




2025 Annual Report





The College Pension Board of Trustees acknowledges that its administrative offices are located on the traditional territory of the ɫəkwəŋən (Lekwungen) People, known today as the Esquimalt and Songhees Nations. Plan members learn, teach and live on the traditional territories of many First Nations throughout BC. The board, its agents and its service providers honour the ɫəkwəŋən People and their ongoing connection to the land and respect their diverse teachings, traditions and practices within this territory.

Find out which Indigenous territories you're on by visiting [native-land.ca](https://www.native-land.ca).

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Our story

Get to know the College Pension Plan

The College Pension Plan serves approximately 39,000 plan members across BC, with the goal of providing a secure and reliable income in retirement. Established in 1968 with six post-secondary institutions, the plan has grown to serve members and employers at 24 institutions. Plan members include instructors, continuing education experts, librarians, teaching support staff and senior administrative staff. Furthermore, the plan has been amended to give new employers the opportunity to participate in the plan for all classes of their employees, provided certain conditions are met.

Joint trusteeship

Where innovation and collaboration meet

The College Pension Plan was the first of BC's public sector pension plans to enter into a Joint Trust Agreement (JTA), on April 1, 2000. The four plan partners—the British Columbia General Employees' Union, the Federation of Post-Secondary Educators of BC, the Post-Secondary Employers' Association and the Province of British Columbia—signed the JTA and empowered the College Pension Board of Trustees to administer the plan, subject to limitations set out in the JTA and applicable laws. The JTA provides a framework where plan members and employers share the responsibility of plan governance and the risks and rewards of plan sponsorship. The plan partners appoint trustees to the board, which meets throughout the year to govern the plan.

In 2021, Simon Fraser University (SFU) became the latest post-secondary institution to join the plan. In 2024, SFU expanded its participation in the plan to include its teaching support staff. SFU is the second-largest post-secondary institution in the province, and its decision to enrol is a testament to the plan's reputation for reliability, sustainability and good governance.

In 2024, after consultation with the four plan partners, the board amended the plan rules to expand eligibility conditions for membership in the plan. A new employer that participates in the plan on or after June 14, 2024, may do so in respect of all classes of employees, provided certain conditions are met.

Our agents

BC Pension Corporation

BC Pension Corporation is the administrative agent of the plan and is one of the largest value-leading pension administrators in Canada. Its duties are laid out in legislation, and it plays a critical role in the pension ecosystem by administering members' benefits, paying pensions and ensuring the plan complies with all legislative and regulatory requirements.

Pension Corporation serves as a trusted advisor to the board by assessing emerging trends, regulatory changes and sector developments, and by providing analysis to support informed decision making—helping ensure the plan continues to meet the needs of members both now and in the future.

BCI

BCI is the plan's investment agent. Similar to Pension Corporation, BCI's duties are laid out in legislation. While BCI is responsible for investing the plan's assets, the board governs the investment performance for the plan and has key responsibilities including:

- Establishing the investment framework, as documented in the Statement of Investment Policies and Procedures.
- Setting the asset allocation.
- Overseeing investment performance.

BCI is recognized as an industry leader in incorporating responsible investing in its investment management process. The board works closely with BCI on its responsible investing mandate and receives regular reporting on activities.

For more on the laws and regulations that guide the College Pension Board of Trustees, visit college.pensionsbc.ca/federal-and-provincial-legislation.

2025 at a glance

as at or in the year ended August 31, 2025

100%
funded

\$314.6 million
in pension benefits paid

\$8.7 billion
in net assets

39,071
members

8.4%
five-year annualized return

Supporting members at every stage

This past year, we served more than 39,000 members and 24 participating academic institutions.

We expanded past service purchase provisions, giving members a new opportunity to increase their future pension.

We recognized members' full earnings, so salary earned from excess or overload work at their regular rate counts toward their pension.

We provided retired members a cost-of-living adjustment of 2.6 per cent, ensuring their pensions keep up with inflation.

Investing for long-term security

The plan is in a strong position, consistently outperforming its return objective of about 6.0 per cent over both the short and long terms.

We received the results of the plan's 2024 valuation, which shows the plan is fully funded. This means the plan has enough funds to pay all current and expected future pensions.

We paid out more than \$314 million in pension benefits. Retired members will typically spend this steady and reliable income in their local communities, supporting businesses and services along the way.

Warren Fox, retired member



Read our messages from 2025

Message from our board chair

The College Pension Plan is one of British Columbia's four jointly trustee public sector pension plans, and it has developed a reputation as an innovator and trendsetter in the sector. As chair of the College Pension Board of Trustees, I am pleased to serve our members across British Columbia's post-secondary education sector. It is a privilege to be chair, and I am proud of the work the board has accomplished over the past year to ensure the plan remains strong, both now and into the future.

Throughout the past year, the board continued to focus on ensuring the plan is well governed and remains resilient during a time when uncertainty prevails in both the world and the post-secondary education sector. The board continues to manage risks to meet the pension promise. This was another year of growth, as we added new members and grew the plan's assets to nearly \$8.7 billion.

Safe and secure defined benefit pensions

We received the plan's 2024 actuarial valuation report, and I am happy to report that the plan remains fully funded, and pensions are secure. The valuation also confirmed that the board can provide full cost-of-living adjustments (COLAs) to our retired members for the next three years. The board will reassess the financial position of the Inflation Adjustment Account (the account from which COLAs are paid) as at the next valuation, which is scheduled for August 31, 2027.

Measured as at August 31, 2024, the valuation showed that the plan had actuarial assets of \$8.451 billion and actuarial liabilities of \$8.455 billion, resulting in a small deficit of \$4 million. On the advice of the plan actuary, we also strengthened our valuation assumptions to

consider that people are living longer. To maintain the plan's fully funded status after accounting for this improved longevity, the board transferred funds from the Rate Stabilization Account (RSA) to the Basic Account to offset this deficit. The RSA is a notional account composed of prior year surpluses that have been set aside to help stabilize contribution rates. Following the transfer, the RSA retained a healthy balance of \$307 million. You can read more about the valuation in the [valuation report](#), available on the plan website.

On January 1, 2025, we provided retired members with a COLA of 2.6 per cent, corresponding to the full annual increase in the Canadian consumer price index.



Throughout the past year, the board continued to focus on ensuring the plan is well governed and remains resilient during a time when uncertainty prevails in both the world and the post-secondary education sector.

Weldon Cowan, board chair

Our members' needs

Based on survey results and consultations with retired members and the Association of British Columbia College Pension Plan Retirees, the board approved changes to the extended health care plan administered by GreenShield. The changes, effective January 1, 2026, reflect the needs of our retired members.

The board approved new provisions for purchases of past service, effective September 1, 2025. These provisions allow eligible members to purchase service earned in a prior employer's registered pension plan, service with a plan employer before the employer joined the plan and service with a plan employer for a period in which the member had opted out of participation in the plan. These changes are in response to the reality that our members may have spent part of their career at a different post-secondary education institution or with a non-participating employer, or they may have worked in a part-time capacity and may not have joined the plan when they were first eligible. Now, there is an opportunity for members to have these periods reflected in their pension benefit by purchasing these types of service.

The board also approved that effective January 1, 2026, any salary associated with "excess" or "overload" work that is paid at a member's regular rate of pay is considered pensionable. This policy change has the potential to positively impact those members who receive excess or overload pay, because it ensures that the member's pension reflects their actual salary earned. By recognizing a member's full earnings as pensionable, the member's highest average salary (one of the factors used to calculate their pension) may increase, which means a higher pension in retirement.

Board composition

As trustees of the board, what unites us is that we are a layperson board, and we come from different areas of the post-secondary sector, including faculty, senior administration and employers, representatives from the provincial government, as well as a representative for retired members. It's important to have a variety of experience across the board. A mixture of ingrained institutional knowledge and fresh perspectives can generate better and more diverse ways of thinking. Because of our diverse backgrounds, we are in tune with the needs of plan members, and we come together with one purpose in mind: to serve our members and beneficiaries to the best of our ability.

The plan is constantly evolving to keep pace with the needs of our members, and so is the board. Most recently, we welcomed a new trustee, Morna Fraser, appointed to the board in September 2024 by the Federation of Post-Secondary Educators of BC. Morna brings a wealth of experience, knowledge in the areas of finance and accounting and an understanding of the post-secondary sector.

Last, we thank outgoing trustee Paul Ramsey for his years of dedicated service as a trustee on the board, as well as his work as the minister of finance, ushering in the era of joint trusteeship for the BC public sector pension plans, including the College Pension Plan. The board will miss Paul's humour and his vast historical knowledge of the pension system in British Columbia.

Looking ahead

The board held a two-day strategic planning session to establish our work priorities for the next three years. The theme of the retreat was “Elevating our services to plan members and participating employers while ensuring resilience and good governance.”

The board has a fiduciary duty to members and is accountable to members and employers for our decisions. Good governance means that members can rely on the board to guide the plan in the right direction. That is why the board, through our strategic planning, has established goals and priorities that we want to accomplish in the coming year.

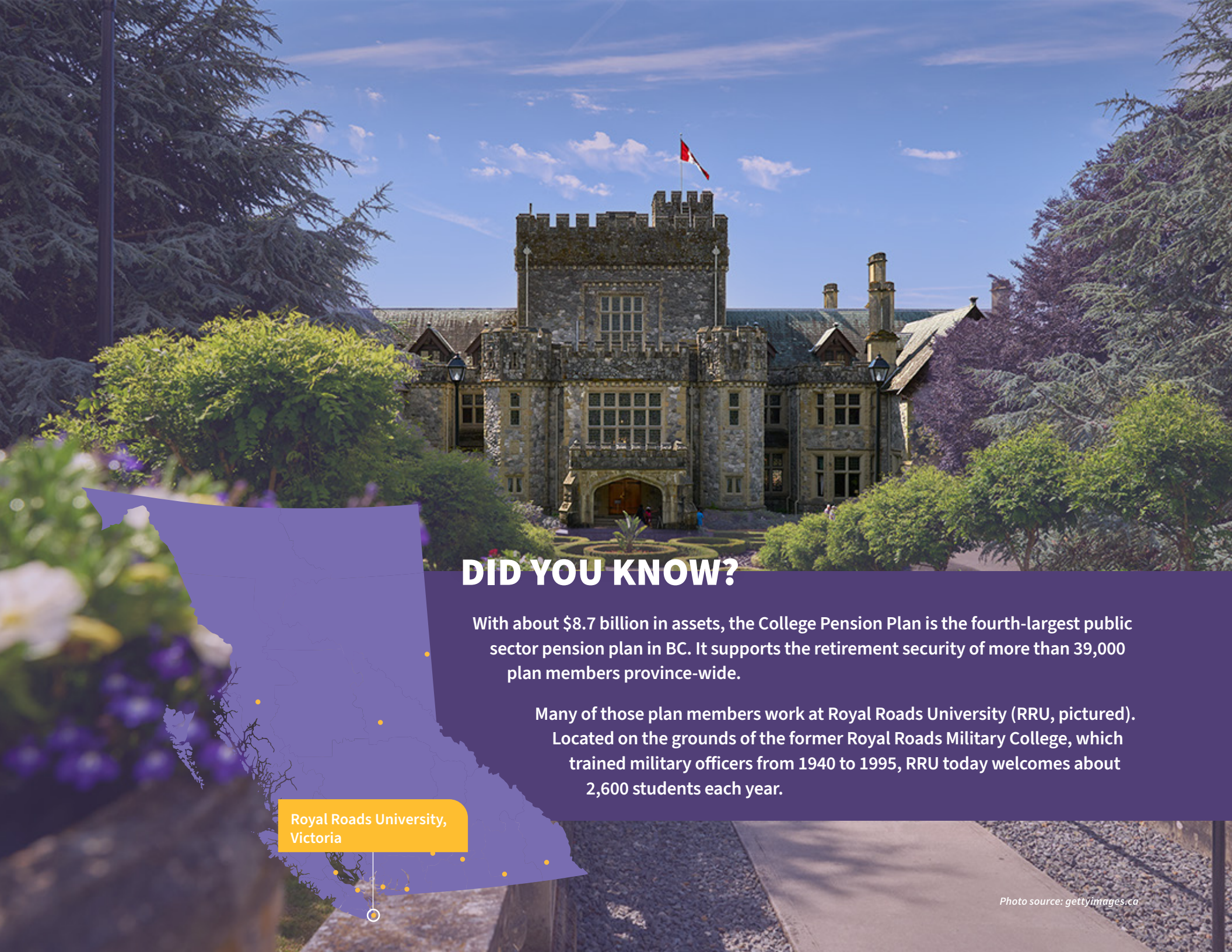
The board is committed to monitoring risks to the plan and will be implementing a new risk management framework, one that strengthens the board’s oversight of key risks and complies with the Canadian Association of Pension Supervisory Authorities’ guidelines. Cybersecurity and the use of artificial intelligence are areas of focus for the board.

The board will also develop and publish a responsible investing policy, which will guide the board’s decision making in relation to responsible investing. Last, the board is in the process of developing an interest-holder relationship strategy to enhance the board’s culture and effectiveness and looking at ways to improve the plan’s communications with members and employers.

I want to end with a personal note of thanks to the board’s staff, agents and service providers, as well as my fellow trustees, for their dedication and partnership in ensuring the success of the plan. After 20 years on the board, it is my time to say goodbye, as I retire from being a trustee. Being a trustee for the plan has been a privilege and one of the most rewarding chapters in my life. I am deeply grateful for the opportunity to have worked alongside such a dedicated and insightful group of individuals, and I am proud of the work we have achieved together. While I will miss our work, I look forward to watching the plan continue to thrive. Thank you for the memories and the honour of being a part of this journey.

Weldon Cowan, board chair

September 1, 2024 to August 31, 2025



DID YOU KNOW?

With about \$8.7 billion in assets, the College Pension Plan is the fourth-largest public sector pension plan in BC. It supports the retirement security of more than 39,000 plan members province-wide.

Many of those plan members work at Royal Roads University (RRU, pictured). Located on the grounds of the former Royal Roads Military College, which trained military officers from 1940 to 1995, RRU today welcomes about 2,600 students each year.

Royal Roads University,
Victoria

Message from our executive strategy officer

The 2024/25 fiscal year was a challenging year marked with global, financial and sector volatility. To continue to provide safe and secure pensions for our current and future members, the College Pension Plan needs to be resilient and adaptable. Here's how we do it.

Diversification

Diversification means spreading the plan's investments across different asset classes, geographies and strategies—not to maximize returns at any cost, but to build resilience.

By holding assets that respond differently to changing economic conditions, we reduce the risk that any single market event could significantly erode the plan's value.

This disciplined approach helps ensure that we can meet our long-term commitments to members regardless of short-term market volatility.

The plan's assets are invested in both public and private markets and globally to take advantage of opportunities both within and outside of Canada.

Every three years, the College Pension Board of Trustees undertakes an asset liability review to confirm or revise the plan's asset mix.

Setting the asset mix is one of the most impactful decisions the board makes, since it drives the overall fund return.

The review is based on a study performed by BCI, our investment agent, in collaboration with Eckler, the plan's actuary. The study uses stochastic modelling to illustrate the risk and likelihood of outcomes of various portfolios under different economic scenarios. After an in-depth review, the board decides on the portfolio that is best positioned to meet the plan's investment objectives. Given that no one has a crystal ball to predict future investment returns, the chosen portfolio has the "expected" risk and return characteristics that align with the plan's risk and return objectives. The current asset mix stems from a review that was completed in 2023.

The board has since embarked on a new review, and this work will be completed in the next fiscal year.



Improving our services and creating opportunities for plan members to increase their pension enhance the plan's reputation as the leading pension plan for the province's post-secondary educators and academic leaders.

Bitia Jenab, executive strategy officer

Risk monitoring

Identifying and being prepared to mitigate risks is always top of mind for me. These risks may bear financial consequences if not addressed, or they may be non-financial in nature, such as reputational risk. They may be short-term or have the potential for long-term impact.

To mitigate the risk of rising contribution rates, we have adopted strategies such as frequent actuarial valuations (every three years), annual updates on the financial position of the plan, the use of the Rate Stabilization Account and an asset mix that is set to curtail the probability of large hikes in contribution rates.

To assess the impact of potential demographic shifts in our membership, we have embarked on an actuarial study that projects the population of active and retired members under different scenarios and assesses the long-term impact of each scenario on the plan's funded status, contribution rates and ability to deliver indexing at the full rate of inflation. We will publish the results of this study in next year's *Annual Report*.

We are also aware of the current needs of our plan members and participating employers as the sector faces financial challenges. Improving our member and employer services, creating opportunities for plan members to increase their pension and communicating in a timely way with both plan members and participating employers enhance the plan's reputation as the leading pension plan for the province's post-secondary educators and academic leaders.

Best-in-class governance model

In our *2024 Annual Report*, I talked about the community that serves the plan. The participants in this community make up the best-in-class governance model that Canada is known for on the global stage.

From the board to our staff, agents and advisors, we all have one goal in mind: to protect the plan for current and future generations under all circumstances. We will leave no stone unturned!

In closing, I would like to express my gratitude to the board, the plan partners, our colleagues and our agents and advisors for their dedication and support in ensuring the plan remains a sustainable and reliable source of income for our members.

Bitra Jenab, executive strategy officer

Learn about the plan's funded status

The plan is funded by employer and member contributions, as well as the investment returns earned on these contributions. At least once every three years, the plan actuary performs an actuarial valuation, comparing the assets of the plan (member and employer contributions plus investment returns) with liabilities (the cost of current and future pensions). Plan sustainability requires a balance between assets and liabilities, which can change with economic and demographic conditions. The funded status is a key indicator of this balance as at the valuation measurement date. Triennial valuations are filed with the regulators showing the plan's funded status and contribution requirements.

In determining the plan's funded status and contribution requirements, the plan actuary uses a set of economic and demographic assumptions. These assumptions drive the valuation results. For the purposes of the valuation, assets are measured on an actuarial value basis, which is the fair market value of assets with investment gains and losses spread over five years to smooth out market fluctuations.

Funding valuation as at August 31, 2024

The most recent independent actuarial valuation of the plan was conducted as at August 31, 2024. In consultation with the plan actuary, we conducted a review of the economic and demographic assumptions. While the economic assumptions remained unchanged from the previous valuation, based on the advice of the plan actuary, we updated the mortality assumption to reflect research recently published by the Canadian Institute of Actuaries. This research suggests a higher long-term rate of improvement in mortality than previously considered (i.e., people are living longer).

Highlights of the August 31, 2024, valuation include:

- A fully funded status after the transfer of \$3.8 million from the Rate Stabilization Account (RSA) to the Basic Account.
- No increase in member and employer contribution rates.
- A healthy and sustainable Inflation Adjustment Account (IAA), indicating that our retired plan members will continue to receive cost-of-living adjustments (COLAs) that match the full increase in the Canadian consumer price index for the next three years.

The RSA is a notional account composed of surpluses generated in prior years that have been set aside to mitigate future increases in contribution rates. Following the transfer of \$3.8 million to the Basic Account, the RSA retained a healthy balance of \$307 million.

The IAA is the account from which non-guaranteed COLAs to our retired members' pensions are paid. The board will reassess the financial position of the IAA as at the next valuation to determine the level of indexing that can be provided over the long term.

[Read the plan's latest valuation report for more detail.](#)

The following provides a reconciliation between the plan's funded status, on a smoothed basis, in the period between the two valuations (from August 31, 2021 to August 31, 2024). The plan experienced strong investment performance, generating an investment income of \$362 million in excess of that anticipated by the valuation interest rate of 6.0 per cent per year.

Reconciliation of funded status

(\$ millions on a smoothed asset basis)

Opening surplus (August 31, 2021)	202
Surplus after transfers to the RSA and IAA	0
Investment gain	362
Transfer of excess investment return to the IAA	(142)
Salary increases higher than assumed	(133)
Addition of mortality reserve	(111)
Other gains/losses	20
Surplus subtotal (unfunded liability before transfer from the RSA)	(4)
Transfer from the RSA	4
Closing surplus (August 31, 2024)	0

Valuation highlights

as at August 31, 2024

100%

Funded status¹

6.0%

Discount rate

Full CPI²

Future COLA

\$362 million

Investment gain¹

1 Based on smoothed assets

2 Based on sustainable indexing valuation

Funded status (\$ millions)

as at August 31, 2024

3.8 transfer from RSA

Assets (smoothed)

8,451.5

8,455.3

Liabilities (cost of current and future pensions)

8,455.3

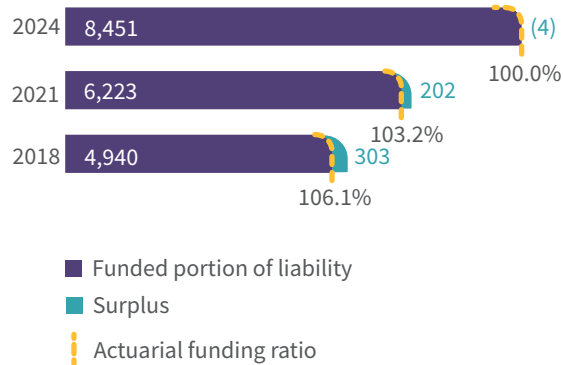
Funded status: A historical perspective

The three most recent valuations (2024, 2021 and 2018) determined that the plan was fully funded on a smoothed basis and there were sufficient assets to meet the plan's obligations with respect to basic benefits. The graph below shows the plan's funded status as at those three valuations.

