

2025 annual report

Building a bright future

UPP UNIVERSITY
PENSION PLAN
ONTARIO



Land acknowledgment

We respectfully acknowledge that we live and work on the traditional territories of many nations, including the Mississaugas of the Credit, the Anishinaabeg, the Chippewa, the Haudenosaunee, and the Wendat Peoples. These lands fall within the territory protected by the “Dish With One Spoon” wampum treaty agreement. That wampum uses the symbolism of a dish to represent the territory and one spoon to represent that the people are to share the resources of the land and take only what they need. It is home to many past, present, and future First Nations, Inuit, and Métis Peoples. Our acknowledgment of the land is our declaration of our collective responsibility to this place and its peoples’ histories, rights, and presence. We are grateful to be able to live, learn, and meet on these lands.

About UPP

University Pension Plan Ontario (UPP) is a jointly sponsored defined benefit pension open to all Ontario university sector employers and employees. UPP manages \$13.5 billion in pension assets and proudly serves over 46,000 members across six universities and 19 sector organizations.¹ The Plan invests to deliver secure, stable pension benefits for members today and for generations to come. For more information, please visit [@ myupp.ca](https://myupp.ca).

¹ As at January 1, 2026, UPP had over 46,000 members including Wilfrid Laurier University.

All other figures are as at December 31, 2025, and all currencies are expressed in Canadian dollars unless otherwise noted.

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PART ONE

Delivering valuable, lifelong pension security





103%

funded with a \$0.3B surplus²



5.2%

annual net rate of return and 8.5% over three years³



\$13.5B

in net assets, up from \$12.8B in 2024



\$620M

in pension benefits paid to members



Maintained a 55%

reduction in our portfolio greenhouse gas emissions intensity from our 2021 baseline

2025 at a glance



Grew our membership

Welcomed Wilfrid Laurier University faculty and staff as our newest members, joined by their campus colleagues at the Wilfrid Laurier University Faculty Association, the Wilfrid Laurier University Staff Association, and the Wilfrid Laurier University Student Union as of January 1, 2026.



Invested for the future

Crossed the \$2 billion threshold in private commitments and investments since 2022.

Added over \$100 million in commitments to climate solutions across several asset classes.⁴



Served with care

Delivered UPP's first year of direct member and employer services to over 46,000 working and retired members. As of January 1, 2026, this included six participating universities and 19 sector organizations, including over a dozen unions and faculty associations.

² On a smoothed basis.

³ Annual net rate of return is net of external costs, including investment management fees, performance fees, and transaction costs.

⁴ Climate solutions include assets or entities that are expected to contribute to climate change mitigation and/or facilitate adaptation to its impacts. For more information about how UPP defines climate solutions, please refer to our

[Climate Transition Investment Framework](#).

Message from our Chair

Gale Rubenstein, Chair, Board of Trustees

Good governance is central to earning the trust of members in a pension plan. As Chair of UPP's Board of Trustees, I can attest to the commitment of all Trustees to upholding strong governance and fulfilling our fiduciary duties. We have the privilege of stewarding an institution built to ensure and protect the long-term retirement security of those who serve Ontario's university sector. Our responsibility is clear: to fulfill the pension promise through disciplined oversight, integrity, and a long-term focus, so members can be confident their pension is secure and built to endure across economic cycles and generations.

In 2025, the Board focused on strengthening the systems and safeguards that protect the Plan over time, ensuring that as UPP grows, our governance continues to evolve. This work is not always visible, but it is essential and requires ongoing vigilance, particularly in periods of volatility. We recognize the continuing challenges facing Ontario's university sector and remain focused on providing steady leadership and oversight for our members.

We were pleased to welcome new members into the UPP community in 2025. Eligible members of the Victoria University General Pension Plan and the Trent University Staff Plan officially joined UPP, strengthening the collective foundation. We also welcomed

Wilfrid Laurier University and its eligible faculty and staff, who joined the Plan on January 1, 2026. We extend our sincere thanks to these participating employers and their members for the trust they have placed in UPP.

Growth brings responsibility. The Board remains focused on ensuring that each expansion strengthens the Plan's long-term stability and preserves the governance integrity members rely on, so that scale translates into stronger protection for every member's pension.

I am grateful to my fellow Trustees for their dedication and professionalism. The Board's strength reflects both continuity and the contributions of individuals whose expertise supports effective oversight. At the end of 2025, Dr. Pierre Piché concluded his three-year term as Trustee. We extend our sincere thanks to Pierre for his longstanding contributions to UPP, including his involvement in our early development, playing an important role during the Plan's formation and continuing to provide thoughtful guidance as a Trustee in our early years. We wish him the very best in his next chapter. We also welcomed Sheryl Kennedy as our newest Trustee in February 2026. She brings significant investment expertise, pension governance experience, and the perspective of a former Deputy Governor of the Bank of Canada, further strengthening the Board's ability to oversee UPP in the interests of our members.



“Growth brings responsibility. The Board remains focused on ensuring that each expansion strengthens the Plan’s long-term stability and preserves the governance integrity members rely on, so that scale translates into stronger protection for every member’s pension.”

On January 1, 2027, Peter Wallace will assume the role of Chair of the Board of Trustees following the conclusion of my seven-year term as Inaugural Chair. Peter brings extensive public sector leadership and governance experience, and I am pleased to welcome him to UPP. Over the coming months, Peter will continue getting to know the organization and the Board, and I am confident UPP will benefit from his strong oversight and stewardship in the years ahead.

As I look ahead to the conclusion of my term at the end of 2026, I have reflected on the honour of helping guide UPP through our early years and an important period of our development. It has been a privilege to serve alongside dedicated Trustees, Joint Sponsors, and the Management team led by CEO Barbara Zvan, as well as UPP's employees, whose work supports the effective operation of the Plan. I am confident that the foundations in place today will continue to serve the Plan well.

Governance is not defined by any single moment, but by the steady work of protecting members' interests over time. Having been part of UPP's journey from our early foundations through our continued growth, I have seen how disciplined stewardship contributes to a stronger and more resilient institution—and how important it is that this work continues with care and consistency.

On behalf of the Board of Trustees, I want to thank our members and participating employers for their trust. We remain focused on protecting members' pensions, strengthening the Plan's long-term stability, and supporting a secure retirement future for the university community we serve.

Gale Rubenstein

Chair, Board of Trustees

Message from our CEO

Barbara Zvan, President and CEO

This 2025 Annual Report highlights a year where we focused on delivering steady, dependable performance while continuing to strengthen the foundations of the Plan.

At the heart of UPP's work is a clear responsibility: to provide secure lifetime pensions at sustainable and predictable contribution rates for the people who sustain Ontario's university sector, including faculty, staff, researchers, administrators, and the many professionals who support higher education across the province. A pension must be secure for members while remaining affordable and sustainable for participating employers and active members alike. Every decision we make is grounded in that dual responsibility.

Behind every pension is a person. A retiree. A family. A future. That understanding shapes how we design our services and the member experience. In 2025, we strengthened support for members throughout their pension journey by improving clarity of information, enhancing digital tools, and simplifying key processes so the Plan is easier to understand and use. Our goal is not simply to provide information but to deliver service that is consistent, responsive, and grounded in care.

We invest members' pensions with one clear purpose: to provide secure, lifelong income. Guided by disciplined risk management, long-

term planning, and responsible stewardship, our investment approach is designed to protect the Plan across market cycles and generations, while supporting cost sustainability.

In 2025, global markets were shaped by ongoing geopolitical uncertainty, with equity market returns remaining highly concentrated. In this environment, UPP's disciplined and diversified investment approach delivered a net investment return of 5.2%, contributing to a three-year return of 8.5%, and helped ensure the Plan remained fully funded, while maintaining stable contribution rates. Our focus remains on managing risk across market cycles rather than relying on short-term market concentration, so that the pensions members are earning today are protected over the long term.

As UPP has matured, our focus has centred on execution, ensuring that strong governance, disciplined investment, and organizational capability translate into dependable outcomes for members and participating employers. One expression of this maturity is how we support organizations considering or joining the Plan. In 2025, we welcomed Victoria University and members of the Trent University Staff Plan into UPP and worked closely with Wilfrid Laurier University on its successful transition ahead of its official joining on January 1, 2026. With each



“A pension must be secure for members while remaining affordable and sustainable for participating employers and active members alike. Every decision we make is grounded in that dual responsibility.”

new institution, we continue to refine our approach to onboarding and integration, strengthening our ability to manage transitions while maintaining continuity for members and predictability for employers.

The broader investment and regulatory environment continues to evolve in ways that strengthen long-term pension security. In 2025, the Government of Ontario announced measures to expand pathways for defined contribution plans to transition to jointly sponsored pension plans like UPP, modernizing the province's pension framework and supporting broader access to predictable retirement income. UPP has contributed to these advancements through industry collaboration and advocacy, reflecting our commitment to strengthening Ontario's retirement system and expanding access to secure and sustainable pensions.

In 2025, the federal government also signalled progress toward a voluntary, made-in-Canada green and transition taxonomy, a step toward clearer definitions and more consistent assessment of sustainability-related risks and opportunities. UPP has been involved in industry dialogue supporting these efforts, demonstrating our commitment to advancing practical frameworks that enhance transparency and disciplined investment decision-making. This means stronger tools to identify long-term risks and opportunities, helping us make more informed decisions and protect the pensions you are earning over time. It reinforces disciplined management of factors that influence long-term funding and contribution stability.

A **green and transition taxonomy** is a set of national standards designed to help investors assess the climate impact of activities and their alignment with the global transition to a net-zero economy.

As UPP moves into our next phase, our direction remains steady. We are focused on translating the systems, partnerships, and capabilities we have developed into consistent, high-quality outcomes—from the strength of the Plan's funding, to the reliability of service, to the confidence members and employers have in our long-term sustainability.

As more institutions explore the future of their pension arrangements, we recognize that the decision to join UPP is significant and often unfolds over multiple years. It is a decision that affects employees, retirees, leadership teams, and governing bodies. Our team understands the magnitude of this commitment and is ready to provide information and clarity at any stage of the process—including early inquiries and exploratory discussions.

I am deeply grateful to our members and participating employers for the trust you place in us and to the people and institutions that make this work possible: the dedicated UPP team who serves you every day and the strong governance and stewardship provided by our Board of Trustees and Joint Sponsors.

Together, we remain firmly committed to stewarding a pension plan and an institution built on security, predictability, trust, and long-term sustainability.

Barbara Zvan

President and CEO

UPP's strategy

Our blueprint for a resilient, high-performing Plan

UPP's strategy is purpose-built for the people we serve: our members, participating employers, and the broader university community. Interactions with a pension plan may be infrequent, but they often come at important moments that shape a member's long-term financial security and their confidence in the plan. Every touchpoint is an opportunity to build trust, support informed decision-making, and demonstrate the value of UPP.

Our strategy is led by UPP's experienced leadership team, shaped in partnership with our Joint Sponsors, and overseen by our [Board of Trustees](#). Progress is regularly measured and reported, and key developments are captured in our annual report.

LEADERSHIP THAT STRENGTHENS MEMBERS' PENSIONS



UPP President and CEO [Barbara Zvan](#) received the 2025 Ontario Business Achievement Award for CEO of the Year from the [Ontario Chamber of Commerce](#). This honour recognizes her leadership in developing a modern, forward-looking pension plan built by and for the university sector.

Building a strong foundation

UPP's inaugural 2022–2025 strategy, Pursuing Our Potential, was our first roadmap as a newly established jointly sponsored pension plan. Our defining priority: build the foundations required to operate a modern, sustainable pension plan for Ontario's university community, both now and for the long term.

From the outset, UPP brought together employers and members with diverse pension histories – from legacy defined benefit arrangements requiring careful integration to organizations joining a defined benefit plan for the first time. Creating a unified platform capable of serving these varied needs required meaningful investment across governance, administration, investments, technology and data, and the enterprise functions that hold the Plan together.

To deliver on this, we built the core capabilities a complex, growing plan demands: a pension administration system fit for a multi-employer defined benefit structure; in-house capacity to participate in private markets; a strong technical foundation for asset liability management and risk measurement; and capacity to identify and manage material environmental, social, and governance risks.

Together, this work established a platform built for long-term performance, resilience, and scale, one that is distinctive for a plan of UPP's size and age.

Under our inaugural 2022–2025 strategy, we:



Welcomed seven additional employers and over 1,500 new members, bringing diverse organizations together under a unified pension solution



Established and advanced our investment strategy and in-house capabilities to support long-term, sustainable returns for members



Built the early administration, service, and organizational capacity needed to support members today, and to welcome more over time

As with any growing organization, there remains work ahead—particularly in continuing to raise the bar on member experience. That work is central to what comes next.



Our 2026+ strategy: Built to Serve, Positioned to Grow

With strong foundations in place, UPP's refreshed strategy marks a clear evolution from building the conditions for secure retirement income to delivering on that promise at scale.

Looking ahead, our focus is strengthening how the Plan performs and how it is experienced, by members and employers alike. Delivering a high-quality member experience is a core priority, and we are committed to building toward the standard our members expect and deserve.

Continued growth remains central to our long-term strategy and to UPP's purpose. UPP was built as a shared pension solution for Ontario's university sector, and expanding access to a secure, sustainable defined benefit pension remains a defining goal. As more employers and members join, the Plan becomes stronger for everyone: costs and risk are shared more broadly, investment opportunities grow in size and quality, and operations become more efficient. Over time, this scale translates into greater sustainability, stronger resilience, and deeper value for current members and employers, and for those yet to join.

Built to Serve, Positioned to Grow will guide the Plan from 2026 onward, reviewed and refined as the organization evolves. It reflects UPP's growing maturity and sets a clear ambition to define the UPP experience, demonstrate our impact, and continue strengthening our role as a trusted pension solution for Ontario's university sector.

Our 2026+ strategy sets clear priorities across:

- ✓ investment performance and long-term funding health
- ✓ member and employer experience and service quality
- ✓ operational excellence and risk management
- ✓ people, culture, and inclusion
- ✓ responsible investing and climate action

The following pages provide an overview of our progress in 2025 across each focus area and outline how we will continue advancing in 2026 and beyond. This progress is discussed in more detail in UPP's management discussion and analysis, which can be found in [Part Two of this report on page 22](#).

Investing for the future

UPP's investment approach has one clear goal: to deliver secure and dependable pensions for our members, today and tomorrow. Our investment program pursues long-term returns, at an appropriate level of risk, to support stable benefit funding and sustainable growth over time.

2025 was another year that tested disciplined investors. In this environment, UPP remained focused, maintaining a portfolio aligned with members' long-term pension needs while selectively deploying capital where opportunities supported our objectives. Our 5.2% total fund return in 2025 reflects both the realities of the market environment and the resilience of a portfolio designed to deliver stable outcomes over time.

With the integration of legacy assets from participating plans now largely complete, our focus is on increasingly aligning the portfolio with our target asset mix and continuously strengthening how it delivers over the long term.

Legacy holdings refer to the investment portfolios transferred to UPP from participating plans upon joining. These holdings continue to be actively managed and repositioned over time as market conditions allow.

A key part of this evolution is the growing role of UPP-initiated strategies—internally developed and increasingly internally executed approaches that give us greater control, transparency, and cost efficiency. By managing more of the portfolio through these strategies, we ensure that more of the Plan's returns stay in the Plan and work directly for our members.

Throughout 2025, we also continued to selectively expand private market exposure through funds and co-investments and maintain flexibility in public markets. We reached an important milestone by bringing select capital markets activity in-house, enhancing our ability to manage liquidity and financing more efficiently.

[Read more about our 2025 investment performance on page 28.](#)

INVESTING WITH PURPOSE: THE GROWING ROLE OF UPP-INITIATED STRATEGIES

At year-end 2025, UPP-initiated active strategies totalled \$5.2 billion, representing roughly 38% of the total portfolio. Over the past three years, these strategies have delivered an annualized net return of 16.6%, performing above target and contributing positively to the Plan's 5.2% total fund return in 2025. Over time, these strategies will play an increasing role in driving returns and long-term value creation.

- ✔ In 2025, UPP-implemented active strategies exceeded their one-year benchmark of 9.2%, delivering 4.9% of value add.
- ✔ 12% of the total portfolio is allocated to absolute return strategies, which generated 12.6% in 2025, and have consistently produced positive returns since UPP's inception.
- ✔ Nine no- or low-fee co-investments since UPP's inception have expanded access to private market opportunities in climate solutions, real estate, digital infrastructure, transportation, and more.
- ✔ \$1 billion in infrastructure investments delivered 20.8% returns in 2025.

Serving members with care

UPP serves a diverse and growing membership across the university sector, including faculty and staff, administrative and support staff and association members, as well as members from academic publishers and research organizations. As of January 1, 2026, we provide pensions to more than 46,000 members from six universities and 19 sector organizations.

In 2025, we continued to build on the phased service model introduced the year before. This approach provided important insights into how members and employers engage with the Plan and where we can improve. We are using these insights to strengthen and evolve our service model, with a focus on delivering direct, personalized, and accessible support across multiple service channels, including dedicated support from our service team and digital tools designed to guide members through every stage of their pension journey.

Over the year, we introduced new functionality within the secure myUPP Member Portal, including a Pension Estimate Calculator and enhanced self-service capabilities. We also expanded our online resources and educational offerings, giving members more ways to engage with their pension on their own terms. Our Service team continues to provide personalized support, helping members and employers get the guidance they need, when they need it.

As we continue to advance our service model, our focus remains on meeting members where they are – with the right information, through the right channel, at the right moment.

[Learn more about UPP's member service experience on page 57.](#)

“This year, we continued work on the services and information that support you throughout your pension journey. Our priority is to make it easy for you to understand your pension, plan for the future, and find the guidance you need, when you need it.”



Barbara Zvan

President and Chief Executive Officer
in her 2025 year-end message

ADVANCING PENSION KNOWLEDGE TO SUPPORT BETTER RETIREMENT OUTCOMES

Collaboration and research play an important role in ensuring pension decisions are informed by strong evidence and shared experience. By participating in sector-wide initiatives, UPP helps advance best practices that support well-governed, sustainable pensions—directly benefiting members today while supporting retirement security more broadly.

In 2025, UPP became a founding member of the National Institute of Ageing's Pension Centre of Excellence, a Toronto Metropolitan University-led research initiative bringing together pension plans, researchers, and policymakers to deepen understanding of the challenges and opportunities facing Canada's retirement income system. As a university-sector pension plan, UPP contributes practical insights drawn from managing a large, jointly sponsored pension plan, on topics such as plan design and sustainability, while also learning from peers across the sector.



Investing and acting responsibly

UPP invests responsibly to help provide stable pension benefits at a reasonable cost for members, now and well into the future. By considering material environmental, social, and governance factors (e.g., climate risks, workplace practices, and how companies are managed) alongside traditional financial analysis, we gain a more complete picture of risk and opportunity across the portfolio. This includes factors that could have a material impact on long-term financial performance and the systems that influence financial markets. We also believe that companies and investment managers that identify and manage these factors effectively are more likely to deliver the sustained performance needed to help fulfil our fiduciary duty to members.

This conviction is embedded across UPP's investment approach—from due diligence and investment decisions to ongoing monitoring, engagement, and active ownership practices such as proxy voting. As the Plan has grown, so has our breadth of coverage, rigour of analysis, and range of engagement across the portfolio, enabled by UPP's dedicated Responsible Investing team. This specialized team works closely with our internal investment professionals and external managers to ensure these considerations are applied consistently across the portfolio in line with our broader risk, return, and long-term sustainability objectives.

In 2025, we made strong progress against our Climate Action Plan. We committed an additional \$104 million to climate solutions, which include investments that support emissions reduction, energy transition and climate resilience—bringing total commitments to \$762 million and marking continued progress toward our goal of \$1.2 billion by 2030. These investments reflect our view that assets positioned for the energy transition represent a compelling long-term opportunity, and one we expect to grow in economic value as the global economy continues to shift. Our portfolio greenhouse gas (GHG) emissions intensity now stands at 22 tonnes CO₂e per \$M invested,⁵ down 55% from our 2021 baseline.

As we build on this progress, we remain focused on delivering strong long-term outcomes for our members while advancing our Climate Action Plan to manage financially material climate risk and opportunities, in line with our fiduciary duty.

[📖 See Appendix 2 on page 127 for more detail on the scope and methodology of UPP's portfolio GHG emissions intensity.](#)

⁵GHG emissions intensity (tCO₂e per \$M invested) measures the GHG emissions attributed to UPP's portfolio relative to the market value of the portfolio, allowing comparisons over time regardless of portfolio size.

“Every responsible investing decision is considered through the lens of how we can take care of our investments and ensure the best possible opportunity to pay pensions in the future. It is very much through a fiduciary lens of what's in the best interests of the Plan members.”



Brian Minns

UPP's Senior Managing Director, Investment Risk & Responsible Investing, on the [@ Future of Finance podcast](#)

CLEAR STANDARDS TO SUPPORT CONFIDENT INVESTMENT

Good investing depends on good information. In a significant development, the Government of Canada announced funding in 2025 to create a made-in-Canada green and transition taxonomy—a set of national standards designed to help investors assess the climate impact of activities and their alignment with the transition to a net-zero economy.

Much like an energy efficiency rating on a household appliance, a taxonomy does not tell investors what to buy, but it provides clear, credible information to support more consistent and informed decision-making. For UPP, this clarity supports more consistent assessment of climate-related risks, clearer identification of long-term opportunities, and more confident allocation of capital toward investments positioned to deliver sustainable returns for members over the long term.

By establishing shared definitions and expectations across the market, the taxonomy is expected to encourage greater investment—both domestic and global—in activities that reduce emissions, build climate resilience, and address climate-related financial risks. The result is a more enabling environment for the kind of long-term, transition-aligned capital deployment that supports both pension returns and Canada's broader economic future.

The advancement of a Canadian taxonomy reflects years of work by experts, investors, and policymakers. It is a meaningful milestone that positions Canada among a fast-growing global movement that is reshaping how climate-related investment is defined, assessed, and pursued.

Did you know? More than 60 sustainable finance taxonomies are now in use or under development around the world.



Fostering our culture

Delivering on our pension promise starts with our people. In a competitive employment market, attracting and retaining talented employees are essential to the Plan's long-term success. We are deliberate in cultivating an inclusive, performance-driven culture where our people can do their best work in service of our members.

In 2025, employee feedback once again reflected a strong and engaged organization—one where collaboration, accountability, and a shared commitment to our members remained central to how we operate. As Plan members ourselves, we are personally invested in providing pension peace of mind to our colleagues and their families.

We recognize that diverse experiences strengthen decision-making and support long-term performance. Having completed our initial Equity, Diversity, Inclusion, and Reconciliation roadmap in 2025, we are building on that foundation with an updated plan aligned to UPP's strategic priorities going forward—maintaining our focus on fostering a workplace where employees feel supported, valued, and empowered to contribute.

[Read more about our people and culture on page 79.](#)

“What excites me most about working at UPP is our mission and the chance to make an impact in retirement income security. There's clear and intentional alignment in our organizational values, goals, and objectives, which really helps us prioritize work that matters for our Plan and members.”



Nirupa Muthurajah

Director, Equity Strategies Lead,
Active Public Markets

A CULTURE THAT ATTRACTS, RECOGNIZES, AND RETAINS

UPP was named one of Greater Toronto's Top Employers for 2026, recognizing the strength of our purpose-driven culture and the dedication of our people. [Learn more about why UPP was named one of the GTA's Top Employers.](#)

UPP's Chief Engagement and People Officer, Omo Akintan, was also named an [Excellence Awardee](#) for Canadian HR Leader of the Year at the [2025 Canadian HR Awards](#). With a particular focus on strategic leadership and mentorship, this award recognizes executives who have had a meaningful impact within their organizations and across the broader human resources profession.



A pension plan for the university sector

A proven model for long-term value

UPP was designed to bring the defining features of Ontario's world-renowned jointly sponsored pension plans (JSPPs) to the university sector.⁶

A defining feature of JSPPs is joint governance: employers and members, through their respective Plan sponsors, have equal representation in decisions about the Plan's terms and conditions and design. The Plan Sponsors jointly appoint an independent Board of Trustees, which provides fiduciary oversight, ensures investments are managed responsibly, protects members' interests, and supports the Plan's long-term financial health.

JSPPs pair this governance model with in-house investment management, the advantages of scale, and the ability to diversify

across geographies and asset classes. Together, these features have proven to support stronger long-term investment performance, greater cost efficiency, more stable contributions and benefits, and more advanced risk management—all within a structure designed to pool risk across multiple employers and deliver dependable lifetime income.

UPP brings these advantages to the university sector, with additional features tailored to the needs of the university community. Both employers and members benefit from the simplicity and security of a large, expertly managed pension plan with a singular focus of delivering on the pension promise.

[🔗 Learn more about what we offer.](#)

⁶ Beath, Alexander/Betermier, Sebastien et al., *The Canadian Pension Fund Model: A Quantitative Portrait*, Global Risk Institute, August 20, 2020; "Maple Revolutionaries," *The Economist*, March 3, 2012; Ambachtsheer, Keith, *The Future of Pension Management: Integrating Design, Governance, and Investing*, Wiley, 2016; Bédard-Pagé, Guillaume et al., "Large Canadian Public Pension Funds: A Financial System Perspective," Bank of Canada, June 2016.



Growing the plan and welcoming new members

Our commitment to members extends to those considering joining UPP and to new participants transitioning into the Plan. Together with our Joint Sponsors, we bring deep experience in the university sector and work collaboratively with interested parties to support informed, thoughtful decision-making at every stage of their journey.

All universities are welcome to explore participation in UPP, regardless of their existing pension plan type. UPP has built a flexible service model with the operational capacity to support onboarding for plans of different sizes and structures, ensuring organizations are supported and ready when the time is right.

As of January 1, 2026, UPP serves six Ontario universities and 19 sector organizations. On this date, we welcomed Wilfrid Laurier University faculty and staff as our newest members, joined by their campus colleagues at the Wilfrid Laurier University Faculty Association, the Wilfrid Laurier University Staff Association, and the Wilfrid Laurier University Student Union. This added more than 3,200 new members and approximately \$1.1 billion in assets to the Plan.

“Joining UPP marks a significant milestone for Laurier and reinforces our commitment to a strong, sustainable defined benefit pension. UPP was a proactive and supportive partner throughout the transition, helping us move forward with clarity and confidence while keeping our members’ interests front and centre. We’re proud to join a plan built for the university community and focused on long-term sustainability and security for those it serves.”



Pamela Cant

Chief Human Resources and Equity Officer, Wilfrid Laurier University

CONTACT US

UPP offers dependable retirement income, personalized and confidential member service, comprehensive employer support, and professional, in-house investment management.

For organizations considering their pension options, our team is available to help you make a well-informed decision and navigate a smooth transition—from Plan features and benefit estimates to tailored presentations and transition planning. To learn more about joining UPP, contact us at

joinupp@universitypensionplan.ca

[Find out more about joining UPP.](#)



Strengthening pension security in Ontario

Strong pension systems are built to deliver predictable, secure retirement income, even in uncertain markets. Recent policy changes in Ontario are helping extend that security to more workers by expanding access to JSPPs, a model that pools risk, shares governance, and supports stable lifetime benefits.

In 2025, the Government of Ontario introduced measures to support the voluntary conversion of defined contribution (DC) pension plans into JSPPs. These changes create a clearer pathway for organizations moving from individually managed retirement savings into structures designed to manage risk collectively and deliver more stable, long-term pensions.

Supporting sustainable pension design

The updated framework reflects years of work by pension experts, employers, and policymakers to improve retirement outcomes for Ontarians. These new measures create a clearer pathway for organizations that want to explore moving from defined contribution structures into jointly sponsored ones.

DC plans have served many organizations well, providing flexibility and individual choice in retirement saving. JSPPs are structurally different: contributions are pooled, investments are managed collectively for the long term, and benefits are defined—providing members with a predictable income in retirement that is not subject to individual market timing or investment outcomes. Research has found that this structure delivers retirement income significantly more efficiently than individually managed approaches.⁷



Why this matters: Clear, enabling pension policy helps more workers access plans designed for long-term security. For UPP, these changes create meaningful opportunities to welcome more members into a structure grounded in prudent investment, strong governance, and shared responsibility for secure retirement outcomes—advancing our purpose as a pension solution built for the university sector.

Did you know? Analysis by a leading Canadian JSPP found that a defined benefit plan can generate more than three times the retirement income per dollar contributed compared to a typical individual defined contribution approach.⁸

ADVANCING PENSION POLICY FOR ALL CANADIANS

UPP President and CEO Barbara Zvan serves as a Senior Fellow and Co-Chair of the C.D. Howe Institute's Pension Policy Council—a forum bringing together pension leaders to address complex governance challenges and advance policy solutions that support retirement security for Canadians.

In this role, Barbara works alongside pension peers to shape evidence-based recommendations on the challenges facing Canada's retirement saving system, with a focus on ensuring the integrity and sustainability of pension earnings for a growing population approaching retirement.



⁷ [A Better Bang for the Buck: The Economic Efficiencies of Defined Benefit Pension Plans](#)

⁸ [The Value of a Good Pension: How to Improve the Efficiency of Retirement Savings in Canada](#)

PART TWO

Creating value today and for generations to come

To complement the financial statements, UPP's Management Discussion and Analysis provides additional insight and commentary on the Plan's activities and performance.

Plan funding

A pension promise spanning generations

A secure and stable Plan is one where all current and future members receive their pension benefits at a reasonable and predictable cost. That is UPP's commitment.

HIGHLIGHTS



103%
funded status⁹



5.60%
discount rate



\$0.3B
funding surplus⁹



\$620M
in pension benefits
paid to members

⁹ On a smoothed basis.



Delivering Plan stability

Plan stability requires a careful balance between obligations, which are the estimated cost of pensions in pay and the pensions expected to be paid in the future for past service, and assets, which include member and employer contributions and investment returns.

The Plan's **funded status** (or funded ratio) provides a snapshot of UPP's ability to support stable benefits and contribution rates over the long term. It indicates whether the Plan has enough assets to fund pension obligations. The funded status can change over time as economic conditions and Plan demographics evolve.

