



**Brandon University Retirement Plan
Board of Trustees
Tuesday, June 9, 2026 @ 1:00 p.m.
Clark Hall Room 104 & via Teams**

AGENDA

1.0 Call to Order

2.0 Approval of Agenda and Minutes

2.1 Approval of Minutes April 22, 2026

2.2 Approval of Agenda of June 9, 2026

3.0 Connor, Clark & Lunn Investment Management Ltd. (L. Ross Onder/ P. Muldowney)

3.1 Investment Performance Review

4.0 New Business

4.1 Approval of the Brandon University Retirement Plan Annual Report incorporating the Annual Financial Statements (Johan Maccas, BDO Canada/A. Noto)

4.1.1 Brandon University Retirement Plan – Audit Results Memo 2025

4.1.2 Brandon University Retirement Plan – Annual Report 2025

4.2 Next year's meeting schedule and September meeting

5.0 Continuing Business

5.1 Update on review of draft Trust Agreement between Brandon University and the Pension Trustees (CRA recommendations) (D. Taylor/A. Kulyk)

5.2 Consider the proposal from plan advisors on pension transfer-in practices at other universities, available options, and associated implications.

5.3 Revisit direction of transfer-in requests currently on hold pending Trustee guidance

5.4 Succession planning discussion: New chair candidates

6.0 Correspondence

6.1 CIBC Mellon Custodial Fees – Invoices

Invoice #	Duration	Amount
347258	Apr 1 – 30, 2026	\$14,275.88

6.2 Connor, Clark & Lunn – Invoices

Invoice #	Duration	Amount
32807_1939	Oct 1 – Dec 31, 2026	\$311,716.37

6.3 Eckler – Invoices

Invoice #	Duration	Amount
Professional Services EB1-26-0720	Jan 1 – Mar 31, 2026	\$19,300.22
Administration Services EB1-26-0733	Dec 13, 2025 – Mar 31, 2026	\$36,632.45

7.0 Upcoming Meeting Dates

Wednesday, November 18, 2026, 1:00 – 4:00 p.m.

Clark Hall Room 104



**Brandon University Retirement Plan
Pension Trustees
Wednesday, April 22, 2026
MEETING MINUTES**

Present: David Taylor (BUFA)
Jan Chaboyer (Retiree)
Allison Noto (Exempt)
Nicky Kreshewski, HR (via Teams)
Brian Parley (IUOE-A)
Oksana Bihdan (IUOE-D) (via Teams)
Quintin Pearce (Board of Governors) (via Teams)

Guest: Andrew Kulyk, Eckler (via Teams)
Shawna Philpott

Regrets: Doug Pickering (BUFA)
Peter Hickey (Board of Governors)
Greg Misener (MGEU)
Becky Lane (MGEU)

Recording Secretary: Carey Pod

1.0 CALL TO ORDER

The meeting was called to order at 1:04 p.m. The Chair acknowledged the traditional lands on which the Brandon University campuses are located.

2.0 APPROVAL OF AGENDA AND MINUTES

2.1 Approval of minutes of February 11, 2026

Motion: Moved and Seconded (A. Noto/J. Chaboyer)

BE IT RESOLVED THAT THE minutes from the February 11, 2026 meeting of the Brandon University Retirement Plan Pension Trustees be approved as presented.

CARRIED

2.2 Approval of agenda for April 22, 2026

- Pension transfer discussion was added as an additional item to the agenda.

Motion: Moved and Seconded (B. Parley/ J. Chaboyer)

BE IT RESOLVED THAT THE agenda for the April 22, 2026 meeting of the Brandon University Retirement Plan Pension Trustees be approved as amended.

CARRIED

3.0 New Business

3.1 Appointment of one additional signatory

- Brian Parley was nominated by A. Noto as an additional signatory.

Motion: Moved and Seconded (A. Noto/J. Chaboyer)

BE IT RESOLVED THAT THE Brandon University Retirement Plan Pension Trustees authorize Brian Parley one of the four signing officers. The three other signatories are David Taylor, Peter Hickey and Allison Noto.

CARRIED

3.2 Succession planning discussion: New chair candidates

- There was a recommendation made that a current member of the trustee board consider put their name forth for the Chair position at the November 2026 meeting.

3.3 Pension transfer Discussion

- Item 3.3 was added to address a request concerning the potential transfer of pension funds into the Brandon University Pension Plan.
- An employee has requested to transfer approximately \$200,000 from a registered pension source (originating from a wound-up pension plan at another university) into the Brandon University Pension Plan to purchase prior service.
- The originating pension plan is out-of-province, and there is no reciprocal transfer agreement in place; therefore, a reciprocal transfer could not be offered.
- Administration advised that reciprocal transfers are not permitted and that all other transfer-in requests are currently on hold, pending direction from the Trustees.
- Concern was raised that transfers accepted as Additional Voluntary Contributions (AVCs) are later converted into defined benefit credits without clear Income Tax Act limits, potentially exceeding allowable pension thresholds.
- Trustees discussed the risk of non-compliance with CRA rules, noting that while CRA has not raised the issue in recent reviews, the absence of clarity poses a future compliance and financial risk.
- It was noted that only four members currently have such transferred balances, with amounts ranging from approximately \$2,000 to \$70,000, limiting current exposure but presenting potential future risk as balances grow.
- Three options were discussed:
 - Maintain the status quo,
 - Discontinue future transfer-ins while leaving existing accounts unchanged, or
 - Seek advance clarification or ruling from the Canada Revenue Agency (CRA).
- Trustees acknowledged that seeking CRA clarification may provide certainty but could require retroactive corrective action for existing members, potentially including benefit recalculations or refunds.

- Trustees requested that plan advisors research practices at other universities, assess transfer-in approaches, and prepare a proposal with options and implications for consideration at a future meeting.

4.0 Continuing Business

4.1 Update on review of Trust Agreement between Brandon University and the Pension

Trustees: This item was tabled to the next meeting.

- David is to send Eckler the CRA recommendations presented from their review of the current trust agreement.

4.2 Approval and adoption of updated Statement of Investment Policies & Procedures

- A. Kulyk highlighted the two changes in the SIPP.
 - Previously approved or discussed asset mix and rebalancing updates now incorporated into the policy text.
 - A new addition to the Investment Beliefs section recognizing ESG factors in investment decision-making.
- A. Kulyk notes that there may be small formatting or typos in the statement because of not having an original document to work on.

Motion: Moved and Seconded (A. Noto/J. Chaboyer)

BE IT RESOLVED THAT THE Brandon University Retirement Plan Pension Trustees approved the updated Statement of Policies and Procedures as presented in the April 22, 2026 Board package.

CARRIED

4.3 Asset Class Positioning and Fundamental Canadian Equity question

- The Retirement Plan's 10% real estate allocation reflects only its investment in private direct real estate (Crestpoint Institutional Real Estate Trust) and excludes publicly traded REITs, as these are treated within Canadian equities and behave more like equities due to daily pricing and higher volatility. Private real estate valuations are based on quarterly NAV appraisals and tend to reflect underlying property fundamentals more directly, providing lower volatility and diversification benefits compared to REITs.

5.0 CORRESPONDENCE

5.1 CIBC Mellon Custodial Fees – Invoices

Motion: Moved and Seconded (J. Chaboyer/B. Parley)

BE IT RESOLVED THAT THE Brandon University Retirement Plan Pension Trustees approve the payment, after the fact, of the invoices from agenda item 5.1.

CARRIED

6.0 UPCOMING MEETING DATES

Tuesday, June 9, 2026	1:00 – 4:00 p.m.	Clark Hall Room 104
Wednesday, November 18, 2026	1:00 – 4:00 p.m.	Clark Hall Room 104

7.0 ADJOURNMENT

Motion: Moved and Seconded (A. Noto)

BE IT RESOLVED THAT THE Brandon University Retirement Plan Pension Trustees approved adjournment of the meeting at 2:04 p.m.

CARRIED

Brandon University Retirement Plan

Pension Trustees Meeting

June 9, 2026 | Peter Muldowney



DASHBOARD

ASSETS UNDER MANAGEMENT:

Q1 2026

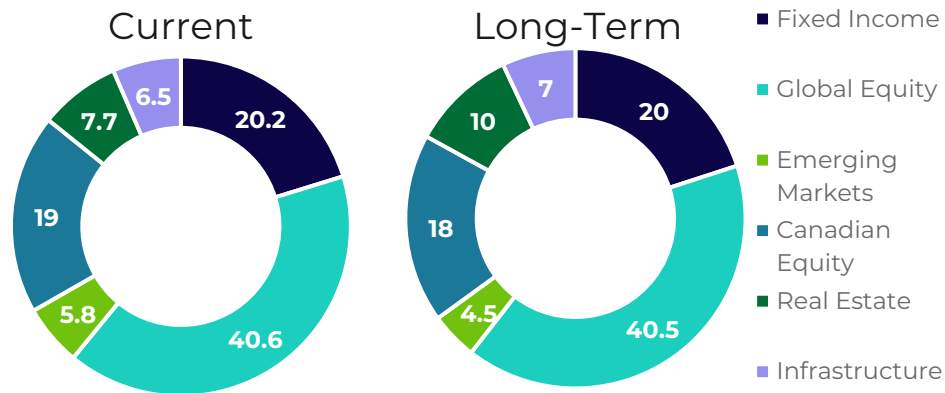
\$295,743,874

Q1 2026 growth

\$5,173,057*

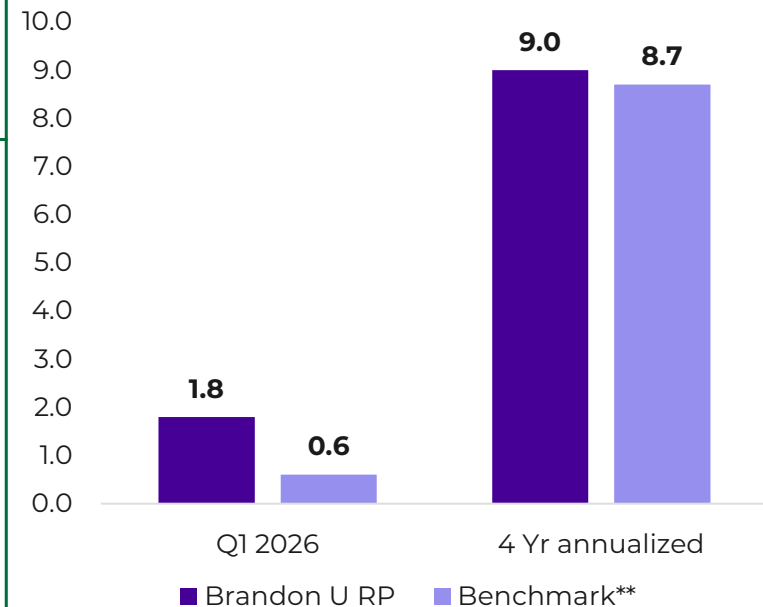
*excludes contributions & withdrawals

ASSET MIX (%):



- All asset classes were broadly in line with the current interim policy mix

PERFORMANCE:



- The portfolio outperformed its benchmark in both the 1st quarter and 4-year period

OTHER UPDATES:

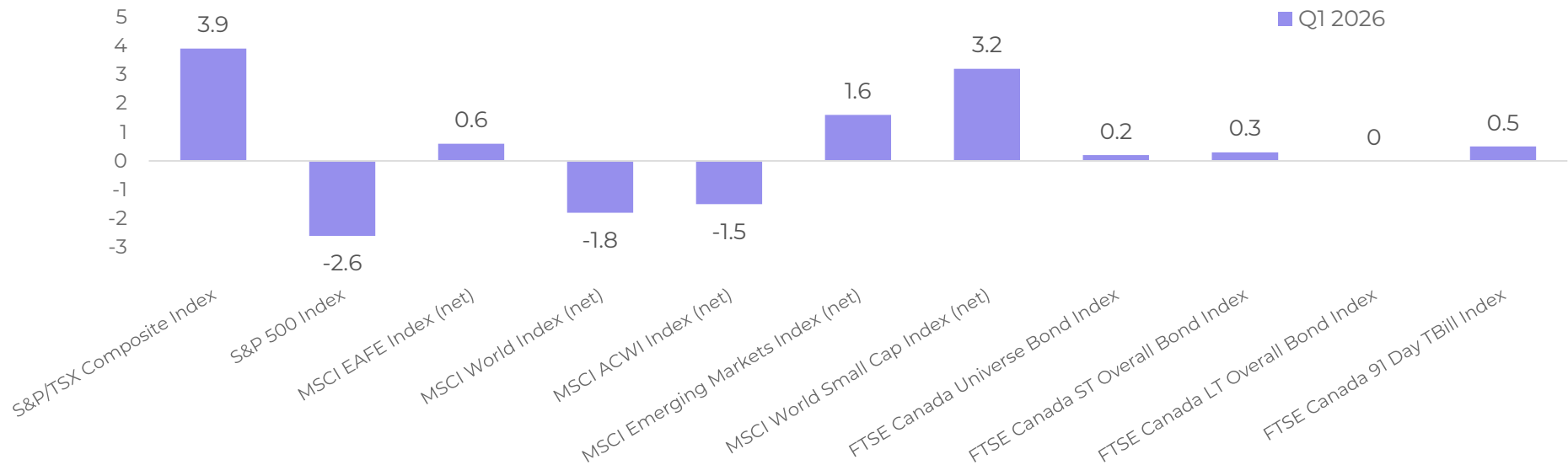
- As previously communicated, TJ Sutter took over full leadership of the CC&L Fixed Income team and joined CC&L's Board of Directors in 2025, succeeding David George, who transitioned to an advisory role until his retirement at year-end 2025. Over the past 3 years, CC&L Fixed Income Portfolio Manager Simon MacNair's portfolio construction responsibilities have been gradually transitioned to several key individuals on the team, with the process completed at year end 2025 when Simon officially retired.
- Sandy McArthur, Senior Macro Analyst, Fixed Income, became a business owner of the firm effective January 1, 2026. The CC&L Investment Management ownership is now comprised of 38 stakeholders.
- Dan Baring retired from NS Partners effective Feb. 2026 to pursue other opportunities outside the fund management industry.

