



Annual Report 2025

# Tomorrow

Delivering secure lifetime pensions to our members



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# A Message from the Chair and Vice-

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# A commitment to continuous improvement

**Strong governance is the foundation of trust in and long-term security of the CAAT Pension Plan.** It is reinforced by the Board's commitment to continuous improvement, disciplined oversight and a willingness to act decisively in the best interests of Plan beneficiaries.

To this end, the Board initiated a comprehensive review to evaluate the Plan's governance framework against evolving best practices. This work included consideration of governance-related matters brought to the Board's attention. To ensure objectivity, an independent expert was engaged to conduct the review. Based on the findings, the Board will identify targeted areas for enhancement and develop a set of actions to ensure CAAT's governance continues to support the long-term success of the Plan.

A fundamental role for the Board is to provide oversight and counsel to keep CAAT focused on its strategy and the beneficiaries' long-term interests, including maintaining continuity in leadership and decision-making during transitions. At the outset of CAAT's current transition, the Board appointed Kevin Fahey as Acting Chief Executive Officer to ensure stability in leadership and operations. With leadership continuity in place, the Board is now focused on appointing a permanent CEO.

As part of our commitment to continuous renewal, we welcomed 7 Trustees (including two who joined on January 1, 2026) to CAAT. Bringing new Trustees to the table strengthens our Jointly Sponsored Pension Plan (JSPP) model by broadening representation of our members and participating employers and deepening the mix of skills and perspectives needed to oversee the \$25.4 billion plan. This is an integral way CAAT balances long-term



**Audrey Wubbenhorst,**  
Chair



**Janet Greenwood,**  
Vice-Chair

sustainability with shared responsibility in governance and funding decisions, including contributions and benefit changes when needed.

Trust in tomorrow requires strong governance today. That is not measured by the absence of challenges but by the way in which a board responds to them. Our willingness to learn, adapt and refine practices on a continuous basis will ensure the governance foundation continues to strengthen. We enter the new year confident that our governance framework will help the Board remain effective, responsive and well-positioned to support the long-term success of the Plan.



**Audrey Wubbenhorst,**  
Chair




**Janet Greenwood,**  
Vice-Chair



# A Message from the Acting CEO and Plan Manager

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# Providing our members with peace of mind about their financial future

Our members rely on CAAT to help secure the financial future they want and deserve. With that responsibility firmly in mind, I accepted the role of Acting CEO and Plan Manager.

The Plan continued to deliver on its pension promise and protect its long-term sustainability in 2025. That reflects the strength of an integrated system: a disciplined investment program guided by clear funding policy, delivered by our people and the values they uphold.

CAAT's investment program is designed to turn contributions from members and employers into predictable retirement income for life. Our focus on long-term performance strengthens the funding position and overall health of the Plan. In 2025, CAAT achieved a 10-year annualized net rate of return of **9.6%**, supported by an annual net return of **8.4%**.

Today, our **\$25.4** billion fund is diversified across asset classes to achieve our targeted rate of return while helping mitigate market volatility and adverse economic conditions. CAAT's **\$6.7** billion surplus – built through years of disciplined investing and risk management – also serves as a stabilizing force.

On a going concern basis, the Plan is 124% funded, meaning CAAT holds **\$1.24** in assets for every dollar of pension obligations. That is a strong indicator that members' benefits are secure and the Plan is sustainable.

Strong funding enables tangible day-to-day value for members and employers. These outcomes are guided by our Funding Policy, which establishes clear guardrails for contributions, reserves and benefit decisions.



**Kevin Fahey**, Acting CEO and Plan Manager and Chief Investment Officer

**\$25.4B**

in total assets

**\$6.7B**

in funding reserves

For instance, CAAT's current funded position enables the Plan to grant conditional inflation protection to eligible members, helping preserve the purchasing power of their pensions over time. In 2025, we extended this enhancement through 2028.

We also strengthened the value of Plan participation. DBplus members can now build retirement income faster without increasing contributions through a higher annual pension factor. For DBprime members, we reduced contribution rates while preserving the same pension promise. For employers, these enhancements reinforce a competitive and sustainable total rewards offering.

None of this is possible without our people who place the interests of members and employers at the centre of everything we do.

This includes looking for ways to modernize member engagement, focusing on clear and accessible content rather than quantity. In 2025, we simplified the Active Member Annual Statement and introduced the Annual Pension Insights page, making it easier for members to manage their retirement income confidently.

We enhanced survivor benefits by increasing the minimum payment guarantee from 60 to 180 times a member's first monthly pension amount and by introducing a 100% survivor pension option. The enhanced guarantee applied to retirees alive on May 28, 2025 and to retirements on or after that date. Survivor pensions in pay at that time remained unchanged.

These and other outcomes are shaped by our values of integrity, teamwork and impact. They guide disciplined decision-making, strong collaboration and a focus on real results that deliver lasting value for members and employers. One of my first priorities as Acting CEO was to establish a senior leadership team with deep knowledge of CAAT and a shared commitment to its values. Internal feedback following their introduction showed increased optimism about CAAT and its future.



“The Plan continued to deliver on its pension promise and protect its long-term sustainability in 2025.”

— Kevin Fahey, Acting CEO and Plan Manager and Chief Investment Officer

CAAT's strength does not rest on any single leader, decision, function or outcome. It comes from how our investment program, funding policy, people and values work together – consistently and deliberately – to deliver secure retirement income and long-term value for our members and their employers. They can place their trust in tomorrow, knowing CAAT has everything it needs to provide them with peace of mind about their financial future.



**Kevin Fahey,**  
Acting CEO and Plan Manager  
and Chief Investment Officer



2025



# Purpose

Over

125,000

members

More than a

15,000

net increase in members

More than

90,000

active members

27,000

retired members

More than

5,000

deferred members

More than

800

total employers

25

unions and member associations

20

industries

# Performance

124%

funded

\$6.7B

funding reserves

25.4B

net assets

9.6%

10-year annualized net investment return

8.4%

net investment return in 2025

# Pride

\$762M

in pension payouts in 2025

Greater Toronto  
Top Employer 2026

2025 Top Employer

(Benefits and Pensions Monitor)



# Management's Commentary

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# Plan Funding

**Funded status is a key measure of CAAT's financial health,**  
highlighting the Plan's benefit security.

The Plan's focus on long-term stability and strength is supported by using reasonable underlying assumptions in its actuarial valuation, maintaining funding reserves and healthy Plan demographics.

As at January 1, 2026, Plan reserves increased to **\$6.7 billion**, from \$6.1 billion as at January 1, 2025. In addition, there are **\$1.9 billion** in asset smoothing reserves that reflect deferred investment gains to be gradually recognized in future actuarial valuations.

Reserves are available as a cushion against negative investment experience in the future, or larger-than-expected liability growth. Reserves are an important tool to fund future conditional benefit enhancements, maintain the enhanced DBplus pension benefit factor and keep DBprime contribution rates stable.

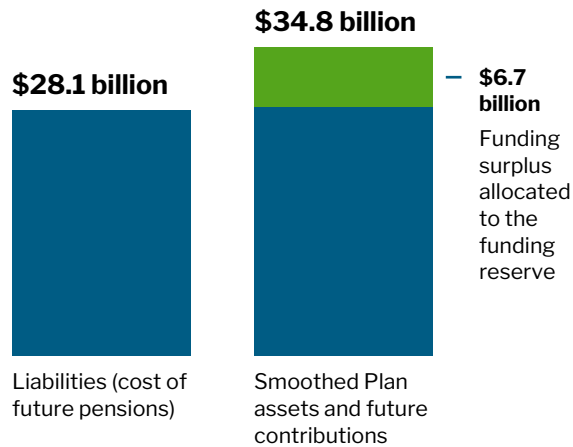
## Valuation Summary

	(\$ millions)
<b>Going-concern funding results</b> (Modified aggregate basis)	<b>January 1, 2026</b> Filed valuation
<b>Asset values:</b>	
Market value of net assets	25,420
Smoothing adjustment	(1,851)
<b>Present value of future contributions</b>	
DBprime – basic contributions	5,464
DBprime – stability contributions	698
DBplus	5,081
<b>Total actuarial value of assets</b>	<b>34,812</b>
Liabilities for accrued benefits	17,926
<b>Present value of future benefits for active members</b>	
DBprime	5,593
DBplus	4,544
<b>Total actuarial liabilities</b>	<b>28,063</b>
Funding reserve – with smoothing	6,749

(The market value of net assets differs from the financial statements due to the timing of the preparation of the regulatory funding valuation.)

### Funding Valuation

As at January 1, 2026



The Plan's regulatory funding valuation is:

- A point-in-time determination of the Plan's financial health
- Comparing the cost of future pensions to Plan assets, including future contributions and smoothed investment returns over five years
- Performed on a going-concern basis (assumes the Plan will operate indefinitely)
- Prepared by an independent actuary
- Based on assumptions about member life expectancy, future earnings, economic conditions and future investment returns
- Filed with provincial and federal regulators at least every three years. Plan governors may choose to file a valuation on a more frequent basis. The Plan has filed its valuation as at January 1, 2026.



To find out more about CAAT's regulatory funding valuation, go to:

[caatpension.ca/about-us/annual-performance](https://caatpension.ca/about-us/annual-performance)





# Strategic Priorities

**In 2025, CAAT continued to focus on protecting benefit security** and strengthening engagement with members and participating employers.

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Previously announced plan enhancements came into effect on January 1, 2025, reinforcing the value of the pension for members and participating employers.

**For DBprime members**, contribution rates decreased by 1%, allowing members to contribute less while continuing to earn the same lifetime pension. This means the same valuable benefits are provided at a lower contribution level.

**For DBplus members**, pension growth increased. Effective January 1, 2025, the annual pension factor increased from 8.5% to 9.5%, meaning each dollar contributed now builds more pension over time, with no change to member contributions.

Survivor benefit enhancements were also introduced in 2025 which increased the minimum payment guarantee from 60 times to 180 times a member's first monthly pension payment. Individuals can also select a higher survivor pension for their spouses, providing them with more financial security for life. In addition to the default rate of 60%, members now have the option of 75% or 100%. These improvements reflect CAAT's ongoing commitment to evolving with your needs.

Throughout the year, CAAT maintained a strong funded position and demonstrated resilience in navigating uncertainty and continuing to deliver secure lifetime pensions. This stability reflects the Plan's long-term approach to investment management, prudent risk oversight and careful stewardship of the resources entrusted to it.

In 2025, based on the Plan's strong funded position, conditional inflation protection increases have been granted through to 2028. The Plan has granted these enhancements to eligible members every year since they were first introduced in 2007.

Engagement with members and employers also remained a key focus in 2025. Through expanded service channels beyond email and phone support, regular updates, educational resources, and direct communication, CAAT provided stakeholders with greater clarity around funding health, investment performance, broader factors shaping retirement security and how the Plan contributes to the long-term financial security of its beneficiaries.

Moving into 2026, CAAT staff will also be focused on supporting the Board in implementing measures to strengthen Plan governance and build trust with members, employers and other key stakeholders.

“CAAT maintained a strong funded position and demonstrated resilience in navigating uncertainty and continuing to deliver secure lifetime pensions.”



# Professional Investment Management

**The Plan's investment program is designed to generate** sufficient long-term returns to keep benefits secure and grant conditional enhancements, with an appropriate level of risk.

The Plan conducts periodic asset-liability modelling (ALM) studies to recommend an appropriate strategic asset mix to the Board of Trustees. In implementing the approved asset mix, the team manages the investment portfolio actively, with the goal of adding value above market benchmarks over the long term.

The Plan's investment portfolio is primarily implemented through a mix of external investment manager relationships, as well as private market fund investments and co-investments (direct investments in private market transactions alongside lead investors).

## **Diversified Portfolio Fundamental to Managing Risk**

The Plan's asset mix is well diversified. Asset classes are categorized into three broad groupings: interest-rate-sensitive, inflation-sensitive and return-enhancing.

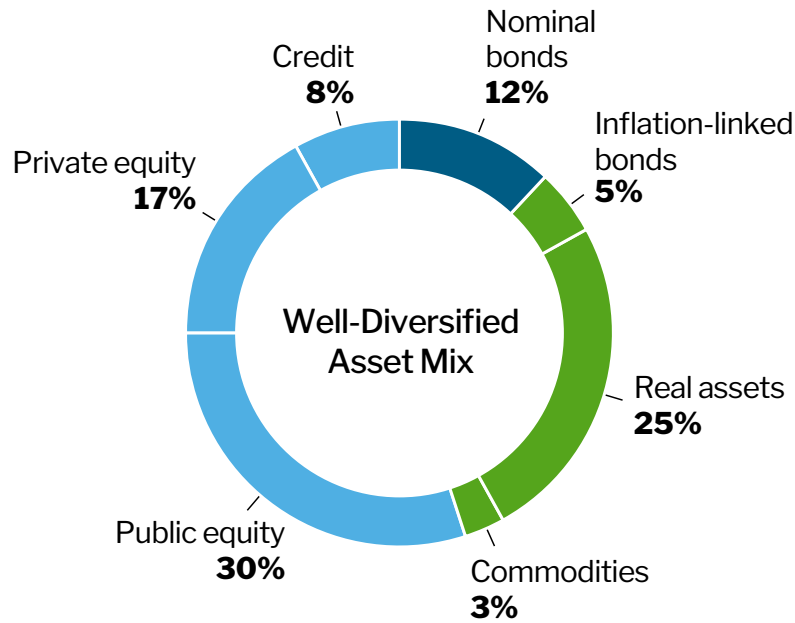
Interest-rate-sensitive and inflation-sensitive asset categories help to offset the effects of changing interest rates and inflation on the valuation of the Plan's pension obligations. The interest-rate-sensitive asset category is comprised of nominal Canadian bonds, while the inflation-sensitive asset category is comprised of real assets (real estate and infrastructure), inflation-linked bonds and commodities.

