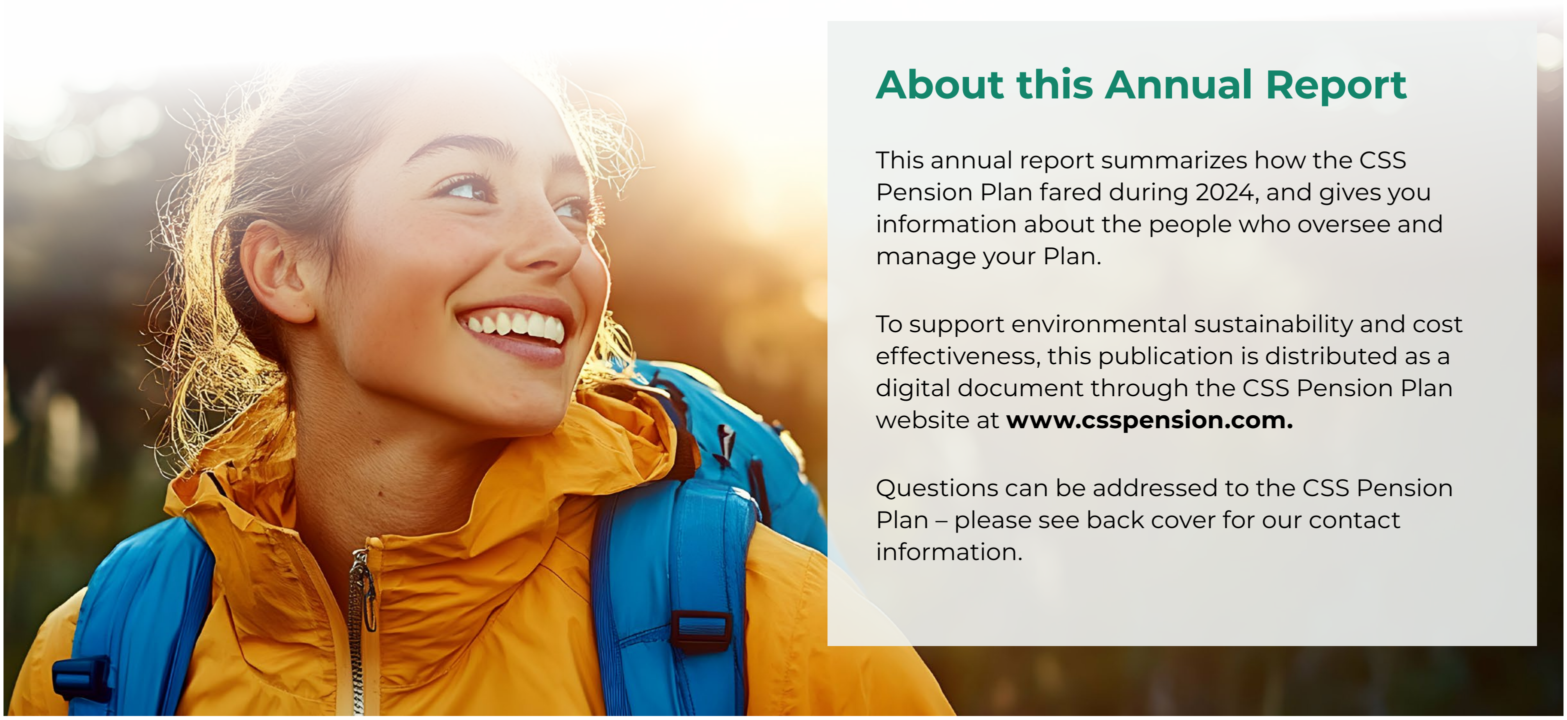
CSS PENSION PLAN

Empowering Futures

2024 Annual Report

Contents

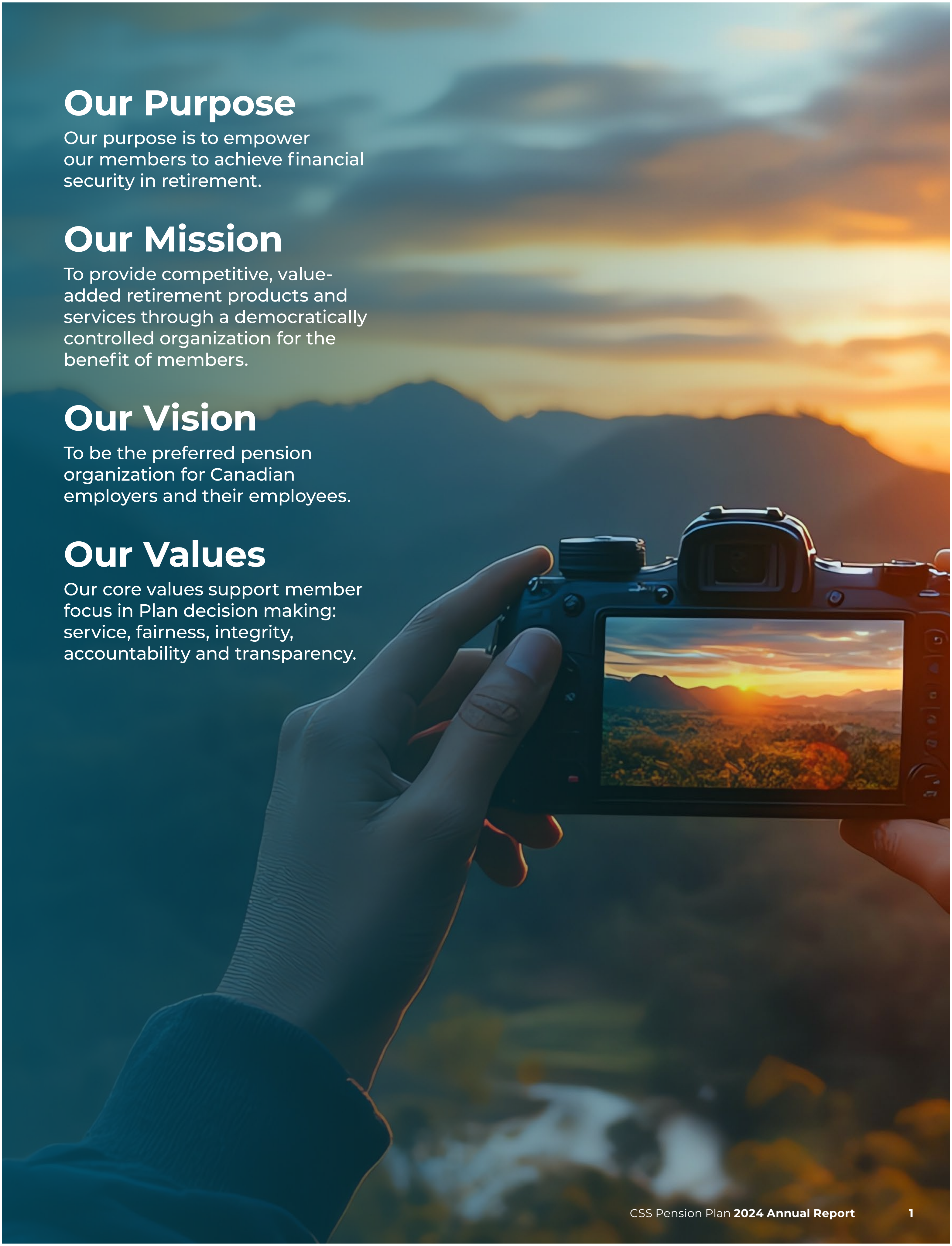


About this Annual Report

This annual report summarizes how the CSS Pension Plan fared during 2024, and gives you information about the people who oversee and manage your Plan.

To support environmental sustainability and cost effectiveness, this publication is distributed as a digital document through the CSS Pension Plan website at **www.csspension.com.**

Questions can be addressed to the CSS Pension Plan – please see back cover for our contact information.



Our Purpose

Our purpose is to empower our members to achieve financial security in retirement.

Our Mission

To provide competitive, value-added retirement products and services through a democratically controlled organization for the benefit of members.

Our Vision

To be the preferred pension organization for Canadian employers and their employees.

Our Values

Our core values support member focus in Plan decision making: service, fairness, integrity, accountability and transparency.

About CSS

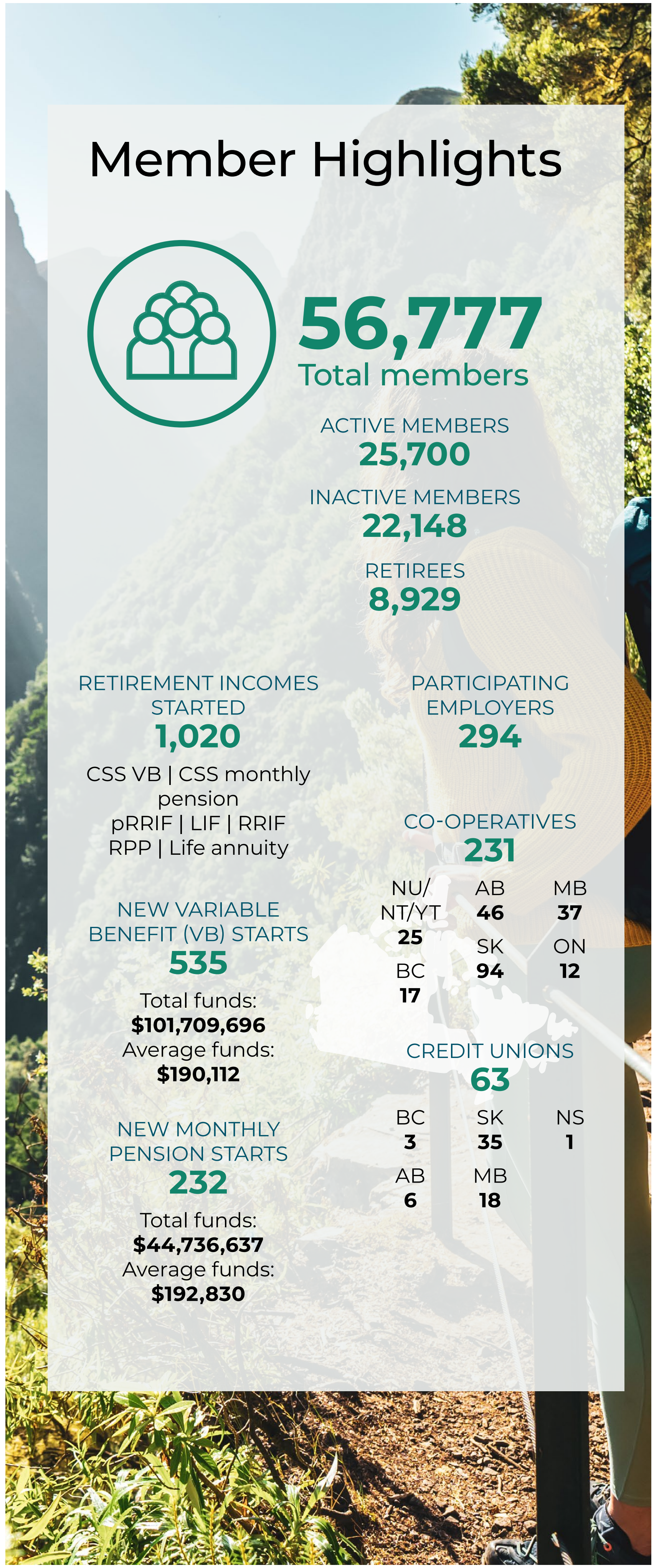
The Co-operative Superannuation Society (CSS) is a democratically controlled, non-profit pension society that serves as trustee and administrator of the CSS Pension Plan.

The CSS story began in Saskatchewan in 1939 with the mission to provide value-added retirement products and services to co-operative and credit union employees so they could feel secure both during and after their working years. CSS administers one of the oldest and largest defined contribution pension plans in Canada with approximately $5.4B in total assets (including assets in the Pensions Fund).

After 85 years, CSS has grown to serve a diverse membership of 294 co-operative and credit union employers and over 56,000 members across Canada, including more than 8,900 retirees who draw a retirement income from CSS.

Throughout 2024, the CSS team focused on putting the pieces in place to enhance the experience we provide to our members – both employee and employer.

