

Financial Report of  
(in thousands of dollars)

# **PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY**

Year ended December 31, 2025

# PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY

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(in thousands of dollars)

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## **INDEPENDENT AUDITOR'S REPORT**

To the Members of the Pension Committee of the Pension Plan for the Employees of Concordia University

### ***Opinion***

We have audited the financial report of the Pension Plan for the Employees of Concordia University (the "Plan"), which comprises:

- the statement of net assets available for benefits as at December 31, 2025
- the statement of changes in net assets available for benefits for the year then ended
- and notes to the financial report, including a summary of significant accounting policies

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

In our opinion, the accompanying financial report presents fairly, in all material respects, the net assets available for the Plan as at December 31, 2025, and the changes in its net assets available for benefits for the year then ended in accordance with the financial reporting provisions as described in the *2025 Guide to the Annual Information Return* issued by Retraite Québec relating to the preparation of a financial report under Section 161 of the *Supplemental Pension Plans Act* (Québec).

### ***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 Report***" section of our auditor's report.

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

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



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### ***Emphasis of Matter - Financial Reporting Framework***

We draw attention to Note 2 in the financial report, which describes the applicable financial reporting framework and the purpose of the financial report.

As a result, the financial report may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting provisions as described in the *2025 Guide to the Annual Information Return* issued by Retraite Québec relating to the preparation of a financial report under Section 161 of the *Supplemental Pension Plans Act* (Québec), and for such internal control as management determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, 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 Report***

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

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

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 report, 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.



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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 report 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 report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Montréal, Canada

June 25, 2026

# PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY

Statement of Net Assets Available for Benefits  
(in thousands of dollars)

December 31, 2025, with comparative information for 2024

	2025	2024
<b>Assets</b>		
Investments (note 4):		
Equities	\$ 939	\$ 25,037
Pooled funds and other investments	1,604,162	1,579,852
	<u>1,605,101</u>	<u>1,604,889</u>
Interest and dividends receivable	96	96
Amounts receivable for investments sold	–	107
Derivative financial instruments (note 6)	9,565	–
Contribution receivable:		
Employees	3,887	3,781
Sponsor	4,096	4,996
Sales taxes receivable	235	197
Other amounts receivable	1,607	1,460
Prepaid expenses	65	64
	<u>19,551</u>	<u>10,701</u>
Cash	10,918	4,375
	<u>1,635,570</u>	<u>1,619,965</u>
<b>Liabilities</b>		
Derivative financial instruments (note 6)	–	22,419
Accounts payable and accrued liabilities	1,764	1,320
	<u>1,764</u>	<u>23,739</u>
Commitment (note 14)		
Net assets available for benefits	<u>\$ 1,633,806</u>	<u>\$ 1,596,226</u>

See accompanying notes to financial report.

# PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY

Statement of Changes in Net Assets Available for Benefits  
(in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Balance, beginning of year	\$ 1,596,226	\$ 1,506,865
<b>Increase</b>		
Contributions (note 8)		
Employees:		
Current and stabilization	30,757	29,699
Additional voluntary	33	33
Sponsor:		
Current and stabilization	37,534	36,768
Amortization payments	–	3,057
Special contributions	–	184
Amounts received under reciprocal transfer agreements	1,728	1,236
	70,052	70,977
Net investment income (note 9)	27,514	28,722
Net realized gains	86,246	11,131
Changes in unrealized gain on investments	–	149,520
Changes in unrealized gain on derivative financial instruments	31,984	–
	215,796	260,350
<b>Decrease</b>		
Changes in unrealized loss on investments	79,133	–
Changes in unrealized loss on derivative financial instruments	–	39,626
Loss on foreign exchange	15,262	53,636
Pension benefits paid	72,665	69,642
Withdrawals and refunds	6,924	4,928
Amounts transferred under reciprocal transfer agreements	883	461
Administrative expenses (note 10)	3,349	2,696
	178,216	170,989
Net increase	37,580	89,361
Balance, end of year	\$ 1,633,806	\$ 1,596,226

See accompanying notes to financial report.

# PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY

Notes to Financial Report  
(in thousands of dollars)

Year ended December 31, 2025

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## 1. Summary description of the Plan:

The following description of the Pension Plan for the Employees of Concordia University (hereafter the "Plan") is a summary of the provisions effective January 1, 2018. For more complete information, reference should be made to the official text of the Plan.

### *General*

The Plan is a defined benefit pension plan covering eligible employees of Concordia University and is registered with Retraite Québec (registration no. 21638).

On January 1, 1977, the Sir George Williams Contributory Pension Plan and the Loyola College Pension Plan merged and became the Pension Plan for the Employees of Concordia University.

Since January 1, 2018, each regular full-time employee of Concordia University shall become a member of the Plan on their date of employment, unless they elect, in writing, to opt out of the Plan. In such case, the employee's mandatory enrollment date is January 1 following completion of two full calendar years, with an option to join the Plan on each of the two preceding January 1.

Since January 1, 2018, each employee who is not a regular full-time employee shall become a member of the Plan on January 1 following the calendar year in which such employee meets the qualification requirement (minimum of 700 hours of work or remuneration of at least 35% of the Year's Maximum Pensionable Earnings ("YMPE")), unless they elect, in writing, to opt out of the Plan. In such case, the employee's mandatory enrollment date is January 1 following completion of two full calendar years after the year in which they met the qualification requirement, with an option to join the Plan on the preceding January 1.