In addition to the funding valuation, the plan actuary conducts a sustainable indexing valuation to determine the level of pension increases that can be sustained in the long term, taking into account the assets and the long-term funding commitment of the plan. Since the 2018 valuation, the IAA has been sustainable, and indexing has been provided at the full rate of inflation.

Funding of the total basic actuarial liability (\$ millions)

as at August 31

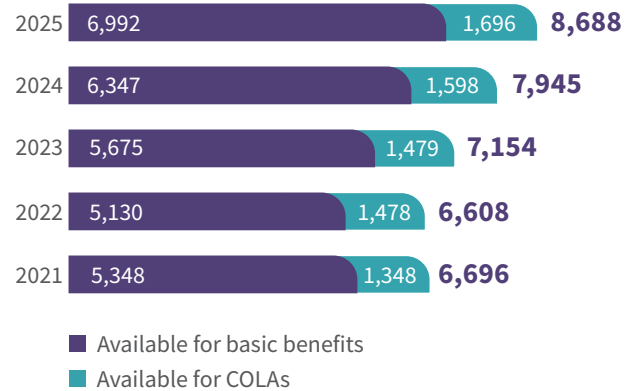


Net assets available for benefits

The benefits provided by the plan are funded by two accounts. The Basic Account holds assets in respect of basic non-indexed benefits. The IAA holds assets in respect of non-guaranteed COLAs for current and future retired members. Every year, the board engages an independent auditor to audit the plan's audited financial statements. The graph below shows the fair market value of assets broken down between the Basic Account and the IAA over the last five years, as disclosed in the plan's audited financial statements.

Net assets available for benefits (\$ millions)

as at August 31





“

Being a plan member provides me with a strong sense of security, and I feel very fortunate knowing I have a pension waiting for me in retirement. Over time, I've realized just how valuable the pension is—especially with the extended health care benefits available in retirement.

James Nattall, member

Explore plan performance

Overall performance

The College Pension Plan delivered strong returns this year, supporting the plan's ability to meet its long-term commitments to members.

The plan earned a return of 9.4 per cent, above the 6.0 per cent return objective. The return objective is the expected rate of return assumed by the plan actuary in the actuarial valuation of the plan. The plan's one-year return of 9.4 per cent was below the 11.9 per cent benchmark. **The benchmark is a standard set by the board**

to measure BCI's performance. While benchmarks serve as performance measures over longer time periods, short-term volatility can cause temporary mismatches.

The plan's one-year benchmark shortfall was driven primarily by private equity and real estate equity. Private equity lagged as its public equity benchmark was lifted by the gains of a small number of large-cap technology companies—a concentration that a private equity portfolio

cannot replicate. Real estate equity faced headwinds from elevated interest rates, geopolitical uncertainty and softer property valuations against the program's fixed benchmark of 6.8 per cent.

Long-term investment performance matters most to pension plans, including the College Pension Plan. The plan is well positioned, with 5-year (8.4 per cent) and 10-year (8.0 per cent) returns that match the plan's benchmarks. Over both these periods, the plan exceeded its return objective by a healthy margin, meaning the plan is in a strong position and can cover its pension commitments to members

All returns stated in this section are as at August 31, 2025.

Overall performance (%)

as at August 31, 2025

9.4

One-year return

8.4

Five-year return

8.0

Ten-year return

6.00

One-year return objective

6.05

Five-year return objective*

6.15

Ten-year return objective*

11.9

One-year benchmark

8.4

Five-year benchmark

8.0

Ten-year benchmark

* 5-year and 10-year return objectives are calculated using historical objectives in effect during those reporting periods.

Investment approach

The board and BCI take a long-term approach to investing to ensure the plan is secure and sustainable for both current and future members. This is an important responsibility, because for every \$100 of pension benefits a plan member receives, about \$75 comes from investment income.

The goal is to meet or exceed the plan’s investment return objective (the long-term returns required to pay for the plan’s pensions) while taking on an appropriate level of risk. To achieve this, the board and BCI have built a diversified portfolio that is invested in multiple asset types, industry sectors and global markets.

Diversification is a key part of risk management, as it limits the impact on the whole portfolio during times of lower returns, such as a market downturn. The plan’s investments are adjusted based on anticipated risk and market outlook, either to protect the plan or to take advantage of opportunities.

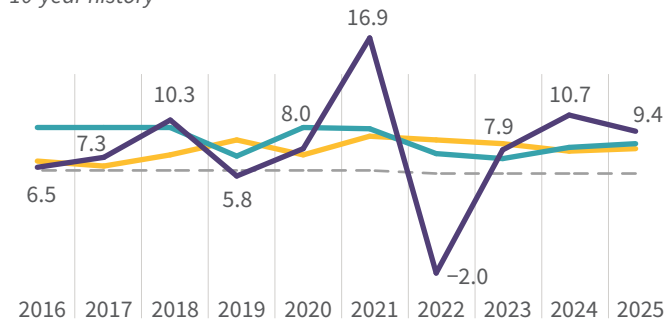
Maintaining a healthy liquidity level is important for the plan and BCI. The plan’s liquidity level remains strong, which means the plan is secure and pensions will continue to be paid uninterrupted, even during periods of market stress or volatility. Additionally, BCI maintains disciplined liquidity management, because market uncertainty can create opportunities to buy high-quality assets at attractive prices that support the plan’s long-term objectives.

The plan’s overall framework for managing assets is governed by the Statement of Investment Policies and Procedures (SIPP). The SIPP is established and updated by the board. BCI is responsible for applying the investment strategy and working toward the financial goals outlined in the SIPP. The board oversees and monitors BCI’s performance in carrying out this responsibility.

The board maintains a series of eight core investment beliefs that guide its investment decisions. [Learn more.](#)

Investment returns (%)

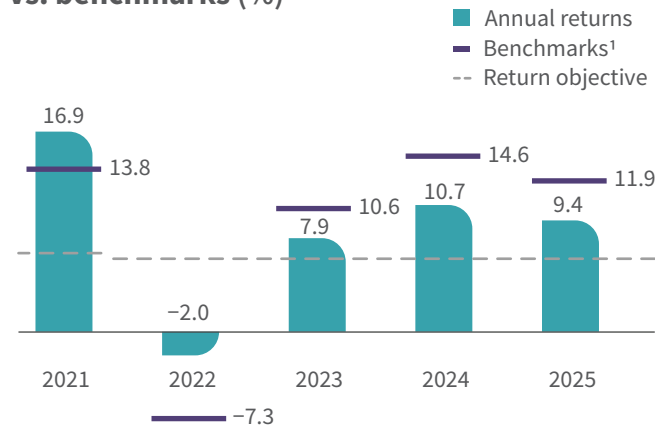
10-year history



Rate of return:

- 1 year
- 5 year annualized
- 10 year annualized
- Return objective

Annual rates of return vs. benchmarks (%)



¹ The plan’s benchmark shortfalls were driven primarily by private equity and real estate equity. Please see page 18 for a more thorough explanation.

DID YOU KNOW?

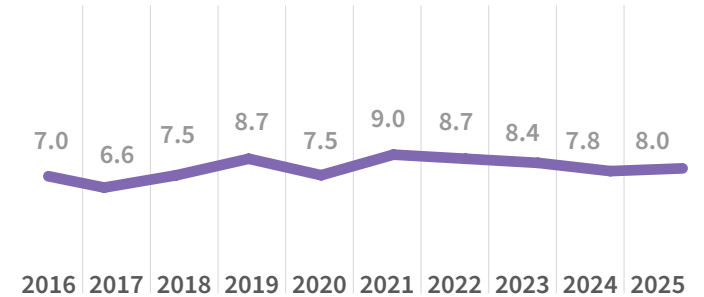
The College Pension Plan is built for the long term—not just years, but decades. While markets and returns may fluctuate from year to year, the plan is designed to withstand short-term volatility so it can pay pensions now and into the distant future.

Like investing, turning a piece of wood into a piece of art takes a steady hand, planning, care and patience. The result? Something amazing.

Jim Placzek, retired member

Investment returns (%)

10 year annualized, to August 31



Asset mix

Spreading investments across different types of assets helps manage risk and build long-term value for plan members.

The board sets targets for how much of the portfolio should be invested in each type of asset—such as stocks, bonds, real estate, infrastructure and private equity. These targets, along with allowable ranges, guide how BCI invests the plan’s funds.

By investing across different asset types, industries and regions around the world, the plan avoids relying too heavily on any single investment.

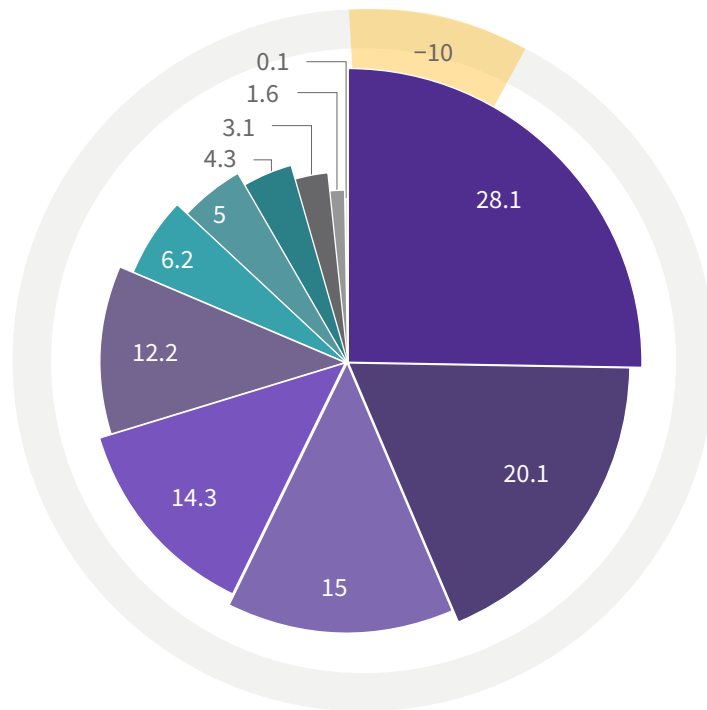
Through a process called an asset–liability review, the board chooses the asset mix most likely to meet the board’s financial goals, balancing the potential for higher returns against the level of risk the plan can accept. The process examines the plan’s financial commitments, expected contributions, member demographics and economic trends to maintain the long-term financial sustainability of the plan. This decision is one of the most important factors in determining how well investments perform over time. The plan also holds enough liquid assets—investments that can be quickly converted to cash—to meet near-term obligations such as pension payments.

Throughout the year, the board and BCI monitor the portfolio together. The board may also adjust asset mix targets if circumstances change—for example, if the plan’s financial objectives shift or if long-term market expectations are updated. For the plan’s current and target asset mixes, please see the next two pages.

By investing across different asset types, industries and regions, the plan avoids relying too heavily on any single investment.

Investment holdings¹ (%)

as at August 31, 2025

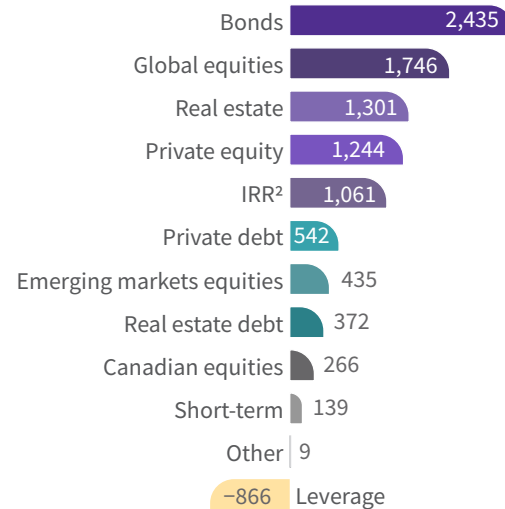


- Bonds
- Global equities
- Real estate
- Private equity
- IRR²
- Private debt
- Emerging markets equities
- Real estate debt
- Canadian equities
- Short-term
- Other
- Leverage

1 Asset classifications vary from the financial statements for performance reporting.
 2 Infrastructure and renewable resources.

Investment holdings¹ (market value) (\$ millions)

as at August 31, 2025



Total \$8.68 billion

1 Asset classifications vary from the financial statements for performance reporting.
 2 Infrastructure and renewable resources.

Asset mix and performance (%)

as at August 31, 2025

	Approved range	Target asset mix	Actual asset mix	One-year rate of return	Performance benchmark
Fixed income					
Short-term	0-7	2	1.6	5.4	5.2
Government bonds	10-26	18	19.7	2.1	2.1
Corporate bonds	4-10	7	8.4	4.7	4.1
Private debt	4-10	7	6.2	8.4	6.4
Real estate debt (mortgages)	1-8	5	4.3	5.4	5.0
Total fixed income	31-47	39	40.2	4.2	3.7
Equity					
Canadian equities	0-6	3	3.1	21.6	25.9
Global equities	5-25	15	20.1	18.5	17.6
Emerging markets equities	2-10	5	5.0	18.8	19.0
Private equity	11-21	16	14.3	9.9	20.0
Total equity	29-51	39	42.5	15.7	19.5
Real assets					
Real estate	11-22	17	15.0	(1.1)	6.8
Infrastructure and renewable resources	8-18	15	12.2	8.1	6.5
Total real assets	22-40	32	27.2	2.9	6.7
Other	0-5	0	0.1	—	—
Leverage	(15)-0	(10)	(10)	3.7	3.7
Total portfolio		100	100.0	9.4	11.9

Fixed income and public equity

The plan's public market investments delivered solid returns this year, contributing to the plan's stability and fully funded status.

Within public markets, the plan is invested in fixed income (short-term money market securities, government and corporate bonds, real estate debt and private loans) and public equities (publicly traded stocks and strategies that aim to deliver returns similar to a broad stock market index).

Fixed income contributed positively to the plan's one-year return. The asset class posted a return of 4.2 per cent, above the 3.7 per cent benchmark.

Over five years, the asset class delivered an annualized return of 1.3 per cent, above the 0.8 per cent benchmark.

On a one-year basis, public equity delivered a return of 18.9 per cent, slightly below the 19.2 per cent benchmark.

Over five years, the asset class delivered consistent returns, posting a 12.7 per cent annualized return, matching its benchmark.

Public equity gains were driven by a combination of technology sector strength, continued artificial intelligence (AI) momentum and a reduction in the U.S. Federal Reserve's benchmark interest rate.

Fixed income (%)

as at August 31, 2025

4.2

One-year
return

3.7

One-year
benchmark

1.3

Five-year
return

0.8

Five-year
benchmark

Public equity (%)

as at August 31, 2025

18.9

One-year
return

19.2

One-year
benchmark

12.7

Five-year
return

12.7

Five-year
benchmark

Top 25 company holdings: Total public equity exposure—worldwide

as at August 31, 2025

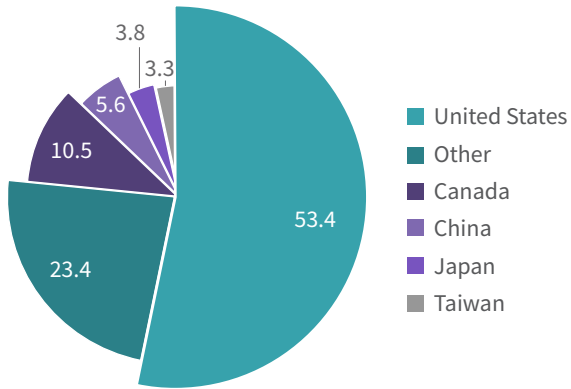
Company	Percentage of portfolio (%)	Percentage of public equity (%)	Total exposure (\$ millions)
Nvidia Corp.	1.1	3.9	95.4
Microsoft Corp.	1.0	3.4	83.4
Apple Inc.	0.8	3.0	73.3
Alphabet Inc.	0.6	2.1	52.5
Amazon.com, Inc.	0.6	2.1	50.7
Taiwan Semiconductor Manufacturing Co., Ltd.	0.5	1.8	43.2
Meta Platforms, Inc.	0.4	1.5	37.2
Broadcom Inc.	0.3	1.2	28.7
Tencent Holdings Ltd.	0.3	1.0	23.7
Tesla, Inc.	0.2	0.8	18.8
Royal Bank of Canada	0.2	0.8	18.4
Samsung Electronics Co., Ltd.	0.2	0.7	16.0
Shopify Inc.	0.2	0.6	15.5
JPMorgan Chase & Co.	0.2	0.6	15.1
Visa Inc.	0.2	0.6	14.5
Alibaba Group Holding Ltd.	0.2	0.6	14.0
Toronto-Dominion Bank	0.2	0.6	13.5
Berkshire Hathaway Inc.	0.1	0.5	12.2
Mastercard Inc.	0.1	0.5	11.6
Eli Lilly and Company	0.1	0.5	11.3
Bank of America Corp.	0.1	0.4	10.1
Enbridge Inc.	0.1	0.4	9.4
Netflix, Inc.	0.1	0.4	9.1
Agnico Eagle Mines Ltd.	0.1	0.4	9.0
Canadian Pacific Kansas City Ltd.	0.1	0.4	9.0

This chart represents the top 25 public company holdings in the plan's public markets program.

See the [full list of BCI's investment inventory](#) as at March 31, 2025. The inventory includes information for all of BCI's clients, not just the College Pension Plan.

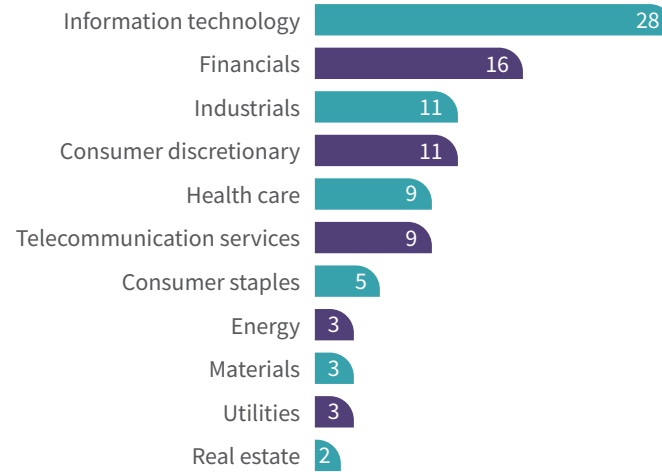
Public equities by country (%)

as at September 30, 2025



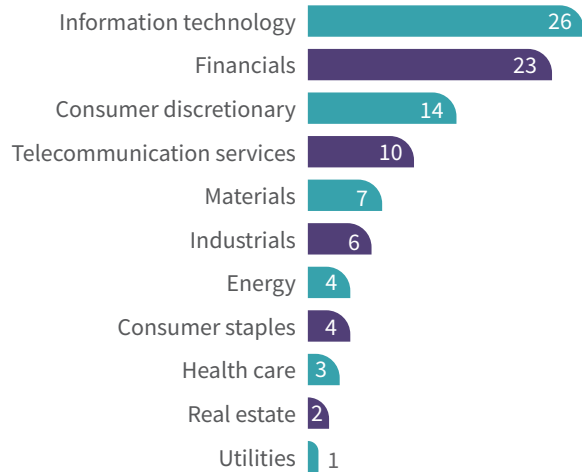
Global equities by sector (%)

as at September 30, 2025



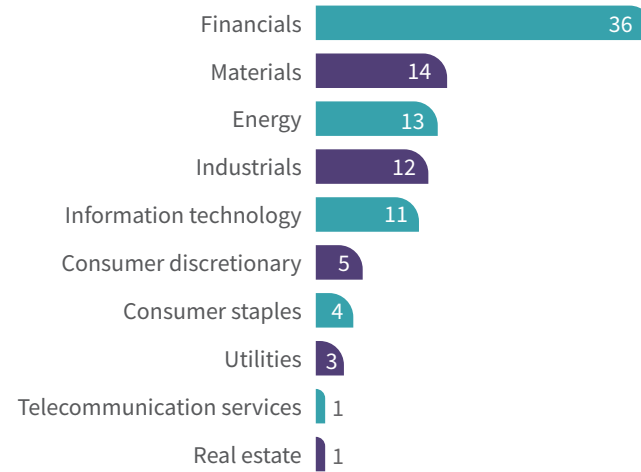
Emerging markets equities by sector (%)

as at September 30, 2025



Canadian equities by sector (%)

as at September 30, 2025





“

A pension wasn't the first thing on my mind when I joined the plan at age 25. But over the years, having a pension gave me peace of mind and reassurance that professionals were looking after my future.

Retirement allows me to move at a slower pace and live with more balance. I can devote myself to passions such as learning, writing and meditation while still having time to connect with nature, be with my family and contribute through meaningful non-profit work.

Mandana Rastan, retired member

Private equity

Private equity provided strong returns for the plan over both one- and five-year periods, positively impacting the plan's total fund return. Over the past year, however, returns from private equity did not keep pace with a rapidly rising public equity benchmark. On a one-year basis, private equity returned 9.9 per cent, compared with the 20.0 per cent benchmark.

Soaring technology stocks, particularly the “Magnificent Seven” (Alphabet, Amazon, Apple, Meta Platforms, Microsoft, Nvidia and Tesla), continued to drive up the public equity benchmark that private equity is measured against.