CO-OPERATIVE
SUPERANNUATION SOCIETY
PENSION PLAN



Member Highlights

56,777
Total members

ACTIVE MEMBERS
25,700

INACTIVE MEMBERS
22,148

RETIREES
8,929

RETIREMENT INCOMES STARTED
1,020

CSS VB | CSS monthly pension
pRRIF | LIF | RRIF
RPP | Life annuity

NEW VARIABLE BENEFIT (VB) STARTS
535

Total funds:
$101,709,696
Average funds:
$190,112

NEW MONTHLY PENSION STARTS
232

Total funds:
$44,736,637
Average funds:
$192,830

PARTICIPATING EMPLOYERS
294

CO-OPERATIVES
231

NU/NT/YT **25**	AB **46**	MB **37**
	SK **94**	ON **12**
BC **17**		

CREDIT UNIONS
63

BC **3**	SK **35**	NS **1**
AB **6**	MB **18**	

Message from our Board

Dear fellow CSS members,

It is my pleasure to present the Co-operative Superannuation Society (CSS) Pension Plan annual report, on behalf of your Board of Directors, for the year ending December 31, 2024.

Looking back at my message from the 2023 CSS annual report, I'm struck by the number of events that I commented on then that are still applicable now. There continues to be multiple areas of conflict across the globe, severe weather events seem to be entrenched as a part of everyday life, artificial intelligence and populist politics, tariffs, and the disruption of the economic global order continue to be top of mind, to name but a few.

In short, there is as much, if not more, uncertainty today as there was last year. Uncertainty creates volatility in global relations, economies and ultimately, markets. This can make for quite a challenging environment for individual and institutional investors alike. It is very easy to get caught up in the barrage of negative "noise" we hear every day and lose sight of positives.

An anchor for CSS to help us see through the "noise" is our purpose: to empower our members to achieve financial security in retirement. This seemingly simple statement guides your Board, CSS management and staff in everything we do. It is our enduring commitment to that purpose that made 2024 another exciting year to be part of CSS.

Strategic initiatives

CSS is in the final stages of its current strategic plan cycle, and we are excitedly looking forward to mapping out a fully refreshed plan in the next year or two. The current strategic plan includes several initiatives intended to position CSS to continue to deliver on its purpose for many years to come.

In the investments area, CSS conducted a portfolio study in 2024. This is a significant and important strategic initiative completed every four to five years and involves a top-to-bottom look forward at the investment mandates and asset classes included in CSS' investment portfolio. Supported by the Plan's external global investment consultant, the study utilizes forward-looking, long-term capital market assumptions to assess whether there are opportunities to enhance the portfolio's risk/return characteristics. There are potential opportunities identified to improve the portfolio risk and return characteristics based on the latest long-term capital market assumptions. Over the next year, the Board will be reviewing these potential opportunities.

Another major initiative under the current plan has been the ongoing business and digital transformation of CSS. This transformation is a project of projects and spans over multiple years. The digital evolution will ultimately include new systems, modified processes, workflow automation, modernized member portals, and enhanced personalized experiences, to name but a few. The business transformation ensures that in everything we do, we consider the journey of the employer and employee members, we are member-centric, digitally focused and a co-operative-first organization. Ultimately, this evolution will position CSS to work very differently and even more efficiently than it does today. When completed, this work is expected to significantly enhance member experience for our individual as well as our employer members. This work continues to progress as expected.

It is indeed an exciting time to be a co-operative organization, and we very much look forward to celebrating the International Year of Co-operatives with our membership throughout 2025!

In concert with the digital transformation, CSS has been investing in enhancing its cyber security posture, as well as its overall digital infrastructure to support our member experience enhancement ambitions. Objective outside reporting has confirmed that our work in this area has been very successful.

Along with enhancing employer member experience to ensure our employers (and their employees) receive maximum value from CSS, your Board has been working with management on the attraction of new employers to the Society and the Pension Plan. As you can imagine, the decision-process for an employer to offer a new pension plan to its employees can be lengthy, but we are very encouraged by the interest and excitement we're seeing from potential new employers. Employer growth and retention will continue to be an important strategic initiative for CSS in the years ahead, and we look forward to sharing successes in this area with you in the future.

We are very well positioned to continue to empower our members to achieve financial security in retirement!

Conclusion

On behalf of your Board, and everyone at CSS, let me say thank you for providing CSS the opportunity to continue to serve you. As members of the CSS Pension Plan ourselves, it is very satisfying to work with you and for you to maintain the CSS Pension Plan as the envy of the pension industry in Canada.

Please also join me in extending a heartfelt thank you to all CSS directors and delegates, the Plan's management and staff, and our consultants and advisors for their unwavering support of CSS, its members and its purpose, mission and vision.

It is indeed an exciting time to be a co-operative organization, and we very much look forward to celebrating the International Year of Co-operatives with our membership throughout 2025!

Jason Sentes
President, CSS Pension Plan

Co-operative Superannuation Society

A pension plan designed and governed by and for members.

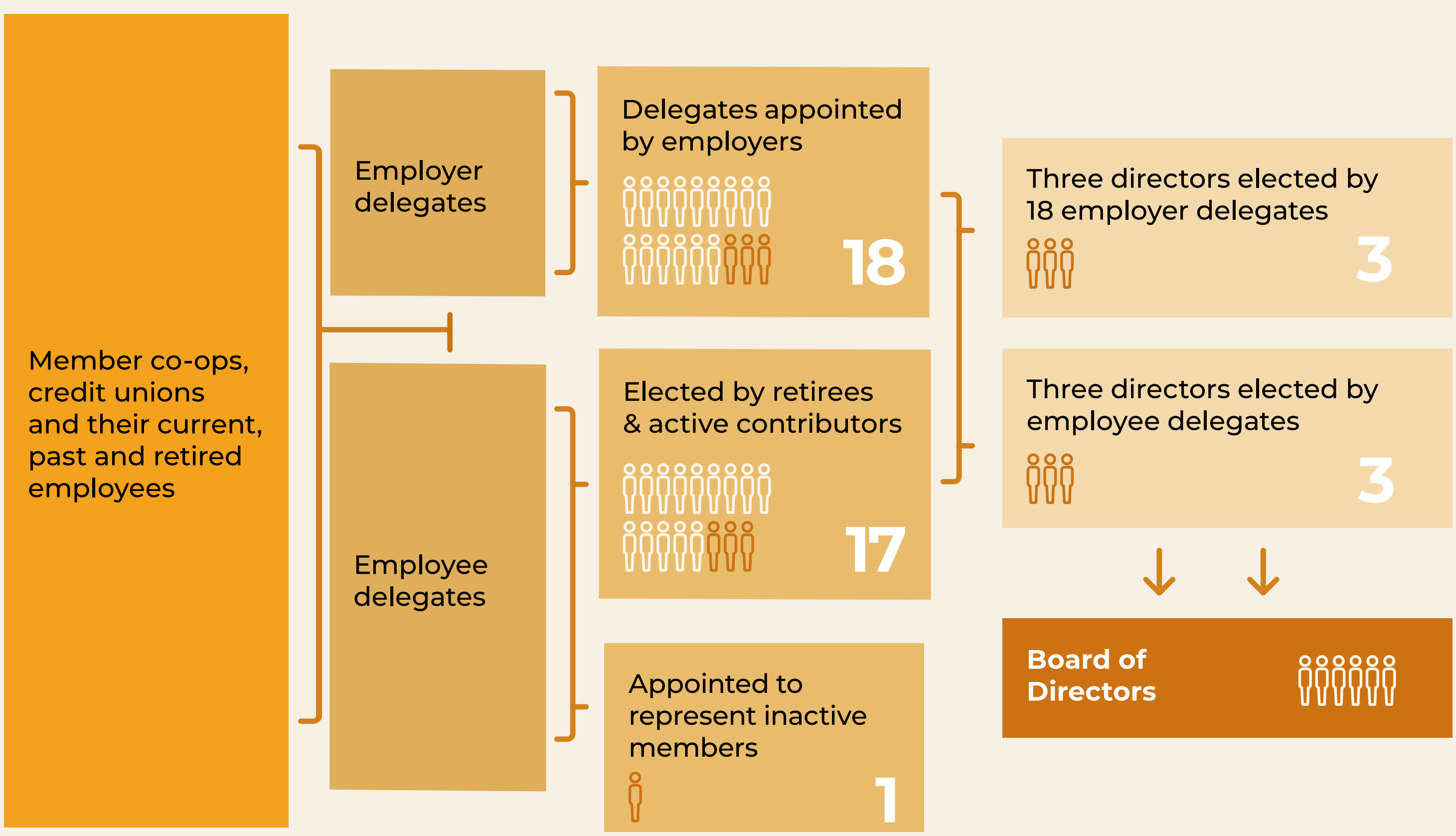
How does the Co-operative Superannuation Society (the Society) work?

The CSS Pension Plan is governed by a non-profit corporation incorporated on a membership basis – the Co-operative Superannuation Society – which serves as both Plan administrator and fund holder.

Under the Society's Bylaws, control rests with member co-operatives and credit unions and their current, past and retired employees.

The business and affairs of the Society are supervised by a Board of six directors. Three directors are elected by and from the 18 delegates representing employers and three are elected by and from the 18 delegates representing employees.

Employer and employee members are represented at all meetings of the Society by 36 delegates, as shown in the graphic below:



Our Board Members

The business and affairs of the Society are supervised by a Board of six directors. Three directors are elected by and from the 18 delegates representing employers and three are elected by and from the 18 delegates representing employees.

The Board of Directors appointed in 2024 are:

Jason Sentes, President

CEO, 1st Choice Savings and Credit Union

Corvyn Neufeld, Vice-President

Chief People and Governance Officer Cornerstone Credit Union

Lesley Carlson, Director

Chief Financial Officer Prairie Centre Credit Union

Ron Healey, Director

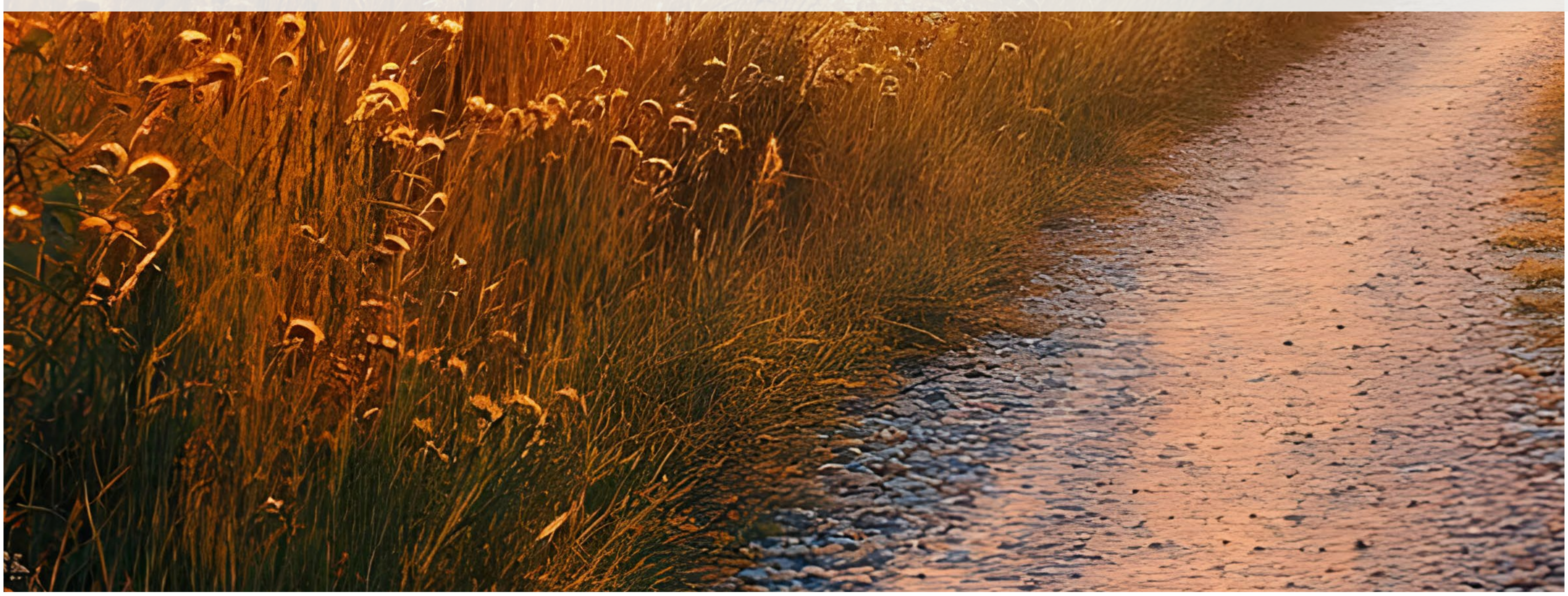
Vice-President, Energy and Ag Federated Co-operatives Limited

Greg Sarvis, Director

General Manager Riverbend Co-operative Ltd.