** 18.5% S&P500 Index (Net 15%) (CAD\$) & 18% S&P/TSX Composite Index & 11% MSCI EAFE Index Net (CAD\$) & 11% MSCI ACWI ex USA Index Net (CAD\$) & 4.5% MSCI Emerging Markets Net (CAD\$) & 21% FTSE Canada Long Term Overall Bond Index & 9% Inflation +4% (Canada CPI + 4%) & 7% Inflation +5% (Canada CPI + 5%). Prior to December 30, 2025, benchmark was 18.5% S&P500 Index (Net 15%) (CAD\$) & 18% S&P/TSX Composite Index & 14.7% MSCI EAFE Index Net (CAD\$) & 7.3% MSCI ACWI ex USA Index Net (CAD\$) & 4.5% MSCI Emerging Markets Net (CAD\$) & 21% FTSE Canada Long Term Overall Bond Index & 9% Inflation +4% (Canada CPI + 4%) & 7% Inflation +5% (Canada CPI + 5%).

MARKET REVIEW

Q1 2026

- Q1 2026 moved from early optimism to heightened volatility due to macro and geopolitical risks, including policy changes and renewed conflict in the Middle East
- The price of oil (Brent crude) surged ~94%, driving inflation concerns and broad asset repricing
- Global equities declined overall; Canada outperformed (+3.9%) while U.S. and global indices posted losses, and emerging markets were positive
- Strong commodity exposure, especially oil, was a key driver of regional and emerging market outperformance
- After declining through February, bond yields ultimately rose overall amid inflation concerns, led by short-term yields. Credit spreads widened, and core bonds delivered modest returns.



Note: All index returns are in Canadian dollar terms

INVESTMENT RETURNS

As at March 31, 2026

Performance

	2026 (%)		Annualized (%)						Annual Ending December 31 (%)			
	QTR	YTD	1 YR	2 YR	3 YR	4 YR	5 YR	SI	2025	2024	2023	2022
Brandon University Retirement Plan	1.8	1.8	15.3	13.3	13.0	9.0	8.6	8.0	14.8	15.8	12.4	-12.1
Benchmark *	0.6	0.6	13.9	12.8	12.5	8.7	7.9	7.6	15.2	15.0	13.0	-12.7
Added Value	1.2	1.2	1.4	0.5	0.4	0.3	0.7	0.4	-0.4	0.7	-0.6	0.6

* 18.5% S&P500 Index (Net 15%) (CAD\$) & 18% S&P/TSX Composite Index & 11% MSCI EAFE Index Net (CAD\$) & 11% MSCI ACWI ex USA Index Net (CAD\$) & 4.5% MSCI Emerging Markets Net (CAD\$) & 21% FTSE Canada Long Term Overall Bond Index & 9% Inflation +4% (Canada CPI + 4%) & 7% Inflation +5% (Canada CPI + 5%).

Prior to December 30, 2025, benchmark was 18.5% S&P500 Index (Net 15%) (CAD\$) & 18% S&P/TSX Composite Index & 14.7% MSCI EAFE Index Net (CAD\$) & 7.3% MSCI ACWI ex USA Index Net (CAD\$) & 4.5% MSCI Emerging Markets Net (CAD\$) & 21% FTSE Canada Long Term Overall Bond Index & 9% Inflation +4% (Canada CPI + 4%) & 7% Inflation +5% (Canada CPI + 5%).

Due to the valuation lag for real estate and infrastructure:

QTD returns include the last available returns in the current calendar quarter

YTD returns include the last available returns in the current calendar year

Annualized returns include the last available returns for this investment

Inception Date: December 30, 1994

All returns are gross of fees except for infrastructure. Added value may differ due to rounding to 1 decimal place. If applicable to your mandate, a full benchmark history can be provided upon request.

Footnote for table on the following page

± Inception Date: December 19, 2016

±± Inception Date: September 14, 2004

±±± Inception Date: November 8, 2012

±±±± Inception Date: March 22, 2019

±±±±± Inception Date: April 7, 2022. Returns are presented to the end of the last quarter for which returns were available due to the valuation lag for the Crestpoint Institutional Real Estate Fund.

±±±±±± Inception Date: May 30, 2022. Returns are presented to the end of the last quarter for which returns were available due to the valuation lag for the CC&L

All returns are gross of fees except for infrastructure. Added value may differ due to rounding to 1 decimal place. If applicable to your mandate, a full benchmark history can be provided upon request

INVESTMENT RETURNS

As at March 31, 2026

Asset Class Returns	2026 (%)		Annualized (%)						Annual Ending December 31 (%)			
	QTR	YTD	1 YR	2 YR	3 YR	4 YR	5 YR	SI	2025	2024	2023	2022
Fixed Income	0.0	0.0	-2.2	2.7	2.3	0.0	-0.9	5.4	-0.3	2.4	10.1	-20.5
CC&L Long Bond Fund A ±	0.0	0.0	-2.2	2.7	2.3	0.0	-1.1	1.7	-0.3	2.4	10.1	-21.4
FTSE Canada Long Term Overall Bond Index	0.0	0.0	-2.5	2.1	1.7	-0.6	-1.6	1.3	-0.7	1.3	9.5	-21.8
Canadian Equities	4.9	4.9	35.1	25.5	22.2	15.1	17.0	10.3	31.0	23.1	11.7	-2.4
CC&L Q Equity Extension I ±	7.8	7.8	44.8	33.1	27.9	19.5	21.0	15.2	40.2	26.7	13.8	-2.4
SRA Canadian Equity Fund ±±	4.9	4.9	31.7	20.3	17.9	11.8	15.2	9.7	23.9	17.6	9.3	0.9
PCJ Canadian Equity Fund A ±±	1.9	1.9	29.2	23.2	20.9	14.0	14.8	9.9	28.9	25.2	12.0	-5.7
S&P/TSX Composite Index	3.9	3.9	34.8	25.0	21.2	14.0	15.2	9.5	31.7	21.7	11.8	-5.8
Global Equities	1.8	1.8	18.5	15.6	17.3	13.2	11.9	8.7	17.4	23.9	16.8	-12.2
NS Partners International Equity Fund A ±±±	-1.5	-1.5	8.2	4.8	7.2	6.1	5.2	10.2	11.8	8.3	11.8	-14.7
MSCI EAFE Index (CAD\$)	0.7	0.7	18.2	15.1	15.4	13.3	10.7	10.9	25.7	13.8	15.7	-7.8
CC&L Q US Equity Extension Fund I ±±±±	1.4	1.4	20.2	20.8	24.1	18.0	17.9	17.8	17.2	40.2	23.3	-10.6
S&P500 Index (Net 15%) (CAD\$)	-2.6	-2.6	14.0	14.5	19.3	14.1	14.2	15.0	12.1	36.1	22.6	-12.4
CC&L Q Emerging Markets Equity Fund ±	5.3	5.3	33.0	26.3	23.0	16.7	11.5	12.9	30.6	25.1	13.5	-10.1
MSCI Emerging Markets Net (CAD\$)	1.6	1.6	25.6	20.2	16.0	10.9	5.9	8.5	27.3	17.3	6.9	-14.3
CC&L Q International Equity Fund A ±±±±±±	4.1	4.1						6.0				
MSCI ACWI ex USA Index Net	1.1	1.1						2.8				
Cash	0.6	0.6	2.7	3.6	4.1	3.8	3.0	2.8	3.0	4.9	4.9	1.8
FTSE Canada 91 Day TBill Index	0.5	0.5	2.5	3.5	3.9	3.7	3.0	2.6	2.8	4.9	4.7	1.8
Inflation (Canada CPI)	1.5	1.5	2.4	2.4	2.5	3.0	3.7	2.1	2.4	1.8	3.4	6.3
Crestpoint Institutional Real Estate Fund ±±±±±	1.4	5.6	5.6	4.6	1.8			3.3	5.6	3.6	-3.5	
Inflation +4% (Canada CPI + 4%)	1.1	6.4	6.4	6.1	6.5			6.8	6.4	5.8	7.4	
CC&L Institutional Infrastructure Fund ±±±±±±	2.7	13.0	13.0	10.2	10.4			10.0	13.0	7.6	10.7	
Inflation +5% (Canada CPI + 5%)	1.3	7.4	7.4	7.1	7.5			7.7	7.4	6.8	8.4	

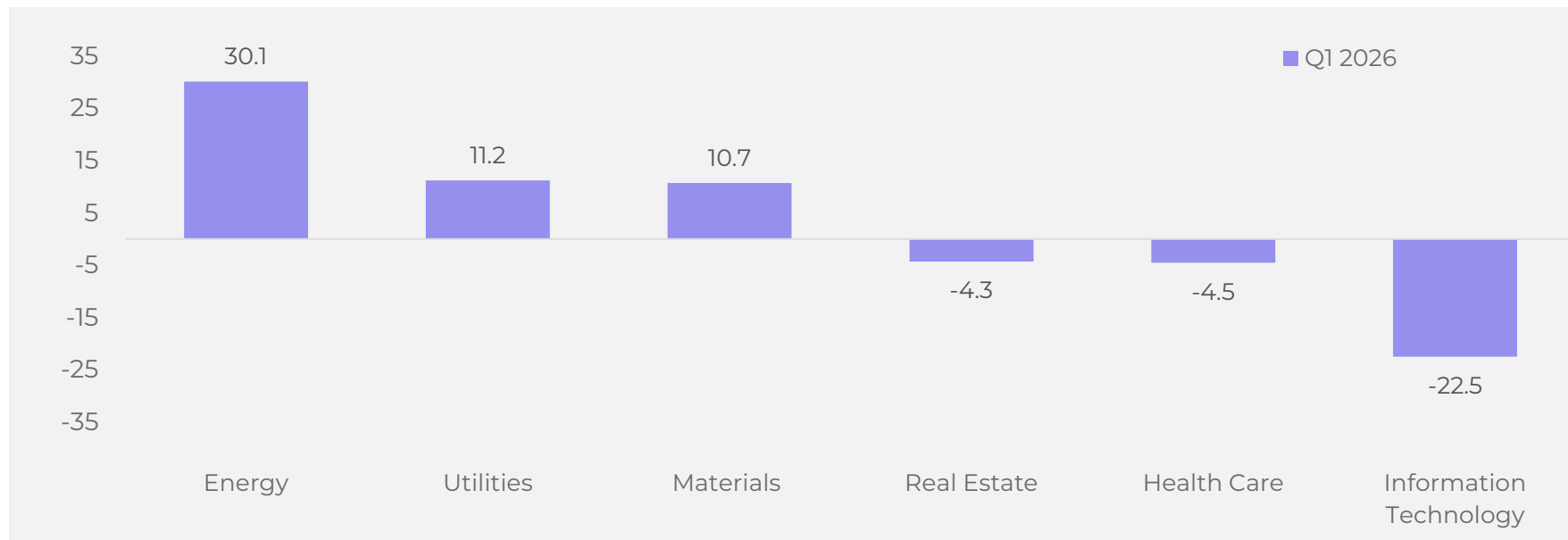
CANADIAN EQUITY

Market Review & Combined Return

Combined Canadian Equity

	Fund	Index
Q1 2026	4.9%	3.9%

Top 3 and Bottom 3 Sectors



CANADIAN EQUITY

Performance Attribution

SRA Canadian Equity Fund

	Fund	Index
Q1 2026	4.9%	3.9%

QTD			
Sector	Benchmark	Sector Allocation	Security Selection
Energy (ex Pipelines)	38.83%	-0.4%	0.8%
Pipelines	17.39%	-0.1%	-0.1%
Materials (ex Gold & Precious Metals)	7.12%	0.0%	0.7%
Gold & Precious Metals	11.79%	-0.5%	-0.5%
Industrials (ex Road & Rail)	-4.81%	0.1%	0.3%
Road & Rail	7.47%	0.1%	0.0%
Consumer Discretionary	-3.95%	-0.3%	0.0%
Consumer Staples	3.12%	0.0%	-0.1%
Health Care	-4.47%	0.0%	0.0%
Real Estate	-4.30%	-0.1%	0.0%
Financials	-1.90%	-0.2%	-0.1%
Information Technology	-22.50%	1.5%	-0.1%
Communication Services	5.78%	0.0%	-0.1%
Utilities	11.25%	-0.1%	0.1%
Cash		0.0%	0.0%
Total		0.0%	1.0%

CANADIAN EQUITY

Performance Attribution

PCJ Canadian Equity Fund

	Fund	Index
Q1 2026	1.9%	3.9%

Attribution

Sector	Benchmark*
Energy	30.1%
Materials	10.7%
Industrials	-0.2%
Consumer Discretionary	-3.9%
Consumer Staples	3.1%
Health Care	-4.5%
Financials	-1.9%
Information Technology	-22.5%
Communication Services	5.8%
Utilities	11.2%
Real Estate	-4.3%
Cash	
Total	

QTD

Sector Allocation	Security Selection
0.0%	0.1%
-0.1%	-0.3%
-0.2%	-0.6%
0.1%	-0.2%
0.0%	-0.9%
-0.3%	0.6%
0.1%	-0.1%
0.1%	-0.1%
0.0%	0.0%
-0.1%	-0.1%
0.1%	0.0%
0.0%	0.0%
-0.4%	-1.6%