In the context of modifications to the Plan that took effect on January 1, 2018, which included the removal of the non-contributory option and revised cost sharing provisions between Concordia University and the Plan members due to new legislative requirements, employees who were active members of the Plan on December 31, 2017 were provided with a one-time option to elect to not contribute to the Plan and thus not accrue additional benefits as of January 1, 2018. Non-accruing members have the option to begin contributing and accruing service again under the Plan on each January 1.

# PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY

Notes to Financial Report (continued)  
(in thousands of dollars)

Year ended December 31, 2025

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## 1. Summary description of the Plan (continued):

### *Contribution policy (Note 8)*

In accordance with the provisions of the Plan, since January 1, 2018, the total Plan costs are shared in the proportion of 45% by the active members who are accruing service under the Plan and 55% by Concordia University. Total Plan costs consist of the following elements:

- The current service cost.
- A stabilization contribution equal to 10% of the current service cost without margins.
- The cost of any deficit related to post-2015 service, if the stabilization fund is insufficient to cover the resulting deficit amortization payments.

As determined by the actuarial valuation performed as at December 31, 2022, effective January 1, 2025, contribution rates for active members who are accruing service under the Plan are 7.6% of their pensionable earnings received during the year up to the YMPE, which is the maximum level to which the Québec Pension Plan provides a benefit, and 9.1% of their earnings in excess of that maximum. Effective the same date, Concordia University contributes 122.22% of employee contributions deducted from payroll, which ensures that the cost sharing is exactly 45% for active members and 55% for the University. Moreover, Concordia University is solely responsible for the cost of any funding deficiency related to pre-2016 service.

### *Normal retirement benefits*

In no event shall the total pension and bridging benefits payable from the Plan exceed the maximum amounts defined in the *Income Tax Act*.

#### - *Post-2017 service*

Effective January 1, 2018, the benefits provided by the Plan for members accruing service at normal retirement age, which is age 65, are based on a formula that provides, for each year of credited service, a pension credit of 1.5% of the 3-year final average earnings (hereafter "FAE-3") up to the final average YMPE, plus 2% of the FAE-3 in excess of the final average YMPE.

#### - *Pre-2018 contributory service*

Effective January 1, 2000, the benefits provided by the Plan for contributory service at normal retirement age, which is age 65, are based on a formula that provides, for each year of credited service, a pension credit of 1.5% of the FAE-3 up to the final average YMPE, plus 2% of the FAE-3 in excess of the final average YMPE.

# PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY

Notes to Financial Report (continued)  
(in thousands of dollars)

Year ended December 31, 2025

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## 1. Summary description of the Plan (continued):

### *Normal retirement benefits (continued)*

#### *- Pre-2018 non-contributory service*

Effective January 1, 2000, the benefits provided by the Plan for non-contributory service at normal retirement age, which is age 65, are based on a formula that provides, for each year of credited service, a pension credit of 0.85% of the FAE-3 up to the final average YMPE, plus 1.1% of the FAE-3 in excess of the final average YMPE. For the years 2008 to 2017 inclusively, the pension credit rates for non-contributory service are reduced to 0.75% and 1.0%, respectively.

### *Early retirement pension*

For members who retire between ages 55 and 65, there is, in addition to their basic pension, a bridge benefit payable until age 65 equal to 0.5% of the FAE-3 up to the final average YMPE for post-2017 years of service and pre-2018 years of contributory service, and to 0.25% for pre-2018 years of non-contributory service.

In addition, for members who retire directly from active employment with at least 10 years of unreduced early retirement service, there is no reduction in pension applied by the Plan. Unreduced early retirement service is the period recognized as credited service in the Plan except that for members who are not regular full-time employees, it is determined in the same manner as for regular full-time employees. For pre-2018 service, there is no reduction in pension applied by the Plan with at least 10 years of service at the University. For other members where the conditions for an early retirement pension without reduction are not met, a reduction in pension of 2% is applied for each year by which the early retirement date precedes attainment of age 65.

Notwithstanding the above, as prescribed under the *Income Tax Act*, in the case of a member retiring prior to the attainment of age 60, the pension relative to service after 1991 shall be reduced by 0.25% for each month by which the payment of the pension precedes the earlier of the attainment of age 60 and the month when the sum of the age and the years of service would have equaled 80 had the service continued.

# PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY

Notes to Financial Report (continued)  
(in thousands of dollars)

Year ended December 31, 2025

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## 1. Summary description of the Plan (continued):

### *Death benefits*

#### - *Death before retirement*

##### Prior to early retirement eligibility

- In respect of service accrued before January 1, 1990:  
Death benefit equal to the actuarial equivalent of the member's accrued pension benefit payable from normal retirement date to which the member was entitled on the day prior to the date of their death.
- In respect of service accrued on and after January 1, 1990:  
Death benefit equal to the actuarial equivalent of a life annuity guaranteed 10 years of the accrued pension benefit and of the accrued bridging benefit payable from age 55.

##### After reaching retirement eligibility

- In respect of service accrued before January 1, 1990:  
A member who dies before retiring is deemed, for death benefit purposes, to have retired just before their death and the death benefit equals the commuted value of 120 monthly instalments of the pension.
- In respect of service accrued on and after January 1, 1990:  
Death benefit equal to the actuarial equivalent of a life annuity guaranteed 10 years of the accrued pension benefit and of the accrued bridging benefit payable from the date of the member's death.

The death benefit is payable in a lump sum to the spouse. If the member does not have a spouse, or if the spouse has waived their rights to such benefit, then the benefit shall be payable to the member's designated beneficiary or estate.