Shannon Patterson, Director

Associate Vice-President of HR Connect, Federated Co-operatives Limited



Our Delegates

The delegates elected and appointed to represent the Society's employer and employee members at the 2025 annual meeting are:

EMPLOYEE (ELECTED)

RETIREES

Ken Edey
Peter Gruening
Mike Gartner

ACTIVE PLAN MEMBERS

Alberta, British Columbia, and Northern Canada	
Mike Isaak	Westview Co-op
Jack Nicholson	Otter Co-op
Jason Sentes	1st Choice Savings
Allan Bieganski	Four Rivers Co-op

Manitoba and Eastern Canada	
Greg Gill	Valleyview Consumers Co-op
Colin Peters	Swan Valley Consumers Co-op
Kevin Van Den Bussche	Beausejour Consumers Co-operative
Vacant Position	

Saskatchewan	
Karen Bradley	Affinity Credit Union
Lesley Carlson	Prairie Centre Credit Union
Mike Moon	Parkland Co-operative
Mike Nord	Discovery Co-op
Brian Pilloud	Weyburn Credit Union
Greg Sarvis	Riverbend Co-op

EMPLOYEE (APPOINTED)

INACTIVE PLAN MEMBERS

Ken Kosolofski

EMPLOYER (APPOINTED)

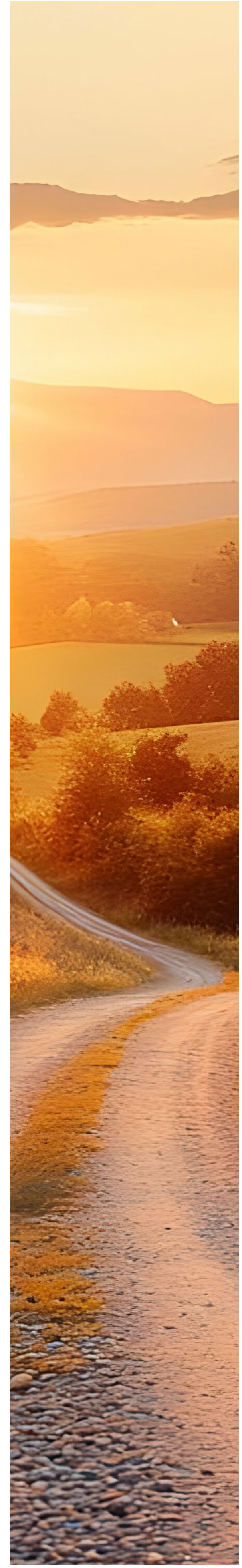
Federated Co-operative Limited	
Justin Booth	Chris James
Vanessa Chesters	Shannon Patterson
Bo Do	Angela Pomazon
Todd Gursky	Cody Smith
Paul Hames	Randy Wasserman
Ron Healey	

Saskatchewan Credit Unions	
Kimberly Enge	Kimberley Olfert
Corvyn Neufeld	

Credit Union Central of Alberta
Johanna Bravo

Credit Union Central of Manitoba	
Zoe Asaminew	Jessica Cruickshank

Other Employers	
Lisa Clatney	Saskatoon Community Clinic



Message from our Executive Director

Dear fellow CSS members,

As always, it is my pleasure to provide my report to our members on our accomplishments over the past year. 2024 was a year focused on empowering futures – those of our members, as well as CSS itself.

Investments

CSS members enjoyed a strong investment return, 8.85% after expenses, in our Balanced Fund in 2024. While there were certain investment markets that did exceptionally well in 2024, as has been the case for the past few years, these outsized returns continue to come with significant risk exposure.

Most CSS members utilize the CSS Balanced Fund as a core holding in their individual portfolios. CSS designs its multi-asset Balanced Fund to protect on the downside by tilting its portfolio primarily to quality and value characteristics, as well as diversifying across asset classes, geographies, capitalization size, and public and private markets. As recently as 2022, we've seen that this approach to portfolio construction effectively protects our members when markets are significantly and negatively affected.

In 2024, CSS undertook a comprehensive portfolio study. We do this every four to five years to look into the future, using externally provided long-term capital market assumptions, to model various scenarios for our portfolio and identify opportunities to improve the risk/return characteristics of the portfolio. While none of us has a crystal ball to see what the future will bring with any certainty, this process utilizes the best information available at the time, as well as a very disciplined and prudent approach to find portfolio opportunities that we expect will benefit our members.

Along with contributions to the pension plan, it is the achievement of reasonably good investment returns over the long-term coupled with a prudent approach to risk-taking and the protection of investment capital that significantly contributes to financially secure outcomes in retirement for our members. We're looking forward to continuing to evolve our investment portfolio to best position it to empower those outcomes for our members.

Member experience

Along with the member experience initiatives highlighted in the Board President's message, I am very pleased to report that CSS maintained its Great Place to Work® status in 2024. We know that an excellent employee experience at CSS contributes to an exceptional member experience for CSS members, so this external recognition of our accomplishments in this regard is very important to us. We particularly like this certification process because it is based primarily on our employees' expression of trust in the organization and its leadership.

In addition to the investment portfolio study noted above, CSS also conducted a "Retirement Readiness" assessment with the assistance of our external investment and actuarial partners. The purpose of this study is to analyze and assess the age at which a typical CSS member who spends their career investing with CSS can retire and is expected to have a high probability of not exhausting their funds in retirement. We were very pleased to see that the study indicated a retirement readiness age in the low- to mid-60s is achievable.

CSS continues to empower its members to achieve financial security in retirement. We invite you to read through this annual report for further information about your Society and Pension Plan and our performance over this past year.

Conclusion

While we continue to live, and invest, in times of significant uncertainty and challenge, your team at CSS was able to accomplish much success in 2024. On behalf of the Plan's staff and management, let me extend thanks to our partners, consultants, service providers, directors and delegates for their assistance and unwavering commitment to serving our members.

Martin McInnis
Executive Director, CSS Pension Plan

We're looking forward to continuing to evolve our investment portfolio to best position it to empower those outcomes for our members.

Serving our Members

Contributions

$211.4M
Total contributions

$103.8 million
Employee contributions

$98.9 million
Employer contributions

$8.6 million
Transfers-in

$251 million Transfers-out and withdrawals

Outreach

810
Member outreach*

567
Member consultations

48
Workshops (virtual/in-person)

1,376
Workshop registrants (virtual/in-person)

*In addition to the above, outreach efforts occur annually with estate accounts (to ensure the estates are wound-up), separation matters (to ensure these matters are resolved), and Age 71s (to ensure that an income stream is elected before the calendar year where the member turns Age 72). Moving into 2024, outreach efforts have increased to include VB payment members at their 1-year anniversary mark ($+300k), and formally include the missing member program.

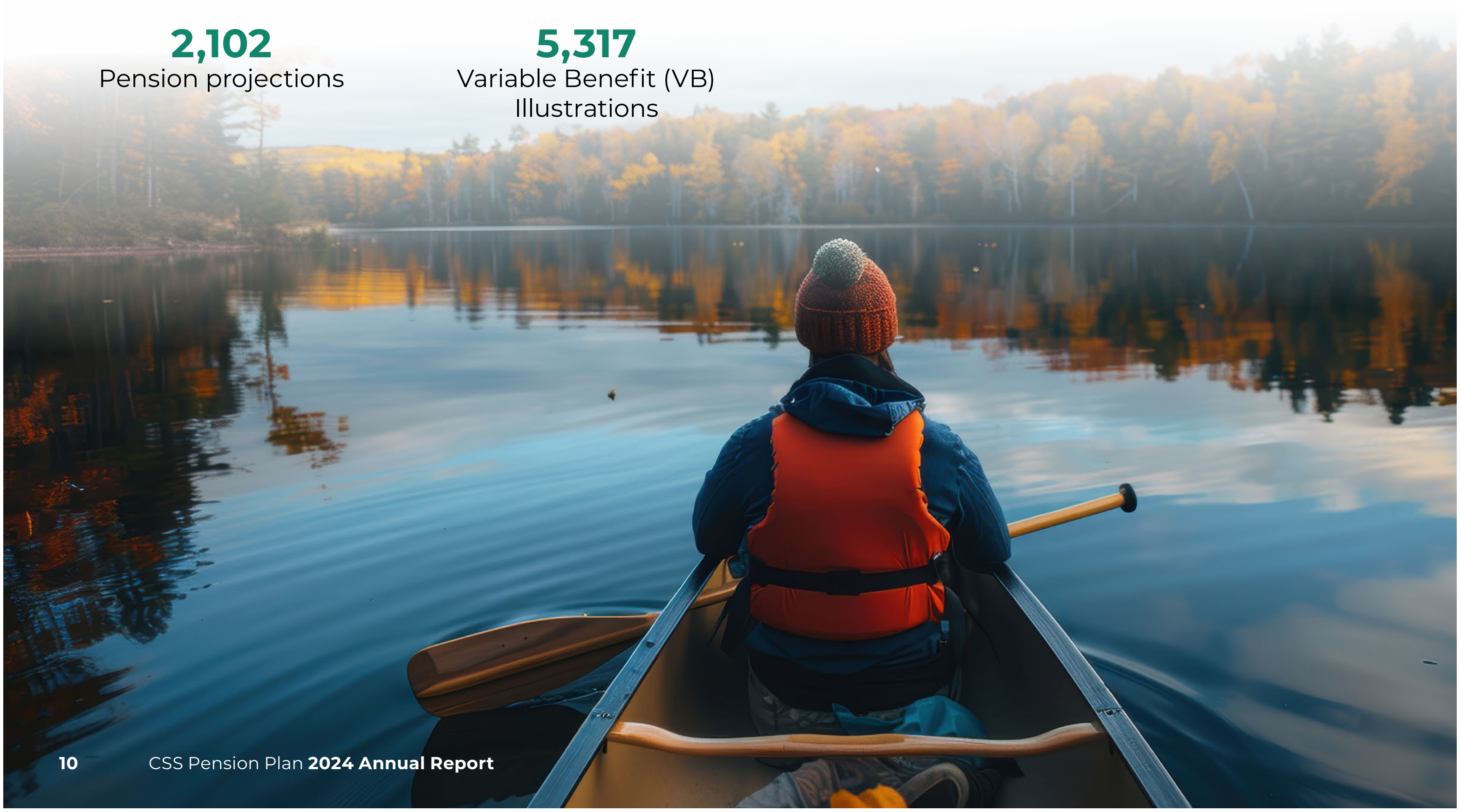
Retirement plans and starts

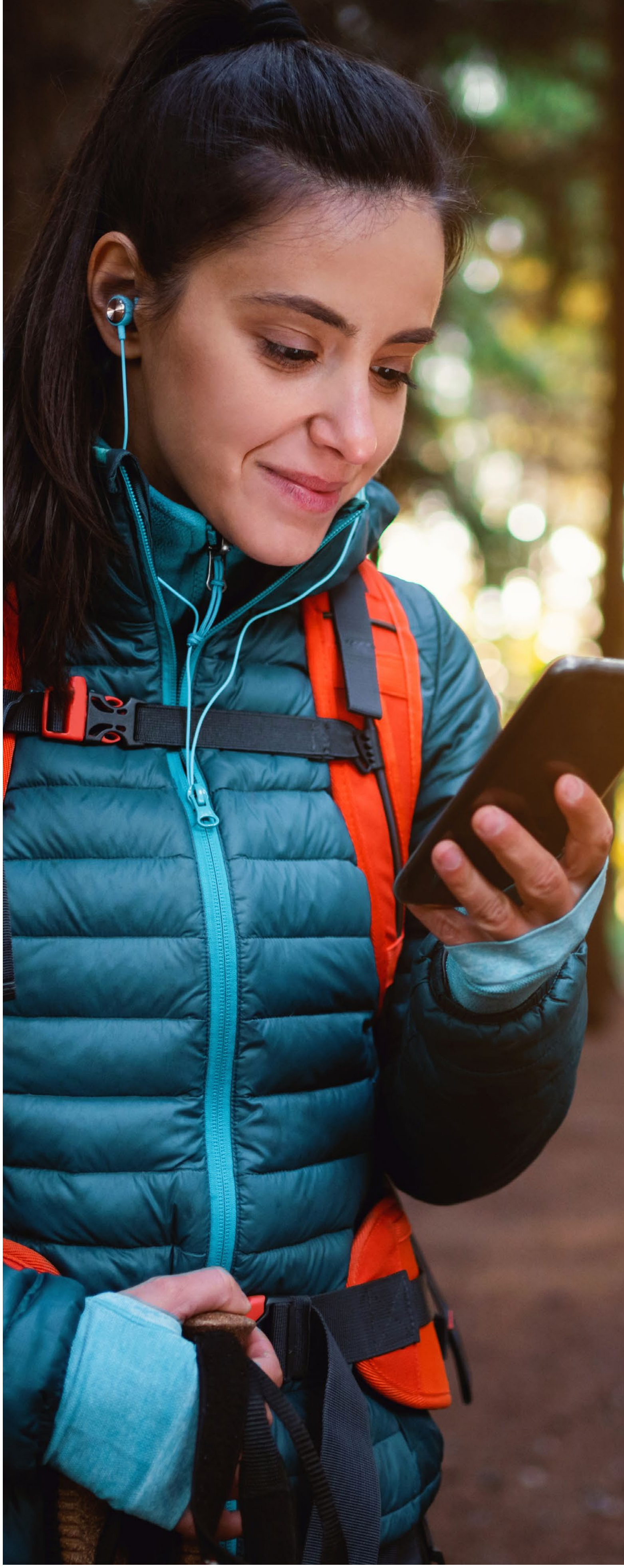
1,709
Retirement plans created with myCSSPEN Compass®