The return-enhancing category, including public equities, private equities, and credit, helps the Plan achieve its targeted rate of return. The higher expected long-term returns from these asset classes assist in keeping DBprime contribution rates stable and allow for the continued granting of conditional benefits for all members.

The Plan also invests in hedge funds, which are paired with passive investments in other asset classes (primarily public equities) to add value and improve the portfolio's diversification characteristics.

Following an ALM study in 2024, the Board of Trustees approved certain changes to the long-term strategic asset mix, with the goal of further enhancing Plan health in the long term.

### Long Term Asset Mix Target



Interest-rate-sensitive: **12%**

Inflation-sensitive: **33%**

Return-enhancing: **55%**

#### Investing in Canada

In 2025, the Plan's Canadian holdings made up **23.9%** of its assets. This includes investments in equities, bonds, and real assets.



## Q&A with Kevin Fahey

### **You were appointed as Chief Investment Officer in January 2026. How are you approaching this new role?**

CAAT's investment strategy has delivered strong performance over the long term, and as such, I see no need to change an approach that continues to be effective. It's a reflection of the incredibly talented and dedicated teams that oversee our investment program – many of whom I have worked alongside for years. Not only do they have the expertise and discipline to manage the Fund, they care deeply about the role it plays in supporting CAAT's purpose. That unique mix of skill set and passion is fundamental in sustaining our investment goals well into the future.

In terms of CAAT's performance in 2025, what do you want members to know?

Overall, our investment program delivered a strong performance in 2025. The fund's **8.4%** rate of return surpassed what we required on an annual and 10-year basis to enhance the long-term health of the Plan.

For every dollar of pension obligations, CAAT has \$1.24 in assets. The bottom line is, members can feel confident their pension is secure.

Putting the annual performance aside, your team places greater importance on long-term returns. Why?

I'll give you an example related to the Plan's enhancements in 2025. CAAT increased the annual pension factor to help DBplus members build retirement income faster without contributing more to the Plan. We also lowered the contribution rate of DBprime members while keeping the same pension promise. Many factors go into these decisions, but they were made possible by the Fund's status. And that's a reflection of the success our investment program has had over the course of 10 to 15 years.



**Kevin Fahey**, Acting CEO and Plan Manager and Chief Investment Officer

**Okay, but how does your team stay focused on the long-term when we've seen so much volatility in financial markets lately?**

The resilience of our investment program enables the Fund to withstand periods of volatility and, when appropriate, adapt to market conditions in the short-term to manage risk and take advantage of opportunities.

So how do you build resilience into the Fund?

It comes down to three factors. I already talked about the first, which is, the long-term view we take when we look at investment opportunities, obligations and outcomes. Our asset mix and associated investment strategies reflect and reinforce our approach.

Second, we believe it's possible to outperform markets over the long-term with skillful, active management. We do that through external partnerships with great investors around the world.

Finally, investment opportunities and results are assessed on a risk-adjusted return basis, net of costs. While investment costs are a relevant consideration and are managed carefully, our primary focus is on net returns, which has served us well over time.

Can you drill down on the Fund's asset mix...

More than half of the portfolio is invested in equities and corporate credit, which we describe as return-enhancing asset classes. These investments help the Plan achieve its targeted rate of return over time, which serves to enhance the Plan's funding health.

The rest of the portfolio is invested in fixed income, real assets, and commodities. These diversifying assets help protect the Plan during periods of adverse economic conditions and help offset the effects of changing interest rates and inflation on the Plan's obligations.



**“CAAT’s investment strategy has delivered strong performance over the long term, and as such, I see no need to change an approach that continues to be effective.”**

**— Kevin Fahey, Acting CEO and Plan Manager and Chief Investment Officer**

### **Who oversees investment decisions?**

CAAT's Board of Trustees approves the strategic asset mix for the Plan, based on periodic studies that ensure our investment strategy is calibrated to deliver sufficient returns to fulfill our pension promise well into the future. In doing so, they seek input from my investment team and other members of CAAT's management team.

The investment team is then responsible for implementing the investment program and for adding value on top of the strategic asset mix via active management.

To ensure the investment portfolio aligns with CAAT's long-term goals and risk tolerance, the Board's Investment Committee regularly reviews performance and other investment issues.

### **What's influencing your long-term outlook?**

Many of the forces that have shaped our economy over the past 50 years – increasing globalization, decreasing interest rates, low and stable inflation – may have run their course. This may lead to structural changes in the economies and financial markets where we invest.

Artificial Intelligence also holds the potential to greatly change the way organizations work, compete, create value and generate wealth. And it's not just about AI but also the things adjacent to it, like how economies will be powered and where the resources to do so will come from.

In the coming years, new investment opportunities and risks will emerge from these and other fundamental changes. This underscores why it's vital for us to actively manage our investments and maintain our focus on diversification. As for CAAT, I'm optimistic about the future. The Plan is strong and sustainable. And the investment program is well-positioned to generate long-term investment returns to support the Plan over the long-term. Members can rest assured that their pension will be there for them.



# Investment Results

“The investment program continues to meet its key objective: delivering long-term returns sufficient to promote Plan health.”

## 2025 Market Overview

2025 was defined by heightened trade policy uncertainty and geopolitical tensions, including the threat and imposition of new tariffs that weighed on global business confidence and growth. Despite these headwinds, inflation broadly continued to moderate across advanced economies, enabling further monetary policy easing. The Bank of Canada cut its policy rate by 100 basis points over the year to 2.25%, while the U.S. Federal Reserve also lowered rates. The global economy remained resilient, underpinned by robust corporate earnings and continued AI-driven investment.

Global equity markets delivered strong returns for a third consecutive year. 2025 saw a pivot from 2024's tech-heavy rally in the U.S. toward more growth in the rest of the world. In Canada, the S&P/TSX Composite posted an exceptional year, generating a

32% total return, driven by strength in the materials (mining), financials, energy and technology sectors. Despite the stronger performance in non-U.S. markets in 2025, the MSCI ACWI index (the benchmark for CAAT's equity portfolio) remained concentrated, with a small number of U.S. large-cap technology companies representing an outsized share of the market.

The Canadian bond market generated positive returns in line with other government bond markets that transitioned from a high-inflation environment to a more moderate one. Credit market spreads experienced volatility but finished virtually unchanged for the year.

Commodities were mixed for the year, with energy markets declining and precious metals appreciating strongly due to safe-haven demand and significant central bank purchases.

Private markets were impacted in 2025 by constrained liquidity and subdued deal activity, as elevated interest rates and macro uncertainty continued to weigh on investor sentiment and valuations. While conditions began to stabilize toward year-end, exit activity remained limited, with the secondary market providing a partial offset. Against this backdrop, private equity sponsors remained patient and focused on operational value creation as traditional exit channels were constrained. In real assets, secular demand for infrastructure, including energy transition, persisted, though deployment was moderated by higher financing costs and political uncertainty. Real estate markets remained bifurcated, with higher borrowing costs and repricing pressures constraining transactions, while capital concentrated in high-quality, income-resilient sectors.

The Canadian dollar appreciated approximately 5% against the U.S. dollar. This was consistent with broader softening experienced by the U.S. dollar against major currencies from shifting monetary policy and investor sentiment. This created headwinds for Canadian investors with significant unhedged exposure to the U.S. dollar, including CAAT.

### **Strong Long-Term Investment Performance**

The investment program continues to meet its key objective: delivering long-term returns sufficient to promote Plan health. Over the past 10 years, the Plan has delivered an annualized return of 9.6%, net of fees, significantly outperforming both its policy benchmark and the Plan's discount rate (which is used to determine the present value of the Plan's liabilities and reflects the long-term rate of return required to make the Plan sustainable). During this period, all asset classes in the portfolio contributed positively to performance.

The active management program has been an important contributor to long-term portfolio performance, as the Plan has outperformed its policy benchmark by 0.9% annually over the 10-year period, net of fees. The Public Equity portfolio, which also includes hedge funds exposure, has been the largest contributor to the Plan's long-term outperformance, with smaller positive contributions from Real Assets, Nominal Bonds, Inflation Linked Bonds and Private Equity.



**Net Fund Returns vs Policy Benchmark**

(Annualized)

	1 Year	5 Years	10 Years
<b>CAAT Nominal Return</b>	8.4%	9.1%	9.6%
Policy Benchmark	11.2%	8.6%	8.7%
Added Value	(2.8%)	0.5%	0.9%

The Plan's assets totaled \$25.4 billion at the end of 2025 (up from \$23.3 billion in 2024). The investment portfolio returned 8.4% in 2025, net of fees. On an absolute basis, all asset classes contributed positively to the Plan's return during the year, led by Public Equity.

The shortfall relative to the Plan's policy benchmark in 2025 was driven almost entirely by the Plan's Private Equity allocation, which significantly underperformed its asset class benchmark. The underperformance stemmed from the fact that private equity returns uniformly fell far short of public equity returns during the year. For institutional investors (like CAAT) that use public equity index-based benchmarks to assess private equity portfolio performance, this divergence was a significant headwind for benchmark-relative results. Notably, the Private Equity portfolio has outperformed its asset class benchmark by a significant margin on an annualized basis over the past 10 years.

A significant portion of the underperformance in Private Equity was offset by the Plan's Public Equity returns, which were more than 5% above their benchmark in 2025. Outperformance in the Public Equity portfolio came from a variety of active management strategies including long-only equity and hedge fund holdings, with the latter being managed in combination with derivative-based investment strategies (Portable-Alpha) to add value over equity index returns.

The Nominal and Inflation Linked Bond portfolios made smaller positive contributions to the Plan's benchmark-relative performance, while the Real Assets and Credit portfolios represented a slight drag on a relative basis during the year.

The one-year performance of each asset class relative to its relevant benchmark return is shown in the table below.

**2025 Net Investment Return by Asset Class Relative to Benchmark**

As at December 31, 2025 (net of expenses)

Asset Class	CAAT Plan Investments (\$ millions)	CAAT 2025 Return	Benchmark	Benchmark Return	Value Added
<b>Interest-rate sensitive</b>					
Nominal bonds	\$ 2,888	4.2%	FTSE Canada Mid-Term Government Bond Index	3.7%	0.5%
<b>Inflation-sensitive</b>					
Inflation-linked bonds	\$ 1,295	1.5%	Custom Benchmark	1.2%	0.3%
Real assets	\$ 4,971	4.1%	Canadian CPI + 4%	6.2%	(2.1%)
Commodities	\$ 761	4.5%	S&P GSCI	2.1%	2.4%
<b>Return-enhancing</b>					
Public equity	\$ 8,341	21.7%	MSCI ACWI	16.6%	5.1%
Private equity	\$ 4,724	1.5%	MSCI ACWI + 3%	19.6%	(18.1%)
Credit	\$ 1,624	3.7%	Transition Credit Custom Benchmark	4.4%	(0.7%)
Strategic overlay <sup>1</sup>	\$ 468	(0.4%)	-	-	-

<sup>1</sup> Represents the net exposure from derivative instruments used for rebalancing the Plan's asset mix towards policy targets

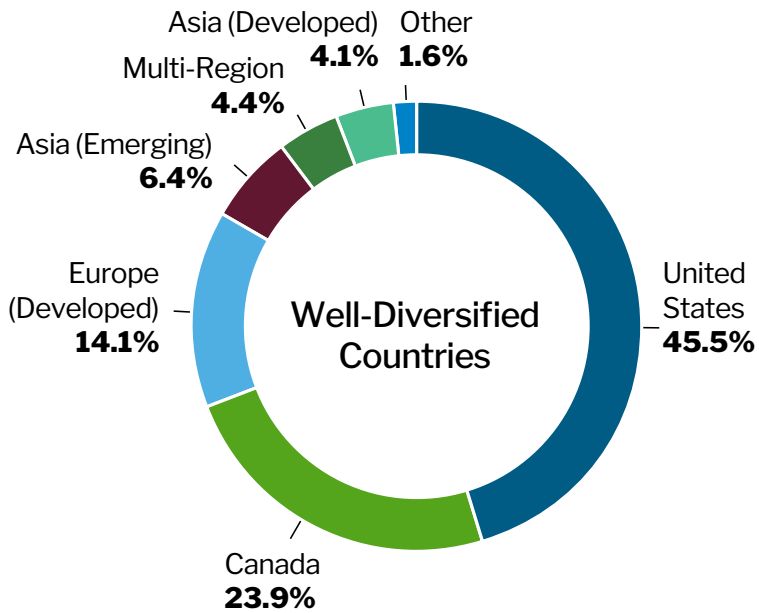


## Investment Risk

### A Well-Diversified Portfolio

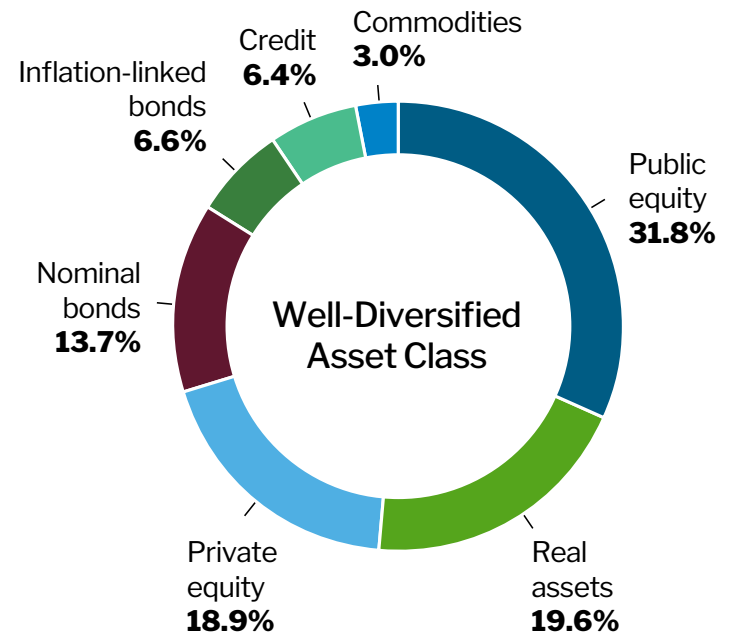
The Plan's assets remain well-diversified by asset class and geography.

