



Annual Report

2025

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Celebrating co-operatives



**International Year
of Cooperatives**

Cooperatives Build a Better World

2025 marked an exciting time for the co-operative sector as we celebrated the International Year of Cooperatives. Throughout the year, we engaged with and recognized our members, highlighting the strength, collaboration, and shared values that define the co-operative community - reflections that are captured throughout this annual report.

About this report

This annual report summarizes how the CSS Pension Plan fared during 2025, 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.



About Us

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. Today, CSS administers one of the oldest and largest defined contribution pension plans in Canada with

approximately \$5.7B in total assets (including assets in the Pensions Fund).

After more than 85 years, CSS has grown to serve a diverse membership of 287 co-operative and credit union employers and over 58,000 members across Canada, including more than 9,000 retirees who draw a retirement income from CSS.

Together, CSS is committed to providing a pension plan that supports our members through every stage of their career and retirement.

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.

Our Co-operative Impact

Together, we served

58,488
plan members



26,518
Active members



22,941
Inactive members



9,029
Retired members



New retirement incomes started
896

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

CSS' in-plan retirement income options



New Variable Benefit (VB) started
478

Total funds: **\$101,022,997**



New monthly pension started
182

Total funds: **\$32,762,904**



287
employer members

Co-operatives
174

Credit Unions
60

Other co-operatives
53

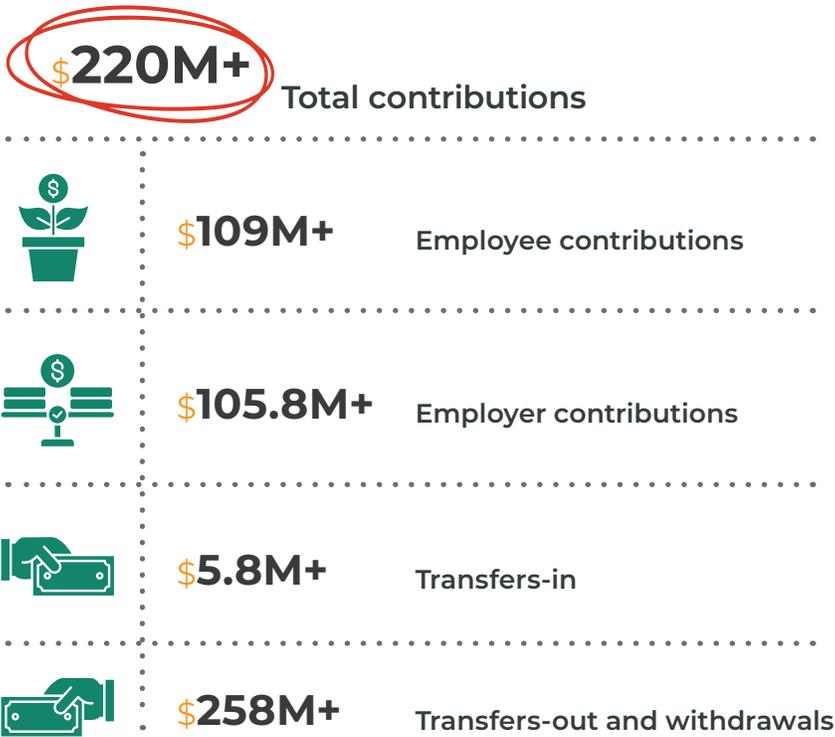


Photo credit: Jack Nicholson, Otter Co-op, Employer member, Employee Delegate

Value in Service



Contributions



Outreach

Member outreach*	899
Member consultations	712
Workshops (virtual/in-person)	25
Workshop registrants (virtual/in-person)	715

*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 2025, 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



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, 2025.

A year to celebrate co-operation

2025 holds special significance as the United Nations (UN) designated it as the International Year of Co-operatives under the theme "Co-operatives Build a Better World." This recognition underscores what we at CSS have known for 85+ years – that the co-operative model is uniquely positioned to empower members and build lasting value. As a democratically controlled, member-owned pension society, CSS exemplifies the co-operative principles of self-help, self-responsibility, democracy, equality, equity, and solidarity.

The UN's designation is particularly timely. In an era of ongoing global uncertainty - from geopolitical tensions and climate challenges to rapid technological change and economic volatility - co-operatives demonstrate an alternative path forward. One that prioritizes long-term member value over short-term profit, democratic governance over top-down control, and collective wellbeing over individual gain.

Advancing our strategic vision

Despite external uncertainties, CSS continued to make significant progress on our strategic initiatives in 2025, positioning the organization to serve members effectively for decades to come.

Our digital transformation program (internally and affectionately referred to as "Slingshot") reached important milestones this year. This multi-year initiative to modernize our pension administration systems, processes, and digital infrastructure represents one of the largest transformations in CSS' history. While these changes require strategic investment and careful execution, they are essential to ensure we can deliver the exceptional member experience you deserve in an increasingly digital world.

The transformation encompasses not just new technology, but a fundamental reimagining of how we serve you. Enhanced member and employer portals, streamlined processes, improved data analytics capabilities, and personalized communications will all flow from this work. We remain committed to member-centric, digital-first service delivery that honours our co-operative values.

GOVERNANCE

In our investment portfolio, we continued to execute on the opportunities identified in our most recent 2024 portfolio study. Our disciplined, diversified approach serves members well through all market conditions. While short-term market noise can be distracting, our long-term focus on fundamentals continues to position the portfolio for sustainable success.