*Benchmark: S&P/TSX Composite Index

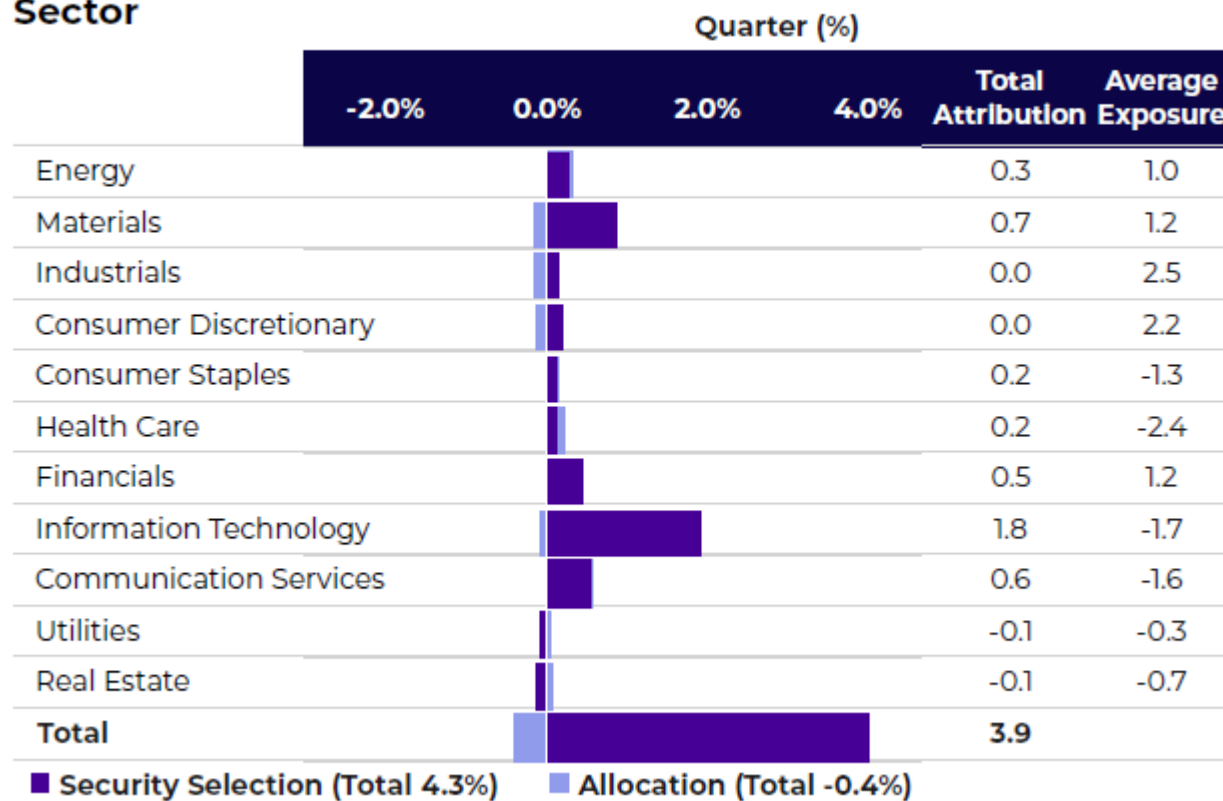
CANADIAN EQUITY

Performance Attribution

CC&L Q Canadian Equity Extension Fund

	Fund	Index
Q1 2026	7.8%	3.9%

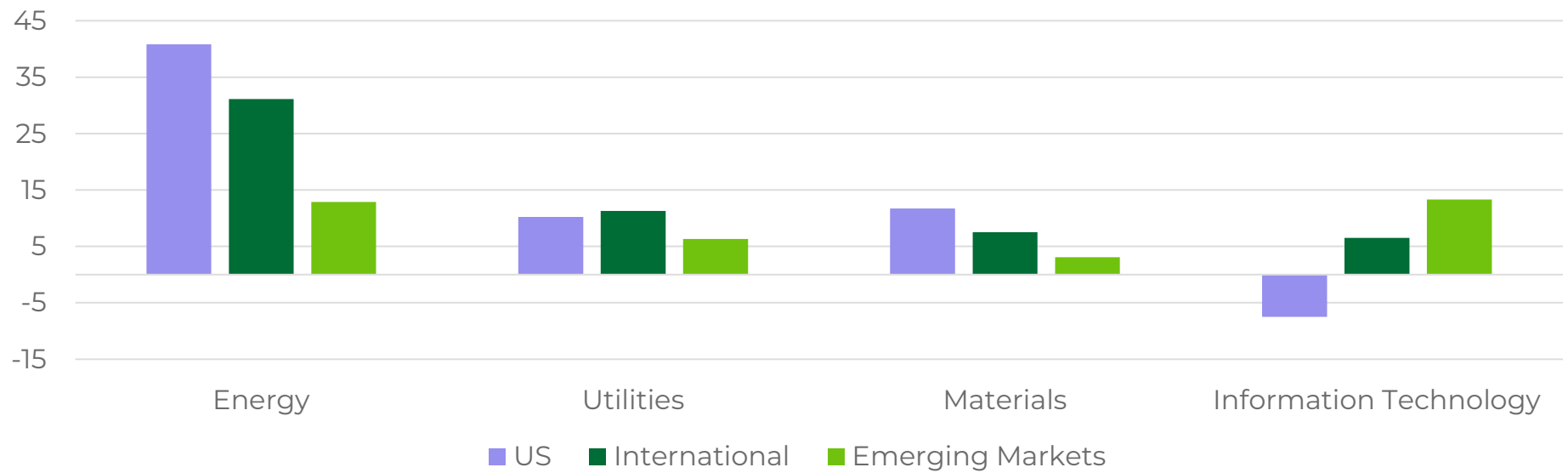
Sector



GLOBAL EQUITY

Market Review

Sector Returns



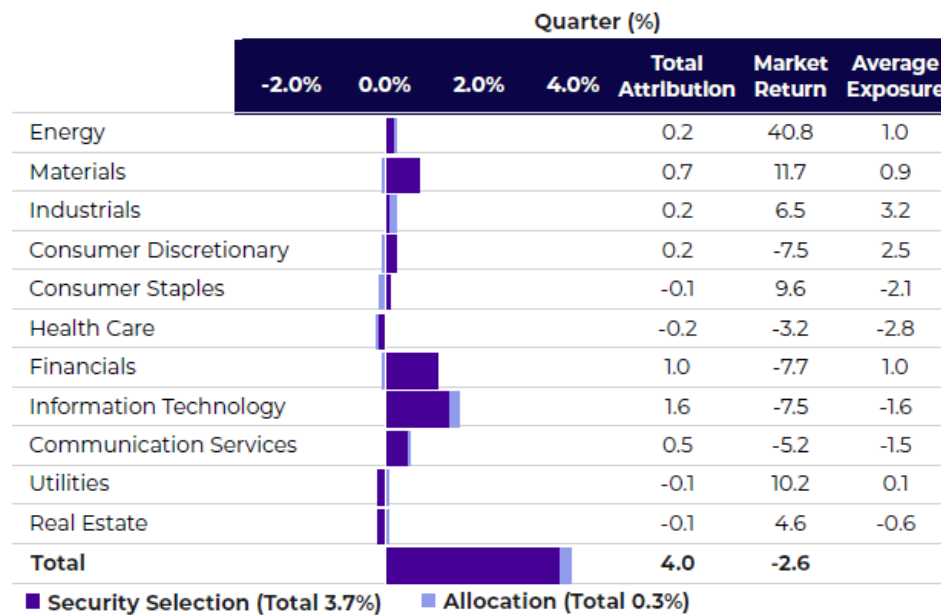
US & EMERGING MARKETS EQUITY

Performance Attribution

CC&L Q US Equity Extension Fund

	Fund	Index
Q1 2026	1.4%	-2.6%

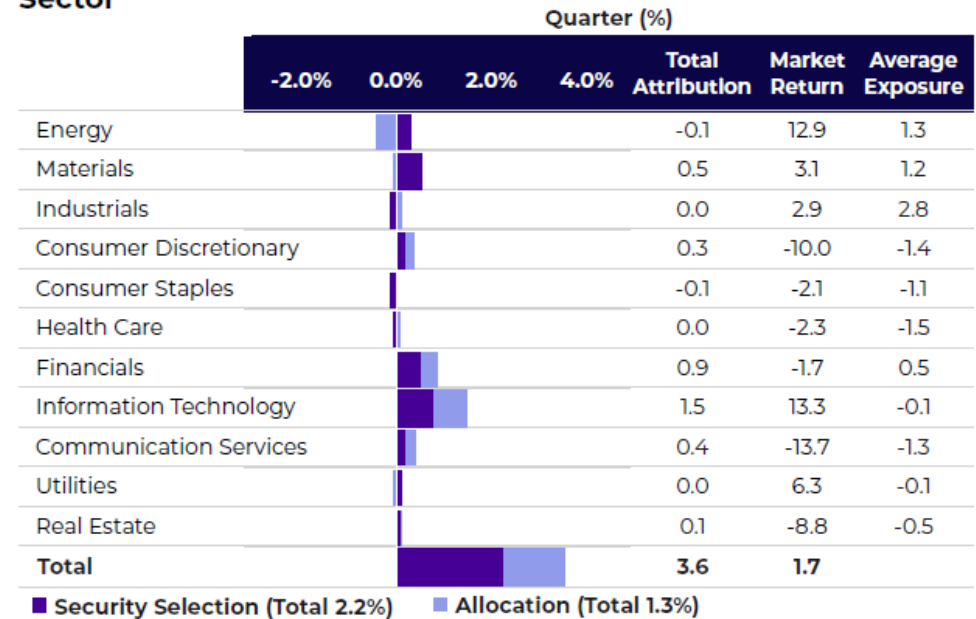
Sector



CC&L Q Emerging Markets Equity Fund

	Fund	Index
Q1 2026	5.3%	1.6%

Sector

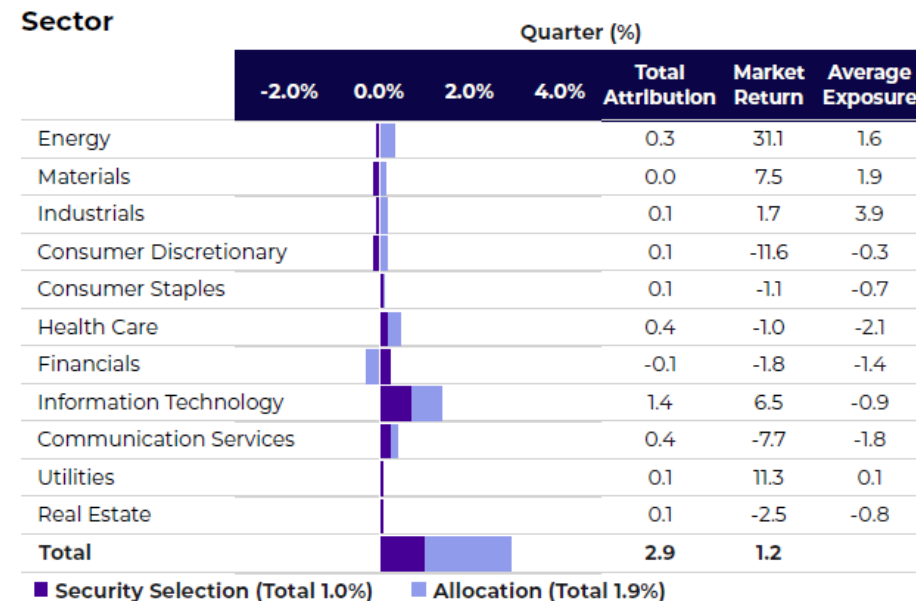


INTERNATIONAL EQUITY

Performance Attribution

CC&L Q International Fund

	Fund	Index
Q1 2026	4.1%	1.1%



NS Partners International Equity Fund

	Fund	Index
Q1 2026	-1.5%	0.7%

Attribution by Sector

	Allocation	Selection	Net impact
Energy	-0.1%	-0.2%	-0.4%
Materials	0.2%	-0.1%	0.0%
Industrials	0.1%	-1.6%	-1.6%
Consumer discretionary	0.7%	-0.4%	0.3%
Consumer staples	-0.1%	-0.5%	-0.6%
Health care	0.0%	0.3%	0.2%
Financials	0.1%	-0.6%	-0.5%
Information technology	-0.2%	0.4%	0.2%
Communication services	0.0%	0.1%	0.1%
Utilities	0.0%	0.1%	0.1%
Real estate	0.0%	-0.1%	-0.1%
Cash	0.0%	0.0%	0.0%

FIXED INCOME

Performance Attribution

CC&L Long Bond Fund

	Fund	Index
Q1 2026	0.0%	0.0%

Portfolio Characteristics

	Portfolio at Mar 31/26	Benchmark*
Effective Duration (Years)	14.2	14.1
Effective Maturity (Years)	22.2	22.6
Yield (%)	4.8	4.5
Average Coupon (%)	4.2	3.8

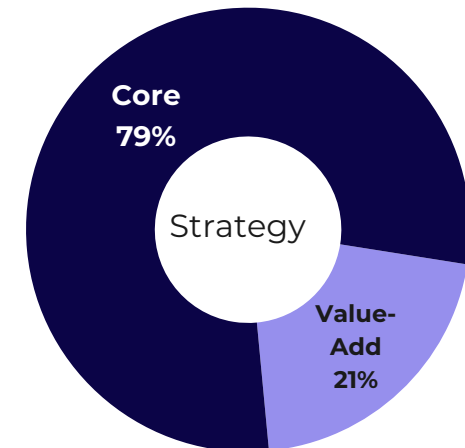
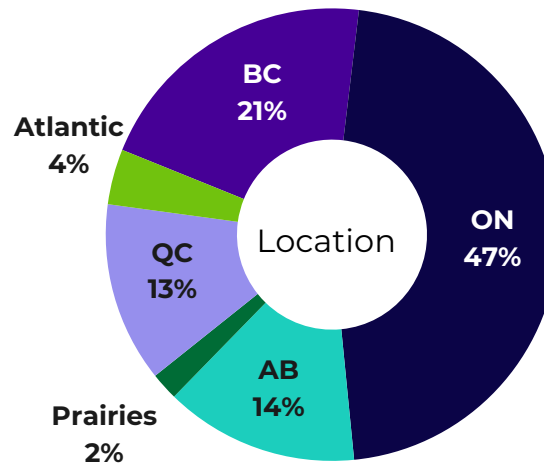
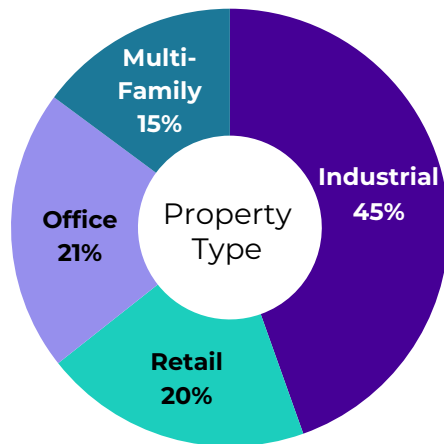
*Benchmark: FTSE Canada Long Term Overall Bond Index.