#### Geography



“Other” comprises Middle East and Africa (0.6%), Latin America (0.6%) and Europe – Emerging (0.4%)

#### Asset Class



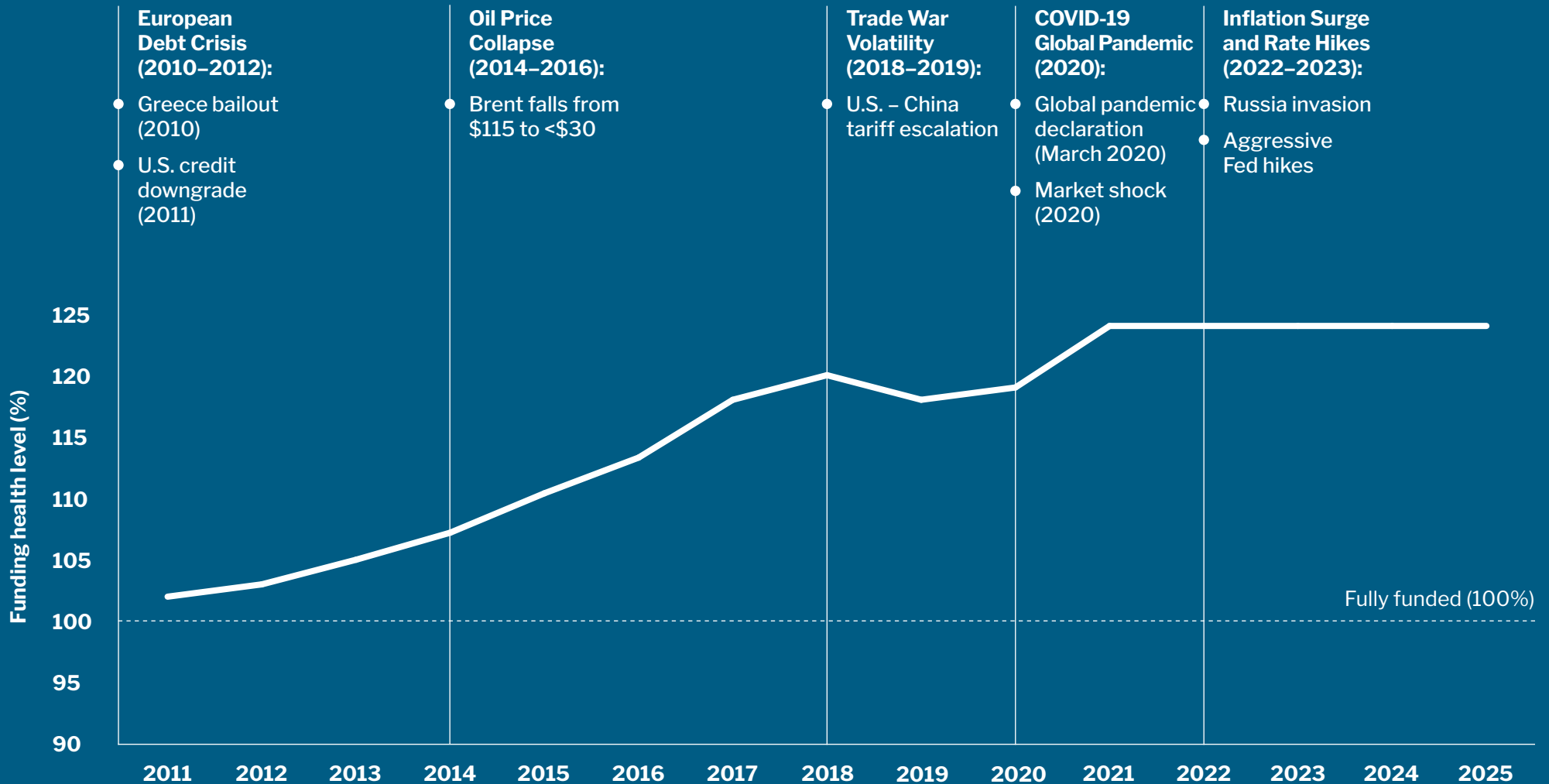
### **Liquidity and Leverage**

The Plan's liquidity management framework is designed to ensure that even in crisis environments, its holdings of liquid assets remain sufficient to pay member pensions and to meet financial and operating obligations. The Plan also uses a moderate amount of leverage in order to access a more diversified set of investment opportunities and to improve the Plan's expected risk-adjusted return characteristics. Plan liquidity and leverage levels are both closely monitored and managed against conservative thresholds, with regular stress testing performed to assess resilience under adverse conditions.



# A Strong Foundation for Tomorrow

The Plan's funding level has remained resilient across global economic events, supported by strong fundamentals, disciplined decision-making, and rigorous stress testing that reinforce long-term stability for members and employers.



# Responsible Investing

The principal investment goal of the Plan – and its fiduciary responsibility – is to generate long-term, risk-adjusted returns sufficient to secure lifetime pensions for members.

Part of CAAT's long-term approach includes a focus on Responsible Investing, which incorporates environmental, social and governance (ESG) factors into investment decisions. Considering these factors helps guide which assets to invest in, as well as the stewardship of those assets.

The Plan's Responsible Investing Policy is available in the Investments section of the Plan's website. Investment decisions are guided by the three core principles of the Responsible Investing Policy:

## 1. Governance

Responsible Investing requires consistent oversight with an eye toward continuous improvement. The Board of Trustees review and update the Responsible Investing Policy at least every three years. The Board

also reviews reporting from Plan staff concerning the Plan's Responsible Investing activities.

## 2. Integrating ESG Factors

CAAT actively collaborates with its external investment partners to ensure that consideration of ESG factors is built into their investment processes. ESG factors are key considerations in the Plan's due diligence process when assessing new allocations to existing and potential managers.

## 3. Stewardship

Stewardship refers to the oversight of the Plan's assets and ongoing investment relationships to address material risks and opportunities and support long-term value creation. CAAT's stewardship activities include proxy voting, engagement with managers and investee entities, as well as collaboration with other investors to promote sound governance, improved ESG practices and the health of capital markets.

# Risk Management

CAAT's approach to risk management is designed to support the long-term sustainability of the Plan and the security of member benefits. Risk management is integrated into strategic planning, investment decision-making and day-to-day operations, ensuring that risks are understood, appropriately managed and aligned with the Plan's objectives. The Board and management are in close and regular contact on risk matters, which supports timely escalation and informed decisions as conditions change.

The following sections describe the key elements of our approach: the enterprise risk management framework used to identify, assess and monitor risks; the governance structures that provide oversight and accountability; the Plan's risk appetite and related monitoring and reporting; the risk culture that supports sound decision-making across the organization; and how CAAT tracks and responds to emerging risks.

## Enterprise Risk Management Framework

The Plan maintains an enterprise risk management (ERM) framework that supports the identification, assessment, management and monitoring of risks across the organization. This framework enables informed decision-making and promotes resilience in a dynamic environment.

Risks are managed across key categories, including:

- **Investment and funding risk**, including portfolio's market risk in absolute and relative (to the benchmarks) terms, interest rates and inflation, demographics and longevity
- **Operational risk**, including risks arising from processes, practices, policies, human error or system deficiencies

- **Strategic risk**, including risks related to plan growth, brand and reputation as well as external environment
- **Legal and regulatory risk**, including compliance with applicable laws and regulations
- **Human capital and culture**, including risks that may impact an idea-rich culture of excellence, engagement, and innovation
- **Technology risk**, including risks that may impact performance, and/or capacity of information technology processing, security, and stability
- **Governance risk**, including risks that may impact internal management and governance structures and the ability to make effective decisions

## Risk Governance

The Board of Trustees is responsible for overseeing risk management and approving the Plan's risk appetite, being familiar with the risks to the Plan and satisfying itself that current risks are being managed within approved limits.

Oversight is supported by Board committees that review risk exposures, controls and reporting on a regular basis.

CAAT's risk management approach follows the **three lines model**:

- **First line:** business functions are responsible for identifying and managing risks in their activities
- **Second line:** risk and compliance functions provide independent oversight, guidance and challenge
- **Third line:** internal audit provides independent assurance on the effectiveness of governance, risk management and controls. Internal audit maintains its independence through a direct reporting relationship to the Audit Committee.

## Risk Appetite and Monitoring

The Plan's risk appetite reflects its long-term objectives and funding strategy, including maintaining sufficient reserves to withstand adverse conditions and deliver on pension promises.

Risk exposures are regularly monitored against defined thresholds, supported by risk reporting and key risk indicators. This enables timely escalation and informed decision-making by management and the Board.

## Risk Culture

CAAT promotes a strong risk culture where risk management is a shared responsibility across the organization. Employees are expected to consider risk in their decision-making, supported by clear policies, training and leadership oversight.

## Emerging Risks

The Plan actively monitors emerging risks that could impact its operations and long-term sustainability, including:

- **evolving market conditions**
- **cybersecurity threats**
- **climate-related risks**
- **geopolitical developments**

The ERM framework continues to evolve to address these risks and ensure the Plan remains resilient.

# Plan Text Amendments

## In 2025, amendments were made to the Plan Text

to add new employers or expand the participation of employees of certain employers.

In some instances, these amendments also enabled the Plan to accept the assets and liabilities associated with other plans merging into the Plan.

In addition, the Plan Text was amended to enhance survivor benefit provisions. The minimum payment guarantee was extended from 60 times to 180 times a member's first monthly lifetime pension, at no additional cost to members. This enhancement applies to members who are alive on or after May 28, 2025, and not to survivor pensions already in pay. Also, members retiring on and after May 28, 2025, with an eligible spouse now have a 100% spousal survivor pension option, alongside the existing 60% and 75% options. Electing the 100% option results in a permanent actuarial reduction to the member's pension.

In 2025, amendments were introduced for DBplus leaves. Deemed earnings are now enabled for all types of leaves, whether paid or unpaid. Deemed earnings are based on the member's rate of earnings immediately prior to the leave. The updates also give employers greater flexibility to make corresponding contributions during different types of leaves and purchases, provided they are made within 6 months of the leave end date. These changes became effective for new employers on June 1, 2025. Lastly, the Plan was amended to grant annual Average Industrial Wage increases for active DBplus members until 2028 and extend the current DBplus early retirement adjustment factor until 2028. None of the amendments negatively altered benefit entitlements.

As part of the Plan's commitment to transparency, the most recent version of the Plan Text is available on the CAAT Pension Plan website alongside a blacklined version of the prior Plan Text showing recent changes.



[CAAT Pension Plan Text](#)

The minimum payment guarantee was extended from 60 times to

# 180

times a member's first monthly lifetime pension

# 100%

spousal survivor pension option, alongside the existing 60% and 75% options

# Awards and Recognition

**In 2025, CAAT received continued recognition** for its workplace culture, leadership, and contributions to strengthening retirement security in Canada.

CAAT was named a **Greater Toronto Top Employer** for 2026, marking the sixth consecutive year the organization has received this distinction. The Plan was also recognized as a **Benefits & Pensions Monitor (BPM) Top Employer**, earning the designation for the second consecutive year.

CAAT was honoured as a runner-up in the **2025 Pensions & Investments World Pension Summit Excellence and Innovation Awards for Pension Fund Design & Reform**. This recognition reflects the Plan's commitment to strengthening retirement security in Canada through innovation that delivers stability and predictability for members and participating employers.

Industry recognition also highlighted the leadership of CAAT's executive team. Jillian Kennedy, Chief Operating Officer at CAAT Pension Plan, was named one of **Benefits & Pensions Monitor's Elite Women** of 2025, recognizing her leadership and commitment to expanding access to secure, sustainable retirement solutions for Canadians.

Together, these recognitions reflect CAAT's continued focus on fostering a strong workplace culture and advancing initiatives that support secure retirement outcomes for Canadians.



CAAT was named a **Greater Toronto Top Employer for 2026**, marking the sixth consecutive year the organization has received this distinction.



# CAAT's Joint Governance Model



CAAT Pension Plan operates under a jointly sponsored governance model, with equal employer and member representation. Strategic decisions relating to plan design, funding and sustainability are jointly made by representatives of members and employers. The sponsors of the Plan include the College Employer Council (CEC), the Ontario Public Service Employees Union/Syndicat des employés de la fonction publique de l'Ontario (OPSEU/SEFPO) and the Ontario College Administrative Staff Association (OCASA<sup>\*</sup>). Together, the sponsors play a central role in the Plan's joint governance framework. The sponsors appoint representatives to the Sponsors' Committee, which is responsible for key plan level decisions, including plan design and funding matters. The Sponsors' Committee, in turn, appoints the members

of the Board of Trustees. Within this joint governance structure, the Sponsors' Committee and the Board of Trustees have distinct and complementary roles. The Sponsors' Committee focuses on strategic matters relating to the Plan's design and sustainability, while the Board of Trustees focuses on the administration of the Plan, including investment oversight, risk management and regulatory compliance.

**“CAAT Pension Plan operates under a jointly sponsored governance model, with equal employer and member representation.”**

<sup>\*</sup> In March, 2026, OCASA advised CAAT that it had initiated a voluntary dissolution.

## Board of Trustees

The Board of Trustees consists of 12 trustees: six appointed by employee groups (four by OPSEU/SEFPO, one by OCASA and one by OPSEU/SEFPO and OCASA on a rotating basis) and six appointed by CEC. In May 2025, the Sponsors' Committee approved the expansion of the Board to include two additional members representing stakeholders from outside the Ontario college sector, bringing the size of the Board to 14 effective January 1, 2026. One of the additional Trustees has been selected by Unifor and the other by a group of Unifor-related employers.