Governance and growth

CSS' democratic governance structure remains one of our greatest strengths. Your Board, elected from among employer and employee delegates, provides oversight and strategic direction while management executes our day-to-day operations. This structure ensures that every decision is made with member interests at the forefront.

We also remain focused on prudent growth. Attracting new co-operative and credit union employers to CSS strengthens our collective buying power, enables greater economies of scale, and spreads our fixed costs across a larger membership base – all of which benefit existing and new members alike.

Looking ahead

As we look to the years ahead, CSS remains focused on strengthening the long-term retirement security of our members while continuing to modernize how we deliver services. Our ongoing digital transformation will enable more efficient operations, improved data quality, and more timely, personalized support for members at every stage of their retirement journey.

Acknowledgments

On behalf of your Board of Directors, thank you for the trust you place in CSS to help you achieve financial security in retirement. Please join me in expressing gratitude to my fellow directors and delegates, our management team and staff, and our valued partners, consultants and advisors for their dedication to CSS' mission and members.

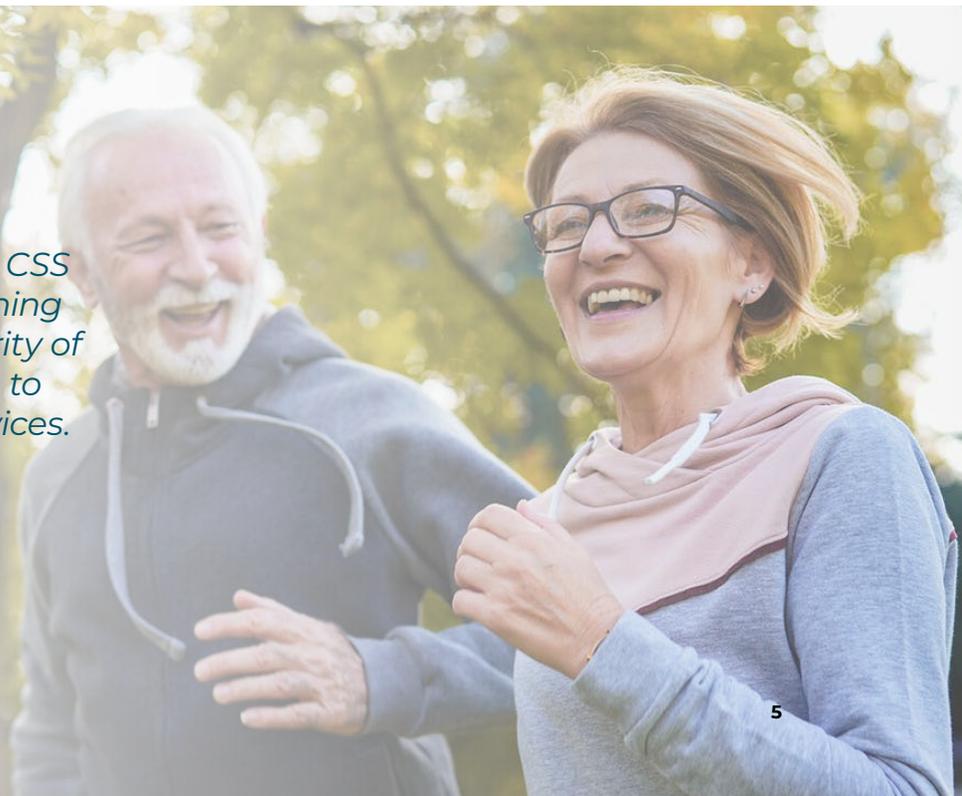
2025 has been a year to celebrate our co-operative identity, and we look forward to continuing to build a better world together in the years ahead.

Jason Sentes

President, CSS Pension Plan



As we look to the years ahead, CSS remains focused on strengthening the long-term retirement security of our members while continuing to modernize how we deliver services.



How Does 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.