767
Retirement starts (VB/monthly)

2,102
Pension projections

5,317
Variable Benefit (VB) Illustrations





Serving our Members Digitally

582,757
Total visits to CSS website

259,830
Visits to csspension.com

322,927
Total visits to myCSSPEN

311,413
Visits to myCSSPEN for members

11,514
Visits to myCSSPEN for employers

Source: Google Analytics

POPULAR DEVICES

+45%
Use mobile

+53%
Use desktop

+2%
Use tablet

Source: Google Analytics

DIGITAL COMMUNICATIONS

30,744
Member email address opt-ins since 2015

18,060
Member opt-ins to receive digital documents on my CSSPEN

SOCIAL MEDIA

+300
Followers on X (formerly Twitter)

+1,700
Followers on LinkedIn

Our Staff

Mohammad Abu Naser
Programmer Analyst

Theresa Anderson
Member Experience Specialist

Crystal Bien
Member Experience Associate

Whitney Bueckert
Technical Manager, Software Development

Rachelle Camsell
Employer Relationship Associate

Fernanda Cervantes
Communications Specialist

Brina Chamney
Programmer Analyst

Tami Dove
Director, Member Experience

Sharon Eckmire
Executive Coordinator

Johan Fick
Director, Digital Solutions

Shontelle Flaman
Retirement and Pension Advisor

Brent Godson
Director, Investments and Financial Management

Lynn Gramson
Member Services Coordinator, Administration

Jeanine Jackman
Employer Services Specialist

Prabhjot Kaur
Member Services Specialist, Accounts

Shweta Khanna
Member Experience Specialist

Jessica Kreutzer
Retirement and Pension Advisor

Martin McInnis
Executive Director

Chi Nguyen
Accounting / Investment Officer

Naomi Ottenbreit
Communications Specialist

MD Osman Goni
Manager, Accounting and Investments

Jalpa Patel
Programmer Analyst

Rob Peddle
Senior Programmer Analyst

Nicole Quintal
Manager, Brand and Digital Engagement

Maureen Richards
Manager, Member Experience

Gayle Richmond
Manager, Projects and Processes

Rhonda Rodh
Retirement and Pension Advisor

Joel Sawatsky
Manager, Accounting and Investments (Retired Dec. 31, 2024)

Richard Simigan
Retirement and Pension Associate

Yevgenii Sleptsov
Programmer Analyst

Marilyn Shipley
Retirement and Pension Advisor

Kayla Van Meesen
Member Services Specialist, Transfers and Withdrawals

Miles Warkentine
Retirement and Pension Associate

Key Investment Beliefs

We appreciate that each CSS member's circumstance and future is unique. Our four professionally managed investment funds and two retirement income solutions empower our members to build the financially secure retirement they desire and deserve.

Member outcomes are paramount.

We study behavioural finance and other disciplines to help us understand member behaviour and leverage this knowledge to design our strategies, products and education to mitigate the most harmful outcomes and increase the probability of success.

Discipline is key to investment management practices and processes.

We favour time-proven investment strategies, which help us to remove emotion in our decision making and examine the latest trends and theories with a healthy skepticism.

We maintain a long-term investment horizon.

We look past short-term noise and market volatility to focus on long-term goals.

Expense management and control is critical.

We look to add the most value for our members in the money we spend, rather than spend as little as possible.

We leverage academic and empirical research to give us the best probability of success in the future.

We construct our investment strategy in part by learning from the past.

As a fiduciary, protection of capital is at the heart of our investment strategy.

Although we must accept risk to earn the returns necessary for an adequate retirement, we look to investment approaches and styles which improve downside protection and maximize return per unit of risk taken.

We look to diversify across asset classes, geographies, sources of risk and return, and investment approaches and styles.

Diversification is central to mitigating risk.

We integrate ESG (environmental, social and governance) risks and opportunities into our investment processes with a view to enhancing performance.

We believe a responsible and sustainable investing approach is in the best interest of our membership.

We invest significant time and resources in identifying and selecting investment managers and consultants and look to build long lasting relationships.

We regularly review and monitor their performance. We look to establish long-term relationships with high quality investment partners.

Investment Highlights

$4.67B
Net Assets

Pensions Fund
$687M

CSS monthly pensions are paid from our Pensions Fund, which is invested in high-quality, long-term bonds, private debt and commercial mortgages.

BALANCED FUND
$4.12B
Net Assets

EQUITY FUND
$346M
Net Assets

BOND FUND
$42M
Net Assets

MONEY MARKET FUND
$159M
Net Assets

Market Overview

2024 was a year of uncertainty and surprises for investors. While CSS is a global institutional investor and we pay attention to global markets, the jurisdiction with the largest impact to investors in 2024 was the United States. Looking ahead, the US economy is expected to continue to outperform on a global basis; however, it is important to remember the old axiom that the economy is not the market and the market is not the economy.

Rates of return

BALANCED FUND
8.85%

BOND FUND
5.15%

EQUITY FUND
13.3%

MONEY MARKET FUND
5.10%

Despite the Federal Reserve in the United States hiking interest rates at a very aggressive pace in 2023 – a pace we hadn't seen in close to 50 years – the US economy proved far more resilient than economists and analysts predicted in 2024. In fact, the US real GDP grew even faster (slightly) in 2024 than it did in 2023. Traditional economic indicators continued to signal a contraction in the US economy was imminent, yet the US economy continued to expand throughout 2024.

In addition, US unemployment rose but the typical downturn in consumer spending that typically follows a rise in unemployment rates did not occur in 2024. And the passionate enthusiasm for all things generative AI, and other innovations, led to continued concentration of market gains in a few mega-cap technology companies (the so-called 'Magnificent 7'), pushing their valuations ever higher.

In the end, investors who were invested in indices like the S&P500 had a stellar year in 2024 in terms of investment returns. In fact, the last time we've seen back-to-back years of over 20% returns on the S&P500 (like we did in 2023-2024) was 1998-1999. While there is no certainty that historical events will repeat, it is instructive to recall what occurred to markets after that 1998-1999 period.

It is easy to overlook the level of underlying risk in the face of outsized positive returns, as was the case in 1998-1999. The risk stemming from the disproportionate influence of the 'Mag 7' stocks on US equity indices (for example, the S&P500) today make these indices top heavy or highly concentrated in only a handful of individual companies. It is true that some of the market's concentration around the 'Mag 7' eased toward the end of 2024, however that concentration remains a significantly elevated and relevant risk that investors will need to keep an eye on in 2025; particularly if these companies see any deterioration in their earnings growth expectations.

From a global perspective, amid a continuing uncertain and unpredictable geopolitical backdrop, global equity markets did relatively well in 2024; largely because of US market influences. To be sure, developed international and emerging market stocks lagged their US counterparts, however modest to good positive returns were achieved.

2024 was a year of relatively modest global earnings growth. A particular challenge was that growth continued to be below trend in many parts of the world, and high-quality investment assets were (and remain) expensive in most global markets, not just the United States, which is extremely expensive by typical historical measures.

Modest global earnings growth is expected to lead to modest global investment returns in equities in the coming years. There will no doubt be good investment opportunities to pursue but over-reliance on market indices to continue to provide outsized returns going forward may lead to disappointment. Focusing on fundamentals, buying quality companies at reasonable prices, diversifying away risk, and having reasonable expectations around risk-adjusted returns are expected to serve equity investors well in 2025 and beyond.

Turning our attention to fixed-income investments, we appear to be back to a more normal fixed-income landscape relative to history. High yields not seen in decades led to investors placing record volumes into global bond funds in 2024. In the US, stronger than expected growth and inflation led the US Federal Reserve less aggressively cut rates than originally anticipated. The fears of recession that were present in 2023 and 2024 seemed to have faded by the end of 2024.

Generally speaking, a favourable environment for fixed-income investing is anticipated for 2025. Interest rates are expected to remain above inflation, helping fixed-income investors achieve success. However, it remains to be seen what: 1) potential negative surprises may come from the US tariff and immigration policies; and 2) potential positive impacts may arise from US tax and deregulation policies, being implemented in 2025.

In the alternative investments space, real estate and infrastructure had very different performances. Real estate continued to be impacted by the high interest rate environment and uncertainty within the office sector. Infrastructure, on the other hand, continued to see capital flow into the asset class and performance remain strong. The outlook for each of these asset classes is positive. Real estate valuations appear to have bottomed in 2024 and accordingly a return to historical returns seems on the horizon. Infrastructure's outlook is also positive as the asset class looks poised to take advantage of the world's ever-growing energy needs and continued need for green initiatives. Further reductions in interest rates are also expected to benefit both.

Expenses / MERs

Investing - no matter with a pension plan or financial institution - includes costs for investment management and operating expenses. The management expense ratio (MER) is the combined total of these costs, expressed as a percentage of the fund's average assets for the year.

The returns you earn as an investor reflect the performance of the fund after the MER is deducted. Over the long term, even small differences in the MER can result in big differences in the amount of funds available at retirement.

BALANCED FUND
MER 0.64%

EQUITY FUND
MER 0.43%

BOND FUND
MER 0.48%

MONEY MARKET FUND
MER 0.18%

Investment Funds Overview

CSS had a strong year of performance in our fixed income and infrastructure mandates. The "normalization" of fixed-income markets over the past couple of years coupled with the diversification of holdings within the fund has led to our fixed-income mandates outperforming benchmarks.

The strong performance in fixed income and infrastructure was offset by underperformance in our real estate mandates and several equity mandates. Real estate investments continue to be affected by higher costs of debt and continued uncertainty of the work from home/return to office regime. CSS' Balanced Fund and Equity Fund are underweight the mega-cap US equities relative to benchmarks by design, and this was the largest single detractor to overall investment performance for 2024.

In 2024, with the assistance of our external global investment consultant, CSS conducted a comprehensive investment portfolio study. We do this every four to five years, the objective being to identify any changes to the overall portfolio that should be considered to improve the long-term risk/reward characteristics of the portfolio. A first step in the study is to model the current portfolio and asset mix, using expected risk and return expectations, against similar peer and institutional portfolios. In this exercise, the CSS Balanced Fund showed well both in expected return and risk relative to the group. However, the study did identify some potential opportunities for improvement, which will be examined in greater detail during 2025.

In addition, CSS conducted a "retirement readiness" study. The study looks at what age members investing with CSS over their working career can expect to retire with a high probability of not running out of funds in retirement. Although each member's circumstances will vary, and studies like these depend on several assumptions, the conclusions demonstrated a 'typical member' using the Plan's default Balanced Fund is expected to achieve retirement readiness by early to mid- 60s.

World-class investment solutions

We employ best-in-class investment managers with professional selection and performance monitoring processes. Through our diversified, multi-manager approach, members have access to asset allocations that they might not otherwise be able to access in the retail marketplace.

NEW INFRASTRUCTURE MANDATES

Distributed | Regulated Assets

Contracted | Power Assets

GDP-Sensitive Assets

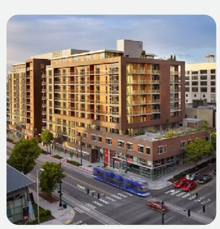
J.P.Morgan ASSET MANAGEMENT

ifm investors

Essential services that often operate on a monopolistic basis either by regulatory structure or long-term contract, which drives visibility into strong EBITDA margins and cash yield.

