix guidelines set out in Section 2 and permitted and prohibited investments set out in Section 3 above.

4.04 Soft Dollars

The Fund does not use soft dollars (directed commissions) to pay for any goods or services. An investment manager may use soft dollars to pay for research and other investment-related services with disclosure to the Company, provided they comply with the Soft Dollar Standards promulgated by the CFA Institute.

4.05 Dismissal of an Investment Manager

Reasons for reviewing and considering the termination of the services of an investment manager include, but are not limited to, the following factors:

- (a) Performance results, which over a reasonable period of time, are below the stated performance benchmarks;
- (b) Changes in the overall structure of the Fund such that an investment manager's services are no longer required;
- (c) Change in personnel, firm structure and investment philosophy, style or approach which might adversely affect the potential return and/or risk level of the portfolio;
- (d) Legal or regulatory proceedings against an investment manager or its investment personnel, or any sub-advisor firm or that firm's investment personnel;
- (e) Failure to adhere to this Policy; and/or
- (f) Performance consistently falling below the median of an investment manager peer group.

4.06 Standard of Professional Conduct

An investment manager is expected to comply, at all times and in all respects, with the Code of Ethics and Standards of Professional Conduct as promulgated by the CFA Institute or such other internal code of conduct as considered acceptable by SGI. An investment manager will manage the assets with the care, diligence and skill that a prudent person skilled as a professional investment manager would use in dealing with an investment portfolio. An investment manager will also use all relevant knowledge and skill that it possesses or ought to possess as a prudent investment manager.

Section 5—Administration

5.01 Conflicts of Interest

(a) Fiduciary Responsibilities

This standard applies to Board members, members of the Committee, management advisors and all agents employed by the Company.

An agent is defined to mean a company, organization, association or individual retained by the Committee to provide services to the Company.

In carrying out their fiduciary responsibilities, these parties must act at all times in the best interest of the Company.

(b) Disclosure

In execution of their duties, Board members, Committee members, management advisors and agents shall disclose any material conflict of interest relating to them, or any material ownership of securities, which could impair their ability to render unbiased decisions as it relates to administration of the Fund.

Parties affected by this Statement shall not make any personal financial gain (direct or indirect) because of their fiduciary position. However, normal and reasonable fees and expenses incurred in the discharge of their responsibilities are permitted if documented and approved by the Committee.

Any party affected by this Statement who believes that he/she may have a conflict of interest, or who is aware of any conflict of interest, must notify the Chair of the Board and the Chair of the Committee. Disclosure should be made promptly after the affected person becomes aware of the conflict. The Chairs will decide what action is appropriate under the circumstances, but at a minimum, will table the matter at the next regularly scheduled meeting of the Committee.

No affected person who has or is required to make a disclosure which is determined to be in conflict as contemplated by this policy shall participate in any discussion, decision or vote relating to any proposed investment or transaction in respect of which he or she has made or is required to make disclosure.

No affected person shall accept a gift or gratuity or other personal favour, other than one of nominal value, from an individual or entity that the person deals with in performing responsibilities for the Company.

5.02 Related Party Transactions

The Fund may not enter into a transaction with a related party unless permitted under the *Insurance Companies Act* and *The Crown Corporations Act*, which takes into consideration the *Pension Benefits Standards Act and Regulations*.

Related party includes any officer, director or employee of the Company. It also includes the investment managers and their employees, a union representing employees of the Company, a spouse or child of the persons named previously, or a corporation that is directly or indirectly controlled by the persons named previously, among others.

Under the preceding conflict of interest guidelines, it is incumbent on any person to notify the Committee Chair if a conflict arises. Such conflict includes related party transactions.

5.03 Selecting an Investment Manager

If a new investment manager is to be selected or additional investment manager(s) added to the existing investment managers, the Committee will undertake an investment manager search. The criteria used for selecting an investment manager will be consistent with the investment and risk philosophy set out in Section 1.05 (Investment and Risk Philosophy).

5.04 Monitoring of an Investment Manager

To enable the Committee to fulfill its responsibility of monitoring and reviewing an investment manager, the investment consultant will assist the Committee, on an ongoing basis, in considering:

- (a) Investment manager's staff turnover, consistent application of investment philosophy and record of service;
- (b) Investment manager's current economic outlook and investment strategies;
- (c) Investment manager's compliance with this Policy, where a manager is required to complete and sign a compliance report; and,
- (d) Investment performance of the assets of the Fund in relation to;
 - Rate of return expectations outlined in this Policy
 - Applicable peer groups, including consideration to broad peer universes and style groups as may be applicable

5.05 Voting Rights

The Company has delegated voting rights acquired through investments to the custodian of the securities to be exercised in accordance with investment manager instructions.

An investment manager is expected to exercise all voting rights related to investments held by the Fund in the best interests of the Fund.

The Company reserves the right to direct the custodian to vote in a specified manner.

An investment manager should disclose their proxy voting policies and report annually on (1) whether all eligible proxies were voted on the Fund's behalf and (2) if the proxy voting guidelines were followed and report on any deviations.

5.06 Valuation of Investments not Regularly Traded

The following principles will apply for the valuation of investments that are not traded regularly:

(a) Equities

Average of bid-and-ask prices from two major investment dealers, at least once every calendar quarter.

(b) Bonds

Same as for equities.

(c) Mortgages

Unless in arrears, at the outstanding principal plus/minus the premium/discount resulting from the difference between the face rate and the currently available rate for a mortgage of similar quality and term, determined at least once every calendar quarter.

(d) Infrastructure

Value based on the manager(s) internal appraisal process, with ultimate values determined upon sale of assets.

(e) Real Estate

Real estate is valued at fair value as estimated by an annual independent appraisal. Real estate acquired within the year is recorded at cost, which approximates its fair value.

(f) Investment Funds

Investment fund units shall be valued by the investment manager according to the valuation policies and procedures as found in the fund's investment policy, offering memorandum or trust agreement.

(g) Others

Securities that are not publicly traded and for which no external transaction or other evidence of market value exists, will be valued at cost.

5.07 Annual Review

This policy is open to review at any time, but must be reviewed annually.

Appendix A – Compliance Reports

Saskatchewan Auto Fund Return Seeking Bond Compliance

		Guidelines	Policy Complied With Yes/No*
Matching Portfolio	Key Rate Durations maintained within +/- 1 year for each bucket; Portfolio duration maintained within +/- 1 year of the Liability Proxy		
Constraints			
Permitted and Prohibited Investments	- Bonds and Mortgages	Only as permitted in Section 3.02 (b)	
	- Cash and Short-Term Investments	Only as permitted in Section 3.02 (d)	
	- Derivatives	Only as permitted in Section 3.02 (g)	
	- Foreign Currency Exposure	Securities denominated and payable in Canadian dollars	
Bonds	- Single Issuer	Max 10% of short-term and bond portfolio market value other than Government of Canada or a province	
	- Quality	Min "BBB" for bonds Min "AA" for asset-backed and mortgage-backed "BBB" ineligible for purchase if it would raise "BBB" or lower holdings above 25% of the market value of the bond portfolio	
	- Foreign Issuer	Max 10% of bond portfolio market value	
	- Concentration	Max 20% of total bond portfolio market value in any one province	
Short Term Investments	- Maximum term	One year or less	
	- Minimum Quality	"R-1" or equivalent	
	- Single Issuer	Max 10% other than Government of Canada or a province	
Investment Funds	- Compliance	Investment funds in compliance with their investment policies	
	- Disclosure	Changes to investment fund policies disclosed to SGI	
Other	- Statutory Requirements	Compliance with the <i>Insurance Companies Act (Canada)</i> and <i>The Crown Corporations Act</i>	
	- Proxy Voting	All eligible voting rights voted in best interest of Fund	
	- Soft Dollars	Manager uses Soft Dollars (yes/no)? If yes, manager complies with CFA Institute Soft Dollar Standards	
Conflicts of Interest	- Disclosure	Conflicts of interest (if any) disclosed to the Chair of the Board and Chair of the Investment Committee.	
Policy Violations	- Disclosure	All circumstances that either are or may potentially be in violation to the Statement of Investment Policies and Goals disclosed to SGI	

*If policy not complied with, comment on specifics.

I believe this to be a factual representation of compliance with the Statement of Investment Policies and Goals throughout the reporting period.

TD Asset Management

Signature and Title Company Name

Appendix B – Return Seeking Portfolio Benchmark Portfolio Weights

Asset Class	Actual (\$M)					Actual (%)				
	2025-26	2024-25	2023-24	2022-23	2021-22	2025-26	2024-25	2023-24	2022-23	2021-22
	DEC YTD					DEC YTD				
<u>Matching Portfolio</u>										
Short-term	\$ 1.5	\$ 3.0	\$ 2.6	\$ 1.7	\$ 0.5	2.8%	6.0%	6.4%	4.1%	0.9%
Bonds	\$ (5.0)	\$ 90.8	\$ 5.6	\$ (8.7)	\$ (46.5)	-0.3%	7.0%	1.2%	-0.4%	-2.7%
Mortgages	\$ 11.1	\$ 21.9	\$ 16.4	\$ 8.2	\$ 4.4	3.5%	8.6%	6.9%	3.6%	1.9%
Long-Term Private debt	\$ 0.1					-1.4%				
	7.7	115.7	24.5	1.2	(41.6)	0.4%	7.0%	1.3%	-0.3%	-2.9%
<u>Return Seeking Portfolio</u>										
Canadian equities	\$ 20.1	\$ 8.9	\$ 7.7	\$ (4.7)	\$ 18.8	30.8%	15.0%	13.8%	-4.7%	19.7%
Global equities	\$ 79.4	\$ 40.0	\$ 84.1	\$ 15.7	\$ 78.9	17.5%	11.5%	26.1%	4.8%	9.5%
Global low volatility equities	\$ -	\$ 28.0	\$ 25.0	\$ 11.1	\$ (6.5)	0.0%	17.5%	14.8%	6.6%	
Global small cap equities	\$ 28.5	\$ 12.9	\$ 24.1	\$ (0.4)	\$ (16.0)	16.1%	7.1%	14.5%	0.3%	-6.0%
Real estate	\$ (3.0)	\$ 0.8	\$ 0.7	\$ 8.2	\$ 43.3	-1.3%	0.4%	0.2%	2.6%	16.8%
Infrastructure	\$ 28.9	\$ 62.0	\$ 30.8	\$ 56.8	\$ 46.0	7.7%	15.4%	7.2%	15.2%	15.2%
Sask-based opportunistic	\$ 0.7	\$ 1.3	\$ 0.7	\$ 0.1		3.9%	16.6%	9.8%		
Return seeking bonds	\$ 1.4	\$ 1.7				2.2%	4.2%			
	155.9	155.7	173.1	86.8	164.4	11.2%	10.8%	11.7%	5.3%	9.1%
Requested additional income	-	-	-	-	-					
Investment expenses	(9.6)	(13.6)	(14.2)	(12.7)	(14.1)					
Total Investment Earnings	154.1	257.7	183.5	75.4	108.7	5.4%	8.8%	6.3%	2.7%	3.5%