We apply a number of measures and tools to maintain stable benefits and contributions over time, including annual valuations, Asset-Liability modelling, and the Joint Sponsors' Funding Policy. Together, these provide a steady view of the Plan's health and support effective long-term management.

Actuarial valuations: a steady view of Plan health

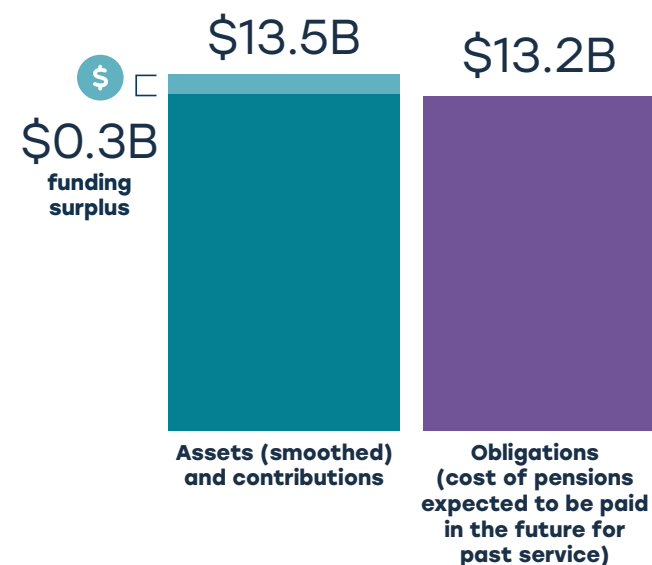
Every three years, at a minimum, UPP must file a funding actuarial valuation with the pension regulators showing the Plan's funded status and contribution requirements. An actuarial valuation provides both a point-in-time snapshot of the Plan's financial position and a long-term projection of our obligations. It uses a range of assumptions to estimate the amount and timing of future pension benefits and assesses whether current contribution rates are sufficient to support those benefits as they are earned and paid over time. UPP also applies asset smoothing, which averages investment gains and losses over several years to reduce the impact of short-term market volatility on contribution and benefit decisions.

UPP prepares a funding valuation every year, ensuring the Plan's Joint Sponsors and Board of Trustees have ongoing insight into the Plan's financial health to support informed decisions. While a valuation is conducted annually, the Plan's Sponsors determine which valuation to file, provided that a filing occurs at least once every three years. The results of the valuation are shared in our annual report and filed valuations, both of which are on our website. [View UPP's latest filed valuation to learn more.](#)

Funded status at December 31, 2025¹⁰

At year-end 2025, the Plan remains fully funded on both a smoothed and market basis. This means that, at the current contribution levels, UPP is in a strong position to keep members' pensions secure, including the targeted 75% inflation projection applicable to UPP service, over the long term.

The decision on whether to file this valuation rests with the [Joint Sponsors](#).



¹⁰ Based on the January 1, 2026 valuation.

Funding valuations use a variety of economic and demographic assumptions, which are reviewed periodically. The primary economic assumption—the discount rate—is set annually by UPP’s Board of Trustees. It reflects the long-term expected rate of return on investments after expenses and with a margin for risk management. The Board set the nominal discount rate at 5.6%, consistent with UPP’s long-term strategic outlook. This revised rate is reflected in the funded status as at December 31, 2025, and in UPP’s 2025 financial statements.

Another key economic assumption is inflation, as member benefits receive conditional inflation protection in retirement. In assessing the Plan’s long-term financial position, the actuarial valuation reflects the targeted 75% inflation protection applicable to UPP service, and this provision is incorporated for all years.

Valuations are considered preliminary until they are filed with pension regulators.

In consultation with UPP’s Plan Actuary, the economic assumptions underpinning the Plan’s January 1, 2026 valuation (which the December 31, 2025 funded status is based on) are reviewed to ensure their continued appropriateness in the current environment.

Economic and demographic assumptions are reviewed periodically in line with industry practice, with the next comprehensive review taking place in 2026. For more information, see [Appendix 1 on page 126](#).

Changes in funded status

The table below shows the key drivers of changes in the Plan’s funded position on a smoothed asset basis for 2025.

Changes in the Plan’s funded position year-over-year reflect a range of factors, including contributions, benefit accruals, investment performance, and changes in actuarial assumptions and plan experience (such as salary increases and retirement patterns).

To promote stability, investment results are measured on a smoothed basis, which spreads gains and losses over time. This common approach among JSPPs helps prevent short-term market movements from driving changes to contributions and benefits, and supports a more stable, long-term view of the Plan’s funded status.

The reported investment loss in 2025 largely reflects how this smoothing is applied. Gains and losses are recognized at 20% per year over five years, meaning results include the continued recognition of investment losses from 2022, alongside the deferral of more recent gains. As a result, the smoothed loss in 2025 does not reflect the positive current-year market performance, but instead the gradual recognition of past experience.

Changes in surplus

(preliminary, \$M on a smoothed asset basis)	2025
Opening surplus (Jan 1, 2025)	247.1
New schools (joined Jan 1, 2025)	(2.0)
Interest on surplus	13.4
Contributions in excess of benefits earned ¹¹	11.1
Investment losses (relative to 5.45% on a smoothed basis)	(166.1) ¹²
Liability and assumption changes	237.1
Ending surplus (Dec 31, 2025)	340.6

¹¹ This represents the pre-conversion deficit funding + additional contributions made by members and employers above the normal cost requirements. This includes pre-conversion deficit contributions receivable in 2026.

¹² The Plan’s surplus is measured and reported on a smoothed basis. This smoothed basis includes investment loss from 2022 and 2025 and investment gains from 2023 and 2024.

Managing funding and investing with asset-liability analysis

UPP uses comprehensive, in-house asset-liability and risk modelling to assess risks and develop strategies to manage the Plan's long-term investment and funding objectives. These analyses bring together all the Plan's key components, including projected membership and pension benefits, investment strategy, and economic assumptions, to simulate potential funding outcomes under thousands of economic scenarios.

Unlike the typical three- to five-year review, UPP conducts comprehensive asset-liability modelling internally whenever necessary. Doing so helps to ensure that we keep our investment portfolio aligned with our pension obligations by staying ahead of potential challenges that could impact our sustainability. This approach helps to maintain the Plan's stability over time.

UPP's Joint Sponsors' Funding Policy: a framework for long-term decision-making

The Joint Sponsors' Funding Policy guides decisions related to Plan design and risk sharing. It was designed specifically to support long-term Plan sustainability by maintaining stable contributions, protecting benefit security, and ensuring fairness across generations of members. This policy is grounded in strong actuarial and economic principles focused on the Plan's long-term stability.

Contributions

The policy is designed to keep contribution rates stable and predictable, which supports steady Plan funding and helps avoid sudden changes that could affect pension security. Since UPP's founding, rates have remained consistent and are expected to stay at their current levels through at least 2027. Future changes to contribution rates, if any, would occur only if the Joint Sponsors determine it is necessary. This decision would be followed by a formal valuation that receives regulatory approval.

Defined benefit

Our commitment is to provide members predictable and stable lifetime pension income that contributes to a secure retirement.

Funded conditional indexation

Inflation protection, also known as indexation, is an important benefit detailed in the policy. It is designed to help pensions keep pace with the cost of living while ensuring inflation protection is provided in a way that supports the Plan's long-term financial health.

UPP uses the Canadian Consumer Price Index (CPI) to measure changes in the cost of living over time and aims to provide inflation protection equal to at least 75% of CPI for pension service earned under UPP, conditional on the Plan's financial health. This assumption is built into UPP's long-term funding and planning, which means inflation protection is built into how the Plan is designed and managed, including our long-term valuations.

Under the Plan terms, pensions earned under UPP's provisions are granted cost-of-living increases of up to 75% of CPI through January 1, 2028. After that date, decisions on changes to the indexation level rest with the Joint Sponsors, depending on the funded status of the Plan. The actuarial valuation assumes that the targeted 75% of CPI inflation protection will continue in all future years. While future annual increases could be less than 75% of CPI, pensions already in pay will never be reduced.

COST-OF-LIVING ADJUSTMENT FOR 2026

In January 2026, UPP provided indexation at the full 75% of CPI, which was 1.99% in 2025. This means that UPP pensioners, survivors, and dependents in pay received a

1.49% increase

to the UPP portion of their pensions, effective January 1, 2026.

[@ Learn more about UPP's 2026 inflation protection increase.](#)

For members who earned pension service before their employer joined UPP, cost-of-living increases for the portion of their pension earned before joining UPP will follow the indexation provisions of their previous plan. For more information, visit the

[@ Prior Plan Quick Guides.](#)

Initial deficit funding and transitioned risk sharing

As new employers join UPP, the Joint Sponsors Funding Policy has important rules that are designed to protect existing UPP members and the Plan's long-term health.

All new plans joining UPP must be fully funded at the time of entry or establish a legally binding payment schedule to eliminate any funding shortfall over an agreed-upon initial period, subject to pension legislation. Deficits at the time of joining must generally be amortized over a period of up to 15 years from the joining date. In some cases, past service gains related to experience under the originating organization plan may reduce the length of this period.

Importantly, any unfunded obligations related to service prior to joining UPP that emerge within the first 10 years after joining remain the responsibility of the participating employer. Following this period, this risk gradually transitions to equal risk sharing between Plan members and employers.

UPP's founding universities joined the Plan fully funded. Since then, organizations have joined UPP from a range of starting positions based on market conditions and timing. Regardless of funded status at entry, each participating employer remains responsible for the pension obligations associated with service earned before joining UPP.

This structure helps ensure that growth in UPP membership strengthens the Plan without shifting legacy obligations between participating institutions, including UPP's founding universities. This ensures that members are not subsidizing the liabilities of other participating employers. Additional details on the funded status by participating employers at entry are available in UPP's [filed actuarial valuation reports](#).

Investment performance

Results members can count on

UPP's investment program has one clear purpose: to earn the returns needed, at an appropriate level of risk, to provide secure and stable pensions for members—now and in the future.

As a defined benefit pension fund, our portfolio is built around the Plan's obligations. Our approach is guided by three core objectives:

- ✓ **Funded:** keep the Plan fully funded
- ✓ **Stable:** maintain predictable contribution and benefit levels
- ✓ **Resilient:** build a portfolio that can deliver strong and stable retirement income across changing market environments

Every investment decision is made through this lens. Looking ahead, we remain focused on strengthening the financial foundation our members rely on in retirement.

2025 INVESTMENT HIGHLIGHTS



\$0.7B

net investment
income



8.5%

three-year annualized
net return



5.2%

annual net total-fund
rate of return



\$13.5B

net assets

Q&A WITH OUR CIO

Aaron Bennett, Chief Investment Officer

UPP's Chief Investment Officer, Aaron Bennett, reflects on the market forces that shaped 2025, the portfolio decisions that mattered most, and what members can expect as we look ahead.



How did UPP's investment strategy perform in 2025?

2025 was a challenging year for investors. Geopolitical tensions, trade uncertainty, and ongoing questions about inflation and government spending kept markets volatile throughout the year.

Against this backdrop, UPP delivered a 5.2% total fund net return in 2025, contributing to a three-year net return of 8.5%—results that support our funding objectives and help maintain strong, sustainable pensions for our members.

Public equities and absolute return strategies delivered strong results for another year, and our infrastructure program continued to mature and deliver, reflecting the growing contribution of UPP-initiated strategies to overall fund performance.

UPP-initiated strategies are investments developed by UPP and increasingly managed in-house, allowing us to better align them with our long-term objectives.

Meanwhile, fixed income faced headwinds from elevated long-term interest rates, though it remains an essential component of the portfolio, helping manage the interest-rate sensitivity of pension obligations and provide liquidity during periods of market stress. Approximately 10% of the portfolio consists of illiquid legacy holdings established under prior mandates, which continue to face challenges in volatile markets and impact total fund returns.

¹⁴ These returns exclude currency hedging and passively managed interest rate-sensitive portfolios.

As they mature and capital is redeployed, their return impact is expected to diminish.

What investment decisions mattered most in 2025?

Advancing UPP-initiated strategies

A central focus has been diversifying our sources of return and deepening our internal capabilities. We continue to gradually complement the Plan's public market exposure with alternative growth assets, such as infrastructure and absolute return strategies, with the goal of deriving returns from multiple, less correlated sources to reduce volatility while maintaining the long-term growth our members need. Some of our strongest outcomes of 2025 came from UPP-initiated active strategies, which have generated 16.6% over the last three years.¹⁴

[Read more about UPP's portfolio on page 31.](#)

Balancing conviction and flexibility

Through the year, we stayed anchored to our long-term funding objectives while acting when opportunities arose. In 2025, we maintained public equity exposure at the upper end of our target range to capture gains during a period of equity strength, while continuing to build exposure to less correlated return sources. While public equity markets have delivered high returns in recent years, and UPP has participated in those gains, we know that strong long-term compounding is better achieved through diversification across return sources than through concentration in any single asset class, however attractive its recent performance.

Managing risk and liquidity

Strong liquidity and prudent leverage kept us positioned to meet pension obligations and act with confidence during periods of market stress—an advantage we enhanced in 2025 by bringing select capital markets activities in-house, including currency management and short-term cash management. These capabilities allowed us to earn attractive yields on cash while maintaining the flexibility to manage and transition the portfolio efficiently.

[Read more about UPP's capital markets capabilities on page 34.](#)

Advancing our climate commitments

Continued demand for energy transition infrastructure supports positive long-term valuations across renewable energy, digital infrastructure, and efficient transportation. While U.S. policy uncertainty has introduced near-term noise, global momentum remains strong. We believe our portfolio positions us well to capture returns and manage risk as the transition accelerates, and our infrastructure portfolio's 20.8% annual return reflects the early value of that positioning. We remain on track toward our \$1.2 billion climate solutions commitment by 2030, with \$762 million committed to date.

[Read more about UPP's progress against our Climate Action Plan on page 42.](#)

Managing costs

Every dollar saved stays in the Plan and grows over time. UPP's scale allows us to implement more of our investment strategy ourselves, reducing reliance on external intermediaries, lowering cost layers, and keeping decision-making closely aligned with the Plan's needs. It also strengthens our negotiating position on fees and makes us

a more attractive partner for high-quality fund and co-investment opportunities. In 2025, we optimized select higher-cost mandates, reducing absolute return fees by nearly 20% and active public market fees by approximately 40%, while preserving return objectives.

[Learn more about the cost savings in our Active Public Markets portfolio on page 34.](#)

What should members and employers know as we look ahead?

Markets are likely to remain uncertain. Geopolitical instability, trade tensions, and evolving domestic policy will continue to test portfolios, but our fund is built for this environment. We will stay selective in how we deploy capital, recognizing that volatility can create opportunity, but only when risk and pricing are appropriately balanced.

As the Plan has grown, so has our ability to invest with greater reach and agility. That scale strengthens our ability to navigate changing market conditions with confidence and pursue opportunities aligned with our long-term mandate. Members can expect our results to increasingly reflect the investment approach and capabilities we have spent years building.

INVESTMENT LEADERSHIP AT UPP



UPP Chief Investment Officer, Aaron Bennett, was named a recipient of the *Globe and Mail's Report on Business* magazine's [Best Executive Awards](#) for 2025.

“Managing a pension for thousands of members carries real responsibility. When you meet members and understand the impact the Plan has on their families, it sharpens the focus on making long-term decisions that put their security first.”



Aaron Bennett
Chief Investment Officer

A look at the portfolio

Our investment program is designed to earn the long-term returns needed, at an appropriate level of risk, to deliver secure and stable pensions over the long term.

In 2025, the total fund delivered a net return of 5.2%, slightly below the discount rate of 5.60%, while maintaining a fully funded status. This contributed to an annualized three-year net return of 8.5%.¹⁵ Public equities and absolute return strategies were the primary contributors to positive 2025 returns. Gains were partly offset by fixed income and real estate performance.

Asset mix and returns by asset class

Assets	Year-end 2025		Year-end 2024		Annualized over three years	
	Asset mix (%)	1-year net return (%)	Asset mix (%)	1-year net return (%)	3-year net return (%)	
Return enhancing	53.1	11.9	53.6	20.4	15.1	
Public equity	33.1	16.2	32.8	28.0	21.1	
Private equity	4.8	(3.7)	5.5	0.5	(1.8)	
Private debt	4.2	0.2	5.1	7.2	4.5	
Absolute return	11.0	12.6	10.2	14.7	12.0	
Interest rate sensitive	42.9	(5.1)	43.4	(2.1)	(0.1)	
Fixed income	35.3	(5.7)	39.3	(2.1)	(0.4)	
Inflation-sensitive bonds	7.6	(2.2)	4.1	-	-	
Inflation sensitive	10.0	12.6	7.7	1.8	4.9	
Infrastructure	7.5	20.8	5.2	8.4	11.8	
Real estate	2.5	(6.0)	2.5	(6.7)	(5.8)	
Total fund operating cash	(6.0)	12.5	(4.7)	9.8	9.3	
	100.0	5.2	100.0	10.3	8.5	

¹⁵ Net returns are net of external costs including investment management fees, performance fees and transaction costs.

UPP's portfolio evolution

Since UPP's inception in 2021, we have integrated multiple legacy portfolios into a unified strategy aligned with the Plan's long-term funding objectives.

That transition has involved reducing structural inefficiencies, addressing exposure concentration, and repositioning assets toward our long-term target mix. Each year, we review performance, risk, capital efficiency, and market conditions to guide this process.

Understanding our target asset mix

Our target asset mix is designed to deliver stable, sustainable growth over the long term. By maintaining a well-balanced level of risk, our goal is to perform consistently across a wide range of economic environments—capturing market gains while helping to protect the portfolio during periods of stress. Over time, this approach supports stronger compounding of returns and greater stability for member pensions.

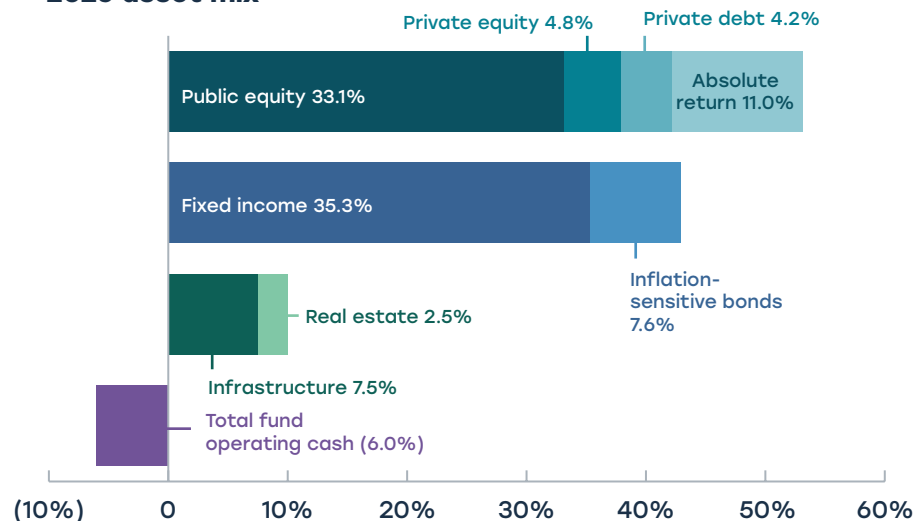
Meaningful progress has been made, and a growing share of the portfolio is performing in line with our long-term expectations. Looking ahead, our focus remains on:

- ✓ balancing risk and return within the Plan's funding context,
- ✓ selectively building internal capabilities to reduce costs and strengthen oversight,
- ✓ expanding private market exposure, including inflation-sensitive assets,
- ✓ advancing progress toward our net-zero portfolio commitment, and
- ✓ leveraging our growing scale to enhance long-term value for members.

The pace of this transition is shaped by liquidity considerations, opportunity sets, and the natural maturation of some legacy holdings. Our objective remains steady: position the portfolio to deliver a dependable pension promise over time.

Asset mix (%) ¹⁶	Inception July 1, 2021	2025 (%)	Target asset mix (%)
Return enhancing	71.9	53.1	53
Interest rate sensitive	29.2	42.9	44
Inflation sensitive	4.6	10.0	18
Total fund operating cash	(5.7)	(6.0)	(15)

2025 asset mix



¹⁶ Reflecting the midpoint of asset class exposure ranges.

Scale in action: how growth strengthens the Plan

With \$13.5 billion in net assets and growing, UPP can access investment opportunities, negotiate fee structures, and build internal expertise in ways that directly translate into better outcomes for the Plan.

This matters because every dollar saved in costs, and every percentage point of additional return, stays in the Plan and compounds over time. Our growing scale has made three things possible that are typically hard for smaller plans to access:

The first is access to high-quality private market opportunities in Canada and globally, including co-investments in infrastructure, real estate, and climate solutions, which require significant capital commitments and specialized expertise to evaluate. These opportunities offer returns and diversification that are difficult to replicate through public markets alone.

Second, we can build and run in-house investment teams with the expertise to source, research, and monitor investments and managers directly, without relying on external consultants. This means UPP can negotiate fee arrangements tied to long-term performance, securing terms that better align what we pay with what we receive.

Third, we can manage key functions such as liquidity management, currency management, and financing internally, reducing reliance on external providers and improving precision and cost control across the portfolio.

As UPP continues to grow, these advantages will grow with it, enhancing our ability to invest efficiently, deepen strategic partnerships and continue building a highly diversified, resilient portfolio on behalf of our members.

We have seen this structural advantage create value in three key areas:

1. Expanding access to high-quality private market opportunities

Private markets are an important source of portfolio diversification, providing access to investments that generate steady, inflation-linked returns, and help UPP meet our long-term pension obligations across a range of market conditions.

UPP's private markets program is built on internal expertise and deep partner relationships. Our Private Markets team works alongside leading global investment managers to source, evaluate, and structure co-investments in areas like infrastructure, real estate, and other private assets. These opportunities typically require the ability to analyze complex transactions and commit significant capital within tight timelines, capabilities that become available only at sufficient scale. This combination of scale, expertise, and strong partnerships allows UPP to be selective, investing only where long-term value and risk are appropriately balanced.

Because we invest directly alongside our partners, we are able to negotiate favourable fee arrangements, reduce duplicative management costs, and keep more returns working within the Plan. Since 2022, UPP has committed or invested more than \$2 billion to private markets, including more than \$1 billion in infrastructure, approximately half of which has been deployed through co-investments.

UPP's infrastructure program returned 20.8% in 2025. Active negotiations and strategic asset allocation have helped avoid more than

\$15 million in annual fees

through fee-free co-investments and below-market fund terms—dollars that stay in the Plan and work for our members.

2. Enhancing governance, fee alignment, and control in public equities

Public equities represent a significant portion of the portfolio, providing broad market exposure, liquidity, and a foundation for diversified growth. Since the way these investments are managed directly affects both cost and performance, our objective is to maintain strong oversight, select high-quality external managers, and secure fee structures tied to long-term results.

UPP's Investment team directly researches, selects, and monitors external managers. This expertise allows us to negotiate performance-based fee structures that align what we pay with the results we receive and to consolidate mandates in ways that improve both cost efficiency and portfolio construction.

We have also transitioned a substantial portion of our public equity portfolio from pooled funds to segregated mandates managed exclusively on UPP's behalf. These structures provide greater visibility into holdings and direct implementation oversight, giving us stronger control over how our members' capital is invested.

Pooled funds combine assets from multiple investors into a single investment vehicle. While pooled funds provide efficient market access, they are generally not structured to accommodate the investment policies or objectives of a single investor.

Segregated mandates are managed exclusively for UPP, allowing us to apply our investment strategies and policies directly, including our proxy voting standards and Investment Exclusion Policy.

Today, more than 80% of our public equity portfolio is invested through segregated mandates versus pooled funds, allowing us to tailor investment strategies with the needs of the Plan and align fees more closely with performance, supporting better long-term outcomes for members.

Together, internal expertise and structural control have enhanced fee alignment and accountability, reinforcing our ability to manage public equities in line with the Plan's funding objectives.

Between January 2022 and December 2025, management fees as a percentage of net assets within UPP's Active Public Equities portfolio declined by 67%, which helped avoid approximately

\$10 million in fees annually.

3. Unlocking cost savings and market agility through in-house capital markets capabilities

Efficiently managing liquidity, currency exposure, and financing is a core function of a well-managed pension fund. Executed well, it reduces costs, improves risk precision, and allows the portfolio to respond quickly when market conditions create opportunities.

As UPP has grown, we have developed the capability to manage these functions internally, reducing reliance on external providers while improving cost control and risk oversight. In 2025, our team directly executed and managed foreign exchange transactions, total return swaps, and short-term cash management activities, generating close to \$1 million reduction in external management fees.

This capability also allows us to manage currency and interest-rate exposures with greater precision, align funding decisions directly with pension obligations, execute efficiently during periods of market volatility, and maintain stronger control over transaction costs—all of which contribute to the long-term stability of the Plan.

Asset class overview

UPP's asset mix represents a strategic allocation of capital across asset classes, balancing return objectives, risk management, and liquidity needs in support of pension sustainability. It is organized into three categories:



Return-enhancing assets: public and private equity, private debt, absolute return



Interest rate-sensitive assets: fixed income aligned with pension liabilities



Inflation-sensitive assets: infrastructure and real estate, providing long-term inflation protection and stable cash flows

Under this structure, assets are allocated based on their risk-return characteristics and their roles in funding the pension. Our approach combines focused investment strategies at the asset class level with comprehensive asset allocation, risk, liquidity, and responsible investing oversight at the total fund level.

Active and passive strategies

UPP uses a mix of passive and active strategies to capture opportunity and spread investment risk across factors such as geography, currencies, sector, duration, and asset classes.

Active strategies provide opportunities beyond traditional market exposure to enhance returns and create better alignment between our assets and liabilities. These strategies are used selectively, and where we believe we can generate meaningful net value, manage complex risks, and support the Plan's funding stability. Our active portfolio includes public equities, private equity, private debt, absolute return strategies, infrastructure, and real estate. Where there is less opportunity for added value, we focus on lower-cost passive strategies, which closely mirror the performance of broad market indices.

¹⁷ These results are presented on an unhedged foreign exchange basis.

ASSESSING PERFORMANCE WITHIN THE CONTEXT OF OUR EVOLVING PORTFOLIO

UPP's benchmarks provide guidance for our active strategies on expected risk and return on a long-term basis. Active strategies are evaluated against benchmarks aligned with the Plan's investment objectives and target asset mix. Relative performance is assessed over multi-year periods, typically at least three years and often over a full market cycle, to provide a meaningful view of value added relative to risk. As UPP's track record lengthens, these longer-term measures will provide the clearest assessment of how strategies are performing against their objectives.

As of December 31, 2025, UPP's total portfolio included \$6.6 billion in active strategies and \$6.9 billion in passive strategies. On a three-year basis, UPP's total active strategies have generated an 11.6% net return, compared to a benchmark return of 14.5%.

Active strategies include newer, UPP-initiated strategies and those initiated prior to UPP. In 2025, UPP-initiated strategies reached \$5.2 billion of our total \$6.6 billion active exposure and generated a three-year annualized net return of 16.6%, compared to a benchmark of 14.6%.¹⁷ As this platform grows, it will become a larger share of the portfolio and a greater portion of overall returns.

Return-enhancing assets

- 📊 Asset mix weight: 53.1% (\$7.2B)
- 📈 One-year return: 11.9%
- 📈 Three-year return: 15.1%

Return-enhancing assets—which include public and private equities, private debt, and absolute return strategies—are a key driver of long-term portfolio growth. They generally reduce funding risk over time by delivering higher returns, though they can experience higher short-term volatility.

In 2025, return-enhancing assets were the primary contributors to overall portfolio performance, generating a one-year return of 11.9%. The combination of public and private investments helped deliver strong returns while smoothing uneven performance across asset classes, contributing to an above-target three-year return of 15.1%.

Absolute return strategies continued to be a consistent source of value, generating a one-year return of 12.6% in 2025. Designed to produce returns that are less dependent on traditional stock and bond markets, these strategies have contributed positive relative and absolute performance over multiple years.

📖 [Read more about our absolute return strategies on page 37.](#)

Public equities delivered a one-year return of 16.2%. Both active and passive exposures contributed, supported by strategic positioning across regions and sectors during a favourable market environment.

Given the long-term nature of private assets, including **private equity** and **private debt**, these are best assessed over longer periods. In 2025, private market results were broadly in line with expectations. UPP-initiated private equity strategies showed positive early performance, partly offset by legacy active strategies, resulting in a slightly negative (-3.7%) overall annual return for the asset class. Private debt delivered a modest 0.2% return in 2025, supported by attractive yields and careful underwriting. Over the long term, these holdings are expected to be an important source of value generation and portfolio diversification.

UNDERSTANDING THE IMPACT OF ILLIQUID ASSET CLASSES ON OUR PORTFOLIO

Private equity and private debt are long-term, illiquid investments. Typically held for many years, they are not easily bought or sold like public equities. Performance can vary depending on where an investment sits in its lifecycle and the original risk profile of the strategy.

When UPP was formed, private market investments were already in place across the incoming portfolios, spanning different asset classes and stages of development. These investments have historically served members well, but they reflect strategies from a prior era, and that divergence affects our relative performance.

While these illiquid legacy holdings have been reduced to roughly 10% of the total portfolio, they remain a meaningful factor in total fund returns, with an approximate 1.0% impact on UPP's 5.2% total return in 2025.

As these holdings mature and decrease as a proportion of the portfolio, we expect their return impact to diminish.

• • • • Diversifying returns through absolute return strategies

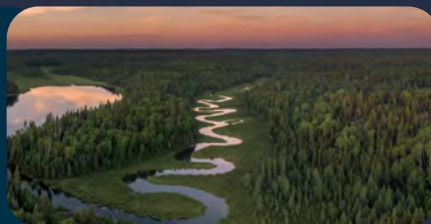
Absolute return strategies are designed to generate returns that are less tied to the performance of equity and bond markets— providing diversification that helps smooth portfolio performance across different market environments. Not all investors have the scale or infrastructure needed to access and manage them effectively. These strategies are complex and require specialized expertise and oversight, making them costly to manage without sufficient scale.