REAL ESTATE

Q4 2025

	Fund*	Benchmark**	Diversification	Occupancy	New Investment
Q4 2025	1.4%	1.1%	334 properties*	91%	Anticipated closing of Minto REIT privatization in 2H 2026
YTD	5.6%	6.4%			

Portfolio Characteristics*



* As of December 31, 2025

** Inflation +4% (Canada CPI + 4%)

*** SI Date: April 7th, 2022

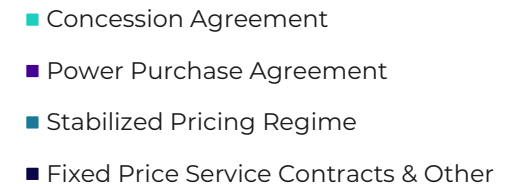
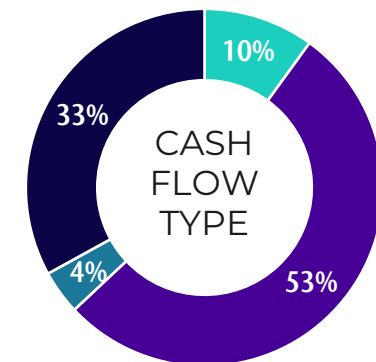
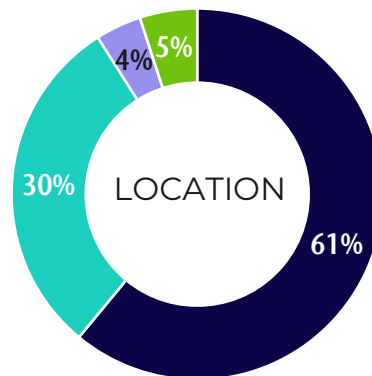
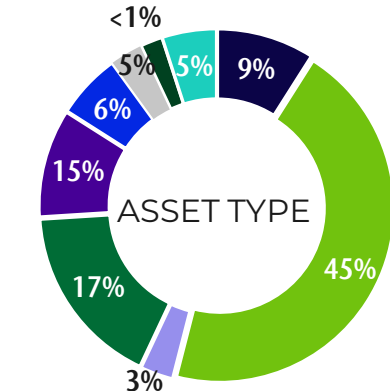
Connor, Clark & Lunn One

INFRASTRUCTURE

Q4 2025

	Fund*	Benchmark**	Pipeline*	New Investment
Q4 2025	2.7%	1.3%	~ \$1.8 billion of opportunities under review	In March, acquired indirect minority equity interest in Highway 407 ETR
YTD	13.0%	7.4%		

Portfolio Characteristics^{1,2}



¹ Based on percentage of estimated Fund NAV at December 31, 2025. Totals may not add to 100% due to rounding.

² "Concession Agreement" and "Power Purchase Agreement" refers to renewable energy and public-private partnership investments that operate under 20-to-40-year contracts primarily with investment grade government counterparties. "Stabilized Pricing Regime" refers to the Distributed Solar Portfolios (6% of NAV), which operate under the Pequeños Medios de Generación Distribuida (PMGD) stabilized pricing regime in Chile. Power is sold to the grid at the stabilized price and purchased by a large pool of buyers consisting of local utilities and generators. "Fixed Price Service Contracts & Other" primarily represents CC&L Infrastructure's rail assets (26% of NAV) and Landmark Student Transportation (15% of NAV), where revenues are highly contracted on individually negotiated terms with a variety of counterparties, including reputable corporate customers and local school districts across Canada and the United States.

As of December 31, 2025. Fund returns are presented net of fees and expenses.

** Inflation +5% (Canada CPI + 5%)

*** SI Date: May 30, 2022

Connor, Clark & Lunn One

INVESTMENT RETURNS

As at April 30, 2026

Performance

	2026 (%)		Annualized (%)						Annual Ending December 31 (%)			
	MTD	YTD	1 YR	2 YR	3 YR	4 YR	5 YR	SI	2025	2024	2023	2022
Brandon University Retirement Plan	4.8	6.7	22.7	17.2	14.1	11.8	9.2	8.2	14.8	15.8	12.4	-12.1
Benchmark *	4.0	4.7	20.3	16.2	13.3	11.4	8.5	7.7	15.2	15.0	13.0	-12.7
Added Value	0.8	2.0	2.4	1.0	0.7	0.4	0.7	0.4	-0.4	0.7	-0.6	0.6

* 18.5% S&P500 Index (Net 15%) (CAD\$) & 18% S&P/TSX Composite Index & 11% MSCI EAFE Index Net (CAD\$) & 11% MSCI ACWI ex USA Index Net (CAD\$) & 4.5% MSCI Emerging Markets Net (CAD\$) & 21% FTSE Canada Long Term Overall Bond Index & 9% Inflation +4% (Canada CPI + 4%) & 7% Inflation +5% (Canada CPI + 5%).

Prior to December 30, 2025, benchmark was 18.5% S&P500 Index (Net 15%) (CAD\$) & 18% S&P/TSX Composite Index & 14.7% MSCI EAFE Index Net (CAD\$) & 7.3% MSCI ACWI ex USA Index Net (CAD\$) & 4.5% MSCI Emerging Markets Net (CAD\$) & 21% FTSE Canada Long Term Overall Bond Index & 9% Inflation +4% (Canada CPI + 4%) & 7% Inflation +5% (Canada CPI + 5%).

Due to the timing of the release of monthly CPI data, the benchmarks for real estate and infrastructure do not include CPI data for the current reporting month.

Due to the valuation lag for real estate and infrastructure:

MTD returns exclude this investment

YTD returns include the last available returns in the current calendar year

Annualized returns include the last available returns for this investment

Inception Date: December 30, 1994

All returns are gross of fees except for infrastructure. Added value may differ due to rounding to 1 decimal place. If applicable to your mandate, a full benchmark history can be provided upon request

INVESTMENT RETURNS

As at April 30, 2026

Asset Class Returns

	2026 (%)		Annualized (%)						Annual Ending December 31 (%)			
	MTD	YTD	1 YR	2 YR	3 YR	4 YR	5 YR	SI	2025	2024	2023	2022
Fixed Income	0.5	0.6	0.6	5.3	1.8	2.0	-0.8	5.4	-0.3	2.4	10.1	-20.5
CC&L Long Bond Fund A ±	0.5	0.6	0.6	5.3	1.8	2.0	-0.9	1.8	-0.3	2.4	10.1	-21.4
FTSE Canada Long Term Overall Bond Index	0.4	0.4	0.1	4.7	1.2	1.4	-1.4	1.3	-0.7	1.3	9.5	-21.8
Canadian Equities	4.6	9.7	42.4	29.7	23.0	17.7	17.3	10.4	31.0	23.1	11.7	-2.4
CC&L Q Equity Extension I ±	4.9	13.1	51.9	36.9	28.7	22.2	21.1	15.6	40.2	26.7	13.8	-2.4
SRA Canadian Equity Fund ±±	4.8	9.9	39.4	24.9	18.9	14.1	15.6	9.9	23.9	17.6	9.3	0.9
PCJ Canadian Equity Fund A ±±	4.2	6.2	36.1	27.5	21.3	16.9	15.2	10.1	28.9	25.2	12.0	-5.7
S&P/TSX Composite Index	3.8	7.9	40.1	28.5	21.5	16.5	15.5	9.6	31.7	21.7	11.8	-5.8
Global Equities	8.2	10.1	30.9	20.9	19.7	16.9	13.0	9.0	17.4	23.9	16.8	-12.2
NS Partners International Equity Fund A ±±±	6.3	4.7	14.4	9.1	8.4	9.0	6.0	10.6	11.8	8.3	11.8	-14.7
MSCI EAFE Index (CAD\$)	4.9	5.6	23.4	18.5	16.0	15.9	11.6	11.2	25.7	13.8	15.7	-7.8
CC&L Q US Equity Extension Fund I ±±±±	8.9	10.4	37.0	27.5	27.0	22.4	19.0	19.0	17.2	40.2	23.3	-10.6
S&P500 Index (Net 15%) (CAD\$)	7.8	4.9	28.9	20.4	21.6	18.2	15.2	16.0	12.1	36.1	22.6	-12.4
CC&L Q Emerging Markets Equity Fund ±	11.7	17.6	52.4	31.1	27.9	20.8	13.8	14.1	30.6	25.1	13.5	-10.1
MSCI Emerging Markets Net (CAD\$)	11.9	13.7	44.5	25.9	20.8	15.0	8.2	9.7	27.3	17.3	6.9	-14.3
CC&L Q International Equity Fund A ±±±±±±±	7.0	11.4						13.5				
MSCI ACWI ex USA Index Net	6.9	8.1						9.9				
Cash	0.2	0.8	2.6	3.4	4.0	3.8	3.1	2.8	3.0	4.9	4.9	1.8
FTSE Canada 91 Day TBill Index	0.2	0.7	2.5	3.4	3.9	3.7	3.0	2.6	2.8	4.9	4.7	1.8
Inflation (Canada CPI)	0.0	1.5	2.4	2.1	2.3	2.8	3.6	2.1	2.4	1.8	3.4	6.3
Crestpoint Institutional Real Estate Fund ±±±±±	N/A	5.6	5.6	4.6	1.8			3.3	5.6	3.6	-3.5	

NEXT INSTALMENT OF ADDITIONAL CAPITAL COMMITMENTS

As at April 30, 2026

Total Portfolio Summary

Fund	Asset Class	MV \$	MV %	Target %	Deviation %	Deviation \$
CC&L Q International Equity Fund	Int'l. Equity	\$35,400,189	11.4%	11.0%	0.4%	\$1,315,692
CC&L Institutional Infrastructure Fund	Alternative	\$19,361,962	6.2%	7.0%	-0.8%	(\$2,328,173)
CC&L Long Bond Fund	Fixed Income	\$60,144,167	19.4%	21.0%	-1.6%	(\$4,926,238)
CC&L Q Equity Extension I	Canadian Equity	\$19,960,128	6.4%	6.0%	0.4%	\$1,368,584
CC&L Q Emerging Markets Equity Fund	Global Equity	\$19,122,465	6.2%	4.5%	1.7%	\$5,178,807
CC&L Q US Equity Extension Fund I	U.S. Equity	\$60,043,629	19.4%	18.5%	0.9%	\$2,719,702
NS Partners International Equity Fund A	Int'l. Equity	\$33,653,645	10.9%	11.0%	-0.1%	(\$430,853)
Crestpoint Institutional Real Estate Fund	Alternative	\$23,146,715	7.5%	9.0%	-1.5%	(\$4,740,601)
PCJ Canadian Equity A	Canadian Equity	\$19,415,468	6.3%	6.0%	0.3%	\$823,924
SRA Canadian Equity Fund	Canadian Equity	\$19,610,700	6.3%	6.0%	0.3%	\$1,019,155
Total		\$309,859,068	100.0%	100.0%	0.0%	(\$0)

- In November 2025, the committee approved additional commitments to real estate and infrastructure. These were structured conservatively with allocations of \$1,900,000 for the real estate and \$1,500,000 for the infrastructure
- The first infrastructure instalment was fully called in March, and the initial real estate instalment is expected to be largely, if not fully, called in toward the end of June
- Based on end of April 2026 market values, it is appropriate to proceed with the next instalments for both asset classes
- A letter of amendment will follow, reflecting updated commitment amounts in line with more recent market values

Role of AI in institutional investing

Terminology

- Machine learning
- Natural language processing
- Cloud computing
- Big data



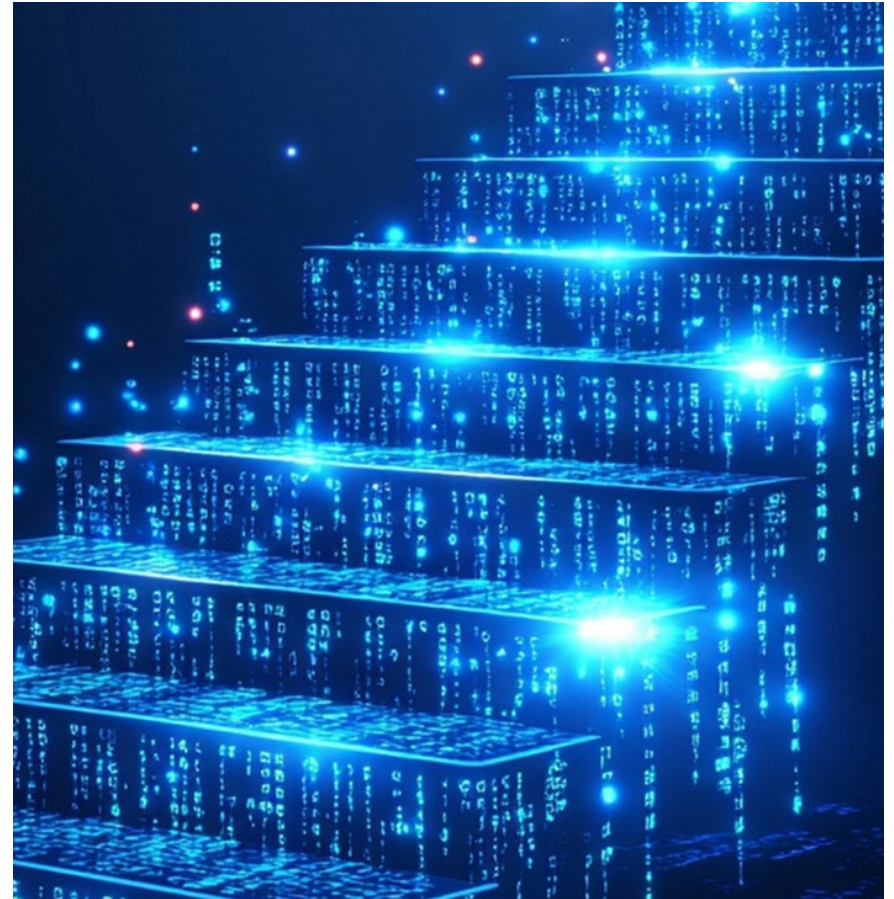
Big data is BIG!