Asset Class	2021 Budget (\$M)					2021 Budget (%)				
	2025-26	2024-25	2023-24	2022-23	2021-22	2025-26	2024-25	2023-24	2022-23	2021-22
	DEC YTD					DEC YTD				
<u>Matching Portfolio</u>										
Short-term	\$ 1.1	\$ 1.1	\$ 0.7	\$ 0.4	\$ 0.2	1.6%	1.6%	1.1%	0.5%	0.3%
Bonds	\$ 30.3	\$ 23.8	\$ 17.8	\$ (38.4)	\$ (70.9)	2.8%	2.3%	1.7%	-3.7%	-6.6%
Mortgages	\$ 9.4	\$ 8.8	\$ 8.6	\$ 7.5	\$ 9.1	4.2%	4.0%	3.9%	3.4%	4.3%
Long-Term Private debt	\$ -					0.0%				
	40.8	33.7	27.0	(30.6)	(61.6)					
<u>Return Seeking Portfolio</u>										
Canadian equities	\$ 5.7	\$ 5.6	\$ 5.5	\$ 6.0	\$ 12.7	6.6%	6.6%	6.6%	6.6%	6.6%
Global equities	\$ 59.9	\$ 58.4	\$ 57.2	\$ 56.1	\$ 49.4	6.9%	6.9%	6.9%	6.9%	6.9%
Global low volatility equities	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	0.0%	0.0%	0.0%
Global small cap equities	\$ 19.4	\$ 18.9	\$ 18.6	\$ 18.2	\$ 18.0	7.3%	7.3%	7.3%	7.3%	7.3%
Real estate	\$ 9.3	\$ 9.8	\$ 11.0	\$ 10.8	\$ 12.1	4.8%	4.8%	4.8%	4.8%	4.8%
Infrastructure	\$ 25.5	\$ 23.7	\$ 21.1	\$ 19.7	\$ 15.7	6.8%	6.8%	6.8%	6.8%	6.8%
Sask-based opportunistic	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	0.0%	0.0%	0.0%
Return seeking bonds	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	0.0%	0.0%	0.0%
	119.8	116.4	113.4	110.8	107.9					
Requested additional income	-	-	-	-	-					
Investment expenses	(12.0)	(11.8)	(11.5)	(11.4)	(11.4)					
Total Investment Earnings	148.6	138.4	128.9	68.9	34.9	4.6%	4.3%	4.0%	1.7%	0.8%

Asset Class	Actual vs 2021 Budget (\$M)					Actual vs 2021 Budget (%)				
	2025-26	2024-25	2023-24	2022-23	2021-22	2025-26	2024-25	2023-24	2022-23	2021-22
<u>Matching Portfolio</u>										
Short-term	\$ 0.4	\$ 1.9	\$ 1.9	\$ 1.3	\$ 0.3	1.2%	4.4%	5.3%	3.6%	0.6%
Bonds	\$ (35.3)	\$ 67.0	\$ (12.2)	\$ 29.7	\$ 24.4	-3.1%	4.7%	-0.5%	3.3%	3.9%
Mortgages	\$ 1.7	\$ 13.1	\$ 7.9	\$ 0.8	\$ (4.7)	-0.7%	4.6%	3.0%	0.2%	-2.4%
Long-Term Private debt	\$ 0.1					-1.4%				
	(33.1)	81.9	(2.5)	31.8	20.0					
<u>Return Seeking Portfolio</u>										
Canadian equities	\$ 14.4	\$ 3.3	\$ 2.2	\$ (10.7)	\$ 6.1	24.2%	8.4%	7.2%	-11.3%	13.1%
Global equities	\$ 19.5	\$ (18.3)	\$ 26.9	\$ (40.4)	\$ 29.5	10.6%	4.6%	19.2%	-2.1%	2.6%
Global low volatility equities	\$ -	\$ 28.0	\$ 25.0	\$ 11.1	\$ (6.5)	0.0%	17.5%	14.8%	6.6%	
Global small cap equities	\$ 9.1	\$ (6.1)	\$ 5.5	\$ (18.7)	\$ (33.9)	8.8%	-0.2%	7.2%	-7.0%	-13.3%
Real estate	\$ (12.3)	\$ (8.9)	\$ (10.3)	\$ (2.6)	\$ 31.1	-6.1%	-4.4%	-4.6%	-2.2%	12.0%
Infrastructure	\$ 3.4	\$ 38.3	\$ 9.7	\$ 37.1	\$ 30.3	0.9%	8.6%	0.4%	8.4%	8.4%
Sask-based opportunistic	\$ 36.2	\$ 39.3	\$ 59.7	\$ (24.0)		3.9%	16.6%	9.8%		
Return seeking bonds	\$ -	\$ -				2.2%	4.2%			
	36.2	39.3	59.7	(24.0)	56.5					
Requested additional income	-	-	-	-	-					
Investment expenses	2.4	(1.9)	(2.7)	(1.3)	(2.7)					
Total Investment Earnings	5.5	119.3	54.5	6.5	73.9	0.8%	4.5%	2.3%	1.0%	2.7%

Notes:

1. Fixed income forecasts are based on the Conference Board of Canada (CBC) yield curve. Despite interest rate forecasts not coming to fruition as expected, gains and losses on fixed income investments are mostly offset by the change in claims liabilities due to discounting and have a direct offsetting effect on the Auto Fund as a whole.

2. Projected return seeking asset returns are based on Aon's 10-year projected nominal rate of return, which translates to an annual return of approximately 6-8%. Equity returns have significantly outperformed this expectation in the previous 5-year period, primarily from strong market returns as well as relative outperformance from the Auto Fund's global equity managers.

Actual vs forecast return assumptions for 2021/22 to 2025/26 period

Please reference IR 1-45 a) and IR 1-45 b) responses for year-end assets for periods 2021/22 to 2025/26

Asset Class	Actual (\$M)					Actual (%)				
	2025-26	2024-25	2023-24	2022-23	2021-22	2025-26	2024-25	2023-24	2022-23	2021-22
	DEC YTD					DEC YTD				
Matching Portfolio										
Short-term	\$ 1.5	\$ 3.0	\$ 2.6	\$ 1.7	\$ 0.5	2.8%	6.0%	6.4%	4.1%	0.9%
Bonds	\$ (5.0)	\$ 90.8	\$ 5.6	\$ (8.7)	\$ (46.5)	-0.3%	7.0%	1.2%	-0.4%	-2.7%
Mortgages	\$ 11.1	\$ 21.9	\$ 16.4	\$ 8.2	\$ 4.4	3.5%	8.6%	6.9%	3.6%	1.9%
Long-Term Private debt	\$ 0.1					-1.4%				
	7.7	115.7	24.5	1.2	(41.6)	0.4%	7.0%	1.3%	-0.3%	-2.9%
Return Seeking Portfolio										
Canadian equities	\$ 20.1	\$ 8.9	\$ 7.7	\$ (4.7)	\$ 18.8	30.8%	15.0%	13.8%	-4.7%	19.7%
Global equities	\$ 79.4	\$ 40.0	\$ 84.1	\$ 15.7	\$ 78.9	17.5%	11.5%	26.1%	4.8%	9.5%
Global low volatility equities	\$ -	\$ 28.0	\$ 25.0	\$ 11.1	\$ (6.5)	0.0%	17.5%	14.8%	6.6%	
Global small cap equities	\$ 28.5	\$ 12.9	\$ 24.1	\$ (0.4)	\$ (16.0)	16.1%	7.1%	14.5%	0.3%	-6.0%
Real estate	\$ (3.0)	\$ 0.8	\$ 0.7	\$ 8.2	\$ 43.3	-1.3%	0.4%	0.2%	2.6%	16.8%
Infrastructure	\$ 28.9	\$ 62.0	\$ 30.8	\$ 56.8	\$ 46.0	7.7%	15.4%	7.2%	15.2%	15.2%
Sask-based opportunistic	\$ 0.7	\$ 1.3	\$ 0.7	\$ 0.1		3.9%	16.6%	9.8%		
Return seeking bonds	\$ 1.4	\$ 1.7				2.2%	4.2%			
	155.9	155.7	173.1	86.8	164.4	11.2%	10.8%	11.7%	5.3%	9.1%
Requested additional income	-	-	-	-	-					
Investment expenses	(9.6)	(13.6)	(14.2)	(12.7)	(14.1)					
Total Investment Earnings	154.1	257.7	183.5	75.4	108.7	5.4%	8.8%	6.3%	2.7%	3.5%

Asset Class	Budget (\$M)					Budget (%)				
	2025-26	2024-25	2023-24	2022-23	2021-22	2025-26	2024-25	2023-24	2022-23	2021-22
	DEC YTD					DEC YTD				
Matching Portfolio										
Short-term	\$ 0.6	\$ 0.7	\$ 0.6	\$ 0.2	\$ 0.2	1.9%	3.3%	3.1%	0.7%	0.3%
Bonds	\$ 6.6	\$ 124.3	\$ 42.4	\$ (17.3)	\$ (54.5)	0.5%	9.6%	4.0%	-1.5%	-4.9%
Mortgages	\$ 9.3	\$ 17.4	\$ 12.7	\$ 10.8	\$ 9.6	3.4%	7.5%	6.2%	4.8%	4.3%
Long-Term Private debt	\$ -					0.0%				
	16.5	142.4	55.8	(6.4)	(44.7)	0.9%	9.2%	4.3%	-0.5%	-3.1%
Return Seeking Portfolio										
Canadian equities	\$ 2.5	\$ 3.8	\$ 4.5	\$ 6.3	\$ 12.6	4.4%	6.4%	6.4%	6.5%	6.6%
Global equities	\$ 17.2	\$ 23.2	\$ 31.4	\$ 45.5	\$ 49.1	5.0%	6.6%	6.8%	6.8%	6.9%
Global low volatility equities	\$ 6.9	\$ 9.0	\$ 11.7	\$ 14.2	\$ -	4.0%	5.1%	5.2%	5.1%	
Global small cap equities	\$ 8.6	\$ 11.6	\$ 15.5	\$ 19.8	\$ 17.8	5.1%	6.6%	7.2%	7.2%	7.3%
Real estate	\$ 9.3	\$ 13.4	\$ 14.2	\$ 11.9	\$ 12.1	3.9%	4.6%	4.6%	4.7%	4.8%
Infrastructure	\$ 20.1	\$ 26.8	\$ 23.5	\$ 20.7	\$ 15.6	5.2%	7.1%	6.9%	6.8%	6.7%
Sask-based opportunistic	\$ 0.8	\$ 0.6	\$ 0.2	\$ -		5.2%	7.1%	6.9%		
Return seeking bonds	\$ 3.0	\$ 0.7				5.1%	6.1%			
	68.4	89.1	101.0	118.5	107.2	4.7%	6.1%	6.2%	6.3%	6.6%
Requested additional income	13.5	69.9	-	-	134.3					
Investment expenses	(7.8)	(11.8)	(11.3)	(12.7)	(11.8)					
Total Investment Earnings	90.6	289.6	145.4	99.4	184.9	2.5%	7.4%	5.0%	3.0%	1.7%