#### - *Death after retirement*

The normal form of pension is a pension benefit payable for the lifetime of the pensioner with a guarantee of 120 monthly payments.

If the member has a spouse upon retirement, the pension is automatically reduced to provide a 60% survivor pension to the spouse, unless waived by the spouse.

If the member has elected an optional form of pension benefit, the death benefit is adjusted accordingly.

# PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY

Notes to Financial Report (continued)  
(in thousands of dollars)

Year ended December 31, 2025

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## 1. Summary description of the Plan (continued):

### *Death benefits (continued)*

#### - *Death after retirement (continued)*

In the statement of changes in net assets available for benefits, death benefits paid as a lump sum are included in "Withdrawals and refunds".

### *Termination of employment*

In the case of termination of employment before the member becomes entitled to an early retirement pension, the Plan provides for immediate vesting, meaning there is full entitlement to the accrued pension payable at the normal retirement date.

The deferred pension accrued by the member for credited service between December 31, 2000 and December 31, 2017 shall be adjusted annually between the date the member terminates active membership and the date the member attains age 55, to account for pre-retirement indexation. Such annual pre-retirement indexation shall be equal to 50% of the increase in the Consumer Price Index ("CPI"), subject to a minimum of 0% and a maximum of 2%.

For service prior to January 1, 2018, a member's total deferred pension shall be at least equal to the sum of the deferred annuity provided by the member's accumulated contributions plus the deferred annuity to which they would have been entitled had they made no contributions to the Plan.

For a member who ceases to participate in the Plan prior to early retirement eligibility, the entitlement is a pension payable from the normal retirement date.

### *Transfer*

A member who is entitled to a deferred annuity may elect, prior to attainment of age 55, to receive a lump-sum amount that is the commuted value of such deferred annuity. The member may transfer the totality of the lump-sum amount:

- To a prescribed retirement savings arrangement.
- To another registered pension plan.
- For the purchase of a prescribed life annuity from an insurance company.

In all cases where the termination of active membership occurred on or after January 1, 2018 and where the funds are paid or transferred at the request of the member, payment of the value of pension benefits in a lump sum are made in proportion with the degree of solvency of the Plan.

# PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY

Notes to Financial Report (continued)  
(in thousands of dollars)

Year ended December 31, 2025

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## 1. Summary description of the Plan (continued):

### *Transfer (continued)*

Notwithstanding the above, if the commuted value of the member's annual pension is less than 20% of the YMPE in the year of the member's termination of employment, or such other amount as may be prescribed for this purpose by law, the member shall receive a lump-sum payment equal to such commuted value.

### *Optional benefit*

The member may elect various optional forms of benefit upon retirement.

### *Temporary absences and authorized leaves*

#### - *Period of disability*

A member who is disabled before January 1, 2018 as certified by a physician and in receipt of disability payments under the University's long-term disability plan is not required to make any contributions and accumulates contributory pension credits whether or not the member was contributing the day before becoming eligible for the aforesaid disability payments.

A member who becomes disabled after December 31, 2017 as certified by a physician and is in receipt of disability payments under the University's long-term disability plan will not be required to make any contributions and will accumulate pension credits if and only if the member was contributing to the Plan the day before becoming eligible for the aforesaid disability payments.

#### - *Period of leave authorized by law*

Leaves authorized by law, such as maternity and paternity leaves, shall not be considered terminations of service.

During a period of leave authorized by law, members who were not contributing before the period shall continue to not contribute during the period of leave and shall continue to not earn pension credit, while members who were contributing before the beginning of the period shall continue their contributions and shall earn pension credits.

Notwithstanding the preceding, if a member does not receive any earnings during such period and was paying contributions to the Plan before the period of leave, they may elect to not make contributions during the period, and as such, they shall not earn any pension credit.

# PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY

Notes to Financial Report (continued)  
(in thousands of dollars)

Year ended December 31, 2025

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## 1. Summary description of the Plan (continued):

### *Optional benefit (continued)*

### *Temporary absences and authorized leaves (continued)*

#### - *Other types of absences*

Absences approved by the University and temporary layoffs shall not be considered terminations of service.

During a period of absence approved by the University, except as required by applicable legislation, no credited service shall accrue to a member for such a period unless the member contributes to the Plan the full actuarial value of any benefits earned during the period, or the University elects to recognize credited service during the period without requiring special member contributions.

No credited service shall accrue to a member during a period of temporary layoff.

### *Indexation of pensions*

#### - *Automatic indexation*

Pensions in payment are increased each June 1 at a rate equal to the percentage increase in the CPI over the 12-month period ending on the previous December 31, less 2%, subject to a maximum increase equal to the average annual percentage market value rate of return of the pension fund over the previous five calendar years less 5%. However, any reduction caused by the application of this maximum is to be reinstated in a later year to the extent that the maximum formula exceeds the formula of increase in CPI less 2%.

#### - *Excess interest indexation*

When applicable, on each June 1, excess interest indexation is applied to eligible pensions in payment. Excess interest indexation is determined by a formula based upon returns of the pension fund and is subject to a maximum of 2%.

# PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY

Notes to Financial Report (continued)  
(in thousands of dollars)

Year ended December 31, 2025

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## 2. Basis of presentation:

The financial report is prepared in accordance with the accounting framework for the preparation of a financial report described in the *2025 Guide to the Annual Information Return* issued by Retraite Québec relating to the preparation of a financial report under Section 161 of the *Supplemental Pension Plans Act* (Québec). This framework requires that the financial report be prepared in accordance with Canadian accounting standards for pension plans, with the exception of the following elements relating to pension obligations:

- The statement of financial position excludes pension obligations and any related surplus or deficit. Accordingly, this statement must be titled Net assets available for benefits.
- The statement of changes in pension obligations is not presented.
- The information to be provided concerning pension obligations is not presented.

Accordingly, the financial report is not intended to assess whether net assets available for benefits are sufficient to meet actuarially determined pension obligations. In establishing accounting policies that do not relate to the investment portfolio and the related liabilities, the Plan complies with Canadian accounting standards for private enterprises.

Moreover, the financial report is prepared on the basis of the going concern assumption. It presents the aggregate financial position of the Plan as a separate entity, independent of the sponsor and participants. It is prepared to assist participants and others in reviewing the activities of the Plan for the year, but it does not portray the funding requirements of the Plan or the benefit security of individual participants.

The purpose of the financial report is for the Plan to meet its obligation to Retraite Québec. As a result, the financial report may not be suitable for another purpose.

Unless stated otherwise, the financial report notes are presented in thousands of dollars.

## 3. Significant accounting policies:

### (a) Accounting estimates:

The preparation of a financial report requires management to make estimates and assumptions that affect the amounts recorded in the financial report and notes to financial report. These estimates are based on management's knowledge of current events and actions that the Plan may undertake in the future. Actual results may differ from these estimates.

# PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY

Notes to Financial Report (continued)  
(in thousands of dollars)

Year ended December 31, 2025

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### 3. Significant accounting policies (continued):

(b) Investments and related liabilities:

Investments are recognized on the transaction date, i.e., the date on which the Plan becomes a party to the contractual provision of investment acquisitions and disposals.

Investments and the related liabilities are recognized at fair value. Changes in the fair value of investments and the related liabilities include realized and unrealized gains and losses.

(c) Investment income:

Income from investment transactions is recognized using the accrual basis of accounting. Interest income is recognized on a time apportionment basis whereas dividend income is recognized when it is acquired by the Plan. Income from the share in net pooled fund income is recognized at the time of distribution.

(d) Transaction costs:

Transaction costs related to the acquisition or disposal of investments are recognized in the statement of changes in net assets available for benefits under net investment income.

(e) Contributions:

Contributions are recognized using the accrual method of accounting.

(f) Benefits:

Benefits paid to members or others are recognized using the accrual basis of accounting, that is the date on which they are payable.

(g) Amounts received or transferred under transfer agreements:

Amounts received or transferred under reciprocal transfer agreements are recognized when members have confirmed their application for transfer after the amounts have been determined by the actuaries of the parties involved.

(h) Withdrawals and refunds:

Liabilities for withdrawals and refunds are recognized when the members have signed the refund application or, in the event of a member's death, when no annuity is payable to the member's spouse.

# PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY

Notes to Financial Report (continued)  
(in thousands of dollars)

Year ended December 31, 2025

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### 3. Significant accounting policies (continued):

(i) Foreign currency translation:

The Plan uses the temporal method to translate transactions denominated in a foreign currency. Under this method:

- Monetary assets, liabilities and investments are translated using the exchange rate in effect at year-end.
- Revenue and expenses are translated at the exchange rate in effect on the date they are recognized.

Exchange gains and losses on investments and the related liabilities are included in the statement of changes in net assets available for benefits under net investment income.

(j) Income taxes:

The Plan is a pension trust registered under the *Income Tax Act* and is not subject to income taxes.

(k) Derivative financial instruments:

Derivative financial instruments are recognized initially at fair value and attributable transaction costs are recognized in the statement of changes in net assets available for benefits as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and all changes are recognized immediately in the statement of changes in net assets available for benefits.

Investments in derivative financial instruments, including futures, forwards and option contracts, are valued at year-end quoted market prices where available. Where quoted prices are not available, values are determined using pricing models, which take into account current market and contractual prices of the underlying instruments, as well as time value and yield curve or volatility factors underlying the positions. Unrealized gains and losses on derivative financial instruments, net of premiums paid or received on options contracts, are included in derivative contract investments.

# PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY

Notes to Financial Report (continued)  
(in thousands of dollars)

Year ended December 31, 2025

### 3. Significant accounting policies (continued):

(l) Future changes in accounting policies:

During the year ended December 31, 2025, amendments were made to Section 4600, *Pension Plans*, of Part IV of the *CPA Canada Handbook*. These amendments aim to:

- introduce a definition of "investment expenses" and update the related disclosure requirements;
- incorporate the disclosure requirements of IFRS 13, *Fair Value Measurement*; and
- require disclosure of the nature and extent of interests in certain investment instruments, as well as the associated risks.

The amendments are effective for fiscal years beginning on or after January 1, 2027. The Plan is currently assessing the impact of these amendments.

