

Annual Report

2024-25

Saskatchewan Teachers' Superannuation Commission Teachers' Superannuation Plan

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Teachers'
Superannuation
Commission



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This annual report is available in electronic format at www.stsc.gov.sk.ca.

Letter of Transmittal

The Honourable Everett Hindley
Minister in Charge
Teachers' Superannuation Commission

Sir:

The Teachers' Superannuation Commission has the honour to submit the Annual Report outlining activities under *The Teachers Superannuation and Disability Benefits Act* for the year ended June 30, 2025.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "D. Crozier-Smith". The signature is fluid and cursive, with a large initial "D" and "C".

Dr. Derwyn Crozier-Smith
Chairperson

2024 – 2025 Annual Report

The Saskatchewan Teachers' Superannuation Commission
129 – 3085 Albert Street
Regina, Saskatchewan S4S 0B1

submits the:

Ninety-fifth Annual Report with respect to
*The Teachers Superannuation and Disability
Benefits Act* for the Year Ended June 30, 2025

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Message from the Chairperson

On behalf of the Teachers' Superannuation Commission, I am pleased to present the 2024-25 Annual Report of the Saskatchewan Teachers' Superannuation Commission.

At the end of 2024, global equity markets rose despite rebounding inflation as the US economy demonstrated signs of strength, while Canadian equities showed a mixed performance in various sectors. Markets were shaken in April 2025 due to uncertainty surrounding US tariff policies. After the initial shock, investor reactions soften to tariff uncertainties and markets staged a strong recovery to end 2024-25.

The Teachers' Superannuation Fund fair market value at June 30, 2025 was \$127.9 million. The total Fund posted a return of 9.3% for 2024-25 missing the portfolio benchmark of 9.6% by 0.3%. Over the longer term of four years, the Fund returned 3.8%, also missing the benchmark of 4.2%. Investment performance for 2024-25 ended strong with US equities outperforming and International equities tracking its benchmark. Canadian equities underperformed for the first half of the fiscal year then rebounded over the last six months. Bonds also outperformed however, these value-adds to the Fund were offset by the underperformance of the real estate portfolio and the devaluation of the investment in private equity.

The Commission will implement its last step of the re-risking glidepath as part of its investment strategy that was adopted in July 2012. Effective July 1, 2025 more risk was added to the Fund with the asset mix target for Canadian, US and International equities being increased to 20%, 15% and 10% respectively, while bonds decreased by 15%. Real estate remained the same at 15% of the total portfolio. To gain greater liquidity for the Fund as it moves closer to its June 30, 2030 legislated sunset date, the Commission transitioned the last of its segregated assets in US equities, bonds and short-term investments to pooled funds in October 2024.

Due to no active contributors, declining membership and diminishing assets, the Commission informed the remaining members in the Teachers' Voluntary Contributions Fund that the Fund will be wound up during 2024-25. Refunds of the remaining members' contributions with interest were processed and the Fund was closed effective June 17, 2025.

During 2024-25, the Commission completed an actuarial valuation for the year ending June 30, 2024. The last valuation was conducted three years earlier as at June 30, 2021. This financial snapshot in time assists the Commission in monitoring the pension deficit that exists within the Teachers' Superannuation Plan. The Commission will continue to conduct triennial valuations.

During 2025-26 the Commission will conduct an Asset Mix Optimization Study to determine the most efficient method to wind down the Teachers' Superannuation Fund assets to June 30, 2030.

The Commission acknowledges with sincere appreciation, the administrative team whose efforts resulted in another successful year of service to the membership. The Commission also expresses its appreciation to the Saskatchewan Teachers' Federation, the Superannuated Teachers of Saskatchewan, the school divisions and regional colleges and the administrative staff within the Ministry of Education for their respective contributions to the success of the Commission.



Dr. Derwyn Crozier-Smith
Chairperson, Teachers' Superannuation Commission

Profile

The Teachers’ Superannuation Commission (TSC, the Commission) is established under *The Teachers Superannuation and Disability Benefits Act*.

The Minister of Finance is the trustee of the Teachers’ Superannuation Fund (TSF) while the TSC is charged with administration of *The Teachers Superannuation and Disability Benefits Act*, *The Teachers’ Dental Plan Act*, and *The Teachers’ Life Insurance (Government Contributory) Act*.

The Province of Saskatchewan sponsors the TSF, with contributions also coming from plan members who are represented by the Saskatchewan Teachers’ Federation (STF).

The Teachers Superannuation and Disability Benefits Act is a negotiable matter under *The Education Act, 1995*.

The Teachers’ Superannuation Plan was closed in July 1980, and a new plan was created, now known as the Saskatchewan Teachers’ Retirement Plan, for which administration has been transferred to the STF.

As at June 30, 2025, the TSF has net assets available for benefits of \$0.149 billion, actuarial pension obligations of \$4.417 billion, and a deficit of \$4.268 billion.

More on-line at www.stsc.gov.sk.ca

Plan Governance at a Glance			
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Teachers' Superannuation Commission

Mission

The Commission's mission is to provide pensions and benefits for plan members through prudent stewardship of assets and liabilities and effective plan administration in accordance with current legislation.