Private equity's performance over five years remained strong and above target. The asset class returned 16.4 per cent on an annualized basis, above the 15.2 per cent benchmark.

Private equity remains well positioned to deliver returns for the plan, with a focus on selective high-conviction opportunities, deep partnerships and operational value creation.

Private equity (%)

as at August 31, 2025

9.9

One-year
return

20.0

One-year
benchmark

16.4

Five-year
annualized return

15.2

Five-year
benchmark



DID YOU KNOW?

The College Pension Plan is jointly governed, meaning members and employers share responsibility for managing the plan.

This approach ensures that institutions like Selkirk College (pictured)—and the plan members who work there—are both represented at the board table, bringing balanced perspectives to long-term decision making.



Selkirk College,
Castlegar

Photo source: commons.wikimedia.org

Infrastructure and renewable resources

Infrastructure and renewable resources (IRR) provided strong returns for the plan over both one- and five-year periods.

IRR’s one-year return was positive. The asset class posted a return of 8.1 per cent, above the 6.5 per cent benchmark.

IRR posted an annualized five-year return of 9.8 per cent, above the 6.4 per cent benchmark. The plan benefited from diversified investments and strong performance from core infrastructure investments, like regulated utilities, timber and farmland.

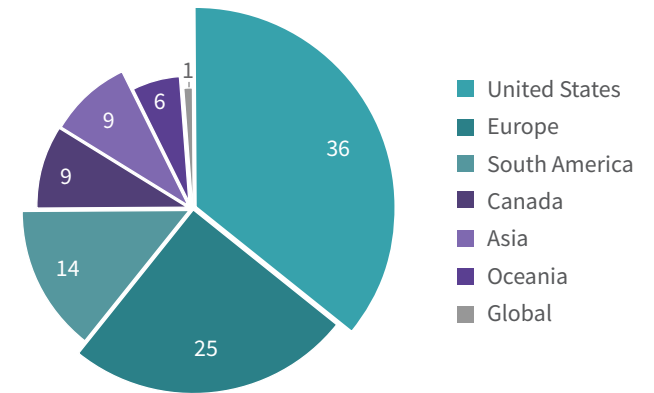
Digital infrastructure remains a priority as demand for cloud computing and AI outpaces supply. Energy and utilities are also in demand to support network expansion for electrification, data centres and renewable energy integration.

Infrastructure debt continues to provide stable cash flows and low default rates.

The asset class is well positioned for the future, with a portfolio that is resilient to changing market conditions and focused on long-term trends.

Infrastructure and renewable resources regional diversification (%)

as at September 30, 2025



IRR (%)

as at August 31, 2025

8.1

One-year return

6.5

One-year benchmark

9.8

Five-year annualized return

6.4

Five-year benchmark

Real estate

The global real estate market continued to face challenges this year due to economic uncertainty, including trade tensions and tariff concerns. However, the plan's real estate portfolio is strongly positioned, with diversified assets across regions and sectors.

Real estate equity had a one-year return of -1.1 per cent, below the 6.8 per cent benchmark, which has negatively impacted the funded status of the plan. Short-term underperformance reflects ongoing market pressures, which has negatively impacted valuations.

Real estate equity delivered an annualized five-year return of 3.5 per cent, below the 6.7 per cent benchmark.

The global property market appears to be slowly turning a corner. Property values are stabilizing and interest rates are falling, which is good news. However, broader market and geopolitical uncertainty continues to temper sentiment.

Operating fundamentals remained strong in key sectors, like industrial, residential and alternative property types. Alternative properties include student housing, self-storage and data centres.

Real estate equity (%)

as at August 31, 2025

-1.1

One-year
return

6.8

One-year
benchmark

3.5

Five-year
annualized return

6.7

Five-year
benchmark



DID YOU KNOW?

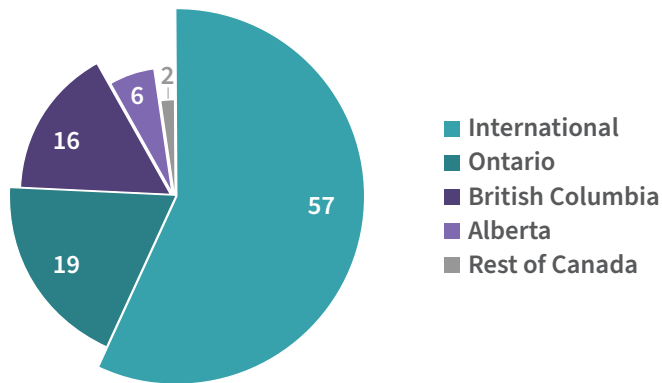
A broad mix of real estate is one component of the plan’s balanced investment portfolio. The plan has a diverse portfolio that includes infrastructure and renewable assets, public and private equities, fixed income securities and more.

Like success in curling, investment success is also dependent on balance and the diversity of shot placement. No single stone (or investment) wins the game alone.

Debby Vollbrecht, retired member

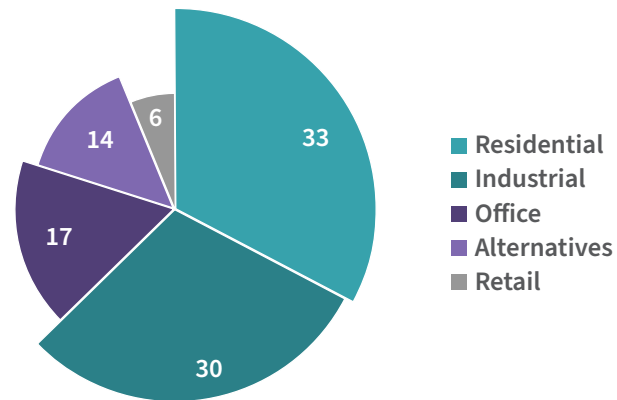
Real estate by location (%)

as at September 30, 2025



Real estate by property type (%)

as at September 30, 2025



Responsible investing

Responsible investing is a key component of the plan's investment approach. BCI applies the plan's responsible investing practices as its investment agent, which involves integrating environmental, social and governance (ESG) factors into investment decisions. BCI also encourages positive ESG performance in its portfolio companies through its stewardship approach.

The board and BCI believe that ESG integration is important in growing and protecting the value of the plan. ESG factors may be specific to a company, such as board composition, executive compensation and employee safety, or they may be widespread systemic factors like climate change.

Our shared belief is that companies with strong ESG practices are better positioned to deliver risk-adjusted returns for plan members.

BCI's ESG Strategy focuses on four key actions to address the material factors to the plan's investments:

Integrate

ESG analysis and risk management are part of investment processes and decisions.

Influence

Through engagement and advocacy, BCI seeks to influence the companies it invests in, its partners and other participants in capital markets.

Invest

BCI actively seeks ESG-related investment opportunities that help improve long-term outcomes for clients.

Insight

An understanding of emerging trends and insights across all ESG activities is used to continually adapt and improve BCI's strategies, processes and approaches.

Addressing climate change

Climate change is both an investment opportunity and a long-term material systemic risk to the plan.

On behalf of its clients, BCI is committed to supporting the global goal of achieving net-zero greenhouse gas emissions by 2050. Its [Climate Action Plan](#) outlines the actions BCI is taking to support this goal, aligned with creating and preserving financial value for clients through the uncertainty of the climate transition. This is achieved by actively engaging with portfolio companies, advocating for supportive policy changes and participating in global initiatives on climate action reporting and transparency.

There is progress: BCI's portfolio carbon footprint has decreased by 56 per cent since 2020. More detailed information and metrics on climate action can be found in BCI's [Corporate Annual Report](#).

Additionally, BCI manages climate change risk across all asset classes and pursues meaningful climate-related opportunities in sectors and with companies positioned to benefit from the transition to a low-carbon economy. As at March 31, 2025, BCI's total exposure to climate-related opportunities reached \$12.1 billion, demonstrating how climate action creates value alongside risk mitigation.

BCI also invests in sustainable bonds, which can provide low-risk returns and help finance projects with positive environmental or social outcomes. It exceeded its 2025 objective of \$5 billion in sustainable bond investments, reaching \$6.4 billion as at March 31, 2025.



BCI's approach to stewardship

BCI's stewardship approach supports positive ESG performance in its portfolio companies through global policy advocacy, proxy voting and engagement. BCI's annual [Stewardship Report](#) outlines key engagement activities, priorities and outcomes.

Policy advocacy

BCI engages at the policy and market levels to strengthen the investment landscape. By advocating for policy changes that incorporate ESG principles into regulatory frameworks, BCI contributes to greater policy certainty within global capital markets.

BCI also participates in collaborative initiatives with like-minded investors and engages with regulators to promote robust ESG disclosure standards and practices that benefit the plan's investments.

Proxy voting

BCI uses proxy voting as a tool to encourage ESG improvements through board and management accountability. A full record of BCI's votes and rationale can be found through a [searchable database](#) on its website.

Voting results

for the year ended March 31, 2025

Voted on

29,182 agenda items

Voted virtually in

52 countries

Voted against management in

26% of cases

Voted against or withheld votes from

32% of director nominees

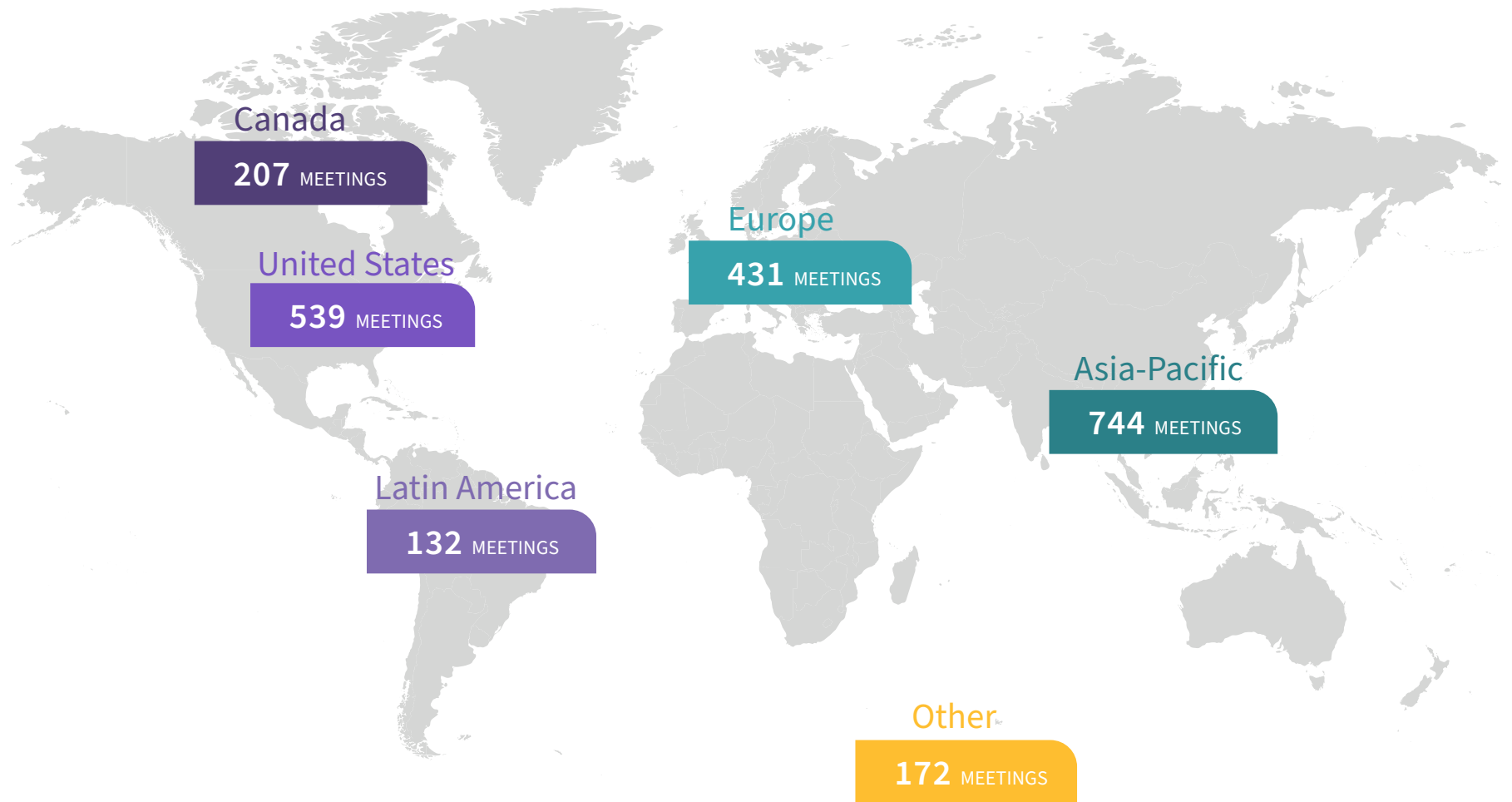
Voted on

1,017 shareholder proposals

Supported

48% of shareholder proposals

BCI participated virtually in **2,225 global meetings** during the 2025 proxy season



Direct and collaborative engagement

BCI engages with public and private companies on a broad range of ESG topics. Some interactions consist of targeted outreach on a specific, material ESG issue, while others involve multiple topics or milestones.

Priority 1



**Climate change—
physical and transition risk**

Priority 2



**Responsible artificial
intelligence**

Priority 3



**Human capital
management**

Climate-related disclosure

Transparency plays a major role in climate action, and BCI follows market practices for climate-related disclosures. BCI supports the new Canadian Sustainability Disclosure Standards, which align with the global baseline set out by the International Sustainability Standards Board. The Canadian Sustainability Disclosure Standards aim to help Canadian companies voluntarily report on their sustainability practices and ESG activities.

For more information and more ESG case studies, please see BCI's [Stewardship Report](#).



ESG value creation in private equity

In partnership with Stanford University's Stanford Research Initiative on Long-Term Investing, BCI Private Equity demonstrated that ESG factors can drive measurable value creation within a business and across a portfolio. Real examples from BCI's private equity portfolio illustrate how focusing on ESG factors can lower costs, reduce risk and strengthen long-term value.

For example, at one logistics and transportation company, a people-centred operating model reduced employee turnover, improved safety, lowered insurance costs and strengthened competitiveness—supporting stronger, more stable returns.

Explore the [full case studies](#).

“

I am glad to be part of the plan and particularly pleased that my years of service with a different pension plan were transferable. I feel confident in the way our plan is administered.

Since retiring, I have enjoyed kayaking in Victoria's Inner Harbour and on the Gorge. It started when I was involved in doing a survey of heritage buildings in the area, and I became interested in seeing the neighbourhood from the water.

Patrick Dunae, retired member



Managing costs

BCI

The plan's investment agent, BCI, operates on a cost-recovery basis, meaning the plan pays fees only to cover the cost of managing the investments (no profit margin is built into the fees). BCI's fees continue to be competitive with those of its peers.

Investment management fees are affected by the types of assets, the plan's asset mix and BCI's investment strategy. Some asset classes are more complex and expensive to manage, which affects fees.

BCI's transition to active, in-house fund management has helped reduce fees by moving away from more expensive external managers. Additionally, BCI has access to significant economies of scale when investing on behalf of the plan. The goal is to earn enough investment income to fulfil the plan's pension commitments at a reasonable cost.

Pension Corporation

The plan's administrative agent, Pension Corporation, operates on a non-profit, cost-recovery basis. This means it charges only what is needed to deliver its services. Pension Corporation delivers dependable, timely service to plan members across five public sector pension plans and one retiree benefit trust.

By serving multiple plans, Pension Corporation benefits from a shared service model that creates efficiencies and economies of scale. This approach allows it to introduce new and innovative services while maintaining a high standard of service. With a strong focus on improving the member experience, Pension Corporation has strengthened its operations and expanded its services to support the plan's continued growth.

BCI delivered higher returns at a lower cost than the median peer benchmark. To determine this, CEM Benchmarking Inc., a global data and insights firm with over 300 participants, compared BCI with its Canadian pension plan peers for the five-year period ended December 31, 2024.¹

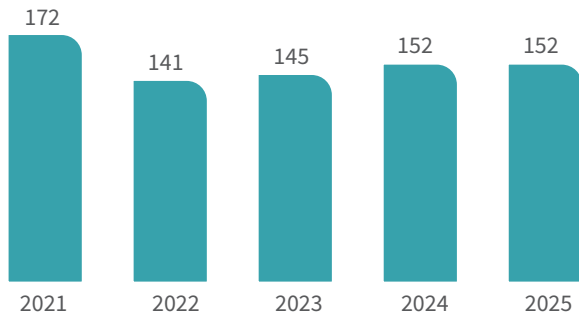
¹ The CEM Benchmarking investment benchmarking survey is produced on a one-year lag.

Cost per member and satisfaction scores for the plan

This data was collected by Pension Corporation, the plan’s administrative agent. Pension Corporation uses a fiscal year-end date of March 31 (different from the plan’s fiscal year-end date of August 31).

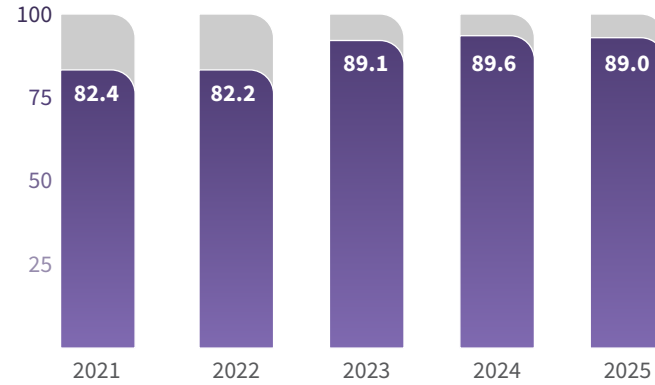
Cost per member (\$)

for the year ended March 31



Member satisfaction score (%)¹

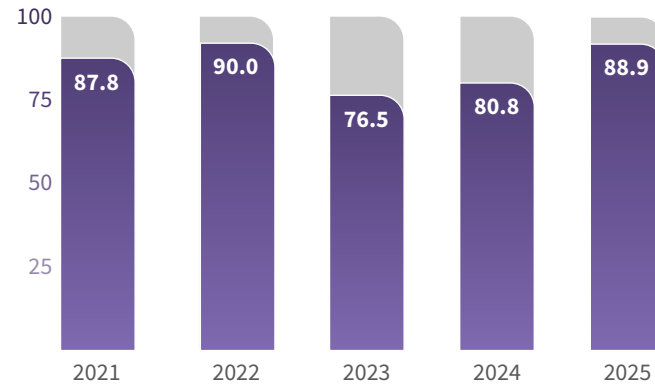
for the year ended March 31



¹ Previous years’ scores have been updated from last year’s *Annual Report* to reflect additional survey data.

Employer satisfaction score (%)¹

for the year ended March 31



¹ Previous years’ scores have been updated from last year’s *Annual Report* to reflect additional survey data.

Investment glossary

Absolute return: The per cent or dollar amount that an investment rises or declines in a given period, without comparing it to a benchmark. For example, a nine per cent return is a positive absolute return even if it's below the benchmark, because the investment grew in value.

Allocation range: The minimum and maximum percentages that can be invested in each asset class. These ranges provide flexibility while maintaining the overall investment strategy and risk limits set by the board.

Annualized return: The compound average yearly return over a specific period, calculated to show performance over time. This helps compare investment results across different time periods.

Asset class: A category of investments with similar characteristics and market behaviour, such as fixed income, public equity, private equity, real estate or infrastructure.

Benchmark: A standard used to evaluate investment performance, typically market indexes and other measures. Benchmarks are set by the board and represent what the investments would have earned if they had followed market indexes passively for some investment types, or long-term performance expectations for others.

Leverage: The process of borrowing capital to increase investment in certain assets, with the expectation that it will improve overall long-term risk-adjusted investment returns and enhance short-term liquidity. For example, BCI's funding program borrows capital for investment across the portfolio's asset mix. The borrowed capital and associated costs are reported as leverage.

Liquidity: The ability to purchase or sell an asset quickly and easily without significantly affecting the fair market value. Strong liquidity allows the plan to seize new investment opportunities quickly as they arise.

Portfolio: The complete collection of investments held by the plan. A diversified portfolio spreads investments across different asset classes, sectors and regions to manage risk.

Return objective: The expected rate of return assumed by the plan actuary in determining the plan's liabilities and overall financial health. Meeting or exceeding this objective over the long term means the plan can cover its pension commitments.

Discover the benefits

From the moment a member contributes, they join thousands of others who rely, or will rely, on the plan for a secure income in retirement. Beyond the predictable lifetime pension provided by a defined benefit pension plan, membership also comes with additional benefits, such as the ability to transfer or buy service and access to optional extended health care and dental benefits. Perhaps most importantly, whatever the member's career stage, the plan provides peace of mind.

What members receive

Lifetime pension benefit

The lifetime pension benefit that members receive upon retirement is based on:

- An accrual rate
- The member's years of pensionable service in the plan
- The average of the member's highest five years of salary (not necessarily the last five years)

Bridge benefit (only for service earned before January 1, 2016)

If a member retires before age 65, their pension may include a temporary payment called a bridge benefit. The bridge benefit is based only on service earned before January 1, 2016, and is paid from the member's retirement date until they turn 65 (or their death, whichever is earlier).