UPP's size and internal expertise allow us to access, oversee, and negotiate competitive terms for these strategies, and the results have been strong.

For members, the benefits are practical:

- ✔ **Broader return sources:** These strategies complement traditional portfolios by providing additional diversification, helping to support long-term objectives through varying market conditions.
- ✔ **Competitive net results:** While these strategies generally carry higher underlying costs than traditional asset classes, UPP has achieved strong net performance from these strategies, meaning members benefit from the return without bearing disproportionate cost.
- ✔ **Stability in difficult markets:** These strategies are designed to limit losses and provide a measure of stability when traditional markets are under pressure.

Did you know? As of 2025, absolute return strategies have delivered a three-year annualized return of 12% while improving the risk-return profile for the fund.



Interest rate-sensitive assets

- 📊 Asset mix weight: 42.9% (\$5.8B)
- 📈 One-year return: (5.1)%
- 📈 Three-year return: (0.1)%

Interest-rate-sensitive assets help manage funding risk by aligning a portion of the portfolio with how pension obligations respond to changes in interest rates.

This portfolio consists primarily of passively managed fixed income investments, including longer-term Canadian federal and provincial government bonds. These assets offer stable, long-term characteristics and tend to move in a similar direction to pension obligations when interest rates change, helping offset funding volatility. Inflation-linked bonds are also included, providing additional alignment with Canadian real return bond performance.

Fixed income plays two important roles in the portfolio. First, it helps protect against the interest-rate sensitivity of our pension obligations. When rates move, the value of our fixed income holdings and the value of our liabilities tend to move together, reducing funding risk. Second, bonds can provide stability and liquidity during periods when equity markets are under pressure.

In 2025, fixed income performance was affected by elevated and volatile long-term interest rates. While the Bank of Canada reduced short-term policy rates, long-term government bond yields remained elevated due to concerns about inflation and government deficit spending. Because bond prices move inversely to yields, higher long-term rates weighed on fixed income returns. We expect this asset class to contribute positively to returns over the longer term.

Inflation-linked bonds delivered mixed results, with performance driven primarily by changes in interest rates as inflation remained modestly above the Bank of Canada's 2% target.

HOW CHANGING INTEREST RATES AFFECT PENSIONS

Interest rates affect both the value of investments and the value of pension obligations. When rates rise, the estimated value of future obligations generally decreases, which can improve the Plan's funding position. When rates fall, the value of those obligations increases, which can place pressure on funding. Over time, changes in rates are typically reflected, at least partially, in the discount rate used to value those obligations.

To help manage this relationship, UPP holds long-duration bonds that tend to move in a similar way to pension liabilities when interest rates change. While the value of these bonds may fluctuate in the short term, their purpose is to stabilize the Plan's funding position over time. By holding a diversified mix of investments, UPP aims to balance these forces across different interest rate environments.

Inflation-sensitive assets

- 📊 Asset mix weight: 10.0% (\$1.4B)
- 📈 One-year return: 12.6%
- 📈 Three-year return: 4.9%

Inflation-sensitive assets, such as real estate and infrastructure, tend to generate cash flows that move with inflation, providing relatively stable long-term returns while helping offset the impact of rising costs on pension obligations.

Interest rates also influence these assets. Higher rates can increase financing costs and affect valuations. However, because many real assets provide essential services (such as transportation, utilities, and commercial space), they are generally less sensitive to economic cycles and can provide a useful complement to return-enhancing assets like public equities.

In 2025, UPP maintained a selective approach to new investment in inflation-sensitive assets, particularly in real estate, where market conditions remained challenging. We were patient with capital deployment in this evolving market segment, focusing on quality over pace. While industry conditions were difficult, especially in property markets, results were broadly in line with our expectations.

Infrastructure continued to stand out as a source of strong and steady performance, with a one-year return of 20.8%—notable given the relatively early stage of this UPP-initiated program. Our focus on co-investments has helped mitigate the early return drag commonly associated with private market investing, while building exposure to assets with inflation-linked characteristics.

Real estate performance reflected broader market pressures. For now, UPP's allocation to real estate is small and being built prudently. UPP initiated several new foundational real estate partnerships in 2025 that are expected to contribute increasing value over time. Because many of these investments involve development, returns are expected to build gradually.

UNDERSTANDING THE J-CURVE EFFECT ON PRIVATE MARKET RETURNS

Newer private investments in private equity, private debt, infrastructure, and real estate are subject to the J-curve effect, which refers to the pattern of returns seen over the lifecycle of a private markets fund. In the first five years of a new fund investment, the capital committed for asset purchases can take time to deploy and generate investment returns. As a result, these new funds typically experience low or negative returns in early years, represented by the downward “J” slope. Not to be mistaken as decreases in value, these results are inherent to the structure of new investments and reverse over time as investments are realized.

Infrastructure co-investing for long-term performance

Since 2022, UPP has committed or invested over \$2 billion in private markets, including five infrastructure co-investments. We have focused on diversified, mid-market opportunities where co-investing enhances returns and improves alignment with the Plan's long-term objectives.

Co-investing allows UPP to invest directly alongside experienced partners in long-duration assets in a cost-efficient manner. This approach:

- ✓ adds inflation-linked assets that reduce exposure to broader economic risks,
- ✓ creates opportunities for favourable fee terms and future investments,
- ✓ provides greater transparency and governance rights, and
- ✓ allows more selective investment decisions.

Together, these benefits give UPP greater control and stronger economics for the long-term benefit of members.

HIGHLIGHTS: UPP'S INFRASTRUCTURE CO-INVESTMENTS



SPRING 2024

[@ Arjun Infrastructure Partners](#)
[Angel Trains](#)



WINTER 2024

[@ Copenhagen Infrastructure Partners](#)
[CI V Co-investment Portfolio A](#)



SUMMER 2024

[@ Quinbrook Infrastructure Partners](#)
[Rowan Digital Infrastructure](#)

Total fund operating cash

- 📊 Asset mix weight: (6.0)% (-\$0.8B)¹⁸
- 📈 One-year return: 12.5%
- 📈 Three-year return: 9.3%

Total fund operating cash represents the liquid portion of the portfolio used to meet pension payments, fund investments, and manage short-term obligations. It is primarily invested in highly liquid, short-term Canadian government securities.

In 2025, short-term interest rates trended down as the Bank of Canada reduced overnight rates. Despite this, operating cash generated positive returns, with UPP earning attractive yields while maintaining the liquidity needed to manage the portfolio effectively.

¹⁸ The negative asset weight reflects the use of leverage within the portfolio. This position can vary from year to year based on funding and liquidity needs.

Progress on our Climate Action Plan

Launched in July 2022, UPP's Climate Action Plan (CAP) reflects three interconnected priorities:

- ✓ managing the impacts of climate-related risks on fund performance
- ✓ capitalizing on opportunities to enhance UPP's ability to provide long-term pension benefits
- ✓ contributing to an orderly transition to a resilient, net-zero economy—recognizing that long-term financial stability is supported by limiting global temperature rise to 1.5°C

UPP's CAP sets clear climate-related commitments, including a goal to transition our investment portfolio to net-zero greenhouse gas (GHG) emissions by 2040 or sooner, with a focus on supporting the decarbonization of the real economy. These commitments are grounded in the expectation that governments will uphold their Paris Agreement commitments, including limiting global warming to 1.5°C above pre-industrial levels and achieving a whole-economy transition to net-zero GHG emissions globally in the second half of this century.

UPP will transition our investment portfolio to

net-zero GHG emissions
by **2040** or sooner.

Interim portfolio GHG emissions intensity reduction targets (from a 2021 baseline, measured in tCO₂e/\$M invested):

16.5% by 2025 and 60% by 2030.

Our interim and 2040 portfolio emissions reduction targets apply to the Scope 1 (direct) and Scope 2 (indirect) GHG emissions from the companies in our portfolio.

[🔗 Read the full update on our 2025 Climate Action Plan.](#)

[📖 See Appendix 2 on our definitions of Scopes 1, 2, and 3 emissions and details on our GHG calculation methodologies on page 127.](#)

ENHANCING OVERSIGHT OF FINANCIALLY MATERIAL CLIMATE RISKS

Climate change creates two primary categories of financial risk:

- **Physical risk:** arising from the increasing severity and frequency of extreme weather events (acute risks), longer-term shifts in climate patterns (chronic risks), and related indirect impacts, such as supply chain disruption and health effects.
- **Transition risk:** associated with the shift to a low-carbon economy, including changes in government policy and regulation, carbon pricing, technological change, legal exposures, and evolving market conditions—including the risk of stranded assets facing write-downs or devaluations driven by the low-carbon transition.

Proactive management of these risks supports our portfolio's long-term value and, in turn, the security of our members' pensions. As climate impacts increasingly shape global markets, the ability to identify and respond to these risks is an essential part of responsible long-term investing.

In 2025, we continued climate scenario analysis to evaluate how different climate pathways could affect the portfolio. We are now assessing how to integrate these insights more deeply into our investment processes and exploring additional tools that provide practical, decision-useful analysis as market conditions evolve.



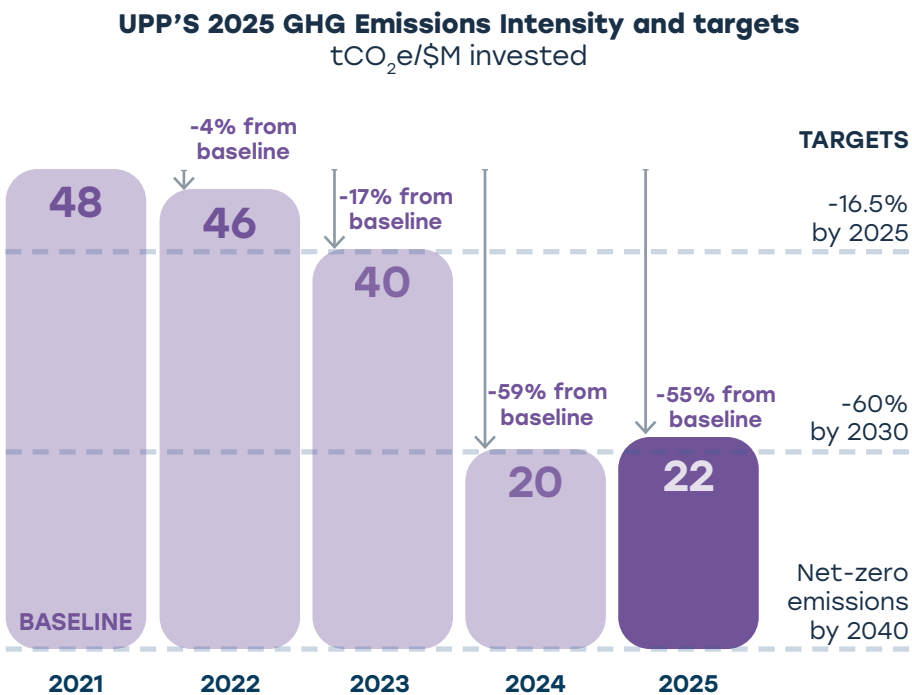
UPP’s portfolio GHG emissions intensity

To track progress toward our net-zero commitment, we measure and report the GHG emissions intensity of our investments each year. This metric captures the GHG emissions from our investments attributed to UPP based on the proportion of each investment we own—representing emissions produced by the companies in our portfolio, rather than emissions generated directly by UPP.

This tracking helps us monitor our progress against our objective to achieve net zero by 2040, as part of our approach to managing the systemic risk of climate change.

Highlights

In 2025, our portfolio GHG emissions intensity held relatively steady at 22 tCO₂e per \$M invested, representing a 55% reduction from our 2021 baseline.



Portfolio emissions intensity can fluctuate year over year due to changes in asset valuations, portfolio composition, and asset-level decarbonization. The modest increase from 2024 to 2025 reflects these dynamics, and our trajectory over the full period remains strongly ahead of target.

Ultimately, lasting emissions reductions will require coordinated action across the global real economy, and we remain focused on both managing our portfolio metrics and supporting genuine decarbonization in the companies and assets we hold and the long-term emissions reductions in the broader economy.

EVOLVING OUR OPERATIONAL CARBON FOOTPRINT

UPP began reporting operational emissions in 2022, covering emissions generated directly by UPP through our business activities. We continue to expand the scope of this reporting as we work toward a clear operational emissions baseline—a critical step in managing and reducing our own footprint in line with our 2040 operational emissions target.

Our operational GHG emissions are calculated in line with the GHG Protocol Corporate Accounting and Reporting Standards and related guidance.

See [Appendix 2 on page 127](#) for results and methodologies covering both portfolio emissions intensity and operational emissions.

UPP’s climate solutions target

In 2023, UPP set a target to commit \$1.2 billion to climate solutions by 2030. These investments are held to the same standards and expectations for risk and return as the rest of the portfolio. Progress is tracked through annual reporting of new capital committed, and we also disclose the market value of climate solutions holdings to show how commitments are translating into an expanding pool of climate solutions assets over time.

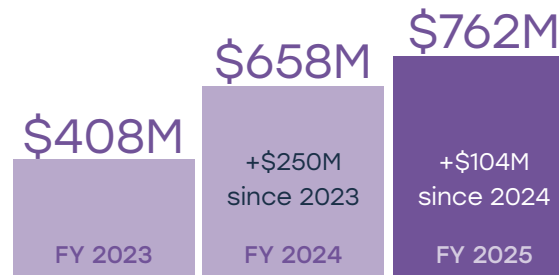
It is worth noting the distinction between these two measures: commitments represent legally binding allocations to qualifying funds, direct investments, and co-investments¹⁹— some deployed shortly after commitment, others drawn down over time. Market value reflects how those commitments have grown or shifted in value once deployed into the portfolio and will fluctuate with market conditions, portfolio adjustments, or reclassifications as the activities of qualifying funds evolve. By measuring fixed-dollar commitments, we are ensuring consistent and transparent tracking of progress toward our target.

Highlights

In 2025, UPP committed an additional \$104 million to climate solutions, bringing total commitments to \$762 million since 2023, advancing steadily toward our \$1.2 billion goal.

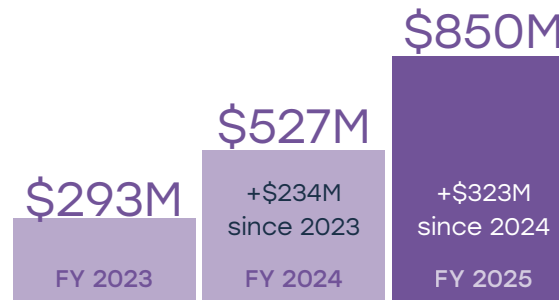
At year-end 2025, the market value of climate solutions investments in our portfolio reached \$850 million, up from \$527 million in 2024, reflecting both new investments and growth in the value of existing holdings.

UPP’s climate solutions commitments



Climate Solutions investments in our portfolio

Year-end market value



INVESTING IN THE ENERGY TRANSITION: COPENHAGEN INFRASTRUCTURE PARTNERS’ GREEN CREDIT FUND

UPP’s investment in the Green Credit Fund, managed by Copenhagen Infrastructure Partners, illustrates how we seek opportunities that support the global energy transition while maintaining disciplined return expectations. The fund provides senior secured, asset-backed loans to energy-transition projects and is classified as an Article 9 fund under the [European Union’s Sustainable Finance Disclosure Regulation](#)—meaning sustainable investment is its primary objective. This structure provides exposure to secured credit in a growing segment of green finance, supporting decarbonization while targeting attractive risk-adjusted returns consistent with our broader investment approach.

¹⁹ Those that qualify as climate solutions under our [Climate Transition Investment Framework](#).

How we invest

Building in-house investment capabilities

UPP builds in-house investment capabilities where they can improve cost control, strengthen oversight, or enhance transparency. We have prioritized capabilities that directly support pension outcomes, including portfolio construction, private markets, responsible investing, and capital markets.

UPP's Investment team manages the portfolio with a focus on delivering steady returns to support members' pensions. We do this by:

- maintaining an asset mix designed to achieve required returns at an appropriate level of risk;
- adjusting strategies and allocations as market conditions and pension obligations change;
- identifying new investment opportunities and partnerships that support long-term performance;
- managing liquidity to ensure pension payments and investment needs are met;
- using a thoughtful mix of active and passive strategies;
- working with external managers where specialized expertise is needed, while building in-house capabilities where they improve cost control and oversight; and
- integrating financially material environmental, social, and governance (ESG) factors into investment decisions and stewardship.



Partnering to enhance pension outcomes

External investment managers play an important role in implementing UPP's investment strategies. We select partners whose capabilities and approach best align with our strategies and our long-term objectives.

When evaluating managers (current and prospective), we assess investment track record, operational strength, and how financially material environmental, social and governance factors are integrated into their processes. UPP works selectively with managers who:

- demonstrate consistent performance;
- maintain strong risk management;
- align with our investment beliefs and responsible investing approach;
- provide transparency on holdings and fees;
- offer appropriate governance and investor rights; and
- value collaborative, insight-driven partnerships.

Through careful internal due diligence and ongoing dialogue, we ensure our partners remain aligned with the Plan's evolving needs.

[📄 See Appendix 4 on page 136](#) for a list of investment partners with \$50 million or more of UPP assets under management, as well as [🌐 our website for UPP's largest single name public equity holdings](#).

Managing risk with discipline

Earning the returns needed to fund pensions requires taking measured risk. The key is taking the right risks in the right amounts—assessed at the total portfolio level and in relation to the Plan's pension obligations. Our risk framework helps us understand, monitor, and manage risk across the portfolio, with a clear focus on supporting the Joint Sponsors' objectives of remaining fully funded, preserving stable benefits and contributions, and ensuring intergenerational equity over the long term.

We expect to be compensated for the risks we take. Advanced risk systems and processes allow us to assess and optimize exposures across asset classes, strategies, and time horizons and to understand how they affect the Plan's funding position.

We consider a wide range of risks, including market, geopolitical, credit, concentration, liquidity, regulatory, and financially material ESG factors. In every case, risk is taken deliberately and in support of the Plan's obligations.

Strong investment and risk accountability

UPP's Board provides oversight of the total fund strategy and asset mix. Investment decisions are guided by clearly defined principles, limits, and thresholds, and because investing and risk go hand in hand, they are managed together.

Our key investment policies—including the Statement of Investment Policies and Procedures (SIPP) and Asset Mix and Investment Risk (AMIR) Policy—set exposure ranges, risk limits, and expectations for ESG integration. Together, these controls are designed to generate returns sufficient to meet UPP's current and future pension obligations while taking an appropriate level of risk, maintain a portfolio that can perform across different market conditions, and allow adjustments to the asset mix when needed.

These policies are supported by detailed operational guidelines covering counterparty exposure, liquidity management, rebalancing, and currency hedging, ensuring limits and responsibilities are clearly defined.

Our Responsible Investing Policy complements this broader risk framework by outlining how financially material ESG risks are incorporated into investment decisions and stewardship.

[🔗 Learn more about our approach to responsible investing.](#)

Proactive reporting and oversight

The Management Investment Committee (MIC), chaired by the Chief Investment Officer (CIO) and composed of senior leaders across Investment, Finance, Risk, and Legal, oversees asset class strategies and investment infrastructure. This cross-functional structure ensures major decisions reflect multiple perspectives on risk.

The CIO reports to both the CEO and the Board's Investment Committee, which oversees investment policies, asset mix, significant new investments, ESG integration, and progress under the Climate Action Plan. The Senior Managing Director, Responsible Investing, reports directly to the CEO and provides regular updates to the MIC and Board to ensure ESG considerations remain integrated into investment and risk oversight.

RECOGNITION FOR INVESTMENT RISK EXCELLENCE

As the Plan grows and evolves, our specialized teams continuously assess funding impacts and maintain alignment across the portfolio.

In 2025, UPP's Portfolio Construction and Investment Risk team was named a finalist for the Institutional Connect Award for excellence in risk management, in recognition of an innovative framework that supports strong decision-making at the total fund level and directly supports member outcomes.

Enhancing long-term value through active ownership

As a long-term investor, UPP uses our governance rights and influence to improve company practices and address financially material risks across the portfolio and broader economy. Stewardship is a core part of how we protect member pensions and support strong long-term investment outcomes—and it goes well beyond selecting investments.

What is stewardship?

“Stewardship is the use of investor rights and influence to protect and enhance overall long-term value for clients and beneficiaries, including the common economic, social, and environmental assets on which their interests depend.”

[🔗 Principles for Responsible Investment](#)

For UPP, stewardship involves:



Engagement with portfolio companies: having direct and collaborative dialogue with companies in our portfolio to influence governance, strategy, and risk management



Proxy voting: using our votes at public company shareholder meetings to reinforce accountability and drive change



Manager oversight and engagement: engaging external managers to elevate responsible investing practices and ensure alignment with UPP’s strategy and standards



Collaboration and advocacy: working with other investors, industry groups, and policymakers to promote stronger market standards and practices

UPP's stewardship efforts are guided by formal plans that define priorities and escalation levers.



Climate Stewardship Plan

As part of our investment approach, UPP is committed to supporting a stable world for our members to retire into. Climate change carries meaningful financial implications for economies and markets, and we recognize climate risk as material to both our portfolio and the broader economy.

Plan priorities (2023–2025)

Our inaugural [Climate Stewardship Plan](#) defined clear actions to support decarbonization and the transition to net zero, including:

- ✓ advocating for sustainable finance policies that support Canadian industries in managing climate risks and decarbonization,
- ✓ engaging to advance transition strategies and commitments among high-climate-impact companies, and
- ✓ integrating climate risk oversight into our proxy voting decisions.

An updated plan will be introduced in 2026, building on the progress achieved to date.



Inequality Stewardship Plan

Economic opportunity and fair labour practices are foundational to stable growth and productive markets. Persistent inequality can weaken economic output, increase financial volatility, and contribute to social and political instability—all of which create risk for long-term investors.

For a pension plan, these risks are not abstract. They can affect corporate performance, supply chains, workforce stability, and broader market conditions. Addressing financially material inequality-related risks is therefore consistent with our fiduciary duty and funding objectives.

Plan priorities (2024–2027)

UPP's [Inequality Stewardship Plan](#) priorities include:

- ✓ encouraging companies to adopt and disclose policies and practices aligned with the International Labour Organization Fundamental Principles and Rights at Work,
- ✓ integrating inequality considerations into executive compensation voting, and
- ✓ collaborating with investor peers to raise awareness of inequality-related financial risks and promote stronger standards.

We will continue to advance these priorities through 2027, refining our focus as progress is made and new priorities are identified.

• • • • Selective investment exclusions: from policy to practice

Long-term pension security depends on managing financially material risks across a complex and evolving global investment landscape. While engagement and active ownership are UPP's primary tools for influencing corporate behaviour and managing risk, in some cases, we determine that investing in a company or activity poses risks that are not aligned with our long-term fiduciary obligations.

UPP's [Investment Exclusion Policy](#) outlines how these decisions are made and applied. The policy is developed by Management and approved by UPP's Board of Trustees—ensuring exclusion decisions are grounded in clear criteria, consistent governance, and direct accountability.

Investment exclusions are decisions to avoid investing in, or remove, specific holdings when they meet clearly defined risk criteria. They are applied selectively where analysis indicates that certain activities or exposures present unacceptable risk to the portfolio. Each organization establishes its own governance framework and criteria for determining when exclusions apply.

[Learn more about investment exclusions at UPP.](#)

Over time, we have continued to strengthen how the policy is applied in practice both by expanding our direct control over where it reaches across the portfolio and by deepening the quality of analysis that informs exclusion decisions.

Deepening influence and control among public companies

Applying our exclusions policy consistently requires direct ownership and oversight. At inception, UPP's public market assets were predominantly held in pooled funds. While these offer efficient market access, they limit an individual investor's ability to apply its own responsible investing policies.

We have fundamentally restructured our portfolio to address this, transitioning more than

80% of our public portfolio to segregated mandates where UPP's Responsible Investing policies (including our exclusions) apply directly.

This shift has materially expanded the reach and consistency of our stewardship framework across the portfolio.

Enhanced human rights and conflict risk analysis

Exclusion decisions are only as strong as the analysis behind them. In 2024, UPP strengthened our human rights and conflict risk review process through a partnership with the Heartland Initiative, an independent research organization specializing in conflict-affected and high-risk areas.

Among the first partnership of its kind for a Canadian pension plan, this enables us to incorporate structured risk analysis, spanning more than 60 target regions globally, into our investment diligence and review processes. It improves our ability to identify companies exposed to elevated legal, operational, or reputational risks and assess alignment with UPP's general parameters and fiduciary responsibilities.

Following this strengthened analysis, UPP has excluded millions of dollars in additional investments across multiple conflict-affected regions. We are also sharing elements of this approach with external managers and industry peers, contributing to stronger risk practices across the broader investment community.

UPP'S INVESTMENT EXCLUSIONS AT-A-GLANCE

- ✓ Approximately 4% of global listed companies excluded under our framework
- ✓ Over 700 companies excluded across all UPP General Parameters, representing hundreds of millions of dollars
- ✓ Tens of millions of dollars in additional exclusions divested following strengthened human rights and conflict risk analysis
- ✓ Top exclusion categories: thermal coal, adverse social and environmental impacts, weapons²⁰, and tobacco

²⁰ Exclusions related to both treaties and adverse impacts.

Engaging with portfolio companies

As an asset owner, UPP does more than select investments—we actively monitor how the companies we invest in are governed and managed. This means engaging directly with boards and management teams, and working alongside other long-term investors, to address financially material risks, strengthen oversight, and encourage practices that support sustainable business performance.

2025 HIGHLIGHTS

UPP's engagement partnership with SHARE

In 2025, through our partnership with the Shareholder Association for Research and Education (SHARE), UPP engaged 110 companies on climate, inequality, and governance issues. Twenty-one of these companies made considerable progress against one or more of our engagement objectives.

Climate-focused engagement

As part of our Climate Stewardship Plan, we prioritized engagement with Canadian banks—a sector with significant exposure to climate transition risk—focusing on enhancing client climate risk assessment, reducing financed emissions, and expanding financing for climate solutions.

Following engagement by UPP and other investors, four banks added or expanded disclosure of their financial and emissions exposure to high climate-risk sectors, and two introduced targets for financing climate-related solutions that align with international standards.

Through our collaboration with SHARE and Climate Engagement Canada (CEC), we also engaged high-emitting Canadian companies. In 2025, six focus companies introduced new emissions disclosures, strengthened decarbonization strategies, or adopted science-based emissions reduction targets.

As a member of the CEC Steering and Technical committees, we contributed to the first comprehensive assessment of the climate alignment of corporate audit and accounting practices at Canadian companies.

Inequality-focused engagement

In support of our Inequality Stewardship Plan, engagement efforts contributed to strengthened labour and human rights policies and oversight for suppliers in high-risk areas at six large publicly traded companies.

We recognize that safeguarding labour standards is an ongoing process, requiring persistent dialogue and advocacy to encourage all companies to align with international best practices and support fair, safe, and equitable working conditions across their operations and supply chains.

[@ See UPP's partnerships and associations.](#)

Proxy voting

Proxy voting is one of the most direct ways UPP exercises our responsibilities as a shareholder. Each year, we vote on matters which shape how companies are governed and how financially material risks are managed— addressing board oversight and transparency, climate-related risks and emissions targets, workforce practices, pay equity, and labour standards.

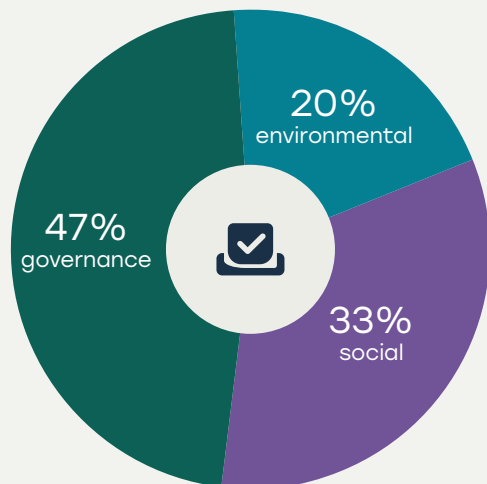
Our approach is grounded in our fiduciary duty to our members. We support proposals that strengthen governance and risk oversight, and we withhold support when boards are not meeting expectations. Where appropriate, we follow up directly with boards and management teams to explain our decisions and reinforce expectations, with the belief that dialogue can help shift perspectives and drive meaningful change.

Learn more about [UPP's Proxy Voting Policy](#) and detailed [proxy voting records](#).

VOTING AT SCALE

In 2025, UPP voted at 2,817 shareholder meetings across 1,553 companies worldwide. Of these, 489 shareholder proposals were related to ESG matters.

Breakdown of shareholder proposals by topic



Snapshot of how we voted in 2025

- We withheld support for 47% of director re-elections due to concerns related to director independence, climate risk oversight, diversity and inclusion, or other governance practices.
- In line with our Climate Stewardship Plan, we voted against directors at 10% of public companies in our portfolio due to insufficient climate oversight or inadequate action in high-impact sectors.
- We voted against executive compensation packages at 269 companies where pay practices were considered excessive, consistent with our Inequality Stewardship Plan.
- We supported 15 shareholder proposals aimed at strengthening workplace fairness, safety, and inclusion.

Examples of topics we supported in 2025

- **Environmental:** Disclosure of climate-related lobbying activities, adoption of greenhouse gas emissions reduction targets
- **Social:** Reporting on gender and racial pay gaps
- **Governance:** Appointment of an independent board chair, enhanced board oversight practices

[Read UPP's Proxy Voting Policy.](#)

From engagement to action: A climate risk case study

Engagement is our first approach. But when dialogue alone does not lead to meaningful progress, we are prepared to act. One such case involved Alimentation Couche-Tard Inc., a company we consider materially exposed to both physical and transition climate risks, in part because a significant portion of its revenues is generated from global fuel sales.

After extensive engagement on climate with Couche-Tard as lead of the CEC group with this company, UPP—supported by our partners at SHARE—submitted our first shareholder proposal at the company’s 2025 annual meeting. The proposal requested that Couche-Tard publish a clearer emissions reduction strategy with targets that align with international standards. Following the proposal, the company issued additional specificity on its short-term emissions reduction target.