Mandate

To attain this outcome, our organizational mandate is to administer the various Acts to ensure the provision of retirement and negotiated benefits to teachers. The various Acts (and regulations thereto) are:

- *The Teachers Superannuation and Disability Benefits Act*
- *The Teachers' Life Insurance (Government Contributory) Act*
- *The Teachers' Dental Plan Act*

The TSC is not subject to the Saskatchewan *Pension Benefits Act, 1992* except in relation to investments.

Objectives

Our specific objectives associated with this organizational mandate are:

- Communicate information and guidance to plan members
- Collect pension contributions from all participating teachers
- Calculate and distribute retirement benefits to teachers, spouses and dependents of deceased teachers

- Monitor the performance of the pension fund investments
- Negotiate and administer reciprocal transfer agreements with other jurisdictions
- Maintain appropriate financial records of the affairs of the Plans
- Manage accurate and timely dental claims administration in conjunction with the insurance carrier
- Administer the insurance claims associated with death and dismemberment in conjunction with the insurance carrier

Governance

The Commission maintains its governance manual which is posted on its website. This manual is the key document directing the Commission's governance activity during the year. The manual facilitates the planning and tracking of progress in areas such as ongoing board education, strategic planning, board self-assessment, and monitoring of administration operations and management. The manual also addresses various overarching matters such as: conflict of interest, dispute resolution, risk management, investment policy and monitoring, roles and responsibilities, and code of conduct.

Accountability

The TSC issues this annual report including audited financial statements supported by an actuarial opinion.

Commission Members

The TSC is responsible to the Minister in Charge for the administration of The Teachers Superannuation and Disability Benefits Act, who at present is also the Minister of Education (the Minister).

The TSC consists of seven members appointed by the Lieutenant Governor in Council:

- Three members are nominated by the STF executive committee
- Three members are nominated by the Minister
- A Chairperson is nominated by the other six members

Appointments are typically for a term of five years and are eligible for reappointment.

Kathy Deck’s five-year term as a government representative expired on October 9, 2024. Ms. Deck was first appointed to the Commission effective October 9, 2019. The Commission gratefully recognizes the contributions of Ms. Deck.

Angela Chobanik was nominated by the Government of Saskatchewan as one of its representatives to the Commission due to vacancy created by the expiry of Ms. Deck’s term. Ms. Chobanik’s five-year term became effective December 11, 2024.

Murray Wall’s five-year term expired on October 9, 2024. The STF nominated Mr. Wall to be reappointed to the Commission. Mr. Wall was reappointed to the Commission as a representative of the STF effective December 11, 2024.

Commission members as at June 30, 2025 with background credentials are:

Derwyn Crozier-Smith, B.Ed., B. A., M.Ed., Ph.D. Chairperson STF General Secretary (Retired), Former STF Executive Assistant	
Dustin Antonini, CPA-CGA, CFA Chief Investment Officer Saskatchewan Healthcare Employees’ Pension Plan	Murray Wall, B.Ed., B.Sc., M.Ed. Executive Director Superannuated Teachers of Saskatchewan
Angela Chobanik, CPA Executive Director, Education Funding Ministry of Education	Rob Lehne, B.Ed. Senior Administrative Staff Saskatchewan Teachers’ Federation
Leanne Forgie, CPA Director, Financial Analysis and Reporting Ministry of Education	Leanne White, B.Ed. Senior Administrative Staff (Retired) Saskatchewan Teachers’ Federation

	Meeting attendance	Expiration of term
Derwyn Crozier-Smith	7 of 7	August 26, 2026
Dustin Antonini	4 of 7	July 29, 2025
Leanne White	7 of 7	December 7, 2027
Rob Lehne	6 of 7	November 1, 2028
Leanne Forgie	7 of 7	November 1, 2028
Murray Wall	7 of 7	December 11, 2029
Angela Chobanik	3 of 3	December 11, 2029

Commission Member Role and Responsibilities

It is the collective responsibility of the members of the Commission to:

- Fulfill the mission statement
- Administer the Plans in compliance with governing legislation
- Determine any question as to the application of *The Teachers Superannuation and Disability Benefits Act*
- Establish investment policy and monitor investment performance
- Promote awareness and understanding of the Plans
- Monitor management and administration of the Plans
- Report annually to the Minister responsible for the Commission

Commission Strategic Plan: Key Functions, Objectives and Actions

To fulfill its statutory obligations and to address challenges and opportunities, the Commission reviewed and revised its Strategic Plan for 2024-25 in May 2024. The Strategic Plan contemplates a number of risks identified in the Risk Assessment and Management Plan.

The Strategic Plan outlines four key functions:

1. Governance
2. Administration
3. Member Services
4. Affiliate Services

Each Key Function involves a number of Strategic Objectives that the Commission and its Executive Director review and revise on an annual basis in accordance with the TSC's governance manual. These Strategic Objectives indicate where the TSC is headed, at least in the foreseeable future.

For each Strategic Objective, the Strategic Plan highlights various Strategic Actions that the Commission will do to carry out the TSC's purpose of providing appropriate pension, dental and group life insurance benefits to relevant Saskatchewan members.