Sarah Kay, member

Pension options

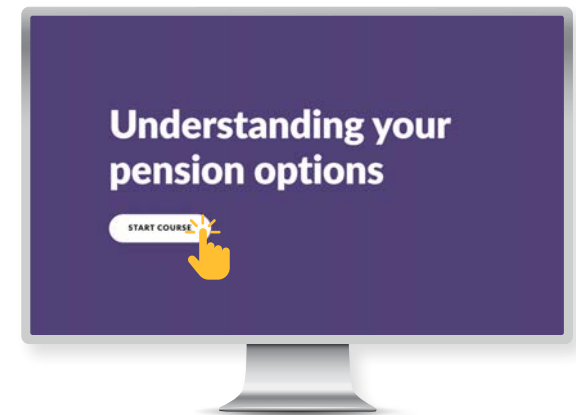
The pension option a member selects at retirement determines the amount of their lifetime monthly pension payment and the amount their spouse or beneficiaries may receive when the member dies. The plan provides a range of single life and joint life options, with guarantee periods. The plan also provides members with a temporary annuity option (an additional monthly payment) to increase their monthly income until age 65 or death, whichever comes first. The annuity cost lowers the lifetime pension amount after age 65. Visit [Understanding your pension options](#) (link in image on right) to learn more.

Pre-retirement death and disability benefits

The plan provides security for members and their loved ones in the event a member dies before retirement or becomes permanently disabled before age 65.

If the deceased member has a spouse, their spouse is automatically the beneficiary and may be eligible to receive a pre-retirement death benefit for the rest of their life (unless the surviving spouse has waived their right to the benefit).

If a member becomes totally and permanently disabled before age 65, they may be eligible for a disability benefit from the plan. If the member remains disabled at age 65, they will be paid a disability benefit for their lifetime. This replaces any termination benefits or regular pension they would otherwise receive as a plan member.



Cost-of-living adjustments

To keep pace with inflation, the plan may provide an annual cost-of-living adjustment (COLA) to pensions in pay.

While not guaranteed, COLAs help maintain the purchasing power of members' pensions. Once COLAs are granted by the board, they become part of a retired member's basic pension.

The COLA is also applied to the bridge benefit and the temporary annuity portion of a member's pension, if applicable. When the bridge benefit or temporary annuity ends, the COLA on those benefits also ends.

In a member's first year of retirement, their COLA amount is pro-rated according to the number of months they've been retired.

The COLA is based on the change in the 12-month average Canadian consumer price index from one year to the next. Each year, the average from November to October is compared with the 12-month period that came before it. The percentage difference between the two 12-month periods is used to calculate the COLA.

COLAs depend on the availability of funds in the plan's Inflation Adjustment Account. In some years, the board may cap COLAs at a certain rate. The board has granted full COLAs in all but 2 of the last 25 years.

Learn more about the plan's approach to COLAs at college.pensionsbc.ca/adjusting-for-inflation.

COLA history

2005–2025

Year	Increase
2025	2.6
2024	4.4
2023	6.5
2022	2.7
2021	1.0
2020	1.9
2019	2.07 ¹
2018	1.5
2017	1.4
2016	1.2
2015	1.8
2014	0.9
2013	1.8
2012	1.83 ¹
2011	1.7
2010	0.0 ²
2009	3.4
2008	2.5
2007	0.7
2006	3.4
2005	1.8

¹ A COLA cap was applied in 2012 and 2019.

² In 2009, the 12-month average of the Canadian consumer price index dropped by 0.9 per cent. No COLA was granted in 2010. The board did not decrease pension payments.

DID YOU KNOW?

COLAs added to retired members' pensions help preserve buying power throughout retirement.

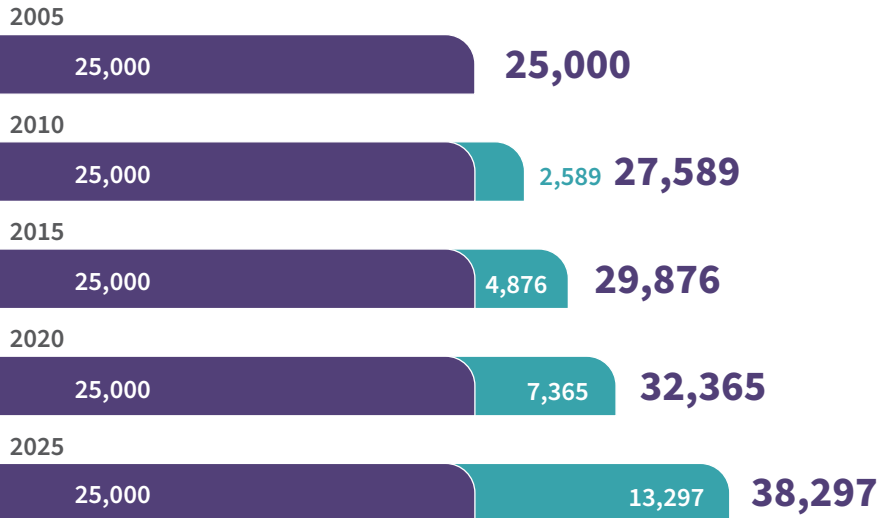
Because COLAs are tied to inflation, member pensions won't erode over time, meaning hobbies and activities—like gardening—can remain a significant part of members' everyday lives.



Allison Kirschenmann, retired member

Cumulative growth to a basic pension of \$25,000 over 20 years

Five-year increments



Basic annual pension

Cumulative COLA increases over time

Service purchases

Members may be eligible to purchase service to improve their pension. Examples include:

- Leaves of absence (such as parental leave, compassionate care leave, or critical illness or injury leave). Note that leave types recognized by the *Employment Standards Act* are cost shared with employers.
- Buying arrears for a period when the member was eligible to make contributions to the plan but the employer did not deduct them.
- Times when a member worked less than their full assignment, known as periods of reduced pay.

When employment ends

When members leave their job, the options available to them depend on their age and circumstances. Members may be eligible to:

- Defer their pension and apply for it later.
- Transfer the commuted value of their pension to a locked-in retirement vehicle (if they are under their earliest retirement age of 55).
- Apply for a monthly pension (once they have reached their earliest retirement age).
- Transfer their pensionable and contributory service to another public sector pension plan if a transfer agreement is in place.

Optional extended health care and dental coverage

While not guaranteed, retired plan members have access to unsubsidized extended health care and dental coverage. This coverage provides access to competitive group rates and covers some costs of medical treatment beyond what's provided by provincial health care plans.

Learn more about how coverage works at college.pensionsbc.ca/retirement-health-coverage.

On January 1, 2026, the board announced changes to extended health care coverage that better reflect members' needs. Watch the video linked below to learn more about what's changed and how it may affect members.



Who our members are

The plan continues to grow. In 2025 we welcomed 1,699 new members and membership reached 39,071.

Purposeful growth accomplishes two things:

- It creates opportunities for more people to enrol, adding the security of a defined benefit pension plan to their retirement strategy.
- It supports better retirement outcomes for current and future members.

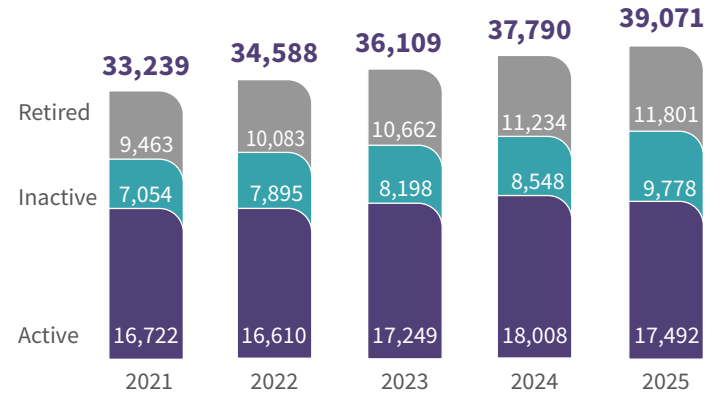
We are pleased to see the plan continue to grow, strengthening the foundation needed to provide secure pensions for current and future members.

Member types

Active members are those currently contributing to the plan, on an approved leave of absence or receiving benefits from an employer’s approved long-term disability plan. Inactive members are those who have terminated employment with a plan employer but remain entitled to benefits from the plan. Retired members are those currently receiving a pension, including a survivor pension or disability benefit.

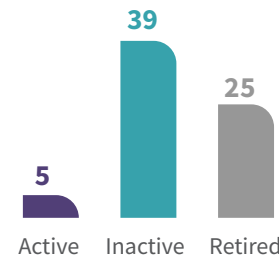
Number of members

as at August 31



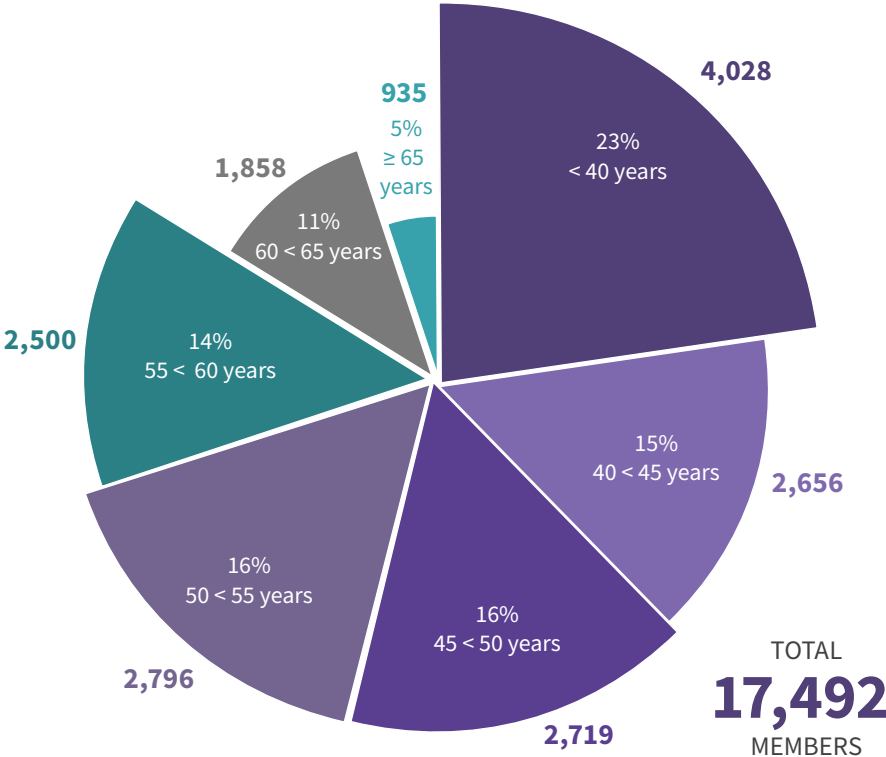
Change in membership (%)

from August 31, 2021 to August 31, 2025



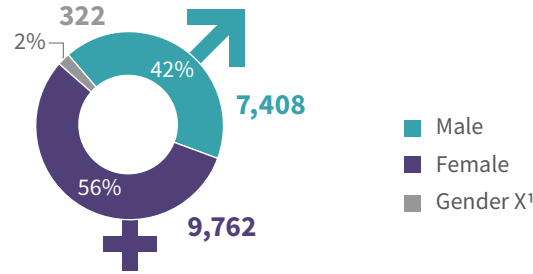
Active members by age

as at August 31, 2025



Active members by gender

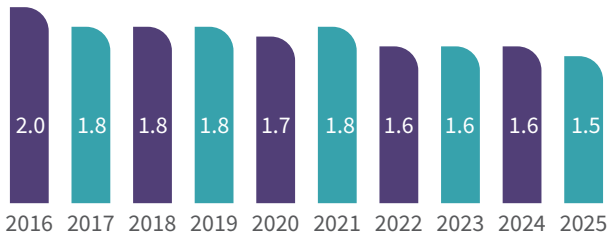
as at August 31, 2025



1 Members who would like to identify as gender X should tell their employer, who will pass this information on to the plan.

Ratio of active to retired members

as at August 31



Retired pension profile¹

as at August 31, 2025

Member years of service	Age at retirement				Total	Average annual pension ^{2,3}	Median annual pension ^{2,4}	Average lifetime annual pension ^{2,5}	Median lifetime annual pension ^{4,5}
	Number of retired members								
	< 55 ⁶	55 < 60	60 < 65	≥ 65					
< 10	52	1,004	1,679	1,746	4,481	\$ 6,331	\$ 4,143	\$ 6,036	\$ 3,987
10 < 15	24	506	613	439	1,582	21,912	21,157	21,463	20,691
15 < 20	23	502	657	471	1,653	32,054	30,995	31,174	30,340
20 < 25	14	401	575	431	1,421	41,654	40,596	40,971	40,037
25 < 30	10	336	480	311	1,137	51,323	49,340	50,612	48,744
30 < 35	3	124	306	208	641	61,396	58,801	60,807	58,315
≥ 35	–	27	76	110	213	76,107	70,530	75,754	70,323
Total/average	126	2,900	4,386	3,716	11,128	\$25,942	\$21,455	\$25,429	\$20,857

	Average years of service ⁷				
Male	10	16	15	13	15
Female	14	14	14	13	14
Average	13	15	15	13	14
Average age at retirement					62

1 Does not include pensions issued to continuing beneficiaries and post-retirement limited members.

2 Includes bridge benefits and temporary annuities.

3 Total pensions divided by total pension recipients.

4 Half of pensions are less than this amount and half of pensions are greater than this amount.

5 The lifetime pension does not include bridge benefits or temporary annuities that end at age 65.

6 Relates to limited member and survivor pensions.

7 Gender X has been redacted to prevent member reidentification.

New pension profile

for the year ended August 31, 2025

Member years of service	Age at retirement				Total	Average annual salary base	Average annual pension ^{1,2}	Median annual pension ^{1,3}	Average lifetime annual pension ^{2,4}	Median lifetime annual pension ^{3,4}
	Number of retired members									
	< 55 ⁵	55 < 60	60 < 65	≥ 65						
< 10	4	51	120	204	379	\$ 96,655	\$ 6,142	\$ 4,284	\$ 5,410	\$ 3,753
10 < 15	2	14	24	27	67	108,385	24,443	24,544	22,607	22,034
15 < 20	1	16	37	42	96	112,018	35,694	34,440	32,892	31,655
20 < 25	–	17	28	28	73	112,736	46,005	43,338	42,740	40,611
25 < 30	–	8	19	28	55	108,784	51,515	51,772	48,655	49,130
30 < 35	–	3	15	15	33	116,039	67,227	63,605	63,302	61,074
≥ 35	–	1	1	7	9	116,458	80,077	67,932	78,816	67,932
Total/average	7	110	244	351	712	\$103,576	\$23,206	\$16,083	\$21,512	\$13,972

	Average years of service ⁶				
Male	5	11	13	10	11
Female	10	13	13	11	12
Average	9	12	13	11	12
Average age at retirement					64

- 1 Includes bridge benefits and temporary annuities.
- 2 Total new pensions divided by total new pension recipients.
- 3 Half of new pensions are less than this amount and half of new pensions are greater than this amount.
- 4 The lifetime pension does not include bridge benefits or temporary annuities that end at age 65.
- 5 Relates to limited member and survivor pensions.
- 6 Gender X has been redacted to prevent member reidentification.



DID YOU KNOW?

The plan has 24 employers representing every region of the province. Employers either are subject to BC's *College and Institute Act* or have been approved to join the plan by the board.

Vancouver Island University was Malaspina College when it joined the plan as one of the original participating employers in 1968. It became Malaspina University-College in 1989 and then Vancouver Island University in 2008.



Vancouver Island University,
Nanaimo

Participating employers

as at August 31, 2025

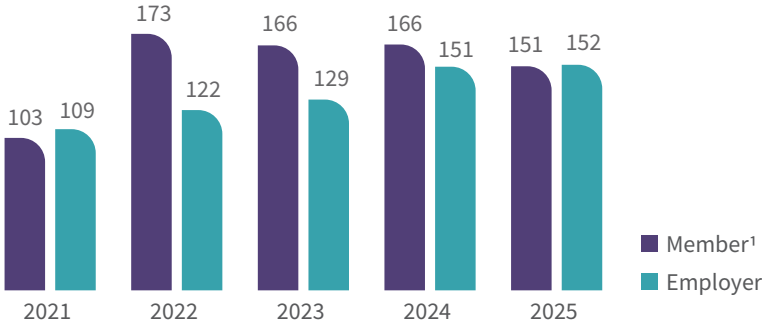
Employer	Location	Effective date	Website
British Columbia Institute of Technology	Burnaby	January 12, 1978	bcit.ca
Camosun College	Victoria	June 1, 1971	camosun.ca
Capilano University	North Vancouver	September 1, 1968	capilanou.ca
Coast Mountain College	Terrace	September 1, 1975	coastmountaincollege.ca
College of New Caledonia	Prince George	September 1, 1968	cnc.bc.ca
College of the Rockies	Cranbrook	May 8, 1975	cotr.bc.ca
Douglas College	New Westminster	April 1, 1970	douglascollege.ca
Emily Carr University of Art + Design	Vancouver	January 19, 1978	ecuad.ca
Justice Institute of British Columbia	New Westminster	April 27, 1978	jibc.ca
Knowledge Network Corporation	Burnaby	June 1, 1976	knowledge.ca
Kwantlen Polytechnic University	Surrey	July 1, 1981	kpu.ca
Langara College	Vancouver	April 1, 1994	langara.ca
Lester B. Pearson United World College of the Pacific	Victoria	January 31, 1974	pearsoncollege.ca
Nicola Valley Institute of Technology	Merritt	September 1, 1995	nvit.ca
North Island College	Courtenay	August 1, 1975	nic.bc.ca
Northern Lights College	Dawson Creek	September 1, 1975	nlc.bc.ca
Okanagan College	Kelowna	September 1, 1968	okanagacollege.ca
Royal Roads University	Victoria	January 1, 1998	royalroads.ca
Selkirk College	Castlegar	September 1, 1968	selkirk.ca
Simon Fraser University	Burnaby	July 1, 2021	sfu.ca
Thompson Rivers University	Kamloops	November 1, 1974	tru.ca
University of the Fraser Valley	Abbotsford	November 1, 1974	ufv.ca
Vancouver Community College	Vancouver	September 1, 1968	vcc.ca
Vancouver Island University	Nanaimo	September 1, 1968	viu.ca

How contributions work

Members and employers both contribute to the plan. Member contributions are automatically deducted from members' pay, and employers submit those deductions to the plan along with their own contributions. Both contributions are based on a percentage of the member's salary. Each generation funds its pension payments in advance. When members retire, their pension will be funded by their contributions, their employer's contributions and the investment returns generated by these contributions. On average, investment returns make up around \$75 of each \$100 of a member's pension. The remaining \$25 comes from member and employer contributions.

Contribution revenue (\$ millions)

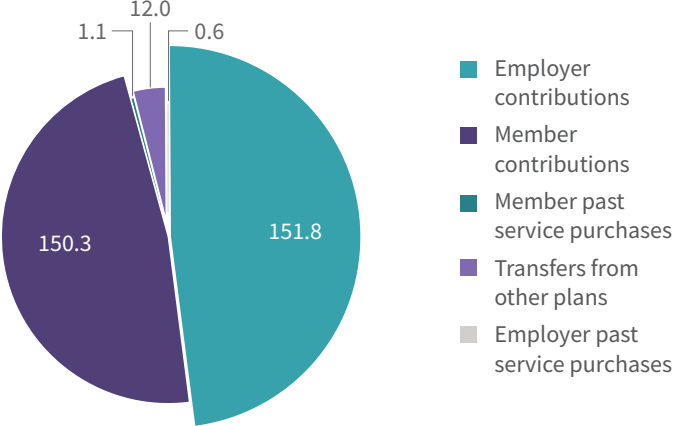
for the year ended August 31



¹ Member contributions include past service purchases. The increases in 2022, 2023 and 2024 are due to an agreement when Simon Fraser University joined the plan in July 2021, where ineligible employees newly enrolled in the plan, including those members on a leave of absence or long-term disability, had 18 months to buy past service.

Contribution revenue (\$ millions)

for the year ended August 31, 2025



DID YOU KNOW?

Each pay period, member and employer contributions, combined with investment returns, build a secure pension.

Building a pension is like developing an athlete. Each workout, each training session and each bob and weave contribute incrementally to make an athlete strong and resilient.

Contribution rate as a percentage of salaries* (%)

in effect since April 1, 2019

Member

10.24

Employer

10.34

* Simon Fraser University (SFU) members contribute 11.08 per cent of salary. SFU, as the employer, contributes 11.18 per cent of salary. SFU contribution rates have been in effect since July 1, 2021.

Robert Mahe, retired member

Consult our tools and resources

The plan offers tools and information to make learning about pensions straightforward. From the moment a member joins the plan into their retirement, there are resources to guide them along the way.

Plan website

The [plan website](#) provides resources for members, employers and the public. It provides trusted information and tools to help members understand the plan and make informed decisions throughout their career and into retirement.

Members and non-members can use the plan website to complete common tasks, such as reporting the death of a loved one, submitting an entitlement claim and applying for limited member status.

The website also offers learning resources designed to support members at different stages of their career, including:

- *Pension Basics*, an online introduction to pensions
- *Making the Most of Your Pension*, available as an instructor-led webinar or online course
- *Approaching Retirement*, available as an instructor-led webinar or online course

In addition, the website includes a secure employer portal with tools and resources to help employers support their employees, including pension information, reporting tools, training and guidance.