Why this matters: Unmanaged climate risk can affect long-term financial performance. Filing a proposal signalled that clearer strategy, oversight, and disclosure were needed—and that UPP would follow through when dissatisfied with engagement outcomes. By setting clear expectations, and acting on them, UPP can help drive measurable improvements in climate disclosure, emissions reduction planning, governance practices, and labour standards at companies in our portfolio. These improvements strengthen oversight and risk management in ways that directly support our members’ financial interests.

Did you know?

Support between 15% to 20% for a shareholder proposal signals to a board that a significant proportion of its shareholders share concern about an issue.

UPP’s Couche-Tard proposal received

22% support from independent shareholders, a strong result for a first-time proposal.



Manager oversight and engagement on responsible investing

External investment managers play an important role in implementing UPP's strategy and providing specialized expertise across asset classes. We actively engage our external managers to ensure UPP's responsible investing expectations are not only reflected in policy but also embedded in day-to-day investment decisions.

Our manager engagement program is designed to do this through clear expectations, structured accountability, and ongoing support—assessing and driving progress on managers' approaches to climate risk, equity and inclusion, governance, and other financially material issues; offering practical support to strengthen ESG risk analysis and reporting; and monitoring progress over time.

This responsible investing engagement complements the broader oversight and performance dialogue led by our internal investment teams. Our focus is continuous improvement, aligning the expertise of our external partners with the standards we apply internally, to deliver the best member outcomes.

2025 HIGHLIGHTS

Since expanding our manager engagement program in 2024, we have deepened relationships with our partners and seen measurable progress across their responsible investing practices.

- In 2025, we provided formal feedback to all external managers on their responsible investing practices, covering specific strengths and priorities for improvement, with many indicating they will integrate these into their broader strategies.
- We also encouraged 27 managers to improve emissions reporting and climate integration in investment processes and supported companies' decarbonization pathways. Seven of those managers achieved climate-related milestones previously identified and communicated by UPP.

“UPP brings deep expertise in responsible investing in private markets and a genuinely collaborative approach that makes them an exceptional partner. Over the years, their thoughtful and constructive engagement has reinforced our conviction that disciplined sustainability integration and strong financial outcomes are mutually reinforcing, not competing, priorities. We appreciate their commitment to continuous improvement and shared value creation, which supports long-term, mutually beneficial outcomes for our organizations, portfolio companies, and UPP's members.”



Sanaz Raczynski

Partner, Sustainability & Communications,
Kohlberg

“Our work with Kohlberg is defined by strong alignment and a shared focus on creating value through partnership. Their approach to investing closely mirrors ours, with responsible investing built into investing activities in the day-to-day. What stands out is how they show up as a partner—collaborative and constructive, with a clear focus on finding practical solutions that support strong outcomes. As we continue to build out UPP's private equity portfolio, we see real opportunity to partner with high-quality managers like Kohlberg—bringing together their operational expertise with UPP's scale and patient capital to deliver pensions for our members.”



Jacob Shu

Private Equity Lead, Private Markets Investments

Advocating for stronger market standards and policy

Well-functioning capital markets, strong governance standards, and clear regulatory frameworks support predictable investment conditions and, ultimately, stronger pension outcomes.

In addition to company and manager engagement, UPP works to strengthen the broader market and policy environment in which we invest. Our advocacy focuses on elevating market practices and standards within relevant industries and engaging regulators and policymakers on issues that may affect long-term value.

2025 HIGHLIGHTS

Strengthening governance standards

In 2025, UPP's Chief Investment Officer, Aaron Bennett, joined the Board of the [@ Canadian Coalition for Good Governance \(CCGG\)](#), a leading voice in Canadian capital markets policy and a longstanding stewardship partner for UPP. CCGG promotes strong governance standards and engages directly with company boards on issues such as executive compensation, board composition, and corporate strategy.

Supporting stronger methane regulations

As part of our Climate Stewardship Plan, UPP advocated for stronger methane regulations to address a critical gap in Canada's economic and climate policy framework. In 2024, we led an investor submission responding to the Government of Canada's draft methane regulations, calling for clearer and more robust standards. In late 2025, the federal government implemented updated regulations expected to reduce GHG emissions in the Canadian economy by an estimated 304 megatonnes carbon dioxide equivalent (MtCO₂e)—a meaningful outcome for both climate and investment certainty.

[@ See more climate-related highlights from 2025.](#)

Committed to transparent responsible investing reporting practices

Transparency is a cornerstone of how UPP operates. We publish annual updates on our Climate Action Plan, along with voluntary disclosures on proxy voting and climate solutions investing.

In 2025, we began aligning our disclosures with new standards issued by the Canadian Sustainability Standards Board (CSSB), which align with the International Sustainability Standards Board. These standards consolidate and strengthen guidance on reporting sustainability- and climate-related risks and opportunities.

[See our CSSB-aligned disclosure on page 134.](#)

[Explore more responsible investing content on myupp.ca.](#)



Serving our members

A dependable lifelong pension journey

UPP was founded to provide secure, lifelong pension income, supported by a service experience that reflects the needs of the university communities we serve.

HIGHLIGHTS²¹

Since our founding, we have maintained stable contribution rates and lifetime benefit levels.

 **43,461**
total members

22,925
active members

13,975
members receiving a
pension

6,561
deferred vested
members

 **\$45,681**
average annual pension
for newly retired
members

1,320
new members

741
new retirees

 **1.6**
ratio of working
to retired
members

65
average
retirement age

Pensions indexed at 75% of CPI for 2026
Effective January 1, 2026, retired members, survivors, and dependents in pay received a 1.49% increase to their pensions earned under UPP provisions. [@ Learn more about UPP's 2026 inflation protection increase.](#)

What is inflation protection?

Inflation protection helps maintain the purchasing power of pensions over time. In UPP's case, it increases a member's monthly pension based on a portion of the annual rise in the Consumer Price Index, through a cost-of-living adjustment, also called indexation.

For members with service earned before their employer joined UPP, inflation protection for that portion of their pension follows the rules of their former plan.

²¹ Based on data at November 1, 2025.

Providing pension support every step of the way

2025 marked our first full year serving members directly through UPP's dedicated team. It was an important milestone and a year of learning, refinement, and growth.

Supporting members from enrolment to retirement and throughout their lifetime in pay requires disciplined operations, secure systems, and experienced pension professionals. Over the course of the year, and looking ahead, we continue to strengthen these foundations and sharpen how we deliver service across UPP's diverse member community.

During the year, we welcomed more than 1,300 new members and supported nearly 600 members transitioning into retirement. At the same time, we prepared to welcome more than 3,200 members from Wilfrid Laurier University and affiliated organizations on January 1, 2026.

Delivering reliable service today while preparing for continued growth remains a priority—one we are actively working to meet.

We listened. We acted. We continue to learn.

UPP's service experience has been shaped by member and employer feedback from the start. Early engagement across thousands of survey responses and live discussions identified three clear priorities: plain-language communication, intuitive tools, and access to knowledgeable pension experts when it matters most. Those insights shaped our initial service model and continue to guide how we evolve it.

We are in the early stages of delivering on those priorities, and while there is more work ahead, the foundation we are building is squarely focused on those needs.

Member input remains central to how we evolve. In 2026, UPP will launch a comprehensive member survey to refresh our understanding of expectations and learning preferences, establishing an ongoing feedback loop to guide future improvements to our member experience.

What members and employers can expect

1. Direct access to dedicated pension experts

Members may not interact with their pension plan often, but when they do, UPP will respond with clarity, care, and dependable support.



Member support from our Toronto-based team

When members need support, whether for a straightforward question or at a significant life moment, UPP's Toronto-based team is available by phone, secure messaging, or virtual meeting. Our pension experts are trained to understand the nuances of prior plans, UPP's Plan Text, and how they come together in each member's unique situation, offering neutral, trusted guidance tailored to individual circumstances.

Flexible service access

Members can engage in the way that works best for them, whether through direct conversation, written follow-up, or self-directed exploration supported by a pension specialist.

- Members seeking confidential one-on-one support can connect through the myUPP Member Portal or by calling 1-833-627-7877.
- Members who prefer to explore information independently can access an expanding library of educational materials and FAQs on our website, designed to support self-guided learning and answer common pension questions.

Clear service standards help ensure consistent and responsive support across all member interactions.

Meet Nancy Schryburt, Managing Director, Pension Operations and Policy

Nancy joined UPP in 2021 and has played a foundational role in designing and strengthening UPP's member and employer service model. Her leadership helps support accurate administration and clear guidance in every member interaction.



“Pensions can feel complex. Our role is to provide clear information, reliable tools, and thoughtful support so members are informed and well supported at every stage of their pension journey.”

Nancy Schryburt

Managing Director, Pension Operations and Policy

2. Secure digital tools to support pension planning

Digital tools are an increasingly important part of how UPP supports members, complementing personalized support with secure, intuitive access to information. The myUPP Member and Employer portals bring pension information, documents, and planning tools together in one place. As these tools continue to evolve, our focus is on strengthening their functionality, accessibility, and ease of use—with ongoing enhancements planned for 2026 and beyond.

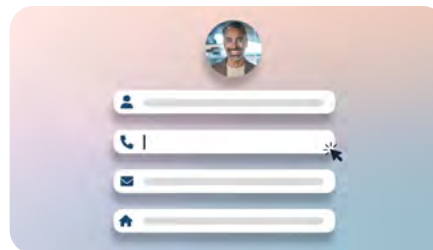
myUPP Member Portal

A secure gateway to personalized pension information designed to strengthen engagement, confidence and retirement readiness.



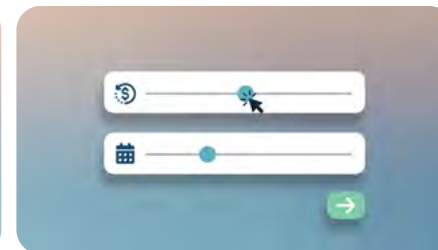
STAY CONNECTED

- ✓ Communicate directly with UPP through secure messaging.
- ✓ View helpful resources and how-to guides.



STAY IN CONTROL

- ✓ Easily update contact and beneficiary information.
- ✓ View payment information and update banking details with ease (for pensioners).



PLAN WITH CONFIDENCE

- ✓ Get tailored pension projections under various scenarios with the Pension Estimate Calculator.

Digital adoption is growing

As of year-end 2025:

62% of active members have registered for the myUPP Member Portal.

87% of active members have access to the Pension Estimator.

48% of active members aged 50+ with estimator access have used the tool.

These figures reflect growing engagement with UPP's digital tools and a membership that is increasingly able to explore and manage their pension on their own terms. Member feedback continues to inform future enhancements.

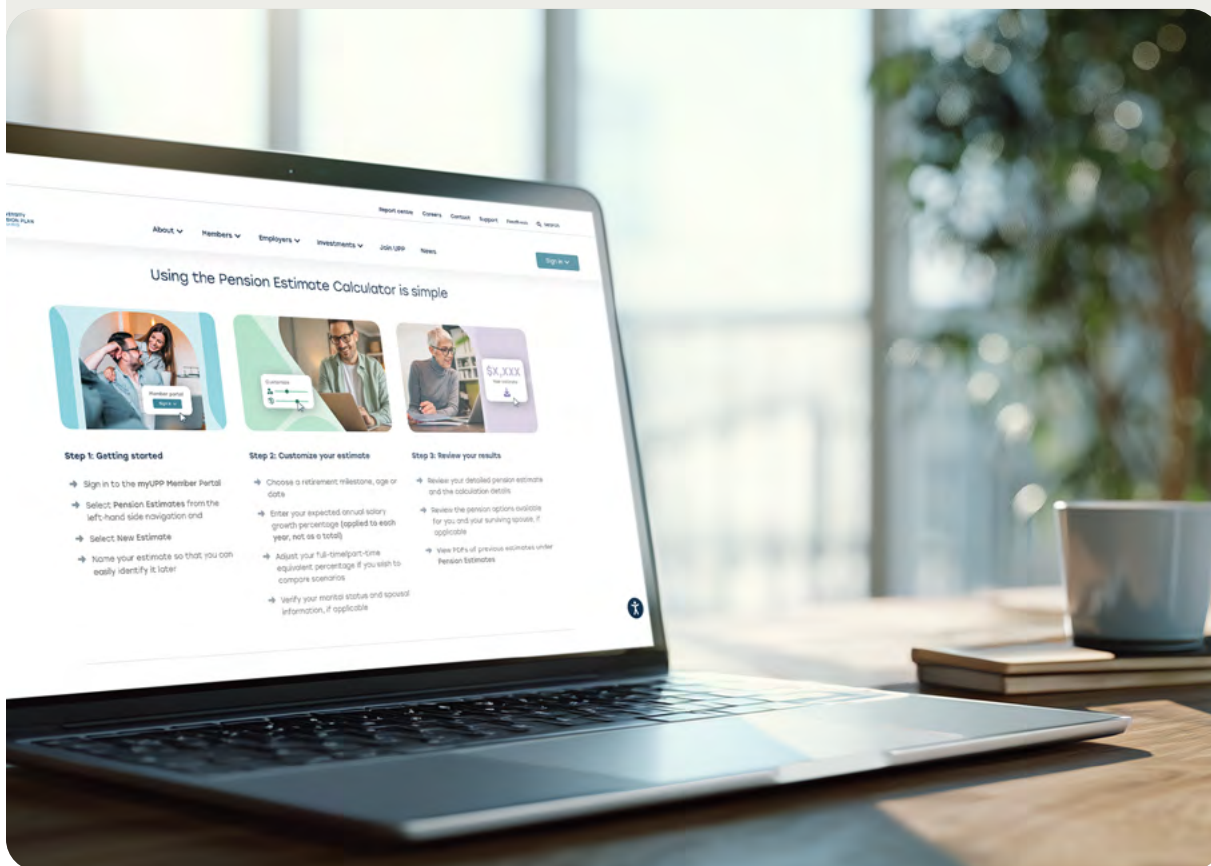
If you are a UPP member and haven't registered yet, visit our [@ Member Portal page](#) to learn more about available features and see frequently asked questions.

MODELLING FUTURE PENSIONS WITH UPP'S PENSION ESTIMATE CALCULATOR

The Pension Estimate Calculator enables members to explore how different retirement timing and years of service may affect their future pension benefits. By the end of 2025, 87% of UPP's active members had access to the estimator, with thousands using the tool to model different retirement scenarios.

In 2025, we also launched the Estimator Resource Centre, a dedicated hub featuring video guides, FAQs, and practical resources to support members in navigating this valuable tool.

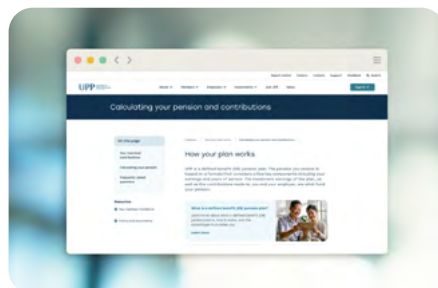
UPP's digital experience continues to expand. We will build on this foundation by refining and enhancing our online tools based on member and employer feedback.



3. Easier-to-understand pension information

Since launching our member experience, we have continued to add interactive tools, video guidance, and accessible content shaped by member feedback and best practices.

myUPP.ca is a centralized source of Plan information with a growing library of member education resources tailored to key pension questions and life events.



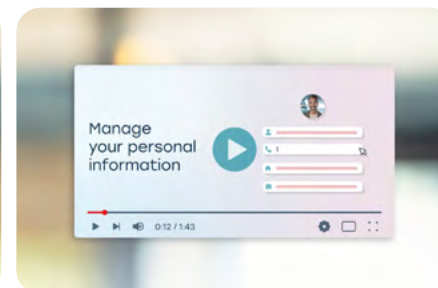
EDUCATION ARTICLES AND FAQs

Plain-language articles explain key pension concepts, such as defined benefit plans, commuted value, and pre-conversion provisions, with FAQs on every page.



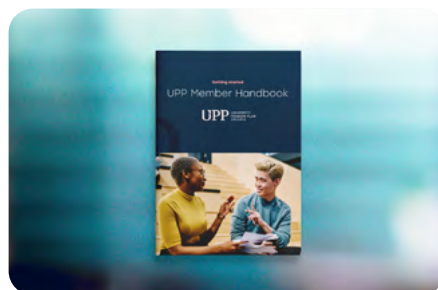
VISUAL EXPLAINERS

Infographics and illustrations to simplify complex topics, such as indexation and conversion to UPP. New topics are in development, including early retirement eligibility.



ANIMATED VIDEOS

Short, practical videos show how to use tools such as the myUPP Member Portal and Pension Estimate Calculator.



PRINTABLE MEMBER HANDBOOK AND GUIDES

A range of reference materials, including prior plan guides, make up this comprehensive overview of the Plan, presented in an easy-to-navigate format.



RECORDED WEBINARS

An on-demand Plan overview for self-paced learning. Additional sessions, including preparing for retirement and survivor benefits, are coming soon.



MEMBER LEARNING HUB

A dedicated space bringing together all this pension education content, filterable by topic, format, and member group.

Our quarterly digital member newsletter, launched in 2025, complements these resources by providing timely updates on Plan developments, new tools, and key reminders.

The work completed in 2025 marks the beginning of an ongoing effort to strengthen how we communicate and educate. Our 2026 member survey will help us better understand how information is accessed, how communications resonate, and where we can improve. Member feedback will directly shape the next phase of enhancements.

“Understanding your pension is an important part of long-term financial security. UPP’s responsibility is to ensure information is clear, accessible, and meaningful so members are prepared for the future.”



Nicholas Carr
Manager, Member Experience

ACCESSIBLE DIGITAL RESOURCES



As part of our commitment to inclusivity and equitable access, UPP’s website incorporates a range of accessibility features, including accessiBe’s accessWidget, developed in collaboration with individuals with disabilities. This tool enables users to personalize their online experience by adjusting content, colour, display, and navigation and supports screen readers and keyboard navigation—helping ensure equitable access to information for all members.



4. A strong pension partner

Partnering with employers and employee representative groups is central to delivering a consistent and supportive member experience.

Each participating institution brings a unique history, plan provisions, and administrative processes. UPP works with employer administration teams and labour leaders to understand that context and align support accordingly.

Our partnership approach includes:



TAILORED COLLABORATION

Dedicated expertise and regular working sessions help anticipate needs and support transparent decision-making.



ONGOING FEEDBACK

Surveys, direct interviews, and regular touchpoints provide structured input that informs communications, process enhancements, and service design.



PRACTICAL SUPPORT

On-campus training sessions, virtual meetings, customized resources, and access to the myUPP Employer Portal support efficient pension administration and shared visibility into service priorities.

Enhancing digital functionality across employer platforms is a key focus for 2026.

Supporting members means supporting the people and organizations who work with them every day. Together, we help deliver a coordinated and dependable pension experience across partner communities.

For participating employers, the myUPP Employer Portal supports pension administration through secure communication and streamlined submissions. In 2025, we redesigned the employer web journey to simplify navigation and improve usability, informed by feedback from participating institutions.

Looking ahead

Service excellence is a continuous effort, not a destination. We will keep listening closely, learning from experience, and building on the early progress made to better serve members and employers in the years ahead.

Your feedback matters. Member input helps inform how we strengthen and evolve our services. Contact us through secure messaging in the myUPP Member Portal or toll-free at 1-833-627-7877, Monday to Friday, 8:30 a.m. to 5 p.m. ET.

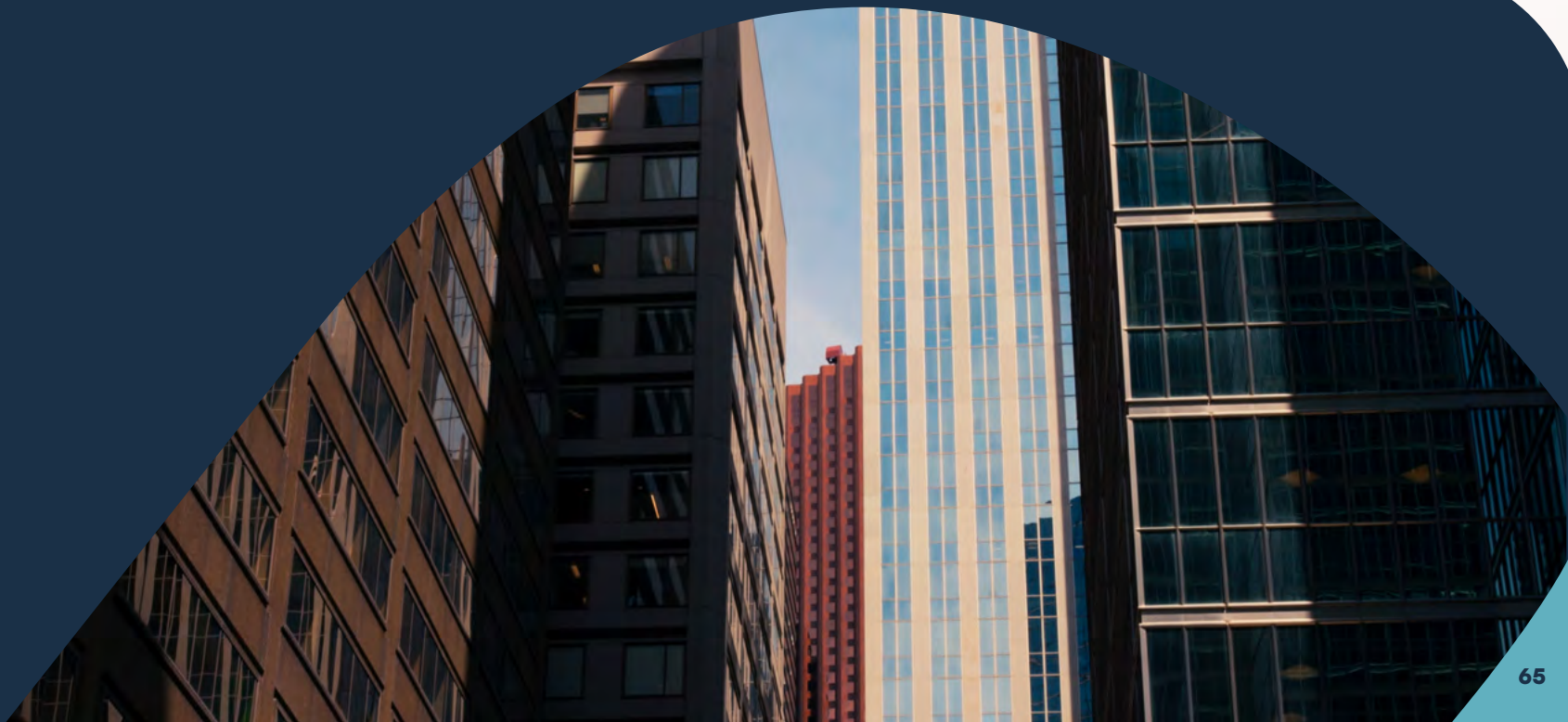
From May 19 to June 9, UPP invites members to take part in the 2026 member survey. [@ Learn more about the survey here.](#)

Managing costs for long-term value

UPP was created to bring the advantages of Ontario's jointly sponsored pension model to the university sector, including strong governance, active cost management, and long-term sustainability. Building that platform from the ground up required meaningful upfront investment across systems, people, and operations.

As we have transitioned from a foundational phase into more established operations across much of the Plan, our expense profile now aligns more closely with mature pension peers and is expected to normalize over time as assets grow, efficiencies deepen, and our member services continue to mature.

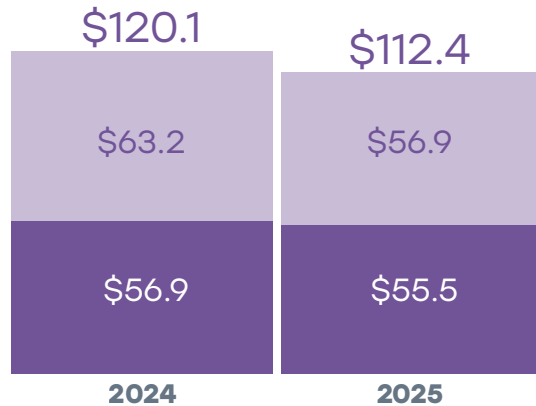
Over time, UPP has consolidated investment mandates, internalized select functions, strengthened systems, and aligned fee structures more closely with long-term performance. These changes are reflected in our cost metrics and position the Plan to manage growth efficiently while retaining more value for members.



Investment costs

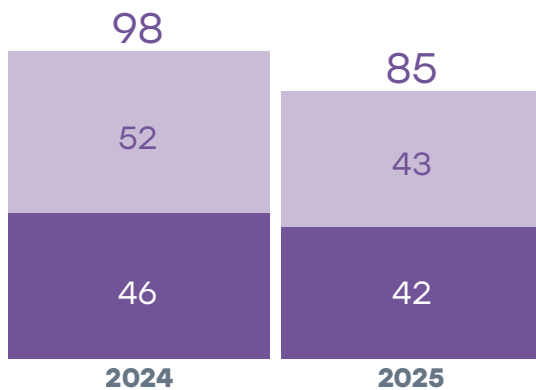
Investment costs

\$, millions²³



Investment costs as a percentage of assets

Expressed in basis points²⁴



- Investment administration expenses
- External investment management fees

Investment costs consist of external manager fees and internal operating expenses, which include both direct investment expenses and a proportionate allocation of shared overhead costs.

External investment management fees

External investment management fees are paid to managers who invest portions of the portfolio on UPP’s behalf. They are typically expressed in basis points (cents per \$100 of net assets under management), allowing consistent comparison across asset classes and time periods.

Through active management, external investment management fees totalled \$56.9 million in 2025, down \$6.3 million from 2024. As a percentage of net average assets, fees declined from 52 basis points in 2024 to 43 basis points in 2025, reflecting mandate consolidation, strategic reallocations, and active fee negotiations by our internal teams. Lower fees were achieved across infrastructure, private debt, private equity, and active public equity mandates.

With in-house expertise spanning investments, risk, legal, and finance, UPP applies rigorous asset selection and manager oversight to improve fee structures and enhance long-term value for members.

As a result, our average management fees as a percentage of average net assets have been reduced by more than

15 basis points since 2022.

More than 80% of total fees were associated with value-add strategies, including private assets, absolute return strategies, and active public equity, where we pursue higher long-term returns aligned with pension obligations. These programs returned 11.6%, contributing positively to UPP’s 2025 return.

While certain private market investments can have higher upfront fees, they also provide stable cash flows and inflation-sensitive returns aligned with our pension obligations. By investing across both fund commitments and direct co-investments, we enhance alignment with select managers, secure repeat access to opportunities, and negotiate favourable economics across the full capital relationship.

In 2025, we optimized select higher-cost mandates, reducing absolute return fees by nearly 20% and active public market fees by approximately 40%, while preserving return objectives. Where active management does not add value, we continue to access passive strategies at minimal cost.

Investment administration expenses

Investment administration expenses totalled \$55.5 million in 2025, declining from \$56.9 million in 2024 as major system implementations and project-related build costs tapered off.

These expenses include UPP's internal investment teams, technology platforms, and allocated corporate support functions such as legal and finance. Together, they represent the full cost of operating a comprehensive investment program.

Internalizing select investment and risk functions has strengthened our market agility and enhanced direct risk oversight. These capabilities also support a more scalable operating platform as new plans are onboarded, reinforced by automation and process improvements. Over the past 18 months, UPP has transitioned more than \$1.4 billion in assets onto our systems and platforms with minimal incremental cost, demonstrating the growing efficiency and capacity of our operating model.

Total investment costs

In 2025, total UPP investment costs were 85 basis points, positioning UPP within the peer range of investment costs identified in the CEM 2024 Investment Administration survey.²² Our objective is to remain within this range over time and move toward the midpoint as operating leverage increases.

Note: CEM 2024 Investment Administration Survey adjusts reported investment costs, as required, to ensure comparability across peers.

²² CEM is an industry leading data and insights firm that works with over 500 plan sponsors globally.

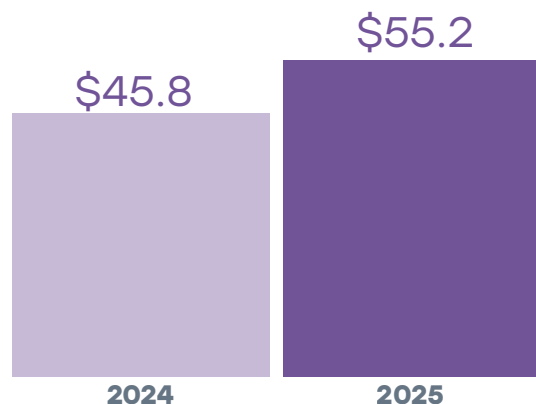
²³ Of the \$56.9 million (\$63.2 million in 2024), \$28.7 million (\$37.9 million in 2024) is reported in investment income and \$28.2 million (\$25.3 million in 2024) is reported in investment management expenses in the financial statements notes.

²⁴ Basis points represent a percentage of average assets under management and vary by portfolio size, structure, and negotiated terms. Expressing costs in basis points (cents per \$100 of net assets) provides a consistent measure across asset classes and time periods.

Pension costs

Pension administration costs²⁵

In \$, millions



2025 marked UPP's first full year of direct pension administration. Pension administration expenses represent the cost of delivering service to members and employers, administering benefits accurately, onboarding new institutions, and continuing to advance our administrative and service technologies. This includes internal pension services teams, related technology systems, and allocated corporate support functions.

Pension administration expenses

Pension administration expenses totalled \$55.2 million in 2025, compared to \$45.8 million in 2024. The increase reflects the step up to a full year of in-house operations following the service transition to UPP in 2024, including the full-year impact of staffing, continued maturation of the pension administration system, and targeted investments in digital platforms, such as expanded member and employer self-service tools. These investments are intended to support long-term efficiency, service quality, and scalability as the Plan grows.

As a multi-employer plan with a growth mandate, UPP must support both ongoing service delivery and the active onboarding of new participating institutions—a process that requires system integration, member data validation, policy alignment, and dedicated operational support. This work is central to UPP's purpose and will remain a feature of our cost structure as the Plan continues to grow, distinguishing UPP from plans without a similar growth mandate.