The application of the Strategic Plan is designed to highlight and communicate the nature of the services provided by the TSC and is intended to maintain the focus on activities that best address relevant risks and ensure statutory obligations are being met. The Strategic Plan is structured to be concise, practical, and manageable, relying on reference documents that contain greater detail (i.e., risks, communication, information systems) and facilitates healthy governance in identifying measurable objectives through which measurement against plan and reporting can occur.

Commission Strategic Plan: Key Functions, Objectives and Actions

1. Governance

The Commission’s governance processes:

- Ensure the Commission carries out its purposes as set out in relevant legislation for the: Teachers’ Superannuation Plan, Dental Plan, and Group Life Insurance Plan
- Exhibit leadership in fulfillment of fiduciary duty
- Establish TSC policies
- Provide an operational and governance framework; communicate and report on it

Strategic Objective	Strategic Action
<ul style="list-style-type: none"> • Monitor, evaluate and report on the effectiveness of the TSC’s governance structures ensuring compliance with relevant legislation and policies. 	<ul style="list-style-type: none"> • The Commission follows an annual planning calendar that is part of its Strategic Plan. • As part of its annual planning, the Commission reviewed, revised and approved its Strategic Plan for 2024-25 in May 2024. • The Commission reviewed, revised and approved amendments and additions to its Governance Manual at its April 2025 meeting. • Commission members completed self-assessments and submitted signed conflict of interest declarations. • At its October 2024 meeting, the Commission collectively reviewed the results of the Canadian Association of Supervisory Authorities (CAPSA) Governance questionnaire to assist in identifying if any gaps exist in its governance processes. • In May 2025, the Commission reviewed its Investment Policy and Objective Statement (IP&OS) to ensure the clarity of its policies and mirrors industry best practices. The IP&OS was amended effective July 1, 2025 to reflect the final step for the Commission’s investment strategy which added additional risk to the investment portfolio.

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- Encourage and foster a shared understanding of the TSC’s governance structure and organizational processes within government, teacher membership and associated agencies.
 - Encourage innovation in the identification and analysis of ways to add value and manage risks.
- The Commission maintains regular communication with the Ministries of Education and Finance with respect to the funding requirements from the General Revenue Fund for the teacher superannuation and benefit plans.
 - The Commission has a *Dispute Resolution Process*, which outlines procedures to follow in the event a dispute with the Commission arises. Members can access this process on the TSC’s website.
 - The Commission tables separate annual reports that outline its activities, governance and financial reporting for the Teachers’ Superannuation, Group Life Insurance and Dental Plans. The annual reports are widely distributed and accessible on the STSC website for all interested parties.
 - The Commission produces two annual newsletters. One newsletter is for active/inactive members while the other is directed at superannuated members and spousal benefit recipients.
 - The STSC maintains a website that provides communication material, member forms and pertinent information regarding the operations of the Commission as well as the teacher pension and benefit programs under administration.
 - At its May 2024 meeting, the Commission reviewed and revised its Risk Assessment and Management Plan for 2024-25 to identify key risks and how to manage those risks.
 - The Commission conducted an actuarial valuation as at June 30, 2024 for the Teachers’ Superannuation Plan. The superannuation valuation was filed with the Canada Revenue Agency. The valuation also included a financial projection report that estimates the superannuation funding requirements until the last pension is payable.
 - During 2024-25, the Commission conducted a multi-investment review for the TSF with TDAM and Aon which resulted in all remaining segregated assets in the Fund being transitioned to pooled funds to achieve greater Fund liquidity.
 - The Commission and Management completed Fraud and Error questionnaires and submitted the results to the Saskatchewan Provincial Auditor.
 - The Commission monitored the TSF investment performance to measure the pace of the decline of the Fund’s assets against the objectives of its de-risking/re-risking investment strategy.

2. Administration

The Teachers' Superannuation Commission's Administration:

- Provides support for the provision of pension allowances, dental and group life insurance benefits to teachers in accordance with legislation
- Maintains and safeguards the TSC's assets directly and indirectly through agents and advisors
- Supports the Commission and government agencies as requested
- Implements Commission policies and directives
- Adds value and manages risks associated with the TSC's business portfolio
- Enriches and develops the TSC's human resources

Strategic Objective	Strategic Action
<ul style="list-style-type: none"> • Ensure effective operation of the TSC's governance structure in accordance with legislation and policies. • Establish and implement effective ways to carry out the TSC's Key Functions and Strategic Objectives. 	<ul style="list-style-type: none"> • At all meetings, the Commission receives an updated plan activity chart that allows the Commission to effectively monitor the ongoing activities of the Commission and TSC Administration to ensure action items are completed. • During 2024-25, the Teachers' Voluntary Contributions Fund was wound down and closed with monies being disbursed from the Fund to the remaining members pursuant to <i>The Teachers' Superannuation and Disability Benefits Regulations</i>. • As part of its annual planning, the Commission refined its Strategic Plan after approving a Risk Assessment and Management Plan at its May 2024 meeting. • In October 2024, the Commission evaluated the performance of its agents and advisors to whom it has delegated certain responsibilities. • The Commission met with its investment consultant, Aon at its September 2024 and April 2025 meetings to review the performance of the investment returns and investment managers as it compares to established benchmarks within the IP&OS. • The Commission received quarterly investment performance reports from plan fund managers, TD Asset Management and State Street Global Advisors. • TSC administrative staff attended various education and professional development sessions during 2024-25.