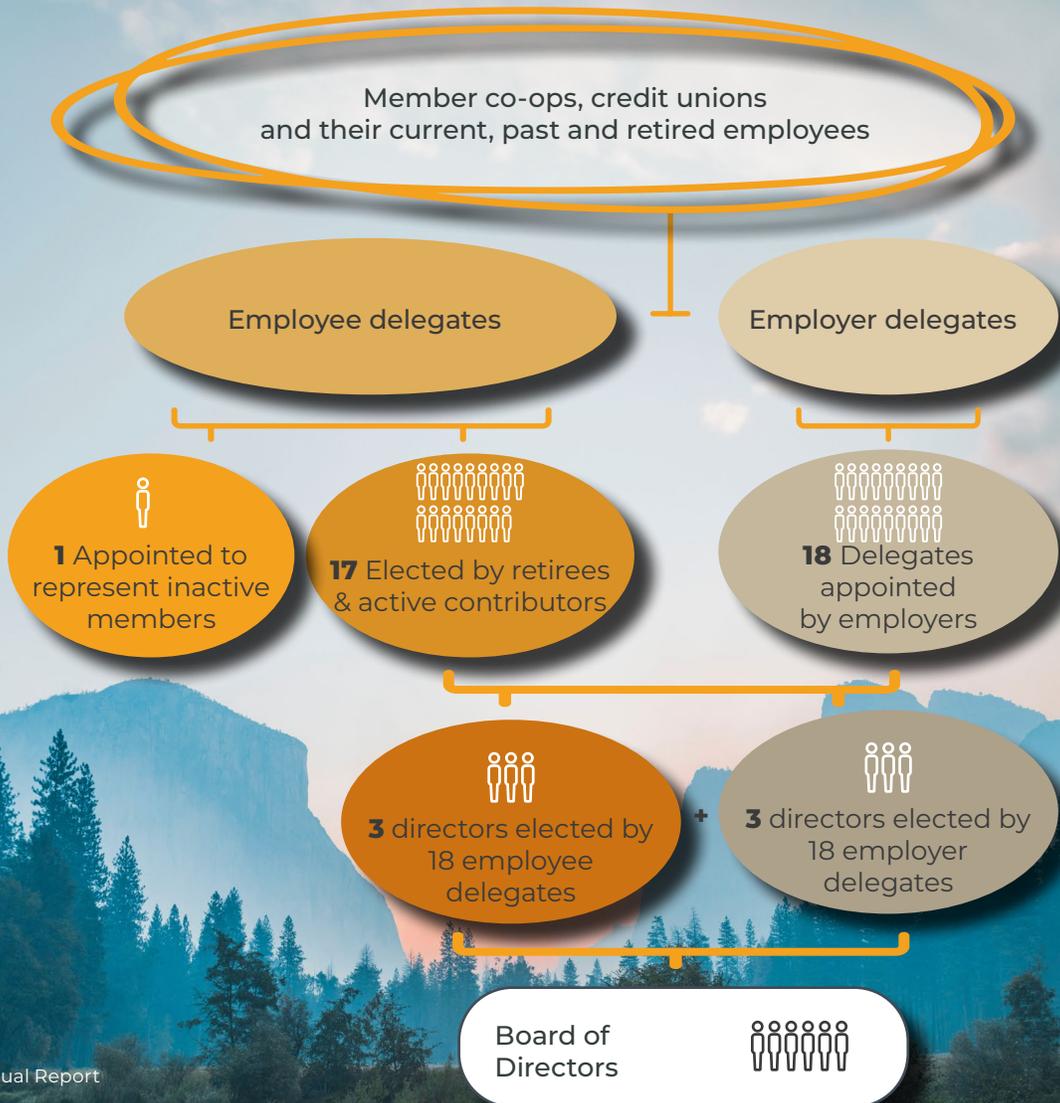
Under the Society's Bylaws, control rests with member co-operatives and credit unions and their current, past and retired employees.

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:



Photo credit: Lisa Clatney, Saskatoon Community Clinic, Employer Delegate



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 2025 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
Prosperity 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



Employee (Elected)

Retirees

Ken Edey	Mike Gartner	Peter Gruening
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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

Saskatchewan

Karen Bradley	Affinity Credit Union
Lesley Carlson	Prosperity 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 members

Ken Kosolofski

Our Delegates

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

Employer (Appointed)

Federated Co-operatives Limited

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

Saskatchewan Credit Unions

Kimberly Enge	Kimberley Olfert
Corvyn Neufeld	

Credit Union Central of Manitoba

Zoe Asaminew	Jessica Cruickshank
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Credit Union Central of Alberta

Johanna Bravo

Other employers

Lisa Clatney	Saskatoon Community Clinic
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Photo credit: Brian Pilloud, Weyburn Credit Union, Employee Delegate

Message from our Executive Director



On behalf of the staff and management of CSS, it is my pleasure to report to our members on our achievements in 2025.

Leading through the International Year of Co-operatives

The United Nations' designation of 2025 as the International Year of Co-operatives provided a global platform to celebrate what makes the co-operative model special. For CSS, it was an opportunity to reflect on how our co-operative structure and values have enabled us to serve members effectively for more than eight decades.

Our purpose - to empower our members to achieve financial security in retirement - drives everything we do. In Canada, pension coverage has declined over recent decades, making the work of CSS and our employer members even more critical. We are proud to partner with co-operatives and credit unions who recognize that offering a quality pension plan is one of the most valuable benefits they can provide to their employees.

Investment performance and portfolio evolution

We are pleased to report that our Balanced Fund returned a strong 10.67% in 2025 after all expenses. Our investment approach remained focused on the fundamentals that have served members well over

the long term: quality investments at reasonable valuations, broad diversification across asset classes and geographies, and prudent risk management with an emphasis on downside protection.

Global equity markets delivered robust returns despite significant policy uncertainty in the first half of 2025 around tariffs and trade tensions. A notable rotation occurred as international and emerging markets outperformed U.S. equities for the first time in over a decade. Fixed income markets delivered modest returns over the year, supported by higher interest income. Overall, markets demonstrated resilience through policy turbulence, with returns varying meaningfully across asset classes and investment strategies. Through these conditions, our multi-asset Balanced Fund continued to demonstrate the benefits of our diversified approach.

Transforming the member experience

The Slingshot digital transformation program remained our most significant operational focus in 2025. This initiative represents far more than a technology upgrade - it is a comprehensive reimagining of how CSS serves members and employers in the digital age.

While transformation of this scale is complex and requires patience, the benefits for members will be substantial. You can expect more intuitive self-service options, faster transaction processing,

MANAGEMENT DISCUSSION & ANALYSIS

personalized communications tailored to your unique circumstances, and enhanced educational resources to support your retirement planning journey.

In 2025, CSS maintained its Great Place to Work® certification. We recognize that excellent employee experience translates directly to exceptional member service. Our team's expertise, dedication, and commitment to our co-operative values, and the best interests of our members, remain one of CSS' greatest assets.

Embracing our co-operative identity

Throughout 2025, we celebrated what it means to be a co-operative pension plan. Unlike commercial financial institutions driven by shareholder profit, CSS exists solely to serve our members. Our democratic governance ensures members have a voice. Our not-for-profit structure means every dollar saved in costs or earned in investments benefits members rather than external shareholders.