Asset Class	Actual vs Budget (\$M)					Actual vs Budget (%)				
	2025-26	2024-25	2023-24	2022-23	2021-22	2025-26	2024-25	2023-24	2022-23	2021-22
Matching Portfolio										
Short-term	\$ 0.8	\$ 2.2	\$ 1.9	\$ 1.5	\$ 0.3	0.9%	2.7%	3.3%	3.4%	0.6%
Bonds	\$ (11.6)	\$ (33.5)	\$ (36.9)	\$ 8.6	\$ 8.0	-0.8%	-2.6%	-2.8%	1.1%	2.2%
Mortgages	\$ 1.8	\$ 4.5	\$ 3.7	\$ (2.5)	\$ (5.2)	0.1%	1.1%	0.7%	-1.2%	-2.4%
Long-Term Private debt	\$ 0.1					-1.4%				
	(8.8)	(26.7)	(31.2)	7.6	3.1	-0.5%	-2.2%	-3.0%	0.2%	0.2%
Return Seeking Portfolio										
Canadian equities	\$ 17.6	\$ 5.1	\$ 3.2	\$ (11.0)	\$ 6.2	26.4%	8.6%	7.4%	-11.2%	13.1%
Global equities	\$ 62.2	\$ 16.8	\$ 52.7	\$ (29.8)	\$ 29.8	12.5%	4.9%	19.3%	-2.0%	2.6%
Global low volatility equities	\$ (6.9)	\$ 19.1	\$ 13.3	\$ (3.1)	\$ (6.5)	-4.0%	12.4%	9.6%	1.5%	
Global small cap equities	\$ 19.9	\$ 1.3	\$ 8.6	\$ (20.3)	\$ (33.8)	11.0%	0.5%	7.3%	-6.9%	-13.3%
Real estate	\$ (12.3)	\$ (12.5)	\$ (13.5)	\$ (3.7)	\$ 31.2	-5.2%	-4.2%	-4.4%	-2.1%	12.0%
Infrastructure	\$ 8.8	\$ 35.2	\$ 7.3	\$ 36.1	\$ 30.4	2.5%	8.3%	0.3%	8.4%	8.5%
Sask-based opportunistic	\$ 87.5	\$ 66.6	\$ 72.1	\$ (31.6)		-1.3%	9.5%	2.9%		
Return seeking bonds	\$ (13.5)	\$ (69.9)				-2.9%	-1.9%			
	87.5	66.6	72.1	(31.6)	57.2	6.5%	4.7%	5.5%	-1.0%	2.5%
Requested additional income	(13.5)	(69.9)	-	-	(134.3)					
Investment expenses	(1.7)	(1.9)	(2.8)	0.1	(2.3)					
Total Investment Earnings	63.5	(31.9)	38.1	(24.0)	(76.2)	2.9%	1.4%	1.3%	-0.3%	1.8%

Notes:

1. Fixed income forecasts are based on the Conference Board of Canada (CBC) yield curve. Despite interest rate forecasts not coming to fruition as expected, gains and losses on fixed income investments are mostly offset by the change in claims liabilities due to discounting and have a direct offsetting effect on the Auto Fund as a whole.

2. Projected return seeking asset returns are based on Aon's 10-year projected nominal rate of return, which translates to an annual return of approximately 6-8%. Equity returns have significantly outperformed this expectation in the previous 5-year period, primarily from strong market returns as well as relative outperformance from the Auto Fund's global equity managers.

Asset Class	Actual (\$M)									
	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
	DEC YTD									
Matching Portfolio										
Short-term	\$ 1.5	\$ 3.0	\$ 2.6	\$ 1.7	\$ 0.5	\$ 0.2	\$ 1.6	\$ 1.6	\$ 1.0	\$ 0.8
Bonds	\$ (5.0)	\$ 90.8	\$ 5.6	\$ (8.7)	\$ (46.5)	\$ 12.5	\$ 46.6	\$ 53.1	\$ 17.4	\$ 13.6
Mortgages	\$ 11.1	\$ 21.9	\$ 16.4	\$ 8.2	\$ 4.4	\$ 13.1	\$ 8.2	\$ 10.4	\$ 7.2	\$ 5.5
Long-Term Private debt	\$ 7.1									
	\$ 7.7	\$ 115.7	\$ 24.5	\$ 1.2	\$ (41.6)	\$ 25.8	\$ 56.3	\$ 65.0	\$ 25.5	\$ 19.9
Return Seeking Portfolio										
Canadian equities	\$ 20.1	\$ 8.9	\$ 7.7	\$ (4.7)	\$ 18.8	\$ 69.2	\$ (34.7)	\$ 4.1	\$ 12.4	\$ 40.7
Global equities	\$ 79.4	\$ 40.0	\$ 84.1	\$ 15.7	\$ 78.9	\$ 265.7	\$ (7.6)	\$ 63.2	\$ 77.8	\$ 81.3
Global low volatility equities	\$ -	\$ 28.0	\$ 25.0	\$ 11.1	\$ (6.5)					
Global small cap equities	\$ 28.5	\$ 12.9	\$ 24.1	\$ (0.4)	\$ (16.0)	\$ 141.8	\$ (42.4)	\$ (8.1)	\$ 30.0	\$ 22.3
Real estate	\$ (3.0)	\$ 0.8	\$ 0.7	\$ 8.2	\$ 43.3	\$ (3.3)	\$ 20.6	\$ 16.2	\$ 21.1	\$ 11.9
Infrastructure	\$ 28.9	\$ 62.0	\$ 30.8	\$ 56.8	\$ 46.0	\$ 20.9	\$ 20.4	\$ 5.4	\$ 5.0	\$ 5.2
Sask-based opportunistic	\$ 0.7	\$ 1.3	\$ 0.7	\$ 0.1						
Return seeking bonds	\$ 1.4	\$ 1.7								
	\$ 155.9	\$ 155.7	\$ 173.1	\$ 86.8	\$ 164.4	\$ 494.3	\$ (43.7)	\$ 80.7	\$ 146.3	\$ 161.3
Requested additional income	-	-	-	-	-	-	-	-	-	-
Investment expenses	\$ (9.6)	\$ (13.6)	\$ (14.2)	\$ (12.7)	\$ (14.1)	\$ (11.6)	\$ (10.2)	\$ (9.9)	\$ (9.1)	\$ (7.4)
Total Investment Earnings	\$ 154.1	\$ 257.7	\$ 183.5	\$ 75.4	\$ 108.7	\$ 508.5	\$ 2.4	\$ 135.8	\$ 162.8	\$ 173.8

Asset Class	Budget (\$M)									
	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
	DEC YTD									
Matching Portfolio										
Short-term	\$ 0.6	\$ 0.7	\$ 0.6	\$ 0.2	\$ 0.2	\$ 0.2	\$ 1.7	\$ 2.5	\$ 0.8	\$ 0.7
Bonds	\$ 6.6	\$ 124.3	\$ 42.4	\$ (17.3)	\$ (54.5)	\$ 53.3	\$ (13.3)	\$ (43.1)	\$ (13.9)	\$ 5.2
Mortgages	\$ 9.3	\$ 17.4	\$ 12.7	\$ 10.8	\$ 9.6	\$ 6.9	\$ 5.8	\$ 4.3	\$ 0.7	\$ 0.5
Long-Term Private debt	\$ -									
	\$ 16.5	\$ 142.4	\$ 55.8	\$ (6.4)	\$ (44.7)	\$ 60.3	\$ (5.8)	\$ (36.4)	\$ (12.3)	\$ 6.4
Return Seeking Portfolio										
Canadian equities	\$ 2.5	\$ 3.8	\$ 4.5	\$ 6.3	\$ 12.6	\$ 14.8	\$ 18.3	\$ 19.6	\$ 15.3	\$ 13.5
Global equities	\$ 17.2	\$ 23.2	\$ 31.4	\$ 45.5	\$ 57.3	\$ 47.2	\$ 35.9	\$ 31.1	\$ 31.1	\$ 19.2
Global low volatility equities	\$ 6.9	\$ 9.0	\$ 11.7	\$ 14.2	\$ -					
Global small cap equities	\$ 8.6	\$ 11.6	\$ 15.5	\$ 19.8	\$ 17.8	\$ 20.8	\$ 15.3	\$ 14.1	\$ 12.5	\$ 5.2
Real estate	\$ 9.3	\$ 13.4	\$ 14.2	\$ 11.9	\$ 12.1	\$ 4.4	\$ 11.2	\$ 10.6	\$ 9.7	\$ 5.8
Infrastructure	\$ 20.1	\$ 26.8	\$ 23.5	\$ 20.7	\$ 15.6	\$ 5.9	\$ 6.2	\$ 4.8	\$ 4.6	\$ 2.2
Sask-based opportunistic	\$ 0.8	\$ 0.6	\$ 0.2	\$ -						
Return seeking bonds	\$ 3.0	\$ 0.7								
	\$ 68.4	\$ 89.1	\$ 101.0	\$ 118.5	\$ 107.2	\$ 103.2	\$ 93.3	\$ 85.1	\$ 73.2	\$ 45.8
Requested additional income	\$ 13.5	\$ 69.9	\$ -	\$ -	\$ 134.3					
Investment expenses	\$ (7.8)	\$ (11.8)	\$ (11.3)	\$ (12.7)	\$ (11.8)	\$ (10.3)	\$ (10.8)	\$ (8.2)	\$ (6.5)	\$ (3.8)
Total Investment Earnings	\$ 90.6	\$ 289.6	\$ 145.4	\$ 99.4	\$ 184.9	\$ 153.3	\$ 76.6	\$ 40.5	\$ 54.3	\$ 48.4

Asset Class	Actual vs Budget (\$M)									
	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
	DEC YTD									
Matching Portfolio										
Short-term	\$ 0.8	\$ 2.2	\$ 1.9	\$ 1.5	\$ 0.3	\$ 0.1	\$ (0.2)	\$ (1.0)	\$ 0.2	\$ 0.1
Bonds	\$ (11.6)	\$ (33.5)	\$ (36.9)	\$ 8.6	\$ 8.0	\$ (40.8)	\$ 59.9	\$ 96.2	\$ 31.2	\$ 8.4
Mortgages	\$ 1.8	\$ 4.5	\$ 3.7	\$ (2.5)	\$ (5.2)	\$ 6.2	\$ 2.4	\$ 6.2	\$ 6.5	\$ 4.9
Long-Term Private debt	\$ 0.1									
	\$ (8.8)	\$ (26.7)	\$ (31.2)	\$ 7.6	\$ 3.1	\$ (34.5)	\$ 62.1	\$ 101.4	\$ 37.9	\$ 13.4
Return Seeking Portfolio										
Canadian equities	\$ 17.6	\$ 5.1	\$ 3.2	\$ (11.0)	\$ 6.2	\$ 54.4	\$ (53.0)	\$ (15.6)	\$ (2.9)	\$ 27.2
Global equities	\$ 62.2	\$ 16.8	\$ 52.7	\$ (29.8)	\$ 29.8	\$ 208.4	\$ (49.8)	\$ 27.3	\$ 46.8	\$ 62.1
Global low volatility equities	\$ (6.9)	\$ 19.1	\$ 13.3	\$ (8.1)	\$ (6.5)					
Global small cap equities	\$ 19.9	\$ 1.3	\$ 8.6	\$ (20.3)	\$ (33.8)	\$ 121.0	\$ (57.7)	\$ (22.2)	\$ 17.4	\$ 17.1
Real estate	\$ (12.3)	\$ (12.5)	\$ (13.5)	\$ (3.7)	\$ 31.2	\$ (7.6)	\$ 9.3	\$ 5.5	\$ 11.4	\$ 6.1
Infrastructure	\$ 8.8	\$ 35.2	\$ 7.3	\$ 36.1	\$ 30.4	\$ 14.9	\$ 14.2	\$ 0.6	\$ 0.4	\$ 3.0
Sask-based opportunistic	\$ 8.7	\$ 66.6	\$ 72.1	\$ (31.6)						
Return seeking bonds	\$ (13.5)	\$ (69.9)								
	\$ 87.5	\$ 66.6	\$ 72.1	\$ (31.6)	\$ 57.2	\$ 391.1	\$ (136.9)	\$ (4.3)	\$ 73.1	\$ 115.5
Requested additional income	\$ (13.5)	\$ (69.9)	\$ -	\$ -	\$ (134.3)					
Investment expenses	\$ (1.7)	\$ (1.9)	\$ (2.8)	\$ 0.1	\$ (2.3)	\$ (1.4)	\$ 0.7	\$ (1.7)	\$ (2.6)	\$ (3.5)
Total Investment Earnings	\$ 63.5	\$ (31.9)	\$ 38.1	\$ (24.0)	\$ (76.2)	\$ 355.2	\$ (74.1)	\$ 95.4	\$ 108.4	\$ 125.4