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- Provide effective oversight of the administrative operations of the TSC.

- All TSC employees have established procedures for their positions that are regularly assessed and reviewed.
- In consultation with its information technology service provider, the Commission maintains an information technology plan for disaster recovery that integrates with a business continuity plan for its information systems and operations.
- In October 2024, the Commission reviewed, revised and approved its Communication Plan. The Communication Plan is aligned with the overall Strategic Plan and TSC Governance Manual.
- The Commission maintains an effective Risk Assessment and Management Plan.
- The Commission receives an administrative update report from Management on the administrative and financial operations of the TSC at every meeting.
- The Commission annually evaluates the performance of the Executive Director utilizing the management performance tool, Planning for Success.
- The Commission receives quarterly financial reports on the financial operations of the TSC as well as all pension and benefit plans under administration.

3. Member Services

The TSC acknowledges the importance of service to teachers. For member services, the TSC will:

- Assist/Enable teachers to understand the options available to them respecting their pension benefits in addition to dental and group life insurance coverage
- Support teachers through timely, responsive and appropriate communication
- Render services with personalized care and attention, with integrity, fairness and efficiency

Strategic Objective	Strategic Action
<ul style="list-style-type: none"> • Identify and assess performance measurement against relevant service standards. • Ensure continuity and consistency of service received. 	<ul style="list-style-type: none"> • The TSC Staff provides care and attention to the quality of service provided to teachers for all plans under administration. • The TSC staff collaborates with the insurance carrier(s) to implement the most efficient processes to administer the benefit plans. • Administration meets annually with the insurance carrier(s) to review service standards and claim turnaround times for the benefit plans. • The TSC has procedures and processes in place for cross-training to maintain high quality service and ensure adequate segregation of duties to mitigate risk to superannuation and benefit plan monies. • The TSC routinely assesses its staff requirement and adjusts accordingly. • The TSC staff is available to members to provide information and options for retirement planning and as well as be of assistance to members for questions surrounding spousal benefits plus the group life insurance and dental plans. • The Commission maintains a Business Continuity Plan that is integrated with its information systems. • Policies and procedures are in place to ensure continuity of service for superannuates and teachers in the event Commission employees are required to work from a remote location. • The Commission continues to assess the administrative needs for the TSC to ensure resources are in place to serve plan members and obligations are met for the management of the teacher pension and benefit plans now and into the future while some administrative duties are projected to wind up.

4. Affiliate Services

The TSC interacts with a number of affiliate parties when delivering services to teachers. For affiliate services the TSC will:

- Support teachers through cooperative, progressive relationships with teacher related organizations (i.e. School Divisions, Saskatchewan Association of School Business officials (SASBO), League of Education Administrators, Directors and Superintendents (LEADS), etc.)
- Work with the Saskatchewan Teachers' Federation (STF) and Superannuated Teachers of Saskatchewan (STS) where possible and invited to do so in support of Saskatchewan teachers

Strategic Objective	Strategic Action
<ul style="list-style-type: none">• Seek collaboration and initiate activities that increase service to membership or add value and minimize risk to teachers or the people of Saskatchewan.	<ul style="list-style-type: none">• The TSC staff communicates regularly with school divisions to continue the efficiency of remitting teacher contributions for the superannuation and group life insurance plans.• Maintain an open dialogue with the STF and STS to best serve the needs of current and superannuated teachers.• The Commission supports the STS by deducting STS benefit plan premiums from superannuates' pension payments.• The TSC and STF maintain a common membership database for the Teachers' Dental Plan and Members' Health Plan to enable teachers to have access to their health and dental benefits under one insurance carrier.

Administration

The TSC employs an Executive Director and staff required for administration of the various legislation and commission policies and is independent from management.

The administrative team consisting of 12.0 full time equivalent employees is responsible for all the administrative functions that result in meeting the objectives outlined earlier and includes the strategic and operating unit work plans, financial and business decisions, evaluation of results against these plans, and reporting of activity to Commission members. Refer to the governance manual for further elaboration of management's roles and responsibilities.

The administrative team also highlights certain policy decision items to the Commission members, including relevant recommendations, and responds to requests for information or onward execution as requested by Commission members.

Administration works very closely and cooperatively with the Saskatchewan Teachers' Federation and the Superannuated Teachers of Saskatchewan to ensure seamless delivery of consistent, high-quality services to teachers across the province. This is particularly true in relation to the administration of benefits for active and retired teachers. Collaboration on these member focused activities ensures both active and retired teachers of Saskatchewan have access to the proper information regarding the benefits available to them.

Management formally communicates to Commission members on the operational activities at the regularly scheduled meetings, in addition to ad-hoc communications on various matters. The Commission conducts performance evaluation of management against established objectives.