Strong internal capabilities are essential to efficiently onboard new institutions and maintain consistent service standards as membership expands. In 2025, capabilities were further strengthened across pension operations, employer experience, and onboarding support. UPP maintains a focused internal team while engaging external advisors selectively where specialized expertise is required, balancing capability with cost efficiency.

UPP's 2025 pension administration costs sit at the high end of the range identified in the 2024 CEM Pension Administration survey for plans with comparable scale and major project activity.²⁶ As our systems and processes mature and assets under management grow, we expect the cost of onboarding and service delivery to improve, allowing UPP to grow efficiently and move progressively lower within the peer range over time.

²⁵ Pension administration expenses include pension service delivery functions and a proportionate allocation of corporate support functions.

²⁶ These results are from the 2024 pension benchmarking analysis report for a select group of 11 Canadian peer organizations.

A risk-smart organization

Risk governance

Disciplined risk management has been part of UPP since day one and is a responsibility shared by everyone across the organization.

UPP's Executive Leadership team and Board work together to ensure that our risk management and compliance systems keep pace with our evolving needs and that our risk culture remains strong.

Our approach to managing risk

Risk management is not about avoiding all risks or adding unnecessary complexity. It is about understanding, managing, and optimizing the risks we face and making informed decisions that support our long-term strategy.

UPP's Enterprise Risk Management Framework defines how we manage risk, including roles and responsibilities, our risk appetite, the types of risk we face (our risk taxonomy), and our risk management and governance processes. As UPP evolves, we remain focused on enhancing our risk management capacities.

UPP'S ENTERPRISE RISK CATEGORIES



Investment and funding risk

The inability to manage investment risks and secure sufficient returns to pay pensions when they are due.



Strategic risk

Risk arising from UPP's strategic choices, our ability to execute those decisions, or how we respond to changes in the external environment.



Operational risk

Risk of loss or other negative impact resulting from people, processes, systems, or external events.



Legal and regulatory risk

Failure to implement, manage changes to, or otherwise comply with laws, regulations, and legal requirements, including our fiduciary duties.



Reputational risk

Damage to UPP's public image or stakeholders' trust as a result of events, behaviours, actions or inaction by UPP, our employees, or those we associate with.

CONTINUOUS FOCUS ON DATA SECURITY

UPP continuously enhances security and risk management to protect member, employee, and partner information. Our measures include a cyber-resilience program, regular employee training and testing, and stringent standards for procurement, legal, and vendor management, all aligned with industry best practices.



UPP's risk lines of defence

Our risk governance model defines how we manage risk and who is responsible for identifying, managing, and overseeing it. Investment risk and enterprise risk are supported by dedicated risk leaders across three lines of defence, working in partnership with functional leads and under the direct oversight of the Board and CEO:

① First line of defence: Functional leaders

Leaders of each organizational function are the primary risk owners. They are responsible for managing risks in their areas through effective processes and internal controls.

② Second line of defence: Risk partners

Dedicated risk partners in areas such as investment risk, enterprise and operational risk, compliance, legal, actuarial, and tax provide specialized support, additional controls, and independent oversight of the first line.

③ Third line of defence: Audit

UPP's internal audit function provides independent assurance to the Board on the effectiveness of our risk management, governance, and internal control environment.

Internal controls and compliance

To uphold compliance with applicable regulations, standards, and internal policies, UPP maintains a comprehensive framework of policies, procedures, controls, and reporting structures. This includes our Code of Conduct, Conflict of Interest Policy, Related Party Transactions, and Whistleblowing Policy and reporting platform. The Board oversees public disclosures, legal matters, and ethical and whistleblower reports to support strong governance.

All UPP employees are trained on our policies and procedures as part of onboarding and must formally attest to their compliance with the Code of Conduct each year.

PART THREE

Strong value starts with good governance

UPP is a jointly sponsored pension plan, where members and employers each have equal representation in decision-making regarding Plan design, funding, and governance.

UPP is grounded in the Canadian pension model, a world-renowned governance framework adopted by Canada's leading pension plans.



How governance works at UPP

Guided by clearly defined mandates, UPP's Joint Sponsors, Board of Trustees (the Board), and Management support the efficient, strategic, and prudent management of the Plan.

Role of the Joint Sponsors

UPP is jointly sponsored by representatives of our participating universities, in equal partnership with member union and faculty association representatives.

Together, these groups form UPP's Joint Sponsors, made up of two committees: a six-member Employer Sponsor Committee and a six-member Employee Sponsor Committee, with Employee Sponsor seats evenly split between faculty associations and unions. Decisions are made by consensus, with each committee carrying one vote.

The Joint Sponsors make key decisions about the terms and conditions of the Plan, such as:

- ✓ changes to the Plan Text or Plan design, including contribution rates, indexation, and benefit levels;
- ✓ determining when funding valuations are filed and how to address any funding shortfalls and surpluses, per the Joint Sponsors' Funding Policy;
- ✓ appointing UPP's Board of Trustees as legal Plan Administrator; and
- ✓ setting terms for and approving new participating organizations (with subsequent conversion and onboarding led by UPP Management).

A STRONG FUNDING POLICY

UPP's Joint Sponsors oversee the Plan's Funding Policy, which is a framework to guide the Joint Sponsors and Board of Trustees in the financial management of UPP. This includes decisions about contributions, risk sharing, and Plan design to help keep benefits stable and sustainable. The policy also sets financial requirements for new employers joining the Plan to help protect long-term stability and fairness for all members.

Each Sponsor Committee has an advisory structure to share information and perspectives from UPP's broader participating employers and employee groups.

MEET OUR JOINT SPONSORS

(as at December 31, 2025)

Employer Sponsor Committee

Donna Janiec, Queen's University
Elaine Do Rosario, University of Guelph
Kelly Hannah-Moffat, University of Toronto
Steven Millan, Queen's University
Sharmilla Rasheed, University of Guelph
Trevor Rodgers, University of Toronto

Employee Sponsor Committee

Colleen Burke, United Steelworkers
Herb Kunze, University of Guelph Faculty Association
Kelly Sedore, Canadian Union of Public Employees
Lisa Kramer, University of Toronto Faculty Association
Robert Hickey, Queen's University Faculty Association
John Tartt, United Steelworkers

Role of the Board of Trustees

UPP is administered and overseen by an independent Board of Trustees, appointed by the Joint Sponsors. The Board is legally required to act in the best interests of members and provides strategic direction and oversight of UPP's key functions, such as investments, actuarial valuations, and benefit payments. Under the Board's direction, UPP's Management team handles the Plan's day-to-day operations.

The Board's legal obligation as Plan Administrator is otherwise known as its fiduciary duty. Under Ontario's Pension Benefits Act, this duty requires the Board to act in good faith and manage the Plan and the Plan's funds prudently, responsibly and in the best interests of the Plan membership. This duty exists to help protect members' pensions.

The Board's responsibilities include:

- ✓ approving audited financial statements and actuarial valuations;²⁷
- ✓ directing the investment of assets;
- ✓ overseeing member services and benefit payments; and
- ✓ directing and overseeing UPP's strategy and our execution, investment approach and policies, annual budgets, risk profile, benefits administration, and executive compensation.

The Board includes six Trustees selected by the Employer Sponsor; six by the Employee Sponsor; one appointed by the Employee Sponsor, nominated by non-unionized members; and a jointly-appointed, independent Chair. UPP's 14 Trustees bring varied experience and deep expertise in areas important to UPP, as assessed under the Joint Sponsors' Attributes, Skills, and Competencies Framework.

²⁷ The actuarial assumptions for these valuations, including the discount rate, are determined by the Board, in line with the Canadian Institute of Actuaries Standards of Practice and under the guidance of the Board's independent actuary.

The Board governs the Plan in accordance with the *Pension Benefits Act* (Ontario) and the *Income Tax Act* (Canada), as well as UPP's Trust Agreement, Plan Text, and applicable common law.

The Board places strong emphasis on ethical conduct and business practices. Each year, Trustees attest to compliance with UPP's Code of Conduct and related policies, declaring any real or potential conflicts of interest, related party relationships, outside interests, and business courtesies. Trustees may not knowingly allow their own interests to conflict with their responsibilities to the Plan and must always act in the sole interest of UPP's members and beneficiaries. The Code is reviewed by the Board's Governance Committee at least annually, or as required based on changes in UPP's organizational structure, operations, associated policies, or statutory or regulatory requirements.

Standing committees of the Board

Five standing committees oversee Management activities within their respective mandates, supporting the Board's oversight of UPP's operational, investment, strategic, and governance matters. The committees make recommendations to the Board and, where appropriate, exercise delegated approval authorities. While executive leads are assigned to each committee, no member of UPP's Management team sits on a committee or the Board.

The Board reviews each committee's mandate and composition annually, refreshing them as needed to reflect UPP's evolving needs, accommodate new Trustees, and add new perspectives and diversity.

²⁸ As at December 31, 2025. In 2025, there was one trustee vacancy that will be filled in 2026.

²⁹ Ceased participation on UPP's Board at the conclusion of his term on December 31, 2025.

MEET OUR BOARD OF TRUSTEES²⁸

Our Trustees bring a range of relevant experience and expertise across sectors and disciplines. [Read our Trustees' full biographies and committee mandates.](#)

Gale Rubenstein, Independent Chair, appointed in 2020 by Joint Sponsors, ex officio member of all Board committees

Alan Jette, Employer Sponsor—reappointed in 2023, Investment Committee (Chair)

Alex D. McKinnon, Employee Sponsor—reappointed in 2023, Pension Services Committee (Chair), Audit and Finance Committee

Hazel Claxton, Employer Sponsor—reappointed in 2023, Audit and Finance Committee (Chair), Human Capital Committee

Hugh Mackenzie, Employee Sponsor—reappointed in 2023, Investment Committee, Human Capital Committee

Janet Ecker, Employer Sponsor—reappointed in 2023, Pension Services Committee, Governance Committee

Kelly Bertrand, Non-unionized Employee Sponsor—appointed in 2024, Audit and Finance Committee

Laura Brownell, Employee Sponsor—reappointed in 2024, Audit and Finance Committee, Governance Committee

Leanne MacMillan, Employee Sponsor—reappointed in 2023, Human Capital Committee, Pension Services Committee

Pierre G. Piché, Employer Sponsor—appointed in 2023, Audit and Finance Committee, Pension Services Committee²⁹

Ranjini Jha, Employee Sponsor—appointed in 2024, Investment Committee, Audit and Finance Committee

Ron Mock, Employer Sponsor—reappointed in 2024, Human Capital Committee (Chair), Investment Committee

Sue Wurtele, Employee Sponsor—reappointed in 2024, Governance Committee (Chair), Investment Committee

Board effectiveness

Committed to upholding high governance standards, the Board conducts regular reviews and evaluations to maintain effective oversight, in line with best practices.

Consistent with UPP's focus on strong governance, we periodically assess the Board's governance structures, mandates, and policies to ensure they continue to support governance excellence and leverage the Board's strengths. UPP also conducts periodic independent assessments at the Board, committee and, at times, Trustee levels. These reviews consider areas such as governance culture, meeting effectiveness, transparency, and roles and relationships between groups. The findings help to ensure that the authority delegated to the Board, its committees, and the Management team remains appropriate and that UPP maintains a strong governance culture rooted in open communication and clear accountability.

Trustee self-assessments

To understand the Board's evolving skills and expertise, each Trustee periodically completes a confidential self-assessment against a skills matrix tailored to the Plan's needs. These assessments, which help maximize Board effectiveness, inform education and development opportunities, guide decisions on committee composition, and highlight where the Board may benefit from additional external expertise in its review of major projects and initiatives.

The skills matrix includes areas such as board directorship, investment and asset management, risk, accounting and finance, legal, governance and regulatory matters, stakeholder and labour relations, communications and media, talent management and compensation, culture, technology and data, actuarial and funding, sustainability and climate change, social responsibility, pension administration and finance, and strategy.

2025 HIGHLIGHTS

Board membership updates

Pierre Piché’s three-year board term ended on December 31, 2025. The UPP Board is grateful to Pierre for his contributions and dedication to UPP during his term. The Employer Sponsor will appoint a new Trustee in 2026.

UPP welcomes Sheryl Kennedy, who was appointed to the Board of Trustees as of February 9, 2026, filling an existing vacancy.

Joint Sponsors updates

Pamela Cant (Wilfrid Laurier University) has joined the Employer Sponsor Committee, succeeding Sharmilla Rasheed (University of Guelph), effective January 1, 2026. Also in 2026, Troy Lundblad (United Steelworkers) succeeded John Tartt (United Steelworkers) on the Employee Sponsor Committee.

We thank Sharmilla and John for their longstanding contributions to UPP.

Participated in focused education sessions

As UPP evolves as an organization, shared understanding and mission clarity help us move together toward a common goal. Throughout the year, the Board and Management team continued to engage in deep discussion, focused education, and consultation with internal and external experts to form an aligned vision, coalesce on critical strategic objectives, and set a unified knowledge baseline.

In-house education topics in 2025 included:

- global developments in responsible and sustainable investing,
- private markets valuations,
- quantum computing, and
- artificial intelligence.

Individual Trustees completed further independent educational development and participated in diversity events and presentations hosted by UPP.

Held 30 Board and committee meetings

The Board meets no less than once each quarter, with committee meetings occurring on a more frequent basis.

	Meetings in 2025	Average attendance
Full Board of Trustees	4	100%
Audit and Finance Committee	4	88%
Governance Committee	6	94%
Human Capital Committee	4	100%
Investment Committee	7	98%
Pension Services Committee	5	97%

Role of Management

Through formal Board resolutions, accountability for UPP's day-to-day operational, strategic, and risk matters is delegated by the Board to UPP's President and CEO and the CEO's Executive Leadership team (ELT). The Board reviews and approves this delegation of authority annually.

The ELT is made up of the heads of each internal business function and acts as an advisory body to the President and CEO. The team brings a broad range of global experience and, together with UPP's broader leadership team, is responsible for building the Plan's foundation, establishing our overall strategic direction, and ensuring UPP delivers on our long-term investment, service, governance, risk, and growth strategies. Internally, both our Executive and Senior Leadership teams serve as models for our values-based culture.

[Learn more about UPP's Executive and Senior Leadership teams.](#)

UPP's ELT regularly meets with the Joint Sponsors to inform, consult, and provide updates on Plan matters. It also shares educational materials to support the Joint Sponsors' decision-making and build a shared foundation of knowledge and understanding.

MEET THE EXECUTIVE TEAM



Barbara Zvan
President and Chief
Executive Officer



Karen Rowe
Chief Financial
Officer



Joanna Lohrenz
Chief Pension
Services Officer³⁰



Brian Gill
Chief Technology
Officer



Aaron Bennett
Chief Investment
Officer



Christine Chen
Chief Legal Officer



Omo Akintan
Chief Engagement
and People Officer

³⁰ Joanna Lohrenz concluded her role as Chief Pension Services Officer in February 2026. UPP is actively seeking to fill the role.

PART FOUR

Our people and culture

We are committed to creating an intentional and inclusive culture that attracts, retains, and inspires world-class talent—one where all employees feel empowered, rewarded, and encouraged to perform at their best.



Life at UPP

UPP is committed to bringing greater pension peace of mind to the university sector. This shared commitment unites and motivates our team, creating the foundation for a thriving and inclusive culture. [Learn more about what UPP has to offer and view our career opportunities.](#)

What we do

WE DO WORK THAT MATTERS

We help ensure our members have a bright future to retire into.

WE GROW EVERY DAY

Every day is different at UPP. Our cross-functional approach to working encourages our people to share information, approaches, and perspectives.

WE ARE STRONGER TOGETHER

We believe in bringing smart and capable people together to create, solve, and grow toward our shared vision, without ego or judgment.




WE PRIORITIZE WELLNESS

We ensure our people are cared for in ways that matter to them.




Supporting our people

We believe in supporting people to do their best work, which is why we offer comprehensive, competitive, and inclusive benefits.




ENHANCED BENEFITS

-  Defined benefit pension plan
-  Comprehensive group benefits
-  Extended paramedical and mental health service coverage

FLEXIBILITY

-  Hybrid work model
-  Work-from-anywhere program
-  Flexible health-care and lifestyle spending accounts

SUPPORT AT EVERY LIFE STAGE

-  Educational assistance
-  Coverage for fertility treatments, adoption, paid parental leave, and top-up benefits
-  Gender affirmation coverage



INCLUSIVE FAMILY-BUILDING BENEFITS

UPP's Family-Building Benefit is designed to support our people through different paths to building a family. This benefit ensures that all employees, regardless of their background or family circumstances, have access to support for expenses related to fertility treatments, surrogacy, and adoption. By recognizing the diverse ways families are formed, we aim to foster a workplace where everyone feels supported—at work and in life.

Strong culture, stronger pensions

At UPP, we believe a strong employee experience and workplace culture are vital to delivering high-quality work. For us, this means creating an inclusive and intentional environment where talented people from all backgrounds are empowered to work, develop, and perform at their best. By fostering this kind of workplace, we directly advance our mission to serve our members with care and lay the foundation for enduring pension security.

Building an inclusive culture begins with attracting and empowering a diverse workforce. With a 92% completion rate on our self-identification survey at year-end 2025, UPP has a strong understanding of the diversity within our teams. This data-driven approach helps us design initiatives that resonate with our people, ensuring our efforts are both informed and impactful.

“[When hiring], I’m looking for diversity, both in the individual and across the entire team. When I say diversity, I mean not just in terms of gender, race or protected grounds, but also in diversity of thought. Because we come to a better outcome that way.”



Christine Chen

UPP Chief Legal Officer in an [@ interview with Ascend Global Leaders](#). Christine was a 2025 recipient of Ascend Canada’s Woman of Distinction Award.

HIGHLIGHTS

89.5% of employees and 69% of Trustees³¹

identified as members of at least one of the following groups: Indigenous, Black, Racialized, 2SLGBTQI+, Persons with Disabilities, or Women+.³²

66.4% of employees and 15% of Trustees

self-identified as East and South Asian, Black, Middle Eastern, Latin American, or as members of other racialized groups.

59.7% of employees

at all levels (75% of executive leadership, 50% of the investment division) and 54% of Trustees identified as Women+.

³¹ Percentages are based on 13 Trustees, compared to 14 Trustees in 2024.

³² Includes women (cisgender and transgender) and nonbinary individuals.

Learning and growing together

Regular surveys and employee feedback channels create space for ongoing dialogue, learning, and improvement. These insights help keep our culture aligned with our commitment to strong performance and supporting our people.

Employee surveys

Since 2022, UPP has conducted annual Employee Engagement Surveys to maintain an ongoing pulse on our culture and the needs of our people as our organization grows and evolves. In 2025, participation reached 94%, reflecting the openness and shared commitment that characterize our workplace.

OPTIMIZING OUR EMPLOYEE ONBOARDING EXPERIENCE

During periods of recruitment and growth, onboarding is one of the most important opportunities to set new employees up for success. We actively survey new employees about their experiences, including:

- clarity of role expectations and responsibilities;
- effectiveness and relevance of training;
- connection to UPP's culture and shared commitments;
- manager and team support; and
- access to tools, resources, and information.

We use their feedback to identify what is working well and where we can enhance our new hire experience.

Shared development opportunities

UPP's holistic learning and development program supports a high-performing culture and the expertise needed to deliver strong pension outcomes. This includes professional designations and industry programs, such as the Pension Plan Administration Certificate, which covers governance, funding, administration, regulatory compliance, and risk management. We also offer structured leadership development programs, targeted upskilling, and an Educational Assistance Program that supports continued learning aligned with UPP's long-term needs.

EMPLOYEE REFLECTIONS

- “[My experience at UPP] has provided me ample opportunity to grow not only from a work perspective, but also from a leadership accountability perspective. I've had the opportunity to build things, create things, find fit-for-UPP solutions to nuanced problems and be encouraged to develop and innovate in ways that would be prohibitive at other organizations. I've been with numerous organizations, and UPP, by far, has been the BEST experience so far in my career.”
- “I am empowered to work the way I feel is best and change procedures accordingly with my manager's consent. I feel I own my work and I am very comfortable with working with others too. The work life balance is great and makes me want to do my job to my best ability since UPP is treating me well.”

Giving and community initiatives

UPP's Employee Giving Committee plays a vital role in shaping UPP's employee experience and culture by bringing our values to life through shared purpose and collective impact. By creating meaningful, year-round opportunities for employees to give, volunteer, and engage with community partners, the committee strengthens connection, belonging, and pride across the organization.

In 2025, our Employee Giving Committee hosted our third annual United Way Greater Toronto campaign, spanning two weeks and offering different ways for employees to give back and get involved. Many employees participated in the CN Tower Climb, taking on the tower's 1,776 stairs in a demonstration of perseverance, teamwork, and community spirit.



Equity, diversity, inclusion, and reconciliation across people and pensions

Central to our approach to supporting a high-performing workforce is our commitment to equity, diversity, inclusion, and reconciliation (EDI & Reconciliation). By embracing diverse perspectives and ensuring fair access to opportunities for all employees, we foster innovation and more informed decision-making while deepening our people's ability to serve our members and generate long-term value.

EDI & Reconciliation strategy update

UPP's EDI & Reconciliation program and inaugural 2022–2025 roadmap have guided our commitment to an equitable, diverse, and inclusive workplace and honoured the Truth and Reconciliation Commission's Call to Action 92–Business and reconciliation. Building on those foundations, we are developing a new, multi-year roadmap aligned with UPP's refreshed 2026+ strategy. [🔗 Read more about equity, diversity, inclusion, and reconciliation at UPP.](#)

HIGHLIGHTS

Engaging on EDI & Reconciliation with external investment managers

Our EDI & Reconciliation focus extends to our relationships with business partners. We encourage external managers to integrate diversity, equity, inclusion, and reconciliation into their investment practices, ensuring that these principles are reflected throughout our investment activities.

Working with our vendors

EDI & Reconciliation also informs how we operate beyond our investment activities. UPP's procurement processes are designed to prioritize partnerships with vendors who demonstrate a commitment to inclusive and equitable standards—contributing to the stability and sustainability of the communities where we operate.

In 2025, UPP piloted a standardized sustainability assessment process to identify opportunities for improvement in the practices of vendors with which UPP has strategic relationships. As part of the pilot, UPP considered whether vendors had:

- a written equity, diversity, inclusion, and reconciliation (EDI & Reconciliation) policy;
- strategies or practices in place to promote EDI & Reconciliation in the workplace; and
- taken action in response to Call to Action #92 (for vendors operating in Canada).

These insights will inform the next evolution in procurement and vendor management process. [🔗 Read more about UPP's Organizational Sustainability Strategy.](#)

Cultivating awareness and commemoration

Throughout the year, UPP observes important occasions that reinforce our ongoing commitment to EDI & Reconciliation. In 2025, organization-wide observances—including National Indigenous History Month, Black History Month, and International Women’s Day— supported learning, reflection, and shared understanding across the organization.

- Throughout National Indigenous History Month, employees are invited and encouraged to spend time honouring the stories, accomplishments, and enduring strength of Indigenous Peoples.
- We celebrate the rich history and incredible achievements of Black Canadians and people of African descent around the world throughout Black History Month.
- International Women’s Day is a time to recognize the remarkable women at UPP, in the pension sector, and throughout all other areas of our lives.



Building strategic and educational partnerships

In 2025, UPP continued to advance our commitment to reconciliation through deeper learning, stronger partnerships, and concrete steps to support economic inclusion. A new partnership with the Gord Downie & Chanie Wenjack Fund supported expert-led learning on reconciliation across the organization. We also joined the Canadian Council for Aboriginal Business (CCIB) to institutionalize our commitment to economic reconciliation and took steps to advance economic reconciliation by engaging Indigenous-owned businesses and diversifying supplier relationships.

EDI & Reconciliation learning

UPP offers on-demand learning and virtual training on EDI & Reconciliation topics—including Indigenous-led education integrated into onboarding training—to build a shared foundation of understanding of important topics, such as Indigenous history, inclusion, and psychological safety. In 2025, 90% of employees completed UPP’s core EDI & Reconciliation learning, reinforcing the consistent, inclusive practices that support sound decision-making and stronger outcomes for members.

EMPLOYEE REFLECTIONS

- “The training helped me better understand the Trans community. I particularly enjoyed the brief video that featured Trans people discussing the importance of pronouns.” (Trans 101 Workshop)
- “This training was comprehensive of the history of Indigenous communities in Canada. I really liked the portion re: economic reconciliation as this wasn’t an area I was very familiar with previously.” (Economic Reconciliation)

PART FIVE

Our compensation structure

We aim to build a high-performing organization with a strong, values-based culture. This includes having a compensation structure that is both competitive and performance-based, helping us recruit and retain the specialized talent needed to deliver on our mandate.

UPP's total rewards philosophy

As an organization responsible for delivering dependable pension income to over 46,000 members³³ and investing \$13.5 billion in net assets, UPP must attract and retain highly skilled employees in a competitive environment. Building a high-performing organization and providing lifelong pension security to the university sector are key parts of what make UPP attractive to employees.

We are intentional about creating a culture that inspires people to do their best work and offering a competitive compensation structure that rewards performance fairly and appropriately.

A holistic approach to employee engagement and satisfaction

Our Total Rewards strategy includes compensation, benefits, wellness initiatives, professional development, and recognition. It plays an important part in helping us achieve our long-term objectives by ensuring that the same commitment to excellence and care we show to our members is reflected in how we support our employees.

Our Total Rewards program and our performance management framework, Strive and Thrive, are designed to ensure that our day-to-day operations reflect our long-term strategy and closely align with commitments to members. The objectives of this approach are to:

Align the organization

Reinforce UPP's vision and values, ensuring our employees act with integrity, inclusivity, ingenuity, and impact.

Drive our strategy

Encourage prudent, informed decision-making in line with our long-term strategy by rewarding successes against annual and long-term objectives.

Promote desired behaviours and accountability

Encourage a collaborative, one-UPP mindset that emphasizes both what we achieve and how we achieve it. It holds employees accountable for the short- and long-term impacts of our decisions on members, the organization, and the communities around us.

Stay competitive to attract and retain top talent

Ensure UPP's compensation approach remains market-aligned and externally competitive so that we can attract and retain the specialized talent needed to execute our vision.

Fairly reward strong performance

Apply equitable and fair practices so employees at every level have access to appropriate opportunities for development and recognition.

³³ As of January 1, 2026.

Strive and Thrive performance management

UPP recognizes performance and differentiates rewards based on contributions to financial, non-financial, and cultural goals. Through our Strive and Thrive framework, employee performance is evaluated and managed against strategic objectives, scorecards, individual goals, and demonstrated commitments to living our core values.

UPP's scorecards include both organizational and divisional goals and measures of success, with corresponding short-, medium-, and long-term objectives aligned with UPP's strategic pillars. Each year, the Board assesses overall performance against all scorecards as part of its ongoing oversight responsibilities.

Individual goals are set each year in line with these scorecards and cultural objectives and apply to the entire organization—from the CEO and Executive Leadership team to every UPP employee.

A phased build for structure and flexibility

UPP was created to bring the advantages of Ontario's world-renowned jointly sponsored pension plans to the university sector, and we have made significant progress toward this goal. Since launching in 2021, UPP's Board and employees have been responsible for building the Plan from the ground up. This foundational work has required early investments in core structures, talent, and tools, including multidisciplinary expertise and infrastructure built for the specialized needs of a sector-wide, growth-oriented Plan.

A key part of our success has involved attracting people with the right leadership and multidisciplinary expertise to build each aspect of the Plan and transition into long-term operational execution and oversight. To support this, UPP has a rigorous compensation structure that aligns with our long-term objectives and evolving market practices.



Total rewards elements

UPP offers a Total Rewards program (base salary, incentive pay, benefits, and our defined benefit pension plan) that is market-competitive and supports our purpose and objectives. Our approach reflects UPP's phased build, guided by principles approved by the Board and overseen by the Board's Human Capital Committee (HCC).

Compensation components

Base salary

Each UPP employee is assigned a job level with a corresponding salary band that provides market-competitive pay for the responsibilities, skills, knowledge, and experience required for that particular role. Salaries are reviewed upon hire, annually, and again when there are material changes in role or responsibilities.

Performance incentives

UPP employees have a market-aligned incentive target that is designed to reward performance against specific organizational, divisional, and individual (financial and non-financial) objectives. Annual performance evaluations are scored based on organizational factors approved by the Board, as well as divisional and individual factors calibrated by Management, which are then used to determine individual incentive payments.

The mix between fixed and variable compensation is designed so that employees with greater influence over organizational performance generally receive a larger share of their compensation through variable incentives. For example, for members of the Executive Leadership team, the target incentive aspect of their compensation exceeds their base salary. Variable incentives are also more strongly linked to organizational and divisional performance for employees with greater influence over organizational outcomes.

Deferred incentives

UPP uses a weighted incentive structure for employees. For those with significant influence on organizational and divisional performance, the annual incentive combines annual and deferred incentive pay. The annual incentive is paid out in the year it is awarded, while the deferred portion is paid in three parts over the following three years.

Deferred incentives help to further align employee compensation with UPP's long-term performance and our members' interests. Deferred incentives are adjusted up or down based on UPP's long-term investment performance as well as performance against key metrics, such as member service quality, strength of risk management, and progress against our responsible investing goals, including our portfolio GHG emissions reduction target. This ensures that decisions made in a given year take a long-term lens and promotes prudent risk-taking among our organization's senior leaders, all in our members' interest.

UPP granted the first deferred incentive awards in 2024, based on the 2023 fiscal year, and the first payout was completed in 2025.

Benefits and other rewards

UPP offers a comprehensive, wellness-focused insurance and benefits program that includes health and dental benefits (with extended paramedical, mental health, fertility, gender affirmation, and travel coverage), life insurance, disability, vacation, leave policies (including an eight-week "work from anywhere" program), an employee assistance program, and an education assistance framework. Employees also receive a defined benefit pension under the UPP Plan. Effective January 2026, UPP launched a Family Building Benefit, which reimburses expenses for adoption, fertility treatments, or surrogacy.