From left to right: Ernest (Ernie) Parsons, Dianne Salt, Audrey Wubbenhorst (back row); Patrick Rettig, Cara Wolf, Steven Wolff, Riley Burton (middle row); Marcia Steeves, Owen Smith, Laura Lynch, Alison McKay, Janet Greenwood (front row).

To support the selection of trustees needed to fill any vacancies that arise, the Board regularly assesses the composite skills of the Trustees relative to a target set of skills and shares the results with the parties responsible for making the appointments.

Members of the Board of Trustees are fiduciaries and therefore are legally required to administer the Plan in the best interests of the members and beneficiaries. Furthermore, they are expected to adhere to the Board's Code of Conduct, which includes among other things various conflict of interest provisions.

The Board is responsible for setting the strategic direction of the Plan, approving key investment and administrative policies and overseeing the key investment, funding and operational risks, and ensuring effective CEO succession. The Board delegates day-to-day management of the Plan to the CEO and Plan Manager, with the management team, subject to Board oversight.

Ongoing education and regular Board effectiveness assessments support continuous improvement in Board practices and decision-making.

Consistent with its commitment to continuous improvement, the Board of Trustees appointed an independent expert in December 2025 to evaluate the Plan's broader governance framework against evolving best practices. The Board will consider the findings and, where appropriate, initiate a set of actions to strengthen the governance foundation at CAAT.

**“The Board regularly assesses the composite skills of the Trustees relative to a target set of skills and shares the results.”**

**Members of the Board of Trustees (as at April 1, 2026)**

<p>Audrey Wubbenhorst  <b>Employee-appointed Trustee</b>, since January 1, 2023, <b>appointed Chair</b> as of February 11, 2026</p>	<p>Janet Greenwood  <b>Employer-appointed Trustee</b>, since January 1, 2023, <b>appointed Vice-chair</b> as of February 11, 2026</p>	<p>Riley Burton  <b>Employee-appointed Trustee</b>, since August 22, 2024</p>	<p>Laura Lynch  <b>Employer-appointed Trustee</b>, since January 1, 2025</p>
<p>Alison McKay  <b>Employer-appointed Trustee</b>, since January 1, 2026</p>	<p>Ernest Parsons  <b>Employee-appointed Trustee</b>, since January 1, 2025</p>	<p>Patrick Rettig  <b>Employee-appointed Trustee</b>, since January 1, 2026</p>	<p>Dianne Salt  <b>Employer-appointed Trustee</b>, since January 1, 2024</p>
<p>Owen Smith  <b>Employee-appointed Trustee</b>, since April 1, 2026</p>	<p>Marcia Steeves  <b>Employee-appointed Trustee</b>, since July 1, 2025</p>	<p>Cara Wolf  <b>Employer-appointed Trustee</b>, since January 1, 2026</p>	<p>Steven Wolff  <b>Employer-appointed Trustee</b>, since January 1, 2026</p>

### **Sponsors' Committee**

The Sponsors' Committee's primary responsibilities include establishing contribution rates and benefit design in accordance with the Plan's funding policy which aims to ensure Plan sustainability for the long term. The Committee also reviews and approves new employer applications to join the Plan or, where appropriate, delegates such authority to Plan staff, subject to Committee oversight.

The Sponsors' Committee has 8 members: four representing employees (three appointed by OPSEU/SEFPO and one by OCASA) and four representing college employers appointed by CEC.



**Members of the Sponsors' Committee  
(as at December 31, 2025)**

Darryl  
Bedford

**Employee Co-Chair,  
OPSEU/SEFPO-  
appointed,** since  
October 1, 2025

Beverly  
Townsend

**Employer Co-Chair,  
CEC-appointed,** since  
September 17, 2025

Gervan  
Fearon

**CEC-appointed,**  
since January 1, 2023

Ross  
Gascho

**CEC-appointed,**  
since January 1, 2017

Cheri  
Hearty

**OPSEU/SEFPO-  
appointed,** since  
November 1, 2025

Alim  
Remtulla

**OCASA-appointed,**  
since August 22, 2024

Jamie  
Savoie

**OPSEU/SEFPO-  
appointed,** since  
October 21, 2024

Glenn  
Vollebregt

**CEC-appointed,**  
since January 1, 2023



From left to right: Glenn Vollebregt, Cheri Hearty, Alim Remtulla (back row); Jamie Savoie, Gretchen Van Riesen, Beverley Townsend, Darryl Bedford (front row). Absent from photo: Dr. Gervan Fearon.

### Subcommittees and Stakeholder Panels

The Board of Trustees is supported by five standing committees that support Board decision-making and oversight of key aspects of the Plan including but not limited to governance, funding health, financial reporting, enterprise risk, investments, and Plan administration. Each committee operates under a formal mandate approved by the Board. They advise the Board on matters within their mandate and exercise any authority the Board has delegated to them.

- **Audit Committee** – supports the Board in fulfilling its oversight responsibilities related to financial reporting and controls and risk management. The Committee reviews among other things the integrity of the Plan’s financial statements, the effectiveness of internal control systems, and the work of internal and external auditors.
- **Finance and Administration Committee** – oversees matters related to Plan funding, Plan administration and legislative compliance. The Committee reviews key actuarial, legal and administrative matters, and monitors financial management, budgets and information and technology systems that support effective Plan operations.
- **Governance Committee** – assists the Board in developing, maintaining and promoting effective board governance practices. The Committee oversees the development and implementation of Board governance policies, Board education and Board performance assessments, as well as key human resource strategies and practices of the Plan.
- **Investment Committee** – supports the Board in overseeing the strategies, policies and risk management practices related to the investment of

Plan assets. The Committee reviews and recommends the Statement of Investment Policies and Procedures and other key investment policies, oversees their implementation, and reviews the investment performance of the fund relative to the Plan’s objectives and risk parameters.

- **Appeals Committee** – provides a forum to hear and consider member appeals related to Plan administration and interpretation.

The Sponsors’ Committee does not currently have any standing committees.

The Plan also hosts annual Stakeholder Panels that provide a forum for employers that are not directly represented on the Board of Trustees to engage with the Plan and provide input and perspectives to help inform decisions of the Plan Governors and management.

### Funding Policy

The Funding Policy guides the Plan’s long-term focus on benefit security and DBprime contribution stability, while balancing the desire for value and equity among members. The Policy helps the Plan deliver on these long-term goals, while managing short-term volatility.

The Policy defines six levels of Plan financial health and sets guidelines within each level. It is designed to build reserves in the Plan and determine when additional benefit enhancements can be granted or when DBprime contribution rates may change. Within the Policy, Plan governors have three funding controls: reserves, DBprime stability contributions and conditional benefit enhancements.

Each Funding Level spans a broad band that allows Plan governors to determine how to best use reserves based on the Plan’s funding position. The options available can apply to DBprime, DBplus, or both, as described in the following table:

	Levels of Control	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
<b>DBprime</b>	<b>Stability contributions</b>	3% or more	3%	3%	Consider 1% to 3%	Consider 0% to 1%	0% (Consider reducing basic contributions)
<b>Common</b>	<b>Discount rate reserves</b>	Fully used	Consider up to 1%	Consider up to 1.5%	Consider up to 2%	2% plus up to 7.5% increase in liabilities	Further build, up to tax limit
	<b>Future benefits</b>	Consider temporary reductions	Consider restoration of any temporary reductions				Consider improving benefits (e.g., ad hoc increases)
	<b>Post-retirement conditional inflation protection increases (75% of CPI)</b>	None	Applied	Applied plus consider catch-up	Applied plus reserves	Applied plus reserves	Consider increases above 75% of CPI
<b>DBplus</b>	<b>Pre-retirement benefit increase (100% of AIW)</b>	None	None	Applied	Applied plus consider catch-up	Applied	Applied
	<b>Lifetime annual pension factor (PF)</b>	Consider reduction below 8.5%	8.5% plus consider catch-up	8.5%	8.5%	Consider 8.5% to 9.5%	9.5% (Consider an increase beyond 9.5%)
	<b>Early retirement factor (ERF) (from age 65)</b>	5% or higher	5%	5%	Consider 3%, 4% or 5%	3%	3%

The Plan is in Funding Level 5.

### **Related Parties**

CAAT Pension Plan is an independent entity providing retirement benefits to individuals across Canada. It is related to its three sponsors, which are not related to each other: the CEC, OPSEU/SEFPO and OCASA. As the CEC is governed by representatives from Ontario's public colleges, each college is also considered to be a related party. The Province of Ontario is not a related party. The Province has no control over the Plan and has no obligation to provide support for the Plan's liabilities in any way.



# Total Rewards Philosophy

“Our total rewards philosophy is rooted in our commitment to fostering an exceptional workplace culture.”

At CAAT, our total rewards philosophy is rooted in our commitment to fostering an exceptional workplace culture that attracts and retains top talent to support our mission of providing secure pensions to Canadians. We believe that this requires a holistic approach to employee well-being that extends beyond compensation to support the physical, mental and financial wellness of our employees. CAAT provides a competitive total rewards program that includes base salary, comprehensive benefits, and participation in our defined benefit pension plan. CAAT is the only Joint Sponsored Pension Plan in Ontario with a salary structure approach based on total compensation (base + benefits) relative to the market. This reinforces CAAT’s focus on stable, predictable and fair compensation costs, long-term goals and purpose rather than a short-term performance lever.

## Compensation Governance

Compensation governance is a core accountability of the Board of Trustees, supported by its Governance Committee. The Board oversees compensation by regularly reviewing compensation plan design and strategy with the CEO and Plan Manager and adopting a compensation philosophy that guides compensation decisions for all Plan staff and executives. In developing the Plan’s approach to compensation, the CEO is supported by the Plan’s Chief Human Resources Officer and an independent compensation consultant.

### Executive Compensation

Executive compensation is designed to align leadership incentives with the long-term success and sustainability of the Plan. An independent market review is conducted at least every two years to assess competitiveness relative to a defined peer group and general industry in Canada, taking into account the Plan’s size, complexity, and mandate. The CEO and Plan Manager is responsible for implementing the Board’s compensation philosophy and setting compensation for the Senior Executive Team, within the parameters established by the Board.

Total salaries for the top five highest paid employees (the Executive Group or EG) and total Board of Trustees and Sponsors’ Committee compensation, fees, and expenses is as follows:

Year	EG Salary*	Board & Sponsor Committee Compensation & Expenses**	Total Compensation
2025	\$9,575,492***	\$ 156,248	\$ 9,731,740
2024	\$ 7,565,058	\$ 84,639	\$ 7,649,697
2023	\$ 6,553,077	\$ 81,867	\$6,634,944

\* For privacy reasons, all compensation is provided in anonymized and aggregated form.

\*\* Compensation & expenses relate primarily to Board of Trustee and Sponsor Committee compensation, education, training and travel costs. These amounts are not material relative to total compensation and are presented separately for transparency. Employer-appointed Trustees receive compensation if they are not employed by the college sector. Employee-appointed Trustees are not directly compensated. Their employers invoice the plan for the required time off of work.

\*\*\* 2025 EG Salary & Benefits includes \$1,621,538, which was recovered by CAAT in 2026.



# Financial

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As at and for the year ended  
December 31, 2025  
(in Canadian dollars)





# Management's Responsibility for Financial Reporting

The financial statements of the Colleges of Applied Arts and Technology Pension Plan (the "Plan" or "CAAT Pension Plan") have been prepared by management, which is responsible for the integrity and fairness of the data presented. The accounting policies followed in the preparation of these financial statements are in accordance with Canadian accounting standards for pension plans. Many amounts are based on the best estimates and judgements of management with appropriate consideration as to materiality. The Board of Trustees retained Mercer (Canada) Limited as external actuaries to provide an actuarial valuation of the assets and the going-concern liabilities of the Plan for inclusion in the financial statements. The financial statements have been approved by the Board of Trustees.

CAAT Pension Plan maintains books of account, systems of information and systems of financial and management control which provide reasonable

assurance that accurate financial statement information is available, that assets are protected and that resources are managed efficiently. These systems include careful hiring and training of staff, a code of conduct, the establishment of an organizational structure that provides a well-defined division of responsibilities, and the communication of policies and guidelines through the organization.

The Board of Trustees is ultimately responsible for the financial statements of the CAAT Pension Plan. The Board of Trustees oversees financial reporting through its Audit Committee. The Committee reviews matters of accounting, auditing, internal control systems, the financial statements and reports of the external auditors.

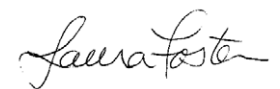
The Plan's external auditors, Deloitte LLP, are directly accountable to the Audit Committee and have full and unrestricted access to the Committee. They discuss

with the Committee their audit and related findings as to the integrity of the Plan's financial reporting and adequacy of internal control systems in the context of their financial statement audit. Deloitte LLP have conducted an independent examination of the financial statements in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they considered necessary to express their opinion on the annual financial statements.



**Kevin Fahey,**  
Acting CEO and Plan  
Manager and Chief  
Investment Officer

April 23, 2026



**Laura Foster,**  
Acting Chief  
Financial Officer

# Independent Auditor's Report

To the Administrator of the Colleges of Applied Arts and Technology Pension Plan (the "Plan").

## Opinion

We have audited the financial statements of the Plan, which comprise the statement of financial position as at December 31, 2025, and the statements of changes in net assets available for benefits, changes in pension obligations and changes in surplus for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Plan as at December 31, 2025, and the changes in its net assets available for benefits, changes in its pension obligations and changes in its surplus for the year then ended in accordance with Canadian accounting standards for pension plans ("ASPP").