The \$1.3 million operating budget of the Commission is paid out of monies appropriated by the Legislature.

Consultants

The TSC, as part of fulfilling its fiduciary duty in relation to the assets of the funds and as part of good governance, may acquire specialist competencies. This may include the engagement of technical, professional or other advisor, specialist or consultant services. Given the specialist knowledge required in investment management, defined benefit plan valuations and calculations, and pension administration software, the TSC does engage a number of outside consultants and advisors.

Actuarial consulting firms assist with the development of the investment policy guidelines, propose assumptions and perform the calculations of benefits for marriage breakdown, and actuarial present value for the purpose of reciprocal transfer agreements. Actuarial services are also required in preparing a valuation of the Plan and for cash flow projections. The current actuary for the plan is Aon.

Investment managers provide the necessary expertise in managing the pension assets in compliance with the asset mix guidelines to ensure risk-adjusted returns are maximized and achieve performance at or above the established performance benchmarks. Quarterly performance reports and presentations are provided to Commission members. TD Asset Management is responsible for managing the assets with the exception of a private equity fund managed by State Street Global Advisors.

State Street Trust Company, the superannuation plan custodian, provides compliance reporting on a quarterly basis and all results are reported to Commission members.

Aon also assists the Commission as an investment advisor by monitoring performance of the investment managers. Reports and presentations are provided to Commission members biannually.

When required, legal consultation is provided by either the Ministry of Justice or private legal counsel. Legal advice provided to the Commission ensures all legal obligations are fulfilled.

Specialized information technology services are purchased to ensure the critical pension administration system, retirement management and payroll systems and backbone network systems are securely maintained.

Valuation

The Commission performs actuarial valuations triennially and reviews its valuation assumptions for accounting extrapolations during inter-valuation periods in consultation with its plan actuary. The last valuation was completed as at June 30, 2024. The next valuation will be conducted during 2027-28 as at June 30, 2027.

The 2024 actuarial valuation used a discount rate of 3.1% per annum. This assumption represents the 10-year average of June 30 discount rates from June 30, 2015 through June 30, 2024. Each of the individual discount rates used in the 10-year average represents the single discount rate that would have been applied to the Teachers' Superannuation Plan based on yields on Saskatchewan provincial bonds on June 30 of the applicable year. The 10-year average rate used for the extrapolation to June 30, 2025 was 3.2%.

The financial statements at June 30, 2025 are based on an extrapolation of the June 30, 2024 valuation results utilizing the actuarial assumptions that were updated and approved for the June 30, 2025 accounting extrapolation. The total deficit as at June 30, 2025 is \$4.3 billion.

The legal obligation to pay pensions to the teachers of Saskatchewan in accordance with the provisions of *The Teachers Superannuation and Disability Benefits Act* rests with the Government of Saskatchewan.

Investments

The segregated funds of the Teachers' Superannuation Fund assets and all of the Voluntary Contributions Fund (together known as the Teachers' Superannuation Plan or the "Plan") are held in trust by State Street Trust Company, custodian of the investments on behalf of the Plan. Custodial fees of \$4,946 (2024 – \$7,553) and \$1,217 (2024 – \$1,057) for brokerage fees were paid to State Street Trust Company for 2025. TD Asset Management is responsible for investing the funds. Investment fees paid to TD Asset Management for 2025 were \$200,622 (2024 – \$223,601). Investment management fees for private equity paid to State Street Global Advisors for 2025 were \$Nil (2024 – Nil). CIBC Mellon is the custodian for the pooled fund investments on behalf of TD Asset Management.

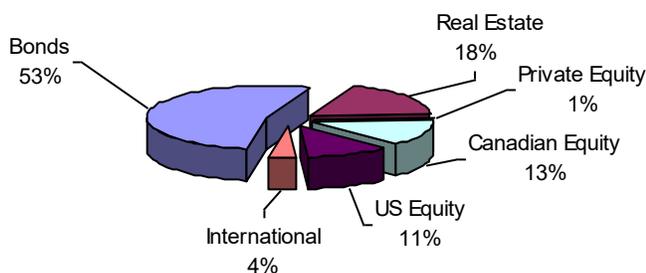
The TSC with the assistance of the investment manager, investment consultant, and actuarial consultant develop investment policies, strategies and objectives for each fund of the Plan. The Investment Policy & Objectives Statement (IP&OS) details the asset mix guidelines, and a benchmark portfolio against which the performance of the investment managers is measured. Individual asset class performance is also measured against their relevant, respective indices. The current IP&OS is posted on the STSC website.

In meeting with its investment consultant, the Commission reviews its IP&OS annually. A key aspect of risk is managed through adequate portfolio diversification. Working in conjunction with the asset manager, investment consultants and actuary, the desired risk-adjusted return is established.