By the time you finish reading this sentence, approximately 231 million emails and 69 million WhatsApp messages would have been sent, as well as 6 billion searches on Google and 500 hours of video will have been uploaded on YouTube.

Source: Oberlo, Domo.

Operations AI journey

- Early stages of AI operational journey
- Rolled out productivity tools
- Less manual work and lower operational risk



Public market experience

- Fixed income team use of devil's advocate
- Fundamental team query large data sets
- Greatest impact within the quantitative team
 - Ability to access significantly more data
 - Leverage the power of machine learning



AI and infrastructure

- AI and infrastructure highly compatible
- Infrastructure provides physical backbone
- AI makes physical infrastructure more efficient



**BRANDON UNIVERSITY
RETIREMENT PLAN**

ANNUAL REPORT - 2025

Incorporating the Annual Financial Statements



**BRANDON
UNIVERSITY**

4.1 Financial Statements

June 2026

Dear Member:

Enclosed is a detailed report on the operation of the Brandon University Retirement Plan this past year. Its purpose is to provide general information to the membership, particularly with regard to the financial operation and performance of the Plan. Full audited financial statements for the year ended December 31, 2025, are included in this report.

The Plan, under the guidance of Connor, Clark & Lunn Investment Management Ltd., had a rate of return of 14.8% in 2025 (15.8% in 2024). Investment returns contribute to financing the obligations of the Retirement Plan. However, returns are “smoothed” over a four-year period, which minimizes the shock of a single bad (or good) year. The Plan is a defined benefit plan, which means that pensions should not be affected by periodic market fluctuations. Brandon University is also responsible, as the residual funder of the Plan, to cover periodic shortfalls that may arise.

An actuarial valuation for the Brandon University Retirement Plan was performed as at December 31, 2024 and was extrapolated to December 31, 2025 to determine the present value of accrued pension benefits. This valuation and extrapolation were completed by the Plan actuary, Eckler Ltd. In January 2009, Brandon University filed an election to be exempt from the requirement to make solvency deficiency special payments in accordance with the Solvency Exemption for Public Sector Pension Plans Regulation. As a result of the election, the University is not required to make special payments into the Plan related to the solvency deficiency should it exist once again in the future. When the solvency ratio falls below 85%, the Plan is required to be valued annually. Otherwise, valuations are required every three years at minimum, or more often if determined by the Pension Trustees.

The Going-Concern funding method shows a surplus of \$18,854,000 on December 31, 2024. As the University is currently in a surplus position, an annual special payment was not required for 2025, nor was this special payment required in 2024. A “Going-Concern Valuation” assumes Brandon University will continue to operate, the Retirement Plan will continue to operate, and pension benefit obligations will come due through member retirement, termination of employment, or death. With the solvency ratio exceeding 0.85, the next Plan valuation is not required until December 31, 2027.

The Board of Trustees of the Retirement Plan welcomes any comments or questions from all members.

Sincerely,

Mr. David Taylor
Chair, Board of Trustees
Brandon University Retirement Plan

Mr. Peter Hickey, CPA, CGA, CFA, MBA
Vice-President (Administration & Finance)
Brandon University

BRANDON UNIVERSITY RETIREMENT PLAN

Annual Report for the year ended
December 31, 2025

Members of the Board of Trustees:

Doug Pickering	BUFA
David Taylor	BUFA
Becky Lane	MGEU
Greg Misener	MGEU
Brian Parley	IUOE "A"
Oksana Bihdan	IUOE "D"
Allison Noto	Exempt Staff
Peter Hickey	Board of Governors
Quintin Pearce	Board of Governors
Jan Chaboyer	Pensioners

Consultant/Actuary	Eckler Ltd.
Investment Manager	Connor, Clark & Lunn Investment Management Ltd.
Investment Sector Managers	Connor, Clark & Lunn Long Bond Fund Connor, Clark & Lunn Crestpoint Institutional Real Estate Fund Connor, Clark & Lunn Institutional Infrastructure Fund Connor, Clark & Lunn Q Equity Extension I PCJ Canadian Equity A Scheer Rawlett & Associates Canadian Equity Fund Connor, Clark & Lunn Q US Equity Extension Fund A Connor, Clark & Lunn Q International Equity Fund NS Partners International Equity Fund A Connor, Clark & Lunn Emerging Markets Equity Fund
Custodian	CIBC Mellon Global Securities Services Company
Plan Administrator	Trustees of the Brandon University Retirement Plan

4.1 Financial Statements

General Information

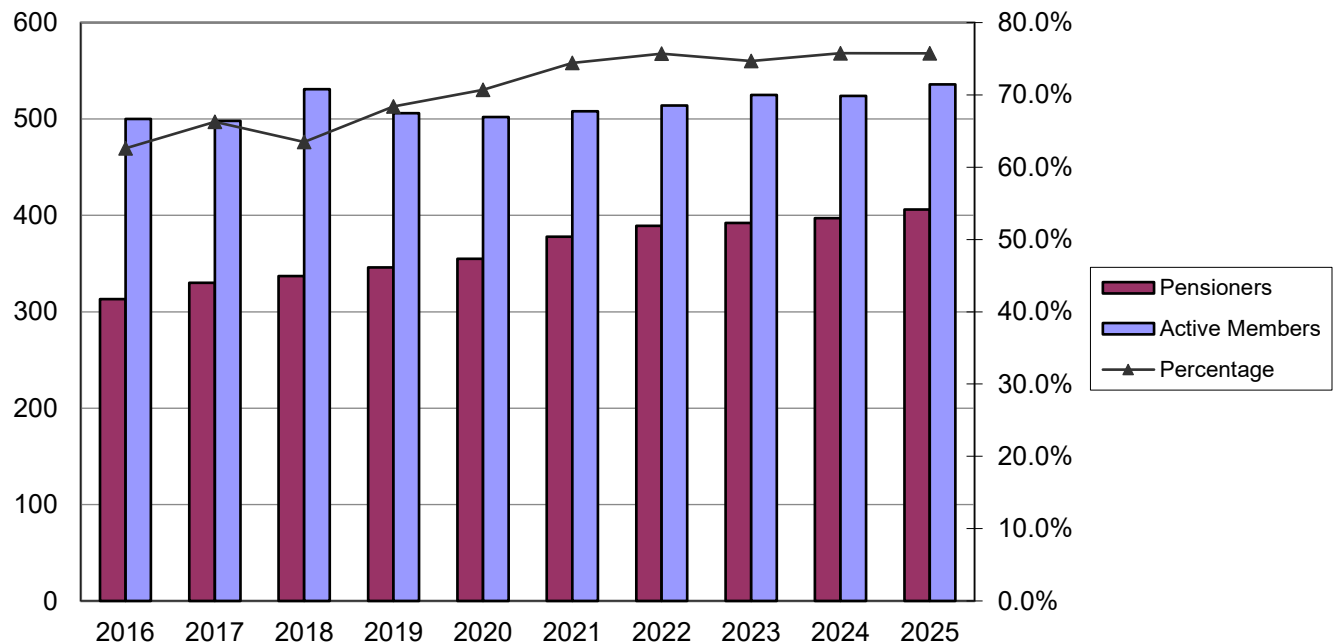
- a) The Brandon University Retirement Plan is a final average, defined benefit plan, which provides a benefit to all eligible employees of Brandon University upon retirement, termination, or death. The Plan is administered by the Trustees of the Brandon University Retirement Plan. A full description of the Plan is contained in the official Plan document and is available on the Brandon University website or from the Human Resources Office.
- b) The Plan is funded by contributions from Plan members and the University, as well as the income from investments. Net assets in the plan, at market value, at December 31 were:

2025	\$291.6 million
2024	\$261.8 million
2023	\$232.7 million
2022	\$212.9 million
2021	\$249.9 million

- c) Similar to many other maturing pension plans in Canada, the number of pensioners is increasing relative to the number of active contributing members of the Plan. Over the past ten years, the number of pensioners has increased from 63% of the active members to 76% in 2025. Brandon University Retirement Plan membership at December 31:

	2025	2024
Active members	535	524
Pensioners	406	397
Deferred, inactive or Pending Election	140	127

Pensioners as a Percentage of Active Members



4.1 Financial Statements

An impact of increasing numbers of pensioners relative to active contributing members is the increasing need for investment income of the Plan to fund future income requirements. Pensions paid annually to retirees are 150% of the annual regular contributions from Plan members and the University.

Plan member transactions:	2025	2024
Member and University regular contributions to the plan	\$7,630,588	\$6,139,517
Transfers from other plans	136,606	129,399
Pensions paid to retired members	11,440,993	11,103,213
Death benefits and refund settlements due to terminations	1,901,903	507,539

- d) The Brandon University Retirement Plan is subject to a periodic valuation by an independent actuary to determine whether the current Plan assets, contributions from members and the University, and earnings on Plan investments will adequately fund future benefits. The Pension Benefits Act of Manitoba requires that such a study be done at least every three years as long as the solvency ratio of the Plan is greater than 0.85. The most recent valuation was performed by Eckler Ltd. as at December 31, 2024 and was extrapolated to December 31, 2025 to determine the present value of accrued pension benefits. The actuarial valuation indicated the Plan had an actuarial surplus of \$18,854,000 as at December 31, 2024.

The University is no longer required to make special payments to fund any going concern unfunded liability. There was no annual special payment for 2025 or 2024. No additional special payment is required to be made for the solvency deficiency because the University is exempted under the Solvency Exemption for Public Sector Pension Plans Regulation. As the solvency ratio of the plan on December 31, 2025 is greater than 0.85, the Pension Benefits Act of Manitoba requires the next valuation be effective no later than December 31, 2027.

- e) If the average net investment return on the Fund during the last four years exceeds 6.0% per annum, each pensioner who was receiving a pension at the end of that year is entitled to receive an increase in that pension effective from July 1 in the following calendar year. The details of this entitlement are recorded in article 7.3 of the Brandon University Retirement Plan document, as amended April 11, 2013. The result of this calculation over the past 6 years is as follows:

**Brandon University
Historical Increases (Article 7.3 - Supplementary Pension)**

Brandon University Pension Increases - Post 2013 amendment						
	(1)	(2)	(3)	(4)	(5)	
Year	Net Investment Return (market value) **	Four-year Geometric Average Return	Excess of Average return over 6%	Increase in CPI	Actual COLA given	Effective Date of COLA Increase
2019	17.79%	8.23%	2.23%	2.20%	2.20%	1 July 2020
2020	13.51%	9.60%	3.60%	0.70%	0.70%	1 July 2021
2021	12.97%	10.08%	4.08%	4.80%	4.08%	1 July 2022
2022	-12.67%	7.17%	1.17%	6.30%	1.17%	1 July 2023
2023	11.66%	5.75%	0.00%	3.40%	0.00%	1 July 2024
2024	14.96%	6.08%	0.08%	1.80%	0.00%	1 July 2025
2025	13.81%	6.28%	0.28%	2.40%	0.00%	1 July 2026

COLA = lower of columns (3) or (4)

** Net investment return is net of expenses. Therefore, returns are lower than those reported by the investment manager.

Investment Management Objectives

The current investment manager, Connor, Clark & Lunn, Investment Management Ltd. (CC&L), was appointed December 30, 1994. Since that time, the plan investment management has been diversified by making use of several investment sector specialists within the family of companies working with CC&L, under the general management of CC&L.

The Investment Manager operates with the general objective of maximizing long-term total returns while protecting the capital value of the fund. The Manager seeks to attain an average rate of return of 3% over the CPI increase for the same period. Secondary objectives are to generate returns in excess of the return of the Benchmark Fund over rolling four-year periods and to perform between the 25th and 50th percentile of investment managers as measured by a nationally recognized service. RBC Investor & Treasury Services was used as the measurement service for this report.

For 2025, the Brandon University Retirement Plan annual investment performance (14.5%) trailed its benchmark (15.1%) due to relative performance of fundamental international and Canadian equities. All asset classes were broadly in line with the current interim policy mix. The Plan exceeded the rolling four-year average benchmark return (BU Plan 7.7% vs. Benchmark 7.6%). Although the top third of managers is not reported by BIA, the BU Plan annual return (14.8%) was higher than the median (11.7%), and slightly lower than the top 25% (13.5%) of balanced fund investment managers in 2025. The BU Plan four year annualized average return (7.1%) was consistent with the benchmark, median, and the top 25% (all of which were 7.0%) of balanced fund investment managers.