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

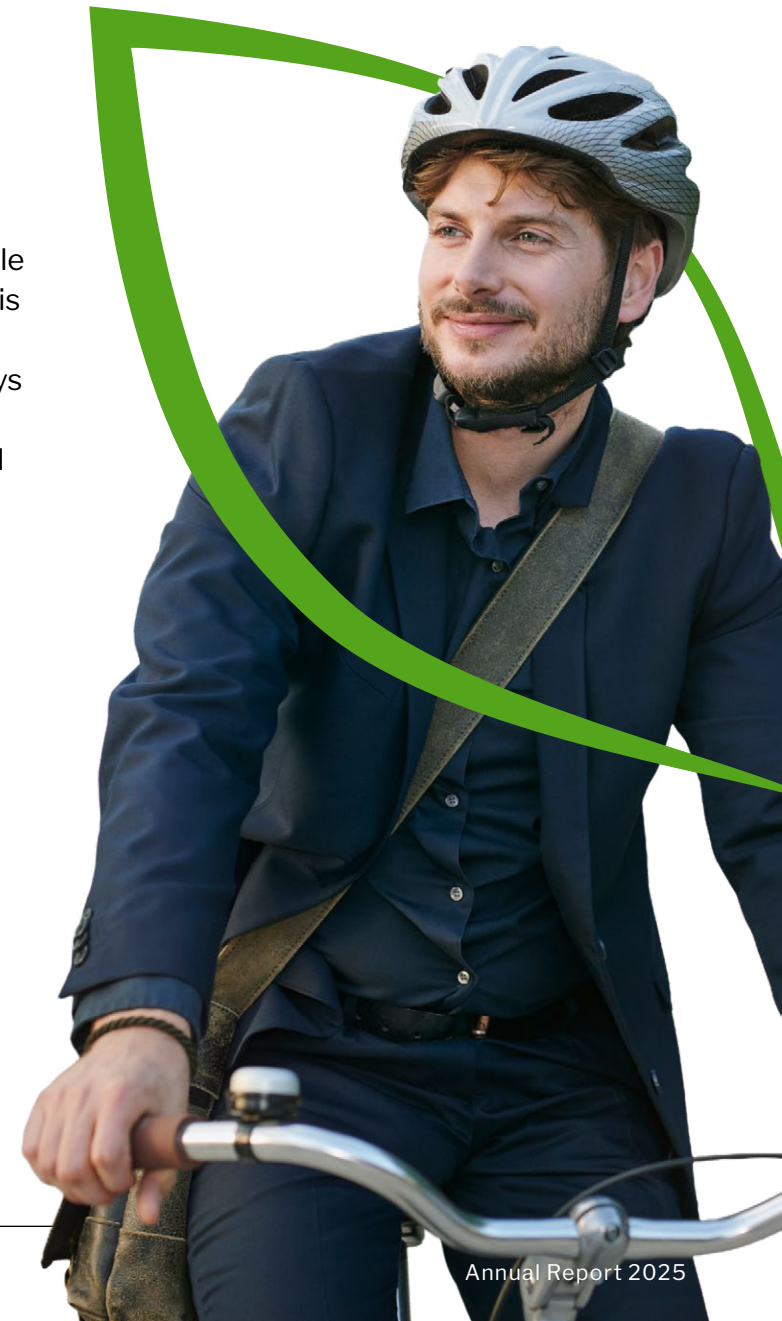
### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- **Identify and assess the risks** of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- **Obtain an understanding of internal control** relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control.

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

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

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

*Deloitte LLP*

**Deloitte LLP**  
Chartered Professional Accountants  
Licensed Public Accountants

April 20, 2026



# CAAT Pension Plan Actuaries' Opinion

Mercer (Canada) Limited was retained by the Colleges of Applied Arts and Technology Pension Plan Board of Trustees (the "Board") to perform an actuarial valuation of the going-concern liabilities of the Colleges of Applied Arts and Technology Pension Plan (the "Plan") as at December 31, 2025, for inclusion in the Plan's financial statements.

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

- Plan provisions in effect as December 31, 2025;
- membership data provided by the Board as at December 31, 2024;
- methods prescribed by Section 4600 of the Chartered Professional Accountants of Canada Handbook – Accounting for pension plan financial statements; and
- assumptions about future events (for example, returns on assets, inflation levels, future retirement rates) which have been communicated to us as the Board's best estimate of these events.

The objective of the financial statements is to fairly present the financial position of the Plan on December 31, 2025 as a going-concern. This is different from the regulatory valuation (the actuarial valuation required by the *Pension Benefits Act (Ontario)*), which establishes a prudent level for future contributions.

While the actuarial assumptions used to estimate liabilities for the Plan's financial statements represent the Board's best estimate of future events based on market conditions at the end of 2025 and while in our opinion these assumptions are reasonable, the Plan's future experience will inevitably differ, perhaps significantly, from the actuarial assumptions. Any differences between the actuarial assumptions and future experience will emerge as gains or losses in future valuations, and will affect the financial position of the Plan, and the contributions required to fund it, at that time.

We have tested the data for reasonableness and consistency and we believe it to be sufficient and reliable for the purposes of the valuation. We also believe that the methods employed in the valuation are appropriate for the purposes of the valuation, and that the assumptions used in the valuation are in accordance with accepted actuarial practice. Our opinions have been given, and our valuation has been performed, in accordance with accepted actuarial practice in Canada.



**Luc Girard,**  
F.C.I.A.



**Joseph Fung,**  
F.C.I.A.

April 23, 2026  
Mercer (Canada) Limited

**Statement of Financial Position**

December 31  
(\$ millions)


	2025	2024
<b>Assets</b>		
Investments (Note 3a)	\$ 26,513	\$ 24,056
Investment-related assets (Note 3a)	446	210
Employer contributions receivable	32	33
Member contributions receivable	29	31
Other assets (Note 7)	22	26
	<b>\$ 27,042</b>	<b>\$ 24,356</b>
<b>Liabilities</b>		
Investment-related liabilities (Note 3a)	1,555	1,005
Accounts payable and accrued liabilities (Note 8)	40	50
	<b>1,595</b>	<b>1,055</b>
<b>Net assets available for benefits</b>		
	<b>\$ 25,447</b>	<b>\$ 23,301</b>
Defined benefit accrued pension obligations (Note 9)	\$ 18,041	\$ 16,610
Additional voluntary contributions obligations (Note 9)	27	5
Regulatory surplus (Note 10)	6,749	6,141
Measurement differences between regulatory and accounting surplus (Note 10)	630	545
<b>Surplus</b>		
	<b>\$ 7,379</b>	<b>\$ 6,686</b>

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

**Approved by the Board of Trustees Colleges of Applied Arts and Technology Pension Plan**



**Audrey Wubbenhorst,**  
Chair



**Janet Greenwood,**  
Vice-Chair

**Statement of Changes in Net Assets Available for Benefits**Year ended December 31  
(\$ millions)

	2025	2024
<b>Increase in net assets available for benefits</b>		
Contributions (Note 11)	\$ 1,083	\$ 989
Investment income (Note 12)	2,030	3,070
Non-investment related income (Note 13)	3	3
Transfer of pension plan assets (Note 19)	11	61
	<b>3,127</b>	<b>4,123</b>
<b>Decrease in net assets available for benefits</b>		
Benefits (Note 14)	841	798
Investment administration expenditures (Note 15)	25	22
Pension administration expenditures (Note 15)	91	84
Membership expansion expenditures (Note 15)	24	22
	<b>981</b>	<b>926</b>
<b>Net increase in net assets available for benefits</b>	<b>2,146</b>	<b>3,197</b>
Net assets available for benefits, beginning of year	23,301	20,104
<b>Net assets available for benefits, end of year</b>	<b>\$ 25,447</b>	<b>\$ 23,301</b>

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

## Statement of Changes in Pension Obligations

Year ended December 31  
(\$ millions)

	2025	2024
<b>Defined benefit component</b>		
Accrued pension obligations, beginning of year	\$ 16,610	\$ 15,396
<b>Increase in accrued pension obligations</b>		
Interest on accrued benefits	805	766
Benefits accrued	761	606
Amendment to the plan (Note 9)	185	-
Changes in actuarial assumptions (Note 9)	147	306
Assumption of pension plan liabilities (Note 19)	7	48
Experience losses (Note 9)	367	286
	2,272	2,012
<b>Decrease in accrued pension obligations</b>		
Benefits paid (Note 14)	841	798
Changes in actuarial assumptions (Note 9)	-	-
	841	798
<b>Net increase in accrued pension obligations</b>	1,431	1,214
<b>Defined benefit accrued pension obligations, end of year</b>	<b>\$ 18,041</b>	<b>\$ 16,610</b>
<b>Additional voluntary contributions component</b>		
Additional voluntary contributions obligations, beginning of year	\$ 5	\$ -
Contributions (Note 11)	21	5
Withdrawals (Note 14)	(0)	-
Attributed net investment income	1	-
<b>Net increase in additional voluntary contributions obligations</b>	22	5
<b>Additional voluntary contributions obligations, end of year</b>	<b>\$ 27</b>	<b>\$ 5</b>

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

**Statement of Changes in Surplus**

	Year ended December 31 (\$ millions)	
	2025	2024
<b>Surplus, beginning of year</b>	<b>\$ 6,686</b>	<b>\$ 4,708</b>
Net increase in net assets available for benefits	2,146	3,197
Net (increase) in defined benefit accrued pension obligations	(1,431)	(1,214)
Net (increase) in additional voluntary contributions obligations	(22)	(5)
<b>Surplus, end of year</b>	<b>\$ 7,379</b>	<b>\$ 6,686</b>

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



# Notes to Financial

The Colleges of Applied Arts and Technology Pension Plan (the “Plan” or “CAAT Pension Plan”) is a multi-employer jointly sponsored pension plan covering employees of the 24 Colleges of Applied Arts and Technology in Ontario, and other participating employers with employees working across Canada. The following description of the Plan is a summary only. Some provisions are different for prior plan past service being replicated in the Plan as a result of a merger. A complete description of Plan provisions can be found in the Colleges of Applied Arts and Technology Pension Plan Text, the official Plan document.

The Plan has three sponsors: The College Employer Council, acting on behalf of the Boards of Governors of the colleges, the Ontario College Administrative Staff Association (“OCASA”), and the Ontario Public Service Employees Union/Syndicat des employés de la fonction publique de l’Ontario (“OPSEU/SEFPO”) (together, “the Sponsors”). The Plan is registered under the *Pension Benefits Act* (Ontario) with the

Financial Services Regulatory Authority of Ontario (“FSRA”) and the Canada Revenue Agency (Registration Number 0589895) as a registered pension plan not subject to income taxes.

The Plan consists of two defined benefit components and an Additional Voluntary Contribution (“AVC”) component. While the AVCs are part of the Plan, they are separate from a member’s defined benefit pension.

## Defined Benefit Provisions

The Plan has two contributory defined benefit plan designs (“DBprime” and “DBplus”). DBprime offers benefits based on earnings and service, while DBplus offers benefits based on total contributions received by the Plan. Both designs are financed by contributions from participating employees and employers, and by investment earnings.

## Defined Benefit Provisions

Plan pension benefits are funded by contributions and investment earnings. The Plan allocates surplus to reserves, determines DBprime stability contribution rates, DBplus benefit accrual rates, and grants conditional benefit enhancements in accordance with its Funding Policy. Actuarial funding valuations are conducted to determine pension liabilities and the funded position of the Plan, based on assumptions approved by the Board of Trustees, and contribution and benefit levels approved by the Sponsors’ Committee.

## Retirement Pensions

### DBprime

A retirement pension is available based on the number of years of credited service, the average of the best 60 consecutive months of pensionable earnings and the age of the member at retirement. A member is eligible for an unreduced pension at the earlier of i) age 65, ii) when the sum of their age plus

pensionable service totals at least 85, or iii) at least age 60 with at least 20 years of pensionable service. Members may retire before this date with a reduced pension, subject to eligibility requirements.

### **DBplus**

A retirement pension is available based on total contributions received by the Plan (member plus employer contributions) annually multiplied by an annual pension factor which can adjust based on the

Plan's funding surplus in accordance with the Plan's Funding Policy. A member is eligible for an unreduced pension at the age of 65. Members may retire before this date with a reduced pension, subject to eligibility requirements.

### **Death Benefits**

Upon the death of an active, former or retired member, benefits may be payable to a surviving eligible spouse, eligible children, a designated beneficiary, or the active, former or retired member's estate.

### **Portability**

Members vest immediately upon joining the Plan and are entitled to a deferred pension if they terminate employment with their employer prior to retirement. Members not eligible for an immediate pension may opt to transfer the commuted value of their benefit to another pension plan if that plan permits, or to a registered retirement vehicle after two years from the date of their last contribution during a 6-month window, subject to locking-in provisions and certain age restrictions.

### **Escalation of Pension Benefits**

Certain eligible pension benefits in pay earned during a specific period are increased in January each year for inflation at 75% of the increase in the average Consumer Price Index as at September 30<sup>th</sup> of the prior year, subject to a maximum pension increase of 8% in any one year with any excess carried forward. Other eligible pension benefits in pay may receive inflation adjustments conditional on the Plan's funding position.

DBplus active member pension benefits earned are increased in January of each year for wage growth (prior to retirement)

by the increase in the Average Industrial Wage ("AIW") index, conditional on the Plan's funding position.

Replicated prior plan benefits eligible for inflation protection adjustments are subject to the provisions of their participation agreements.

### **Funding Policy**

The Plan's Funding Policy determines the use of any funding surplus as determined by the last filed actuarial valuation. In the event of a going-concern funding surplus, the policy provides for the build-up of reserves, and/or specified changes to DBprime contribution rates, and/or specified conditional increases to benefits. In the event a funding deficit is determined, additional conditional inflation protection enhancements would not be granted. For DBprime, a decrease in future benefit accruals and/or an increase in contribution rates may also be required. For DBplus, additional benefit increases based on AIW would not be made and a reduction in future benefit accruals may also be required.