[Read more about this benefit on page 80.](#)

Market benchmarking

UPP's Total Rewards team leads our external benchmarking and brings a focused, competitive lens to our recruitment and talent strategies. The team monitors market data to ensure that roles are consistently benchmarked against comparable positions and that compensation stays competitive and in line with UPP's principled pay practices. The HCC and the Board also engaged an independent compensation advisor with pension-sector expertise to ensure market competitiveness and the reflection of best practices.

Compensation oversight

UPP's total rewards practices follow a formal governance process set by our Board of Trustees.

The HCC oversees and makes recommendations to UPP's compensation philosophy approach, policies, and programs, which are subject to the Board's final approval. Where appropriate, the HCC will also engage independent compensation advisors to support its review of Management's recommendations.

UPP's CEO and Chief Engagement and People Officer are responsible for overseeing the implementation of the compensation program and making recommendations on program design, base salary budgets, incentive awards, and executive pay to the HCC and Board.

The Board determines total compensation for the CEO and Executive Leadership team and approves the CEO's recommendation on total annual incentives for all other employees.

As the program evolves, we remain committed to building a rewarding and fulfilling environment for our people and delivering long-term value for all Plan members.

Executive compensation

As described above, executive compensation at UPP is determined by the Board of Trustees. The table to the right presents the 2025 compensation for UPP's Named Executive Officers: President and CEO, Chief Financial Officer, and the three other highest-paid executive officers.

Total incentive awards reflect a range of financial and non-financial performance measures that align UPP's strategic objectives, as outlined throughout this annual report.

At least every two years, UPP conducts an in-depth market comparison of executive compensation to ensure packages remain competitive, support organizational goals, and reflect governance best practices. This independent, third-party review benchmarks compensation against a defined peer group, with adjustments for size and scope. The results are reviewed and approved by the Board and the HCC.

The process applies rigorous evaluation criteria, considering factors such as organizational size, role scope, and evolving market trends.

2025 executive compensation

(\$thousands, annualized)	Base salary	Annual incentive	Deferred incentive (grant)	Total direct compensation	Deferred incentive (vested payout)	Other ³⁴	Total cash compensation	Benefits	Pension contribution ³⁵
	A	B	C	A+B+C	D	E	A+B+D+E	F	G
Barbara Zvan President and Chief Executive Officer	560.0	909.9	909.9	2379.8	355.2	475.0	2300.1	15.6	22.9
Aaron Bennett Chief Investment Officer	400.0	744.5	744.5	1889.0	248.7	-	1393.2	15.6	22.9
Christine Chen Chief Legal Officer	350.9	301.5	301.5	953.9	158.1	-	810.5	15.9	22.9
Karen Rowe Chief Financial Officer	343.0	300.9	300.9	944.8	128.0	-	771.9	15.6	22.9
Omo Akintan Chief Engagement and People Officer	310.0	272.1	272.1	854.2	129.6	-	711.7	15.6	22.9

2025 Board of Trustee remuneration

Trustee remuneration has remained unchanged since 2020.

(\$thousands)	
Chair	150
Trustee	50

Trustees are reimbursed for reasonable and necessary expenses incurred in carrying out UPP business. These reimbursements relate primarily to travel, meals, and accommodations pertaining to in-person attendance at UPP Board, committee, or similar meetings, or for relevant educational programs (e.g., the Institute of Corporate Directors program). For 2025, these expenses totalled \$71,166.

³⁴ The CEO's inaugural employment agreement included a deferred payment payable in two equal instalments. The first instalment was reflected in UPP's 2024 Annual Report. The second and final instalment is included in this year's executive compensation table.

³⁵ Changes in pension values are not included in total compensation.

PART SIX

Financial statements



Management's responsibility for financial reporting

The financial statements of University Pension Plan Ontario ("UPP") have been prepared by Management and approved by the Board of Trustees. Management is responsible for the preparation and fairness of the financial statements, which have been prepared in accordance with Canadian accounting standards for pension plans, as set out in the Chartered Professional Accountants of Canada Handbook Section 4600, Pension Plans. The financial statements also comply with the financial reporting requirements of the Pension Benefits Act (Ontario) and Regulations under this Act. For accounting policies that do not relate to its investments or pension obligations, the financial statements follow the requirements of IFRS Accounting Standards, as issued by the International Accounting Standards Board. To the extent that IFRS Accounting Standards in Part 1 is inconsistent with Section 4600, Section 4600 takes precedence. Where deemed appropriate, the financial statements include certain amounts based on Management's judgments and best estimates.

Systems of internal controls and procedures over financial reporting and disclosure controls have been designed and established to maintain proper records and safeguard the assets. These controls include appropriate segregation of responsibilities, an organizational Code of Conduct, and accountability policies and framework that outline delegated authorities at UPP. We report any significant deficiencies to the Audit and Finance Committee ("Committee") of the Board of Trustees of UPP.

The Committee assists the Board of Trustees in discharging its responsibility to approve the annual financial statements. The Committee meets regularly with Management and the External Auditor to discuss the scope and findings of audits and to satisfy itself that their responsibilities have been properly discharged.

The Committee reviews the annual financial statements and recommends them to the Board of Trustees for approval. UPP's External Auditor, PricewaterhouseCoopers LLP (the "External Auditor"), has conducted an independent audit of the financial statements in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to express an opinion in their independent auditor's report. The External Auditor has full and unrestricted access to Management and the Committee to discuss findings related to the integrity of UPP's financial reporting and the adequacy of internal control systems.



Barbara Zvan
Chief Executive Officer



Karen Rowe
Chief Financial Officer

May 22, 2026

Actuarial opinion

Eckler Ltd. (Eckler) was retained by the University Pension Plan Ontario Board of Trustees (the “Board”), as legal administrator of the plan, to perform an actuarial valuation of the going concern liabilities of the University Pension Plan Ontario (the “UPP”) as at January 1, 2026 for inclusion in UPP’s financial statements covering the period from January 1, 2025 to December 31, 2025 in accordance with Section 4600 of Part IV of the *Chartered Professional Accountants of Canada (CPA Canada) Handbook*.

The valuation of UPP’s actuarial liabilities was based on:

- UPP provisions in effect at December 31, 2025;
- membership data provided by UPP in December 2025, appropriately extrapolated to December 31, 2025;
- methods prescribed by Section 4600 of the CPA Canada Handbook for pension plan financial statements; and
- assumptions regarding future investment returns, inflation, salary growth and demographic experience, etc., as approved by the Board, in consultation with Eckler.

This valuation was undertaken for purposes of the Plan’s financial statements under Section 4600 of the CPA Canada Handbook and might not be suitable for other purposes. Any party reviewing these valuation results for other purposes should have their own actuary or other qualified professional assist in their review to ensure that the party understands the assumptions, results and uncertainties inherent in our estimates. It is our opinion that the assumptions and the methods employed in the valuation are appropriate for the purpose of the valuation.

We have reviewed the data used for the valuation and have performed tests of reasonableness and consistency, and it is our opinion that the membership data on which the valuation are based are sufficient and reliable for the purpose of the valuation.

The actuarial value of assets used for plan funding purposes was determined based on the financial information provided by UPP Management and the actuarial asset valuation methodology adopted by the Board.

We confirm that no significant events occurred during the reporting period. Since December 31, 2025, and as of the date of this report, there has been considerable volatility in global investment markets and macroeconomic uncertainty in connection with ongoing geopolitical risks. Any impact on the market value of Plan assets and the actuarial assumptions is not reflected in the valuation results and as such, the plan financial position shown in this report may be substantially different if those results were incorporated in our valuation. These effects will be revealed in future valuations.

Notwithstanding the foregoing opinion, emerging experience differing from the assumptions will result in gains or losses which will be revealed in future valuations.

Our valuation has been prepared, and our opinions given, in accordance with accepted actuarial practice in Canada.

Respectfully submitted,



Jill Wagman, Eckler Ltd.

Fellow, Canadian Institute of Actuaries



Jasenka Brcic, Eckler Ltd.

Fellow, Canadian Institute of Actuaries

May 22, 2026

Independent auditor's report

To the Trustees of University Pension Plan Ontario

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of University Pension Plan Ontario (the Plan) as at December 31, 2025 and 2024, and the changes in its net assets available for benefits and changes in its pension obligations for the years then ended in accordance with Canadian accounting standards for pension plans.

What we have audited

The Plan's financial statements comprise:

- the statements of financial position as at December 31, 2025 and 2024;
- the statements of changes in net assets available for benefits for the years then ended;
- the statements of changes in pension obligations for the years then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information. The other information comprises the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

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

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

Those charged with governance are responsible for overseeing the Plan's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Plan to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

PricewaterhouseCoopers LLP

**Chartered Professional Accountants,
Licensed Public Accountants**

Toronto, Ontario
May 22, 2026

Statement of Financial Position

As at December 31
(Canadian \$ in thousands)

	2025		2024	
Net Assets Available for Benefits				
Assets				
Investments (Note 4)	\$	14,870,122	\$	12,895,129
Investment-related assets (Note 4)		189,900		410,013
Contributions receivable:				
Employee		3,909		1,716
Employer		7,150		1,729
Other assets		39,206		37,261
Total Assets		15,110,287		13,345,848
Liabilities				
Accounts payable and accrued liabilities		53,865		46,292
Investment-related liabilities (Note 4)		1,547,854		536,684
Total Liabilities		1,601,719		582,976
Net Assets Available for Benefits		13,508,568		12,762,872
Accrued Pension Obligations and Surplus				
Accrued pension obligations (Note 7)		13,218,453		12,574,779
Surplus:				
Funding surplus		340,587		247,055
Actuarial value adjustment (Note 7)		(50,472)		(58,962)
Total Surplus		290,115		188,093
Accrued Pension Obligations and Surplus	\$	13,508,568	\$	12,762,872

See accompanying notes to financial statements.

On behalf of the Trustees:



Gale Rubenstein, Board of Trustees Chair

May 22, 2026

Statement of Changes in Net Assets Available for Benefits

Years ended December 31 (Canadian \$ in thousands)	2025		2024	
Changes due to Investment Activities				
Net investment income (loss) (Note 6)	\$	665,491	\$	1,195,493
Investment administrative expenses (Note 10)		(55,531)		(56,886)
Total Changes due to Investment Activities		609,960		1,138,607
Changes due to Pension Activities				
Transfer of assets from predecessor plans (Note 3)		285,698		-
Contributions (Note 8)		525,016		514,590
Benefit payments (Note 9)		(619,821)		(564,002)
Pension administrative expenses (Note 10)		(55,157)		(45,757)
Total Changes due to Pension Activities		135,736		(95,169)
Total Increase in Net Assets Available for Benefits		745,696		1,043,438
Net Assets Available for Benefits, Beginning of Year		12,762,872		11,719,434
Net Assets Available for Benefits, End of Year	\$	13,508,568	\$	12,762,872

See accompanying notes to financial statements.

Statement of Changes in Pension Obligations

Years ended December 31 (Canadian \$ in thousands)	2025		2024	
Increase in Pension Obligations:				
Transfer from predecessor plans (Note 3)	\$	287,720	\$	-
Current service costs		508,110		473,422
Interest on accrued benefits		698,125		649,856
Changes in actuarial assumptions		(261,709)		(850)
Past service buybacks		5,987		5,531
Net experience losses		25,262		44,330
Total Increase		1,263,495		1,172,289
Decrease in Pension Obligations				
Benefit payments (Note 9)		619,821		564,002
Net Increase in Pension Obligations		643,674		608,287
Pension Obligations, Beginning of Year		12,574,779		11,966,492
Pension Obligations, End of Year	\$	13,218,453	\$	12,574,779

See accompanying notes to financial statements.

Notes to the financial statements

Amounts are in thousands of Canadian dollars except where otherwise noted.

1. Description of the Plan

(a) General

The University Pension Plan Ontario (UPP or the Plan) and the Trust Fund (the Fund) were established on January 1, 2020, pursuant to a Sponsors' Agreement between the Employee Sponsor (made up of the Faculty Associations and the Non-Faculty Unions that sponsor and participate in the Plan acting through their Employee Sponsor Committee) and the Employer Sponsor (made up of the Universities that sponsor and participate in the Plan, acting through their Employer Sponsor Committee) and a Trust Agreement between the Employee Sponsor, the Employer Sponsor and the Board of Trustees as the legal administrator of the new jointly sponsored pension plan.

As a trust, without separate legal personality, UPP must act through its Board of Trustees, who take all actions and enter all contracts in their capacity as Trustees. The Board of Trustees is comprised of 14 individuals including an independent Chair and was established as plan administrator through the Trust Agreement between the joint sponsors officially constituted on January 1, 2020.

Member universities that have transitioned their existing single employer pension plans (collectively the Predecessor Plans) to UPP include the following:

- On July 1, 2021, the net assets and pension obligations of the Revised Pension Plan of Queen's University, the University of Toronto Pension Plan, Pension Plan for Professional Staff of University of Guelph, the Pension Plan for Non-Professional Staff of University of Guelph, and the Retirement Plan of University of Guelph were transferred to UPP.
- On January 1, 2022, the net assets and pension obligations of the Contributory Pension Plan of Trent University Faculty Association were transferred to UPP.

- On January 1, 2022, the staff of the University of Guelph and University of Toronto faculty associations and eligible UPP employees joined UPP. These are new pension plans with no net assets or pension obligations transferred.
- On January 1, 2025, the net assets and pension obligations of the Contributory Pension Plan for Employees Represented by OPSEU Local 365 and Exempt Administrative Staff of Trent University (Trent Staff Plan) and the Victoria University General Pension Plan (Victoria University Plan) were transferred to UPP.

The Plan is registered provincially under the Pension Benefits Act Ontario (PBA), with the Financial Services Regulatory Authority of Ontario (FSRA), and federally under the Income Tax Act (Canada) with the Canada Revenue Agency under registration number 1357243.

The Plan is a registered pension plan as defined in the Income Tax Act and is not subject to income tax in Canada. The Plan may be subject to tax on income earned in other jurisdictions.

The following is a summary description of the Plan. For more complete information, reference should be made to the Plan text.

(b) Funding

Plan benefits are funded by member and employer contributions and investment income. The determination of the Plan's funded status and contribution requirements to fund regular benefits and any deficits are made on the basis of periodic actuarial valuations.

Funding policy

Establishing and amending the Funding Policy is the responsibility of UPP's Joint Sponsors (comprised of the Employee Sponsor and Employer Sponsor) and is reviewed at least annually. Pension benefits for pensionable service accrued under each participating university's

single employer pension plan and transferred to UPP are referred to as pre-conversion date benefits. Pension benefits for future service under the UPP on and after the conversion date are referred to as post-conversion date benefits. The Funding Policy outlines the funding of pre-conversion date benefits (past service funding) and the funding of post-conversion date benefits (future service funding).

The contribution rate required to fund future service benefits under the UPP will be shared 50/50 between participating universities and employees. In addition, contributions to fund deficits in respect of UPP future service benefits will be shared 50/50 between the participating universities and employees.

Past service funding remains the full responsibility of the participating universities for the 10-year period following the conversion date. For years 11 to 20 after the conversion date, responsibility for losses and allocation of gains in respect of past service funding transitions from 100% to the participating universities to 100% to the UPP, with UPP then sharing the allocated portion 50/50 between the participating universities and employees. After 20 years, past service funding is the responsibility of the UPP and shared 50/50 between the participating universities and employees.

(c) Contributions

Each member shall contribute to the Plan by payroll deductions each Plan Year. Members contribute 9.2% of pensionable earnings up to the Year's Additional Maximum Pensionable Earnings (YAMPE) and 11.5% of pensionable earnings above the YAMPE up to the maximum pensionable earnings for contributions. Contributions made by members of the Plan are matched 100% by their employers.

For service before January 1, 2025, contributions were based on the Year's Maximum Pensionable Earnings (YMPE) using the same contribution rates. The YAMPE replaced the YMPE effective January 1, 2025.

(d) Retirement Pensions

Under the Plan, active members have two parts to their pensions. The first part is brought in from the pension plan they were previously participating in before they joined UPP, which is called pre-conversion

service. In this first part, members keep the pensions they've earned based on the prior plan's benefit formula for service to the transfer date. The pre-conversion service does not change going forward; however, the pre-conversion pensions can increase as members' future earnings increase.

The second part is for service on and after transfer date, which is called post-conversion service or UPP service. All active members from any prior plan can only earn UPP service on and after the transfer date. UPP pensions are determined in accordance with the Plan text using a formula that considers a member's best average earnings as the highest 48 months of pensionable earnings up to a maximum limit under the Income Tax Act, the applicable federal earnings thresholds, and years of pensionable service.

For pensionable service earned before January 1, 2025, benefits are determined using the average Year's Maximum Pensionable Earnings (YMPE). For pensionable service earned on and after January 1, 2025, benefits are determined using the average Year's Additional Maximum Pensionable Earnings (YAMPE).

A member is eligible for a reduced retirement pension from age 55. An unreduced retirement pension is available from age 65 or on and after age 60 if the sum of a member's age and qualifying service equals at least 80 at such pension commencement date.

(e) Inflation Protection

Inflation protection is designed to increase the amount of a pensioner's monthly pension to maintain purchasing power.

Under UPP, pensioners receive pre-conversion inflation protection based on the prior plan's indexing formula which varies by each plan joining UPP. For post-conversion service, UPP's target funded conditional indexation is 75% of the increase in Consumer Price Index for Canada. The funded conditional indexing is subject to the Plan's funded status and terms of the Funding Policy and is not guaranteed at this level except during the first 7 years of the Plan for UPP service up to and including January 1, 2028.

(f) Death Benefits

Death benefits are available on the death of an active member, deferred vested member, or retired member. For retirees, the survivor benefit depends on the guarantee period and/or survivor pension elected at time of retirement. In general, the benefit may take the form of a lump-sum payment, an immediate pension, or deferred pension to the surviving spouse.

(g) Disability Pensions

A member who becomes disabled shall continue to accrue pensionable service until the earliest that the member is no longer disabled, the member retires after reaching their earliest retirement date, or the member passes away. While a member is disabled, employer

contributions will fund both employer and member contributions, provided a member satisfies the Plan's definition of disability.

(h) Termination Benefits

Members who terminate employment may be entitled to receive a deferred pension based on their pre-conversion service and UPP service. They may also opt to transfer the commuted value of the benefit from UPP to another pension plan or registered retirement vehicle, subject to locking-in provisions and applicable age restrictions.

(i) Transfers

Members who join the Plan may be eligible to transfer their entitlement from another registered pension plan, provided the transfer meets all eligibility requirements.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

These financial statements have been prepared by management in accordance with Canadian accounting standards for Pension Plans, as set out in Part IV of the Chartered Professional Accountants of Canada Handbook Section 4600 – Pension Plans (Section 4600). The recognition and measurement of UPP's assets and liabilities, inclusive of pension obligations, are consistent with the requirements of Section 4600.

For accounting policies that do not relate to its investments or pension obligations, the financial statements follow the requirements of IFRS Accounting Standards in Part I of the Chartered Professional Accountants of Canada Handbook, as issued by the International Accounting Standards Board. To the extent that IFRS Accounting Standards are inconsistent with Section 4600, Section 4600 takes precedence. The financial statements also include disclosures required by Regulation 909 of the PBA and are presented in Canadian dollars, which is the Plan's functional currency.

(b) Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities

at the date of the Statement of Changes in Net Assets Available for Benefits and the reported amounts of changes in net assets available for benefits during the year. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

Measurement uncertainty exists in the valuation of the pension obligations of the Plan and the Plan's Level 3 investments. Measurement uncertainty arises because:

- the Plan's actual experience may differ, perhaps significantly, from assumptions used in the valuation of the pension obligations of the Plan; and
- the estimated fair values of the Plan's Level 3 investments (this term is defined in Note 4 Investments), where the valuation inputs for assets and liabilities are not based on observable market data, may differ significantly from the values that would have been used had an active market existed for these investments.

While best estimates have been used in the valuation of the pension obligations of the Plan and the Plan's Level 3 investments, management considers that it is possible, based on existing knowledge, that changes in future conditions in the short-term could require a material change in the recognized amounts.

Differences between actual results and expectations in the pension obligations of the Plan are recorded in changes in actuarial assumptions, experience gains and experience losses in the Statement of Changes in Pension Obligations in the year when actual results are known.

Differences between the estimated fair values and the amounts ultimately realized for investments are included in net investment income (loss) in the year when the ultimate realizable values are known. The Plan is exposed to a variety of financial risks as a result of its investment activities which are described in Note 5 – Financial Risk Management.

(c) Related Party Transactions

The Board of Trustees, management, subsidiaries, and employers that have joined the Plan are considered related parties according to Section 4600. All transactions were conducted in the ordinary course of business and at arm's length terms, consistent with those applied to unrelated third parties.

(d) Foreign Currency Translation

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing on the year-end date. Income and expenses are translated into Canadian dollars at the exchange rates prevailing on the dates of the transactions. The realized and unrealized gains and losses arising from these translations are included within net realized and unrealized gain (loss) on investments in net investment income (loss).

(e) Net Investment Income (Loss)

Investment income (loss) is recorded on an accrual basis and includes interest, dividend, and distribution income from investments. Realized gains and losses on the disposal of investments and unrealized gains and losses on the fair value of investments are recognized in net investment income (loss). Realized gains and losses represent the

difference between proceeds on disposal and cost. Unrealized gains and losses represent the changes in the difference between the fair value and cost of the investment held.

(f) Transaction Costs

Transaction costs include incremental costs directly attributable to the acquisition, issue or disposal of investment assets or liabilities. These costs are expensed in the period on an accrual basis and reported as a component of net investment income (loss).

(g) Management Fees

Management fees for external investment managers are recognized in external manager fees reported in net investment income (loss) as incurred in Note 6 – Net Investment Income (Loss). For certain investments, where the investment return is net of fees and are not separately invoiced, the external manager fees and performance fees are offset directly to net investment income (loss).

(h) Financial Assets and Financial Liabilities

i) Financial Assets

Financial assets are recognized initially on the trade date, which is the date that the Plan becomes a party to the contractual provisions of the instrument. Certain investments are invested through master trusts that are 100% owned by UPP.

Investment assets are measured at fair value. The change between the fair value of investments at the beginning and end of each year is recognized as unrealized gains or losses included in net investment income (loss) in the Statement of Changes in Net Assets Available for Benefits.

All non-investment financial assets are subsequently measured at amortized cost.

The Plan derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Plan neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the average cost of the asset and consideration received is recognized as a net realized gain or loss on sale of investments included in net investment income (loss) in the Statement of Changes in Net Assets Available for Benefits.

ii) Financial Liabilities

All financial liabilities are measured at fair value and recognized initially on the trade date at which the Plan becomes a party to the contractual provisions of the instrument.

The Plan derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired.

All non-investment financial liabilities are subsequently measured at amortized cost.

iii) Derivative Financial Instruments

Derivative financial instruments are financial contracts where the value is determined based on changes in prices of the underlying assets, interest rates, foreign exchange rates or indices. The fair values of derivative assets and derivative liabilities are presented in investment-related assets and investment-related liabilities, respectively, in the Statement of Financial Position. The changes in fair value of these instruments are recognized in net investment income (loss) in the Statement of Changes in Net Assets Available for Benefits.

iv) Pending Trades

Pending trades include accrued receivables and payables from unsettled transactions. The fair values of amounts receivable and payable from pending trades approximate their carrying amounts due to their short-term nature.

v) Investment Receivables and Investment Payables

Investment receivables and investment payables arise in the normal course of investing activities and are primarily related to unsettled investment transactions and amounts due to or from counterparties. Due to their short-term nature, the carrying amounts of investment receivables and investment payables approximate their fair values.

vi) Securities Lending

The Plan may enter into securities lending transactions. These securities lending activities are fully collateralized by securities. Securities on loan continue to be recognized as investments in UPP's Statement of Financial Position. Collateral received in the form of securities is not recognized as the risk and rewards of ownership do not transfer. Lending fees earned by the Plan on these transactions are included in net investment income (loss).

The securities loaned and related collateral received by the Plan is disclosed in Note 5 – Financial Risk Management section c) Credit Risk and section d) Collateral Pledged and Received.

vii) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In determining fair value, the Plan follows the guidance in IFRS 13, Fair Value Measurement (IFRS 13). As allowed under IFRS 13, if an asset or a liability measured at fair value has a bid and an ask price, the price within the bid-ask spread that is the most representative of fair value in the circumstances shall be used to measure fair value. The Plan uses closing market price as a practical expedient for fair value measurement.

When available, the Plan measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, then the Plan establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e., the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets.

All changes in fair value are recognized in the Statement of Changes in Net Assets Available for Benefits as part of net investment income (loss).

Fair values are determined as follows:

- Cash and short-term investments are valued based on cost plus accrued interest, which approximates fair value. Cash includes cash balances held with investment managers.
- Money market funds, bonds and publicly traded equities are valued based on closing quoted market prices.
- Investments in pooled funds (other than private investment interests and hedge funds) are valued at their net asset value per unit supplied by the pooled fund manager, who is directly investing the funds in the underlying operating units. The net asset value is determined using quoted market prices or alternative valuation methods where quoted market prices are not available.
- Hedge funds fair value is based on the net asset values as reported by the hedge fund managers.
- Investments in private debt, private equity, infrastructure and real estate include investments held through ownership in limited partnership funds, and co-investments with limited partnership funds. Investments in limited partnership funds and co-investments are recognized at fair values using amounts supplied by the fund managers. The fund managers use a valuation methodology that is based upon the best available information that may incorporate assumptions and best estimates after considering a variety of internal and external factors. As the Plan relies on valuations provided by external fund managers, it performs due diligence on the valuation governance and controls of those managers and, performs additional analysis and adjusts to fair value

where appropriate. In the year of acquisition, cost is used as an approximation for fair value, unless there is evidence of a significant change in value.

- Investments in derivative financial instruments, including forwards, futures, bond and equity return swaps, are valued using year-end quoted market prices.
- Repurchase agreements are transactions where UPP sells securities and simultaneously agrees to buy them back at a specified price at a future date. Repurchase agreements are carried at cost, which together with accrued interest approximates fair value due to their short-term nature.

(i) Other Assets

Other assets include miscellaneous receivables and prepaid expenses, valued at cost, approximating fair value. A right-of-use asset, also included in other assets, was initially measured at cost and subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

(j) Accrued Pension Obligations

Pension obligations are determined based on the results of an actuarial valuation prepared by an independent firm of actuaries and these results are summarized using an actuarial valuation report prepared for funding purposes. This valuation uses the projected benefits method pro-rated on service for actuarial cost and various economic and demographic assumptions. All assumptions are set by management and approved by the Board of Trustees with the concurrence of the Plan's independent actuaries, and each assumption, except for the discount rate, is typically best estimate but may include a margin for conservatism. The discount rate is a risk adjusted long-term rate of return on the pension fund reflecting its long-term asset mix.

(k) Actuarial Value Adjustment

The actuarial value of net assets for the Plan is used to assess the funded position of the Plan. The actuarial value adjustment is applied to the fair value of net assets available for benefits to arrive at the actuarial values of net assets. The actuarial adjustment represents a portion of the Plan's unrecognized cumulative investment gains or

losses (above or below the actuarial smoothing rate) over a five-year period. The actuarial value adjustment cannot exceed 15% of the fair value of net assets.

(l) Contributions

Contributions from the members and employers of the Plan as at the end of the year are recorded on an accrual basis.

(m) Sales Taxes

Non-refundable sales taxes are recognized as administrative expenses. Refundable amounts are recognized as a recoverable amount from tax authorities and recoveries are netted against the respective investments that they pertain to.

(n) Future Changes to Accounting Standards

There were no adoptions of newly issued standards, amendments to existing standards or new interpretations during the year ended December 31, 2025 that had a material impact on the Financial Statements.

In 2024, the International Accounting Standards Board issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements. The standard is effective for annual reporting periods beginning on or after January 1, 2027 and is to be applied retrospectively, with early adoption permitted. Management is currently assessing the impact of adopting IFRS 18 on the Financial Statements.

During 2025, an amendment was issued to Section 4600 that provides additional disclosure requirements related to the fair value measurement of the investment portfolio, interests in investment vehicles and investment expenses. The amendment is effective for annual reporting periods beginning on or after January 1, 2027 and is to be applied retrospectively, with early adoption permitted. Management is currently assessing the impact of the amendment on the Financial Statements.

3. Transfer from Predecessor Plans

On August 27, 2024, FSRA consented to the conversion of the Contributory Pension Plan for Employees Represented by OPSEU Local 365 and Exempt Administration Staff of Trent University from a single employer pension plan to a jointly sponsored pension plan, effective January 1, 2025, through the transfer of assets and liabilities of the plan to UPP, pursuant to s.80.4 of the Pension Benefits Act (Ontario) and Conversions and Transfers, regulation 311/15. Pension benefits are accrued in accordance with the Plan's text.

On October 9, 2024, FSRA consented to the conversion of the Victoria University General Pension Plan from a single employer pension plan to a jointly sponsored pension plan, effective January 1, 2025, through the transfer of assets and liabilities of the plan to UPP, pursuant to s.80.4 of the Pension Benefits Act (Ontario) and Conversions and Transfers, regulation 311/15. Pension benefits are accrued in accordance with the Plan's text.

The transferred net assets and corresponding pension obligation are summarized in the table below:

(\$ thousands)	January 1, 2025	
Net Assets Transferred from Predecessor Plans		
Contributory Pension Plan for the Trent Staff Plan	\$	198,465
Victoria University General Pension Plan		87,233
Total Net Assets Available for Benefits	\$	285,698
Total Pension Obligations¹	\$	287,720

¹ The total pension obligation was measured at a 5.45% discount rate as of January 1, 2025.