### 4. Investments:

(a) Summary:

	2025		2024	
	Market value	Cost	Market value	Cost
Equities	\$ 939	\$ 1,129	\$ 25,037	\$ 23,809
Pooled funds and other investments	1,604,162	1,320,250	1,579,852	1,218,225
	\$ 1,605,101	\$ 1,321,379	\$ 1,604,889	\$ 1,242,034

# PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY

Notes to Financial Report (continued)  
(in thousands of dollars)

Year ended December 31, 2025

## 4. Investments (continued):

### (b) Equities:

The concentration of investments in equities by activity sectors is detailed as follows:

	2025		2024	
	Market value		Market value	
Activity sectors of the investments:				
Communication services	\$	–	%	\$ 783 3.1%
Consumer discretionary	–	–	8,253	33.0
Consumer staples	–	–	475	1.9
Energy	939	100.0	–	–
Financial	–	–	1,449	5.8
Health care	–	–	1,208	4.8
Industrial and business services	–	–	2,451	9.8
Information technology	–	–	7,606	30.4
Real estate	–	–	2,812	11.2
	\$	939	100.0%	\$ 25,037 100.0%

The concentration of investments in equities by geographical sectors is detailed as follows:

	2025		2024	
	Market value		Market value	
Geographical sectors of the investments in equities:				
Canada	\$	939	100.0%	\$ – – %
Europe, Australia and Far East	–	–	12,488	49.9
Emerging markets	–	–	12,549	50.1
	\$	939	100.0%	\$ 25,037 100.0%

# PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY

Notes to Financial Report (continued)  
(in thousands of dollars)

Year ended December 31, 2025

## 4. Investments (continued):

(c) Pooled funds and other investments:

Investments in pooled funds and other investments are detailed as follows:

	2025		2024	
	Market value		Market value	
Money market	\$ 28,919	1.8%	\$ 10,504	0.7%
Exchange traded funds:				
Equity	23,750	1.5	48,424	3.1
Fixed income	17,983	1.1	34,227	2.2
Infrastructure	–	–	16,178	1.0
Real estate	–	–	2,999	0.2
Other:				
Tactical asset allocation	6,174	0.4	75,518	4.8
Absolute return - credit	89,341	5.6	163,907	10.4
Absolute return - multi-strategy	517,166	32.2	358,921	22.7
Commodity	13,699	0.9	–	–
Equity - North America	54,684	3.4	62,452	4.0
Insurance linked securities	32	–	30	–
Private equity	250,264	15.6	230,628	14.5
Private equity alternatives	171,476	10.7	191,297	12.1
Private debt	62,206	3.9	55,264	3.5
Private real assets	257,026	16.0	238,681	15.1
Farmland & timberland	73,593	4.6	63,429	4.0
Venture capital	37,517	2.3	27,035	1.7
Insured annuity contracts	332	–	358	–
	\$ 1,604,162	100.0%	\$ 1,579,852	100.0%

# PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY

Notes to Financial Report (continued)  
(in thousands of dollars)

Year ended December 31, 2025

## 4. Investments (continued):

(d) Other investments:

	2025		2024	
	Market value		Market value	
Exchange traded funds by geographical sectors:				
Canada	\$ 2,415	5.8%	\$ 8,278	8.1%
United States	18,388	44.1	34,632	34.0
Global	9,991	23.9	34,997	34.4
Europe, Australia and Far East	4,888	11.7	10,170	10.0
Emerging markets	6,051	14.5	13,751	13.5
	\$ 41,733	100.0%	\$ 101,828	100.0%

## 5. Fair value hierarchy:

The investments are grouped according to the fair value hierarchy. This hierarchy classifies investments into three levels that reflect the significance of the inputs used in measuring the fair value of investments. The fair value hierarchy is comprised of the following three levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical financial assets;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset either directly (i.e., as prices) or indirectly (i.e., derived from prices);
- Level 3: Inputs for the asset that are not based on observable market data (unobservable inputs).

The level in the hierarchy within which the investment is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement.

# PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY

Notes to Financial Report (continued)  
(in thousands of dollars)

Year ended December 31, 2025

## 5. Fair value hierarchy (continued):

The financial instruments are grouped according to the following fair value hierarchy:

	2025			
	Level 1	Level 2	Level 3	Total
Equities	\$ 939	\$ –	\$ –	\$ 939
Pooled funds and other investments:				
Money market	–	28,919	–	28,919
Exchange traded funds	41,733	–	–	41,733
Other:				
Tactical asset allocation	–	6,174	–	6,174
Absolute return - credit	–	89,341	–	89,341
Absolute return - multi-strategy	–	403,534	113,632	517,166
Commodity	–	13,699	–	13,699
Equity - North America	–	54,684	–	54,684
Insurance linked securities	–	–	32	32
Private equity	–	–	250,264	250,264
Private equity alternatives	–	–	171,476	171,476
Private debt	–	–	62,206	62,206
Private real assets	–	–	257,026	257,026
Farmland & timberland	–	–	73,593	73,593
Venture capital	–	–	37,517	37,517
Insured annuity contracts	–	–	332	332
	42,672	596,351	966,078	1,605,101
Derivative financial instruments:				
Currency forward contracts	–	9,565	–	9,565
	\$ 42,672	\$ 605,916	\$ 966,078	\$ 1,614,666

# PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY

Notes to Financial Report (continued)  
(in thousands of dollars)

Year ended December 31, 2025

## 5. Fair value hierarchy (continued):

The financial instruments are grouped according to the following fair value hierarchy (continued):