### **AVC Component**

The AVC component of the Plan, GROWTHplus, is an optional savings account that permits members to make additional voluntary contributions on which the member earns a rate of return that can reasonably be attributed to the Plan's net investment return, less an administration fee.

### **Separate Supplementary Plan**

A separate supplementary plan exists to provide benefits to the Plan's DBprime members impacted by benefit restrictions under the *Income Tax Act (Canada)* who are employed by certain participating employers of the Plan. Because the supplementary plan is a separate trust, the net assets of the supplementary plan are not included in the financial statements of the Plan. The Plan has no liabilities with respect to insufficient funding (if any) of the supplementary plan.



## Note 2 – Summary of Significant Accounting Policies

### Basis of Presentation

These financial statements present the information of the Plan, as a separate financial reporting entity independent of the Sponsors and Plan members, in Canadian dollars.

These financial statements have been prepared in accordance with Canadian Accounting Standards for Pension Plans (*Section 4600 – Pension Plans* of the Chartered Professional Accountants of Canada (CPA Canada) Handbook – Accounting Section 4600). As required under Section 4600, the Plan has valued and made certain disclosures on financial instruments in accordance with International Financial Reporting Standards (see below and Note 6). Accounting Standards for Private Enterprises in Part II of the CPA Canada Handbook – Accounting are used for accounting policies that do not relate to the Plan's investment portfolio or pension obligations, to the extent that those standards do not conflict with the requirements of Section 4600.

### Investments

Purchases and sales of investments are recorded as at the trade date and are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of investments is determined as follows:

- **Short-term investments** are valued at-cost, adjusted for foreign exchange, which in conjunction with accrued interest receivable, approximates fair value.
- **Publicly traded equity securities** are valued at the closing market price. Where a market price is not available, fair value is determined by reference to current market information.
- **Fixed income securities** are valued using an average of closing bids from market participants.

- **Securities sold under agreements** to repurchase and securities purchased under agreements to resell are valued at amortized cost, which approximates market value.
- **Investments in underlying funds** are valued using net asset values obtained from fund managers which are determined with reference to the fair value of the underlying investments of the fund.
- **Infrastructure, private credit and private equity investments** are held through ownership in limited partnership arrangements. Fair value is determined by the limited partnership's managers, using the most recent financial information obtained from underlying investments, and/or forecasts of future financial performance and then applying appropriate valuation techniques such as market comparable and/or discounted cash flows. Underlying infrastructure investments are often valued using estimated future cash flows to the investor which are then discounted, reflecting an extended

cash flow forecasting period and a higher predictability of cash flows. Underlying private credit investments are valued using discounted cash flows based on current market yields on comparable securities.

- **Real estate investments** are held through ownership in limited partnership arrangements. The fair value of real estate investments is determined by the external manager using the most recent financial information obtained from the individual property managers. Underlying valuations are based primarily on the discounted cash flow and income capitalization methods.
- **Derivative financial instruments** are valued using pricing models generally used by market participants. The fair value is provided by established pricing vendors and is determined using valuation models requiring the use of inputs and assumptions based on observable market data including volatility and other applicable rates or prices as well as the impact of counterparty credit risk where applicable.

### Investment Income

Realized gains and losses on the sale of investments are determined using the average cost of securities sold. The change in the difference between fair value and the cost of investments at the beginning and end of each year is recorded as change in unrealized appreciation (depreciation) of investments. Interest, dividends, and distributions from pooled funds are recorded on the accrual basis. Dividend income is accrued as at the ex-dividend date.

Transaction costs are incremental costs directly attributable to the purchase or sale of investments. Transaction costs incurred are expenses and are presented separately as a deduction from Investment Income.

### Foreign Exchange

Transactions denominated in foreign currencies are translated into Canadian dollars at the rates of exchange in effect on the dates of the transactions. The market value of foreign currency denominated assets and liabilities is translated using the year-end rates of exchange. The resulting gains and losses from changes in these rates are recorded as part of the realized

gain (loss) for investments sold and as part of the change in unrealized appreciation (depreciation) of investments held at year end.

### Contributions

Contributions due to the Plan are recorded on an accrual basis.

### Benefits

Payments of pensions, refunds, and transfers out of the Plan are recorded in the period in which they are paid. Any benefit payments not made are accrued and reflected in the pension obligations.

### Pension and AVC Obligations

The value of accrued pension benefits payable in the future to members and changes therein during the year are based on an actuarial valuation prepared by an independent firm of actuaries. The valuation is made as at the beginning of the year and then extrapolated to year end. It uses the projected benefit method pro-rated on service and best-estimate assumptions, as at the valuation date, of various economic and non-economic future events.

The AVC obligation represents the Plan's liability in respect of the AVC component of the Plan and equals members' AVC contributions plus (if positive) or minus (if negative) the full-year net investment rate of return that can reasonably be attributed to the net rate of return earned by the defined benefit component of the Plan over the period of time that the AVC contributions have been invested, less an administration fee.

#### Use of Estimates

Preparation of the financial statements requires management to make estimates and assumptions based on the information available as at the date of the financial statements that affect the reported values of assets and liabilities, and related income and expenses. Such estimates and assumptions affect primarily the value of recorded pension obligations and the fair value of investments and investment-related receivables and liabilities. Actual results could differ from those presented.

#### Income Taxes

The Plan is exempt from Part 1 tax under paragraph 149(1)(o) of the *Income Tax Act* (Canada).



## Note 3 – Investments

### 3(a) – Summary of Investments

(\$ millions)

	2025		2024	
	Fair Value	Cost	Fair Value	Cost
<b>Investments</b>				
Short-term investments	\$ 2,125	\$ 2,140	\$ 2,102	\$ 2,064
Fixed income (Note 3b)	5,907	5,819	5,199	5,103
Equities (Note 3c)	8,262	6,020	7,241	5,333
Infrastructure	3,566	2,726	3,017	2,234
Real estate	1,348	1,225	1,078	892
Private equity	4,724	3,076	4,894	2,937
Private credit	581	508	525	447
<b>Investments</b>	<b>\$ 26,513</b>	<b>\$ 21,514</b>	<b>\$ 24,056</b>	<b>\$ 19,010</b>
<b>Investment-related assets</b>				
Accrued income	54	54	53	52
Securities purchased under agreement to resell	228	228	90	85
Unsettled trades receivable	78	78	10	9
Derivative-related assets (Note 5)	86	4	57	4
<b>Investment-related assets</b>	<b>\$ 446</b>	<b>\$ 364</b>	<b>\$ 210</b>	<b>\$ 150</b>
<b>Investment-related liabilities</b>				
Securities sold under agreement to repurchase	(1,269)	(1,270)	(755)	(755)
Unsettled trades payable	(245)	(244)	(33)	(32)
Derivative-related liabilities (Note 5)	(41)	(2)	(217)	(6)
<b>Investment-related liabilities</b>	<b>\$ (1,555)</b>	<b>\$ (1,516)</b>	<b>\$ (1,005)</b>	<b>\$ (793)</b>
<b>Net investments</b>	<b>\$ 25,404</b>	<b>\$ 20,362</b>	<b>\$ 23,261</b>	<b>\$ 18,367</b>

### 3(b) – Fixed Income

Investments in fixed income include the following issuers:

(\$ millions)

	2025		2024	
	Fair Value	Cost	Fair Value	Cost
Government of Canada	\$ 2,989	\$ 2,986	\$ 2,327	\$ 2,297
Provincial Governments	1,080	1,079	1,293	1,289
Municipal Governments	82	82	71	72
Canadian Corporate	484	483	612	622
Foreign	1,272	1,189	896	823
<b>Total fixed income</b>	<b>\$ 5,907</b>	<b>\$ 5,819</b>	<b>\$ 5,199</b>	<b>\$ 5,103</b>

### 3(b) – Continued

The maturity of investments in fixed income as at December 31 is as follows:

(\$ millions)

	2025	2024
	Fair Value	Fair Value
1 – 5 years	\$ 1,106	\$ 921
6 – 10 years	3,444	2,947
11 – 20 years	661	678
Greater than 20 years	696	653
<b>Total fixed income</b>	<b>\$ 5,907</b>	<b>\$ 5,199</b>

### 3(c) – Equity Investments

Equities include securities issued and traded in the following geographical regions:

(\$ millions)

	2025		2024	
	Fair Value	%	Fair Value	%
United States	\$ 4,157	50	\$ 3,910	54
Asia Pacific (excluding Japan)	1,305	16	1,068	15
Europe (excluding United Kingdom)	1,140	14	1,013	14
Japan	529	6	330	5
Canada	484	6	435	6
United Kingdom	359	4	281	4
Other	202	3	112	1
Latin America	86	1	92	1
<b>Total equity</b>	<b>\$ 8,262</b>	<b>100%</b>	<b>\$ 7,241</b>	<b>100%</b>

**3(d) – Summary of Significant Investments**

As at December 31, 2025, the Plan held the following investments, each having a fair value or cost exceeding 1% of the fair value or cost of total investments:

	Fair Value	Cost
(\$ millions)		
<b>Short-term investments</b>		
United States Treasury Bills	\$ 656	\$ 665
<b>Fixed income</b>		
Canada Housing Trust No. 1	339	325
Government of Canada Bonds	2,807	2,820
Province of Ontario Bonds	370	366
Province of Quebec Bonds	376	377
United States Treasury Inflation-Protected Securities	272	274
<b>Equities</b>		
Arrowstreet Global World Alpha Extension Fund	2,141	1,673
Bridgewater Pure Alpha Fund II	581	315
iShares Core S&P 500 ETF	551	406
Millennium International Fund	303	228
Rokos Global Macro Fund	287	145
<b>Real estate</b>		
Carlyle Property Investors, L.P	409	308

**3(e) – Securities Lending**

The Plan engages in securities lending to enhance portfolio returns. Credit risk associated with securities lending is mitigated by requiring the borrower to provide daily collateral in the form of cash and readily marketable investments of greater market value than the securities loaned. As at December 31, 2025, the Plan’s investments included loaned securities with a fair value of \$1,628 million (2024 – \$1,247 million). The fair value of collateral received in respect of these loans was \$1,714 million (2024 – \$1,307 million). Net income earned from securities lending for the year was \$2.5 million (2024 – \$2.4 million) and is included in Other Income in Note 12.



## Note 4 – Capital and Investment Risk Management

The Plan defines its capital as the excess or deficiency of net assets available for benefits over pension obligations. Net assets available for benefits, consisting of investments and other assets, are managed to fund future pension obligations. The extent that net assets available for benefits are greater than or less than pension obligations is reflected respectively as surplus or deficit. The objective of managing the Plan's capital is to ensure that the Plan is fully funded on a going-concern basis to pay the Plan's benefits over the long term.

The primary risks associated with the measurement of pension obligations are changes in the key assumptions used. The investment return assumption reflects estimated future investment returns and is sensitive to long-term interest rates. The salary escalation rate is subject to future wage settlements and inflation. Longevity and retirement assumptions are important as they impact the number of expected pension payments to members. The Board of Trustees monitors the reasonableness of such assumptions and adjusts them as required.

The objective of investment risk management is to achieve a diversifying of risks and returns in a fashion that minimizes the likelihood of an overall reduction in total funded ratio and maximizes the opportunity for gains over the entire portfolio. This is achieved through asset diversification to limit exposure to any single issuer or component in the capital markets.

Investment risk management relates to the understanding and active management of risks associated with invested assets. Investments are primarily exposed to currency, interest rate, market, credit, and liquidity risk. The Plan first established a Statement of Investment Policies and Goals (now named Statement of Investment Policies and Procedures – the “Statement”) in July 1996 that addresses the manner in which funds can be invested. The Statement requires diversification of investments within asset classes and sets limits on the exposure to individual investments. Investments are selected and held in accordance with the criteria and limitations set forth within the Statement and in accordance with relevant legislation.

The Board of Trustees approves the policies in the Statement and reviews them at least annually. The Statement was last reviewed on November 25, 2025.

The Statement designates seven broad classes of assets. A set of benchmarks has been identified to measure performance against each class's annual rate of investment return. The total investments annual rate of return is measured against a composite index made up of the weighted average of each class's benchmark return using the actual allocation of assets to weight the various classes. The Fund is expected to, at minimum, earn a long-term rate of return sufficient to maintain the Plan's long-term sustainability, based on current contribution rates from members and employers.

The asset allocation, including the effect of derivatives and the associated benchmark index as at December 31, 2025, is as follows:

Asset Category/Class	Benchmark (Index)	2025		2024	
		Allocation Range/Target	Actual Allocation	Allocation Range/Target	Actual Allocation
<b>Interest-rate-sensitive:</b>					
Nominal bonds	FTSE Canada Mid-Term Government Bond Index	12%	14%	12%	13%
<b>Total interest-rate-sensitive</b>		<b>8–20%</b>	<b>14%</b>	<b>8–20%</b>	<b>13%</b>
<b>Inflation-sensitive:</b>					
Inflation-linked bonds	Custom Benchmark <sup>1</sup>	5%	6%	5%	6%
Real assets	Canadian CPI + 4%	25%	20%	23%	19%
Commodities	S&P GSCI	3%	3%	5%	5%
<b>Total inflation-sensitive</b>		<b>27–45%</b>	<b>29%</b>	<b>27–45%</b>	<b>30%</b>
<b>Return-enhancing:</b>					
Public equity	MSCI ACWI	30%	32%	32%	30%
Private equity	MSCI ACWI + 3%	17%	19%	15%	21%
Credit	1/3 Bloomberg Global High Yield Index, 1/3 Bloomberg Global Aggregate Corporate Index, 1/3 Morningstar LSTA Leveraged Loan Index	8%	6%	8%	6%
<b>Total return-enhancing</b>		<b>35–65%</b>	<b>57%</b>	<b>35–65%</b>	<b>57%</b>
Cash, cash equivalents, and other	Not applicable	<b>Not applicable</b>	<b>0%</b>	<b>Not applicable</b>	<b>0%</b>
<b>Total</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<sup>1</sup> The benchmark index for inflation-linked bonds shall be a combination of the FTSE Real Return Bond Index (for Canadian bonds), and the Bloomberg U.S. Treasury Inflation-Linked Bond Index (for U.S. bonds). The weights of each index in the benchmark shall reflect the actual weights of Canadian and U.S. bonds in the Plan.