IP&OS asset mix guidelines for the TSF as at June 30, 2025

	Minimum %	Maximum %
Canadian Equities, Large Cap	10.0	15.0
Canadian Equities, Small Cap	0	0
Total Canadian Equities	10.0	15.0
U.S. Equities, Large Cap (Unhedged)	7.5	12.5
International Equities, Public and Private (Unhedged)	2.5	12.5
Total Foreign Equities	10.0	25.0
Total Equities	20.0	37.5
Nominal Bonds	50.0	60.0
Short Term	0	10.0
Total Fixed Income	50.0	70.0
Real Estate	0.0	20.0

TSF portfolio asset mix at June 30, 2025



TSF Rates of Return – Periods to June 30, 2025						
Asset class	1 Year		4 Years		10 Years	
	Return	Bench mark	Return	Bench mark	Return	Bench mark
	%	%	%	%	%	%
Canadian Equity	24.8	26.4	11.3	10.7	8.4	9.6
U.S. Equity	18.3	14.8	16.5	14.0	17.2	14.7
International Equity	-	17.4	-	-	-	-
Private Equity	23.7	11.5	1.2	8.4	4.1	6.8
Bonds	6.8	6.1	0.4	0.1	2.2	1.9
Real Estate	0.7	1.5	4.1	4.3	5.9	5.8
Total Fund	9.3	9.6	3.8	4.2	5.8	3.5

To reflect the declining asset base, the Commission adopted a de-risking investment strategy effective July 1, 2012. The TSF's asset mix experienced a gradual reduction in return seeking, risky assets until June 30, 2018. In 2016-17, the Commission revisited its investment strategy by conducting a Glidepath Optimization Review. The results of the review confirmed the asset mix glidepath from the 2012 de-risking study remain efficient for the Fund. Effective July 1, 2019, the allocation to return seeking assets began to be increased gradually until 2025. The Commission plans to conduct an Asset Mix Optimization Study to determine the most efficient method to wind down the TSF assets to its legislated sunset date of June 30, 2030.

Pension Administration Systems

The pension administration software is crucial for the tracking of service,

contributions, refunds, purchases, crediting of interest to teacher accounts and pension estimates.

During the year, all system software was evaluated to ensure the underlying operating systems are actively supported by the various software providers, and to ensure the information technology (IT) systems remain functional in the current IT environment. Risk related to data and system conversion are appropriately planned and managed to ensure data and system integrity. The Commission maintains a business continuity and disaster recovery plans for its administrative operations and IT systems.

The Commission contracts with two outside information technology providers, ESTI Consulting Services and James Evans Associates (JEA) Limited. These two service providers possess the specific competencies needed to manage the IT risks effectively.

Risk Management

As part of governance processes, the Commission adopted a Risk Assessment and Management Plan whereby key risks are identified, along with identification of how risks will be managed and who is responsible. The outcome of this approach is to provide cost-effective management of risk and to create opportunities to add value. The following are potential risks that could adversely affect the operation of the Plan:

- Risk of loss associated with non-compliance with laws, rules, regulations, prescribed practices or ethical standards within jurisdiction of operation
- Risks arising from inability to implement appropriate business plans, strategies, decision-making, resource allocation and inability to adapt to changes in the business environment
- Risk of direct or indirect loss resulting from the inadequate or failed internal processes, people, system or from external events
- Risk associated with direct or indirect loss resulting from market events and investment related profiles
- Risk of not having adequate procedures and processes in place to continue operations in the event of a disaster or inability to access building

The Commission reviews and updates its Risk Assessment and Management Plan on an annual basis.

Communication

Timely and transparent communications are an essential element of good pension governance. The Commission strives to achieve effective communication with its teacher and superannuated members.

Federal and Provincial legislation in the area of privacy along with the implementation of the Privacy Framework within the Province will not only serve to protect the interests of teachers but mitigate the related risks and concerns. This privacy legislation is impacting communication not only in relation to what type of information is communicated from the pension plan, but also in assessing what the Commission collects directly from members.

In addition to this annual report, newsletters and the annual statements to members, the STSC website and email have become increasingly important as the preferred tools of communication and information exchange. The website provides considerable information:

- Downloadable forms for Dental, Group Life Insurance, Reciprocal Transfers, and personal information change forms
- Information, including Frequently Asked Questions on Dental, Pension, and Group Life Insurance
- Various legislative Acts and Regulations administered by the Commission
- Policies and responsibilities adhered to by the Commission
- Recent annual reports, superannuate and annual statement newsletters
- Contact information
- Dispute Resolution Process
- Governance Manual
- Communication Plan
- Strategic Plan
- Investment Policy & Objective Statement

More on-line at www.stsc.gov.sk.ca

Teachers' Superannuation Plan

The Teachers' Superannuation Plan was inaugurated on July 1, 1930 and became a closed plan in 1980. The Teachers' Annuity Plan was established for new teachers who had not previously taught in Saskatchewan and certain teachers who chose to transfer from the old formula plan. Through provincial negotiations, the Annuity Plan later became the Saskatchewan Teachers' Retirement Plan (STRP) administered by the Saskatchewan Teachers' Federation.

Highlights

As at June 30	2025	2024
Active Members	16	19
Inactive Members	4,242	4,303
Pensioners	8,123	8,393
Survivors	1,522	1,519
Total Members	13,903	14,234

From July 1, 2024 to June 30, 2025 a total of 6 (2024 – 7) new allowances were granted.