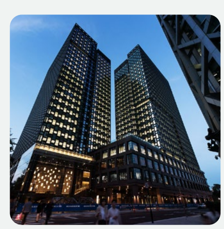
DIVERSIFICATION | **INFLATION PROTECTION** | **CASH YIELD**

NEW GLOBAL REAL ESTATE MANAGERS



Rollin Street Flats Multi-Unit | USA

Cold Creek Solutions | USA



Centropolis Office | South Korea

TD Asset Management

UBS

2024 At a Glance

Net Assets

Growing the assets of the CSS Pension Plan improves the retirement outcomes for our members and provides scale for additional efficiencies.

$4.67B
Net Assets

Pensions Fund

For members who wish to convert their accumulated retirement savings into a regular monthly income, the Plan offers a fixed monthly pension. These monthly pensions are paid from our Pensions Fund, which is invested in high-quality, long-term bonds, private debt and commercial mortgages. The manager of the Pensions Fund employs an immunization strategy that matches the cash flow and duration characteristics of the fund to the Plan's pension liability. The immunization strategy aims to protect the fund's surplus through changing market conditions. Our actuary (AON) filed a full report with the Superintendent of Pensions as of Dec 31, 2022, on the funded status of the Plan's pensions (an updated report must be filed at least every third year). The report confirmed that the Pension Fund's assets continued to exceed our pension liability.

$687M
Pensions Fund

Pensions Fund Asset/Liability Ratio*

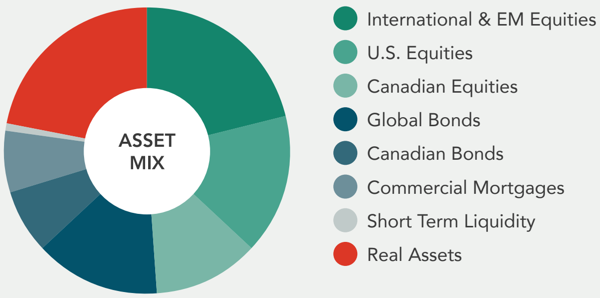
*Pensions Fund adjusted assets as a percentage of liabilities (as of Dec. 31, 2022)

106%

Investment Funds Performance vs. Benchmark

Balanced Fund

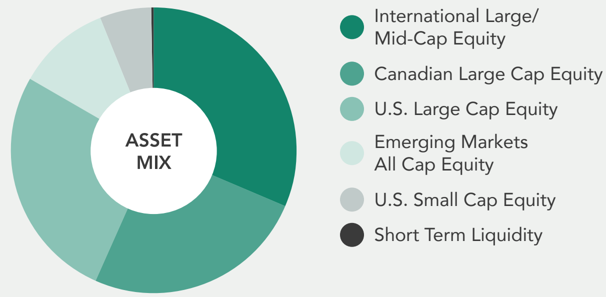
This Fund is the Plan's default fund. The Fund's target allocation is 50% equities, 30% fixed income, and 20% real assets. The risk/return profile is expected to produce moderate long-term growth with occasional short-term losses.



	1 YEAR	4 YEARS	10 YEARS
Fund	**8.85%**	**4.73%**	**5.37%**
Benchmark	12.38%	5.90%	6.29%
Value added	-3.53%	-1.17%	-0.92%

Equity Fund

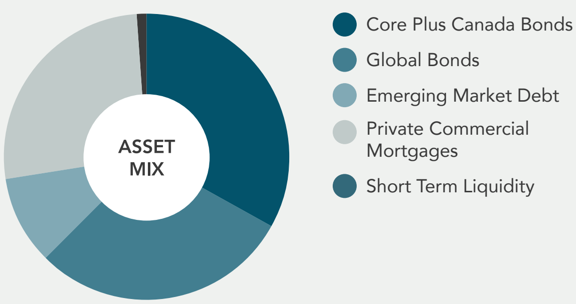
This Fund contains mainly publicly traded stocks from around the world. It is managed by seven different investment managers in nine different mandates, and is expected to produce higher average returns than the Balanced Fund over the long term, but with larger and more frequent short-term losses.



	1 YEAR	4 YEARS	10 YEARS
Fund	**13.32%**	**7.35%**	**7.23%**
Benchmark	20.18%	10.50%	9.28%
Value added	-6.86%	-3.15%	-2.05%

Bond Fund

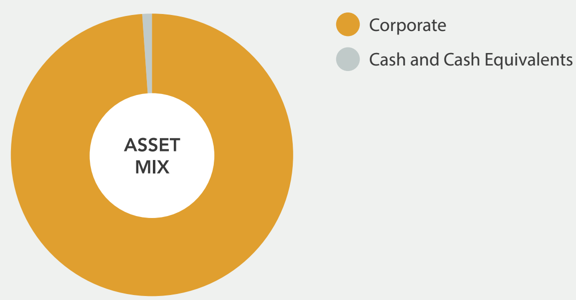
This Fund consists of Canadian and global bonds and has allocations to private commercial mortgages and emerging market debt for diversification of returns and reduced interest rate risk.



	1 YEAR	4 YEARS	10 YEARS
Fund	**5.15%**	**0.41%**	**2.53%**
Benchmark	5.37%	-0.62%	2.09%
Value added	-0.22%	1.03%	0.44%

Money Market Fund

This Fund is the Plan's lowest risk/lowest return option. It typically produces a return similar to prevailing short-term interest rates in Canada.



	1 YEAR	4 YEARS	10 YEARS
Fund	**5.10%**	**2.97%**	**1.95%**
Benchmark	4.92%	2.88%	1.71%
Value added	0.18%	0.09%	0.24%

Investment Manager Performance

Investment Manager	1 Year	4 Year
QV Investors - Canadian Equities	17.55%	14.18%
Benchmark: S&P TSX Composite Index	21.65%	12.49%
Value added/variance	-4.10%	1.69%
Scheer Rowlett - Canadian Equities	17.48%	14.47%
Benchmark: S&P TSX Composite Index	21.65%	12.49%
Value added/variance	-4.17%	1.98%
Scientific Beta - U.S. Large-Cap Equities	23.60%	15.86%
Benchmark: S&P 500 Total Return	36.36%	19.81%
Value added/variance	-12.76%	-3.95%
Hillsdale - U.S. Small-Cap Equities	22.58%	13.62%
Benchmark: Russell 2000	21.65%	7.69%
Value added/variance	0.93%	5.93%
Sprucegrove - International Equities	8.12%	5.53%
Benchmark: MSCI EAFE	13.24%	7.17%
Value added/variance	-5.12%	-1.64%
JP Morgan - International Equities	12.73%	6.06%
Benchmark: MSCI EAFE	13.24%	7.17%
Value added/variance	-0.51%	-1.11%
Wellington - EM Equities	11.50%	-0.75%
Benchmark: MSCI EM IMI	16.81%	1.93%
Value added/variance	-5.31%	-2.68%
Wellington - Canada Universe Bonds	4.59%	-0.97%
Benchmark: DEX Universe Bond Index	4.23%	-1.09%
Value added/variance	0.36%	0.12%
TDAM – Commercial Mortgages	7.08%	4.45%
Benchmark: Custom Benchmark	5.78%	1.00%
Value added/variance	1.30%	3.45%
Blackrock – Emerging Market Debt	2.30%	-0.70%
Benchmark: JP Morgan JEMBI Sovereign Only	0.89%	-2.74%
Value added/variance	1.41%	2.04%
Wellington OFI – Global Bonds	8.45%	-
Benchmark: Barclay's Global Aggregate	7.23%	-
Value added/variance	1.22%	-
TDAM - Short Term	5.21%	3.07%
Benchmark: DEX 91 Day T-Bill	4.92%	2.88%
Value added/variance	0.29%	0.19%
Mackenzie - Currency Overlay 5bps	1.08%	-
Benchmark: Custom Benchmark	3.08%	-
Value added/variance	-2.00%	-

Investment Manager	1 Year	4 Year
TD - Canadian Real Estate	-0.49%	4.66%
Benchmark: CPI + 4%	5.89%	8.12%
Value added/variance	-6.38%	-3.46%
TD - Global Real Estate	3.88%	-
Benchmark: CPI + 4%	5.89%	-
Value added/variance	-2.01%	-
UBS - Global Real Estate	-4.58%	-
Benchmark: CPI + 4%	5.89%	-
Value added/variance	-10.47%	-
JP Morgan - Infrastructure*	18.70%	-
Benchmark: CPI + 4%	5.89%	-
Value added/variance	12.81%	-
IFM - Infrastructure*	10.68%	-
Benchmark: CPI + 4%	5.89%	-
Value added/variance	4.79%	-

*Returns above are net of estimated fees

CSS PENSION PLAN

Financial Statements

December 31, 2024

Management's Responsibility for Financial Information

To the Members of the Co-operative Superannuation Society Pension Plan:

The consolidated financial statements of the Co-operative Superannuation Society ("the Society") and the CSS Pension Plan ("the Plan") have been prepared by Plan management and approved by the Society's Board of Directors.

Plan management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for pension plans and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, Plan management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets under administration by the Society are safeguarded and controlled, that transactions comply with the Society's Act of Incorporation and Bylaws and the Plan's Rules and Statement of Investment Policies and Goals, and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Board of Directors of the Society is composed entirely of Directors who are neither management nor employees of the Plan. The Board is responsible for overseeing Plan management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Society's Board is also responsible for recommending the appointment of the Plan's external auditors.

MNP LLP is appointed by the Society's Board to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Society's Board and Plan management to discuss their audit findings.

Martin McInnis
Executive Director
CSS Pension Plan
Secretary-Treasurer
Co-operative Superannuation Society

Brent Godson
Director, Investments and Financial Management
CSS Pension Plan

To the Members of Co-operative Superannuation Society Pension Plan:

Opinion

We have audited the consolidated financial statements of Co-operative Superannuation Society Pension Plan (the "Plan"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of changes in net assets available for benefits for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Plan as at December 31, 2024, and its financial performance 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 Consolidated Financial Statements section of our report. We are independent of the Plan in accordance with the ethical requirements that are relevant to our audit of the consolidated 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.

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

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

MNP LLP
119 4th Ave South, Suite 800, Saskatoon SK, S7K 5X2 1 (877) 500-0778 T: (306) 665-6766 F: (306) 665-9910

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 these consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Saskatoon, Saskatchewan

MNP LLP

March 11, 2025

Chartered Professional Accountants

Co-operative Superannuation Society Pension Plan

Consolidated Statement of Financial Position

As at December 31, 2024

INVESTMENT FUNDS

(thousands of dollars)

ASSETS	2024	2023
Investments (*Note 3*)	**$ 4,668,313**	$ 4,384,319
Cash	**9,949**	20,087
Accrued investment income	**4,156**	3,954
Accounts receivable		
Employee contributions	**479**	451
Employer contributions	**489**	421
Capital assets	**114**	180
Intangible assets	**1,872**	607
Due from brokers	**-**	22,496
Interfund balance (*Note 8*)	**19,909**	10,111
	4,705,281	4,442,626
LIABILITIES		
Due to brokers	**7,303**	-
Accounts payable	**12,435**	14,618
Interfund balance (*Note 8*)	**19,520**	9,876
	39,258	24,494
NET ASSETS AVAILABLE FOR BENEFITS (*NOTE 10*)	**4,666,023**	4,418,132
REPRESENTED BY: Member contribution accounts (*Note 7*)	**4,666,023**	4,418,132

PENSIONS FUND

(thousands of dollars)

ASSETS	2024	2023
Investments (*Note 3*)	**$ 685,910**	$ 665,274
Accrued investment income	**2,252**	2,336
Due from brokers	**-**	9
	688,162	667,619
LIABILITIES		
Accounts payable	**426**	345
Interfund balance (*Note 8*)	**389**	236
	815	581
NET ASSETS AVAILABLE FOR BENEFITS	**687,347**	667,038
REPRESENTED BY: Pension reserve	**687,347**	667,038

Approved on behalf of the Board

Director **Director**

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

Consolidated Statement of Changes in Net Assets Available for Benefits

For the year ended December 31, 2024

INVESTMENT FUNDS

(thousands of dollars)