**Currency Risk**

Currency risk exposure arises from the Plan’s holdings of foreign currency denominated investments where investment values fluctuate due to changes in foreign exchange rates. To manage this risk, the Plan has instituted currency hedging strategies as explained in Note 5. Currency exposures as at December 31 are as follows:

	(\$ millions)	
	2025	2024
	Net exposure	Net exposure
United States Dollar	\$ 10,323	\$ 10,028
Euro	1,162	1,093
Other currencies	1,138	870
British Pound Sterling	433	319
<b>Total foreign</b>	<b>13,056</b>	12,310
<b>Canadian Dollar</b>	<b>12,348</b>	10,951
<b>Net investments</b>	<b>\$ 25,404</b>	\$ 23,261

A 5% increase/decrease in exchange rate between the Canadian dollar and a foreign currency would result in a corresponding gain (loss) of 5% of the net exposure to that currency. A 5% increase/decrease in exchange rate between the Canadian dollar and all foreign currencies as at December 31, 2025 would result in a gain (loss) of \$653 million (2024 – \$616 million).

**Interest Rate Risk**

Interest rate risk refers to the potential adverse effect on the fair value of the Plan’s assets or liabilities due to fluctuations in interest rates. The values of the Plan’s assets, liabilities, and funded status are all affected by changes in both nominal and real interest rates.

Interest rate risk depends mainly on the timing and size of cash flows, and one measure of this risk is duration. Duration relates to the impact of changing interest rates on assets and liabilities and is measured by calculating the average timing of cash flows. More distant cash flows (longer duration) are more sensitive to changes in interest rates than cash flows in the shorter term.

As at December 31, 2025, the duration of the fixed income portfolio was 7.1 years (2024 – 7.5 years). If interest rates were to rise by 2%, the fair value of the fixed income portfolio would decline by approximately \$809 million (2024 – \$785 million).

Conversely, if interest rates were to fall by 2%, the fair value of the fixed income portfolio would increase by approximately \$804 million (2024 – \$785 million).

In addition to the fixed income portfolio, there are other investment mandates which may have interest rate components making them subject to interest rate exposures.

**Equity Market Risk**

Equity market risk is the risk that the value of the public equity asset class performs differently than its benchmark. As at December 31, 2025, based on the historical relationship of performance between the individual stocks in the portfolio and the benchmark, a 10% benchmark change would result in a gain (loss) of \$858 million (2024 – \$763 million).

### Credit Risk

Credit risk refers to the risk of financial loss due to a counterparty failing to meet its contractual obligations. The Plan limits credit risk by investing in short-term debt that has a minimum credit rating of R-1 as determined by a recognized credit rating agency.

In addition, the Plan has credit risk associated with the positive fair values of derivative instruments, where the counterparty owes the Plan. The Plan manages this risk with its Portfolio Implementation Policies and Procedures, which limits investments in derivative instruments involving counterparties with a minimum credit rating of A from at least two recognized credit agencies. The Plan also indirectly guarantees the underlying reference obligations when writing credit derivatives. The maximum potential exposure is the notional amount of the written credit derivatives.

The following table presents the maximum exposure as at December 31 to credit risk of balance sheet and off-balance sheet financial instruments, before taking account of any collateral held. The table includes financial assets subject to credit risk only; other financial assets, mainly equity securities, as well as non-financial assets are excluded.

	(\$ millions)	
	2025	2024
Short-term investments	\$ 2,125	\$ 2,102
Fixed income	5,907	5,199
Private credit	581	525
Derivative-related assets	86	57
Interest receivable	38	40
Other assets	13	17
Loaned securities	1,628	1,247
Credit default derivatives – written	85	–
<b>Total maximum exposure</b>	<b>\$ 10,463</b>	<b>\$ 9,187</b>

The credit quality of the Plan's fixed income portfolio as at December 31 was as follows:

	(\$ millions)	
	2025	2024
AAA	\$ 3,192	\$ 2,501
AA	999	1,592
A	926	369
BBB or lower	556	513
Unrated	234	224
	<b>\$ 5,907</b>	<b>\$ 5,199</b>

### Liquidity Risk

Liquidity risk refers to the risk that the Plan does not have sufficient cash to meet its current liabilities, including benefit payments, and to acquire investments in a timely and cost-effective manner.

The Plan maintains a portfolio of highly marketable assets, specifically Canadian federal and provincial government bonds, that can be sold or funded on a secured basis as protection against any unforeseen interruption to cash flow. As at December 31, 2025, the fair value of such bonds held by the Plan was \$4,069 million (2024 – \$3,620 million). In addition, the Plan's portfolio of short-term investments of \$2,125 million (2024 – \$2,102 million) represents cash or near cash assets that are available to meet payment obligations.

## Note 5 – Derivative Financial Instruments

A derivative financial instrument is a financial contract, the value of which is derived from changes in the value of underlying assets, indexes, interest rates, or currency exchange rates. The use of derivatives as a substitute for direct market transactions entails risks similar to the actual purchase and sale of the security upon which the derivative is based. Derivative contracts are transacted either in the over-the-counter market or on regulated exchanges.

Notional amounts of derivative contracts represent the contractual amount to which a rate or price is applied in order to calculate the exchange of cash flows. It does not represent the potential gain, loss, or net exposure associated with the market or credit risk of such transactions. Rather, it serves as the basis upon which the returns form, and the fair value of the contracts are determined.

The Plan utilizes derivatives in the form of futures, foreign exchange forward contracts, swaps, options, and credit derivatives as part of its investment strategy. The Plan uses derivatives to increase or decrease exposure to a market.

Derivative financial instruments are specifically used for:

- **Reducing the cash exposure** in the equity manager and operating accounts through the use of futures contracts. This is accomplished by converting cash exposure to capital markets exposure as per the Plan's long-term asset mix policy.
- **Rebalancing of the actual asset class positions** to the asset mix policy, within tolerance ranges, through the use of futures contracts and delayed settlement instruments. This strategy adjusts the weighting of asset classes using synthetic long and short positions.
- **Foreign exchange forward contracts** are used for short-term currency purchases or sales related to the execution of foreign currency denominated transactions. Foreign exchange forward contracts were also used for active currency strategies that increase or decrease the hedge ratio (within defined limits) in order to generate additional return.

- **Derivative instruments** such as interest rate swaps, credit default swaps, options, and futures are used to gain exposure in markets where no physical securities are available or as risk-neutral substitutes for physical securities. Options are utilized to gain exposure to the price volatility of an underlying security or index.



FINANCIAL STATEMENTS

The table below lists the types of derivative financial instruments employed by the Plan, together with the corresponding notional and fair values as at December 31.

(\$ millions)

	2025			2024		
	Notional Value <sup>2</sup>	Fair Value		Notional Value	Fair Value	
		Positive	Negative		Positive	Negative
<b>Equity</b>						
Futures	\$ 3,147	\$ 1	\$ (6)	\$ 2,640	\$ 8	\$ (76)
<b>Fixed income</b>						
Futures	967	1	(6)	992	4	(3)
Options	116	0	0	-	-	-
<b>Currency derivatives</b>						
Forwards	5,704	62	-	5,017	-	(110)
<b>Interest rate derivatives</b>						
Swaps	1,169	3	(4)	757	4	(13)
Futures	72	0	0	-	-	-
<b>Credit default swaps</b>						
Purchased	-	-	-	31	1	-
Written	85	2	0			
<b>Commodity</b>						
Futures	754	17	(25)	1,014	40	(15)
	<b>\$ 12,014</b>	<b>\$ 86</b>	<b>\$ (41)</b>	<b>\$ 10,451</b>	<b>\$ 57</b>	<b>\$ (217)</b>

<sup>2</sup> Notional value represents the absolute value of all derivative positions.

## Note 6 – Investment Valuation

International Financial Reporting Standards establish a three-tier hierarchy to classify the determination of fair value measurements for disclosure purposes. Inputs refer broadly to the data and assumptions that market participants would use in pricing the investment. Observable inputs are inputs that are based on market data from independent sources. Unobservable inputs are inputs that reflect the Plan's own assumptions about the assumptions market participants would use in pricing an investment, developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is as follows:

- **Level 1** – quoted prices in active markets for identical investments
- **Level 2** – inputs other than quoted prices included in Level 1 that are observable for the investment, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- **Level 3** – inputs for the investment that are not based on observable market data (unobservable inputs)

The following is a summary of the fair value classification levels for investment assets and investment-related assets and liabilities as at December 31:

(\$ millions)

2025

	Level 1	Level 2	Level 3	Total
Short-term investments	\$ 1,576	\$ 549	\$ –	\$ 2,125
Fixed income	3,861	1,867	179	5,907
Equities	3,364	4,886	12	8,262
Infrastructure	–	–	3,566	3,566
Real estate	–	–	1,348	1,348
Private equity	–	–	4,724	4,724
Private credit	–	–	581	581
Investment-related assets	73	373	–	446
Investment-related liabilities	(37)	(1,518)	–	(1,555)
	\$ 8,837	\$ 6,157	\$ 10,410	\$ 25,404

(\$ millions)

2024

	Level 1	Level 2	Level 3	Total
Short-term investments	\$ 1,352	\$ 750	\$ –	\$ 2,102
Fixed income	2,050	3,024	125	5,199
Equities	3,045	4,191	5	7,241
Infrastructure	–	–	3,017	3,017
Real estate	–	–	1,078	1,078
Private equity	–	–	4,894	4,894
Private credit	–	–	525	525
Investment-related assets	105	105	–	210
Investment-related liabilities	(94)	(911)	–	(1,005)
	\$ 6,458	\$ 7,159	\$ 9,644	\$ 23,261

FINANCIAL STATEMENTS

Below is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value for the year ended December 31:

(\$ millions)

2025

	Equities	Fixed income	Infrastructure	Real estate	Private equity	Private credit	Total
Opening balance	\$ 5	\$ 125	\$ 3,017	\$ 1,078	\$ 4,894	\$ 525	\$ 9,644
Acquisitions	7	45	514	399	442	146	1,553
Dispositions	(0)	-	(122)	(159)	(757)	(96)	(1,134)
Realized gains	(0)	-	99	94	454	11	658
Unrealized gains	(0)	9	58	(64)	(309)	(5)	(311)
<b>Closing balance</b>	<b>\$ 12</b>	<b>\$ 179</b>	<b>\$ 3,566</b>	<b>\$ 1,348</b>	<b>\$ 4,724</b>	<b>\$ 581</b>	<b>\$ 10,410</b>

(\$ millions)

2024

	Equities	Fixed income	Infrastructure	Real estate	Private equity	Private credit	Total
Opening balance	\$ 0	\$ 51	\$ 2,637	\$ 1,041	\$ 4,154	\$ 264	\$ 8,147
Acquisitions	4	54	335	170	476	243	1,282
Dispositions	(1)	(5)	(434)	(153)	(477)	(58)	(1,128)
Realized gains	0	1	307	103	229	15	655
Unrealized gains	2	24	172	(83)	512	61	688
<b>Closing balance</b>	<b>\$ 5</b>	<b>\$ 125</b>	<b>\$ 3,017</b>	<b>\$ 1,078</b>	<b>\$ 4,894</b>	<b>\$ 525</b>	<b>\$ 9,644</b>

## Note 7 – Other Assets

Other assets consist of fixed assets with a net book value of \$2 million (2024 – \$2 million), miscellaneous receivables and prepaid expenses in the amount of \$7 million (2024 – \$6 million), long-term notes receivable with a fair value of \$12 million (2024 – \$17 million), and an annuity with a fair value of \$1 million (2024 – \$1 million). Fixed assets are stated at cost and are depreciated or amortized on a straight-line basis over their useful lives.

Fixed Assets	Cost	Accumulated Depreciation & Amortization	(\$ millions)	
			2025	2024
			Net Book Value	Net Book Value
Systems software	\$ 8	\$ 8	\$ –	\$ –
Other <sup>3</sup>	4	2	2	2
	\$ 12	\$ 10	\$ 2	\$ 2

<sup>3</sup> Includes leasehold Improvements, Computer Equipment and Furniture, Fixtures & Equipment.

## Note 8 – Accounts Payable and Accrued Liabilities

Included in accounts payable is an accrual of \$22 million (2024 – \$20 million) for supplemental employment retirement benefits for staff employed by the Plan based on pension entitlements that are in excess of registered pension plan maximums under the *Income Tax Act* (Canada).



## Note 9 – Pension and AVC Obligations

Defined benefit pension obligations represent the value of accrued pension benefits payable in the future to members and are based on an actuarial valuation prepared by the Plan’s Actuary. The valuation data used is as at the beginning of the year and then extrapolated to year end. It uses the projected benefit method pro-rated on service and management’s best estimate of various economic and non-economic future events, as at the valuation date. Defined benefit pension obligations include the value of conditional benefits to January 1, 2029 and exclude further conditional benefits thereafter. Defined benefit pension obligations and the resulting surplus for financial statement purposes are different than for regulatory purposes (refer to Note 10). Subsequent to year end, a regulatory valuation was filed as at January 1, 2026. The next regulatory valuation is required to be filed no later than as at January 1, 2029.