Superannuation allowances are adjusted each January 1 by 80% of the percentage increase obtained by dividing the average Canadian consumer price index (CPI) for the 12 months ending on the 31st day of October of the previous year by the average CPI for the 12 months ending on the 31st day of October one year earlier. Annual increases are provided to help offset the effects of inflation.

On January 1, 2025, a cost of living allowance increase of 2.1% (2024 – 3.5%) was applied to superannuation allowances.

Investment earnings of 7.43% (2024 – 17.35%) were credited to teachers in the Teachers' Superannuation Fund. Prior to 2024-25, the earnings included only 25% of the current period change in fair values of investments and 25% of each of the previous 3 years'

change in fair values (including both realized and unrealized gains and losses) in accordance with the policy established for administrative purposes by the Commission.

In 2024-25, the Commission changed its policy to the market value rate of return for crediting interest which allocates 100% of both realized and unrealized gains and losses as well as investment expenses to remaining teacher accounts effective June 30, 2025. As a result of this change, the remaining unallocated gains and losses from previous years were allocated to the current interest allocation.

The Teachers' Superannuation Commission administers a Voluntary Contributions Fund, which allows active teachers to make additional tax-deductible contributions that are invested separately from the mandatory superannuation contributions. Each year, the Commission allocates all realized and unrealized gains/losses at year-end. During 2024-25, the Commission allocated investment interest to member accounts at the prevailing rates at the time of withdrawal ranging from 3.80% to 4.02% pursuant to Section 11(4) and (5) of *The Teachers' Superannuation and Disability Benefits Regulations*. In 2023-24, allocated investment income less investment expenses of \$65,361 to year-end accounts which equated to a 6.5% interest rate.

During 2024-25, the Teachers' Voluntary Contributions Fund was wound up effective June 2025 with all remaining members in the Fund receiving a refund of their contributions with interest, there are Nil members (2024 – 17) with contributions in the Voluntary Contributions Fund.

Teachers' Disability Benefits Plan

Part III of *The Teachers Superannuation and Disability Benefits Act* provided disability benefits for teachers who participate in the Teachers' Superannuation Plan. A teacher's disability benefit would cease on the earliest of:

- (a) The commencement of a superannuation allowance;
- (b) The attainment of age 65 by the teacher;
- and
- (c) The death of the teacher.

In August 2022, the last teacher in receipt of disability benefits retired and started receiving a superannuation allowance from the Teachers' Superannuation Plan. As at February 2023, there are no longer any teachers participating in the Teachers' Superannuation Plan that would be eligible for benefits from the Teachers' Disability Benefits Plan and the Plan is now considered closed.

Teachers' Group Life Insurance Plan

The Teachers' Superannuation Commission administers the Teachers' Group Life Insurance Plan for active, disabled and superannuated teachers. An annual report for activities of the group life insurance plan will be tabled under separate cover for 2024-25.

Teachers' Dental Plan

The Teachers' Superannuation Commission administers the Teachers' Dental Plan for active and disabled teachers. An annual report for activities of the dental plan will be tabled under separate cover for the year ending December 31, 2025.

Teachers' Superannuation Commission Management Report, 2025

The management of the Teachers' Superannuation Commission is responsible for the integrity of the accompanying financial statements and all other information in this Annual Report. In Canada, it is the responsibility of management to prepare financial statements in accordance with Canadian generally accepted accounting principles.

The integrity of the financial records from which these financial statements are prepared is largely dependent on the systems of internal accounting controls. The purpose of such systems is to provide reasonable assurance that transactions are executed in accordance with proper authorization, transactions are appropriately recorded in order to permit preparation of financial statements and assets are properly accounted for and safeguarded against loss from unauthorized use. Underlying this concept of reasonable assurance is the fact that limitations exist in any system of internal accounting controls based on the premise that the cost of such controls should not exceed the benefits derived there from.

The pension obligations and actuarial value of net assets available for benefit are determined by an actuarial valuation and extrapolation. Actuarial valuation and extrapolation reports require best judgment in order that the financial statements reflect fairly the financial position of the Plan. The actuary's opinion for the Teachers' Superannuation Plan for the June 30, 2024 valuation and the extrapolation of the valuation results to June 30, 2025 appear on page 24.

The financial statements have been audited by the Provincial Auditor of Saskatchewan. The report to the Members of the Legislative Assembly, stating the scope of the examination and opinion on the financial statements, appears on page 25.

The financial statements have been examined and approved by the Commission.



Doug Volk, BA (Econ), PPAC
Executive Director



Sharlene Arklie, FCPA, FCGA
Senior Manager, Financial Operations

Regina, Saskatchewan
October 16, 2025

Actuary's Opinion

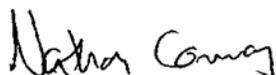
Aon was retained by the Saskatchewan Teachers' Superannuation Commission (the "Commission") to perform an actuarial valuation of the assets and liabilities of the Saskatchewan Teachers' Superannuation Plan (the "Plan") as at June 30, 2024. Aon was further retained to prepare an extrapolation of the valuation results to June 30, 2025 for inclusion in the Annual Report with respect to *The Teachers Superannuation and Disability Benefits Act* for the Year Ended June 30, 2025.