This co-operative advantage has enabled CSS to provide competitive investment returns, low management expense ratios, exceptional member

service, and comprehensive retirement income options - all while maintaining the financial strength and stability required of a pension plan managing more than \$5 billion in member assets.

Looking forward

As we move into 2026 and beyond, CSS is well-positioned to continue empowering members to achieve financial security in retirement. Our transformation initiatives will deliver meaningful improvements to our member experience. Our investment portfolio is designed for long-term success across various market conditions. And our co-operative values ensure that member interests will always guide our decisions.

Conclusion

Let me thank our Board of Directors and delegates for their leadership, governance and strategic oversight. Thank you to our dedicated staff for their professionalism and unwavering commitment to member service. And, last but not least, thank you to our members for allowing CSS to be part of your retirement planning journey.

Martin McInnis

Executive Director, CSS Pension Plan



We are proud to partner with co-operatives and credit unions who recognize that offering a quality pension plan is one of the most valuable benefits they can provide to their employees.

Connecting with Members Digitally

655.7K+
visits to CSS website



265.9K+
visits to
csspension.com



377.4K+
visits to
myCSSPEN for members



12.3K+
visits to
myCSSPEN for employers

Popular devices

45%

Use mobile

53%

Use desktop

+2%

Use tablet

*All data as of December 31, 2025
Source: Google Analytics*

Digital communications

Member email address opt-ins since 2015 **33.1K+**

Member email address list subscribers **23.3K+**

Member opt-ins to receive digital documents on myCSSPEN **20.7K+**

Social media

X followers (formerly Twitter)  **350+**

LinkedIn followers  **2,250+**

MANAGEMENT DISCUSSION & ANALYSIS

Our Staff

As of December 31, 2025

Theresa Anderson

Member Experience Specialist

Ashlyn Bernath

Member Services Coordinator

Crystal Bien

Member Experience Associate

Derek Bissonnette

Director, Investments and Financial Management

Whitney Bueckert

Technical Manager, Software Development

Rachelle Camsell

Employer Relationship Associate

Fernanda Cervantes

Communications Specialist

Brina Chamney

Programmer Analyst

Nelushi Dias

Member Services Specialist

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
(Retired Dec 31, 2025)

MD Osman Goni

Manager, Accounting and Investments

Lynn Gramson

Member Services Coordinator

Jeanine Jackman

Employer Services Specialist

Prabhjot Kaur

Member Services Specialist

Shweta Khanna

Retirement and Pension Associate

Brad Kotania

Investment Analyst

Jessica Kreutzer

Retirement and Pension Advisor

Michael McGuffin

Member Services Specialist

Martin McInnis

Executive Director

Mohammad Abu Naser

Programmer Analyst

Chi Nguyen

Accounting / Investment Officer

Naomi Ottenbreit

Communications Specialist

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

Marilyn Shipley

Retirement and Pension Advisor

Richard Simigan

Member Experience Analyst

Yevgenii Sleptsov

Programmer Analyst

Kayla Van Meesen

Member Services Specialist

Miles Warkentine

Retirement and Pension Associate

Ashley Wehrens

Member Services Coordinator

Photo credit: Fernanda Cervantes and Maureen Richards, CSS Staff

Photo credit: Nicole Quintal, Naomi Ottenbreit, Martin McInnis, CSS Staff

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

\$5.01B
Net Assets

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



\$681M
Pensions Fund

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



\$4.36B
Balanced Fund
Net Assets



\$50M
Bond Fund
Net Assets



\$414M
Equity Fund
Net Assets



\$182M
Money Market
Fund
Net Assets

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 **0.63%**

Equity Fund
MER **0.42%**

Bond Fund
MER **0.41%**

Money Market Fund
MER **0.16%**

Rates of return



10.67%
Balanced Fund



4.78%
Bond Fund



15.80%
Equity Fund



3.10%
Money Market Fund

Market Overview

2025 was a year defined by rotation and divergence across global markets. After two consecutive years of outsized returns in U.S. equities, market leadership broadened. Developed markets outside the United States, Canada, and emerging markets all outperformed U.S. equities, illustrating that periods of strong and sustained leadership are often followed by phases where returns become more dispersed across regions. This rotation was reinforced by currency movements, as the prolonged trend of U.S. dollar strength reversed and the U.S. dollar depreciated broadly against major currencies over the year.

A dominant influence on markets throughout 2025 was geopolitical and policy uncertainty, particularly related to the United States. Tariffs, shifting trade policies, and inconsistent policy signals contributed to an environment where investors faced a wide range of potential outcomes and limited visibility. In this setting, many market participants remained cautious, and asset class and regional performance varied meaningfully as investors reassessed risks and return expectations.

Canada's equity market highlighted how leadership can shift when market conditions change. The Materials sector delivered exceptionally strong performance, with the S&P/TSX Capped Materials Index (Total Return, CAD) returning over 100% for the year, driven primarily by strength in precious metals, including gold. Gold has historically tended to perform well during periods marked by elevated uncertainty, declining real interest rates, and a weakening U.S. dollar, environments in which investors often seek assets perceived to provide diversification or protection against adverse outcomes. While market conditions differ across cycles, history provides examples, such as periods of

heightened inflation and uncertainty in the late 1970s, where gold attracted increased investor interest as confidence in traditional economic anchors weakened.