Investment Performance

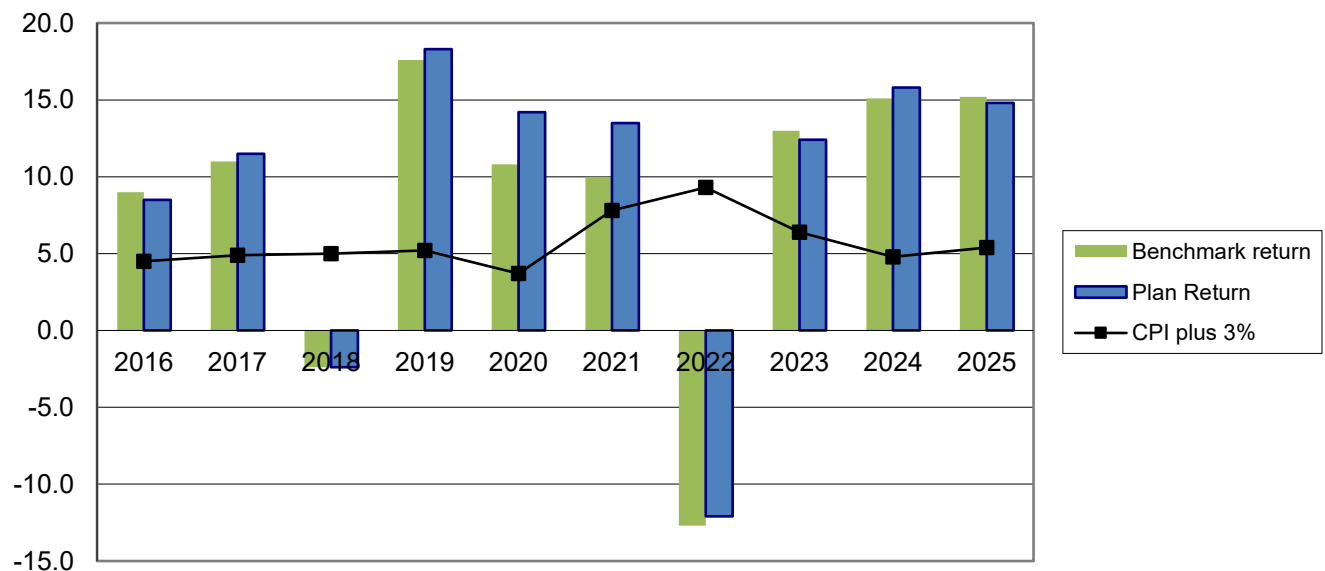
<u>Period Ending December 31</u>	<u>Total Return</u>	<u>Annual Rate of Increase in CPI</u>
2025	14.8%	5.4%
2024	15.6%	4.8%
2023	12.4%	3.4%
2022	-12.1%	6.3%
2021	13.5%	4.8%
2020	14.2%	0.7%
Benchmark return for 2025		15.0%
Four year rolling average ending 2025		
Retirement plan performance		7.7%
Benchmark performance		7.6%

BIA Balanced Fund Performance Summary

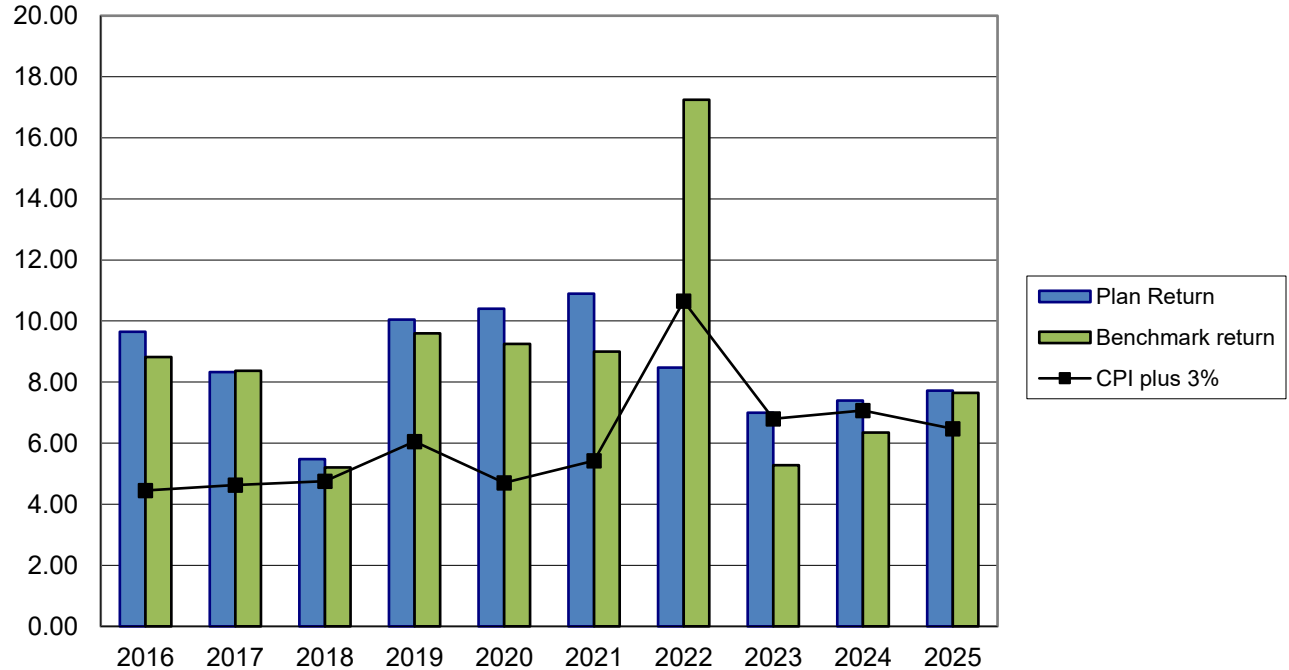
For the Period Ending December 31, 2025

BU Retirement Plan (12 months)	14.8%
Top quartile (12 months)	13.5%
Median (12 months)	11.7%
BU Retirement Plan (4 year annualized)	7.1%
Top quartile (4 year annualized)	7.0%
Median (4 year annualized)	7.0%

Annual Investment Performance



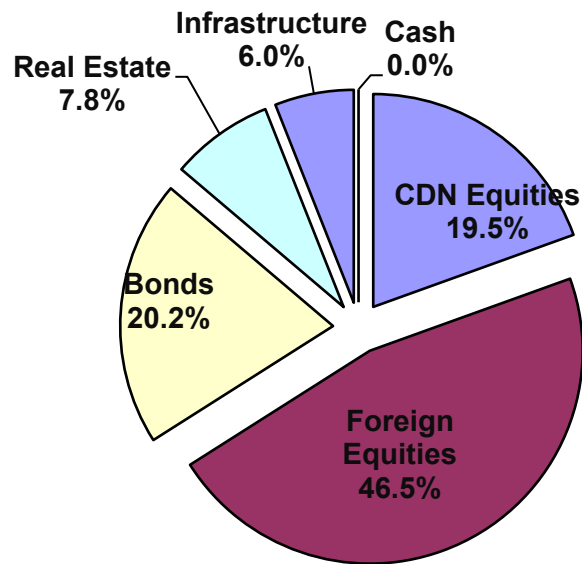
Rolling Four Year Average Investment Returns



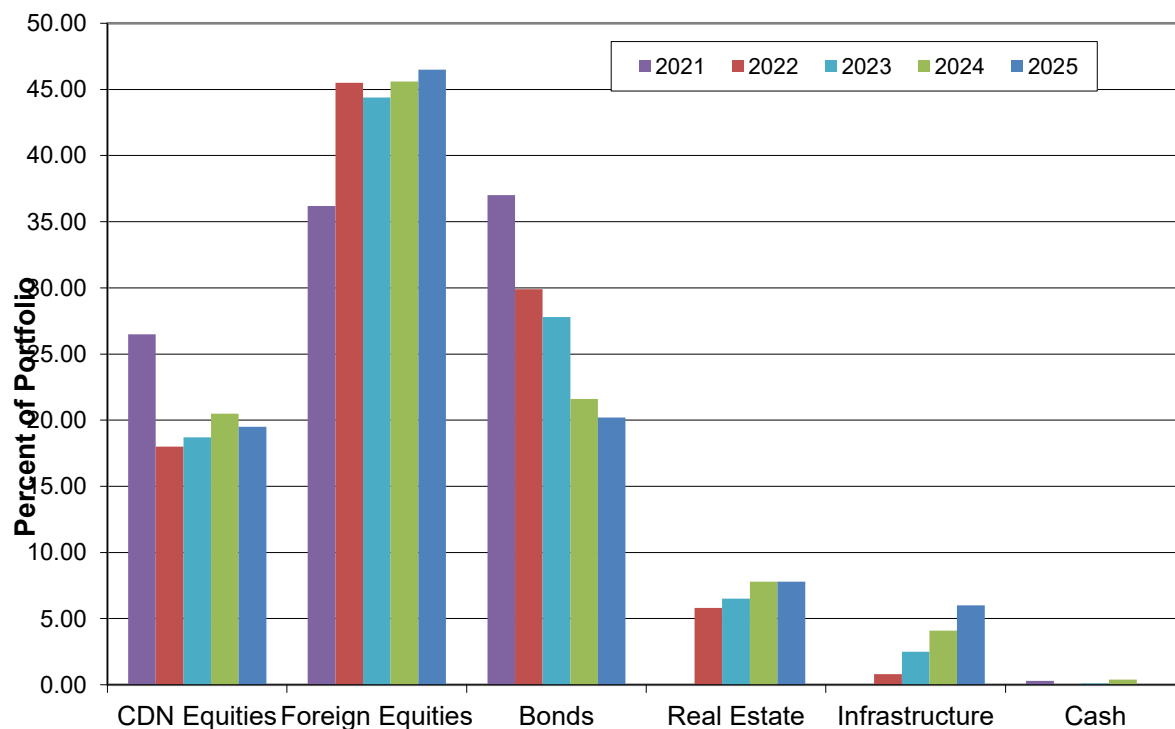
The investment mix of the Brandon University Retirement Plan is established by the Pension Trustees and investment manager. On December 31, 2024 the asset mix and the annual performance in each sector follows:

	% of Portfolio	12 month Portfolio return	12 month Benchmark return
Canadian Equities	19.5%	31.0%	31.7%
Foreign Equities	46.5%	17.4%	26.2%
Bonds	20.2%	-0.3%	-0.7%
Real Estate	7.8%	5.6%	6.4%
Infrastructure	6.0%	13.0%	7.4%
Cash	0.0%	3.0%	2.8%
TOTAL FUND	100.0%	14.5%	15.1%

Fund Asset Mix - December 31, 2025



Asset Mix Trend



Independent Auditor's Report

To the Board of Trustees of the Brandon University Retirement Plan

Opinion

We have audited the financial statements of Brandon University Retirement Plan (the "Plan"), which comprise the statement of financial position as at December 31, 2025, and the statements of changes in net assets available for benefits and changes in pension obligations for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

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 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.

We obtained the Annual Report prior to the date of this auditor's report. 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 these financial statements in accordance with 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.

4.1 Financial Statements

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.

Chartered Professional Accountants

Brandon, Manitoba

Date to be determined

4.1 Financial Statements

BRANDON UNIVERSITY RETIREMENT PLAN

Statement of Financial Position as at December 31, 2025

	2025	2024
ASSETS		
Accounts receivable	\$ <u>48,818</u>	\$ <u>27,932</u>
Investments (Notes 3(a) and 6)		
Cash and short-term investments	1,332,753	985,314
Bonds and debentures	58,921,102	56,673,617
Canadian equities	57,027,687	49,218,445
Real estate and infrastructure	40,065,927	36,012,130
Foreign equities	<u>135,574,555</u>	<u>119,662,604</u>
	<u>292,922,024</u>	<u>262,552,110</u>
Total Assets	<u>292,970,842</u>	<u>262,580,042</u>
LIABILITIES		
Accounts payable	<u>728,584</u>	<u>754,752</u>
Total Liabilities	<u>728,584</u>	<u>754,752</u>
Net assets available for benefits	<u>292,242,258</u>	<u>261,825,290</u>
Pension obligations (Note 7)	<u>239,228,000</u>	<u>236,206,000</u>
Plan surplus	<u>\$ 53,014,258</u>	<u>\$ 25,619,290</u>

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

4.1 Financial Statements

BRANDON UNIVERSITY RETIREMENT PLAN

Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2025

	2025	2024
CONTRIBUTIONS		
Members	\$ 3,550,265	\$ 2,562,538
University	4,080,323	3,576,979
Transfers from other plans	<u>136,606</u>	<u>129,399</u>
	<u>7,767,194</u>	<u>6,268,916</u>
OTHER INCOME		
Investment income		
Interest	1,817,860	3,344,815
Dividends	<u>4,578,601</u>	<u>3,810,453</u>
	<u>6,396,461</u>	<u>7,155,268</u>
Realized gain on sale of investments	30,907,531	16,556,757
Unrealized change in fair value of investments	<u>358,482</u>	<u>12,276,563</u>
	<u>31,266,013</u>	<u>28,833,320</u>
Other income	<u>-</u>	<u>30</u>
Total Increase in Net Assets	<u>45,429,668</u>	<u>42,257,534</u>
PAYMENTS		
Benefit payments		
Retirements	11,440,993	11,103,213
Refunds	1,055,818	286,395
Deaths	<u>846,085</u>	<u>221,144</u>
	<u>13,342,896</u>	<u>11,610,752</u>
Administrative expenses		
Actuarial and consulting fees	146,339	223,211
Custodian and plan administration fees	355,466	273,217
Legal and audit fees	21,441	24,849
Investment management fees	1,166,938	1,067,506
Trustee expenses	506	544
GST rebate	<u>(20,886)</u>	<u>(19,155)</u>
	<u>1,669,804</u>	<u>1,570,172</u>
Total Decrease in Net Assets	<u>15,012,700</u>	<u>13,180,924</u>
Net Increase in Assets Available for Benefits	30,416,968	29,076,610
Net Assets Available For Benefits, beginning of year	<u>261,825,290</u>	<u>232,748,680</u>
Net Assets Available For Benefits, end of year	<u>\$ 292,242,258</u>	<u>\$ 261,825,290</u>

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

4.1 Financial Statements

BRANDON UNIVERSITY RETIREMENT PLAN

Statement of Changes in Pension Obligations for the year ended December 31, 2025

	2025	2024
Interest accrued on benefits	\$ 12,890,000	\$ 12,373,000
Transfers	137,000	129,000
Benefits accrued	9,516,000	7,979,000
Benefits paid	(13,343,000)	(11,611,000)
Experience gain (loss)	(7,978,000)	618,000
Changes in actuarial assumptions	<u>1,800,000</u>	<u>-</u>
Net Change in Pension Obligations	3,022,000	9,488,000
Pension Obligations, beginning of the year	<u>236,206,000</u>	<u>226,718,000</u>
Pension Obligations, end of year	<u><u>\$ 239,228,000</u></u>	<u><u>\$ 236,206,000</u></u>

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

BRANDON UNIVERSITY RETIREMENT PLAN

Notes to the Financial Statements for the year ended December 31, 2025

1. Description of the Plan

The following description of the Brandon University Retirement Plan (the "Plan") is only a summary. More complete information is contained in the official Plan document.

a) General

The Brandon University Retirement Plan is a final average contributory defined benefit pension plan established April 1, 1974 for the benefit of the employees of Brandon University. The assets of the Plan are held in trust in the name of ten Trustees - eight elected by and from the Plan membership and two appointed by the Board of Governors. The Trustees oversee the administration of the Plan and set forth the investment guidelines. Their obligations and responsibilities are defined in a trust agreement with Brandon University. An asset manager invests the Plan assets based on the approved investment guidelines and according to the terms of the Managed Account Agreement. The Plan is registered with the Pension Commission of Manitoba and meets the requirements of the Pension Benefits Act of Manitoba and the Income Tax Act (Canada) and as such is not subject to income taxes on contributions or investment income received.

b) Membership

Unless otherwise stated, all Brandon University employees are eligible to become members of the Plan on their date of employment. Full-time and certain part-time employees are required to join the Plan. Membership is optional for other part-time and certain specified employees.

c) Funding

The Plan receives its funds from:

- i) Members contributions were 8.0% of the member's basic salary, up to the YMCE. The YMCE will be adjusted each year to the level that coincides with the maximum pension benefit for that year.
- ii) The required and special contributions of the University - The University is required to contribute at the rate of 8.0% of salary in excess of the YMPE with no salary limitations applied, plus any special payments for the unfunded liability required under the Pension Benefits Act of Manitoba. There was no annual special payment for 2025 or 2024.
- iii) The income from investments.