Asset Class	Actual (%)									
	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
	DEC YTD									
Matching Portfolio										
Short-term	2.8%	6.0%	6.4%	4.1%	0.9%	0.3%	1.2%	1.4%	0.8%	0.6%
Bonds	-0.3%	7.0%	1.2%	-0.4%	-2.7%	2.1%	4.7%	5.5%	2.2%	1.3%
Mortgages	3.5%	8.6%	6.9%	3.6%	1.9%	6.2%	4.0%	5.4%	3.9%	3.8%
Long-Term Private debt	-1.4%									
	0.4%	7.0%	1.3%	-0.3%	-2.9%	2.1%	4.4%	5.3%	2.2%	1.7%
Return Seeking Portfolio										
Canadian equities	30.8%	15.0%	13.8%	-4.7%	19.7%	48.7%	-19.9%	1.3%	3.8%	16.7%
Global equities	17.5%	11.5%	26.1%	4.8%	9.5%	45.5%	-1.7%	10.7%	15.4%	20.4%
Global low volatility equities	0.0%	17.5%	14.8%	6.6%						
Global small cap equities	16.1%	7.1%	14.5%	0.3%	-6.0%	73.9%	-18.3%	-4.2%	17.1%	19.7%
Real estate	-1.3%	0.4%	0.2%	2.6%	16.8%	-1.3%	9.0%	7.7%	12.0%	8.2%
Infrastructure	7.7%	15.4%	7.2%	15.2%	15.2%	4.3%	14.0%	6.9%	8.9%	9.9%
Sask-based opportunistic	3.9%	16.6%	9.8%							
Return seeking bonds	2.2%	4.2%								
	11.2%	10.8%	11.7%	5.3%	9.1%	34.0%	-2.8%	5.9%	12.2%	16.8%
Requested additional income	-	-	-	-	-	-	-	-	-	-
Investment expenses	5.4%	8.8%	6.3%	2.7%	3.5%	18.4%	0.4%	5.6%	7.2%	8.3%
Total Investment Earnings	5.4%	8.8%	6.3%	2.7%	3.5%	18.4%	0.4%	5.6%	7.2%	8.3%

Asset Class	Budget (%)									
	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
	DEC YTD									
Matching Portfolio										
Short-term	1.9%	3.3%	3.1%	0.7%	0.3%	0.3%	2.9%	2.1%	0.7%	0.8%
Bonds	0.5%	9.6%	4.0%	-1.5%	-4.9%	5.8%	-1.4%	-4.8%	-1.4%	0.4%
Mortgages	3.4%	7.5%	6.2%	4.8%	4.3%	3.3%	3.0%	2.2%	0.5%	0.8%
Long-Term Private debt	0.0%									
	0.9%	9.2%	4.3%	-0.5%	-3.1%	4.9%	-0.4%	-3.1%	-1.0%	0.5%
Return Seeking Portfolio										
Canadian equities	4.4%	6.4%	6.4%	6.5%	6.6%	8.9%	6.7%	6.9%	7.1%	7.1%
Global equities	5.0%	6.6%	6.8%	6.8%	6.9%	9.3%	6.9%	6.9%	7.0%	7.1%
Global low volatility equities	4.0%	5.1%	5.2%	5.1%						
Global small cap equities	5.1%	6.6%	7.2%	7.2%	7.3%	9.9%	7.4%	7.5%	7.7%	7.8%
Real estate	3.9%	4.6%	4.6%	4.7%	4.8%	4.9%	5.2%	5.5%	5.7%	6.0%
Infrastructure	5.2%	7.1%	6.9%	6.8%	6.7%	3.0%	6.8%	6.9%	7.3%	7.5%
Sask-based opportunistic	5.2%	7.1%	6.9%							
Return seeking bonds	5.1%	6.1%								
	4.7%	6.1%	6.2%	6.3%	6.6%	7.3%	6.7%	6.8%	7.0%	7.0%
Requested additional income	-	-	-	-	-	-	-	-	-	-
Investment expenses	2.5%	7.4%	5.0%	3.0%	1.7%	5.9%	2.9%	1.6%	2.6%	2.3%
Total Investment Earnings	2.5%	7.4%	5.0%	3.0%	1.7%	5.9%	2.9%	1.6%	2.6%	2.3%

Asset Class	Actual vs Budget (%)									
	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
	DEC YTD									
Matching Portfolio										
Short-term	0.9%	2.7%	3.3%	3.4%	0.6%	0.0%	-1.7%	-0.7%	0.1%	-0.2%
Bonds	-0.8%	-2.6%	-2.8%	1.1%	2.2%	-3.7%	6.1%	10.3%	3.6%	0.9%
Mortgages	0.1%	1.1%	0.7%	-1.2%	-2.4%	2.9%	1.0%	3.2%	3.4%	3.0%
Long-Term Private debt	-1.4%									
	-0.5%	-2.2%	-3.0%	0.2%	0.2%	-2.8%	4.8%	8.4%	3.2%	1.2%
Return Seeking Portfolio										
Canadian equities	26.4%	8.6%	7.4%	-11.2%	13.1%	39.8%	-26.6%	-5.6%	-3.3%	9.6%
Global equities	12.5%	4.9%	19.3%	-2.0%	2.6%	36.2%	-8.6%	3.8%	8.4%	13.3%
Global low volatility equities	-4.0%	12.4%	9.6%	1.5%						
Global small cap equities	11.0%	0.5%	7.3%	-6.9%	-13.3%	64.0%	-25.7%	-11.7%	9.4%	11.9%
Real estate	-5.2%	-4.2%	-4.4%	-2.1%	12.0%	-6.2%	3.8%	2.2%	6.3%	2.2%
Infrastructure	2.5%	8.3%	0.3%	8.4%	8.5%	1.3%	7.2%	0.0%	1.6%	2.4%
Sask-based opportunistic	-1.3%	9.5%	2.9%							
Return seeking bonds	-2.9%	-1.9%								
	6.5%	4.7%	5.5%	-1.0%	2.5%	26.7%	-9.5%	-0.9%	5.2%	9.8%
Requested additional income	-	-	-	-	-	-	-	-	-	-
Investment expenses	2.9%	1.4%	1.3%	-0.3%	1.8%	12.5%	-2.5%	4.0%	4.6%	6.0%
Total Investment Earnings	2.9%	1.4%	1.3%	-0.3%	1.8%	12.5%	-2.5%	4.0%	4.6%	6.0%

Notes:
1. Fixed income forecasts are based on the Conference Board of Canada (CBC) yield curve. Despite interest rate forecasts not coming to fruition as expected, gains and losses on fixed income investments are mostly offset by the change in claims liabilities due to discounting and have a direct offsetting effect on the Auto Fund as a whole.
2. Projected return seeking asset returns are based on Aon's 10-year projected nominal rate of return, which translates to an annual return of approximately 6-8%. Equity returns have significantly outperformed this expectation in the previous 5-year period, primarily from strong market returns as well as relative outperformance from the Auto Fund's global equity managers.

2016-17

Asset Class	Actual	Budget	Variance	Return	Budget
<u>Matching Portfolio</u>					
Short-Term	\$ 754	\$ 675	\$ 79	0.6%	0.8%
Bonds	13,643	5,237	8,407	1.3%	0.4%
Mortgages	5,455	526	4,930	3.8%	0.8%
	<u>19,853</u>	<u>6,437</u>	<u>13,416</u>	<u>1.7%</u>	<u>0.5%</u>
<u>Return Seeking Portfolio</u>					
Canadian Equities	40,661	13,458	27,204	16.7%	7.1%
Global equities	81,274	19,153	62,121	20.4%	7.1%
Global Small Cap Equities	22,315	5,179	17,136	19.7%	7.8%
Real Estate	11,898	5,781	6,116	8.2%	6.0%
Infrastructure	5,171	2,208	2,963	9.9%	7.5%
	<u>161,320</u>	<u>45,779</u>	<u>115,541</u>	<u>16.8%</u>	<u>7.0%</u>
Investment expenses	<u>(7,362)</u>	<u>(3,818)</u>	<u>(3,544)</u>		
Total Investment Earnings	<u><u>173,811</u></u>	<u><u>48,398</u></u>	<u><u>125,412</u></u>	<u><u>8.3%</u></u>	<u><u>2.3%</u></u>

2017-18

Asset Class	Actual	Budget	Variance	Return	Budget
<u>Matching Portfolio</u>					
Short-Term	\$ 967	\$ 801	\$ 166	0.8%	0.7%
Bonds	17,358	(13,864)	31,222	1.8%	-1.4%
Mortgages	7,219	735	6,484	3.9%	0.5%
	<u>25,544</u>	<u>(12,328)</u>	<u>37,872</u>	<u>2.2%</u>	<u>-1.0%</u>
<u>Return Seeking Portfolio</u>					
Canadian Equities	12,390	15,301	(2,911)	3.8%	7.1%
Global equities	77,836	31,071	46,765	15.4%	7.0%
Global Small Cap Equities	29,960	12,520	17,440	17.1%	7.7%
Real Estate	21,130	9,683	11,447	12.0%	5.7%
Infrastructure	4,962	4,580	382	8.2%	7.3%
	<u>146,278</u>	<u>73,155</u>	<u>73,123</u>	<u>12.2%</u>	<u>7.0%</u>
Investment expenses	<u>(9,059)</u>	<u>(6,479)</u>	<u>(2,580)</u>		
Total Investment Earnings	<u>162,762</u>	<u>54,348</u>	<u>108,414</u>	<u>7.2%</u>	<u>2.6%</u>

2018-19

Asset Class	Actual	Budget	Variance	Return	Budget
<u>Matching Portfolio</u>					
Short-Term	\$ 1,560	\$ 2,516	\$ (956)	1.4%	2.1%
Bonds	53,060	(43,128)	96,188	5.5%	-4.8%
Mortgages	10,417	4,255	6,162	5.4%	2.2%
	<u>65,037</u>	<u>(36,357)</u>	<u>101,394</u>	<u>5.3%</u>	<u>-3.1%</u>
<u>Return Seeking Portfolio</u>					
Canadian Equities	4,064	19,639	(15,575)	1.2%	6.9%
Global equities	63,199	35,857	27,342	10.7%	6.9%
Global Small Cap Equities	(8,113)	14,135	(22,248)	-4.3%	7.5%
Real Estate	16,163	10,641	5,522	7.7%	5.5%
Infrastructure	5,427	4,781	646	7.5%	6.9%
	<u>80,740</u>	<u>85,053</u>	<u>(4,313)</u>	<u>5.9%</u>	<u>6.8%</u>
Investment expenses	<u>(9,928)</u>	<u>(8,206)</u>	<u>(1,722)</u>		
Total Investment Earnings	<u><u>135,849</u></u>	<u><u>40,490</u></u>	<u><u>95,359</u></u>	<u><u>5.6%</u></u>	<u><u>1.6%</u></u>