	2024			
	Level 1	Level 2	Level 3	Total
Equities	\$ 25,037	\$ –	\$ –	\$ 25,037
Pooled funds and other investments:				
Money market	–	10,504	–	10,504
Exchange traded funds	101,828	–	–	101,828
Other:				
Tactical asset allocation	–	75,518	–	75,518
Absolute return - credit	–	163,907	–	163,907
Absolute return - multi-strategy	–	358,921	–	358,921
Equity - North America	–	62,452	–	62,452
Insurance linked securities	–	–	30	30
Private equity	–	–	230,628	230,628
Private equity alternatives	–	–	191,297	191,297
Private debt	–	–	55,264	55,264
Private real assets	–	–	238,681	238,681
Farmland & timberland	–	–	63,429	63,429
Venture capital	–	–	27,035	27,035
Insured annuity contracts	–	–	358	358
	126,865	671,302	806,722	1,604,889
Derivative financial instruments:				
Currency forward contracts	–	(22,419)	–	(22,419)
	\$ 126,865	\$ 648,883	\$ 806,722	\$ 1,582,470

# PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY

Notes to Financial Report (continued)  
(in thousands of dollars)

Year ended December 31, 2025

## 5. Fair value hierarchy (continued):

The following table presents a reconciliation of the Level 3 fair value measurements between the beginning and the end of the year:

	Fair value as at January 1, 2025	Net gain (loss) <sup>(i)</sup>	Net acquisitions (dispositions)	Fair value as at December 31, 2025
Investments:				
Pooled funds and other investments:				
Other:				
Absolute return - multi-strategy	\$ –	\$ 2,468	\$ 111,164	\$ 113,632
Insurance linked securities	30	2	–	32
Private equity	230,628	(9,979)	29,615	250,264
Private equity alternatives	191,297	(7,137)	(12,684)	171,476
Private debt	55,264	(7,344)	14,286	62,206
Private real assets	238,681	(7,026)	25,371	257,026
Farmland & timberland	63,429	2,895	7,269	73,593
Venture capital	27,035	1,383	9,099	37,517
Insured annuity contracts	358	(26)	–	332
	<b>\$ 806,722</b>	<b>\$ (24,764)</b>	<b>\$ 184,120</b>	<b>\$ 966,078</b>

	Fair value as at January 1, 2024	Net gain (loss) <sup>(i)</sup>	Net acquisitions (dispositions)	Fair value as at December 31, 2024
Investments:				
Pooled funds and other investments:				
Other:				
Absolute return - multi-strategy	\$ –	\$ –	\$ –	\$ –
Insurance linked securities	598	42,012	(42,580)	30
Private equity	177,361	12,899	40,368	230,628
Private equity alternatives	136,035	14,347	40,915	191,297
Private debt	49,741	9,132	(3,609)	55,264
Private real assets	207,895	14,755	16,031	238,681
Farmland & timberland	59,238	4,917	(726)	63,429
Venture capital	22,080	163	4,792	27,035
Insured annuity contracts	382	(24)	–	358
	<b>\$ 653,330</b>	<b>\$ 98,201</b>	<b>\$ 55,191</b>	<b>\$ 806,722</b>

# PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY

Notes to Financial Report (continued)  
(in thousands of dollars)

Year ended December 31, 2025

## 5. Fair value hierarchy (continued):

- (i) The net gain (loss) is represented in the statement of changes in net assets available for benefits under "Changes in unrealized gain (loss) on investments".

## 6. Derivative financial instruments:

Derivative financial instruments are composed of currency forward contracts. Unrealized gains (losses) on derivative financial instruments are detailed as follows:

				2025
	Notional amount	Unrealized gains	Unrealized losses	Net unrealized gains
Currency forward contracts	\$ 522,807	\$ 9,565	\$ –	\$ 9,565

				2024
	Notional amount	Unrealized gains	Unrealized losses	Net unrealized losses
Currency forward contracts	\$ 856,284	\$ –	\$ (22,419)	\$ (22,419)

Outstanding currency contracts as at December 31, 2025 expire up until February 3, 2026 (2024 - up until January 8, 2025).

## 7. Pension obligations:

The latest actuarial report of the Plan filed with Retraite Québec was prepared as at December 31, 2024 by the actuarial firm Eckler.

# PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY

Notes to Financial Report (continued)  
(in thousands of dollars)

Year ended December 31, 2025

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## 7. Pension obligations (continued):

The pension obligations totaled \$1,564.1 million as at December 31, 2024. At the same date, the net assets available for benefits were \$1,596.2 million, representing a funding excess of \$32.1 million. These numbers are before taking into consideration the stabilization fund that the Plan is obligated to constitute. The stabilization fund is a mechanism that is implemented to ensure more stability in the funding of the Plan. When taking into consideration the stabilization fund of \$166.5 million, the funding status as at December 31, 2024 was a deficit of \$134.4 million, corresponding to a funding ratio of 91.4%. Following the conversion of the reserve to a stabilization fund effective December 31, 2024, as of January 1, 2025, 100% of amortization payments pertaining to a funding deficiency are payable by the stabilization fund, whenever the fund is sufficient to cover such payments.

Our estimate of pension obligations as at December 31, 2025 is \$1,639.6 million. This estimate is an extrapolation of the pension obligations determined in the actuarial valuation as at December 31, 2024. The net assets available for benefits being at \$1,633.8 million as at December 31, 2025, the estimated funding status at that date is a funding shortfall of \$5.8 million, before taking into consideration the stabilization fund (2024 - funding excess of \$32.1 million). The extrapolation does not include any actual gains or losses on assumptions and is calculated using a discount rate of 5.9%.

As per legislative requirements, the next actuarial valuation is to be made no later than as at December 31, 2027.