My Account

My Account is a secure online portal for registered members—including active, inactive and retired members. It provides convenient access to personal pension information and a range of self-service tools to help members manage their pension throughout their career and into retirement.

Through My Account, members can:

- View their service and salary history
- Use pension and purchase of service cost estimators
- Update personal and beneficiary information
- Apply for their pension

Retired members can:

- Update their banking information
- Request an income verification letter
- Complete other common transactions

My Account also includes secure digital communications, allowing members to share documents and receive updates through Message Centre.

Pension communications

Active and retired members receive annual newsletters and statements with important plan information. Members can choose to receive these communications digitally or in print.

Members who opt to receive digital communications benefit from convenient, timely access to information through My Account, where communications are delivered securely and can be viewed at any time. Printed communications continue to be available for members who prefer them. Special bulletins are shared with active members through their employers when timely updates are needed.

Member services

The plan's administrator, Pension Corporation, provides member support through a dedicated contact centre focused on helping members understand their pension. The contact centre is recognized as a Certified Center of Excellence by BenchmarkPortal, reflecting its commitment to service quality and continuous improvement. Personalized support is available by phone, by email and through Message Centre in My Account.

Knowledgeable staff assist members as they navigate important life events—such as separation or the death of a spouse—and answer questions about retirement planning, employment transfers and other pension-related matters.

Members who are within one year of retirement and who have a current pension estimate can book a personalized pension planning appointment online. These one-on-one appointments provide tailored guidance to help members understand their options and make informed decisions about their retirement.

Employer resources

The plan provides a range of resources and tools to support employers in administering the plan and sharing accurate, timely information with their employees. These resources include comprehensive online services, eLearning opportunities, forums and the *Employer Instruction Manual*, all designed to support consistent and efficient plan administration.

Pension Corporation also has a dedicated team focused on supporting and educating plan employers. This team works closely with employers to provide guidance, training and ongoing support, helping them meet their responsibilities under the plan and ensuring that members receive accurate information throughout their employment.

Learn how the plan is governed

The plan has a joint trusteeship governance structure. This means that plan members and employers share the responsibility of plan governance and the risks and rewards of plan sponsorship. Members can rely on the plan, because it is rooted in good governance. The joint trusteeship governance structure provides a strong foundation for the plan's past, present and future success.

Understand joint trusteeship

The Joint Trust Agreement (JTA) is the plan's guiding document. This agreement provides a framework whereby plan members and employers share the responsibility of plan governance and the risks and rewards of plan sponsorship.

It outlines the responsibilities and duties of the board for managing the plan and the pension fund. This framework supports trustees as they guide the plan in the right direction, making decisions that serve the best interests of members.

The JTA is signed by the four plan partners:

- BC General Employees' Union
- Federation of Post-Secondary Educators of BC
- Post-Secondary Employers' Association
- The provincial government



Paul Ramsey, retired member and former trustee

Our board

The College Pension Board of Trustees is the governing body of the plan and is ultimately responsible for its operation and management. The board ensures that appropriate controls are in place and focuses on identifying and mitigating emerging risks.

Trustees are nominated and appointed to the board by the four plan partners, and the board elects its own chair and vice-chair from the appointed trustees.

The board appoints two directors to the board of Pension Corporation (the plan's administrative agent) and one director to the board of BCI (the plan's investment agent).

Trustee education activities

As a layperson board, the trustees value ongoing learning and seek educational opportunities to ensure that plan members and beneficiaries are being served to the best of the board's ability.

Throughout the fiscal year, trustees participated in the customized in-house education program provided by the College, Municipal, Public Service and Teachers' pension boards of trustees. The education program is designed to support trustees from the moment they join the board through the length of their tenure.

Trustees attended six in-person learning sessions over the 2024/25 fiscal year, covering orientation, an introduction to the plan and essential components of the program.

Through the in-house education program and additional education events, trustees received information related to investments, actuarial valuations, governance, fiduciary oversight and cybersecurity.

In April 2025, trustees attended the BC Public Sector Pension Conference, hosted by the College, Municipal, Public Service and Teachers' pension boards of trustees, for two days of sessions focused on a variety of topics impacting the public sector pension plans.

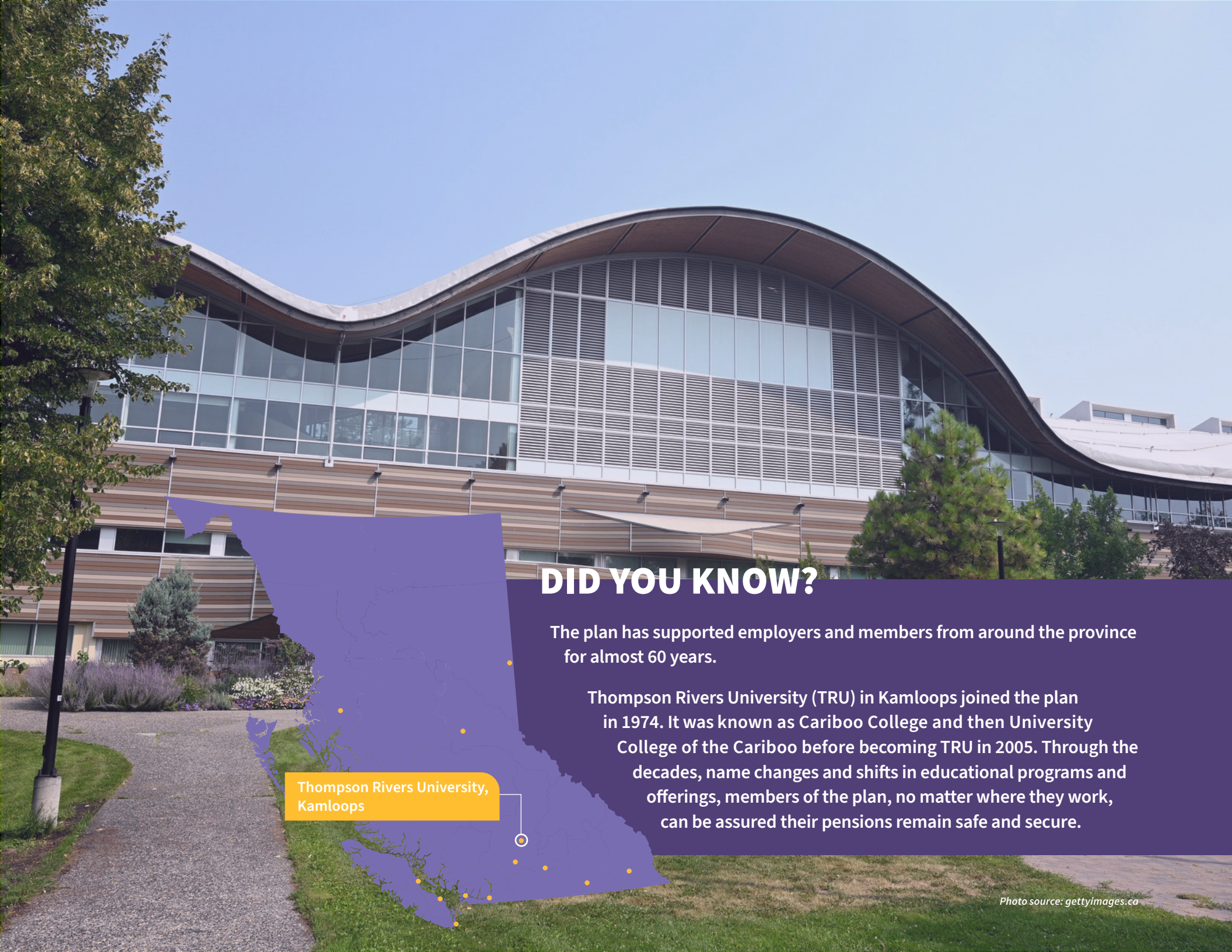
Board assessment

The board continues to implement its tools and processes for board assessment, which are essential for good governance and foster confidence among plan members, agents and service providers.

In 2025, the trustees completed and reviewed the results of the annual board performance questionnaire, and each committee conducted self-assessments.

In addition, the trustees completed service provider evaluations for the board's post-retirement group benefits (PRGB) consultant, PRGB carrier, legal counsel and actuary, and the board chair facilitated individual trustee evaluations.

The information obtained from the assessment components helps ensure the board is receiving services that evolve with the needs of the board and interest-holders.



DID YOU KNOW?

The plan has supported employers and members from around the province for almost 60 years.

Thompson Rivers University (TRU) in Kamloops joined the plan in 1974. It was known as Cariboo College and then University College of the Cariboo before becoming TRU in 2005. Through the decades, name changes and shifts in educational programs and offerings, members of the plan, no matter where they work, can be assured their pensions remain safe and secure.



Thompson Rivers University,
Kamloops

Meet the trustees

Read more about the current board of trustees [here](#).



WELDON COWAN | CHAIR

Appointed by Federation of Post-Secondary Educators of BC

Committees Benefits, governance, interplan investment, interplan trustee education

Board term 2005-2025
(term ended August 31, 2025)



CHRIS BURNLEY | VICE-CHAIR

Appointed by Federation of Post-Secondary Educators of BC

Committees Benefits, communications, Executive Forum, governance, interplan coordination, interplan investment

Board term 2023-present



JAMIE CHOI

Appointed by Province of British Columbia and Post-Secondary Employers' Association

Committees Benefits, communications, governance, interplan investment

Board term 2025-present



KERRY CLARKE

Appointed by Province of British Columbia and Post-Secondary Employers' Association

Committees Benefits, governance, interplan audit

Board term 2017-2025
(term ended April 30, 2025)



MORNA FRASER

Appointed by Federation of Post-Secondary Educators of BC

Committees Benefits, communications, governance, interplan trustee education

Board term 2024-present



GERALDINE HUTCHINGS

Appointed by Province of British Columbia

Committees Benefits, communications, governance

Board term 2012-present



DIANE LIANGA

Appointed by Province of British Columbia

Committees Benefits, governance (chair), interplan audit

Board term 2024-present



CAMERON McROBB

Appointed by British Columbia General Employees' Union

Committees Benefits, governance, interplan investment

Board term 2012-present



ADAM MOLINEUX

Appointed by Province of British Columbia

Committees Benefits (chair), Executive Forum, interplan coordination, governance, interplan trustee education

Board term 2023-present



CURTIS MORCOM

Appointed by Post-Secondary Employers' Association

Committees Benefits, governance, interplan audit

Board term 2024-present



PAUL RAMSEY

Appointed by BC General Employees' Union and Federation of Post-Secondary Educators of BC

Committees Benefits, communications (chair), governance, interplan investment

Board term 2016-2025 (term ended August 31, 2025)

Committee meetings and trustee attendance

For the year ended August 31, 2025, the board met for four regularly scheduled two-day meetings, one two-day strategic planning meeting and three one-day meetings. The attendance rate was 99 per cent. Board committee meetings had an overall attendance rate of 86 per cent.

	Meetings in 2025	Average attendance
Board meetings	8	99%
Benefits committee meetings¹	3	93%
Communications committee meetings	3	73%
Governance committee meetings¹	3	93%

1 Committees of the whole.

For more information on decisions made at board meetings, visit college.pensionsbc.ca/board-meeting-highlights.

Trustee remuneration

The plan compensates trustees or their employers for the time trustees spend on board duties. Trustees receive remuneration directly if they are not paid by any other organization.

Guidelines and rates are set out in the board's remuneration policy, available on the plan website.

Under the policy, remuneration may be adjusted annually by an amount equal to the cost-of-living adjustment made to pension payments.

Remuneration rates

calendar year

	2024		2025	
	Per diem	Quarterly retainer	Per diem	Quarterly retainer
Chair	\$489.00	\$2,446.00	\$502.00	\$2,510.00
Vice-chair	489.00	1,834.00	502.00	1,882.00
Board member	489.00	1,223.50	502.00	1,255.50

Trustee remuneration

year ended August 31, 2025

Trustee	Retainer	Per diem	Total remuneration	Paid to
Weldon Cowan (chair)	\$ 9,954.67	\$ 8,958.00	\$ 18,912.67	Federation of Post-Secondary Educators of BC
Chris Burnley (vice-chair)	7,466.00	13,205.50	20,671.50	Federation of Post-Secondary Educators of BC
Jamie Choi	1,255.00	4,267.00	5,522.00	Vancouver Community College
Kerry Clarke	3,722.34	5,219.00	8,941.34	Kerry Clarke
Candace Fertile ¹	—	1,004.00	1,004.00	Candace Fertile
Morna Fraser	4,977.34	12,465.50	17,442.84	Federation of Post-Secondary Educators of BC
Geraldine Hutchings	4,977.34	12,201.50	17,178.84	Geraldine Hutchings
Diane Lianga	4,977.34	8,726.50	13,703.84	Ministry of Finance
Cameron McRobb	— 4,977.33	9,209.00 —	9,209.00 4,977.33	BC General Employees' Union Cameron McRobb
Adam Molineux	4,977.34	6,725.00	11,702.34	Ministry of Finance
Curtis Morcom	4,977.34	9,460.00	14,437.34	Curtis Morcom
Paul Ramsey	4,977.34	10,953.00	15,930.34	Paul Ramsey
Total	\$57,239.38	\$102,394.00	\$159,633.38	

¹ Term started September 1, 2025.

Plan rule updates

The following are recent plan rule updates, plan amendments and legislative amendments that affect the plan rules, plan members or plan employers.

- The federal Income Tax Regulations were amended in 2024, retroactive to January 1, 2022. The updates allow plan members who have worked for their employer for at least three months to buy service for periods of reduced pay that started in 2022 or later.
- Effective January 1, 2025, the *Family Law Act* was updated to clarify provisions for pension division upon divorce or separation. Updates include changes to limited members' ability to take their share of their former spouse's benefit out of the plan and a new requirement that administrative fees be deducted from a limited member's payment of benefits unless one or both spouses pay the fee.¹
- In March 2025, amendments were made to plan rules related to excess investment return transfers. There is no impact to member benefits.
- In June 2025, general administrative amendments were made to the plan rules.

Plan rule and legislative amendments that followed fiscal year-end

- Effective September 1, 2025, a new purchase of service policy permits members to purchase three new types of past service.
- Effective January 1, 2026, salary associated with "excess" or "overload" work that was paid at a member's regular rate of pay will be applied toward their pension. Prior to January 1, 2026, members and employers received a refund of their contributions made on excess or overload salary.

¹ A limited member is a former spouse of a plan member who is entitled to a share of the member's pension.

10-year financial summary

(\$ millions)

year ended August 31

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Increase (decrease) in assets										
Investment income (loss)	\$ 771.0	\$ 784.9	\$ 540.4	\$ (120.2)	\$ 974.5	\$ 438.0	\$ 303.9	\$ 486.8	\$ 322.9	\$ 272.0
Contributions										
Employers	152.4	151.1	128.9	121.8	108.9	96.0	90.0	84.6	78.3	75.0
Members	151.4	166.1	165.5	173.3	103.0	95.3	89.3	83.8	78.1	74.4
Transfers from other plans	12.0	6.9	6.9	15.2	8.0	9.4	4.3	4.9	6.6	5.5
Total increase in assets	1,086.8	1,109.0	841.7	190.1	1,194.4	638.7	487.5	660.1	485.9	426.9
Decrease in assets										
Pension benefits	314.6	290.8	269.9	254.2	228.7	217.5	200.1	190.2	173.9	163.8
Transfers to other plans	2.8	3.3	4.2	4.3	1.7	2.4	1.3	1.1	2.2	1.7
Investment and administration costs ¹	26.5	23.6	21.8	19.5	15.3	15.3	13.5	15.5	12.4	12.8
Total decrease in assets	343.9	317.7	295.9	278.0	245.7	235.2	214.9	206.8	188.5	178.3
Increase (decrease) in net assets	742.9	791.3	545.8	(87.9)	948.7	403.5	272.6	453.3	297.4	248.6
Net assets available for benefits at beginning of year	7,945.0	7,153.7	6,607.9	6,695.8	5,747.1	5,343.6	5,071.0	4,617.7	4,320.3	4,071.7
Net assets available for benefits at end of year	\$8,687.9	\$7,945.0	\$7,153.7	\$6,607.9	\$6,695.8	\$5,747.1	\$5,343.6	\$5,071.0	\$4,617.7	\$4,320.3

Investment and administration costs¹ as a percentage of net assets

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Investment management:										
Indirect costs ¹	0.20%	0.17%	0.16%	0.22%	0.13%	0.18%	0.15%	0.10%	0.09%	0.05%
Direct costs	0.23%	0.23%	0.23%	0.20%	0.19%	0.20%	0.17%	0.23%	0.18%	0.20%
Total costs	0.43%	0.40%	0.39%	0.42%	0.32%	0.38%	0.32%	0.33%	0.27%	0.25%
Benefits administration	0.08%	0.09%	0.09%	0.08%	0.08%	0.08%	0.09%	0.09%	0.09%	0.10%

1 Unallocated and external investment management costs of \$16.4 million (2024: \$13.1 million; 2023: \$11.4 million; 2022: \$14.7 million; 2021: \$8.4 million; 2020: \$10.1 million; 2019: \$7.7 million; 2018: \$4.7 million; 2017: \$4.0 million; 2016: \$2.1 million) reduce investment income and are not included in investment and administration costs. They are included in investment management costs as a percentage of net assets.

Actuarial valuation results

Actuarial valuation as at August 31	2024	2021	2018	2015	2012
Funded status	100.0%	103.2%	106.1%	101.6%	97.1%
Actuarial surplus (unfunded liability)	(3.8)	201.7	303.2	67.0	(105.4)
Discount rate	6.00%	6.00%	6.25%	6.25%	6.50%



Simon Fraser University, Burnaby

Photo source: unsplash.com

Financial statements

Lester B. Pearson United World College of the Pacific, Victoria

Photo source: commons.wikimedia.org



February 13, 2026


Re: College Pension Plan

Administrative agent's responsibility for financial reporting


The financial statements of the College Pension Plan (CPP) were prepared by British Columbia Pension Corporation, the administrative agent for the College Pension Board of Trustees (Board), in accordance with Canadian accounting standards for pension plans. The Board is responsible for approving CPP's financial statements. The Board is assisted by the Interplan Audit Committee (Committee), which is made up of representatives from the College, Municipal, Public Service and Teachers' pension boards of trustees. As part of its responsibility, the Committee reviews the financial statements, and performs any necessary steps and procedures prior to recommending the financial statements to the Board for approval.

Pension Corporation prepares the financial statements and is responsible for the integrity and fairness of the data presented, including significant accounting judgments and estimates. This responsibility includes selecting appropriate accounting policies consistent with Canadian accounting standards for pension plans. In discharging its responsibility, Pension Corporation maintains a system of internal controls designed to provide reasonable assurance that transactions are properly authorized, reliable financial records are maintained and assets are adequately safeguarded, ensuring the fair presentation of the financial statements. Pension Corporation has assessed that CPP will continue as a going concern, and ensured that other financial information contained in the *College Pension Plan Annual Report* is consistent with these financial statements.

The Board appointed KPMG LLP as the independent auditor for CPP. The role of the auditor is to perform an independent audit of the financial statements of CPP in accordance with Canadian generally accepted auditing standards. The resulting audit opinion is set out in the independent auditor's report attached to these financial statements.



Trevor Fedyna, CPA, C. Dir.
Vice-president, Strategy, Insights
and chief financial officer
British Columbia Pension Corporation



Allan Chen, CPA
Controller
British Columbia Pension Corporation

Mail: PO Box 9460
Victoria, BC V8W 9V8

Phone: 250 387-1014
Fax: 250 953-0429

bcpensioncorp.ca



**KPMG LLP**

PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone 604 691 3000
Fax 604 691 3031

INDEPENDENT AUDITOR'S REPORT

To the Members of College Pension Plan

Opinion

We have audited the financial statements of College Pension Plan (the Plan), which comprise:

- the statement of financial position as at August 31, 2025
- the statement of changes in net assets available for benefits for the year then ended
- the statement of changes in accrued pension obligations for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

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

Basis for Opinion

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

We are independent of the 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.



College Pension Plan
Page 2

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

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

In preparing the financial statements, management is responsible for assessing the 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 generally accepted auditing standards will always detect a material misstatement when it exists.

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

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

We also:

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

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

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



College Pension Plan
Page 3

- 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

Vancouver, Canada
February 13, 2026

COLLEGE PENSION PLAN
Statement of financial position

(\$ millions)



As at August 31	Note	2025	2024
Assets			
Investments	3a	\$ 8,680.0	\$ 7,939.5
Directly held derivatives	3b	34.8	20.6
Cash		3.1	0.1
Contributions receivable		9.1	9.7
Prepaid expenses		0.4	0.6
Interest and dividends receivable		0.2	0.2
Total assets		8,727.6	7,970.7
Liabilities			
Directly held derivatives	3b	33.9	19.2
Accounts payable and accrued expenses		3.0	3.5
Taxes payable		2.8	3.0
Total liabilities		39.7	25.7
Net assets available for benefits		\$ 8,687.9	\$ 7,945.0
Accrued pension obligations			
Accrued basic pension obligations	4a	\$ 6,138.9	\$ 5,615.6
Non-guaranteed pension obligations	4b	1,695.7	1,597.6
Accrued pension obligations		7,834.6	7,213.2
Surplus			
Funding surplus	5a	87.2	236.2
Measurement differences between funding and accounting positions	5a	766.1	495.6
Surplus		853.3	731.8
Accrued pension obligations and surplus		\$ 8,687.9	\$ 7,945.0

All accompanying notes are an integral part of the financial statements including: Commitments (note 14).