CHANGE IN ASSETS	2024	2023
Investment income		
Interest	**$ 12,009**	$ 12,622
Dividends		
Canadian dividends	**33,088**	15,317
Foreign dividends	**42,845**	35,107
Pooled fund distributions	**27,540**	41,027
Increase in market value of investments	**301,841**	217,281
Other	**556**	842
	417,879	322,196
Contributions		
Employee	**103,845**	99,824
Employer	**98,945**	95,676
Transfers in	**8,629**	6,595
	211,419	202,095
Total increase in assets	**629,298**	524,291
ADMINISTRATIVE EXPENSES		
Investment services	**19,166**	18,284
Investment transaction costs	**366**	416
Salaries and employment costs	**4,140**	3,858
Operations	**5,184**	5,347
Membership control	**111**	118
Longevity risk insurance (recovery from Pensions Fund)	**(2,878)**	(2,735)
CCRL administrative expenses (recovery from CCRL)	**(249)**	(213)
Administrative expenses (recovery from Pensions Fund)	**(1,614)**	(1,584)
	24,226	23,491
Equity repayments	**240,256**	224,405
Variable benefit payments	**71,114**	65,762
Equity transferred to Pensions Fund	**45,811**	46,641
	357,181	336,808
Total decrease in assets	**381,407**	360,299
Increase in net assets	**247,891**	163,992
Net assets available for benefits, beginning of year	**4,418,132**	4,254,140
Net assets available for benefits, end of year (*Note 10*)	**4,666,023**	4,418,132

Consolidated Statement of Changes in Net Assets Available for Benefits

For the year ended December 31, 2024

PENSIONS FUND

(thousands of dollars)

INCREASE IN ASSETS		**2024**		2023
Increase in market value of investments	**$**	**2,450**	$	25,551
Investment income				
Interest		**30,971**		30,413
Equity transferred from Investment Funds		**45,812**		46,642
Other		**88**		121
Total increase in assets		**79,321**		102,727

DECREASE IN ASSETS		
Pension paid	**54,515**	52,750
Longevity risk insurance	**2,878**	2,735
Administrative expenses	**1,619**	1,597
Total decrease in assets	**59,012**	57,082

Increase in net assets	**20,309**	45,645
Net assets available for benefits, beginning of year	**667,038**	621,393
Net assets available for benefits, end of year	**687,347**	667,038

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

1. Description of Plan

A summary description of the Co-operative Superannuation Society Pension Plan ("the Plan") appears below. For complete information, refer to the Co-operative Superannuation Society's Act of Incorporation, its Bylaws, and the Rules and Regulations of the Co-operative Superannuation Society Pension Plan.

(A) General

The Co-operative Superannuation Society ("the Society") is a non-profit pension society incorporated on a membership basis by a private Act of the Saskatchewan Legislature. The Society serves as administrator of the Co-operative Superannuation Society ("CSS") Pension Plan and as fund holder and trustee of five investment funds.

The Co-operative Superannuation Society Pension Plan ("the Plan") is a multi-employer defined contribution pension plan. The Plan's purpose is to enable employees of member Co-operatives and Credit Unions to prepare for and fund their retirements by providing tax-deferred saving and income products and services through a member owned and controlled non-profit organization.

Member employees bear the risk of investment losses and are the sole beneficiaries of investment gains.

The Plan includes 294 (2023 – 299) independent co-operatives and credit unions and about 47,848 (2023 – 46,672) of their current and past employees. The Plan also pays retirement income to about 8,929 (2023 – 8,741) of their retired employees. Each of these employers, employees and retirees is a member of the Plan.

Actively contributing employers and employees, and retirees receiving pensions or variable benefit payments from the Plan, are also members of the Society.

The Plan is registered under the *Income Tax Act* and the Saskatchewan Pension Benefits Act (Registration Number 0345868) and is not subject to income taxes.

These consolidated financial statements include the assets, liabilities, revenues and expenses of the Plan and 13806987 Canada Inc., a wholly-owned Pension Investment Corporation of the Plan.

(B) Funding Policy

Each participating employer must establish a required contribution rate for its employees between 0% and 9% of regular earnings or total earnings. Employers must deduct employees' required contributions from their earnings and match that contribution with an employer contribution of an equal amount. If the employee required contribution rate is set at 0%, the employer must still contribute a minimum of 1% of earnings. The Plan permits both employees and employers to make additional voluntary contributions to the Plan. The total of all contributions to the Plan may not exceed the annual limit prescribed by the *Income Tax Act*.

(C) Vesting

Employer contributions vest in employees immediately upon receipt by the Plan.

(D) Investment Funds

The Plan offers members four unitized funds for the investment of their contributions and accumulated benefits – a Balanced Fund, a Money Market Fund, a Bond Fund and an Equity Fund. The number and type of investment funds offered to members is determined by the Society's Board of Directors.

Members are permitted, but not required to choose how they wish to distribute their contributions and accumulated benefits among the investment funds offered. Members who do not make a choice are invested in the Plan's default investment option, which is a Balanced Fund.

(E) Retirement

Employees who no longer work for an employer member of the Plan may apply for retirement benefits upon reaching age 50 or once the employee's age plus years of completed continuous service reaches a factor of 75. Phased retirement, as permitted under the *Income Tax Act* and provincial pension legislation, is also available to employees with the consent of their employer.

The Plan offers retirees two internal retirement income options – a fixed monthly pension and a variable benefit payment option. Members' accumulated benefits may also be transferred to an insurer or financial institution licensed to provide retirement income products. Retirees must start a retirement income from the Plan or transfer their benefits into a self-directed lifetime retirement income product no later than the maximum age of deferral under the *Income Tax Act*.

(F) Pensions

The accumulated benefits of retirees who choose to start a fixed monthly pension are transferred into the CSS Pensions Fund – a segregated portfolio that secures the Plan's pension liability. Monthly pension payments are paid from this Fund. The Plan offers both single and joint life pensions.

Pensions provided by the Plan may receive periodic ad hoc increases, subject to the solvency of the CSS Pensions Fund and the policies adopted by the Plan's Board of Directors.

(G) Variable Benefit Payments

The accumulated benefits of members who choose to start a variable benefit payment remain in their account and under their control, invested in the Plan's Investment Funds as directed by the member. Variable benefit payments are periodic withdrawals taken directly from the member's accumulated benefits. Members may select a monthly or annual payment. Members receiving variable benefit payments have control over the amounts withdrawn, subject to the limits in the *Income Tax Act* and applicable pension legislation. Depending on a member's life span, investment returns and payment choices, a variable benefit payment may not provide a lifetime retirement income.

(H) Disability Pensions

In the event of termination due to health, injury or disability, a pension or variable benefit payment may commence at any age, subject to the Plan receiving acceptable medical confirmation.

(I) Death Benefits

In the event of a member's death prior to starting a pension or variable benefit payment, the member's accumulated benefits are paid to the member's spouse, beneficiary or estate in accordance with the member's designation, but subject to the provisions of the *Income Tax Act* and applicable pension legislation.

(J) Termination Options

Upon final termination of employment with any employer participating in the Plan, an employee member has the following options:

<u>Accumulated benefits locked-in for pension</u>

The member may:

i. leave locked-in benefits in the Plan to commence a pension or variable benefit payment when eligible to do so, or

ii. provided that the member has not started a pension, he/she may transfer locked-in benefits to a registered plan with an insurer or financial institution licensed to provide retirement income products that meet the conditions prescribed by the *Income Tax Act* and applicable pension legislation.

<u>Accumulated benefits not locked-in for pension</u>

The member may:

i. leave non-locked-in benefits in the Plan to commence a pension or start a variable benefit payment, or;

ii. provided that the member has not used them to start a pension, he/she may withdraw non-locked-in benefits in the form of a cash payment net of income tax or as a qualified transfer to a registered plan with an insurer or financial institution.

(K) Administrative and Investment Expense

All Plan expenses are paid directly from the Balanced Fund. Expenses associated with the administration and investment of the other investment funds are reimbursed to the Balanced Fund in proportion to their share of the expense. The Pensions Fund reimburses the Balanced Fund monthly based on a daily accrual charge.

2. Summary of Significant Accounting Policies

Basis of Presentation

These consolidated financial statements are prepared in accordance with Canadian accounting standards for pension plans. The statements present the combined operations of the Cooperative Superannuation Society and the Co-operative Superannuation Society Pension Plan, independent of participating employers and plan members.

Basis of Consolidation

These consolidated financial statements consolidate the assets, liabilities, revenues and expenses of the Plan and 13806987 Canada Inc., a 100% wholly-owned subsidiary. All interentity balances have been eliminated upon consolidation.

Investment Transactions and Income

Investment transactions are recognized on the trade date (the date upon which substantial risks and rewards have been transferred). Investment transaction costs are recognized in the consolidated statement of changes in net assets available for benefits in the period incurred.

Investment income consists of earned income (interest and dividends), realized gains and losses on disposal of investments, and unrealized gains and losses resulting from changes in the market value of investments, including pooled fund distributions.

Average cost reflects the purchase cost of the investment and includes direct acquisition costs.

CATEGORY	BASIS OF VALUATION
Interest income	Accrual basis
Dividend income	Accrual basis on the ex-dividend date
Realized gains and losses for investments sold	Difference between proceeds on disposal and the average cost
Unrealized gains and losses for investments held	Difference between market value and the average cost

Investment Valuation

Fixed income and equity investments are stated at market values as determined by reference to quoted year-end prices provided by independent investment services organizations.

Pooled funds are stated at the year-end unit values, which reflect the market value of their underlying securities. Real Estate and Infrastructure pooled fund underlying assets are valued by 3rd party appraisers.

Short-term investments are recorded at cost, which together with accrued interest or discount earned, approximates market value.

Foreign Currency Translation

Transactions in foreign currencies are translated into Canadian dollars at rates of exchange prevailing on the transaction date. Investments denominated in foreign currencies and held at the end of the year are translated at exchange rates in effect at year-end. The resulting realized and unrealized gains and losses are included in investment income.

Financial Instruments

The carrying amounts of the Plan's receivables, payables, and accruals approximate fair value due to their short-term nature.

Derivative Financial Instruments

Derivative financial instruments are financial contracts, the value of which is derived from changes in underlying assets or indices as measured at the closing date of the period being reported. Derivative transactions are conducted in the over-the-counter market directly between two counter parties or on regulated exchange markets. All derivative financial instruments are recorded at market value using market prices. Where quoted market values are not readily available, appropriate valuation techniques are used to determine market value.

Use of Estimates and Judgment

The preparation of consolidated financial statements prepared in accordance with Canadian accounting standards for pension plans requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the amounts of increases and decreases in net assets available for benefits for the reporting period. The most significant estimates relate to the fair values of investments. Actual results could differ from those estimates.

3. Investments

The Society serves as fund holder and trustee for the Pensions Fund and four unitized Investment Funds: a Balanced Fund, a Money Market Fund, a Bond Fund, and an Equity Fund. The structures of these funds are determined by the Society's Board of Directors, which sets the Plan's Investment Policy. The Plan's Investment Policy conforms to the legal requirements and best practice guidelines applicable to pension trusts.

CSS INVESTMENT FUNDS

(thousands of dollars)	**2024**		2023	
INVESTMENT TYPE	Market Value	Investment Percentage	Market Value	Investment Percentage
Short-Term				
Custodial Cash Accounts	**$ 2,282**		$ 3,973	
Short-Term	**24,714**		21,416	
	26,996	**0.6%**	25,389	0.6%
Equities				
Canadian Equities	**560,817**		511,092	
U.S. Equities	**553,803**		563,479	
Non-North American Equities	**361,160**		351,777	
	1,475,780	**31.6%**	1,426,348	32.5%
Pooled Funds				
Short-Term	**177,553**		198,114	
Canadian Bonds	**311,520**		307,679	
Global Fixed Income	**340,579**		336,932	
U.S. Equities	**266,731**		140,265	
International Equities	**360,245**		345,832	
Emerging Mkt Equities	**289,369**		259,494	
Canadian Real Estate	**244,063**		269,711	
Global Real Estate	**216,504**		189,308	
Global Infrastructure	**400,131**		354,317	
Emerging Mkt Debt	**255,753**		248,643	
Commercial Mortgages	**303,089**		282,287	
	3,165,537	**67.8%**	2,932,582	66.9%
Total	**$ 4,668,313**	**100.0%**	$ 4,384,319	100.0%

The CSS Investment Funds contain cash, short-term investments, bonds, equities, and units in pooled funds. The Balanced Fund contains cash, short-term investments, Canadian equities, Non-North American equities, U.S. equities, and units in pooled funds (short-term, Canadian and global fixed income, emerging markets debt, U.S. equities, international equities, emerging markets equities, Canadian real estate, commercial mortgages, global real estate, and global infrastructure). The Money Market Fund contains cash and units in a short-term pooled fund. The Equity Fund contains cash, short-term investments, Canadian equities, non-North American equities, U.S. equities, and units in short-term, U.S., international, emerging market equity pooled funds. The Bond fund contains cash, and units in short-term, Canadian and global fixed income, emerging market debt, and commercial mortgage pooled funds.