2019-20

Asset Class	Actual	Budget	Variance	Return	Budget
<u>Matching Portfolio</u>					
Short-Term	\$ 1,566	\$ 1,728	\$ (162)	1.2%	2.9%
Bonds	46,560	(13,349)	59,909	4.7%	-1.4%
Mortgages	8,169	5,799	2,370	4.0%	3.0%
	<u>56,295</u>	<u>(5,822)</u>	<u>62,117</u>	<u>4.4%</u>	<u>-0.4%</u>
<u>Return Seeking Portfolio</u>					
Canadian Equities	(34,659)	18,336	(52,995)	-18.4%	6.7%
Global equities	(7,627)	42,169	(49,796)	-1.8%	6.9%
Global Small Cap Equities	(42,355)	15,313	(57,668)	-18.3%	7.4%
Real Estate	20,551	11,225	9,326	9.0%	5.2%
Infrastructure	20,416	6,207	14,209	14.0%	6.8%
	<u>(43,674)</u>	<u>93,250</u>	<u>(136,924)</u>	<u>-2.8%</u>	<u>6.7%</u>
Investment expenses	<u>(10,171)</u>	<u>(10,832)</u>	<u>661</u>		
Total Investment Earnings	<u><u>2,450</u></u>	<u><u>76,596</u></u>	<u><u>(74,146)</u></u>	<u><u>0.4%</u></u>	<u><u>2.9%</u></u>

2020-21

Asset Class	Actual	Budget	Variance	Return	Budget
<u>Matching Portfolio</u>					
Short-Term	\$ 227	\$ 151	\$ 76	0.3%	0.3%
Bonds	12,468	53,268	(40,800)	2.1%	5.8%
Mortgages	13,115	6,918	6,197	6.2%	3.3%
	<u>25,810</u>	<u>60,337</u>	<u>(34,527)</u>	<u>2.1%</u>	<u>4.9%</u>
<u>Return Seeking Portfolio</u>					
Canadian Equities	69,183	14,765	54,418	48.7%	8.9%
Global equities	265,718	57,331	208,387	45.7%	9.3%
Global Small Cap Equities	141,808	20,795	121,013	73.9%	9.9%
Real Estate	(3,265)	4,367	(7,632)	-1.3%	2.0%
Infrastructure	20,865	5,919	14,946	4.3%	3.0%
	<u>494,309</u>	<u>103,177</u>	<u>391,132</u>	<u>34.0%</u>	<u>7.3%</u>
Investment expenses	<u>(11,636)</u>	<u>(10,259)</u>	<u>(1,377)</u>		
Total Investment Earnings	<u><u>508,482</u></u>	<u><u>153,255</u></u>	<u><u>355,227</u></u>	<u><u>18.4%</u></u>	<u><u>5.9%</u></u>

2021-22

Asset Class	Actual	Budget	Variance	Return	Budget
<u>Matching Portfolio</u>					
Short-Term	\$ 528	\$ 228	\$ 300	0.9%	0.3%
Bonds	(46,489)	(54,504)	8,015	-2.7%	-4.9%
Mortgages	4,386	9,556	(5,170)	1.9%	4.3%
	<u>(41,575)</u>	<u>(44,720)</u>	<u>3,145</u>	<u>-2.9%</u>	<u>-3.1%</u>
<u>Return Seeking Portfolio</u>					
Canadian Equities	18,771	12,610	6,161	19.7%	6.6%
Global equities	78,878	49,053	29,825	9.5%	6.9%
Global low vol equities	(6,545)	-	(6,545)	-1.1%	0.0%
Global Small Cap Equities	(15,954)	17,849	(33,803)	-6.0%	7.3%
Real Estate	43,279	12,050	31,229	16.8%	4.8%
Infrastructure	45,979	15,623	30,356	11.5%	6.8%
	<u>164,408</u>	<u>107,185</u>	<u>57,223</u>	<u>9.1%</u>	<u>6.6%</u>
Requested additional income		134,296			
Investment expenses	(14,087)	(11,826)	(2,261)		
Total Investment Earnings	<u>108,746</u>	<u>184,935</u>	<u>58,107</u>	<u>3.5%</u>	<u>1.7%</u>

2022-23

Asset Class	Actual	Budget	Variance	Return	Budget
<u>Matching Portfolio</u>					
Short-Term	\$ 1,670	\$ 166	\$ 1,504	4.1%	0.7%
Bonds	(8,671)	(17,278)	8,607	-0.4%	-1.5%
Mortgages	8,248	10,762	(2,514)	3.6%	4.8%
	<u>1,247</u>	<u>(6,350)</u>	<u>7,597</u>	<u>-0.3%</u>	<u>-0.5%</u>
<u>Return Seeking Portfolio</u>					
Canadian Equities	(4,699)	6,337	(11,036)	-4.6%	6.5%
Global equities	15,695	45,533	(29,838)	4.8%	6.8%
Global low vol equities	11,107	14,162	(3,055)	6.6%	5.1%
Global Small Cap Equities	(441)	19,840	(20,281)	0.3%	7.2%
Real Estate	8,249	11,905	(3,656)	2.6%	4.7%
Infrastructure	56,825	20,684	36,141	14.7%	6.9%
Sask-based opportunistic	80	-		0.0%	0.0%
	<u>86,817</u>	<u>118,461</u>	<u>(31,724)</u>	<u>5.3%</u>	<u>6.3%</u>
Requested additional income		-			
Investment expenses	(12,673)	(12,726)	53		
Total Investment Earnings	<u><u>75,391</u></u>	<u><u>99,385</u></u>	<u><u>(24,074)</u></u>	<u><u>2.7%</u></u>	<u><u>3.0%</u></u>

2023-24

Asset Class	Actual	Budget	Variance	Return	Budget
<u>Matching Portfolio</u>					
Short-Term	\$ 2,572	\$ 635	\$ 1,937	6.4%	3.1%
Bonds	5,561	42,436	(36,875)	0.3%	4.0%
Mortgages	16,414	12,684	3,730	6.9%	6.2%
	<u>24,547</u>	<u>55,755</u>	<u>(31,208)</u>	<u>1.3%</u>	<u>4.3%</u>
<u>Return Seeking Portfolio</u>					
Canadian Equities	7,721	4,489	3,232	13.8%	6.4%
Global equities	84,068	31,363	52,705	26.1%	6.8%
Global low vol equities	24,968	11,686	13,282	14.8%	5.2%
Global Small Cap Equities	24,080	15,477	8,603	14.5%	7.2%
Real Estate	731	14,238	(13,507)	0.2%	4.6%
Infrastructure	30,824	23,526	7,298	7.2%	6.9%
Sask-based opportunistic	702	201		7.0%	6.9%
	<u>173,093</u>	<u>100,980</u>	<u>71,612</u>	<u>11.7%</u>	<u>6.2%</u>
Requested additional income		-			
Investment expenses	(14,188)	(11,338)	(2,850)		
Total Investment Earnings	<u><u>183,452</u></u>	<u><u>145,397</u></u>	<u><u>37,554</u></u>	<u><u>6.3%</u></u>	<u><u>5.0%</u></u>

2024-25

Asset Class	Actual	Budget	Variance	Return	Budget
<u>Matching Portfolio</u>					
Short-Term	\$ 2,962	\$ 714	\$ 2,248	6.0%	3.3%
Bonds	90,790	124,274	(33,484)	7.0%	9.6%
Mortgages	21,902	17,365	4,537	8.6%	7.5%
	<u>115,653</u>	<u>142,353</u>	<u>(26,700)</u>	<u>7.0%</u>	<u>9.2%</u>
<u>Return Seeking Portfolio</u>					
Canadian Equities	8,860	3,752	5,108	15.0%	6.4%
Global equities	40,010	23,212	16,798	11.5%	6.6%
Global low vol equities	28,046	8,969	19,077	17.5%	5.1%
Global Small Cap Equities	12,892	11,606	1,286	7.1%	6.6%
Real Estate	840	13,373	(12,533)	0.4%	4.6%
Infrastructure	62,048	26,834	35,214	15.4%	7.1%
Sask-based opportunistic	1,342	619		16.6%	7.1%
Return seeking bonds	1,661	709		4.2%	6.1%
	<u>155,698</u>	<u>89,074</u>	<u>64,949</u>	<u>10.8%</u>	<u>6.1%</u>
Requested additional income	-	69,900			
Investment expenses	(13,650)	(11,762)	(1,888)		
Total Investment Earnings	<u><u>257,701</u></u>	<u><u>289,565</u></u>	<u><u>36,361</u></u>	<u><u>8.8%</u></u>	<u><u>7.4%</u></u>

2025-26 DEC YTD

Asset Class	Actual	Budget	Variance	Return	Budget
<u>Matching Portfolio</u>					
Short-Term	\$ 1,477	\$ 635	\$ 842	2.8%	1.9%
Bonds	(5,007)	6,597	(11,604)	-0.3%	0.5%
Mortgages	11,150	9,303	1,847	3.5%	3.4%
Long-Term Private debt	104	-	104	-1.4%	0.0%
	<u>7,723</u>	<u>16,535</u>	<u>(8,812)</u>	<u>0.4%</u>	<u>0.9%</u>
<u>Return Seeking Portfolio</u>					
Canadian Equities	20,108	2,519	17,589	30.8%	4.4%
Global equities	79,358	17,199	62,159	17.5%	5.0%
Global low vol equities	-	6,913	(6,913)	0.0%	4.0%
Global Small Cap Equities	28,486	8,568	19,918	16.1%	5.1%
Real Estate	(3,000)	9,315	(12,315)	-1.3%	3.9%
Infrastructure	28,866	20,096	8,770	7.7%	5.2%
Sask-based opportunistic	703	824		3.9%	5.2%
Return seeking bonds	1,414	2,952		2.2%	5.1%
	<u>155,936</u>	<u>68,386</u>	<u>89,208</u>	<u>11.2%</u>	<u>4.7%</u>
Requested additional income	-	13,500			
Investment expenses	(9,584)	(7,837)	(1,747)		
Total Investment Earnings	<u>154,076</u>	<u>90,584</u>	<u>78,650</u>	<u>5.4%</u>	<u>2.5%</u>

SAF Response Attachment IR 1 - 50c

Year	2014 (Budget)	2014 (Actual)	2015 (Budget)	2015-16 15 month (Actual)	2016 (Budget)	2016-17 (Actual)	2017-18 (Budget)	2017-18 (Actual)	2018-19 (Budget)	2018-19 (Actual)	2019-20 (Budget)	2019-20 (Actual)
TRAFFIC SAFETY COMMUNITY ENGAGEMENT	\$ 3,560,735.00	\$ 4,059,842.79	\$ 3,511,735.00	\$ 7,820,981.00	\$ 5,590,941.00	\$ 6,611,690.00	\$ 15,268,200.00	\$ 10,009,079.00	\$ 13,033,432.00	\$ 10,450,944.11	\$ 13,007,256.00	\$ 11,055,806.03
TRAFFIC SAFETY PROGRAM EVALUATION	\$ 30,000.00	\$ 46,755.00	\$ 90,000.00	\$ 31,800.00	\$ 60,600.00	\$ 33,970.00	\$ 65,000.00	\$ 34,028.00	\$ 190,000.00	\$ 83,265.00	\$ 275,000.00	\$ 93,060.00
DRIVER PROGRAMS	\$ 2,494,646.00	\$ 1,679,388.85	\$ 1,063,938.00	\$ 1,722,899.59	\$ 1,060,935.00	\$ 1,096,667.10	\$ 1,148,291.00	\$ 1,146,729.70	\$ 1,145,001.00	\$ 762,607.00	\$ 1,565,576.00	\$ 1,285,578.00
DRIVER DEVELOPMENT	\$ 8,986,217.00	\$ 7,462,144.00	\$ 8,157,178.00	\$ 8,948,853.00	\$ 8,562,540.00	\$ 8,844,697.18	\$ 8,143,000.00	\$ 9,145,146.13	\$ 9,220,629.00	\$ 6,648,401.00	\$ 9,549,898.00	\$ 7,864,241.00
CARRIER & VEHICLE SAFETY SERVICES	\$ 18,000.00	\$ -	\$ 18,000.00	\$ 767.00	\$ 9,000.00	\$ 4,527.00	\$ 9,000.00	\$ 3,341.00	\$ 9,000.00	\$ 5,025.00	\$ 9,000.00	\$ 8,745.00
TRAFFIC SAFETY MARKETING	\$ 2,571,000.00	\$ 1,665,172.00	\$ 3,145,000.00	\$ 1,746,009.17	\$ 2,345,000.00	\$ 3,005,758.45	\$ 4,785,000.00	\$ 2,344,262.92	\$ 10,581,379.00	\$ 4,774,395.66	\$ 6,718,318.00	\$ 4,263,561.88