4. Investments

(a) Investments by Fair Value and Cost:

The following table summarizes these investments at both their fair value and cost as at December 31:

(\$ thousands)	2025		2024	
	Fair Value	Cost	Fair Value	Cost
Cash and Short-Term Money Market¹	\$ 778,076	\$ 776,619	\$ 786,039	\$ 783,117
Fixed Income				
Canadian bonds	5,560,944	5,839,504	4,324,339	4,358,743
Bond funds	119,699	108,432	59,248	58,386
Public Equity				
Canadian equity	174,205	124,584	131,341	104,246
Non-Canadian equity	2,419,139	2,204,851	1,165,600	1,137,574
Equity funds	1,795,077	1,372,127	2,957,301	2,168,940
Hedge Funds	1,473,144	798,637	1,156,767	586,332
Private Debt³	565,470	431,916	652,331	439,461
Private Equity	651,462	526,793	687,806	537,681
Infrastructure	996,917	745,896	664,029	560,425
Real Estate	335,989	371,422	310,328	337,585
Total Investments not including Investment-related Assets and Liabilities	14,870,122	13,300,781	12,895,129	11,072,490
Investment-related Assets				
Derivatives (Note 4d)	44,332	-	243	-
Pending trades ²	91,721	91,713	402,448	402,276
Investment receivables ^{1, 2}	53,847	52,615	7,322	5,398
Total Investment-related Assets	189,900	144,328	410,013	407,674
Investment-related Liabilities				
Derivatives (Note 4d)	(3,260)	-	(101,272)	-
Pending trades	(980)	(980)	(114,126)	(114,126)
Repurchase agreements	(1,502,654)	(1,493,983)	(316,997)	(315,662)
Investment payables ¹	(40,960)	(40,958)	(4,289)	(4,288)
Total Investment-related Liabilities	(1,547,854)	(1,535,921)	(536,684)	(434,076)
Total Investments including Investment-related Assets and Liabilities	\$ 13,512,168	\$ 11,909,188	\$ 12,768,458	\$ 11,046,088

Certain comparative amounts have been reclassified to conform with the current year presentation.

¹ The 2024 previously reported amounts for Cash and Short-Term Money Market with a fair value of \$2,544 were reclassified to Investment-related Assets: investment receivables of \$1,735 and Investment-related Liabilities: investment payables of \$(4,289).

² The 2024 previously reported amounts for Investment-related Assets: pending trades of \$5,587 were reclassified to Investment-related Assets: investment receivables.

³ The 2024 previously reported amounts for bond funds with a fair value of \$661 were reclassified to Private Debt.

Total Investments, including Investment-related Assets and Liabilities, include investments held within master trust structures. The fair value of assets held within master trust structures are \$2,774,051 (2024: \$3,615,068) and the unit values of the master trusts have a cost of \$1,808,292 (2024: \$2,310,250). The Plan holds 100% of the units in master trust structures.

(b) Investment Fair Value Hierarchy:

Determination of fair values of investments, derivatives, and repurchase agreements are as described in Note 2.

Fair value measurements recognized in the Statement of Net Assets Available for Benefits are categorized using a fair value hierarchy, which reflects the significance of inputs used in determining the fair values.

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities; primarily includes publicly listed equity instruments;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable by market participants either directly through quoted prices for similar but not identical assets or indirectly through observable market information used in valuation models; and
- Level 3 – inputs for assets and liabilities that are not based on observable market data.

The following table illustrates the classification of the Plan's assets and liabilities recognized at fair value as at December 31, 2025:

(\$ thousands)	2025			
	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Total
Cash and Short-Term Money Market	\$ 163,299	\$ 614,777	\$ -	\$ 778,076
Fixed Income				
Canadian bonds	-	5,560,944	-	5,560,944
Bond funds	-	119,699	-	119,699
Public Equity				
Canadian equity	174,205	-	-	174,205
Non-Canadian equity	2,419,139	-	-	2,419,139
Equity funds	-	1,786,012	9,065	1,795,077
Hedge Funds	-	1,471,533	1,611	1,473,144
Private Debt²	-	-	565,470	565,470
Private Equity	-	-	651,462	651,462
Infrastructure	-	-	996,917	996,917
Real Estate	-	-	335,989	335,989
Total Investments not including Investment-related Assets and Liabilities	2,756,643	9,552,965	2,560,514	14,870,122
Investment-related Assets				
Derivatives	19	44,313	-	44,332
Pending trades	91,104	617	-	91,721
Investment receivables	53,847	-	-	53,847
Total Investment-related Assets	144,970	44,930	-	189,900
Investment-related Liabilities				
Derivatives	-	(3,260)	-	(3,260)
Pending trades	(980)	-	-	(980)
Repurchase agreements	-	(1,502,654)	-	(1,502,654)
Investment payables	(40,960)	-	-	(40,960)
Total Investment-related Liabilities	(41,940)	(1,505,914)	-	(1,547,854)
Total Investments including Investment-related Assets and Liabilities	\$ 2,859,673	\$ 8,091,981	\$ 2,560,514	\$ 13,512,168

The following table illustrates the classification of the Plan's assets and liabilities recognized at fair value as at December 31, 2024:

(\$ thousands)	2024			
	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Total
Cash and Short-Term Money Market¹	\$ 72,858	\$ 713,181	\$ -	\$ 786,039
Fixed Income				
Canadian bonds	-	4,324,339	-	4,324,339
Bond funds	-	59,248	-	59,248
Public Equity				
Canadian equity	131,341	-	-	131,341
Non-Canadian equity	1,165,600	-	-	1,165,600
Equity funds	-	2,945,459	11,842	2,957,301
Hedge Funds	-	1,154,877	1,890	1,156,767
Private Debt³	-	-	652,331	652,331
Private Equity	-	-	687,806	687,806
Infrastructure	-	-	664,029	664,029
Real Estate	-	-	310,328	310,328
Total Investments not including Investment-related Assets and Liabilities	1,369,799	9,197,104	2,328,226	12,895,129
Investment-related Assets				
Derivatives	-	243	-	243
Pending trades ²	796	401,652	-	402,448
Investment receivables ^{1,2}	1,735	5,587	-	7,322
Total Investment-related Assets	2,531	407,482	-	410,013
Investment-related Liabilities				
Derivatives	-	(101,272)	-	(101,272)
Pending trades	(43)	(114,083)	-	(114,126)
Repurchase agreements	-	(316,997)	-	(316,997)
Investment payables ¹	(4,289)	-	-	(4,289)
Total Investment-related Liabilities	(4,332)	(532,352)	-	(536,684)
Total Investments including Investment-related Assets and Liabilities	\$ 1,367,998	\$ 9,072,234	\$ 2,328,226	\$ 12,768,458

Certain comparative amounts have been reclassified to conform with the current year presentation.

¹ The 2024 previously reported amounts for Cash and Short-Term Money Market with a fair value of \$2,544 were reclassified to Investment-related Assets: investment receivables of \$1,735 and Investment-related Liabilities: investment payables of \$(4,289).

² The 2024 previously reported amounts for Investment-related Assets: pending trades of \$5,587 were reclassified to Investment-related Assets: investment receivables.

³ The 2024 previously reported amounts for bond funds with a fair value of \$661 were reclassified to Private Debt.

The following table reconciles the Plan's Level 3 fair value measurements on December 31:

(\$ thousands)	Fair Value December 31, 2024	Gain (Loss) included in Net Investment Income (Loss) ¹	Purchases	Sales and Return of Capital	Fair Value December 31, 2025
Equity and hedge funds	\$ 13,732	\$ 39	\$ 354	\$ (3,449)	\$ 10,676
Private debt	652,331	(79,919)	98,981	(105,923)	565,470
Private equity	687,806	(29,670)	50,079	(56,753)	651,462
Infrastructure	664,029	147,417	229,270	(43,799)	996,917
Real estate	310,328	(18,156)	79,411	(35,594)	335,989
Total	\$ 2,328,226	\$ 19,711	\$ 458,095	\$ (245,518)	\$ 2,560,514

(\$ thousands)	Fair Value December 31, 2023	Gain (Loss) included in Net Investment Income (Loss) ¹	Purchases	Sales and Return of Capital	Fair Value December 31, 2024
Equity and hedge funds	\$ 22,483	\$ 2,073	\$ -	\$ (10,824)	\$ 13,732
Private debt ²	616,467	74,945	137,445	(176,526)	652,331
Private equity	652,498	(3,056)	62,508	(24,144)	687,806
Infrastructure	393,040	99,718	338,948	(167,677)	664,029
Real estate	415,934	(28,274)	53,457	(130,789)	310,328
Total	\$ 2,100,422	\$ 145,406	\$ 592,358	\$ (509,960)	\$ 2,328,226

¹ Includes net realized loss of \$(14,355) (2024: gain of \$8,599) and net unrealized gain of \$34,066 (2024: \$136,807).

² The 2024 previously reported amounts for bond funds with a fair value of \$661 were reclassified to private debt.

For the years ended December 31, 2025, and 2024 there were no transfers in nor out of Level 3.

Sensitivity to changes in assumptions for Level 3 investments

The fair values of Level 3 investments are provided by external parties, or held at cost in the year of acquisition. Sensitivity to changes in assumptions are not provided for these investments as the fair values are based on information provided by external parties where the Plan has a lack of information rights over assumptions and methodologies used to determine the fair values.

(c) Significant Investments

The following information is provided in respect of individual investments with a cost or fair value in excess of 1% of the cost or fair value of the Plan, as at December 31:

(\$ thousands)	2025				2024			
	Number of Investments	Fair Value	Cost	Number of Investments	Fair Value	Cost		
Canadian bonds	12	\$ 3,137,291	\$ 3,304,346	7	\$ 1,621,156	\$ 1,641,728		
Equity funds	5	1,622,478	1,252,846	8	2,796,774	2,016,563		
Hedge funds	4	977,976	409,279	4	870,050	409,279		
Infrastructure	1	204,065	187,521	1	197,338	172,496		

The individual investments with a fair value or cost exceeding 1% of the fair value or cost of the Plan as at December 31, 2025, are as follows:

Canadian bonds – Government of Canada

Equity Funds – Ashmere LP, Arrowstreet (Canada) Global All-Country Alpha Extension Fund I, Impactive Capital Fund LP, MW CCF WORLD TOPS 150/50 FUND II and Orbis Institutional Global Equity L.P.

Hedge funds – AQR Alternative Trends Fund, L.P., Arrowstreet Capital Global Equity Long/Short Fund (Feeder) Limited., MW TOPS Composite Fund and Whitebox Multi-Strategy Partners, L.P.

Infrastructure – DigitalBridge Strategic Assets Fund, LP

(d) Derivatives

Derivatives are financial contracts, where the value is derived from the underlying indices, or foreign exchange rates. The Plan utilizes such contracts to enhance investment returns and for managing exposure to interest rate and foreign currency volatility. Derivative contracts include:

i) Foreign Exchange Forward Contracts:

Forward contracts are contractual obligations either to buy or to sell a specified amount of foreign currencies at predetermined future dates and prices.

Forwards are contractual customized contracts transacted in the over-the-counter (OTC) market between two parties to exchange a notional amount of one currency for another at a specified price for settlement at a future date. UPP utilizes foreign exchange forward contracts to modify currency exposure for both economic hedging and active currency management.

ii) Bond and Equity Swap Contracts:

A bond/equity swap is a contractual agreement between two parties to provide the investment return on a referenced asset. The receiver of the total return on the asset pays a fixed or floating rate of interest to the payor of the asset total return. UPP utilizes bond/equity swaps to promote asset risk diversification.

iii) Futures Contracts:

Futures are standardized contracts traded on regulated futures exchanges and are subject to daily cash settlement of changes in fair value. Futures contracts include equity index futures.

At December 31, the Plan had the following derivative contracts outstanding. The notional amounts represent the economic exposure and are the contractual amounts to which a rate or price is applied for computing the cash flows to be exchanged. The notional amounts do not necessarily represent the amount of potential market risk or credit risk arising from derivatives.

	2025		
(\$ thousands)	Notional Value	Fair Value Assets	Fair Value Liabilities
Interest Rate Contracts			
Bond swap contracts	\$ 110,081	\$ -	\$ (2,727)
Equity Contracts			
Equity index futures	1,663	19	-
Foreign Exchange Forward Contracts	3,152,101	44,313	(533)
Total	\$ 3,263,845	\$ 44,332	\$ (3,260)

	2024		
(\$ thousands)	Notional Value	Fair Value Assets	Fair Value Liabilities
Interest Rate Contracts			
Bond swap contracts	\$ 1,196,063	\$ -	\$ (41,643)
Foreign Exchange Forward Contracts	2,371,316	243	(59,629)
Total	\$ 3,567,379	\$ 243	\$ (101,272)

5. Financial Risk Management

The Plan is exposed to a variety of financial risks as a result of its investment activities and has formal policies and procedures that govern the management of market, credit, foreign currency, and liquidity risk.

(a) Market Price Risk:

Market price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. As all the Plan's financial instruments are carried at fair value with fair value changes recognized in the Statement of Changes in Net Assets Available for Benefits, changes in market prices such as foreign exchange rates, interest rates, equity prices, commodity prices, credit spreads and other price inputs will directly result in an increase (decrease) in net assets. Market price risk is managed by the Plan through construction of a diversified portfolio of assets traded on global markets and across various industries.

The Plan's investments in equities are also sensitive to market fluctuations. An immediate hypothetical increase (decrease) of 10% in equity values will impact the Plan's equity investments by an approximate unrealized gain (loss) of \$460,575 (2024: \$466,571).

The following are other key components of market price risk:

i) Foreign Currency Risk:

Foreign currency risk is the risk that the value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange

rates. The Plan is exposed to risk that the exchange rates of the various currencies may change in a manner that has an adverse effect on the value of the portion of the Plan's assets or liabilities denominated in currencies other than the Canadian dollar. In accordance with the Plan's Statement of Investment Policies and Procedures, foreign currency hedging may be employed for certain non-Canadian currency exposures to mitigate this volatility. Net investments by currency after the impact of currency hedging as at December 31 are as follows:

(\$ thousands)	2025		2024	
		Net Exposure		Net Exposure
Canadian Dollar	\$	8,724,232	\$	9,041,891
Foreign Currency Exposure				
United States dollar		4,406,430		3,466,092
Other		381,506		260,475
Total	\$	13,512,168	\$	12,768,458

The impact of a 5% absolute change in the Canadian dollar against the United States dollar currency exposure, holding all other variables constant would have resulted in a \$220,322 (2024: \$173,305) change in net assets available for benefits.

ii) Interest Rate Risk:

Interest rate risk refers to the effect on the fair value of the Plan's assets and liabilities due to fluctuations in interest rates. This risk arises from changes in floating interest rates impacting investment income (loss) or changes in fixed income securities held directly by the Plan that increase or decrease unrealized gains or losses.

As at December 31, 2025, for every 1% increase or decrease in prevailing market interest rates, the fair value of the direct fixed income holdings in the Plan would decrease or increase by approximately \$(889,910) (2024: \$(835,150)) and \$1,115,412 (2024: \$1,041,360), respectively.

(b) Liquidity Risk:

Liquidity risk is defined as an inability to meet payment obligations in a timely manner when they become due, and the risk that assets may not be in the form required (e.g., converted into cash when needed). Liquidity exposures are created when derivatives and other financial instruments are used in the management of Statement of Financial Position exposures. Since the liquidity risk from these exposures is triggered by market volatility outside of UPP's control, these exposures are closely monitored and managed. Various other investment activities create demand for liquidity such as capital calls as well as operational aspects.

UPP's liquidity management approach is to ensure UPP has sufficient liquidity to meet its expected and unexpected obligations in normal and stressed market conditions, while preserving its desired asset mix exposure. UPP accesses liquidity through two categories of assets. Highly liquid assets are comprised of cash and short-term money market investments and liquid assets which include passively managed funds, consisting of certain investments in fixed income and public equities. UPP may use repurchase agreements, derivative contracts and securities lending arrangements to gain additional investment exposures. The use of these instruments increases UPP's collateral demands and liquidity risk.

As at December 31, 2025, UPP maintained \$8,455,536 (2024: \$7,095,931) in highly liquid and liquid assets. The remaining terms to contractual maturity of UPP's derivative and non-derivative liabilities as at December 31 are presented in the table below.

(\$ thousands)	2025							
	Within 1 year		1-5 years		Over 5 years		Total	
Accounts payable and accrued liabilities	\$	44,144	\$	5,422	\$	7,750	\$	57,316
Derivative contracts		3,260		-		-		3,260
Pending trades		980		-		-		980
Repurchase agreements		1,510,872		-		-		1,510,872
Investment payables		40,960		-		-		40,960
Total	\$	1,600,216	\$	5,422	\$	7,750	\$	1,613,388

(\$ thousands)	2024							
	Within 1 year		1-5 years		Over 5 years		Total	
Accounts payable and accrued liabilities	\$	35,866	\$	5,393	\$	9,106	\$	50,365
Derivative contracts		101,272		-		-		101,272
Pending trades		114,126		-		-		114,126
Repurchase agreements		319,669		-		-		319,669
Investment payables ¹		4,289		-		-		4,289
Total	\$	575,222	\$	5,393	\$	9,106	\$	589,721

¹This represents the reclassification from Cash and Short-Term Money Market investments to Investment-related Liabilities: investment payables.

(c) Credit Risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Plan.

Credit risk within short-term money market investments is managed through the Plan's internal framework, which establishes a minimum credit quality for issuers and mitigates risk by diversifying across different issuers. Under this framework, short-term money market investments are required to have a rating at or above R-1 from a minimum of two recognized credit rating agencies at the time of purchase. The fair value of short-term money market investments held as at December 31, 2025 is \$614,777 (2024: \$713,158).

The Plan's credit risk exposure is primarily in Canadian bonds, which are diversified among federal, provincial, corporate, and other issuers. Additionally, there is credit risk exposure to counterparties for the Plan's derivative contracts. There were no significant concentrations of credit risk in the portfolio in 2025 or 2024.

Credit ratings issued by S&P Global, Fitch, DBRS and Moody's rating agencies are regularly monitored and analyzed. The breakdown of the Canadian bonds portfolio and derivative contract counterparties by credit rating as at December 31 is:

(\$ thousands)	2025		2024	
	Fair Value	Percentage of Portfolio	Fair Value	Percentage of Portfolio
AAA	\$ 4,442,506	79%	\$ 2,616,475	61%
AA	1,136,812	20	1,708,107	39
A	25,939	1	-	-
Total	\$ 5,605,257	100%	\$ 4,324,582	100%

(d) Collateral Pledged and Received:

UPP's collateral arrangements that support certain investment activities are as follows:

i) Derivatives

In the case of certain OTC derivatives, collateral can be pledged to counterparties to manage credit risk in accordance with the Credit Support Annex (CSA), which forms part of the International Swaps and Derivatives Association (ISDA) Master Agreements. All uncleared derivatives are subject to global regulatory requirements requiring a CSA in conjunction with ISDA.

ii) Securities Lending

UPP may engage in securities lending pursuant to the terms of an agreement with a lending agent. The Plan will receive collateral of at least 102% of the value of securities on loan. All securities loaned are callable on demand at the option of UPP. Credit risk associated with the borrower is mitigated by requiring the borrower to provide collateral with market values exceeding the market value of the loaned securities. Further, the program entered into provides for 100% indemnification by the lending agent and parties related to the Plan's custodian, to the Plan for any defaults by borrowers.

iii) Repurchase Agreements

Repurchase agreements include collateral pledged to counterparties. Collateral is exchanged between the counterparties based on the current value of securities sold under agreement to repurchase. Additional collateral is pledged if the value of the securities fall below a predetermined level.

The fair value of collateral pledged and received for derivatives, securities loaned, and repurchase agreements as at December 31 is as follows:

(\$ thousands)		2025	2024
Derivatives			
Collateral received	\$	-	\$ -
Collateral pledged		2,383	19,327
Securities Lending Program			
Securities loaned		914,763	598,107
Collateral received		976,332	633,410
Repurchase Agreements			
Associated liability from repurchase agreements		(1,502,654)	(316,997)
Collateral pledged ¹		1,476,781	266,540

¹ Comparative information has been updated to conform with the current year presentation. Specifically, collateral pledged for repurchase agreements now includes both the underlying securities, totaling \$263,432 in addition to variation margin. Previously, the prior year amounts reflected only variation margin of \$3,108.

iv) Offsetting Arrangements

Certain financial transactions, such as derivatives transactions, involve a legally enforceable right to offset the recognized amounts and to settle payments on a net basis, or to realize the asset and settle the liability simultaneously. Financial assets and liabilities that are offset are reported as a net amount in the Financial Statements. Similar arrangements include securities lending, repurchase agreements and any related rights to financial collateral.

In the following table, the net amount presents the effect of the amounts that are subject to conditional netting arrangements or similar arrangements as at December 31:

(\$ thousands)	2025				
	Gross Amounts of Recognized Financial Instruments	Amounts Available for Offset in Financial Statements	Net Amounts before Collateral	Financial Collateral Pledged (Received)	Net Amount
Derivative assets	\$ 44,332	\$ -	\$ 44,332	\$ -	\$ 44,332
Derivative liabilities	(3,260)	-	(3,260)	2,383	(877)
Securities lending ¹	914,763	-	914,763	(914,763)	-
Repurchase agreements	(1,502,654)	-	(1,502,654)	1,476,781	(25,873)
(\$ thousands)	2024				
	Gross Amounts of Recognized Financial Instruments	Amounts Available for Offset in Financial Statements	Net Amounts before Collateral	Financial Collateral Pledged (Received)	Net Amount
Derivative assets	\$ 243	\$ -	\$ 243	\$ -	\$ 243
Derivative liabilities	(101,272)	-	(101,272)	19,327	(81,945)
Securities lending ¹	598,107	-	598,107	(598,107)	-
Repurchase agreements ²	(316,997)	-	(316,997)	266,540	(50,457)

¹ These securities are included in Cash and Short-Term Money Market, Canadian bonds, Canadian and Non-Canadian equities.

² Comparative information has been updated to conform with the current year presentation. Specifically, collateral pledged for repurchase agreements now includes both the underlying securities, totalling \$263,432 in addition to variation margin. Previously, the prior year amounts reflected only variation margin of \$3,108.

6. Net Investment Income (Loss)

The Plan's net investment income (loss) for the years ended December 31, 2025, and 2024 is presented in the table below.

(\$ thousands)	2025		
	Investment Income (Loss) ¹	Net Gain (Loss) on Investments ²	Net Investment Income (Loss) ³
Cash and Short-Term Money Market	\$ 19,690	\$ 1,000	\$ 20,690
Fixed Income			
Canadian bonds	168,695	(374,666)	(205,971)
Bond funds	259	11,561	11,820
Public Equity			
Canadian equity	3,541	32,902	36,443
Non-Canadian equity	18,049	217,235	235,284
Equity funds	41,922	323,256	365,178
Hedge Funds	(82)	125,232	125,150
Private Debt	71,753	(79,919)	(8,166)
Private Equity	11,062	(29,670)	(18,608)
Infrastructure	29,338	147,417	176,755
Real Estate	2,341	(18,156)	(15,815)
Investment-related Assets and Liabilities			
Derivative instruments	(2)	(4,944)	(4,946)
Repurchase agreements	(23,683)	-	(23,683)
Pending trades	-	(426)	(426)
Total Investment Income	342,883	350,822	693,705
Investment Management Expenses			
External manager fees	(28,214)	-	(28,214)
Net Investment Income	\$ 314,669	\$ 350,822	\$ 665,491

(\$ thousands)	2024			
	Investment Income (Loss) ¹	Net Gain (Loss) on Investments ²	Net Investment Income (Loss) ³	
Cash and Short-Term Money Market	\$ 33,716	\$ 9,238	\$ 42,954	
Fixed Income				
Canadian bonds	126,909	(139,830)	(12,921)	
Bond funds	(54)	1,168	1,114	
Public Equity				
Canadian equity	4,588	35,114	39,702	
Non-Canadian equity	3,654	59,689	63,343	
Equity funds	42,573	875,454	918,027	
Hedge funds	69	263,082	263,151	
Private Debt⁴	23,181	73,913	97,094	
Private Equity	11,090	(3,056)	8,034	
Infrastructure	(6,874)	99,718	92,844	
Real Estate	7,746	(28,274)	(20,528)	
Investment-related Assets and Liabilities				
Derivative instruments	-	(270,507)	(270,507)	
Repurchase agreements	(1,519)	-	(1,519)	
Total Investment Income	245,079	975,709	1,220,788	
Investment Management Expenses				
External manager fees	(25,295)	-	(25,295)	
Net Investment Income	\$ 219,784	\$ 975,709	\$ 1,195,493	

¹ Investment income (loss) is net of transaction costs of \$(2,668) (2024: \$1,262).

² Includes net realized gain of \$462,828 (2024: \$680,638) and net unrealized loss of \$(112,006) (2024: gain of \$295,071).

³ Net of certain management fees and performance fees.

⁴ The 2024 previously reported net investment loss for bond funds of \$(1,843) and net investment income for Mortgages of \$703 were reclassified to private debt.

7. Accrued Pension Obligations

The accrued pension obligations are the actuarial present value of pension obligations, applying the best estimate and discount rate assumptions set by management and approved by the Board of Trustees, using the projected benefits method pro-rated on the service.

The pension obligation at December 31, 2025 was prepared using the discount rate approved by the Board of Trustees for the January 1, 2026 actuarial valuation. This reflects the revised long-term asset mix return estimates for the purposes of the actuarial valuation going forward. Under the Pension Benefits Act, an actuarial valuation report prepared by an independent external actuarial firm must be filed with FSRA at least once every three years. The Plan valuation report was last filed for as at January 1, 2025. The following are the significant assumptions used in the actuarial valuation of the Plan as at December 31:

	2025	2024
Discount rate ¹	5.60%	5.45%
Inflation rate	2.00%	2.00%
Cost-of-living adjustments ²	1.50%	1.50%
YMPE and ITA maximum pension	2.75%	2.75%
Pensionable earnings	4.00%	4.00%
Mortality table ³	95% of 2014 Canadian Public Sector Pensioners' Mortality Table, with mortality improvement scale MI-2017 from 2014 Age-related table	95% of 2014 Canadian Public Sector Pensioners' Mortality Table, with mortality improvement scale MI-2017 from 2014 Age-related table
Retirement rates ⁴		

¹ The pension obligation as at December 31, 2025 was prepared using the discount rate approved by the Board of Trustees for the January 1, 2026 actuarial valuation. The discount rate has been updated from 5.45% to 5.60% as at December 31, 2025, reflecting UPP's long-term strategic outlook.

² Trent Staff's indexation reserve has been replaced with an indexation assumption of 1.1% per annum.

³ The Plan uses the MI-2017 scale as it remains appropriate in determining the accrued pension obligation and has not adopted the mortality improvement scale published in 2024 by the Canadian Institute of Actuaries in determining the accrued pension obligation as at year-end.

⁴ Faculty retirement rates are as follows: 2% from ages 55 through 59 inclusive, 5% from ages 60 through 64 inclusive, 30% from ages 65 through 68 inclusive, 50% from ages 69 through 70 inclusive, 100% age 71, and additional 5% at age 60 with 80 age-plus-service points; staff retirement rates are as follows: 2% from ages 55 through 59 inclusive, 7% from ages 60 through 64 inclusive, 50% from ages 65 through 67 inclusive, 100% at age 68, and additional 15% at age 60 with 80 age-plus-service points.

Actuarial Value Adjustment

For funding purposes, the Plan uses an actuarial asset value basis for the measurement of plan assets. Under this method, the actuarial value of assets has been determined using a smoothing technique that recognizes excess investment gains and losses relative to the discount rate assumption for the going concern valuation. Excess gains and losses arising in a calendar year are recognized on a straight-line basis over five years. The actuarial value of assets cannot exceed or be lower than 15% of the fair value of net assets. The impact of the actuarial value adjustment reduces the funding surplus in the Statement of Financial Position by \$50,472 as at December 31, 2025 (2024: \$58,962).

8. Contributions

Contributions received or receivable for the years ended December 31, 2025, and 2024 were comprised of the following:

(\$ thousands)	2025		2024	
Member Contributions				
Current service contributions ¹	\$	250,701	\$	233,852
Total Member Contributions		250,701		233,852
Employers				
Current service contributions ¹		260,745		243,337
Past service contributions ²		7,583		31,870
Total Employer Contributions		268,328		275,207
Transfers in from Other Plans		5,987		5,531
Total Defined Benefit Contributions	\$	525,016	\$	514,590

¹ All contributions for current service are required contributions.

² Past service contributions include both required and voluntary contributions.

9. Benefit Payments

Benefit payments for the years ended December 31, 2025, and 2024 were comprised of the following:

(\$ thousands)	2025		2024	
Retirement benefits	\$	541,749	\$	508,392
Termination/death benefits		74,111		51,314
Transfers to other pension plans		3,961		4,296
Total Benefit Payments	\$	619,821	\$	564,002

10. Investment Administrative and Pension Administrative Expenses

(a) Investment Administrative Expenses:

(\$ thousands)	2025		2024	
Salaries and benefits	\$	36,631	\$	38,419
Professional, agency, and consulting fees ¹		9,642		10,816
Technology and communications		6,094		4,292
Premise		843		1,044
Other		2,321		2,315
Total Investment Administrative Expenses	\$	55,531	\$	56,886

(b) Pension Administrative Expenses:

(\$ thousands)	2025		2024	
Salaries and benefits	\$	27,129	\$	21,851
Professional, agency, and consulting fees ¹		19,405		16,309
Technology and communications		5,690		5,058
Premise		988		1,046
Other		1,945		1,493
Total Pension Administrative Expenses	\$	55,157	\$	45,757

¹ Total professional fees include \$3,391 (2024: \$2,073) in actuarial fees and \$616 (2024: \$1,030) in external audit fees.

11. Related Party Transactions

Related party transactions include the following:

- (a) an agency agreement with each of University of Toronto, University of Guelph and Queen's University to provide pension administrative services that concluded in 2024. In 2025, pension administrative services expenses totalled nil (2024: \$3,618); and
- (b) compensation to key management personnel, which includes the Board of Trustees of the Plan and members of the executive leadership team who are responsible for planning, controlling, and directing the activities of the Plan.

The aggregate key management compensation is included in the table below:

(\$ thousands)	2025		2024	
Salaries and short-term employee benefits	\$	6,659	\$	8,609
Other long-term benefits		2,764		2,399
Total	\$	9,423	\$	11,008

12. Capital

UPP defines its capital as the Plan's surplus or deficit. The objective of managing the Plan's capital is to ensure that the Plan is fully funded to meet the pension obligations over the long term. Refer to Note 5 for further disclosure on management of financial risks.