At the same time, market concentration remained an important structural feature of global equity markets. The United States continued its upward trend as a share of global equity indices, representing a historically elevated proportion of the MSCI All Country World Index. Within that U.S. weight, concentration remained particularly pronounced in a small group of large technology-oriented companies. This level of concentration means that global equity index returns are increasingly influenced by a narrow set of companies, amplifying both the potential benefits and risks of index-based investing.

Real estate continued to work through a challenging adjustment period in 2025 following the sharp rise in interest rates over recent years. While higher financing costs and sector-specific challenges weighed on returns, market conditions increasingly reflected a process of recalibration rather than further deterioration, with improving fundamentals in select property types suggesting that real estate remains positioned to play an important diversification role as markets normalize.

Taken together, developments in 2025 reinforced the importance of diversification across regions, currencies, and drivers of return. As leadership rotated away from U.S. equities, the U.S. dollar weakened, and performance varied significantly by sector and geography, diversified portfolios were better positioned to navigate an environment characterized by uncertainty and a wide dispersion of outcomes.

Investment Funds Overview

2025 was a year of portfolio stability and limited change for CSS. Following a comprehensive investment portfolio study completed in 2024, the focus during the year was on maintaining continuity while navigating a period of changing market leadership, elevated uncertainty, and increased market concentration. As a result, only one investment change was implemented during the year.

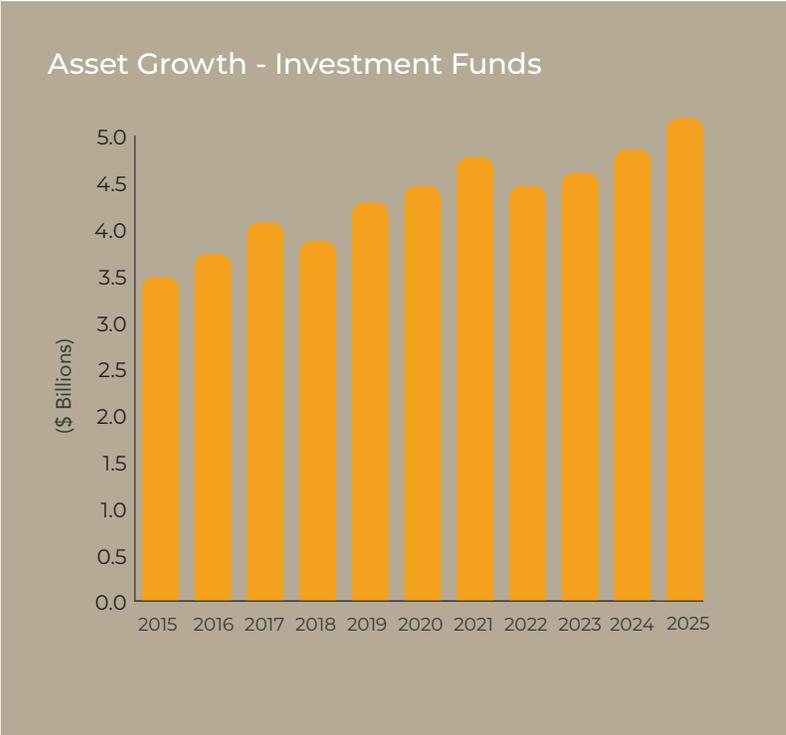
Specifically, CSS made a change within its U.S. equity investments, transitioning exposure from a passive strategy to an actively managed U.S. equity mandate focused on investing in high-quality companies. This change was intended to strengthen the portfolio's exposure to companies with strong fundamentals and durable business models, particularly during a period when market returns were increasingly influenced by a small number of very large U.S. companies.

Overall investment results during the year reflected the broader market environment. Some areas of the portfolio performed well, helping support overall results, while other areas lagged as markets were driven by narrow leadership and rapid shifts in investor sentiment. These outcomes were consistent with CSS's long-term investment approach, which emphasizes diversification and resilience rather than attempting to anticipate short-term market movements.

Fixed income and infrastructure investments contributed positively during the year, benefiting from more stable market conditions and their role in providing income and diversification. In contrast, parts of the equity portfolio underperformed market benchmarks, largely due to CSS's intentional positioning away from highly concentrated segments of the U.S. equity market.

The limited level of investment activity in 2025 was deliberate. Following the 2024 portfolio study, CSS prioritized governance discipline and continuity while leadership responsibilities transitioned. During the year, CSS welcomed a new Director, Investment and Financial Management, and work continued to assess potential enhancements to the portfolio. Any future changes will be considered carefully and implemented gradually to ensure they remain aligned with the long-term interests of plan members.

CSS continues to manage the investment funds with a long-term perspective. While short-term results can vary due to market conditions, the focus remains on maintaining a diversified portfolio designed to support members' retirement outcomes through different market environments.



Pensions Fund



\$681M

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.