Approved by the College Pension Board of Trustees:

Chris Burnley, Chair
College Pension Board of Trustees

Curtis Morcom, Trustee
College Pension Board of Trustees

COLLEGE PENSION PLAN

Statement of changes in net assets available for benefits

(\$ millions)



For the year ended August 31	Note	Basic account	Inflation adjustment account	Supplemental benefits account	2025	2024
Increase in assets						
Investment income	8	\$ 641.2	\$ 129.8	\$ -	\$ 771.0	\$ 784.9
Contributions						
Member	9	122.8	27.5	1.1	151.4	166.1
Employer	9	124.8	27.2	0.4	152.4	151.1
		247.6	54.7	1.5	303.8	317.2
Transfers from other plans		10.1	1.9	-	12.0	6.9
Total increase in assets		898.9	186.4	1.5	1,086.8	1,109.0
Decrease in assets						
Benefits paid	10	309.1	4.1	1.4	314.6	290.8
Transfers to other plans		2.3	0.5	-	2.8	3.3
Investment and administration costs	12	23.0	3.4	0.1	26.5	23.6
Total decrease in assets		334.4	8.0	1.5	343.9	317.7
Increase in net assets before transfers		564.5	178.4	-	742.9	791.3
Account transfers	13	80.3	(80.3)	-	-	-
Increase in net assets		644.8	98.1	-	742.9	791.3
Net assets available for benefits at beginning of year		6,347.4	1,597.6	-	7,945.0	7,153.7
Net assets available for benefits at end of year		\$ 6,992.2	\$ 1,695.7	\$ -	\$ 8,687.9	\$ 7,945.0

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

COLLEGE PENSION PLAN

Statement of changes in accrued pension obligations

(\$ millions)



For the year ended August 31	Note	2025	2024
Increase in accrued pension obligations			
Interest on accrued pension obligations		\$ 347.6	\$ 316.2
Benefits accrued		261.4	272.4
Experience losses	4a	86.0	-
Account transfers		80.3	124.1
Change in actuarial assumptions	4a	67.5	-
Increase in accrued pension obligations		842.8	712.7
Decrease in accrued pension obligations			
Benefits paid		319.5	296.8
Decrease in accrued pension obligations		319.5	296.8
Net increase in accrued pension obligations		523.3	415.9
Accrued basic pension obligations at beginning of year		5,615.6	5,199.7
Accrued basic pension obligations at end of year	4a	6,138.9	5,615.6
Non-guaranteed pension obligations			
Increase in non-guaranteed pension obligations	4b	98.1	118.8
Non-guaranteed pension obligations, beginning of year		1,597.6	1,478.8
Non-guaranteed pension obligations at end of year	4b	1,695.7	1,597.6
Total accrued pension obligations		\$ 7,834.6	\$ 7,213.2

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

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

1. DESCRIPTION OF THE COLLEGE PENSION PLAN

The following description of the College Pension Plan (CPP) is a summary provided for general information only. For more information, please refer to the Joint Trust Agreement (Agreement) and the CPP Rules (plan rules).

a) General

CPP is a jointly trustee pension plan continued under a joint trust agreement authorized by the *Public Sector Pension Plans Act*, SBC 1999, c. 44 (Act). The Act enabled the establishment of the Agreement. Joint trusteeship was established effective April 1, 2000. The partners to the Agreement are the Province of British Columbia, the Post-Secondary Employers' Association, the Federation of Post-Secondary Educators of BC and the British Columbia General Employees' Union (Partners). The Agreement describes the composition, appointment, powers, functions and duties of the College Pension Board of Trustees (Board) and provides the authority for the Board to make plan rules.

CPP is registered with the Superintendent of Pensions at the BC Financial Services Authority, which has responsibility for enforcing the *Pension Benefits Standards Act* (PBSA). The PBSA governs employment pension plans registered in British Columbia that have active, inactive and retired members.

CPP generally covers senior administrative employees and employees who provide educational services to students of participating British Columbia colleges, universities and institutes. Effective June 14, 2024, the plan rules were amended to extend eligibility for participation to all employee classes of a new participating employer. Most full-time and some part-time employees are required to participate; certain part-time staff may opt out of participation in CPP.

b) Roles and responsibilities

Partners

The Partners representing CPP members and employers are responsible for appointing 10 trustees to the Board. If certain conditions are met, Partners may direct the Board to make amendments to the plan rules.

Board

The Board is responsible for the management of CPP, including the investment of assets and administration of CPP. The Board may amend the plan rules as long as changes can be funded by CPP's surpluses or are cost neutral to CPP. Unless required to ensure compliance with regulatory enactments applicable to CPP, only the Partners can initiate plan rule changes that result in contribution rate increases. The Agreement allows the Board to either appoint a chair from among the 10 trustees or appoint a person not appointed by the Partners. The vice-chair is appointed by the other trustees, from among the 10 trustees.

British Columbia Pension Corporation (Pension Corporation)

Pension Corporation provides benefit administration services as an agent of the Board. The Board appoints two members to the eight-member board of directors of Pension Corporation.

British Columbia Investment Management Corporation (BCI)

BCI provides investment management services, including the valuation of investments, as an agent of the Board. The Board appoints one member to the seven-member board of directors of BCI.

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

1. DESCRIPTION OF THE COLLEGE PENSION PLAN (CONTINUED)

c) Funding

Contributions and investment earnings fund CPP benefits. Contributions are made by active members and employers of CPP. The determination of the value of the benefits and required contributions is based on a triennial actuarial valuation for funding purposes.

The Board's funding policy is intended to secure the pension benefit obligation and achieve long-term stability in contribution rates for both employers and members.

d) Contributions

The following member and employer contribution rates apply to the majority of members, excluding Simon Fraser University (SFU), which joined CPP effective July 2021. As per its participation agreement, SFU and its members pay higher contribution rates until 2041 to fully fund their benefits.

Basic Account

Members contribute 8.39% (SFU: 9.03%) of salaries, and employers contribute 8.49% (SFU: 9.13%) of salaries, less amounts allocated to the Supplemental Benefits Account (SBA).

Inflation Adjustment Account

Members and employers each contribute 1.85% (SFU: 2.05%) of salaries to the Inflation Adjustment Account (IAA), less amounts allocated to the SBA.

e) Pension benefits

All members are eligible for a pension benefit.

Members are eligible for unreduced pension benefits

- at age 65;
- at age 55 or older, with at least 35 years of contributory service.

Other retiring members have a reduction factor applied to their pensions.

For service after December 31, 2015, CPP provides a lifetime pension of 2% of pensionable earnings for each year of pensionable service. Pensionable earnings are based on the member's five-year highest average salary (HAS). The early retirement reduction applicable for service accrued after this date will be 3% for each year a member is below age 65. This applies to all members except those who have reached age 55 and completed at least 35 years of contributory service.

For service up to December 31, 2015, the defined CPP benefit provides a lifetime pension of 1.7% of pensionable earnings up to the year's maximum pensionable earnings (YMPE) and 2% of pensionable earnings over the YMPE for each year of pensionable service. The early retirement reduction applied, for members who are under age 60 with two or more years of contributory service, is either 3% or 5% for each year a member is below age 60, depending on certain criteria. For members with less than two years of contributory service, the reduction is 5% for each year a member is below age 65.

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

1. DESCRIPTION OF THE COLLEGE PENSION PLAN (CONTINUED)

e) Pension benefits (continued)

Also for service up to December 31, 2015, CPP provides a bridge benefit payable to age 65 (or the date of death, if earlier). The bridge benefit is 0.3% of the lesser of YMPE or HAS for each year of pensionable service.

Increases to pension payments related to cost-of-living adjustments are not guaranteed but may be provided each January 1 in accordance with the cost-of-living adjustment provisions of the plan rules.

Generally, these cost-of-living adjustments cannot exceed the lesser of the maximum sustainable indexing rate, as recommended by the actuary, and the increase in the average in the Canada consumer price index (CPI) for the 12 months ending the previous October 31 over the highest average CPI for any previous 12-month period ending October 31. However, the Board maintains discretion to grant cost-of-living adjustments over the maximum sustainable indexing rate but not exceeding the CPI as described above. The cost-of-living adjustments are subject to availability of funds in the IAA.

The Board annually considers all relevant factors and its IAA funding policy to determine the amount of the cost-of-living adjustment, if any.

f) Termination and portability benefit

Terminating members who have not yet reached the earliest retirement age may choose

- to leave their benefit on deposit—either for a deferred pension or in anticipation of future re-employment with a CPP employer, or
- a transfer of the commuted value of the pension benefit (the minimum value is the member's contributions with interest) to a locked-in retirement vehicle or similar tax-deferred plan.

Where there are portability arrangements between CPP and other pension plans, members may be able to transfer service to another pension plan.

g) Other benefits

Disability and survivor benefits are also available under CPP. A disability benefit is available to a member under age 65 who has terminated employment, becomes totally and permanently disabled as defined by CPP, has at least two years of contributory service, is not eligible to receive benefits from an approved long-term group disability plan and meets other eligibility requirements.

The disability benefit is calculated using a member's years of pensionable service to the date of termination of employment and HAS. Disability benefits continue for the member's lifetime unless the member is no longer totally and permanently disabled before age 65 or returns to work.

A death benefit may be available to a surviving spouse or designated beneficiary upon the death of an active member. Depending on eligibility requirements, the benefit may be paid in the form of a survivor pension or lump-sum payment.

Supplemental benefits are funded from the SBA.

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

1. DESCRIPTION OF THE COLLEGE PENSION PLAN (CONTINUED)

h) Tax registration

CPP is a registered pension plan (RPP) as defined in the *Income Tax Act* (Canada) (registration number 0361899), except for any supplemental benefits, which are funded in addition to the RPP. CPP is not subject to income tax but is subject to indirect taxes, including British Columbia provincial sales tax (PST) and Canadian federal goods and services tax (GST). CPP receives a 33% rebate of the GST paid.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation

These financial statements are prepared on the going-concern basis in accordance with Canadian accounting standards for pension plans, Part IV of the *Chartered Professional Accountants of Canada Handbook* (CPA Canada Handbook), and present CPP as a separate financial reporting entity, independent of CPP's contributing employers and members, and independent of any associated retired member group benefit plans.

Accounting standards for private enterprises in Part II of the CPA Canada Handbook have been chosen for accounting policies that do not relate to CPP's investment portfolio or accrued pension obligations.

b) Investments

Investments 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 on the measurement date.

Investment purchases and sales are recorded on the trade date (the date on which the substantial risks and rewards of ownership have been transferred).

c) Accrued pension obligations

Accrued pension obligations are determined based on an actuarial valuation prepared by an independent actuarial consulting firm. CPP's actuary is Eckler Ltd. The valuation of accrued pension obligations is based on data extrapolated to the financial statement date. The valuation uses the projected benefit method pro-rated on service that incorporates the independent actuary's estimate of various economic and demographic assumptions. These assumptions are the same as those used in the determination of the actuarial position of CPP for funding purposes.

d) Investment income

Income from investments is recorded on an accrual basis and represents pooled investment portfolio income attributable to CPP as a unit holder and income from directly held investments. The change in fair value includes realized and unrealized gains and losses that are included in investment income.

Within the pools, dividends are accrued on the ex-dividend date, and interest is recognized on an accrual basis. Gains and losses on derivative contracts are recognized concurrently with changes in their fair values.

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the prevailing exchange rates on the year-end date. Income and expenses are translated into Canadian dollars at the prevailing exchange rates on the dates of the transactions. The realized and unrealized gains and losses arising from these translations are included within the current period change in fair value in investment income.

f) Use of estimates

The preparation of financial statements, in conformance with Canadian accounting standards for pension plans, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of increases and decreases in assets and liabilities during the period. Significant areas requiring the use of management estimates relate to the valuation of investments based on unobservable inputs, as further described in note 7, and the calculation of the accrued pension obligations of the Basic Account for accounting and funding purposes, as further described in notes 4 and 5. Actual results could differ materially from these estimates.

3. INVESTMENTS

a) Investments

	2025		2024	
	Fair value	Cost	Fair value	Cost
Short-term	\$ 139.4	\$ 137.6	\$ 131.9	\$ 129.3
Bonds	2,443.7	2,377.0	2,037.9	2,208.2
Repurchase agreements and unsecured debt	(874.9)	(610.2)	(778.9)	(771.7)
	1,568.8	1,766.8	1,259.0	1,436.5
Canadian equities	267.0	224.8	245.0	226.3
Global equities	1,746.6	1,488.1	1,791.6	1,529.9
Emerging markets equities	434.7	358.9	484.4	442.1
Mortgages	369.5	347.0	308.2	294.4
Real estate	1,303.1	1,225.6	1,222.4	1,123.9
Private debt	541.7	477.9	465.8	408.9
Private equity	1,244.5	1,215.9	1,100.7	906.0
Infrastructure and renewable resources	1,064.7	1,025.6	930.5	899.2
	\$ 8,680.0	\$ 8,268.2	\$ 7,939.5	\$ 7,396.5

CPP investments consist primarily of direct ownership in units of pooled investment portfolios. Each unit gives its holder a proportionate share in the value of the net assets of the pooled investment fund. The Basic Account and IAA are combined for investment management purposes.

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

3. INVESTMENTS (CONTINUED)

a) Investments (continued)

One or more pooled investment portfolios exist for different types of investments, such as short-term investments; bonds; Canadian, global and emerging markets equities; mortgages; real estate; private debt; private equity; and infrastructure and renewable resources. While the purpose of each fund is to invest in a particular type of investment, given the timing of trading activities, the fund may at any time hold a certain amount of cash, short-term investments, accrued interest income and net accounts receivable or payable from outstanding sales and purchases of investments.

Short-term investments consist of Canadian and U.S. money market securities such as treasury bills, with maturities of 15 months or less, and short-term bonds with one- to five-year terms. Short-term investments are valued using current market yields.

Bonds consist of government bonds, investment grade and non-investment grade corporate bonds, repurchase agreements and debentures. Bonds are valued based on current market yields and, in some cases, quoted market prices. Bonds include the use of repurchase agreements to borrow money to create leverage to purchase other bonds and enhance yields through a leverage bond fund strategy. Funds are also borrowed from the issuance of bonds to create leverage. These funds are unsecured debt. Unsecured debt of \$260.8 million (2024: \$129.2 million) is included in repurchase agreements category.

Canadian, global and emerging markets equities consist primarily of publicly traded shares and are valued based on quoted market prices on the primary exchanges on which they are traded.

Mortgages consist mainly of Canadian construction, commercial and multi-family residential mortgages. The mortgages are secured by real estate and valued using current market yields.

Real estate investments consist mainly of diversified Canadian and U.S. income-producing properties. Real estate investments are valued quarterly by external investment managers and, at least once every 10 to 18 months, by accredited independent appraisers to establish current market values.

Private debt consists of private debt instruments and private debt investee funds and is valued using discounted cash flows on current market yields and comparable securities, as applicable.

Private equity consists mainly of equity investments made outside the structure of public markets. Private equity investments are valued either quarterly or annually based on audited financial statements from external investment managers using a market-based approach.

Infrastructure and renewable resources consist of privately owned and managed infrastructure assets, as well as timber, agriculture and other renewable assets. Infrastructure and renewable resources investments are formally valued annually using a market-based approach or net asset value method.

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

3. INVESTMENTS (CONTINUED)

b) Derivatives

Derivative contracts are directly and indirectly held by CPP. The details of these contracts are as follows:

Fair value of derivative contracts	2025		2024	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Directly held				
Foreign currency forwards	\$ 34.8	\$ (33.9)	\$ 20.6	\$ (19.2)
	34.8	(33.9)	20.6	(19.2)
Indirectly held in pooled investment portfolios				
Foreign currency forwards	13.6	(11.0)	12.9	(1.9)
Total return swaps	65.8	(22.0)	26.5	(13.0)
Interest rate swaps	6.8	(4.4)	6.4	(4.9)
Cross-currency swaps	-	(0.3)	0.1	(0.1)
Options	-	(0.8)	1.1	(0.9)
	86.2	(38.5)	47.0	(20.8)
Total derivatives	\$ 121.0	\$ (72.4)	\$ 67.6	\$ (40.0)
Derivatives by investment asset classification				
Short-term	\$ -	\$ (0.2)	\$ -	\$ (0.3)
Bonds	10.5	(3.1)	13.6	(0.3)
Canadian equities	-	-	1.4	(0.3)
Global equities	63.7	(23.2)	25.9	(15.9)
Emerging markets equities	5.5	(4.7)	2.4	(2.6)
Mortgages	3.9	(1.2)	2.2	(0.9)
Real estate	15.4	(15.4)	8.8	(9.3)
Private debt	6.5	(6.5)	3.7	(1.4)
Infrastructure and renewable resources	15.5	(18.1)	9.6	(9.0)
Total derivatives	\$ 121.0	\$ (72.4)	\$ 67.6	\$ (40.0)

Derivative contracts consist of foreign currency forward contracts, total return swaps, interest rate swaps, cross-currency swaps and options held directly or indirectly through various pooled investment portfolios. Directly held and indirectly held derivative contracts are reflected at fair value based on expected settlement amounts at the date of the Statement of Financial Position. Directly held derivatives are disclosed on the face of the Statement of Financial Position, while indirectly held derivatives are included in investments.

A foreign currency forward contract is a privately negotiated contractual obligation to exchange one currency for another at a specified price for settlement on a predetermined date in the future. Foreign currency forward contracts are held to manage exposure to foreign currency risk.

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

3. INVESTMENTS (CONTINUED)

b) Derivatives (continued)

A total return swap is a swap agreement in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, including both the income it generates and any capital gains. In total return swaps, the underlying asset (referred to as the reference asset) is usually an equity index or basket of equity securities. Interest rate swaps and total return swaps are held indirectly through various pooled investment portfolios for synthetic indexing purposes.

An interest rate swap is an agreement between two counterparties in which one stream of future interest payments is exchanged for another based on a specified principal amount. Interest rate swaps usually involve the exchange of a fixed interest rate for a floating interest rate, or vice versa, to reduce or increase exposure to fluctuations in interest rates or to obtain a marginally better interest rate than would have been possible without the swap.

Cross-currency swaps are agreements that involve the exchange of principal and interest payments in one currency for equivalent amounts in another currency. Cross-currency swaps are used to hedge against fluctuations in exchange rates in relation to future amounts that are receivable in foreign currencies. Cross-currency swaps are held to manage exposure to foreign currency risk.

Options are contracts that give the buyer the right, but not the obligation, to buy or sell a certain security or index at an agreed-upon price on or before a specified date. Options are held for synthetic indexing, a modern technique used to replicate the performance of a security or index without directly purchasing or selling the underlying assets, and for risk control.

Derivative transactions are supported with collateral to mitigate counterparty credit risk. A single net fair value amount is used to determine the value of collateral with each counterparty. Collateral approximately equal to the positive fair value of each derivative contract has been provided by counterparties, and collateral approximately equal to the negative fair value of each derivative contract has been delivered to counterparties. Acceptable forms of collateral are Canadian federal or provincial bonds, and U.S. federal government treasury bills and bonds.

The notional value of derivatives can be any of the total value of a position, how much value a position controls, or an agreed-upon amount in a contract.

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

3. INVESTMENTS (CONTINUED)

b) Derivatives (continued)

Absolute notional value of the Canadian denominated portion of derivatives is disclosed in the table below.

Notional value of derivatives	Within 1			2025	2024
	year	1 to 5 years	Over 5 years	Total	Total
Directly held					
Foreign currency forwards	\$ 3,202.7	\$ -	\$ -	\$ 3,202.7	\$ 2,744.4
Cross-currency swaps	4.3	-	-	4.3	4.3
	3,207.0	-	-	3,207.0	2,748.7
Indirectly held in pooled investment portfolios					
Foreign currency forwards	1,684.0	54.0	13.9	1,751.9	1,221.4
Total return swaps	2,054.2	229.1	-	2,283.3	1,997.0
Interest rate swaps	187.6	321.1	163.9	672.6	617.5
Cross-currency swaps	5.1	5.2	-	10.3	12.4
Options	8.5	-	-	8.5	230.6
	3,939.4	609.4	177.8	4,726.6	4,078.9
Total derivatives	\$ 7,146.4	\$ 609.4	\$ 177.8	\$ 7,933.6	\$ 6,827.6
Derivatives by investment asset classification					
Short-term	\$ 38.5	\$ -	\$ -	\$ 38.5	\$ 18.4
Bonds	821.2	93.6	163.9	1,078.7	669.4
Canadian equities	-	0.4	-	0.4	37.8
Global equities	2,293.8	430.5	-	2,724.3	2,584.2
Emerging markets equities	202.1	49.4	-	251.5	278.0
Mortgages	266.5	-	-	266.5	263.1
Real estate	1,467.8	-	-	1,467.8	1,262.6
Private debt	567.4	-	-	567.4	458.8
Infrastructure and renewable resources	1,489.1	35.5	13.9	1,538.5	1,255.3
Total derivatives	\$ 7,146.4	\$ 609.4	\$ 177.8	\$ 7,933.6	\$ 6,827.6

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

3. INVESTMENTS (CONTINUED)

c) Repurchase agreements

CPP has indirect exposure to repurchase agreements through its investment in the pooled investment portfolio underwritten on bond securities. Repurchase agreements are short-term agreements to sell securities in order to buy them back at a slightly higher price. The party selling the repurchase agreement is effectively borrowing, and the other party is lending, since the lender is credited the implicit interest in the difference in prices. Securities sold under repurchase agreements are accounted for as collateralized borrowing because they represent the sale of securities with a simultaneous agreement to buy them back at a specified future date. The securities sold under these agreements continue to be recognized on the statements of financial position, with any changes in fair value recorded as net gain (loss) on investments and included in investment income. Interest incurred on repurchase agreements is included in borrowing costs within investment-related expenses.