Year	2020-21 (Budget)	2020-21 (Projection)	2020-21 (Actual)	Variance	%	2021-22 (Budget)	2021-22 (Actual)	Variance	%	2022-23 (Budget)	2022-23 (Projection)	2022-23 (Actual)
TRAFFIC SAFETY COMMUNITY ENGAGEMENT	\$ 13,293,626.00	\$ 12,881,427.00	\$ 10,087,798.00	\$ (3,205,828.00)	-24.1%	\$ 13,128,541.00	\$ 10,734,322.67	\$ (2,394,218.33)	-33.1%	\$ 13,429,508.00	\$ 12,979,589.83	\$ 12,828,660.10
TRAFFIC SAFETY PROGRAM EVALUATION	\$ 235,000.00	\$ 285,000.00	\$ 291,878.00	\$ -	0.0%	\$ 585,000.00	\$ 73,060.00	\$ -	0.0%	\$ 785,000.00	\$ 483,060.00	\$ 134,581.29
DRIVER PROGRAMS	\$ 1,300,800.00	\$ 955,325.00	\$ 1,256,838.00	\$ -	0.0%	\$ 1,319,716.00	\$ 1,203,525.00	\$ -	0.0%	\$ 1,316,716.00	\$ 1,316,716.00	\$ 1,207,599.02
DRIVER DEVELOPMENT	\$ 10,827,996.00	\$ 8,153,200.00	\$ 7,193,389.00	\$ 3,634,407.00	-33.6%	\$ 8,925,748.00	\$ 9,252,536.58	\$ 403,427.58	0.0%	\$ 9,140,766.00	\$ 8,740,157.66	\$ 9,609,065.57
CARRIER & VEHICLE SAFETY SERVICES	\$ 9,000.00	\$ 9,000.00	\$ 201.00	\$ -	0.0%	\$ 9,000.00	\$ 1,200.00	\$ -	0.0%	\$ 477,200.00	\$ 477,200.00	\$ 306,289.00
TRAFFIC SAFETY MARKETING	\$ 5,950,002.00	\$ 3,197,502.00	\$ 2,933,547.72	\$ -	0.0%	\$ 5,943,502.00	\$ 2,304,569.00	\$ -	0.0%	\$ 5,108,278.00	\$ 5,071,592.00	\$ 4,737,386.14

Year	2023-24 (Budget)	2023-24 (Projection)	2023-24 (Actuals)	2024-25 (Budget)	2024-25 (Actuals)	2025-26 (Budget)	2025-26 (Projection)	2026-27 (Budget)
TRAFFIC SAFETY COMMUNITY ENGAGEMENT	\$ 13,355,561.00	\$ 12,643,249.00	\$ 12,370,789.00	\$ 13,277,729.00	\$ 13,221,550.04	\$ 14,425,742.00	\$ 13,568,118.00	\$ 13,979,425.00
TRAFFIC SAFETY PROGRAM EVALUATION	\$ 310,000.00	\$ 110,000.00	\$ 114,827.31	\$ 530,000.00	\$ 105,888.00	\$ 512,500.00	\$ 360,000.00	\$ 417,350.00
DRIVER PROGRAMS	\$ 1,312,750.00	\$ 1,194,820.00	\$ 1,182,424.00	\$ 1,231,905.00	\$ 1,187,081.00	\$ 1,206,383.00	\$ 1,206,383.00	\$ 1,212,787.00
DRIVER DEVELOPMENT	\$ 9,587,989.00	\$ 9,818,592.12	\$ 9,893,936.64	\$ 9,880,596.00	\$ 11,529,016.00	\$ 10,121,556.00	\$ 11,757,296.00	\$ 12,183,085.00
CARRIER & VEHICLE SAFETY SERVICES	\$ 330,422.00	\$ 319,000.00	\$ 307,433.00	\$ 9,000.00	\$ -	\$ 9,000.00	\$ 6,500.00	\$ 6,500.00
TRAFFIC SAFETY MARKETING	\$ 5,521,974.00	\$ 5,534,974.00	\$ 5,403,324.18	\$ 3,892,837.02	\$ 3,230,618.55	\$ 4,710,750.00	\$ 4,545,000.00	\$ 3,963,750.00

2019-2023 Traffic Safety Performance Measures

High Level Outcome Measures (Quarterly)

Measure	Baseline (2016-2018)	2019	% CHANGE	2020	% CHANGE	2021	% CHANGE	2022	% CHANGE	2023	% CHANGE
Number of deaths resulting from road crashes	118	71	-39.83%	86	-27.12%	87	-26.27%	104	-11.86%	92	-22.03%
Number of Injuries resulting from road crashes	4,878	4,244	-13.00%	3,627	-25.65%	4,582	-6.07%	5,746	17.79%	5,392	10.54%
Number of road crashes	29,034	28,894	-0.48%	24,254	-16.46%	24,387	-16.01%	29,983	3.27%	28,238	-2.74%
Number of deaths per 100,000 population	10	6.0	-40.89%	7.3	-28.08%	7.3	-28.08%	8.8	-13.30%	7.5	-26.11%
Number of Injuries per 100,000 population	420	360.2	-14.15%	307.2	-26.78%	390.0	-7.05%	484.0	15.36%	440.0	4.87%
Property Damage Only Crashes.	25,326	25,694	1.45%	21,486	-15.16%	20,840	-17.71%	25,591	1.05%	24,120	-4.76%

Outcome Measures - Saskatchewan

Safer Roads

Measure	Baseline (2016-2018)	2019	2020	2021	2022	2023					
Number of Injuries from Urban Intersection crashes	2,462	2,211	-10.2%	1,707	-30.7%	2,533	2.88%	3,034	23.23%	3,000	21.85%
Number of deaths from Urban intersection crashes	8	8	0.0%	9	12.5%	11	37.50%	9	12.50%	10	25.00%
Number of Injuries from Highway Intersection crashes	322	298	-7.5%	230	-28.6%	270	-16.15%	282	-12.42%	318	-1.24%
Number of deaths from Highway Intersection crashes	21	15	-28.6%	10	-52.4%	10	-52.38%	11	-47.62%	7	-66.67%
Number of deaths from crashes on urban Streets	13	12	-7.7%	13	0.0%	17	30.77%	22	69.23%	16	23.08%
Number of deaths from crashes on gravel roads	9	2	-77.8%	7	-22.2%	9	0.00%	8	-11.11%	9	0.00%
Number of deaths from crashes on Provincial Highway	75	51	-32.0%	44	-41.3%	49	-34.67%	61	-18.67%	52	-30.67%
Number of deaths from crashes on Rural Roads	21	6	-71.4%	22	4.8%	12	-42.86%	13	-38.10%	15	-28.57%

Safer Road Users -

Measure	Baseline (2016-2018)	2019	2020	2021	2022	2023					
Young Driver deaths (21 under)	9	4	-55.6%	7	-22.2%	8	-11.11%	8	-11.11%	5	-44.44%
Young Driver Injuries (21 under)	555	482	-13.2%	403	-27.4%	505	-9.01%	564	1.62%	550	-0.90%
Elderly Driver deaths (65+)	12	12	0.0%	7	-41.7%	14	16.67%	11	-8.33%	14	16.67%
Elderly Driver Injuries (65+)	336	315	-6.3%	260	-22.6%	348	3.57%	451	34.23%	428	27.38%
Number of motorcyclist deaths	4	3	-25.0%	1	-75.0%	2	-50.00%	5	25.00%	1	-75.00%
Number of cyclist deaths	1	0	-100.0%	1	0.0%	1	0.00%	2	100.00%	3	200.00%
Number of pedestrian deaths	16	9	-43.8%	12	-25.0%	15	-6.25%	15	-6.25%	16	0.00%
Number of drivers killed with a blood alcohol concentration (BAC)	19	12	-36.84%	21	10.53%	23	21.05%	26	36.84%	11	-42.11%
Number of motorcycle riders killed with a blood alcohol concentration	1	1	0.00%	0	-100.00%	0	-100.00%	1	0.00%	1	0.00%
Number of deaths from crashes involving an unlicensed driver	3	0	-100.00%	2	-33.33%	0	-100.00%	0	-100.00%	0	-100.00%
Number of injuries from crashes involving an unlicensed driver	124	80	-35.48%	89	-28.23%	73	-41.13%	74	-40.32%	69	-44.35%
Number of drivers and motorcycle riders killed who had an illegal d	2	3	50.00%	0	-100.00%	1	-50.00%	5	150.00%	2	0.00%
Number of deaths from crashes involving a pedestrian who had alcohol in their system	4	3	-25.00%	5	25.00%	2	-50.00%	7	75.00%	5	25.00%

Safety Performance Indicators - Saskatchewan

Safe Speeds

Measure	Baseline (2016-2018)	2019	2020	2021	2022	2023					
Number of deaths from crashes where speed was a contributory factor	19	9	-52.6%	18	-5.3%	20	5.26%	14	-26.32%	21	10.53%
Property Damage Only	1,343	1,145	-14.7%	714	-46.8%	880	-34.48%	2,410	79.45%	1,509	12.36%
Number of injuries where speed is a contributory factor	570	454	-20.4%	433	-24.0%	554	-2.81%	795	39.47%	608	6.67%
Percentage of vehicles violating PSE speeding threshold	39,510	33,599	-15.0%	45,848	16.0%	51,114	29.37%	30,810	-22.02%	31,870	-19.34%
Number of speeding convictions	76,058	80,352	5.6%	56,627	-25.5%	63,277	-16.80%	56,745	-25.39%	54,066	-28.91%

Impaired Driving

Measure	Baseline (2016-2018)	2019	2020	2021	2022	2023					
Number of deaths from crashes where alcohol-drug was a contributory factor	44	21	-52.3%	36	-18.18%	35	-20.45%	42	-4.55%	29	-34.09%
Number of Injuries from crashes where alcohol-drug was a contributory factor	397	345	-13.1%	401	1.01%	385	-3.02%	351	-11.59%	338	-14.86%
Property Damage Only Crashes	586	394	-32.8%	466	-20.48%	402	-31.40%	423	-27.82%	362	-38.23%
Number of roadside suspensions: Low BAC	1,036	885	-14.6%	1,257	21.33%	1,649	59.17%	1,984	91.51%	2,978	187.45%
Number of roadside suspensions: High BAC	2,954	1,943	-34.2%	2,980	0.88%	2,786	-5.69%	2,269	-23.19%	2,201	-25.49%
Number of Criminal Code Convictions	5,234	4,435	-15.3%	3,621	-30.82%	4,295	-17.94%	4,217	-4.92%	4,150	-20.71%