13. Commitments and Contingencies

In the normal course of business, UPP may enter into commitments to fund certain investments over the next several years in accordance with the terms and conditions agreed to. UPP also has future lease commitments for office premises. As at December 31, 2025, these commitments totalled \$1,649,857 (2024: \$1,196,329).

As at December 31, 2025, the Plan is involved in litigation and claims which arise in the normal course of business. The outcome of such litigation and claims is often inherently difficult to predict. Any liability that may arise from litigation and claims has been recognized as appropriate or has been determined to have an insignificant impact on the Financial Statements.

14. Subsequent Events

Subsequent to year-end, on January 1, 2026, University Pension Plan welcomed new plan participants, including Wilfrid Laurier University (Laurier), along with Laurier's eligible faculty and staff and affiliated organizations. Net assets of approximately \$1.14 billion along with the pension liabilities were successfully transferred into the Plan.

Appendices

Appendix 1: Actuarial assumptions used in the funding valuation

Plan net assets are measured at fair market value and on a smoothed asset basis, where investment gains and losses are averaged over a period of years to smooth out market fluctuations. Asset smoothing helps manage short-term investment volatility when valuing Plan assets, reflecting a more stable, long-term view of fund performance.

Pension benefits are funded through set contributions from employees and employers and investment earnings.

Plan obligations are measured on a going-concern basis using long-term economic and demographic assumptions following actuarial standards and industry practice and as required under Ontario's *Pension Benefits Act*. The going-concern basis assumes the Plan will continue to exist over a long time horizon so as to seem indefinite—in a sense, until the last pension payment is made to existing members, which could be 75 to 100 years from now.

To estimate our benefit funding needs, economic assumptions reflect the external market environment and Plan experience. These assumptions include expected investment returns, inflation and salary trends, and regulatory elements, such as growth in the CPP maximum earnings limits, which are the year's maximum pensionable earnings and year's additional maximum pensionable earnings.

The **discount rate** is the most important economic assumption in any pension valuation. It is used to “discount” future pension payments and contributions into a present value, or value in today's dollars. It considers what the Plan can earn over the long term, net of costs and provisions for risk, to ensure sufficient future funding. It is also a vital tool in managing a fair Plan experience between current active members, pensioners, and future members.

Changing the discount rate is an important decision made by UPP's Board of Trustees, and it must be made judiciously, taking many factors into account. Its timing could impact contribution rates and the Plan's funding level.

Demographic assumptions help forecast when and for how long contributions will be made by Plan members and pension benefits will be payable to members, on average, based on Plan experience and industry-wide standards.

Two key assumptions underpinning UPP's obligation forecast are the retirement scale, which is the range of ages at which active members are assumed to retire and commence receiving a monthly pension from the Plan, and the mortality tables (life expectancy), which inform how long we can expect to pay a pension.

A comprehensive review of the economic and demographic assumptions, including mortality tables, will be undertaken by UPP in 2026.

Our retirement scale reflects the combined expected experience of the founding universities. It indicates what percentage of the active employee population is expected to retire at each age. The scale is periodically reviewed and compared to actual experience, in accordance with accepted actuarial practice.

With respect to mortality (i.e., assumed life expectancy), we anticipate that our members will continue enjoying longer lives and track this experience against a custom mortality table based on industry-accepted Canadian public sector employee mortality rates and improvement scales.³⁶ This table is commonly used by all large public sector plans across the country.

UPP's active-to-retiree ratio is 1.6, meaning over one-and-a-half active members for every retiree. This common measure of plan maturity and plan sustainability indicates how many active contributing members UPP has relative to retired members receiving pension payments in the Plan.

Both the retirement and mortality scales are recommended by UPP's external actuary, regularly reviewed with Management, and approved by the Board of Trustees.

³⁶ A standard Canadian Pensioners' Mortality table for public sector employees was published by the Canadian Institute of Actuaries (CIA) in 2014. The CIA released updated mortality tables in 2026. During 2026, UPP will conduct a review of these new tables relative to the Plan's own experience to determine the most appropriate mortality basis for the Plan.

Appendix 2: Portfolio GHG emissions intensity and methodology

The World Meteorological Organization confirmed that 2025 was one of the three warmest years on record. Global greenhouse gas (GHG) emissions have risen quickly in the past decades and now need to drop even more quickly to limit global warming to 1.5°C, with no or limited overshoot. Longer term, to stabilize our climate, GHG emissions need to approach, and likely be lower than, zero.

UPP seeks to achieve net-zero GHG emissions in our investment portfolio by 2040 or sooner. This commitment is consistent with the objectives of the Paris Agreement to limit the average global temperature increase to 1.5°C above pre-industrial temperatures.

Our climate commitments are grounded in the expectation that governments will uphold their pledges to meet the Paris Agreement goals. These commitments are also based on scientific imperatives to reduce GHG emissions, our investment beliefs, feedback from UPP's members, and our role as an investor to support the transition to a resilient, net-zero world.

[🔗 For more information, see UPP's Climate Action Plan.](#)

Tracking our GHG emissions

To track our progress, we annually calculate and report our portfolio GHG emissions intensity, which is an analysis of the emissions associated with our investments. Calculating and disclosing GHG emissions intensity metrics in this way is informed by one aspect of the Canadian Sustainability Standards Board (CSSB) climate disclosure standard, which calls for the disclosure of Scope 1, Scope 2, and Scope 3 GHG emissions and related risks. The CSSB standards are based on the IFRS Sustainability Disclosure Standards, which are internationally recognized sustainability disclosure standards by the International Sustainability Standards Board.

Scope 1:

Direct GHG emissions from sources a company directly owns or controls

Scope 2:

Indirect GHG emissions associated with the electricity or heat a company consumes

Scope 3:

Indirect GHG emissions associated with a company's value chain (e.g., GHG emissions associated with products from a supplier and GHG emissions from its products when customers use them)

UPP applies the operational control approach to our operational GHG emissions accounting. This means UPP reports Scope 1 and Scope 2 emissions for assets where we have authority to run day-to-day operations. As UPP does not have operational control over any of our investments, the Scope 1, 2, and 3 emissions of our portfolio companies (direct and indirect emissions) are reported as UPP's Scope 3 emissions, in accordance with Category 15: Investments of the GHG Protocol. We report our financed Scope 1 and Scope 2 emissions in the table in [📄 UPP's financed greenhouse gas emissions metrics on page 129](#). We separately report Scope 1 and Scope 2 emissions for sovereign bonds and the estimated Scope 3 emissions of our portfolio companies.

Methodology

UPP's GHG emissions intensity method employs carbon dioxide equivalent (CO₂e) for GHG emissions. It includes the GHG emissions included in the Greenhouse Gas Protocol: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).

Our calculations are informed by the *Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard, Revised Edition (GHG Protocol)* and the *Global GHG Accounting and Reporting Standard Part A: Financed Emissions, Second Edition*, developed by the Partnership for Carbon Accounting Financials (PCAF Standard).

Our methodology is intended to help UPP prepare a true and fair inventory of our financed GHG emissions and is based on the principles of relevance, completeness, consistency, transparency, and accuracy. The most recently available GHG emissions from our investments are attributed to us based on the proportion of the investment we own.

For example, if UPP owns 1% of a portfolio company's enterprise value, including cash, we include 1% of its GHG emissions in our financed emissions metrics.

Reporting scope

UPP's current GHG emissions intensity includes the GHG emissions associated with our long corporate investment exposures in equities and fixed income (publicly traded and privately held), including total return swaps. Short exposures are not included, and we have excluded cash, cash equivalents, derivatives funding, absolute return assets, and investments for which it is not possible to determine GHG emissions. As a result of these exclusions, the value of exposures analyzed in our GHG intensity will not always match UPP's total asset exposure.

PORTFOLIO GHG EMISSIONS INTENSITY

22 tCO₂e/\$M invested

55% reduction since 2021

This reduction in GHG emissions intensity is primarily attributed to changes in our portfolio.

UPP's financed greenhouse gas emissions metrics

UPP reports GHG emissions from our portfolio companies, focusing on their Scope 1 and Scope 2 emissions. PricewaterhouseCoopers LLP conducted an independent, third-party limited assurance engagement on the public equity portion of our 2025 total GHG emissions and portfolio GHG intensity metrics, as noted by the check marks (✓) below. Its limited assurance covers 29% of our net investment exposures as of December 31, 2025.

	Value of exposure analyzed (\$M)		Total GHG emissions (tCO ₂ e)		Portfolio GHG emissions intensity (tCO ₂ e/\$M invested)		Weighted average carbon intensity (tCO ₂ e/\$M revenue)		Emission-weighted data quality score	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Public equity	4,422	4,243	97,488 ✓	96,178 ³⁷	22 ✓	23 ³⁷	55	61	2.1	2.0
Private equity	623	658	9,921	12,615	16	19	31	38	5.0	5.0
Private debt	450	693	4,783	10,652	11	15	24	30	5.0	5.0
Infrastructure	992	666	35,467	8,999	36	14	142	73	5.0	5.0
Real estate	337	309	1,078	918	3	3	11	10	5.0	5.0
Total	6,824 ³⁸	6,570	148,737	129,361 ³⁸	22 ³⁹	20	61	54	3.1	2.8

Note: UPP's exposure to corporate fixed income as a sub-asset class was negligible in 2025.

³⁷ PricewaterhouseCoopers LLP conducted an independent, third-party limited assurance engagement on the public equity portion of our 2024 total GHG emissions and portfolio GHG emissions intensity metrics in the prior year.

³⁸ Figures do not add up due to rounding.

³⁹ Total GHG emissions intensity is the weighted average of asset-class-level GHG emissions intensities, based on the value of exposure analyzed.

Emissions associated with sovereign debt investments

To align with the PCAF Standard and the membership expectations of the Net-Zero Asset Owner Alliance, we also calculate the GHG emissions associated with our sovereign debt investments, using best available data. However, these GHG emissions cannot be included with the GHG emissions intensity calculations from other investments due to variances in methodology and inherent double counting.

	Portfolio GHG emissions intensity (tCO ₂ e/\$M invested)		Total GHG emissions (tCO ₂ e)	
	2025	2024	2025	2024
Scope 1 Including land use, land-use change, and forestry	336	370	1,478,608	1,360,273
Scope 1 Excluding land use, land-use change, and forestry	344	380	1,517,779	1,396,309
Scope 2	62	68	271,430	249,707

Scope 3 emissions associated with our portfolio companies

Measuring Scope 3 emissions associated with portfolio companies remains inherently challenging due to structural and data-related limitations across global value chains. UPP’s calculations rely heavily on both reported and estimated emissions data provided by third-party data providers. Scope 3 emissions for all investments in our portfolio totalled approximately 1.1 million tCO₂e, remaining stable compared to 2024.


GHG emissions intensity data quality

The table to the right describes our GHG data sources and how we assigned a data quality score to each investment. It further explains how emissions data is generated for our calculations. For our 2025 GHG emissions intensity, 55% of the analyzed value was based on data reported by companies and collected by our third-party data provider (Scores 1 and 2). The data quality of our sovereign debt emissions is a Score 1, as we used verified GHG emissions reported by the country.

GHG emissions intensity methodologies, including the attribution of portfolio company emissions to investors, are rapidly evolving. We have calculated our metrics to the best of our ability at the time of publication. However, our approach is subject to various limitations and challenges. For example, we rely on two types of data to calculate our metrics: emissions data reported by companies and collected by our third-party provider and estimates from a third-party data provider.

Much of the reported company data is not third-party verified, a process that would provide greater certainty in the data.

Going forward, we plan to improve the quality of our input data through engagement with companies and data providers, and we also plan to enhance our analytical capabilities.

	Data quality score	Source of GHG emissions data
More certain  Less certain	1	Reported by issuer, and issuer-indicated emissions have been verified or assured by a third party
	2	Reported by issuer
	3	Estimated by third-party data provider using physical activity data (e.g., electricity generation)
	4	Estimated by third-party data provider using historical issuer emissions or geography/industry averages
	5	Estimated by UPP using geography/industry averages or other means

Operational GHG emissions

In accordance with international and domestic standards including the Greenhouse Gas Protocol and the CSSB climate disclosure standard, UPP discloses all available Scope 1, 2, and 3 emissions, including those associated with our operational activities, which is the focus of this section. We calculate GHG emissions using the most relevant, complete, and accurate data sources that are available without undue cost or effort. We are continuously seeking improvement in the scope and quality of our emissions data to establish a complete GHG emissions inventory and identify meaningful opportunities to reduce emissions associated with our operational activities over time.

In 2025, UPP expanded the scope of our operational emissions reporting to include employee commuting and business travel for the first time. This expansion accounts for the majority of the increase in our reported 2025 operational GHG emissions footprint compared to 2024—reflecting greater measurement coverage rather than a material increase in actual emissions. Other contributing factors include an increase in the GHG emissions intensity of the Ontario electricity grid and an overall increase in natural gas usage in the building where UPP’s offices reside, neither of which is directly attributable to UPP. The continued growth of UPP’s workforce also contributed modestly. Our overall 2025 operational GHG emissions footprint was 470.3 tCO₂e.

UPP does not directly own or control direct GHG emissions (Scope 1 emissions) from our operations. The following provides information about Scope 2 and 3 emissions associated with our operations.

Scope 2 emissions

Our Scope 2 emissions arise from electricity use, heating (natural gas), and chilled water use (deep lake water cooling) in our office at 16 York Street, a building that received [LEED Platinum certification](#) in 2022, the highest standard of the [Leadership in Energy and Environmental Design \(LEED\)](#) rating system.

The 2025 consumption data for 16 York Street is provided by the property manager and calculates UPP’s proportional consumption based on square footage. GHG emissions are calculated using the location-based method, meaning we use the average emissions of the Ontario electricity grid and natural gas, from which our electricity and heating are sourced, as published by the Government of Canada.

GHG emissions associated with chilled water use are calculated using the most recent reported average GHG emissions intensity data from Enwave (2024), the provider of the [deep lake water cooling system](#). This system uses cold water from Lake Ontario to dissipate heat, reducing reliance on energy-intensive compressors and chillers.

Scope 3 emissions associated with operations

UPP has reported on Scope 3 emissions associated with our operational activities since 2022 and has been pursuing continuous improvement in the scope and quality of Scope 3 emissions data disclosed. Emissions associated with our investments (Scope 3, Category 15) are disclosed on [page 129](#) and not included here.

UPP’s Scope 3 emissions calculations for 2025 include:

- purchased goods and services (Category 1);
- waste generated in operations (Category 5);
- business travel (Category 6); and
- employee commuting (Category 7), where data is available.

A description for each is included on the next page. UPP will continue to engage internally and externally to collect data that will enable us to expand the scope of our operational emissions calculations.

Purchased goods and services (Category 1)

UPP discloses available GHG emissions reported by vendors that are attributable to UPP's purchased services. These emissions are associated with certain cloud computing services used in our operations. Vendors prepare GHG emission reports in accordance with the Greenhouse Gas Protocol, and emissions are allocated based on UPP's relative or proportional usage.

Waste generated in our operations (Category 5)

The 2025 data on the amount of waste, recycling, and organic waste collected from 16 York Street is provided by the property manager and calculates UPP's proportional share based on square footage. GHG emissions are calculated applying the 2025 United States Environmental Protection Agency emission factors for mixed municipal solid waste, mixed recyclables, and mixed organics, respectively.

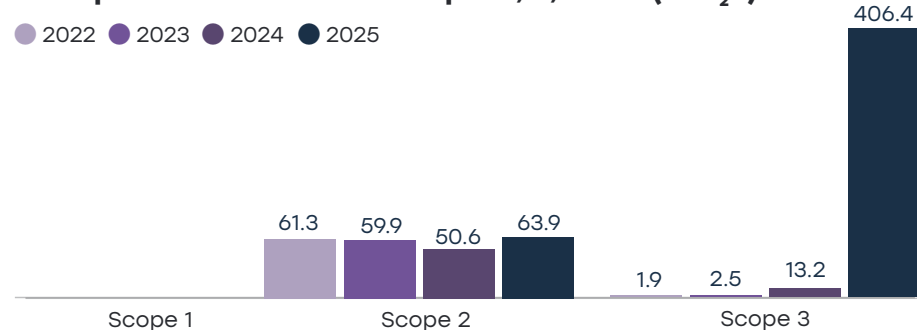
Business travel (Category 6)

For the first time in 2025, UPP collected data associated with business air travel, provided by our business travel agency vendor. GHG emissions are calculated using reported data on travel distance and travel modes (short-, medium-, or long-haul flights and economy or first class) and applying emission factors from the U.K. Department for Environment, Food & Rural Affairs (DEFRA).

Employee commuting (Category 7)

For the first time in 2025, UPP collected employee commuting data through a year-end voluntary employee survey of permanent employees, fixed-term employees, and interns residing in Ontario. The survey received responses from approximately 63% of eligible employees and collected employee estimates of average transportation modes by distance. GHG emission calculations assume employees commute two days per week, in line with UPP's hybrid working requirement, and make an adjustment for vacation time, applying DEFRA emission factors. An average value from respondents is applied to the remainder of UPP's employee population to estimate a representative total value with 95% confidence and a margin of error of 5%.

UPP operational emissions Scopes 1, 2, and 3 (tCO₂e)



Emissions category	2025 (tCO ₂ e)	2024 (tCO ₂ e)	YoY change (%)
Scope 1: Not applicable	0	0	0
Scope 2: Purchased electricity, heating, and chilled water	63.9	50.6	26.3
Total Scopes 1 and 2	63.9	50.6	26.3
Scope 3 Category 1: Purchased goods and services	11.3	10.6	6.3 ⁴⁰
Scope 3 Category 5: Waste generated in our operations	3.1	2.6	18.6 ⁴⁰
Scope 3 Category 6: Business travel	319.4	-	N/A
Scope 3 Category 7: Employee commuting	72.7	-	N/A
Total Scope 3	406.4⁴⁰	13.2	N/A⁴¹
Total Scope 1, 2, and 3	470.3	63.8	N/A⁴¹

In 2025, UPP reported operational GHG emissions related to employee commuting and business travel for the first time, which led to a significant increase in our Scope 3 emissions.

⁴⁰ Figure does not add up due to rounding.

⁴¹ Year-over-year changes are not calculated when newly introduced datasets limit direct comparability across years.

Appendix 3: CSSB disclosure matrix

UPP supports consistent and comparable sustainability and climate reporting. To this end, we advocated for the adoption of the disclosure standards published by the International Sustainability Standards Board and the Canadian Sustainability Disclosure Standards (CSDS) of the Canadian Sustainability Standards Board (CSSB). Our reporting practices will increasingly be guided by the Canadian standards, which include recommendations for sustainability- and climate-related disclosures. We are committed to evolving toward full alignment with these standards.

[🔗 Learn more at the Financial Reporting & Assurance Standards Canada website.](#)

CSSB, CSDS 1, and CSDS 2 alignment matrix

The following table provides reference to where our disclosures are aligned with the CSSB recommendations. [🔗 UPP's Organizational Sustainability Strategy](#) defines the sustainability topics most likely to have a significant impact on UPP's operations, as recommended in CSDS 1: General Requirements for Disclosure of Sustainability-related Financial Information. Sustainability performance metrics are guided by the Sustainability Accounting Standards Board (SASB) Standard for Asset Management & Custody Activities.

Topics of importance	CSDS 2	CSDS 1					
	Climate Change	Procurement and Vendors	Equity, Diversity, Inclusion, and Reconciliation	Cybersecurity	Public Policy	Employment	Business Ethics
CSSB PILLARS							
Governance							
Each material topic is governed by a 🔗 Board Committee . For further information on governance of sustainability-related risks and opportunities, refer to 🔗 Trustees self-assessments and 🔗 2025 Board Highlights .							
Additional references	🔗 Managing risk with discipline		🔗 Equity, diversity, inclusion, and reconciliation at UPP			🔗 Compensation oversight	🔗 Role of the Board of Trustees

Topics of importance	CSDS 2	CSDS 1					
	Climate Change	Procurement and Vendors	Equity, Diversity, Inclusion, and Reconciliation	Cybersecurity	Public Policy	Employment	Business Ethics
<p>Strategy</p> <p>UPP’s Organizational Sustainability Strategy describes how sustainability topics of importance are actively managed, governed, and reported against. Our website describes key objectives for each of these topics, while our annual reports share our progress.</p>							
Additional references	<ul style="list-style-type: none"> Investing and acting responsibly Managing risk with discipline Enhancing long-term value through active ownership Progress on our Climate Action Plan 	<ul style="list-style-type: none"> Equity, diversity, inclusion, and reconciliation across people and pensions 	<ul style="list-style-type: none"> Fostering our culture Strong culture, stronger pensions 	<ul style="list-style-type: none"> Continuous focus on data security 	<ul style="list-style-type: none"> Strengthening pension security in Ontario Enhancing long-term value through active ownership 	<ul style="list-style-type: none"> Fostering our culture Our people and culture Our compensation structure Building a bright future—together 	<ul style="list-style-type: none"> Internal controls and compliance Role of the Board of Trustees
<p>Risk Management</p> <p>Financially material environmental, social, and governance factors are actively managed at the Management and Board levels and are fully integrated into our investment and risk management approach.</p> <p>For further information on our investment risk management approach, refer to Managing risk with discipline, and for our enterprise risk management approach, refer to A risk-smart organization.</p>							
<p>Metrics and Targets</p> <p>UPP’s Organizational Sustainability Strategy outlines internal and external metrics that are reported against on a regular basis for each sustainability topic. The annual report shares our external metrics, referenced below.</p>							
Additional references	<ul style="list-style-type: none"> Progress on our Climate Action Plan Appendix 2: Portfolio GHG emissions intensity and methodology 	<ul style="list-style-type: none"> Strong culture, stronger pensions EDI & Reconciliation learning 				<ul style="list-style-type: none"> Employee surveys 	

Appendix 4: Top external managers

\$50 million or more of our assets under management⁴²

Name	Active/Passive
Acadian Asset Management LLC	Active
Alphadyne Asset Management LP	Active
AQR Capital Management LLC	Active
Arbour Lane Capital Management LP	Active
Arcline Investment Management LP	Active
Ares Management	Active
Arjun Infrastructure Partners	Active
Arrow Global	Active
Arrowstreet Capital L.P.	Active
Bayview Asset Management LLC	Active
BlackRock Asset Management Canada Limited	Passive
Brookfield Asset Management Inc.	Active
Capital Fund Management S.A.	Active
CIBC Asset Management	Passive
Clearlake Capital Group, L.P.	Active
Compass Rose Asset Management, LP	Active
Copenhagen Infrastructure Partners	Active
Crestline Management, L.P.	Active
DigitalBridge	Active

Name	Active/Passive
EMK Capital LLP	Active
Episteme Capital Partners (UK), LLP	Active
Fiera Capital Corporation	Passive
Hardman Johnston Global Advisors	Active
Impactive Capital LP	Active
Impax Asset Management Limited	Active
Kohlberg & Company, LLC	Active
Marshall Wace LLP	Active
Orbis Investment Management Limited	Active
PAG Asia Loan Advisors Limited	Active
Q Residential	Active
Quinbrook Infrastructure Partners LLC	Active
RV Capital Management Private Ltd.	Active
Select Equity Group, L.P.	Active
Springs Capital (Hong Kong) Limited	Active
Stepstone Group	Active
TD Asset Management	Passive
Validus NA Inc.	Passive
Whitebox Advisors LLC	Active
Woodbourne Capital Management SP BTO, LLC	Active

⁴² Includes external managers who have consented to disclosure. UPP provides this investment information for information purposes only. The information is not intended to provide investment or financial advice and should not be relied upon for that purpose. The information is current as of December 31, 2025, and may not reflect UPP's current holdings. UPP does not guarantee the completeness, timeliness, or accuracy of this information. UPP will not accept any liability in relation to the use of or reliance on the information. Any reliance on or use of the information for any purpose is at the risk of the user.

Appendix 5: Limited assurance report on public equity portion of total GHG emissions and portfolio GHG emissions intensity

Independent practitioner's limited assurance report on University Pension Plan Ontario's (UPP) select performance metrics as included in the UPP 2025 Annual Report

To the Board of Trustees of UPP

We have conducted a limited assurance engagement on the select performance metrics, including the performance metrics that are part of the greenhouse gas statement, of University Pension Plan Ontario (UPP) included within the Portfolio GHG emissions intensity and methodology section of the UPP 2025 Annual Report [on pages 127-128](#), as detailed in Exhibit 1 (the select performance metrics) as at December 31, 2025 and for the year then ended.

Responsibilities for the select performance metrics

Management of UPP is responsible for:

- the preparation of the select performance metrics in accordance with the applicable criteria, as detailed in the Portfolio GHG emissions intensity and methodology section of the UPP 2025 Annual Report (the applicable criteria);
- designing, implementing and maintaining such internal control as management determines is necessary to enable the preparation of the select performance metrics, in accordance with the applicable criteria, that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the select performance metrics

Non-financial data is subject to more limitations than financial data, given both the nature and the methods used for determining, calculating, sampling or estimating such data. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

Greenhouse gas quantification, is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our independence and quality management

We have complied with independence and other ethical requirements of the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system

of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the select performance metrics are free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the select performance metrics.

We conducted our limited assurance engagement in accordance with Canadian Standard on Assurance Engagements (CSAE) 3000, *Attestation Engagements Other than Audits or Reviews of Historical Financial Information (CSAE 3000)*, and, in respect of the greenhouse gas statement, Canadian Standard on Assurance Engagements (CSAE) 3410, *Assurance Engagements on Greenhouse Gas Statements* issued by the Auditing and Assurance Standards Board (CSAE 3410).

As part of a limited assurance engagement in accordance with CSAE 3000 and CSAE 3410, we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Determine the suitability in the circumstances of UPP's use of the applicable criteria as the basis for the preparation of the select performance metrics.
- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of UPP's internal control.
- Design and perform procedures responsive to where material misstatements are likely to arise in the select performance metrics. 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.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the select performance metrics. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgment, including the identification of where material misstatements are likely to arise in the select performance metrics, whether due to fraud or error.

In conducting our limited assurance engagement, we:

- obtained an understanding of UPP's reporting processes relevant to the preparation of its select performance metrics by:
 - Making inquiries of management and others within the entity responsible for the select performance metrics; and
 - Inspecting relevant documentation relating to UPP's reporting processes.
- evaluated whether all material information identified by management has been considered for reporting on the select performance metrics;
- performed inquiries of relevant personnel and analytical procedures on selected information in the select performance metrics;
- performed substantive assurance procedures on selected information in the select performance metrics;
- evaluated the appropriateness of quantification methods and reporting policies;
- evaluated the methods, assumptions and data for developing estimates and;

- reviewed the select performance metric disclosures in the Portfolio GHG emissions intensity and methodology section of the UPP 2025 Annual Report to ensure consistency with our understanding and procedures performed.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the select performance metrics as at December 31, 2025 and for the year then ended are not prepared, in all material respects, in accordance with the applicable criteria.

Restriction on use

Our report has been prepared solely for the trustees of UPP for the purpose of assisting management in reporting to the Board of Trustees on the select performance metrics. The select performance metrics therefore may not be suitable, and are not to be used, for any other purpose. Our report is intended solely for UPP.

We neither assume nor accept any responsibility or liability to any third party in respect of this report.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Toronto, Ontario

May 22, 2026

Exhibit 1

Our limited assurance engagement was performed on the following select performance metrics:

Select performance metrics	Reporting period	Results
Portfolio Carbon Footprint metrics		
Total GHG Emissions	December 31, 2025	97,488 tCO ₂ eq
Portfolio GHG emissions intensity	December 31, 2025	22 tCO ₂ eq/\$M invested

Exhibit 2

Select performance metrics and criteria

Select performance metrics	Description and methodology	Applicable reporting criteria and scoping
Portfolio Carbon Footprint metrics		
Total GHG Emissions	<p>The absolute GHG emissions associated with the measured portfolio, expressed in Metric tonnes CO₂-equivalent (tCO₂eq) as at December 31, 2025.</p> <p>Methodology: Scope 1 and Scope 2 GHG emissions represent the share of a portfolio company's emissions attributed to UPP based on economic ownership.</p>	<p>Management's internally developed criteria as outlined in the Portfolio GHG emissions intensity and methodology section of UPP's 2025 Annual Report.</p> <p>In-scope asset class: Public Equity</p>
Portfolio GHG emissions intensity	<p>Total GHG emissions for a portfolio normalized by the market value of the portfolio, expressed in tCO₂eq/\$M invested as at December 31, 2025.</p> <p>Methodology: Scope 1 and Scope 2 GHG emissions are allocated based on economic ownership of investments, as described under methodology for Total GHG emissions. The in-scope portfolio value is used to normalize the data.</p>	

Cautionary statement

This annual report contains forward-looking statements that reflect UPP's current expectations regarding future events, performance, and strategies. These statements are based on assumptions and estimates that are subject to significant business, economic, and competitive uncertainties, many of which are beyond our control or are subject to change. Forward-looking statements are typically identified by future or conditional verbs or words such as "outlook," "believe," "estimate," "potential," "expect," and similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "may," and similar expressions. Actual results or events could differ materially from those anticipated due to various risks and uncertainties. UPP does not undertake to update any forward-looking statements to reflect new information, future events, changes in circumstances, or for any other reason. Readers are cautioned not to place undue reliance on these statements due to the inherent uncertainty involved.

The sustainability-related metrics, data, and other information contained in this annual report, including but not limited to UPP's sustainability-related commitments, goals, and targets are or may be based on prevailing laws, guidelines, taxonomies, methodologies, frameworks, market practices, or other standards (collectively, "Methodologies"), as well as good faith assumptions and estimates. These Methodologies may continually evolve, and our assumptions and estimates may prove incorrect or inaccurate for reasons we cannot foresee or predict. UPP depends on data from our external investment managers, portfolio companies, and other third-party sources, which we believe to be reliable but have not independently verified or assessed the assumptions underlying such data. While UPP attempts to improve accuracy through an independent limited assurance review of certain data as set out in the limited assurance opinion of this annual report, such review is limited in scope, and we cannot guarantee the accuracy or completeness of this data. These factors could impact our ability to achieve our goals and targets.