Repurchase agreements are carried at the amount at which the securities were initially acquired or sold, which, together with accrued interest income or expense, approximates fair value due to the short-term nature of these agreements.

4. ACTUARIAL VALUATION OF THE BASIC ACCOUNT FOR ACCOUNTING PURPOSES

a) Basic Account

In accordance with the Agreement and PBSA, an actuarial valuation is performed at least every three years. Its primary objective is to assess the financial position and adequacy of funding for the Basic Account of CPP as described in note 5a. As part of the valuation, CPP's actuary also calculates values of the Basic Account assets and liabilities for accounting purposes. For accounting purposes, pension liabilities are based on those accrued to the financial statement date, and assets include the full impact of investment fair value changes as at the financial statement date. The liability for accrued basic pension obligations at the valuation date is determined using the projected benefit method pro-rated on service.

The latest full actuarial valuation for accounting purposes was prepared as at August 31, 2024, by Eckler Ltd. This valuation calculated the liability for accrued basic pension obligations for financial statement purposes to be \$5,769.1 million (2021 valuation: \$4,435.9 million).

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

4. ACTUARIAL VALUATION OF THE BASIC ACCOUNT FOR ACCOUNTING PURPOSES (CONTINUED)

a) Basic Account (continued)

Between valuations, an estimate of the actuarial position is required. This estimate, an extrapolation, has been made to August 31, 2025, using the following long-term actuarial assumptions:

- Annual investment return 6.00% (2021 valuation: 6.00%)
- Annual salary escalation rate 3.25% (2021 valuation: 3.25%)

The extrapolation calculated the liability for accrued basic pension obligations to be \$6,138.9 million (2024: \$5,615.6 million).

In 2025, the extrapolation reflected assumption changes made during the 2024 valuation that resulted in an increase in the 2024 accrued basic pension obligations of \$67.5 million. The most significant change was the adoption of an updated mortality improvement scale. Further, the 2024 valuation accrued basic pension obligations were \$86.0 million higher than anticipated by the 2024 extrapolation, representing the net result of experience gains and losses (e.g., higher than expected salary increase and later retirements than assumed).

Extrapolations may not be reliable indicators of the next valuation results, nor do they necessarily reflect the overall trend of results. Between valuations, actual wage increases, investment earnings and the incidence of retirements, withdrawals and changes in other factors may vary significantly from the long-term assumptions used in the extrapolation. In the event of a major change to CPP, a new valuation or review of assumptions may be required.

The next full actuarial valuation will be carried out as at August 31, 2027, with the results included in the August 31, 2028, financial statements.

Actuarial liabilities are also affected by changes in the assumed investment return. Based on the actuarial valuation completed as at August 31, 2024, a reduction in the investment return assumption from 6.00% to 5.75% would have increased the August 31, 2025, liability for accrued basic pension obligations of \$6,138.9 million by \$186.6 million or 3.0%, and the impact of a 1% change would be approximately four times the amount. Changes to assumptions included in the actuarial valuation are interrelated, and the cumulative impact of changed assumptions may be offsetting.

b) Inflation Adjustment Account (IAA), non-guaranteed pension obligations

No unfunded liability exists for the IAA since the obligation for future cost-of-living adjustments is limited to the amount of the available assets in the account. There is no minimum level of inflation adjustment required to be paid under the plan rules, nor is there any provision to fund the IAA to any minimum level of future potential inflation adjustments (note 5b). The non-guaranteed pension obligations are therefore equal to the net assets available for benefits in the IAA, \$1,695.7 million (2024: \$1,597.6 million). The net increase of \$98.1 million (2024: \$118.8 million) in the IAA balance consists of employee and employer contributions, investment income and net transfers reduced by payments out of the account.

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

5. ACTUARIAL VALUATION OF THE BASIC ACCOUNT FOR FUNDING PURPOSES

a) Basic Account

The Basic Account is the account from which the defined basic benefits of CPP are paid. In accordance with the Agreement and PBSA, an actuarial valuation of CPP's assets and pension obligations is performed at least every three years by an independent actuary to determine an appropriate combined employer and member contribution rate to fund the Basic Account. For this purpose, CPP's actuary values both accrued assets and accrued pension obligations to the financial statement date, and contributions and benefits for future service. The contribution requirements are calculated by the actuary using the entry-age normal cost method (entry-age method).

This method produces the long-term rate of member and employer contributions sufficient to provide benefits for the average future new entrants to CPP. This rate may be adjusted for the amortization of any actuarial funding surplus, and this rate will be adjusted for the amortization of any unfunded actuarial liability. Future contribution rate determinations will exclude consideration of the assets in the Rate Stabilization Account (RSA), which is held notionally within the Basic Account; if contribution rate increases are considered, funds may be transferred from the RSA to keep the rate at its current level or to minimize the increase.

Future cost-of-living adjustments are not guaranteed within CPP provisions and are granted to retired members only to the extent that sufficient assets are available in the IAA to fund those benefits (note 5b). As cost-of-living adjustments are granted, the Basic Account receives from the IAA the present value of the amount necessary to fund the cost-of-living adjustment granted, and the adjustments are paid from the Basic Account. Therefore, accrued basic pension obligations for valuation purposes include the liability for all cost-of-living adjustments granted to the date of the valuation, but not for as-yet-unknown future cost-of-living adjustments.

Actuarial valuation

The latest full actuarial valuation for funding purposes was prepared as at August 31, 2024, by the independent actuary based on the entry-age method; the valuation indicated an unfunded actuarial liability of \$3.8 million (2021 valuation: \$201.7 million surplus). As permitted by the Joint Trust Agreement and required by the funding policy, \$3.8 million was transferred from the RSA to the Basic Account, leaving the Basic Account fully funded at the valuation date. The next actuarial valuation for funding purposes will be performed as of August 31, 2027.

The Agreement specifies that if an actuarial valuation indicates increased basic contribution rates are required, the increase must be shared equally by members and employers. The Agreement also describes the manner in which the Board can elect to apply surplus assets.

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

5. ACTUARIAL VALUATION OF THE BASIC ACCOUNT FOR FUNDING PURPOSES (CONTINUED)

a) Basic Account (continued)

An estimate of the actuarial position of CPP for funding purposes has been made to August 31, 2024, using the following long-term actuarial assumptions:

- Annual investment return 6.00% (2021 valuation: 6.00%)
- Annual salary escalation rate 3.25% (2021 valuation: 3.25%)

This estimate, an extrapolation, produced an estimated funding surplus of \$87.2 million as at August 31, 2025 (2024: \$236.2 million), as follows:

Funding extrapolation	2025	2024
Net assets available for basic pension benefits	\$ 6,992.2	\$ 6,347.4
Actuarial asset value adjustment	(231.4)	(68.5)
Smoothed assets for basic pension benefits	6,760.8	6,278.9
Rate stabilization account	(328.1)	(310.4)
Smoothed assets excluding rate stabilization account	6,432.7	5,968.5
Present value of future contributions at entry-age method	2,405.7	2,008.9
Present value of future amortization for SFU members	34.6	35.7
Net actuarial assets for basic pension benefits	8,873.0	8,013.1
Actuarial liability for accrued and future basic pension benefits	(8,785.8)	(7,776.9)
Entry-age method actuarial surplus	\$ 87.2	\$ 236.2
Changes in the extrapolated entry-age method funded status	2025	2024
Extrapolated entry-age method actuarial surplus, beginning of year	\$ 236.2	\$ 235.3
Adjustment for the 2024 valuation	(240.0)	-
Transfer from RSA to Basic Account	3.8	-
Extrapolated change in actuarial assets for basic pension benefits	417.7	720.0
Extrapolated change in actuarial liability for accrued and future basic pension benefits	(330.5)	(719.1)
Entry-age method actuarial surplus, end of year	\$ 87.2	\$ 236.2

Extrapolations may not be reliable indicators of the next valuation results, nor do they necessarily reflect the overall trend of results. Between valuations, various factors, including actual wage increases, investment earnings, and the incidence of retirements and withdrawals, may vary significantly from the long-term assumptions used in the extrapolation.

While the accrued pension benefit liability for financial statement purposes uses the projected benefit method pro-rated on service, the pension liability for funding purposes uses an entry-age funding method, where the present value of future normal cost contributions, basic pension benefits for future service and future amortization amounts are included in the determination of the funded status of CPP.

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

5. ACTUARIAL VALUATION OF THE BASIC ACCOUNT FOR FUNDING PURPOSES (CONTINUED)

a) Basic Account (continued)

The primary components of the measurement differences between the extrapolated entry-age method funding surplus and the financial statement accounting surplus are as follows:

Measurement difference between funding and accounting positions	2025	2024
Entry-age method actuarial surplus	\$ 87.2	\$ 236.2
Actuarial asset value adjustment	231.4	68.5
Rate stabilization account	328.1	310.4
Difference in actuarial methods—present value of future contributions	(2,440.3)	(2,044.6)
Difference in actuarial method—present value of future liabilities	2,646.9	2,161.3
Measurement differences between funding and accounting positions	766.1	495.6
Surplus for financial statement purposes	\$ 853.3	\$ 731.8

Actuarial asset value adjustment

To determine the entry-age method surplus for funding purposes, the actuarial value of net assets available for benefits is determined on an adjusted value basis that smooths the difference between the actual investment return and an expected long-term return rate over a five-year period.

The funding policy requires that the value of the assets be smoothed within a certain corridor. The corridor requires that the smoothed value be no more than 108% and no less than 92% of the market value of the assets. The unconstrained smoothed value of the assets at August 31, 2025, was 96.7% of the market value of the assets (2024: 98.9%).

The following schedule indicates the year the components of the actuarial asset value adjustment will be recognized in the entry-age method actuarial surplus. The amounts are based on that proportion of the total fund related to the Basic Account assets.

Actuarial asset value adjustment	2025	2024
2025	\$ -	\$ 14.5
2026	(26.2)	(69.9)
2027	109.0	64.2
2028	104.4	59.7
2029	44.2	-
Total adjustment	\$ 231.4	\$ 68.5

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

5. ACTUARIAL VALUATION OF THE BASIC ACCOUNT FOR FUNDING PURPOSES (CONTINUED)

a) Basic Account (continued)

Rate Stabilization Account (RSA)

Interest on the RSA is determined by applying the smoothed rate of return to the fiscal year-end balance. In fiscal 2025, \$3.8 million was first transferred from the RSA to the Basic Account to fund the deficit identified in the 2024 funding valuation report. Subsequently, the RSA received interest of \$21.5 million at the smoothed rate of return of 7.0% (2024: \$18.2 million, smoothed return of 6.2%). The interest was transferred from the Basic Account to the RSA.

Rate stabilization account	2025	2024
Opening balance	\$ 310.4	\$ 292.2
Transfer to basic account	(3.8)	-
Interest applied to balance	21.5	18.2
Ending balance	\$ 328.1	\$ 310.4

b) Inflation Adjustment Account (IAA)

No unfunded liability exists for the IAA, since the obligation for future cost-of-living adjustments is limited to the amount of the available assets in the account. As cost-of-living adjustments are granted to retired members, full funding for the granted cost-of-living adjustment, on a net present value basis, is transferred from the IAA to the Basic Account, from which the pensions are paid. There is no minimum level of cost-of-living adjustment required to be paid under the plan rules, nor is there any provision to fund the IAA to any minimum level for future potential cost-of-living adjustments.

6. FINANCIAL RISK MANAGEMENT

The Board approves the long-term asset mix policy for investment assets through its Statement of Investment Policies and Procedures (SIPP) and oversees the management of these assets through the Board's investment management agent, BCI. The SIPP requires diversification of investments among asset classes, sets guidelines on investment categories and limits the exposure to individual investments and counterparties.

Significant risks are regularly monitored and managed by BCI, and actions are taken when appropriate, according to CPP's SIPP. In addition, these risks are reviewed periodically with the Board. Such risks include liquidity risk, as well as other financial risks, which comprise currency risk, interest rate risk, other price risk and credit risk.

Financial risks are disclosed on a unit-of-account basis (note 6b), which represents the legal ownership of securities held, and at the underlying securities level (note 6c), which provides additional insight to other risks that may impact the financial instruments of CPP. Both forms of disclosure provide valuable perspectives on the financial risks that may directly or indirectly impact the financial statements and the funded status of CPP. These two forms of risk disclosure are not additive to each other.

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

a) Liquidity risk

Liquidity risk is the risk of not being able to meet CPP's cash requirements in a timely and cost-effective manner. Expenditures relate primarily to pensions, termination and refund benefits, and investment and administration costs. CPP's approach to mitigating liquidity risk is to forecast its cash requirements over the near and long term to determine whether sufficient funds are available.

CPP's primary sources of liquidity are income generated from CPP's investments, and employer and employee contributions. Investments are primarily held in pooled funds. Many securities are held in pools, are traded in active markets and can readily be sold; the pooled fund units can thereby be redeemed to fund cash requirements. Accounts payable of \$3.0 million (2024: \$3.5 million) are generally due within one month. Derivatives payable of \$33.9 million (2024: \$19.2 million) are due within the next fiscal year.

b) Financial risks on a unit-of-account basis

CPP investments consist primarily of direct ownership in units of pooled investment portfolios. Each unit gives its holder a proportionate interest in the value of the net assets of the respective pooled investment fund. The unit-of-account for the majority of CPP's investments is the units of the pooled investment funds.

Market risk

Market risk is the risk that the fair value of an investment will fluctuate as a result of changes in market conditions, whether those changes are caused by factors specific to the individual investment or factors affecting all securities traded in the market. Market risk consists of currency, interest rate and other price risks.

The financial markets are a source of uncertainty, notably due to geopolitical tensions, ongoing tariff negotiations and the volatility of stock markets and interest rates that are continuing to disrupt global economic activity.

Currency risk

Currency risk is the risk that the value of financial instruments denominated in currencies other than the functional currency of the fund will fluctuate due to changes in foreign exchange rates. CPP holds primarily Canadian dollar denominated investment pooled fund units and is exposed to currency risk through holdings of small amounts of foreign currency denominated debt investments (2024: debt investments). See note 6c for currency exposure related to underlying securities.

Foreign denominated investments held by CPP, in Canadian dollars, are \$77.9 million United States (USD) and \$0.9 million Australia (AUD), 0.9% of total investments (2024: \$68.4 million (USD) and \$0.9 million Australia (AUD), 0.9% of total investments).

As at August 31, 2025, if the Canadian dollar strengthened or weakened by 10% in relation to all foreign currencies, with all other factors remaining constant, net assets available for benefits would have decreased or increased by approximately \$7.9 million (2024: \$6.9 million).

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Financial risks on a unit-of-account basis (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of CPP's investments will change as a result of future fluctuations in market interest rates. The majority of CPP's investment assets are non-interest bearing and not subject to interest rate risk. See note 6c for interest rate risk related to underlying securities.

Other price risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument, its issuer or factors affecting all similar financial instruments traded in the market. CPP's investments are subject to other price risk through its public equity investments and private market investments, including equity in real estate companies, held directly and through pooled investment portfolios. This risk is managed by diversifying investments across asset classes based on criteria established in the SIPP.

As at August 31, 2025, if the pooled investment fund unit prices increased or decreased by 10%, with all other factors remaining constant, net assets available for benefits would have increased or decreased by approximately \$867.9 million (2024: \$793.9 million).

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment it has entered into, resulting in a financial loss to CPP. The majority of CPP's investments are held in securities that are not subject to credit risk. See note 6c for credit risk related to underlying securities.

Credit exposure exists for contributions receivable directly held by CPP totalling \$9.1 million (2024: \$9.7 million), for interest and dividends receivable \$0.2 million (2024: \$0.2 million), and for the derivatives \$34.8 million (2024: \$20.6 million).

c) Financial risks of underlying securities held through pooled investment funds

Pooled investment funds exist for different types of investments, such as short-term investments; bonds; Canadian, global and emerging markets equities; mortgages; real estate; private debt; private equity; and infrastructure and renewable resources. Examining the risks of the underlying securities contained in pooled investment funds provides additional disclosure to assess the overall financial risks of CPP's investments. Viewing the financial risks of underlying securities is an alternative way of disclosing financial risks from the unit-of-account basis in note 6b. These risks are not considered additive to the financial risks already disclosed in note 6b.

Market risks are reduced through asset class diversification, diversification within each asset class and credit quality requirements on investments.

Currency risk

Currency exposure also arises from foreign currency denominated investments held directly and from underlying investments held indirectly in pooled investment funds. BCI has currency exposure management programs under which it enters into economic hedges of foreign currency exposure through the use of forward foreign currency contracts.

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

c) Financial risks of underlying securities held through pooled investment funds (continued)

CPP's total currency exposure, the impact of economic hedging activities and its net notional exposure as at August 31 are as follows:

Foreign denominated investment holdings

(Cdn dollar equivalent)

	Total exposure	Economic hedging	Net exposure	% of total
2025				
United States	\$ 4,459.6	\$ 1,518.4	\$ 2,941.2	56%
Asia-Pacific, excluding Japan	600.7	12.2	588.5	11%
Euro countries	719.7	153.3	566.4	11%
United Kingdom	589.4	33.3	556.1	11%
Other	313.2	3.4	309.8	6%
Other Europe	169.9	32.7	137.2	3%
Japan	138.1	18.6	119.5	2%
	\$ 6,990.6	\$ 1,771.9	\$ 5,218.7	100%
2024				
United States	\$ 3,918.5	\$ 1,171.8	\$ 2,746.7	57%
Asia-Pacific, excluding Japan	561.7	25.3	536.4	11%
Euro countries	557.4	92.5	464.9	10%
United Kingdom	464.3	16.2	448.1	9%
Other	358.2	-	358.2	8%
Other Europe	163.3	23.4	139.9	3%
Japan	114.9	21.5	93.4	2%
	\$ 6,138.3	\$ 1,350.7	\$ 4,787.6	100%

The net foreign currency exposure of CPP's underlying investments represents 60% (2024: 60%) of its total investments.

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

c) Financial risks of underlying securities held through pooled investment funds (continued)

Interest rate risk

CPP's pooled investment funds hold interest-bearing financial instruments in short-term investments, bonds, mortgages and private debt. The risk of adverse changes in interest rates is reduced within the underlying investment pools through management of duration in exposure to fixed income securities, the use of floating rate notes and interest rate swaps, and general diversification by security type and geographic region. CPP participates in a leveraged bond strategy, using repurchase agreements, that is included in the terms to maturity table below.

The terms to contractual maturity of interest-bearing financial instruments held directly and through pooled investment portfolios as at August 31 are as follows:

Terms to maturity of interest-bearing financial instruments					Total	Effective yield to maturity
	Within 1 year	1 to 5 years	6 to 10 years	Over 10 years		
2025						
Short-term	\$ 139.4	\$ -	\$ -	\$ -	\$ 139.4	3.78%
Bonds	157.7	810.0	809.7	666.3	2,443.7	4.04%
Repurchase agreements	(614.1)	(94.9)	(165.9)	-	(874.9)	-3.09%
Mortgages	117.9	249.0	2.6	-	369.5	7.69%
Debt*	-	0.8	0.1	-	0.9	4.80%
Private Debt**	33.9	125.8	73.4	3.5	236.6	9.69%
	\$ (165.2)	\$ 1,090.7	\$ 719.9	\$ 669.8	\$ 2,315.2	
2024						
Short-term	\$ 128.7	\$ -	\$ 3.2	\$ -	\$ 131.9	4.85%
Bonds	103.9	642.7	701.4	589.9	2,037.9	4.09%
Repurchase agreements	(649.7)	-	(129.2)	-	(778.9)	-4.23%
Mortgages	48.9	253.9	2.6	2.8	308.2	7.47%
Debt*	-	0.7	0.2	-	0.9	4.80%
Private debt**	43.6	103.6	59.7	2.8	209.7	10.06%
	\$ (324.6)	\$ 1,000.9	\$ 637.9	\$ 595.5	\$ 1,909.7	

*Grouped with real estate investment category.

** An additional \$305.0 million (2024: \$256.1 million) of private debt is held in unlisted private debt investee funds, which are generally illiquid.

As at August 31, 2025, if the prevailing interest rates had increased or decreased by 1%, assuming a parallel shift in the yield curve with all other variables remaining constant, the fair value of interest-bearing financial instruments and net assets available for benefits would have decreased or increased by approximately \$180.3 million (2024: \$150.1 million).

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

c) Financial risks of underlying securities held through pooled investment funds (continued)

Other price risk

Other price risk associated with the underlying investments held in pooled investment funds is consistent with that described in note 6b, which describes financial risks on a unit-of-account basis.