Defined benefit accrued pension obligations as at December 31, 2025 were \$18,041 million (2024 – \$16,610 million).

Additional voluntary contributions obligations as at December 31, 2025 were \$27 million (2024 – \$5 million).

### Actuarial Assumptions

The actuarial assumptions used in determining the accounting value of defined benefit pension obligations reflect management’s best estimate of future economic events and non-economic assumptions. The non-economic assumptions include considerations such as mortality and withdrawal and retirement rates. The primary economic assumptions include the discount rate, salary escalation rate, and inflation rate. The discount rate is based on the long-term estimated net rate of return on investments, reflects the Plan’s asset mix, and is based on current market expectations.

The salary escalation rate incorporates the inflation rate assumptions and long-term expectation of growth in real wages. A summary of the primary economic assumptions, as at December 31, is as follows:

	2025	2024
Discount rate	4.70%	4.75%
Salary escalation rate	3.75%	3.75%
Inflation rate	2.00%	2.00%
Real discount rate	2.70%	2.75%

Changes in actuarial assumptions between 2024 and 2025 resulted in an increase in the defined benefit pension obligations of \$147 million due to changes in economic assumptions (between 2023 and 2024, an increase in the pension obligations of \$306 million was due to changes in economic assumptions).

### Experience Gains and Losses

Experience losses represent the change in defined benefit pension obligations due to the difference between actual economic and demographic experience and expected experience. During 2025, experience losses were \$367 million (2024 – losses of \$286 million). Experience losses in 2025 stemmed from higher than assumed inflation, higher than assumed salary escalation, the extension of conditional benefits and demographic experience losses (experience losses in 2024 stemmed from higher than assumed inflation, higher than assumed salary escalation, the extension of conditional benefits and demographic experience losses).

### Plan Provisions

Under DBprime, the contribution rate and contributory earnings (as defined in the Plan Text) by both employers and members are 10.2% up to the Year's Maximum Pensionable Earnings ("YMPE") of \$71,300 in 2025 (and \$68,500 in 2024) as determined by the federal government to determine Canada Pension Plan contributions and 13.8% of contributory earnings in excess of the YMPE.

Under DBplus, both the contribution rate and contributory earnings are defined in the Plan Text by employer and in certain cases, employee groups. For certain employers who have opted to offer Contribution Choice, the member can elect a higher contribution rate which is at least matched by the employer. The member contribution rate may not exceed 9% of contributory earnings.

GROWTHplus is an optional savings account and provides for variable benefit payments. It is separate from the defined benefit pension provisions of the Plan.

During 2025, the Board of Trustees approved an amendment to the Plan to increase the minimum payment guarantee for retired members. The impact of this amendment was an increase to the pension obligations of \$185 million as at December 31, 2025.



## Note 10 – Surplus

The excess of net assets available for benefits against pension obligations results in the Plan being in a surplus of \$7,379 million as at December 31, 2025 (2024 – \$6,686 million). The surplus for financial statement purposes differs from the regulatory surplus. The regulatory surplus, which is calculated in accordance with actuarial standards on a going-concern basis, is used to determine changes to contribution rates and/or benefits for future service in order to maintain the Plan in a regulatory surplus. The Plan is not required to fund solvency deficits. The regulatory surplus of the Plan as at December 31, 2025, which has been filed with FSRA subsequent to year end is \$6,749 million (2024 – \$6,141 million). A 25 basis-point decrease in the discount rate assumption at December 31, 2025 would result in a decrease in the regulatory surplus of approximately \$1,132 million (2024 – \$1,034 million).

Measurement differences between the regulatory surplus and accounting surplus in 2025 of \$630 million (2024 – \$545 million) are due to the difference in pension

obligations between calculations based on the projected benefit method pro-rated on service valuation method used for financial statement purposes (where pension obligations are based on accrued service to the financial statement date), and the modified aggregate valuation method used for regulatory purposes, where the present value of future contributions and future service benefits are also included. Because the present value of future contributions exceeds the present value of future service benefits, the regulatory surplus is increased. Also included in the difference in 2025 is a \$1,850 million (2024 – \$1,860 million) deferred gain actuarial asset value adjustment, whereby a portion of the gains resulting from the difference between the actual and management's best estimate of the expected return of those investments over the long term are deferred and recognized over five years in determining the regulatory surplus.

## Note 11 – Contributions

(\$ millions)

	2025	2024
<b>Members</b>		
Current year earnings and service	\$ 462	\$ 447
Purchases of past benefits	65	63
<b>Employers</b>		
Current year earnings and service	520	457
Purchases of past benefits	6	4
<b>Transfers from other pension plans</b>	9	13
<b>AVC account</b>	21	5
<b>Total contributions</b>	<b>\$ 1,083</b>	<b>\$ 989</b>

## Note 12 – Investment Income

Investment income after the allocation of the net realized and unrealized gains is as follows:

	(\$ millions)	
	2025	2024
Interest income	\$ 197	\$ 216
Dividend income	265	299
Other income	2	2
	<b>464</b>	<b>517</b>
<b>Investment gains</b>		
Realized gain	<b>1,535</b>	1,337
Change in unrealized appreciation (depreciation)	<b>340</b>	1,473
	<b>1,875</b>	<b>2,810</b>
Investment income prior to investment expenses	<b>2,339</b>	3,327
Investment management fees	<b>(304)</b>	(251)
Transaction costs	<b>(5)</b>	(6)
	<b>\$ 2,030</b>	<b>\$ 3,070</b>

Investment income (loss) by asset class after the allocation of derivative investments and prior to investment expenses is as follows:

	(\$ millions)	
	2025	2024
Short term investments <sup>4</sup>	\$ (25)	\$ (74)
Fixed income	<b>188</b>	236
Equities	<b>1,845</b>	1,873
Infrastructure	<b>154</b>	468
Private equity	<b>130</b>	727
Private credit	<b>21</b>	82
Real estate	<b>26</b>	15
	<b>\$ 2,339</b>	<b>\$ 3,327</b>

<sup>4</sup> Includes currency forwards and options and commodity futures gain of \$51 million (2024 - losses of \$144 million).

## Note 13 – Non-investment Related Income

Non-investment related income consists primarily of interest recognized on long-term notes receivable and sublease income. The total amount recognized for the year was \$3 million (2024 - \$3 million).

## Note 14 – Benefits

	(\$ millions)	
	2025	2024
Pensions	\$ 762	\$ 724
Payments on termination of membership	<b>79</b>	74
AVC account withdrawals	<b>0</b>	-
<b>Total benefit</b>	<b>\$ 841</b>	<b>\$ 798</b>



## Note 15 – Expenditures

### Investment Administration Expenditures

	(\$ millions)	
	2025	2024
Salaries and benefits	\$ 17	\$ 13
Premises and equipment	2	3
Professional services <sup>5</sup>	3	3
Custodial fees	2	2
Communications and travel	1	1
	<b>\$ 25</b>	<b>\$ 22</b>

### Pension Administration Expenditures

	(\$ millions)	
	2025	2024
Salaries and benefits	\$ 67	\$ 61
Premises and equipment	13	13
Professional services <sup>5</sup>	9	8
Custodial fees	1	1
Communications and travel	1	1
	<b>\$ 91</b>	<b>\$ 84</b>

### Membership Expansion Expenditures

	(\$ millions)	
	2025	2024
Salaries and benefits	\$ 19	\$ 16
Premises and equipment	3	4
Professional services <sup>5</sup>	1	1
Custodial fees	–	1
Communications and travel	1	0
	<b>\$ 24</b>	<b>\$ 22</b>

<sup>5</sup> Includes Actuarial fees, Audit fees, and other professional services.



## Note 16 – Commitments

The Plan has committed to invest in certain investments, which may be funded in accordance with agreed-upon conditions over the next several years. As at December 31, 2025, these unfunded commitments totaled \$4,395 million (2024 – \$4,090 million).

The Plan leases its office premises under a lease agreement expiring on November 30, 2027, with a five-year extension term following the expiration date. In addition, there are various equipment leases in place with expiry dates between 2026 and 2030.

Future lease payments over the remaining life of the leases, including the estimated payments related to the five-year extension period, total \$11 million, with the following amounts payable over the next five years: 2026 – \$2.6 million, 2027 – \$2.5 million, in each year, 2028 – 2030 – \$1.3 million annually.



## Note 17 – Related-party Transactions

Related parties to the Plan include the Plan sponsors and the 24 Colleges of Applied Arts and Technology in Ontario.

The Plan does not have any investments in any securities issued by related parties.

The Plan, in the regular course of its business, reimburses participating employers for the time and expenses their employees spend attending Plan governance and related meetings as well as other services provided in the regular course of business. The total of such reimbursements to participating employers in 2025 was \$62 thousand (2024 – \$45 thousand).

## Note 18 – Guarantees and Indemnifications

The Plan provides indemnifications to its Trustees, Sponsors' Committee members, and officers for various items including, but not limited to, all costs to settle suits or actions due to services provided by the Plan, subject to certain restrictions. The Plan maintains Fiduciary and Directors & Officers insurance to mitigate the cost of any potential suits or actions. The contingent nature of the indemnification agreements prevents the Plan from making a reasonable estimate of the maximum potential payment that the Plan could be required to make. The Plan did not receive any claims nor make any payments pursuant to such indemnifications in 2025 or 2024.

## Note 19 – Transfer of Pension Plan Assets and Liabilities

The Plan routinely enters into agreements with the sponsors of various single-employer pension plans to assume the assets and obligations of their pension plans (“pension plans”). Upon approval by FSRA and after the transfer of pension plan assets, the CAAT Pension Plan becomes responsible for current and future benefit payments to the members of the pension plans.

In 2025, \$7 million of pension obligations (\$48 million in 2024) were assumed by the Plan (and included in the Plan's pension obligations) and \$9 million of pension plan assets (\$60 million in 2024) were transferred to the Plan, becoming part of the Plan's investment assets. The Plan received \$2 million in residual transfers resulting from past asset mergers during the year (\$1 million in 2024).



Ten-  
Year

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TEN-YEAR REVIEW

Numbers are rounded.

Unaudited  
(\$ millions)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Financial</b>										
Short-term investments	2,125	2,102	1,863	1,708	1,653	1,382	1,269	1,161	987	1,028
Fixed income	5,907	5,199	4,671	4,247	5,020	4,874	4,287	3,351	3,145	2,543
Equities	8,262	7,241	5,694	5,535	6,085	6,018	5,495	4,279	5,047	4,452
Infrastructure	3,566	3,017	2,637	2,256	1,729	1,389	1,118	1,107	844	745
Real estate	1,348	1,078	1,041	1,237	1,174	935	825	720	558	469
Private equity	4,724	4,894	4,154	3,682	3,211	1,903	1,223	905	643	516
Private credit	581	525	264	214	190	178	32	23	6	-
Derivatives (net)	45	(160)	149	(57)	67	120	118	(206)	62	33
<b>Total investments</b>	<b>26,558</b>	<b>23,896</b>	<b>20,473</b>	<b>18,822</b>	<b>19,129</b>	<b>16,799</b>	<b>14,367</b>	<b>11,340</b>	<b>11,292</b>	<b>9,786</b>
Other assets (liabilities) (net)	(1,111)	(595)	(369)	(630)	(909)	(953)	(825)	(524)	(506)	(398)
<b>Net assets available for benefits</b>	<b>25,447</b>	<b>23,301</b>	<b>20,104</b>	<b>18,192</b>	<b>18,220</b>	<b>15,846</b>	<b>13,542</b>	<b>10,816</b>	<b>10,786</b>	<b>9,388</b>
Contributions	1,083	989	888	704	634	588	539	495	444	443
Investment income (loss)	2,030	3,070	1,751	(388)	2,464	1,575	1,731	40	1,432	700
Non-investment related income	3	3	3	3	5	4	-	-	-	-
Transfer of pension plan assets	11	61	124	436	3	788	1,006	-	-	106
Benefit payments	(841)	(798)	(747)	(700)	(668)	(601)	(515)	(479)	(457)	(431)
Administrative expenses	(140)	(128)	(107)	(83)	(64)	(50)	(36)	(25)	(21)	(22)
<b>Net change in net assets available for benefits</b>	<b>2,146</b>	<b>3,197</b>	<b>1,912</b>	<b>(28)</b>	<b>2,374</b>	<b>2,304</b>	<b>2,725</b>	<b>31</b>	<b>1,398</b>	<b>796</b>
<b>Returns</b>										
Annual return, gross of fees	9.9%	16.6%	10.8%	-0.9%	16.9%	12.0%	16.8%	1.4%	16.8%	8.8%
Annual return, net of fees	8.4%	15.2%	9.5%	(2.3)%	15.8%	11.1%	16.0%	0.5%	15.8%	8.1%
<b>Membership</b>										
Active members	94,700	80,900	64,900	55,400	49,700	43,700	39,900	32,200	29,400	28,400
Deferred members	5,000	4,800	5,000	4,100	3,400	3,400	2,200	1,600	1,400	1,400
Retired members	27,000	25,400	24,600	23,400	22,500	21,800	19,300	16,100	15,500	14,900
<b>Total members</b>	<b>126,700</b>	<b>111,100</b>	<b>94,500</b>	<b>82,900</b>	<b>75,600</b>	<b>68,900</b>	<b>61,400</b>	<b>49,900</b>	<b>46,300</b>	<b>44,700</b>
<b>Going-concern funding status as at December 31</b>										
Funded status	124.0%	123.6%	123.9%	124.0%	124.2%	118.8%	117.9%	119.9%	118.1%	113.3%
Funding reserves	6,749	6,141	5,263	4,713	4,369	3,270	2,858	2,618	2,269	1,601
Discount rate	4.70%	4.75%	4.90%	5.10%	4.95%	4.95%	5.15%	5.50%	5.60%	5.60%



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