The Pensions Fund contains cash, short-term investments, Canadian bonds and units in private debt and commercial mortgage pooled funds. An immunization strategy is employed by the Pensions Fund Manager to ensure that cash flows from the fund will meet the Plan's pension payroll, and to render the portfolio immune to changes in interest rates.

CSS PENSIONS FUND

(thousands of dollars)	**2024**		2023	
	Market Value	Investment Percentage	Market Value	Investment Percentage
Short-Term				
Custodial Cash Accounts	**$ 1,101**		$ 128	
Short-Term	**4,188**		4,632	
	5,289	**0.8%**	4,760	0.7%
Bonds and Debentures				
Federal	**20,011**		23,455	
Provincial	**231,487**		232,556	
Municipal	**-**		1,492	
Corporate	**93,847**		86,386	
	345,345	**50.3%**	343,889	51.7%
Pooled Funds				
Private Debt	**215,732**		205,286	
Commercial Mortgages	**119,544**		111,339	
	335,276	**48.9%**	316,625	47.6%
Total	**$ 685,910**	**100.0%**	$ 665,274	100.0%

Fair Value

The Plan has classified its financial instrument holdings using a hierarchy that reflects the significance of the inputs used in determining their measurements.

Under the classification structure, financial instruments recorded at unadjusted quoted prices in active markets for identical assets and liabilities are classified in Level 1. Instruments valued using inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly are classified as Level 2. Instruments valued using inputs that are not based on observable market data are classified as Level 3.

The following table classifies the Plan's financial instruments within a fair value hierarchy, excluding custodial cash accounts:

(thousands of dollars)	LEVEL 1		LEVEL 2		LEVEL 3		TOTAL	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
Investment Funds								
Short-Term	**$ -**	$ -	**$ 24,714**	$ 21,416	**$ -**	$ -	**$ 24,714**	$ 21,416
Equities	**1,475,780**	1,426,348	**-**	-	**-**	-	**1,475,780**	1,426,348
Pooled Funds	**-**	-	**2,304,839**	2,119,246	**860,698**	813,336	**3,165,537**	2,5932,582
Total	**1,475,780**	1,426,348	**2,329,553**	2,140,662	**860,698**	813,336	**4,666,031**	4,380,346
Pensions Fund								
Short-Term	**-**	-	**4,188**	4,632	**-**	-	**4,188**	4,632
Bonds	**-**	-	**345,345**	343,889	**-**	-	**345,345**	343,889
Pooled Funds	**-**	-	**119,544**	111,339	**215,732**	205,286	**335,276**	316,625
Total	**$ -**	$ -	**$ 469,077**	$ 459,860	**$ 215,732**	$ 205,286	**$ 684,809**	$ 665,146

The following table represents the changes to Level 3 instruments during the period ended December 31, 2024.

(thousands of dollars)		
INVESTMENT FUNDS	**2024**	2023
Reconciliation of Level 3 assets:		
Balance at January 1	**$ 813,336**	$ 507,127
Net Purchases, sales, principal pyts	**15,567**	303,547
Realized Gains	**8,004**	6,999
Unrealized Gains (Losses)	**23,791**	(4,337)
Balance at December 31	**860,698**	813,336
PENSIONS FUND		
Reconciliation of Level 3 assets:		
Balance at January 1	**$ 205,286**	$ 182,137
Net Purchases, sales, principal pyts	**9,713**	9,170
Realized Gains	**-**	13,979
Unrealized Gains	**733**	-
Balance at December 31	**215,732**	205,286

4. Risk Management

The net assets available for benefits in the Plan's Investment Funds and Pensions Fund consist almost entirely of financial instruments. The risks of holding financial instruments include interest rate risk, credit risk, market risk, foreign exchange risk, equity price risk and liquidity risk. Significant financial risks are related to the investments held on behalf of Plan members. These financial risks are managed by having an investment policy, which is approved annually by the Board of Directors. The investment policy provides guidelines to the Plan's investment managers for the asset mix of the portfolio regarding quality and quantity of fixed term investments and equity investments. The asset mix helps to reduce the impact of market value fluctuations by requiring investments in different asset classes and in domestic and foreign markets. The Board reviews regular compliance reports from its investment managers and custodian as to their compliance with the investment policy.

Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Plan's cash flows, financial position, and income. Each Fund's exposure to interest rate risk, if any, is concentrated in its investments in debt securities including short-term investments, bonds and debentures and fixed income pooled funds. The Plan's sensitivity to interest rate changes is estimated using the weighted average duration of the fixed income portfolio. In practice, the actual trading results may differ from these approximations and the difference can be material.

The CSS Investment Funds has exposure to interest rate risk as follows:

As at December 31, 2024, if the prevailing interest rate had changed by 1.00%, assuming a parallel shift in the yield curve with all other variables held constant, net assets would have decreased or increased respectively by approximately $60.1 million (approximately 1.29% of net assets) (2023 - $60.8 million or 1.38% of net assets).

The CSS Pensions Fund has exposure to interest rate risk as follows:

As at December 31, 2024, if the prevailing interest rate had changed by 1.00%, assuming a parallel shift in the yield curve with all other variables held constant, net assets would have decreased or increased respectively by approximately $57.6 million (approximately 8.38% of net assets) (2023 - $51.4 million or 7.71% of net assets).

Credit Risk

Credit risk refers to the potential loss arising from a party not being able to meet its financial obligation. The Plan is subject to credit risk within its investment holdings, forward currency contracts and securities lending program.

Credit risk within investments is managed through the Plan's Statement of Investment Policies and Goals. The investment policy together with the investment management agreement establishes limits on each manager's exposure to lower credit quality issues and borrowers as well as the maximum exposure to any one issuer or borrower.

As at December 31, 2024, 100% (2023 – 100%) of the Plan's short-term investments were rated "R-1 low" or better and 53.15% (2023 – 67.58%) of the bonds and debentures held in the CSS Investment Funds and 62.31% (2023 – 62.99%) of the bonds and debentures held in the CSS Pensions Fund were rated "A" or better.

Currency forward contracts are entered into between the Plan and approved counterparties. The credit risk associated with these contracts is mitigated by establishing a minimum number of counter parties, and through credit analysis of counterparties performed by the Currency Manager.

Under the securities lending program, collateral is pledged to the Plan by various counter parties for securities out on loan to the counter parties. The plan has entered into a securities lending agreement with BNY Mellon Global Collateral Services, to enhance portfolio returns. The securities lending program operates by lending the Plan's available securities to approved borrowers. Credit risk associated with the securities lending program is mitigated by requiring borrowers to provide cash or collateral that exceeds the market value of the loaned securities. At December 31, 2024, securities on loan had a market value of $251.8 million (2023 - $179.4 million). Collateral held to secure those loans had a market value of $265.9 million (2023 - $188.5 million).

Market Risk

Market risk is the risk that the value of an investment will fluctuate as a result of changes in the value of financial instruments. Value can be affected by changes in interest rates, foreign exchange rates and security prices.

Foreign Currency Risk

The Plan is exposed to currency risk through holdings of foreign equities where investment values may fluctuate due to changes in foreign exchange rates. The Plan manages foreign currency risk by investing in securities that are strategically distributed over several geographic areas to limit exposure to any one foreign currency.

On December 31, 2024, the Plan's foreign currency exposures were as follows:

CURRENCY

(thousands of Canadian dollars)

	2024	2023
United States dollar	**$ 993,924**	$ 1,082,087
British pound sterling	**168,796**	181,786
Euro	**263,992**	237,885
Other European currencies	**71,770**	57,934
Japanese yen	**172,864**	153,002
Other Pacific currencies	**154,491**	159,097
Emerging Market currencies	**374,230**	353,218
Total	**2,200,067**	2,225,009

The Plan also manages currency risk through the use of currency forwards. These currency forwards are used to dynamically hedge the Plan's developed market foreign currency exposure. As at December 31, 2024 the fair value of the currency forwards payable was $1,471.2 million (2023 - $951.2 million) and the fair value of the currency forwards receivable was $1,464.6 million (2023 - $973.7 million).

The Plan's currency forward contracts at December 31, 2024, were as follows:

CURRENCY

(thousands of Canadian dollars)	**2024**			2023		
	Market Value	**Notional Value**	**Gain (Loss)**	Market Value	Notional Value	Gain (Loss)
Canadian Dollar	**$ (54,640)**	**$ (54,640)**	**$ -**	$ 551,568	$ 551,568	$ -
British Pound	**311,359**	**311,981**	**(622)**	(111,549)	(112,972)	1,423
Euro Currency	**(153,915)**	**(154,735)**	**820**	70,251	70,356	(105)
United States Dollar	**(69,324)**	**(61,449)**	**(7,875)**	(692,270)	(712,113)	19,843
Australian Dollar	**(12,236)**	**(12,496)**	**260**	(16,952)	(16,780)	(172)
Japanese Yen	**(44,267)**	**(45,220)**	**953**	218,030	216,696	1,334
New Zealand Dollar	**(1,795)**	**(1,849)**	**54**	(2,158)	(2,146)	(12)
Norwegian Krone	**34,514**	**34,685**	**(171)**	3,839	3,656	183
Swedish Krona	**(16,300)**	**(16,277)**	**(23)**	1,757	1,735	22
Total	**(6,604)**	**-**	**(6,604)**	22,516	-	22,516

As at December 31, 2024, if the Fund's functional currency, the Canadian dollar, had strengthened or weakened by 5% in relation to all other currencies with all other variables held constant, the net assets would have decreased or increased respectively, by approximately $95.0 million (approximately 2% of net assets) (2023 - $67.1 million or 2% of net assets). In practice, the actual trading results may differ from this approximate sensitivity analysis and the differences could be material.

Equity Price Risk

The Plan is exposed to changes in equity prices in global markets. The Board's policy is to invest in a diversified portfolio of investments. No one investee or related group of investees represents greater than 10% of the total book value of the assets of the plan. As well, no one holding represents more than 30% of the voting rights of any corporation.

As at December 31, 2024 had market prices, as measured by the benchmark indices, increased or decreased by 10%, with all other variables held constant, the Investment Fund's net assets available for benefits would have increased or decreased by approximately:

(thousands of dollars)

Market	Benchmark		2024 Impact		2023 Impact
Canadian Equities	S&P TSX Composite Total Return Index	**$**	**56,082**	$	51,109
U.S. Large Cap Equities	S&P 500 Total Return Index		**65,998**		56,348
U.S. Small Cap Equities	Russell 2000 Total Return Index		**16,055**		14,027
Non North American Equities	MSCI EAFE Total Return Index		**72,141**		69,761
Emerging Market Equities	MSCI Emerging Market IMI Index		**28,937**		25,949
Total			**239,213**		217,194

Liquidity Risk

Liquidity risk is the risk that the Plan will encounter difficulty in meeting obligations associated with financial liabilities. The Plan manages liquidity risk by maintaining adequate cash and short-term securities and monitoring actual and forecasted cash flows to support the Plan's operating needs.

5. Actuarial Valuation of Pension Assets and Liabilities

The payments to retired members who chose to receive a fixed monthly pension from the Plan are paid from the CSS Pensions Fund. An actuarial valuation of the assets held in the CSS Pensions Fund and of the Plan's pension liability is required every three years by law. The most recently completed valuation was conducted as at December 31, 2022. At that date, the Plan's actuary reported that the market value of the assets held in the CSS Pensions Fund exceeded the Plan's pension liability as indicated below.

ACTUARIAL POSITION

(thousands of dollars)		2022		2019
Market Value of Assets:	**$**	**598,775**	$	707,080
Less actuarial value of Pension Liability		**(562,684)**		(664,641)
Surplus at December 31	**$**	**36,091**	$	42,439
Reserve for adverse deviation from assumptions	**$**	**36,091**	$	42,439

On April 1, 2019 the Plan entered into a longevity insurance contract with The Co-operators Life Insurance Company. The agreement transfers the Plan's exposure to potential increases in pensioner longevity (the risk pensioners will live longer than expected), for over 6,300 retired members, to The Co-operators Life Insurance Company in exchange for a quarterly premium payment. The strategy mitigates the risk that pension assets will be insufficient to pay liabilities in the future. The cost of the insurance contract is reflected in the actuarial value of the Pension liabilities.