Pensions Fund Asset/Liability Ratio*

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

106%

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



New Global Real Estate Managers



Rollin Street Flats Multi-Unit | USA



Cold Creek Solutions | USA



Centropolis Office | South Korea



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

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	10.67%	5.02%	6.05%
Benchmark	13.83%	6.74%	7.30%
Value added	-3.16%	-1.72%	-1.25%

Equity Fund



This Fund contains mainly publicly traded stocks from around the world. It is managed by eight 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	15.80%	7.39%	8.38%
Benchmark	22.18%	11.33%	11.16%
Value added	-6.38%	-3.94%	-2.78%

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	4.78%	2.29%	2.65%
Benchmark	4.37%	1.20%	2.17%
Value added	0.41%	1.09%	0.48%

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	3.10%	3.71%	2.17%
Benchmark	2.84%	3.56%	1.93%
Value added	0.26%	0.15%	0.24%

Investment Manager Performance

Investment Manager	1 Year	4 Year	Investment Manager	1 Year	4 Year
QV Investors - Canadian Equities	19.84%	12.16%	TD - Canadian Real Estate	-2.16%	0.76%
Benchmark: S&P TSX Composite Index	31.68%	13.94%	Benchmark: CPI + 4%	6.22%	7.49%
Value added/variance	-11.84%	-1.78%	Value added/variance	-8.38%	-6.73%
Scheer Rowlett - Canadian Equities	23.54%	12.54%	TD - Global Real Estate	3.26%	-
Benchmark: S&P TSX Composite Index	31.68%	13.94%	Benchmark: CPI + 4%	6.22%	-
Value added/variance	-8.14%	-1.40%	Value added/variance	-2.96%	-
Scientific Beta - U.S. Large-Cap Equities	6.23%	7.80%	UBS - Global Real Estate	2.04%	-
Benchmark: S&P 500 Total Return	12.35%	13.40%	Benchmark: CPI + 4%	6.22%	-
Value added/variance	-6.12%	-5.60%	Value added/variance	-4.18%	-
GMO - U.S. Large-Cap Equities*	10.41%	-	JP Morgan - Infrastructure**	4.57%	-
Benchmark: S&P 500 Total Return	6.23%	-	Benchmark: CPI + 4%	6.22%	-
Value added/variance	4.18%	-	Value added/variance	-1.65%	-
Hillsdale - U.S. Small-Cap Equities	8.84%	6.36%	IFM - Infrastructure**	9.40%	-
Benchmark: Russell 2000	7.52%	6.16%	Benchmark: CPI + 4%	6.22%	-
Value added/variance	1.32%	0.20%	Value added/variance	3.18%	-
Sprucegrove - International Equities	19.82%	8.55%			
Benchmark: MSCI EAFE	25.07%	10.58%			
Value added/variance	-5.25%	-2.03%			
JP Morgan Smart Beta- International Equities	27.15%	11.03%			
Benchmark: MSCI EAFE	25.07%	10.58%			
Value added/variance	2.08%	0.45%			
Wellington Management - EM Equities	11.48%	2.64%			
Benchmark: MSCI EM IMI	25.21%	8.13%			
Value added/variance	-13.73%	-5.49%			
Wellington Bonds - Canada Universe Bonds	2.86%	0.38%			
Benchmark: FTSE Canada Universe Bond	2.64%	0.20%			
Value added/variance	0.22%	0.18%			
TDAM - Commercial Mortgages	5.69%	5.00%			
Benchmark: Custom Benchmark	4.44%	2.40%			
Value added/variance	1.25%	2.60%			
Blackrock - Emerging Market Debt	10.66%	5.01%			
Benchmark: JP Morgan JEMBI Sovereign Only	14.74%	2.09%			
Value added/variance	-4.08%	2.92%			
Wellington OFI - Global Bonds	4.17%	3.05%			
Benchmark: Barclay's Global Aggregate	3.09%	0.54%			
Value added/variance	1.08%	2.51%			
TDAM - Short Term	3.10%	3.81%			
Benchmark: FTSE Canada 91 Day T-Bill	2.84%	3.56%			
Value added/variance	0.26%	0.25%			
Mackenzie - Currency Overlay	-2.09%	-0.85%			
Benchmark: Custom Benchmark	1.21%	0.63%			
Value added/variance	-0.88%	-1.48%			

*The return presented is inception to date.
 ** Returns above are net of estimated fees.





PENSION PLAN

Financial Statements

December 31, 2025

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



Derek Bissonnette
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, 2025, 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, 2025, 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.

Independent Auditor's Report *(continued from previous page)*

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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Plan as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

March 10, 2026

MNP LLP

Chartered Professional Accountants

MNP

Co-operative Superannuation Society Pension Plan

Consolidated Statement of Financial Position

As at December 31, 2025

INVESTMENT FUNDS

(thousands of dollars)

ASSETS	2025	2024
Investments (Note 3)	\$ 5,007,575	\$ 4,668,313
Cash	2,918	9,949
Accrued investment income	4,430	4,156
Accounts receivable		
Employer contributions	274	479
Employee contributions	273	489
Capital assets	75	114
Intangible assets	3,526	1,872
Due from brokers	4,491	-
Interfund balance (Note 8)	394	19,909
	5,023,956	4,705,281
LIABILITIES		
Due to brokers	-	7,303
Accounts payable	17,697	12,435
Interfund balance (Note 8)	-	19,520
	17,697	39,258
NET ASSETS AVAILABLE FOR BENEFITS	5,006,259	4,666,023
REPRESENTED BY: Member contribution accounts (Note 7)	5,006,259	4,666,023

PENSIONS FUND

(thousands of dollars)

ASSETS	2025	2024
Investments (Note 3)	\$ 679,866	\$ 685,910
Accrued investment income	2,294	2,252
	682,160	688,162
LIABILITIES		
Accounts payable	380	426
Interfund balance (Note 8)	394	389
	774	815
NET ASSETS AVAILABLE FOR BENEFITS	681,386	687,347
REPRESENTED BY: Pension reserve	681,386	687,347