An actuarial valuation is performed at least once every three years to determine the adequacy of the funding for pension benefits (see notes 2g and 7).

BRANDON UNIVERSITY RETIREMENT PLAN

Notes to the Financial Statements for the year ended December 31, 2025

1. Description of the Plan (continued)

d) Plan Benefits

The Plan provides for the payment of benefits to a member upon retirement, death, or termination of employment with Brandon University.

At retirement, the member is entitled to an annual pension equal to 2% of final average earnings multiplied by the member's years of credited service less 0.4% (prior to April 1, 2024 credited service less 0.6%) of CPP average earnings multiplied by the member's years of service since January 1, 1990. Final average earnings are the average of the best 5 years earnings in the last 12 years prior to retirement. CPP average earnings are the member's average earnings up to the YMPE in the 5 years prior to retirement. Full benefits are payable (a) upon normal retirement; (b) upon early retirement for members who qualify. Reduced benefits are provided to members who retire early and do not qualify for full benefits.

Pensions are increased automatically on July 1 of each year by the amount the net four-year geometric average investment return on the fund, as determined by the actuary, exceeds 6.0% per annum, subject to a maximum increase of CPI for the previous year.

Death and termination benefits are based on the value of the member's pension as determined by the Plan Administrator at the time of death or termination of employment. The options available to beneficiaries and terminating members are outlined in the official Plan document.

2. Significant Accounting Policies

a) General

The Brandon University Retirement Plan prepares its financial statements in accordance with Canadian accounting standards for pension plans. The Plan has adopted Part II (Private Enterprises) accounting standards for all accounting policies that do not relate to the valuation of the investment portfolio or pension obligations.

b) Financial Instruments

The financial instruments of the Plan consist of accounts receivable, investments, and accounts payable. The Plan recognizes and derecognizes all financial assets and liabilities in accordance with Financial Instruments, Section 3856, of Part II of the CPA Canada Handbook.

Initially, all financial assets and liabilities are recorded at fair value on the Statement of Financial Position. Subsequent measurement is determined by the classification of each financial asset and liability. Investments assets and liabilities are measured at fair value based on International Financial Reporting Standards (IFRS 13) with the change in fair value recognized in the Statement of Changes in Net Assets Available for Benefits. Financial instruments classified as accounts receivable and accounts payable are measured at amortized cost using the effective interest method.

Investments are recorded at fair value on a trade date basis.

BRANDON UNIVERSITY RETIREMENT PLAN

Notes to the Financial Statements for the year ended December 31, 2025

2. Significant Accounting Policies (continued)

b) Financial Instruments (continued)

Fair values of investments (including the underlying assets of investments held in pooled funds) are determined as follows:

Fixed Income:

Short-term investments are recorded at cost which approximates market value. Bonds and debentures are valued based on quoted closing mid-market prices, where available.

Equity:

Publicly traded securities are recorded at year end market prices.

Real Estate and Infrastructure:

Real estate investments are carried at amounts which are based on their appraised value. The appraisals are in accordance with generally accepted appraisal practices and procedures, based mainly on the discounted cash flows. Property valuations are generally determined using models based on expected capitalization rates and models that discount expected future net cash flows. The determination of the fair value of investment property requires the use of estimates such as future cash flows (such as future leasing assumptions, rental rates, capital and operating expenditures) and discount, reversionary and overall capitalization rates applicable to the asset based on current market rates.

Investments in limited partnerships are based on net asset or partnership unit values obtained from the fund's managers and are reviewed by management.

The Plan holds units in infrastructure and real estate investments which are not publicly traded. Investment values are calculated from financial statements which include fair values based on periodic, independent appraisals of the underlying assets.

The Plan's calculation of the fair value of these investments are based on the units it holds multiplied by the value per unit as reported in the audited financial statements of the investments.

The investments are held in trust by the corporate trustee, CIBC Mellon.

c) Investment Income

Annual investment income is distinguished on the Statement of Changes in Net Assets Available for Benefits. Interest income is recognized on the accrual basis as earned. Dividend income is recognized when received on the ex-dividend date. Capital gains from investments sold within the reporting year are recognized as realized income. The difference in cost versus the market value of investments held as of December 31st are recognized as unrealized income/(losses).

d) Foreign Currency Translation

The fair value of investments denominated in foreign currencies is translated into Canadian dollars at the exchange rate in effect at year end and the resulting change is included in the change in fair value of investments. Revenue and expense transactions are translated at the exchange rates prevailing on the dates of the transactions and are included in investment income or the change in fair value of investments (realized gains or losses) at the translated amounts.

BRANDON UNIVERSITY RETIREMENT PLAN

Notes to the Financial Statements for the year ended December 31, 2025

2. Significant Accounting Policies (continued)

e) Contributions

Contributions from the members and the University are recorded on an accrual basis. Cash received from members as transfers from other pension plans is recorded when received. Details of contributions are outlined in the Funding section of the Description of the Plan (see note 1c).

f) Use of Estimates

Preparation of the financial statements requires management to make estimates and assumptions that primarily affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of changes in net assets available during the year. Actual results could differ from these estimates.

g) Pension Obligations

The pension obligations of the Brandon University Retirement Plan are the actuarial present value of accrued pension benefits determined by applying the best estimate assumptions and the projected benefit method prorated on services.

3. Financial Risk Management

Management of investments is governed by the managed account agreement between the Brandon University Retirement Plan and Connor, Clark & Lunn Management Ltd. The investment management objective of the Plan is to maximize the long-term total return while protecting the capital value of the fund from major market fluctuations through prudent management of asset allocation and prudent selection of investments. The investment manager is to maintain current purchasing power of monies placed in the Portfolio plus a real incremental return of 2% to 4% over rolling four-year periods. On a longer-term basis, the returns should equal or better the discount rate used in the Retirement Plan valuation, net of fees, over rolling four-year periods.

There have been no substantive changes in the Plan's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from the previous period unless otherwise stated in this note.

a) Market Risk

Market risk is the risk the value of an investment will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to an individual investment or volatility in interest rates, foreign currencies or other factors affecting similar securities traded in the market.

BRANDON UNIVERSITY RETIREMENT PLAN**Notes to the Financial Statements
for the year ended December 31, 2025****3. Financial Risk Management (continued)****a) Market Risk (continued)**

The Plan's cash and investments, including investments denominated in foreign currencies, are reported in Canadian dollars as follows:

	(in thousands of dollars)			
	<u>2025</u>		<u>2024</u>	
Canadian cash and short-term investments	\$ 1,333	0.5 %	\$ 985	0.4 %
Canadian bonds	58,921	20.1 %	56,674	21.6 %
Canadian equities	57,027	19.5 %	49,218	18.7 %
Real estate and infrastructure	<u>40,066</u>	<u>13.6 %</u>	<u>36,012</u>	<u>13.7 %</u>
	157,347	53.7 %	142,889	54.4 %
US equities	55,096	18.8 %	50,872	19.4 %
Non-North American equities	<u>80,479</u>	<u>27.5 %</u>	<u>68,790</u>	<u>26.2 %</u>
	<u>\$ 292,922</u>	<u>100.0 %</u>	<u>\$ 262,551</u>	<u>100.0 %</u>

i) Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The value of the Plan's fixed income investments is directly affected by changes in nominal and real interest rates. There are guidelines in the managed account agreement for the fixed income investment portfolio related to permitted investments, diversification, and quality, and duration management which are designed to mitigate the risks of interest rate volatility.

Duration is the most common measure used to quantify the impact of changes in bond prices due to change in interest rates. Using this measure it is estimated that a one percent increase or decrease in interest rates, with all other variables held constant, would result in a change in fair value on Canadian bonds of 14.5% or \$8,528,601 (2024 - 14.8% or \$8,406,862).

The term to maturity and the related market values of bonds and debentures are as follows:

	(in thousands of dollars)	
	<u>2025</u>	<u>2024</u>
Term to Maturity		
Less than one year	\$ 337	\$ 1,242
One to five years	8,294	3,884
Five to ten years	11,565	12,689
Over ten years	<u>38,725</u>	<u>38,859</u>
Total bonds and debentures	<u>\$ 58,921</u>	<u>\$ 56,674</u>

ii) Currency risk is the risk that the value of non-Canadian investments measured in Canadian dollars will fluctuate due to changes in foreign exchange rates primarily related to foreign equity holdings. In some instances, forward foreign exchange contracts are used to manage currency exposure in connection with securities purchased in foreign currency. Forward foreign exchange contracts are contractual agreements that establish an agreed upon exchange rate at a settlement date in the future for the purpose of protecting future cash flows from adverse price movements. No derivatives were used in the year.

BRANDON UNIVERSITY RETIREMENT PLAN**Notes to the Financial Statements
for the year ended December 31, 2025****3. Financial Risk Management (continued)****a) Market Risk (continued)**

A 10 percent increase or decrease in exchange rates, with all other variables held constant, would result in a change to the fair value of investments of \$13,557,455 (2024 - \$11,966,260). Generally when there is a 10% strengthening (weakening) of the Canadian dollar versus the corresponding currency, there would be a 10% decrease (increase) in the value of the corresponding country's portion of the portfolio from this currency movement.

iii) Other price risk is the risk that the fair value or future cash flows from portfolio holdings fluctuate because of changes generally, in market prices, other than those arising from interest rate risk or currency risk or as a result of a deterioration in the outlook for a specific issuer. To manage its price risk arising from investments in equity securities, by policy, the portfolio is well diversified. The managed account agreement sets out the limits of investments in any one security as well as concentration within market sectors.

Taking into consideration the investment and risk philosophy of the Portfolio, a long-term asset mix has been established. However, since real estate and infrastructure are less liquid asset classes and will take some time to reach the target allocation, the following interim asset allocation will be adopted until the Investment Manager's initial infrastructure and real estate commitments are fully vested:

Assets	Minimum %	Benchmark %	Maximum %
Equity	35.0	65.0	75.0
Canadian Equity		20.0	
International Equity		18.5	
U.S. Equity		18.5	
Emerging Markets Equity		8.0	
Fixed Income	25.0	35.0	45.0
Long Bonds		35.0	
Cash	0.0	0.0	5.0
Real Estate	0.0	0.0	20.0
Infrastructure	0.0	0.0	20.0

Total exposure to equities is to be no less than 35% of the Defined Pension Fund and no more than 75% of the Pension Fund. The Plan's investments in equities, real estate and infrastructure including pooled funds are sensitive to market fluctuations. An immediate change of 10% in market values will impact the Plan's net assets by approximately \$23,266,817 (2024 - \$20,489,318)

b) Liquidity Risk

Liquidity risk is the risk that the Plan will encounter difficulty in having available sufficient funds to meet its commitments as they come due. It is the Pension Plan's policy to ensure that it will have sufficient cash and short-term investments to allow it to meet its liabilities when they come due.

The Plan's investment in bonds and equities are invested primarily in funds with underlying securities that are traded in an active market and can be readily disposed of as liquidity needs arise, assuming orderly markets.

The Plan's investments in real estate and infrastructure may be exposed to higher degree of liquidity risk.

BRANDON UNIVERSITY RETIREMENT PLAN**Notes to the Financial Statements
for the year ended December 31, 2025****3. Financial Risk Management (continued)****c) Credit Risk**

Credit risk arises from the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Credit risk is the risk the issuer of the debt security or a counter party to a derivative contract is unable to meet its financial obligation. Credit risk encompasses the risk of a deterioration of credit worthiness and concentration risk. The Plan limits credit risk through a managed account agreement with its investment manager that details the specific quality and concentration constraints.

At December 31, 2025, the Plan's maximum credit risk exposure related to cash and short-term investments and bonds and debentures is \$60,253,855 (2024 - \$57,658,932), and accounts receivable is \$48,818 (2024 - \$27,932). The Plan limits credit risk by acquiring high quality securities and following the managed account agreement. The managed account agreement establishes limits for ownership of investments and acceptable credit ratings. In the case of bonds and debentures, all must be rated BBB or higher.

The breakdown of the fixed income investment portfolio by credit rating from various rating agencies are as follows:

	(in thousands of dollars)			
	<u>2025</u>		<u>2024</u>	
Bonds and debentures investments				
Credit Rating				
AAA	\$ 8,306	14.1 %	\$ 7,714	13.6 %
AA	22,375	38.0 %	23,084	40.7 %
A	16,660	28.3 %	14,773	26.0 %
BBB	<u>11,580</u>	<u>19.7 %</u>	<u>11,103</u>	<u>19.6 %</u>
	58,921	100.1 %	56,674	99.9 %
Cash and short-term investments	<u>1,333</u>		<u>985</u>	
	<u>\$ 60,254</u>		<u>\$ 57,659</u>	

4. Capital Management

The capital of the Brandon University Retirement Plan is comprised of the net assets available for benefits. The combined assets of the Plan are held in the name of the Trustees of the Plan as described in Note 1 a).