Based on monthly immunization calculations performed by the Plan's external Pensions Fund Manager, Management estimates that the market value of the Pensions Fund as at December 31, 2024, continued to be adequate to fully fund the Plan's pension liability and provide a reserve for adverse deviation from assumptions. The assumptions used by the Pensions Fund Manager may vary from the assumptions used by the Plan's actuary in performing the Plan's triennial actuarial valuations.

6. Unit Pricing

Investment income, gains and losses accruing on the assets held in the investment funds available to members are credited to those invested through daily changes in fund unit prices. Investment and administration expenses relating to each fund are accrued to each fund prior to establishing its daily unit price. Depending on whether a fund experiences a net gain or loss after expenses, the fund's unit price increases or decreases accordingly. Fund transactions may be suspended temporarily at management's discretion where an accurate unit price for a fund cannot be determined due to the unavailability of reliable market pricing or other asset valuations.

Fund transactions are processed using "forward pricing". This means that they are processed at the next unit price set after receiving funds or instructions. Contributions to, and transfers between the investment funds available to members are processed on a daily basis in the normal course. Lump sum withdrawals are generally processed on a weekly basis. Periodic withdrawals of retirement income are processed in accordance with the terms of each member's application for benefits.

On December 31, 2024, the CSS Balanced Fund's unit price was $31.6858 (2023 - $29.1086), the CSS Money Market Fund's unit price was $14.7332 (2023 - $14.0188), the CSS Equity Fund's unit price was $30.0804 (2023 - $26.5454), and the CSS Bond fund's unit price was $15.5270 (2023 – $14.7662).

7. Reconciliation of Members' Accounts

In accordance with Canadian accounting standards for pension plans, the Consolidated Statement of Net Assets Available for Benefits includes the fair value of the investments held on behalf of plan members as well as fixed assets and various adjustments and accruals. Only actual cash transactions and market value changes that occurred from January 1, 2024, to the last business day of the year, however, are reflected in the unit prices and unit counts that determine the total value of members' accounts at year-end.

As stated in the Consolidated Statement of Financial Position, the value of net assets available for benefits as at December 31, 2024 was $4,666,023 (2023 - $4,418,132) while the total value of members' accounts as per the Plan's unitized record keeping system on this same date was $4,660,734 (2023 - $4,417,045). The difference between these two amounts is reconciled below.

RECONCILIATION

(thousands of dollars)

	2024	2023
Net Assets Available for Benefits	**$ 4,666,023**	$ 4,418,132
Add Back		
Accrued Expenses	**2,932**	185
Withdrawals Payable	**5,024**	7,333
Deduct		
Market Value Adjustments	**(8,187)**	(2,465)
Contribution Receivable	**(5,058)**	(6,140)
Total Value of Member's Accounts	**4,660,734**	4,417,045

8. Interfund Balances

Interfund balances represent an accrual of the outstanding administration charges owed by the CSS Pensions Fund to the CSS Balanced Fund at the end of the reporting period, plus an interest charge on this and other amounts owed during the year. Interest is calculated on the amount outstanding monthly at the rate earned on Canadian T-bills for the immediately preceding month. Amounts owed are reimbursed to the CSS Balanced Fund.

9. Fund Returns and Expenses

The rates of return and management expense ratios (MER) of the investment funds offered to Plan members in 2024 were as follows:

	2024		2023	
FUND	**Return**	**MER**	Return	MER
Balanced Fund	**8.85%**	**0.64%**	7.28%	0.66%
Money Market Fund	**5.10%**	**0.18%**	5.05%	0.21%
Bond Fund	**5.15%**	**0.48%**	7.03%	0.57%
Equity Fund	**13.32%**	**0.43%**	8.95%	0.46%

The returns stated are net of all administrative and investment expenses.

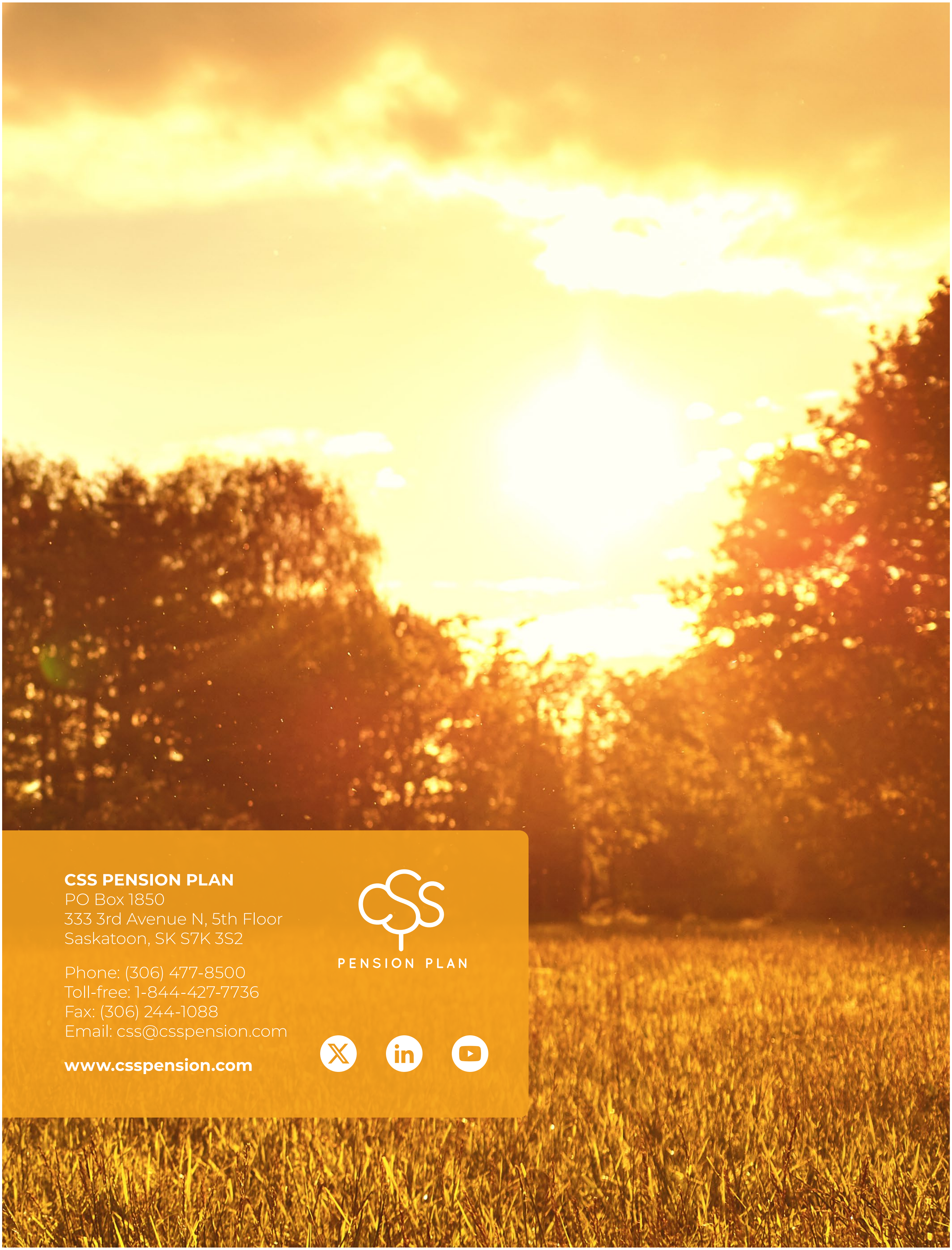
10. Investment Funds Detail

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(thousands of dollars)	2024					2023
	Balanced Fund	**Money-Mkt Fund**	**Bond Fund**	**Equity Fund**	**Total**	Total
Assets						
Investments	**$4,139,931**	**$ 158,251**	**$ 38,920**	**$ 331,211**	**$4,668,313**	$ 4,384,319
Cash	**9,949**	**-**	**-**	**-**	**9,949**	20,087
Accrued investment income	**3,686**	**-**	**-**	**470**	**4,156**	3,954
Accounts receivable						
Employee contributions	**479**	**-**	**-**	**-**	**479**	451
Employer contributions	**489**	**-**	**-**	**-**	**489**	421
Capital assets	**114**	**-**	**-**	**-**	**114**	180
Intangible assets	**1,872**	**-**	**-**	**-**	**1,872**	607
Due from brokers	**-**	**-**	**-**	**-**	**-**	22,496
Interfund balance	**-**	**1,890**	**2,670**	**15,349**	**19,909**	10,111
	4,156,520	**160,141**	**41,590**	**347,030**	**4,705,281**	4,442,626
Liabilities						
Due to broker	**7,303**	**-**	**-**	**-**	**7,303**	-
Accounts payable	**11,009**	**532**	**70**	**824**	**12,435**	14,618
Interfund balance	**19,520**	**-**	**-**	**-**	**19,520**	9,876
	37,832	**532**	**70**	**824**	**39,258**	24,494
Net Assets Available for Benefits	**4,118,688**	**159,609**	**41,520**	**346,206**	**4,666,023**	4,418,132

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

(thousands of dollars)	2024					2023
	Balanced Fund	**Money-Mkt Fund**	**Bond Fund**	**Equity Fund**	**Total**	Total
Change in Net Assets						
Investment income						
Interest	**$ 4,439**	**$ 7,570**	**$ -**	**$ -**	**$ 12,009**	$ 12,622
Dividends						
Canadian dividends	**30,366**	**-**	**-**	**2,722**	**33,088**	15,317
Foreign dividends	**36,024**	**-**	**-**	**6,821**	**42,845**	35,107
Pooled fund distributions	**25,914**	**-**	**1,626**	**-**	**27,540**	41,027
Increase in market value of investments	**260,008**	**27**	**1,712**	**40,094**	**301,841**	217,281
Other	**447**	**33**	**44**	**32**	**556**	842
	357,198	**7,630**	**3,382**	**49,669**	**417,879**	322,196
Employee contributions	**90,178**	**957**	**518**	**12,192**	**103,845**	99,824
Employer contributions	**86,119**	**(841)**	**562**	**13,105**	**98,945**	95,676
Transfers in	**6,379**	**1,174**	**27**	**1,049**	**8,629**	6,595
Interfund transfers	**(54,439)**	**39,535**	**4,030**	**10,874**	**-**	-
	128,237	**40,825**	**5,137**	**37,220**	**211,419**	202,095
Total increase in assets	**485,435**	**48,455**	**8,519**	**86,889**	**629,298**	524,291
Administrative expenses						
Investment services	**18,219**	**51**	**52**	**844**	**19,166**	18,284
Investment transaction costs	**326**	**12**	**3**	**25**	**366**	416
Salaries and employment costs	**3,717**	**134**	**51**	**238**	**4,140**	3,858
Operations	**4,923**	**83**	**45**	**133**	**5,184**	5,347
Membership control	**99**	**4**	**1**	**7**	**111**	118
Longevity insur. (recovery)	**(2,878)**	**-**	**-**	**-**	**(2,878)**	(2,735)
CCRL admin (recovery)	**(249)**	**-**	**-**	**-**	**(249)**	(213)
Admin. expenses (recovery)	**(1,437)**	**(56)**	**(22)**	**(99)**	**(1,614)**	(1,584)
	22,720	**228**	**130**	**1,148**	**24,226**	23,491
Equity repayments	**201,703**	**25,401**	**2,387**	**10,765**	**240,256**	224,405
Variable benefit payments	**51,782**	**17,534**	**888**	**910**	**71,114**	65,762
Equity transferred to Pensions Fund	**33,247**	**11,239**	**286**	**1,039**	**45,811**	46,641
	286,732	**54,174**	**3,561**	**12,714**	**357,181**	336,808
Total decrease in assets	**309,452**	**54,402**	**3,691**	**13,862**	**381,407**	360,299
Increase (decrease) in Net Assets	**175,983**	**(5,947)**	**4,828**	**73,027**	**247,891**	163,992
Net Assets Available for Benefits, Beginning of Year	**3,942,705**	**165,556**	**36,692**	**273,179**	**4,418,132**	4,254,140
Net Assets Available for Benefits, End of Year	**4,118,688**	**159,609**	**41,520**	**346,206**	**4,666,023**	4,418,132



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