## 8. Contribution policy:

Cost sharing between the active members of the Plan and the University is set out in the official Plan text. Total Plan costs for service after December 31, 2015 are shared in the proportion of 45% by the active members (accruing members) and by 55% by the University. Total Plan costs consist of the current service cost, the stabilization contribution required by law and the cost to amortize funding deficits related to post-2015 service if the stabilization fund is insufficient to cover the deficit amortization payments, and are established by actuarial valuations performed at least once every three years. For the year ended December 31, 2025, the members' contribution rate was equal to 7.6% of their salary up to the maximum pensionable earnings determined by Retraite Québec and 9.1% of any excess earnings (2024 - 7.6% and 9.1%). The University's contribution rate for the year ended December 31, 2025 was 122.22% of the members' contributions (2024 - 122.22% of members' contributions).

# PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY

Notes to Financial Report (continued)  
(in thousands of dollars)

Year ended December 31, 2025

## 8. Contribution policy (continued):

The University is also responsible to remit to the Plan any amount due in case of a funding deficiency related to service prior to January 1, 2016 that cannot be absorbed by the stabilization fund. The most recent valuation for funding purposes, tabled with Retraite Québec on October 7, 2025, was carried out by the actuarial firm Eckler with an effective date of December 31, 2024. Following the conversion of the Plan's reserve into a stabilization fund effective on the same date, as of January 1, 2025, the amortization payments required to cover the funding deficiency pertaining to the pre-2016 service are fully covered by the stabilization fund. Per the latest actuarial valuation, there was no funding deficiency pertaining to the post-2015 service as at December 31, 2024.

Regular contributions and amortization payments remitted to the Plan are summarized as follows:

	2025	2024
Employees:		
Current service contributions	\$ 28,147	\$ 27,179
Stabilization contributions	2,610	2,520
Employer:		
Current service contributions	34,364	33,663
Stabilization contributions	3,170	3,105
Special employer contributions	–	184
Funding deficiency amortization payments for pre-2016 service	–	3,057
<b>Total required contributions</b>	<b>\$ 68,291</b>	<b>\$ 69,708</b>

# PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY

Notes to Financial Report (continued)  
(in thousands of dollars)

Year ended December 31, 2025

## 9. Net investment income:

	2025	2024
Dividends:		
Canada	\$ 466	\$ 457
Foreign	1,540	3,268
Interest:		
Money market	37	42
Bonds - Canada	462	150
Pooled funds:		
Canada	10,002	11,175
	12,507	15,092
Partnership income	13,206	12,388
Other income	1,951	1,317
Investment income	27,664	28,797
Transaction costs	(150)	(75)
Net investment income	\$ 27,514	\$ 28,722

## 10. Administrative expenses:

	2025	2024
Actuarial fees	\$ 260	\$ 199
Audit fees	47	47
Custodian fees	268	350
Investment management fees	602	386
Other investment-related fees	404	151
Plan administration	689	616
Management fees	944	899
Other expenses	135	48
	\$ 3,349	\$ 2,696

# PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY

Notes to Financial Report (continued)  
(in thousands of dollars)

Year ended December 31, 2025

## 11. Financial instruments:

### *Financial risks*

The Plan is exposed to various financial risks resulting from both its operating and investing activities.

The Plan's investment policy calls for diversification of financial risk through the diversification of investments among various strategies, categorized in three main categories: capital preservation, growth and diversification. Furthermore, investments are made in various asset classes, i.e., equity, real assets and absolute return. Within each investment category, there are defined diversification and maximum risk criteria.

The Plan's main financial risk exposure is detailed as follows:

#### (a) Market risk:

##### (i) Currency risk:

Currency risk refers to the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in foreign rates. The Plan is exposed to currency risk as a result of investments, amounts receivable on disposal of investments, interest and dividends receivable, cash and amounts payable on acquisition of investments denominated in foreign currencies. Some pooled fund units also indirectly expose the Plan to currency risk. Fluctuations of the Canadian dollar compared to these currencies could have a positive or negative impact on the fair value of these assets and liabilities.

The assets and liabilities denominated in foreign currencies are as follows:

		2025	
	Assets	Liabilities	
U.S. dollar	\$ 1,049,880	\$	–
Hong Kong dollar	9		–
Japanese yen	4		–

# PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY

Notes to Financial Report (continued)  
(in thousands of dollars)

Year ended December 31, 2025

## 11. Financial instruments (continued):

*Financial risks* (continued):

(a) Market risk (continued):

(i) Currency risk (continued):

The assets and liabilities denominated in foreign currencies are as follows (continued):

	2024	
	Assets	Liabilities
U.S. dollar	\$ 892,324	\$ —
Hong Kong dollar	17,374	—
Japanese yen	421	—
Singapore dollar	806	—
New Taiwan dollar	3,717	—

The Plan entered into forward exchange contracts, without applying hedge accounting, to partially cover its exchange risk exposure and under which it is required to sell or purchase specific amounts of currencies at predetermined exchange rates.

As at December 31, 2025, if the value of the Canadian dollar had increased or decreased by 5% compared to the other currencies, with all other variables held constant, the net assets available for benefits would have decreased or increased by about \$52.5 million (2024 - \$45.7 million). Actual results could differ from this sensitivity analysis and the variance could be significant.

(ii) Interest rate risk:

Interest rate risk refers to the impact of interest rate fluctuations on the fair value or future cash flows of the financial instruments.

Investments in bonds bear interest at a fixed rate and the Plan is therefore exposed to the risk of changes in fair value resulting from interest rate fluctuations.

Some pooled fund units indirectly expose the Plan to interest rate risk.

# PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY

Notes to Financial Report (continued)  
(in thousands of dollars)

Year ended December 31, 2025

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## 11. Financial instruments (continued):

*Financial risks* (continued):

(a) Market risk (continued):

(iii) Other price risk:

Other price risk refers to the risk that the fair value or future cash flows of the financial assets will fluctuate because of changes in market prices, other than those arising from currency risk or interest rate risk.

The Plan is directly exposed to other price risk as a result of equities. The Plan is also directly and indirectly exposed to other price risk as a result of pooled fund units and exchange traded funds. As at December 31, 2025, if market prices had increased or decreased by 10%, with all other variables held constant, net assets available for benefits and changes in the fair value of investments and the related liabilities would have increased or decreased by about \$160.5 million (2024 - \$160.5 million). Actual results could differ from this sensitivity analysis and the variance could be significant.

(b) Credit risk:

Credit risk refers to the risk that a counterparty to a financial instrument fails to fulfill a commitment or obligation towards the Plan. The carrying amount of financial assets, other than equities, represents the Plan's maximum credit risk exposure. However, some pooled fund units and exchange traded fund units also indirectly expose the Plan to credit risk.

Additionally, credit risk with respect to cash is considered to be negligible because this financial instrument is held by a reputable financial institution with a quality external credit rating. Credit risk with respect to U.S. Treasury bonds and U.S. Agency bonds is also considered to be negligible.

(c) Liquidity risk:

Liquidity risk refers to the risk that the Plan does not have the necessary funds to fulfill its financial obligations. Liquidity risk is inherent in the Plan's activities and may be affected by various situations that are specific to a market or all markets, in particular, credit-related events or a significant market fluctuation.

A majority of the Plan's assets are invested in securities that are traded on active markets and can be readily sold. The total amount of cash and the market value of cash equivalent securities and highly marketable securities are monitored continuously and, as at December 31, 2025, they were sufficient to meet the Plan's short-term liabilities and cash flow needs.

# PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY

Notes to Financial Report (continued)  
(in thousands of dollars)

Year ended December 31, 2025

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## 11. Financial instruments (continued):

*Financial risks* (continued):

(c) Liquidity risk (continued):

Pension obligations are the Plan's main financial obligations. Liabilities included in net assets available for benefits mature in less than three months.

*Fair value of investments*

The Plan's financial instruments recognized at fair value at the year-end date consist solely of investments.

(a) Equities:

The fair value of equities for which there is an active market is determined using the closing price on stock markets.

(b) Pooled fund units:

The fair value of pooled fund units is determined using published closing market quotations.

(c) Private investments funds:

The fair value of private investments is determined on a quarterly basis based on the investment fund net asset value. A number of valuation methodologies are considered in arriving at fair value, including, but not limited to, capitalized earnings, comparable company transactions, public company multiples, discounted cash flows, the price of a recent investment, net assets, transaction comparable, market comparable and industry valuation benchmarks. The most appropriate methodology, on an investment-by-investment basis, is chosen by the Investment Manager/General Partner to determine fair value.

(d) Exchange traded funds:

The fair value of exchange traded funds for which there is an active market is determined using the closing price on stock markets.

(e) Currency forward:

The fair value of foreign exchange forward contracts is determined according to the exchange rate in effect at the year-end date.

# PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY

Notes to Financial Report (continued)  
(in thousands of dollars)

Year ended December 31, 2025

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## 12. Capital disclosure:

The Plan defines its capital as net assets available for benefits.

The Plan's capital management objectives are, among others, to invest the assets under management in appropriate securities while managing related risks and maintaining sufficient liquidities to meet its continuing obligations. Additionally, the Plan's objective is to guarantee that long-term benefits are fully funded.

The Plan is subject to the *Regulation respecting the funding of pension plans of the municipal and university sectors* under the *Supplemental Pension Plans Act*, which requires it to file, at least once every three years, a complete actuarial valuation to determine the Plan's status under the funding and solvency bases. In addition to current service and stabilization contributions, the Plan may be required to take measures to make up any funding deficit related to service after December 31, 2015 by requiring the active members of the Plan and the University to make special amortization payments, if those payments cannot be fully absorbed by the stabilization fund. Additionally, the Pension Plan must establish an actuarial reserve.

The most recent complete actuarial valuation was prepared as at December 31, 2024, published and submitted to Retraite Québec on October 7, 2025, establishing Plan members' and the University's contributions as of January 1, 2026. As per legislative requirements, the next complete actuarial valuation is required to be prepared no later than as at December 31, 2027.

Following the conversion of the Plan's reserve into a stabilization fund effective December 31, 2024, as of January 1, 2025, deficit amortization payments are fully absorbed by the stabilization fund whenever the fund is sufficient to cover such payments.

## 13. Transactions with the sponsor:

The sponsor, Concordia University, subsidizes the compensation of certain employees working for the Plan.

Non-recorded costs in 2025 are valued at \$504.8 (2024 - \$480.9) for compensation of employees working for the Plan.

# PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY

Notes to Financial Report (continued)  
(in thousands of dollars)

Year ended December 31, 2025

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## 14. Commitment:

The Plan has committed to making investments that will be funded in future years in accordance with the terms and conditions agreed to in the agreements. The Plan's commitments are partly denominated in USD and in CAD. The investment commitments made by the Plan as at December 31, 2025 are as follows:

	2025	2024
Private investments	\$ 558,247	\$ 493,820

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The financing of the commitments mentioned above can be called by the various managers at various dates until 2031. However, several fund managers have the option to extend the investment period, conditional on approval by the investors.