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, 2025

INVESTMENT FUNDS*(thousands of dollars)*

CHANGE IN ASSETS	2025	2024
Investment income		
Interest	\$ 7,490	\$ 12,009
Dividends		
Canadian dividends	28,626	33,088
Foreign dividends	39,728	42,845
Pooled fund distributions	28,882	27,540
Increase in market value of investments	411,018	301,841
Other	541	556
	516,285	417,879
Contributions		
Employee	108,998	103,845
Employer	105,820	98,945
Transfers in	5,825	8,629
	220,643	211,419
Total increase in assets	736,928	629,298
ADMINISTRATIVE EXPENSES		
Investment services	20,003	19,166
Investment transaction costs	-	366
Salaries and employment costs	4,587	4,140
Operations	4,907	5,184
Membership control	124	111
Longevity risk insurance (recovery from Pensions Fund)	(3,151)	(2,878)
CCRL administrative expenses (recovery from CCRL)	(286)	(249)
Administrative expenses (recovery from Pensions Fund)	(1,719)	(1,614)
	24,465	24,226
Equity repayments	258,898	240,256
Variable benefit payments	79,941	71,114
Equity transferred to Pensions Fund	33,388	45,811
	372,227	357,181
Total decrease in assets	396,692	381,407
Increase in net assets	340,236	247,891
Net assets available for benefits, beginning of year	4,666,023	4,418,132
Net assets available for benefits, end of year	5,006,259	4,666,023

Consolidated Statement of Changes in Net Assets Available for Benefits

For the year ended December 31, 2025

PENSIONS FUND

(thousands of dollars)

	2025	2024
INCREASE IN ASSETS		
Increase in market value of investments	\$ -	\$ 2,450
Investment income		
Interest	31,153	30,971
Equity transferred from Investment Funds	33,388	45,812
Other	72	88
Total increase in assets	64,613	79,321
DECREASE IN ASSETS		
Pension paid	54,971	54,515
Decrease in market value of investments	10,598	-
Longevity risk insurance	1,851	2,878
Administrative expenses	3,154	1,619
Total decrease in assets	70,574	59,012
Increase (decrease) in net assets	(5,961)	20,309
Net assets available for benefits, beginning of year	687,347	667,038
Net assets available for benefits, end of year	681,386	687,347

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

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 287 (2024 – 294) independent co-operatives and credit unions and about 49,459 (2024 – 47,848) of their current and past employees. The Plan also pays retirement income to about 9,029 (2024 –

8,929) 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:

Accumulated benefits locked-in for pension

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.

Accumulated benefits not locked-in for pension

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 inter-entity 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

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

INVESTMENT TYPE	2025		2024	
	Market Value	Investment Percentage	Market Value	Investment Percentage
<i>(thousands of dollars)</i>				
Short-Term				
Custodial Cash Accounts	\$ 6,819		\$ 2,282	
Short-Term	18,002		24,714	
	24,821	0.5%	26,996	0.6%
Equities				
Canadian Equities	647,162		560,817	
U.S. Equities	707,520		553,803	
Non-North American Equities	400,693		361,160	
	1,755,375	35.1%	1,475,780	31.6%
Pooled Funds				
Short-Term	204,799		177,553	
Canadian Bonds	320,722		311,520	
Global Fixed Income	355,232		340,579	
U.S. Equities	158,838		266,731	
International Equities	417,722		360,245	
Emerging Mkt Equities	295,141		289,369	
Canadian Real Estate	220,722		244,063	
Global Real Estate	228,833		216,504	
Global Infrastructure	440,445		400,131	
Emerging Mkt Debt	284,455		255,753	
Commercial Mortgages	300,470		303,089	
	3,227,379	64.4%	3,165,537	67.8%
Total	\$ 5,007,575	100.0%	\$ 4,668,313	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

	2025		2024	
	Market Value	Investment Percentage	Market Value	Investment Percentage
<i>(thousands of dollars)</i>				
Short-Term				
Custodial Cash Accounts	\$ 114		\$ 1,101	
Short-Term	3,694		4,188	
	3,808	0.6%	5,289	0.8%
Bonds and Debentures				
Federal	23,011		20,011	
Provincial	222,386		231,487	
Corporate	97,410		93,847	
	342,807	50.4%	345,345	50.3%
Pooled Funds				
Private Debt	218,741		215,732	
Commercial Mortgages	114,510		119,544	
	333,251	49.0%	335,276	48.9%
Total	\$ 679,866	100.0%	\$ 685,910	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:

<i>(thousands of dollars)</i>	LEVEL 1		LEVEL 2		LEVEL 3		TOTAL	
	2025	2024	2025	2024	2025	2024	2025	2024
Investment Funds								
Short-Term	\$ -	\$ -	\$ 18,002	\$ 24,714	\$ -	\$ -	\$ 18,002	\$ 24,714
Equities	1,755,375	1,475,780	-	-	-	-	1,755,375	1,475,780
Pooled Funds	-	-	2,337,379	2,304,839	890,000	860,698	3,227,379	3,165,537
Total	\$ 1,755,375	\$ 1,475,780	\$ 2,355,381	\$ 2,329,553	\$ 890,000	\$ 860,698	\$ 5,000,756	\$ 4,666,031
Pensions Fund								
Short-Term	-	-	3,694	4,188	-	-	3,694	4,188
Bonds	-	-	342,807	345,345	-	-	342,807	345,345
Pooled Funds	-	-	114,510	119,544	218,741	215,732	333,251	335,276
Total	\$ -	\$ -	\$ 461,011	\$ 469,077	\$ 218,741	\$ 215,732	\$ 679,752	\$ 684,809

The following table represents the changes to Level 3 instruments during the period ended December 31, 2025.