Distracted Driving

Measure	Baseline (2016-2018)	2019	2020	2021	2022	2023					
Number of deaths from crashes where distraction was a contributory factor	30	15	-50.0%	26	-13.3%	17	-43.33%	7	-76.67%	8	-73.33%
Property Damage Only	6,177	3,598	-41.8%	3,119	-49.5%	2,275	-63.17%	2,349	-61.97%	3,299	-46.59%
Number of injuries where distraction is a contributory factor	981	688	-29.9%	754	-23.1%	728	-25.79%	716	-27.01%	838	-14.58%
Number of distracted driving convictions	6,754	9,103	34.8%	5,132	-24.0%	8,034	18.95%	7,445	10.23%	8,671	28.38%

Wildlife

Measure	Baseline (2016-2018)	2019	2020	2021	2022	2023					
Number of deaths from crashes where wildlife was a contributory factor	1	1	0.0%	0	-100.0%	0	-100.00%	2	100.00%	3	200.00%
Property Damage Only	7,460	8,841	18.5%	8,641	15.8%	8,139	9.10%	8,809	18.08%	8,615	15.48%
Number of injuries where wildlife is a contributory factor	360	350	-2.8%	365	1.4%	316	-12.22%	486	35.00%	426	18.33%
Number of wildlife Claims	5,771	6,927	20.0%	6,943	20.3%	6,307	9.29%	7,354	27.43%	7,148	23.86%
Cost of wildlife Claims	81,699,233	95,122,004	16.4%	95,447,574	16.8%	108,562,396	32.88%	108,562,396	32.88%	108,912,375	33.31%

Commercial Vehicles

Measure	Baseline (2016-2018)	2019	2020	2021	2022	2023					
Number of deaths from crashes involving commercial vehicles	25	12	-52.0%	14	-44.0%	16	-36.00%	18	-28.00%	18	-28.00%
Property Damage Only	859	771	-10.2%	842	-2.0%	873	1.63%	1,038	20.84%	893	3.96%
Number of injuries from crashes involving commercial vehicles	243	185	-23.9%	158	-35.0%	188	-22.63%	264	8.64%	234	-3.70%

Occupant Restraint

Measure	Baseline (2016-2018)	2019	2020	2021	2022	2023					
Number of deaths where occupant of vehicle was not wearing seatbelt	27	12	-55.6%	27	0.0%	20	-25.93%	15	-44.44%	20	-25.93%
Number of injuries where occupant of vehicle was not wearing seatbelt	158	101	-36.1%	170	7.6%	129	-18.35%	130	-17.72%	133	-15.82%
Number of child injuries due to improper use of restraint	12	9	-25.0%	9	-25.0%	9	-25.00%	7	-41.67%	8	-33.33%
Number of child deaths due to improper use of restraint	1	1	0.0%	0	-100.0%	0	-100.00%	1	0.00%	1	0.00%

Data Sources and Reporting Frequencies

Measure	Data Source	Reporting Frequency
High Level Outcomes	TAIS	Quarterly
Outcome Measures	TAIS	Annually
Safety Performance Indicators		
Collisions, Injuries and PDO	TAIS	Annually
Claims Frequency and Costs	Claims	Quarterly
Convictions	Justice	Quarterly
Violation Tickets	SE and RCMP	Quarterly

SAF Response Attachment IR 1 - 65

Saskatchewan Auto Fund

Statement of Operations

(Thousands of \$)

Forecast assuming rate increases of 3.75% in June 2026 and 3.75% in June 2027

Year ended March 31 (\$000's)	Forecast	
	2025-26	2026-27
	\$	\$
Gross premiums written	1,165,005	1,237,025
Change in gross unearned premiums	(17,043)	(33,794)
Short-term Registration and AutoPay Revenue	41,139	43,682
Insurance revenue	1,189,100	1,246,912
Gross claims incurred	1,013,960	1,066,802
Prior year claims (Net of Disc/PFAD)	(20,688)	-
Loss adjusting expense (LAE)	221,986	227,006
Issuer fees and premium taxes	119,112	125,859
Change in Loss Component	19,764	(19,941)
Insurance expenses	32,129	35,375
Insurance service expenses	1,386,263	1,435,101
Premiums ceded to reinsurers	(20,892)	(20,732)
Change in unearned reinsurance premiums	(251)	625
Ceded claims incurred	-	-
Ceded admin expenses	(158)	(170)
Net revenue (expenses) from reinsurance contracts	(21,301)	(20,277)
Insurance service result	(218,464)	(208,466)
Investment earnings (losses)	218,723	152,629
Insurance finance income (expense)	(64,051)	(63,715)
Reinsurance finance income (expense)	325	6
Net investment result	154,997	88,920
Other revenue	128,774	131,724
Traffic safety	25,762	26,506
Other expenses	213,173	216,775
Increase (decrease) to RSR	(173,628)	(231,103)
RSR:		
RSR Balance, Beginning of Year	726,883	553,255
RSR Balance, End of Year	553,255	322,152
Loss ratio excl LAE	85.0%	87.0%
LAE ratio	19.0%	18.5%
Loss ratio	104.0%	105.5%
Loss component ratio	1.7%	-1.6%
Issuer fee and premium tax ratio	10.2%	10.3%
Administrative expense ratio	21.0%	20.6%
Traffic safety ratio	2.2%	2.2%
Combined ratio (partially discounted)	139.1%	137.0%
Minimum Capital Test	83%	49%
MCT - Rolling 12 month avg.	97%	66%
Loss Ratio (fully discounted)	109.5%	110.7%
Combined ratio (fully discounted)	144.6%	142.1%

SAF Response Attachment IR 1 - 65

Saskatchewan Auto Fund

Statement of Financial Position (Thousands of \$)

Forecast assuming rate increases of 3.75% in June 2026 and 3.75% in June 2027

Year ended March 31 (\$000's)	Actuals		Forecast	
	2023-24	2024-25	2025-26	2026-27
	\$	\$	\$	\$
Assets				
Cash and treasury bills	53,565	47,361	41,244	41,857
Accounts receivable	30,004	28,554	28,861	29,228
Reinsurance asset	3,902	13,509	(7,828)	(11,114)
Investments	3,105,240	3,133,121	3,081,978	2,910,954
Other Assets	17,723	7,047	7,047	7,047
Intangible Assets	22,050	28,720	33,747	32,868
Capital Assets	41,489	41,399	47,862	59,574
Total Assets	3,273,972	3,299,711	3,232,913	3,070,415
Liabilities				
Accounts payable and accrued charges	57,110	57,729	62,787	64,455
Liability for Incurred Claims	2,030,930	2,209,229	2,281,044	2,347,441
Liability for Remaining Coverage	261,042	305,870	335,827	336,366
Total Liabilities	2,349,082	2,572,828	2,679,657	2,748,262
Equity				
Rate Stabilization Reserve	924,890	726,884	553,255	322,152
Total Liabilities and Equity	3,273,972	3,299,711	3,232,913	3,070,415

SAF Response Attachment IR 1 - 65a
Saskatchewan Auto Fund
Statement of Operations
(Thousands of \$)

Forecast assuming rate increases of 3.75% in June 2026 and 3.75% in June 2027
Assuming interest rates are 100 basis points higher beginning in 2026-27

Year ended March 31 (\$'000's)	Forecast	
	2025-26 \$	2026-27 \$
Gross premiums written	1,165,005	1,237,025
Change in gross unearned premiums	(17,043)	(33,794)
Short-term Registration and AutoPay Revenue	41,139	43,682
Insurance revenue	1,189,100	1,246,912
Gross claims incurred	1,013,960	1,037,339
Prior year claims (Net of Disc/PFAD)	(20,688)	-
Loss adjusting expense (LAE)	221,986	226,996
Issuer fees and premium taxes	119,112	125,859
Change in Loss Component	19,764	(26,049)
Insurance expenses	32,129	35,375
Insurance service expenses	1,386,263	1,399,519
Premiums ceded to reinsurers	(20,892)	(20,732)
Change in unearned reinsurance premiums	(251)	625
Ceded claims incurred	-	-
Ceded admin expenses	(158)	(170)
Net revenue (expenses) from reinsurance contracts	(21,301)	(20,277)
Insurance service result	(218,464)	(172,884)
Investment earnings (losses)	218,723	60,128
Insurance finance income (expense)	(64,051)	73,842
Reinsurance finance income (expense)	325	61
Net investment result	154,997	134,031
Other revenue	128,774	131,724
Traffic safety	25,762	26,506
Other expenses	213,173	216,775
Increase (decrease) to RSR	(173,628)	(150,410)
RSR:		
RSR Balance, Beginning of Year	726,883	553,255
RSR Balance, End of Year	553,255	402,845
Loss ratio excl LAE	85.0%	84.6%
LAE ratio	19.0%	18.5%
Loss ratio	104.0%	103.1%
Loss component ratio	1.7%	-2.1%
Issuer fee and premium tax ratio	10.2%	10.3%
Administrative expense ratio	21.0%	20.6%
Traffic safety ratio	2.2%	2.2%
Combined ratio (partially discounted)	139.1%	134.1%
Minimum Capital Test	83%	63%
MCT - Rolling 12 month avg.	97%	73%
Loss Ratio (fully discounted)	109.5%	97.0%
Combined ratio (fully discounted)	144.6%	128.0%

SAF Response Attachment IR 1 - 65a

Saskatchewan Auto Fund

Statement of Financial Position

(Thousands of \$)

Forecast assuming rate increases of 3.75% in June 2026 and 3.75% in June 2027

Assuming interest rates are 100 basis points higher beginning in 2026-27

Year ended March 31 (\$000's)	Actuals		Forecast	
	2023-24	2024-25	2025-26	2026-27
	\$	\$	\$	\$
Assets				
Cash and treasury bills	53,565	47,361	41,250	39,148
Accounts receivable	30,004	28,554	28,855	28,864
Reinsurance asset	3,902	13,509	(5,661)	(9,588)
Investments	3,105,240	3,133,121	3,080,416	2,820,492
Other Assets	17,723	7,047	7,047	7,047
Intangible Assets	22,050	28,720	33,747	32,868
Capital Assets	41,489	41,399	47,862	59,574
Total Assets	3,273,972	3,299,711	3,233,518	2,978,407
Liabilities				
Accounts payable and accrued charges	57,110	57,729	62,787	64,455
Liability for Incurred Claims	2,030,930	2,209,229	2,281,648	2,180,849
Liability for Remaining Coverage	261,042	305,870	335,827	330,258
Total Liabilities	2,349,082	2,572,828	2,680,262	2,575,561
Equity				
Rate Stabilization Reserve	924,890	726,884	553,255	402,845
Total Liabilities and Equity	3,273,972	3,299,711	3,233,518	2,978,407

SAF Response Attachment IR 1 - 65a

Saskatchewan Auto Fund

Statement of Operations

(Thousands of \$)