The Trustees, as the administrators of the Plan, on behalf of Brandon University, have developed appropriate risk management strategies, as described in Note 3, to preserve the net assets available for benefits. In accordance with the provisions of The Pension Benefits Act of the Province of Manitoba and the provisions of the Income Tax Act (Canada) a Statement of Investment Policies and Procedures (SIPP) has been established. The SIPP states the investment objectives and investment guidelines by class of investment. The objective when managing capital is to maximize the long-term total return through prudent selection of investments in compliance with the investment rules under the respective federal and provincial Pension Benefits Acts.

There have been no significant changes to the University's capital management objectives, policies and processes in the year nor have there been any changes in what the Trustees consider to be the Plan's capital. The Pension Plan has complied with externally imposed capital requirements during the year.

BRANDON UNIVERSITY RETIREMENT PLAN**Notes to the Financial Statements
for the year ended December 31, 2025****5. Fair Value Measurement**

Fair value is defined as 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.

Fair value measurements are based on the assumptions that market participants would use when pricing the item being measured under current market conditions, including assumptions about risk.

The Plan uses a fair value hierarchy under which the inputs to valuations techniques used to measure fair value are categorized into three levels. They are as follows:

Level 1: Inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities the Plan can access at the measurement date.

Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (prices) or indirectly (derived from prices).

Level 3: Inputs are unobservable inputs for the asset or liability.

(in thousands of dollars)								
	<u>2025</u>				<u>2024</u>			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash	\$ 1,333	\$ -	\$ -	\$ 1,333	\$ 985	\$ -	\$ -	\$ 985
Short-term investments	-	-	-	-	-	-	-	-
Bonds and debentures	-	58,921	-	58,921	-	56,674	-	56,674
Real estate and infrastructure	-	-	40,066	40,066	-	-	36,012	36,012
Canadian equities	-	57,028	-	57,028	-	49,218	-	49,218
Foreign equities	-	135,574	-	135,574	-	119,663	-	119,663
	<u>\$ 1,333</u>	<u>\$ 251,523</u>	<u>\$ 40,066</u>	<u>\$ 292,922</u>	<u>\$ 985</u>	<u>\$ 225,555</u>	<u>\$ 36,012</u>	<u>\$ 262,552</u>

The following is a reconciliation of Level 3 fair value investments:

(in thousands of dollars)		
	<u>2025</u>	<u>2024</u>
Balance, beginning of the year	\$ 36,012	\$ 20,985
Purchases and reinvested distribution	2,466	15,003
Unrealized gain (loss)	1,588	24
Balance, end of the year	<u>\$ 40,066</u>	<u>\$ 36,012</u>

BRANDON UNIVERSITY RETIREMENT PLAN

Notes to the Financial Statements for the year ended December 31, 2025

6. Investments

Section 3.29 of the Pension Benefits Act Regulations requires disclosure of each investment that has a fair value greater than 2% of the fair value of all investments. The investments, including pooled funds, are as follows:

	<u>2025</u>	<u>2024</u>
Bonds and debentures:		
Connor, Clark & Lunn Long Bond Fund Class A	\$ 58,921,102	\$ 56,673,617
Canadian equities:		
Connor, Clark & Lunn Q Equity Extension I	\$ 19,203,903	\$ 16,701,553
PCJ Canadian Equity Fund	\$ 19,065,234	\$ 16,421,900
Scheer Rowlett & Associates Canadian Equity Fund	\$ 18,758,549	\$ 16,094,992
US equities:		
Connor, Clark & Lunn Q US Equity Extension Fund A	\$ 55,095,876	\$ 50,871,939
Non-North American equities:		
Connor, Clark & Lunn Q International Equity Fund	\$ 30,328,664	\$ -
NS Partners Int'l Equity Fund A	\$ 33,892,802	\$ 47,374,612
Connor, Clark & Lunn Emerging Markets Equity	\$ 16,257,213	\$ 21,416,053
Real Estate and Infrastructure:		
Connor, Clark & Lunn Crestpt Ins Real Es 1150	\$ 22,670,123	\$ 20,435,883
Connor, Clark & Lunn Inst Infr Fund	\$ 17,395,804	\$ 15,576,247

7. Actuarial Valuation

The actuarial present value of accrued pension benefits was determined using the projected benefit method prorated on service and using assumptions recommended by the actuary and approved by the Trustees. An actuarial valuation was prepared as at December 31, 2024 by Eckler Ltd., a firm of consulting actuaries. The valuation prepared at December 31, 2024 was extrapolated to December 31, 2025 to determine the present value of accrued pension benefits as at December 31, 2025.

BRANDON UNIVERSITY RETIREMENT PLAN

Notes to the Financial Statements for the year ended December 31, 2025

7. Actuarial Valuation (continued)

The assumptions used in determining the actuarial value of accrued pension benefits were developed by reference to expected long-term market conditions. Significant actuarial assumptions used in the valuations were:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Rate of return on investments	5.70 % p.a.	5.50 % p.a.
Rate of general wage increase	3.00 % p.a.	4.50 % p.a. for 2023, 3.00 % p.a. thereafter
Average rate of salary increase	3.00 % p.a. for increases in general wage growth, plus a merit and promotion component*, if applicable	4.50 % p.a. for 2023, 3.00 % p.a. thereafter for increases in general wage growth, plus a merit and promotion component*, if applicable
Post retirement cost of living increase	1.00 % p.a.	1.00 % p.a.
Mortality rate	Club Vita Canada's 2021 VitaCurves with generational mortality improvements using MI- CAN-2024	Club Vita Canada's 2021 VitaCurves with generational mortality improvements using CPM scale B (CPM-B)

*Salaries are assumed to increase in accordance with general wage increases in Canada at the rate of 3.00% per year for all members.

Salaries for Division #1 plan members are assumed to increase by an additional merit and promotion component in accordance with the following table:

Age	Average Annual Increase over next 5 years	Average Annual Increase to age 65
30	3.3%	2.3%
35	2.8%	2.2%
40	2.5%	2.0%
45	2.2%	1.9%
50	2.0%	1.8%
55	1.8%	1.7%
60	1.7%	1.7%

Schedule rate increases according to collective bargaining agreements have been reflected in the valuation in place of assumed wage inflation, where applicable.

BRANDON UNIVERSITY RETIREMENT PLAN

Notes to the Financial Statements for the year ended December 31, 2025

7. Actuarial Valuation (continued)

The actuarial value of net assets available for pension benefits has been determined reflecting long-term market trends (consistent with the assumptions underlying the valuation of accrued pension benefits). The valuation is based on a four year moving average market method with the market value being the underlying basis. The market value is adjusted by amortizing over a four year period the differences in each year between the fund's actual return and the long term expected return applicable for that year. The long term expected returns on plan assets for the smoothing period was 5.50% in 2022, 5.50% in 2023, 5.50% in 2024, and 5.70% in 2025. The excess of the actuarial value over the market value, positive or negative, is limited to 10%.

The actuarial value of net assets as at December 31 were:

	<u>2025</u>	<u>2024</u>
Market value of net assets available for pension benefits	\$ 292,242,000	\$ 261,825,000
Market value of changes not reflected in the actuarial value of net assets	<u>(30,048,000)</u>	<u>(11,746,000)</u>
Actuarial value of net assets available for pension benefits before limit	\$ 262,194,000	\$ 250,079,000
Actuarial value as a percentage of market value	89.72 %	95.51 %
Actuarial value of net assets available for pension benefits after limit	\$ 263,018,000	\$ 250,079,000
Actuarial value as a percentage of market value	90.00 %	95.51 %

The next actuarial valuation of the Plan is required to be completed December 31, 2027.

8. Election for Exemption from Special Payments

The Brandon University Retirement Plan is subject to the Manitoba Pension Benefits Act and Regulations. The University Pension Plans Exemption Regulation 141/2007 allowed the University to make an election to be exempt from solvency and transfer deficiency payments. "2(1) An employer in relation to a university plan may, by filing a written election with the plan administrator, elect to be exempt from the solvency and transfer deficiency provisions."

On January 19, 2009 the University filed such an election. With the exemption, the Plan will continue to be subject to the going-concern funding provisions of the Act.

9. Going-Concern Deficit Funding

An actuarial valuation performed by the Plan's actuary, Eckler Ltd., to determine the Plan's funding status as required by the Pension Benefits Act of Manitoba, was prepared as at December 31, 2024 and was filed with the Manitoba's Office of the Superintendent - Pension Commission in 2025.

The actuarial valuation indicated an actuarial surplus of \$18,854,000 as at December 31, 2024 using the projected benefit method prorated on services. The valuation is based on actuarial assumptions with regard to demographics, rate of return on investments and salary increases to compare the Plan's actuarial assets with its actuarial liabilities.

The University is required to fund the matching contributions, as well as the actuarial cost of the defined benefits in excess of the matching costs. Any funding deficit is required to be funded over a maximum period of 15 years. There were no annual special payments required in 2025 (2024 - nil). The next actuarial valuation of the Plan is required to be performed as at December 31, 2027.

BRANDON UNIVERSITY RETIREMENT PLAN

Notes to the Financial Statements for the year ended December 31, 2025

10. Contributed Services

Brandon University provides staff and miscellaneous administrative services at no charge to the Plan. The cost of these services is not reflected in the Financial Statements.

Winnipeg

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May 28, 2026

Pension Trustees
C/o David Taylor, Chair
Brandon University Retirement Plan

Subject: Brandon University Retirement Plan – Update on transfers in from a previous employer's pension plan

Dear Trustees:

We are in the process of reviewing a provision of the Brandon University Retirement Plan ("BURP"), related to transfers-in from a prior employer's registered pension plan other than transfers where a reciprocal transfer agreement exists. These transfers-in are credited to the additional voluntary contribution ("AVC") account and can be used to increase a member's pension at retirement.

As communicated previously, due to the unique nature of the provision and the absence of the usual limit that would apply to defined benefit ("DB") pension plans under the Income Tax Act ("ITA"), we raised a concern regarding this provision and compliance with the ITA. Typically, transfers from a previous employer into the DB provisions of a new employer requires coordination between the plans to properly determine the PAS/PSPAs and PARs, the same way we deal with transfers into BURP under a reciprocal transfer agreement. In the case of BURP, this is not happening because the transfer is technically being made into the AVC account, which is considered a money purchase provision (also known as a defined contribution plan). The funds are later converted from a money purchase benefit to a defined benefit pension at the time of retirement.

I have informally collected some information from seven University pension plans in Canada on how they deal with transfers-in where the transfer is done outside of a reciprocal transfer agreement.

- In all cases but one, transfers-in are allowed.
- For five of the plans that allow transfers-in, the transfer amount is used to purchase past service **at the time of transfer-in**, and the DB pension is increased with the corresponding PSPA calculations being performed and reported to CRA. In most cases the cost of past service was determined using going concern assumptions, as

opposed to solvency/commuted value assumptions. One plan used the greater of going-concern and commuted value.

- One plan, which is notably a hybrid DB/DC plan, the plan allows transfers into a money purchase provision, similar to BURP, but that plan no longer permits the transferred-in funds to be used later to increase the DB pension under the plan. Instead, it must be transferred out as a lump sum at the time of retirement. Since the funds are not converted into a defined benefit pension, the past service calculations and CRA reporting are not required.

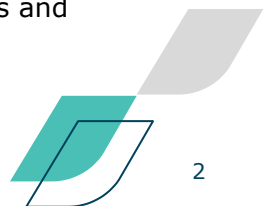
Recommended Options to Amend the Plan

Based on my previous comments and the practice of the other related plans mentioned above, my recommendation is to move forward on one of the following two options with respect to accepting transfers not covered by a reciprocal transfer agreement:

- 1. Amend BURP so that any transfers-in from a prior employer's registered pension plan, is accepted only on a past service purchase basis, with the corresponding service credit and any required PSPA determined at the time of transfer.**
- 2. Amend BURP so that transferred funds may only be paid as a lump sum transfer out of BURP at termination, retirement or death (i.e. no option to increase the monthly pension under BURP).**
- 3. Amend BURP to eliminate transfers into the plan.**

Considerations in Choosing Between Recommended Options

- All three options would ensure BURP is ITA compliant.
- Option 1, and perhaps to a lesser extent Option 2, would be preferable to Option 3 from the perspective of new members, as it allows them to consolidate retirement savings, increase the pension available as lifetime annuity income, and benefit from future wage increases on past service from their prior employer. This may also help eliminate a potential barrier to attracting top talent to Brandon University.
- Option 2 provides members with access to professional investment expertise and scale of the pension fund that would not otherwise be available in the retail investment space.
- Option 1 and 2 maintain the existing availability to new members to transfer-in benefits from a prior employer.
- A main operational difference between the three options are the administrative costs. Given the complexity of the calculations required for Option 1, regulatory reporting, and special handling, they tend to be relatively expensive as a stand-alone calculation. However, considering the low frequency of these transfer requests and



the size of the pension fund exceeding \$300M, the added cost would presumably be immaterial to the plan.

- Allowing transfers-in increases the size of the pension fund and its obligations. While transfers generally come in on a cost neutral basis, this adds some future risk that is borne by BURP, and in particular the University to the extent that the University is responsible for funding deficits but has restricted ability to take contribution holidays. Accepting the additional funds and obligations would result in some additional actuarial gains and losses resulting from investment returns, mortality experience, etc. but the plan may also benefit from larger investment scale, in the long run. Furthermore, while transfers-in may be cost neutral at the time of transfer, the actuarial basis used to settle benefits may differ from the basis used to establish benefits, thus resulting in an actuarial gain or a loss. For example, you might use going-concern assumptions to value the past service cost, but CV rates would be used if the benefit is later commuted and withdrawn from the fund.
- Option 1 would require the selection of an actuarial cost basis. Based on feedback from polled colleagues, common options include going concern, commuted value, or the greater of going concern and commuted value.

Depending on the decided course of action with respect to ongoing transfers-in, we will need to address existing AVC account balances in due course (approximately four).

I look forward to discussing this further at the next pension board meeting in June.

Yours sincerely,



Andrew Kulyk, FSA, FCIA
Principal

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