<i>(thousands of dollars)</i>	2025	2024
INVESTMENT FUNDS		
Reconciliation of Level 3 assets:		
Balance at January 1	\$ 860,698	\$ 813,336
Net Purchases, sales, principal pyts	1,618	15,567
Realized Gains	6,264	8,004
Unrealized Gains	21,420	23,791
Balance at December 31	890,000	860,698
PENSIONS FUND		
Reconciliation of Level 3 assets:		
Balance at January 1	\$ 215,732	\$ 205,286
Net Purchases, sales, principal pyts	10,378	9,713
Unrealized Gains (losses)	(7,369)	733
Balance at December 31	218,741	215,732

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, 2025, 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 \$63.2 million (approximately 1.26% of net assets) (2024 - \$60.1 million or 1.29% of net assets).

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

As at December 31, 2025, 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 \$54.8 million (approximately 8.04% of net assets) (2024 - \$57.6 million or 8.38% 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, 2025, 100% (2024 – 100%) of the Plan's short-term investments were rated "R-1 low" or better and 44.43% (2024 – 53.15%) of the bonds and debentures held in the CSS Investment Funds and 73.51% (2024 – 62.31%) 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, 2025, securities on loan had a market value of \$238.1 million (2024 - \$251.8 million). Collateral held to secure those loans had a market value of \$251.2 million (2024 - \$265.9 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, 2025, the Plan's foreign currency exposures were as follows:

CURRENCY

(thousands of Canadian dollars)

	2025		2024	
United States dollar	\$	1,303,992	\$	993,924
British pound sterling		176,166		168,796
Euro		318,509		263,992
Other European currencies		93,621		71,770
Japanese yen		190,504		172,864
Other Pacific currencies		159,970		154,491
Emerging Market currencies		408,747		374,230
Total		2,651,509		2,200,067

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, 2025 the fair value of the currency forwards payable was \$1,211.8 million (2024 -\$1,471.2 million) and the fair value of the currency forwards receivable was \$1,217.3 million (2024 - \$1,464.6 million).

The Plan's currency forward contracts at December 31, 2025, were as follows:

CURRENCY

(thousands of Canadian dollars)

	2025			2024		
	Market Value	Notional Value	Gain (Loss)	Market Value	Notional Value	Gain (Loss)
Canadian Dollar	\$ 761,029	761,029	-	\$ (54,640)	(54,640)	-
British Pound	(102,610)	(102,450)	(160)	311,359	311,981	(622)
Euro Currency	150,593	150,498	95	(153,915)	(154,735)	820
United States Dollar	(850,018)	(857,303)	7,285	(69,324)	(61,449)	(7,875)
Australian Dollar	(8,069)	(8,072)	3	(12,236)	(12,496)	260
Japanese Yen	75,543	76,855	(1,312)	(44,267)	(45,220)	953
New Zealand Dollar	(877)	(887)	10	(1,795)	(1,849)	54
Norwegian Krone	17,995	18,040	(45)	34,514	34,685	(171)
Swedish Krona	4,289	4,251	38	(16,300)	(16,277)	(23)
Swiss Franc	(42,444)	(42,112)	(322)	-	-	-
Danish Krone	43	43	-	-	-	-
Hong Kong Dollar	25	25	-	-	-	-
Singapore Dollar	83	83	-	-	-	-
Total	5,582	-	5,582	(6,604)	-	(6,604)

As at December 31, 2025, 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 \$94.8 million (approximately 1.90% of net assets) (2024 - \$95.0 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, 2025 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	2025 Impact	2024 Impact
Canadian Equities	S&P TSX Composite Total Return Index	\$ 64,716	\$ 56,082
U.S. Large Cap Equities	S&P 500 Total Return Index	70,752	65,998
U.S. Small Cap Equities	Russell 2000 Total Return Index	15,884	16,055
Non North American Equities	MSCI EAFE Total Return Index	81,841	72,141
Emerging Market Equities	MSCI Emerging Market IMI Index	29,514	28,937
Total		\$ 262,707	\$ 239,213

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, 2025, 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, 2025, the CSS Balanced Fund's unit price was \$35.0654 (2024 - \$31.6858), the CSS Money Market Fund's unit price was \$15.1902 (2024 - \$14.7332), the CSS Equity Fund's unit price was \$34.8325 (2024 - \$30.0804), and the CSS Bond fund's unit price was \$16.2700 (2024 - \$15.5270).

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, 2025, 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, 2025 was \$5,006,259 (2024 - \$4,666,023) while the total value of members' accounts as per the Plan's unitized record keeping system on this same date was \$5,000,354 (2024 - \$4,660,734). The difference between these two amounts is reconciled below.

RECONCILIATION

(thousands of dollars)

	2025	2024
Net Assets Available for Benefits	\$ 5,006,259	\$ 4,666,023
Add Back		
Accrued Expenses	4,424	2,932
Withdrawals Payable	7,196	5,024
Deduct		
Market Value Adjustments	(12,846)	(8,187)
Contribution Receivable	(4,679)	(5,058)
Total Value of Member's Accounts	5,000,354	4,660,734

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 2025 were as follows:

FUND	2025		2024	
	Return	MER	Return	MER
Balanced Fund	10.67%	0.63%	8.85%	0.64%
Money Market Fund	3.10%	0.16%	5.10%	0.18%
Bond Fund	4.78%	0.41%	5.15%	0.48%
Equity Fund	15.80%	0.42%	13.32%	0.43%

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

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