Forecast assuming rate increases of 3.75% in June 2026 and 3.75% in June 2027

Assuming interest rates are 100 basis points lower beginning in 2026-27

Year ended March 31 (\$'000's)	Forecast	
	2025-26	2026-27
	\$	\$
Gross premiums written	1,165,005	1,237,025
Change in gross unearned premiums	(17,043)	(33,794)
Short-term Registration and AutoPay Revenue	41,139	43,682
Insurance revenue	1,189,100	1,246,912
Gross claims incurred	1,013,960	1,100,508
Prior year claims (Net of Disc/PFAD)	(20,688)	-
Loss adjusting expense (LAE)	221,986	227,004
Issuer fees and premium taxes	119,112	125,859
Change in Loss Component	19,764	(13,093)
Insurance expenses	32,129	35,375
Insurance service expenses	1,386,263	1,475,652
Premiums ceded to reinsurers	(20,892)	(20,732)
Change in unearned reinsurance premiums	(251)	625
Ceded claims incurred	-	-
Ceded admin expenses	(158)	(170)
Net revenue (expenses) from reinsurance contracts	(21,301)	(20,277)
Insurance service result	(218,464)	(249,017)
Investment earnings (losses)	218,723	260,380
Insurance finance income (expense)	(64,051)	(222,772)
Reinsurance finance income (expense)	325	(12)
Net investment result	154,997	37,596
Other revenue	128,774	131,724
Traffic safety	25,762	26,506
Other expenses	213,173	216,775
Increase (decrease) to RSR	(173,628)	(322,978)
RSR:		
RSR Balance, Beginning of Year	726,883	553,255
RSR Balance, End of Year	553,255	230,277
Loss ratio excl LAE	85.0%	89.7%
LAE ratio	19.0%	18.5%
Loss ratio	104.0%	108.2%
Loss component ratio	1.7%	-1.1%
Issuer fee and premium tax ratio	10.2%	10.3%
Administrative expense ratio	21.0%	20.6%
Traffic safety ratio	2.2%	2.2%
Combined ratio (partially discounted)	139.1%	140.2%
Minimum Capital Test	83%	32%
MCT - Rolling 12 month avg.	97%	57%
Loss Ratio (fully discounted)	109.5%	126.4%
Combined ratio (fully discounted)	144.6%	158.4%

SAF Response Attachment IR 1 - 65a

Saskatchewan Auto Fund

Statement of Financial Position

(Thousands of \$)

Forecast assuming rate increases of 3.75% in June 2026 and 3.75% in June 2027

Assuming interest rates are 100 basis points lower beginning in 2026-27

Year ended March 31 (\$000's)	Actuals		Forecast	
	2023-24	2024-25	2025-26	2026-27
	\$	\$	\$	\$
Assets				
Cash and treasury bills	53,565	47,361	41,244	44,989
Accounts receivable	30,004	28,554	28,861	29,646
Reinsurance asset	3,902	13,509	(7,828)	(11,134)
Investments	3,105,240	3,133,121	3,081,978	3,015,129
Other Assets	17,723	7,047	7,047	7,047
Intangible Assets	22,050	28,720	33,747	32,868
Capital Assets	41,489	41,399	47,862	59,574
Total Assets	<u>3,273,972</u>	<u>3,299,711</u>	<u>3,232,913</u>	<u>3,178,120</u>
Liabilities				
Accounts payable and accrued charges	57,110	57,729	62,787	64,455
Liability for Incurred Claims	2,030,930	2,209,229	2,281,044	2,540,174
Liability for Remaining Coverage	261,042	305,870	335,827	343,214
Total Liabilities	<u>2,349,082</u>	<u>2,572,828</u>	<u>2,679,657</u>	<u>2,947,843</u>
Equity				
Rate Stabilization Reserve	<u>924,890</u>	<u>726,884</u>	<u>553,255</u>	<u>230,277</u>
Total Liabilities and Equity	<u>3,273,972</u>	<u>3,299,711</u>	<u>3,232,913</u>	<u>3,178,120</u>

SAF Response Attachment IR 1 - 65b
Saskatchewan Auto Fund
Statement of Operations
(Thousands of \$)

Forecast assuming rate increases of 3.75% in June 2026 and 3.75% in June 2027
Assuming claims inflation 100 basis points higher in 2026-27

Year ended March 31 (\$000's)	Forecast	
	2025-26	2026-27
	\$	\$
Gross premiums written	1,165,005	1,237,025
Change in gross unearned premiums	(17,043)	(33,794)
Short-term Registration and AutoPay Revenue	41,139	43,682
Insurance revenue	1,189,100	1,246,912
Gross claims incurred	1,013,960	1,078,232
Prior year claims (Net of Disc/PFAD)	(20,688)	-
Loss adjusting expense (LAE)	221,986	227,554
Issuer fees and premium taxes	119,112	125,859
Change in Loss Component	19,764	(14,045)
Insurance expenses	32,129	35,375
Insurance service expenses	1,386,263	1,452,974
Premiums ceded to reinsurers	(20,892)	(20,732)
Change in unearned reinsurance premiums	(251)	625
Ceded claims incurred	-	-
Ceded admin expenses	(158)	(170)
Net revenue (expenses) from reinsurance contracts	(21,301)	(20,277)
Insurance service result	(218,464)	(226,339)
Investment earnings (losses)	218,723	152,506
Insurance finance income (expense)	(64,051)	(63,730)
Reinsurance finance income (expense)	325	60
Net investment result	154,997	88,836
Other revenue	128,774	131,724
Traffic safety	25,762	26,506
Other expenses	213,173	216,775
Increase (decrease) to RSR	(173,628)	(249,060)
RSR:		
RSR Balance, Beginning of Year	726,883	553,255
RSR Balance, End of Year	553,255	304,195

Loss ratio excl LAE	85.0%	87.9%
LAE ratio	19.0%	18.5%
Loss ratio	104.0%	106.4%
Loss component ratio	1.7%	-1.1%
Issuer fee and premium tax ratio	10.2%	10.3%
Administrative expense ratio	21.0%	20.6%
Traffic safety ratio	2.2%	2.2%
Combined ratio (partially discounted)	139.1%	138.4%
Minimum Capital Test	83%	46%
MCT - Rolling 12 month avg.	97%	64%

Loss Ratio (fully discounted)	109.5%	111.6%
Combined ratio (fully discounted)	144.6%	143.6%

SAF Response Attachment IR 1 - 65b

Saskatchewan Auto Fund

Statement of Financial Position

(Thousands of \$)

Forecast assuming rate increases of 3.75% in June 2026 and 3.75% in June 2027

Assuming claims inflation 100 basis points higher in 2026-27

Year ended March 31 (\$000's)	Actuals		Forecast	
	2023-24	2024-25	2025-26	2026-27
			\$	\$
Assets				
Cash and treasury bills	53,565	47,361	41,250	41,925
Accounts receivable	30,004	28,554	28,855	29,197
Reinsurance asset	3,902	13,509	(5,661)	(9,589)
Investments	3,105,240	3,133,121	3,080,416	2,903,062
Other Assets	17,723	7,047	7,047	7,047
Intangible Assets	22,050	28,720	33,747	32,868
Capital Assets	41,489	41,399	47,862	59,574
Total Assets	<u>3,273,972</u>	<u>3,299,711</u>	<u>3,233,518</u>	<u>3,064,086</u>
Liabilities				
Accounts payable and accrued charges	57,110	57,729	62,787	64,455
Liability for Incurred Claims	2,030,930	2,209,229	2,281,648	2,353,174
Liability for Remaining Coverage	261,042	305,870	335,827	342,262
Total Liabilities	<u>2,349,082</u>	<u>2,572,828</u>	<u>2,680,262</u>	<u>2,759,891</u>
Equity				
Rate Stabilization Reserve	<u>924,890</u>	<u>726,884</u>	<u>553,255</u>	<u>304,195</u>
Total Liabilities and Equity	<u>3,273,972</u>	<u>3,299,711</u>	<u>3,233,518</u>	<u>3,064,086</u>

SAF Response Attachment IR 1 - 65c
Saskatchewan Auto Fund
Statement of Operations
(Thousands of \$)

Forecast assuming rate increases of 3.75% in June 2026 and 3.75% in June 2027
Assuming Digital Transformation Spending is 25% than Projected for 2025-26 and 2026-27

Year ended March 31 (\$000's)	Forecast	
	2025-26 \$	2026-27 \$
Gross premiums written	1,165,005	1,237,025
Change in gross unearned premiums	(17,043)	(33,794)
Short-term Registration and AutoPay Revenue	41,139	43,682
Insurance revenue	1,189,100	1,246,912
Gross claims incurred	1,013,960	1,066,802
Prior year claims (Net of Disc/PFAD)	(20,688)	-
Loss adjusting expense (LAE)	221,986	227,006
Issuer fees and premium taxes	119,112	125,859
Change in Loss Component	19,764	(19,941)
Insurance expenses	32,129	35,375
Insurance service expenses	1,386,263	1,435,101
Premiums ceded to reinsurers	(20,892)	(20,732)
Change in unearned reinsurance premiums	(251)	625
Ceded claims incurred	-	-
Ceded admin expenses	(158)	(170)
Net revenue (expenses) from reinsurance contracts	(21,301)	(20,277)
Insurance service result	(218,464)	(208,466)
Investment earnings (losses)	218,723	152,488
Insurance finance income (expense)	(64,051)	(63,715)
Reinsurance finance income (expense)	325	6
Net investment result	154,997	88,779
Other revenue	128,774	131,724
Traffic safety	25,762	26,506
Other expenses	215,748	218,477
Increase (decrease) to RSR	(176,203)	(232,946)
RSR:		
RSR Balance, Beginning of Year	726,884	550,680
RSR Balance, End of Year	550,680	317,735

Loss ratio excl LAE	85.0%	87.0%
LAE ratio	19.0%	18.5%
Loss ratio	104.0%	105.5%
Loss component ratio	1.7%	-1.6%
Issuer fee and premium tax ratio	10.2%	10.3%
Administrative expense ratio	21.2%	20.7%
Traffic safety ratio	2.2%	2.2%
Combined ratio (partially discounted)	139.3%	137.1%
Minimum Capital Test	82%	48%
MCT - Rolling 12 month avg.	97%	65%

Loss Ratio (fully discounted)	109.5%	110.7%
Combined ratio (fully discounted)	144.8%	142.2%

SAF Response Attachment IR 1 - 65c

Saskatchewan Auto Fund Statement of Financial Position (Thousands of \$)

Forecast assuming rate increases of 3.75% in June 2026 and 3.75% in June 2027
Assuming Digital Transformation Spending is 25% than Projected for 2025-26 and 2026-27

Year ended March 31 (\$000's)	Actuals		Forecast	
	2023-24	2024-25	2025-26	2026-27
			\$	\$
Assets				
Cash and treasury bills	53,565	47,361	41,240	41,848
Accounts receivable	30,004	28,554	28,853	29,212
Reinsurance asset	3,902	13,509	(7,828)	(11,114)
Investments	3,105,240	3,133,121	3,079,895	2,906,878
Other Assets	17,723	7,047	7,047	7,047
Intangible Assets	22,050	28,720	33,747	32,868
Capital Assets	41,489	41,399	47,862	59,574
Total Assets	<u>3,273,972</u>	<u>3,299,711</u>	<u>3,230,817</u>	<u>3,066,314</u>
Liabilities				
Accounts payable and accrued charges	57,110	57,729	63,266	64,772
Liability for Incurred Claims	2,030,930	2,209,229	2,281,044	2,347,441
Liability for Remaining Coverage	261,042	305,870	335,827	336,366
Total Liabilities	<u>2,349,082</u>	<u>2,572,828</u>	<u>2,680,137</u>	<u>2,748,579</u>
Equity				
Rate Stabilization Reserve	<u>924,890</u>	<u>726,884</u>	<u>550,680</u>	<u>317,735</u>
Total Liabilities and Equity	<u>3,273,972</u>	<u>3,299,711</u>	<u>3,230,817</u>	<u>3,066,314</u>