Credit risk

CPP's underlying investment assets held in pooled investment funds attract credit risk. This is the risk that a loss may occur from the failure of another party to perform according to the terms of a contract. It's also the risk of losses when issuers and debtors are downgraded by credit rating agencies, usually leading to a fall in the market value of the debtors' obligations. Credit risk is managed by establishing specific investment criteria, such as minimum credit ratings for investees and counterparties and maximum concentration limits with given counterparties.

Credit risk ratings on financial instruments (short-term investments, bonds, mortgages, debt and private debt) held directly and through pooled investment portfolios are as follows:

Credit rating of financial instruments

	AAA/AA	A	BBB	Non-investment grade	Unrated	Total
2025						
Short-term	\$ 30.0	\$ 73.3	\$ -	\$ -	\$ 36.1	\$ 139.4
Bonds	1,554.2	358.0	129.7	178.5	223.3	2,443.7
Mortgages	-	-	-	-	369.5	369.5
Debt*	-	-	-	-	0.9	0.9
Private debt	6.3	2.9	-	13.7	518.8	541.7
	\$ 1,590.5	\$ 434.2	\$ 129.7	\$ 192.2	\$ 1,148.6	\$ 3,495.2
	45.0%	12.0%	4.0%	6.0%	33.0%	100.0%
2024						
Short-term	\$ 67.4	\$ 59.2	\$ 0.9	\$ -	\$ 4.4	\$ 131.9
Bonds	671.8	327.8	142.7	194.3	701.3	2,037.9
Mortgages	-	-	-	-	308.2	308.2
Debt*	-	-	-	-	0.9	0.9
Private debt	1.7	-	-	17.5	446.6	465.8
	\$ 740.9	\$ 387.0	\$ 143.6	\$ 211.8	\$ 1,461.4	\$ 2,944.7
	25.2%	13.1%	4.9%	7.2%	49.6%	100.0%

* Grouped with real estate investment category.

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

The ratings used are defined by Standard & Poor's rating agency. Obligations rated AAA/AA have the highest rating assigned. The counterparty's capacity to meet its financial commitment on the obligation is very strong. Bonds rated A, BBB or non-investment grade are weaker. A BBB rating denotes an obligation with adequate protection parameters. A non-investment grade rating denotes major ongoing uncertainties or exposure to adverse business, financial or economic conditions that could lead to the debtor's inadequate capacity to meet its financial commitment on the obligation. Unrated financial instruments consist mainly of mortgages secured by real estate, debt and corporate bonds.

7. FAIR VALUE OF FINANCIAL INSTRUMENTS

a) Fair value hierarchy

Fair value measurements of the investment assets and liabilities are based on inputs from one or more levels of a fair value hierarchy. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities. The three levels of the fair value hierarchy are as follows:

Level 1

Inputs that are unadjusted quoted prices in active markets for identical assets or liabilities

Level 2

Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly

Level 3

Inputs that are not based on observable market data

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

7. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

a) Fair value hierarchy (continued)

CPP investments are carried at fair value in the financial statements. The following table details the classification of CPP's investments based on the fair value hierarchy as at August 31:

Fair value hierarchy	Level 1	Level 2	Level 3	Total
2025				
Pooled investments	\$ 139.4	\$ 4,389.0	\$ 3,433.5	\$ 7,961.9
Other investment entities	-	-	717.2	717.2
Direct debt*	-	-	0.9	0.9
Investments	\$ 139.4	\$ 4,389.0	\$ 4,151.6	\$ 8,680.0
Directly held derivatives	\$ -	\$ 0.9	\$ -	\$ 0.9
2024				
Pooled investments	\$ 131.9	\$ 4,342.1	\$ 2,827.2	\$ 7,301.2
Other investment entities	-	-	637.4	637.4
Direct debt*	-	-	0.9	0.9
Investments	\$ 131.9	\$ 4,342.1	\$ 3,465.5	\$ 7,939.5
Directly held derivatives	\$ -	\$ 1.4	\$ -	\$ 1.4

*Grouped with real estate investment category.

During 2025 and 2024, there were no significant transfers of investments between levels.

Other investment entities are comprised of corporations, limited partnerships and trusts.

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

7. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

a) Fair value hierarchy (continued)

The following table reconciles CPP's Level 3 fair value measurements.

Level 3 fair value hierarchy	Pooled investments	Other investment entities	Direct debt	Total
2025				
Balance, beginning of year	\$ 2,827.2	\$ 637.4	\$ 0.9	\$ 3,465.5
Net gain included in investment income	213.8	25.2	-	239.0
Purchases	1,631.7	133.0	-	1,764.7
Sales	(1,239.2)	(78.4)	-	(1,317.6)
Balance, end of year	\$ 3,433.5	\$ 717.2	\$ 0.9	\$ 4,151.6
Total unrealized gain (loss) included in investment income	\$ (143.1)	\$ 31.1	\$ -	\$ (112.0)
2024				
Balance, beginning of year	\$ 2,558.2	\$ 475.6	\$ 0.9	\$ 3,034.7
Net gain included in investment income	96.5	(9.7)	-	86.8
Purchases	574.2	272.2	-	846.4
Sales	(401.7)	(100.7)	-	(502.4)
Balance, end of year	\$ 2,827.2	\$ 637.4	\$ 0.9	\$ 3,465.5
Total unrealized gain (loss) included in investment income	\$ 27.4	\$ (7.5)	\$ -	\$ 19.9

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

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7. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

b) Valuation models

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants on the measurement date.

BCI uses widely recognized valuation methods for determining the fair value of common and less complex financial instruments such as investments in pooled funds, where fair value is based on the underlying net asset value of the respective pooled fund as determined by the underlying fund manager. Observable prices and model inputs are usually available in the market for listed equity and debt securities, simple derivatives such as forward or future currency contracts, and pooled funds.

The availability of observable market prices and model inputs reduces the need for management judgment and estimation, and reduces the uncertainty associated with the determination of fair values. The availability of observable market prices and inputs varies depending on the financial instrument and is subject to change based on specific events and general conditions in the financial markets.

For more complex financial instruments, BCI, either directly or through external independent valuers, uses proprietary valuation models, which are usually developed from recognized valuation models. Some or all of the significant inputs into these models may not be observable in the market and are derived from market prices or rates, or estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of judgment and estimation in the determination of fair value. BCI and their external independent valuers are usually required to select the appropriate valuation model to be used, determine expected future cash flows of the financial instrument being valued, determine the probability of counterparty default and prepayments, and select appropriate discount rates.

BCI reviews the fair value estimates of external independent valuers and ultimately decides on the fair value estimate to be used. Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that BCI and the external valuers believe that a third-party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to account for the credit risk of CPP and the counterparties where appropriate.

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

7. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

c) Valuation framework

BCI has an established framework with respect to the measurement of fair values of financial instruments. Where possible, for direct private debt investments held by CPP, external independent valuation specialists are engaged annually to assist in the determination of fair value. In those circumstances where BCI relies on the third-party manager for the determination of fair value, BCI reviews the appropriateness of such valuations using audited financial statements of the underlying investments, where available, and other information from the underlying third-party manager or other sources.

In addition, BCI applies the following specific controls in relation to the determination of fair values:

- Verification of observable pricing inputs
- Appraisal of domestic real estate properties once every 10 to 18 months by accredited independent appraisers
- Analysis and investigation of significant valuation movements
- Review of unobservable inputs and valuation adjustments

When third-party information, such as broker quotes or pricing services, is used to measure fair value, BCI assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations are appropriate. This includes:

- Verifying that the broker or pricing service is approved by BCI for use in pricing the relevant type of financial instrument
- Understanding how the fair value has been arrived at, and the extent to which it represents actual market transactions
- Understanding how the fair value has been determined when a number of quotes for similar financial instruments have been obtained
- Understanding how prices for similar financial instruments used to measure fair value have been adjusted to reflect the characteristics of the financial instrument subject to measurement

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

7. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

d) Significant unobservable inputs used in measuring fair value

The following table sets out information about significant unobservable inputs used at year-end in measuring financial instruments categorized as Level 3 in the fair value hierarchy.

Significant unobservable inputs used in measuring fair value

Description	Fair value	Valuation technique	Unobservable input	Amount / range	Sensitivity to change in significant unobservable input
2025					
Pooled investments	\$3,433.5	Net asset value	Net asset value	\$ 3,433.5	The estimated fair value would increase (decrease) if the net asset value was higher (lower)
Other investment entities	\$ 717.2	Net asset value	Net asset value	\$ 717.2	The estimated fair value would increase (decrease) if the net asset value was higher (lower)
Direct debt	\$ 0.9	Discounted cash flow	Discount rate	4.8%	The estimated fair value would increase (decrease) if the discount rate was lower (higher)
2024					
Pooled investments	\$ 2,827.2	Net asset value	Net asset value	\$ 2,827.2	The estimated fair value would increase (decrease) if the net asset value was higher (lower)
Other investment entities	\$ 637.4	Net asset value	Net asset value	\$ 637.4	The estimated fair value would increase (decrease) if the net asset value was higher (lower)
Direct debt	\$ 0.9	Discounted cash flow	Discount rate	4.8%	The estimated fair value would increase (decrease) if the discount rate was lower (higher)

Net asset value

Net asset value is determined by BCI based on the fair value of assets less liabilities. Such investments are closed funds with significant restrictions on redemptions. Accordingly, BCI is unable to dispose of the pooled fund investment until the maturity or wind-up and liquidation of the respective pooled fund. In such cases, it is CPP's policy to categorize the pooled fund investment as Level 3 within the fair value hierarchy.

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

7. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

d) Significant unobservable inputs used in measuring fair value (continued)

Discount rate

This represents the discount rate applied to the expected future cash flows of the direct debt investments. For the discount rates used, the underlying investment manager assesses both the risk premium and the appropriate risk-free rate based on the economic environment in which the investee entity operates. The discount rate is adjusted for such matters as liquidity differences, credit and market factors. The estimated future cash flows are then discounted using the discount rate determined. Cash flows used in the discounted cash flow model are based on projected cash flows or earnings of the respective investee entity.

e) Effects of unobservable input on fair value measurement

The use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used for a reasonable alternative assumption could have the following effects on net assets attributable to holders of redeemable units.

The pooled investments, other investment entities and direct debt investments were valued based on information received from BCI, the manager of the respective investments. The fair value of these investments fluctuates in response to changes to specific assumptions for these particular investments, as determined by BCI. The favourable and unfavourable effects of reasonable alternative assumptions for the valuation of pooled investments, other investment entities and direct debt investments have been calculated by adjusting the respective underlying net asset value by 10%.

Effects of unobservable input on Level 3 fair value measurement

	2025		2024	
	Favourable	Unfavourable	Favourable	Unfavourable
Pooled investments	\$ 343.4	\$ (343.4)	\$ 282.7	\$ (282.7)
Other investment entities	71.7	(71.7)	63.7	(63.7)
Direct debt	0.1	(0.1)	0.1	(0.1)
	\$ 415.2	\$ (415.2)	\$ 346.5	\$ (346.5)

f) Financial instruments not measured at fair value

The carrying value of contributions receivable, receivable for sale of investments, interest and dividends receivable, accounts payable and accrued expenses, and payable for purchase of investments approximate their fair value given their short-term nature. These financial instruments are classified as Level 2 in the fair value hierarchy because, while prices are available, there is no active market for these instruments.

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

8. INVESTMENT INCOME

	2025			2024		
	Income allocation	Change in fair value	Total	Income allocation	Change in fair value	Total
Short-term	\$ 7.3	\$ 1.7	\$ 9.0	\$ 9.9	\$ (0.5)	\$ 9.4
Bonds	70.4	(32.7)	37.7	59.9	56.0	115.9
Canadian equities	6.3	43.9	50.2	7.5	28.7	36.2
Global equities	43.1	265.5	308.6	49.0	305.6	354.6
Emerging markets equities	12.1	66.4	78.5	17.2	54.4	71.6
Mortgages	16.3	9.4	25.7	15.1	6.4	21.5
Real estate	31.1	(23.0)	8.1	21.4	(55.1)	(33.7)
Private debt	30.9	10.4	41.3	20.7	41.2	61.9
Private equity	67.7	48.2	115.9	76.4	8.5	84.9
IRR*	95.5	8.0	103.5	93.0	(31.2)	61.8
	380.7	397.8	778.5	370.1	414.0	784.1
Directly held derivatives	1.4	(8.9)	(7.5)	-	0.8	0.8
	\$ 382.1	\$ 388.9	\$ 771.0	\$ 370.1	\$ 414.8	\$ 784.9

* Infrastructure and renewable resources

Investment income represents realized and unrealized pooled investment portfolio income attributable to CPP, as a unit holder, and income from directly held investments. Income allocation is composed of interest, dividends and other investment payments. Change in fair value is composed of realized gains and losses on the disposal of investments and derivatives, as well as unrealized gains and losses on investments and derivatives held at year-end. As at August 31, 2025, \$131.7 million of the change in fair value was unrealized losses (2024: \$250.5 million unrealized gains). All income earned within a pooled investment portfolio is reinvested within the portfolio.

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

9. CONTRIBUTIONS

	Basic account	Inflation adjustment account	Supplemental benefits account	Total
2025				
Members' contributions				
Regular	\$ 121.9	\$ 27.3	\$ 1.1	\$ 150.3
Past service purchases	0.9	0.2	-	1.1
	122.8	27.5	1.1	151.4
Employers' contributions				
Regular	124.3	27.1	0.4	151.8
Past service purchases	0.5	0.1	-	0.6
	124.8	27.2	0.4	152.4
	\$ 247.6	\$ 54.7	\$ 1.5	\$ 303.8
2024				
Members' contributions				
Regular	\$ 121.8	\$ 27.1	\$ 0.4	\$ 149.3
Past service purchases	13.1	3.7	-	16.8
	134.9	30.8	0.4	166.1
Employers' contributions				
Regular	122.7	27.0	1.0	150.7
Past service purchases	0.3	0.1	-	0.4
	123.0	27.1	1.0	151.1
	\$ 257.9	\$ 57.9	\$ 1.4	\$ 317.2

Member and employer contributions are as defined under the plan rules. Members' past service purchases are voluntary contributions.

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

10. BENEFITS

	Basic account	Inflation adjustment account	Supplemental benefits account	Total
2025				
Regular pension benefits	\$ 228.9	\$ -	\$ 1.1	\$ 230.0
Indexing—regular pension benefits	62.1	-	0.3	62.4
Termination and refund benefits	15.7	3.8	-	19.5
Death benefit payments	2.4	0.3	-	2.7
	<u>\$ 309.1</u>	<u>\$ 4.1</u>	<u>\$ 1.4</u>	<u>\$ 314.6</u>
2024				
Regular pension benefits	\$ 216.7	\$ -	\$ 1.1	\$ 217.8
Indexing—regular pension benefits	54.7	-	0.3	55.0
Termination and refund benefits	11.9	2.5	-	14.4
Death benefit payments	3.1	0.5	-	3.6
	<u>\$ 286.4</u>	<u>\$ 3.0</u>	<u>\$ 1.4</u>	<u>\$ 290.8</u>

11. SUPPLEMENTAL BENEFITS ACCOUNT (SBA)

The SBA funds certain supplemental benefits; for example, pension benefits that exceed *Income Tax Act* limits for registered pension plans are paid through this account.

12. INVESTMENT AND ADMINISTRATION COSTS

	2025	2024
Investment management	\$ 19.7	\$ 17.2
Benefit administration	5.6	5.4
Board secretariat costs	0.4	0.4
Other professional services	0.4	0.3
Board remuneration and expenses	0.3	0.2
Audit and actuarial expenses	0.1	0.1
	<u>\$ 26.5</u>	<u>\$ 23.6</u>

Investment and administration costs include audit fees of \$58 thousand (2024: \$54 thousand) and actuarial fees of \$89 thousand (2024: \$43 thousand).

BCI and Pension Corporation are related parties to CPP. The Board appoints members to each of the respective corporate boards. Investment management and benefit administration costs are approved by the Board.

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

12. INVESTMENT AND ADMINISTRATION COSTS (CONTINUED)

Investment management costs represent amounts charged to recover internal and external management costs incurred by BCI, except those external management fees related to investments managed by an underlying external manager, where management fees are embedded in the net assets of the respective investment. Underlying external investment management fees of \$16.4 million (2024: \$12.6 million) were netted against investment income.

Benefit administration costs represent amounts charged to recover benefit administration costs incurred by Pension Corporation. These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties.

Board secretariat costs represent amounts directly incurred by the Board for costs associated with supporting the Board.

Other professional services costs include insurance and legal fees incurred directly by CPP.

Board remuneration and expenses represent amounts for trustee compensation and direct expenses.

13. ACCOUNT TRANSFERS

	2025		2024	
	Basic account	Inflation adjustment account	Basic account	Inflation adjustment account
Indexing supplements	\$ 77.0	\$ (77.0)	\$ 121.0	\$ (121.0)
Indexing of deferred pensions	3.3	(3.3)	3.1	(3.1)
Excess investment return	-	-	(62.2)	62.2
	\$ 80.3	\$ (80.3)	\$ 61.9	\$ (61.9)

The IAA is a separate account maintained for funding current and future cost-of-living adjustments. The IAA is funded through a portion of ongoing contributions from employers and members, investment income earned and excess investment return earned in the Basic Account.

Cost-of-living adjusted pension payments are made from the Basic Account. Each year, if members' pension payments are adjusted for the current cost-of-living adjustment, monies are transferred from the IAA to the Basic Account to cover the present value of all future payments arising from the current cost-of-living adjustment. The Board considers all relevant factors and its IAA funding policy to determine if a cost-of-living adjustment will be granted on pensions in pay and the amount of the cost-of-living adjustment, if any. As at January 1, 2025, retired members received a cost-of-living adjustment of 2.6% (2024: 4.4%), and indexing supplements were transferred.

When a deferred pension commences, the present value of the cost-of-living adjustments during the deferral period is transferred from the IAA to the Basic Account. Approximately \$39.4 million (2024: \$42.7 million) of the current IAA balance is for cost-of-living adjustments already granted for deferred pensions but not yet transferred to the Basic Account.

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

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13. ACCOUNT TRANSFERS (CONTINUED)

In prior years, when investment earnings in the Basic Account were in excess of the actuarial assumption regarding investment rates of return, the excess investment return was automatically transferred from the Basic Account to the IAA. Effective March 2025, future transfers are subject to the discretion of the Board.

Excess investment return is based on investment income earned on those assets in the Basic Account required for pensions currently being paid: approximately \$3.2 billion of assets for 2025 (2024: \$3.0 billion). The excess investment return rate is determined by taking the difference between the actual five-year annualized market rate of return (8.4%) and the rate of return used by the CPP actuary (6.00%) in valuing CPP's liabilities. The calculated excess investment return rate for 2025 was 2.4% (2024: 2.10%), resulting in an excess investment return amount of \$77.0 million that remains in the Basic Account (2024: \$62.2 million transferred to IAA).

Plan rules allow the positive excess investment return transfer to occur at the discretion of the Board. Should the excess investment return in any year not be transferred to the IAA, it will be carried forward cumulatively with interest and if available, may be transferred to the IAA at the discretion of the Board in the future. The amount that may be transferred is subject to a number of factors, including the available surplus, which may be below the cumulative excess investment return balance. If the balance is ever negative, it will be offset against future positive excess investment returns before transfers to the IAA will recommence. The excess investment interest is an amount determined by applying the five-year annualized market rate of return to the fiscal year opening balance.

14. COMMITMENTS

CPP participates in private equity, international real estate, mortgages, and infrastructure and renewable resources pools. As at August 31, 2025, CPP's share of commitments for future investment contracts in these pools over the next several years is approximately \$1,420.9 million (2024: \$1,264.6 million).

15. CAPITAL DISCLOSURES

Capital is defined as the funded status (surplus or deficit) of CPP as determined by the actuary. CPP's objective for managing capital is to ensure that the assets of CPP are invested prudently and effectively, and with contributions adequate to meet the obligations of CPP. Management of CPP's funded status is achieved by adjusting member and employer contribution rates; through implementation of the SIPP, which affects the earnings of CPP; and, in the case of the IAA, by changing the benefits paid. The Board has a funding policy that outlines the principles that provide guidance in managing this process. The investment performance of CPP's assets is reviewed by the Board on a regular basis and compared to relevant industry benchmarks. Benefit entitlement is based on the provisions of the Agreement and the plan rules. Funding deficits must be funded over a period not to exceed 15 years.

COLLEGE PENSION PLAN

Notes to the financial statements for the year ended August 31, 2025

(\$ millions except as otherwise noted)

15. CAPITAL DISCLOSURES (CONTINUED)

An actuarial valuation must be prepared at least once every three years. The latest actuarial valuation for funding purposes was prepared as at August 31, 2024, and has two components; the first component only for the Basic Account non-indexed benefits and the second component considering valuation of the Basic Account and IAA. The next full actuarial valuation will be carried out as at August 31, 2027, with the results included in the August 31, 2028, financial statements.

The Act and the Board's funding policy require that contribution rates comply with the going-concern requirements of the PBSA.

16. PRIOR YEAR COMPARATIVES

The prior year comparatives have been reclassified to conform to the current year presentation.



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