The valuation and extrapolation of the Plan's actuarial assets and liabilities were based on:

- Membership data provided by the Commission as at June 30, 2024;
- Financial Statements as at June 30, 2025 provided by the Commission;
- Methods prescribed by the Chartered Professional Accountants of Canada for pension plan financial statements; and
- Assumptions about future events (economic and demographic) which were developed by management and Aon and are considered as management's best estimate of these events.

While the actuarial assumptions used to estimate liabilities for the Plan's financial statements contained in the Annual Report represent management's best estimate of future events, and while, in my opinion, these assumptions are appropriate for the purposes of the valuation and extrapolation, the Plan's future experience will differ from the actuarial assumptions. Emerging experience differing from the assumptions will result in gains or losses that will be revealed in future valuations and will affect the financial position of the Plan.

I have tested the data for reasonableness and consistency with prior valuations and, in my opinion, the data is sufficient and reliable for the purposes of the valuation and the extrapolation. In my opinion, the methods and assumptions used in the valuation and extrapolation are appropriate for the purposes of the valuation and extrapolation. My opinions have been given, and the valuation and extrapolation have been performed, in accordance with accepted actuarial practice in Canada.



Nathan Conway
Fellow, Canadian Institute of Actuaries
Fellow, Society of Actuaries

October 16, 2025

To: The Members of the Legislative Assembly of Saskatchewan

Opinion

We have audited the financial statements of the Teachers' Superannuation Plan, which comprise the statement of financial position as at June 30, 2025, and the statement of changes in net assets available for benefits and the statement of 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 Teachers' Superannuation Plan as at June 30, 2025, the changes in its net assets available for benefits and changes in its pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Teachers' Superannuation 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 Teachers' Superannuation Commission *Annual Report for 2024-25*, 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 any knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. 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 Canadian accounting standards for pension plans for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Teachers' Superannuation 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 Teachers' Superannuation Plan or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Teachers' Superannuation 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 Teachers' Superannuation 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 Teachers' Superannuation 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 Teachers' Superannuation 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 identified during the audit.

Regina, Saskatchewan
October 16, 2025


Tara Clemett, CPA, CA, CISA
Provincial Auditor
Office of the Provincial Auditor

Teachers' Superannuation Plan Statement of Financial Position

Statement 1

As at June 30

(in thousands of dollars)

	2025			2024		
	Superannuation Fund	Voluntary Contributions Fund	Total	Superannuation Fund	Voluntary Contributions Fund	Total
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ 510	\$ -	\$ 510
Due from General Revenue Fund (Note 3)	26	-	26	27	29	56
Accrued investment income	8	-	8	348	-	348
Investments (Note 4):						
Bonds and debentures	-	-	-	76,472	-	76,472
Pooled Funds	126,131	-	126,131	36,912	933	37,845
Equities	-	-	-	7,033	-	7,033
Private equity	1,783	-	1,783	3,790	-	3,790
Short-term	-	-	-	11,179	-	11,179
	<u>127,914</u>	<u>-</u>	<u>127,914</u>	<u>135,386</u>	<u>933</u>	<u>136,319</u>
Contributions receivable:						
Teachers	160	-	160	157	-	157
General Revenue Fund	21,631	-	21,631	26,194	-	26,194
	<u>21,791</u>	<u>-</u>	<u>21,791</u>	<u>26,351</u>	<u>-</u>	<u>26,351</u>
Total assets	\$ 149,739	\$ -	\$ 149,739	\$ 162,622	\$ 962	\$ 163,584
LIABILITIES						
Accounts payable	\$ 240	\$ -	\$ 240	\$ 57	\$ -	\$ 57
Total liabilities	240	-	240	57	-	57
NET ASSETS AVAILABLE FOR BENEFITS (Statement 2)	149,499	-	149,499	162,565	962	163,527
Pension obligation (Statement 3)	4,417,449	-	4,417,449	4,648,947	962	4,649,909
Deficit	\$ 4,267,950	\$ -	\$ 4,267,950	\$ 4,486,382	\$ -	\$ 4,486,382

(See accompanying notes to the financial statements)

Teachers' Superannuation Plan Statement 2

Statement of Changes in Net Assets Available for Benefits

Year Ended June 30

(in thousands of dollars)

	2025			2024		
	Superannuation Fund	Voluntary Contributions Fund	Total	Superannuation Fund	Voluntary Contributions Fund	Total
INCREASE IN ASSETS:						
Investment income:						
Interest	\$ (9)	\$ 2	\$ (7)	\$ 5,949	\$ 2	\$ 5,951
Dividends	42	-	42	98	-	98
Pooled fund distributions	5,395	2	5,397	768	41	809
Total investment income	<u>5,428</u>	<u>4</u>	<u>5,432</u>	<u>6,815</u>	<u>43</u>	<u>6,858</u>
Increase in fair value of investments	<u>7,597</u>	<u>62</u>	<u>7,659</u>	<u>1,259</u>	<u>24</u>	<u>1,283</u>
Contributions:						
General Revenue Fund other contributions	303,583	-	303,583	311,014	-	311,014
Teachers	33	-	33	35	-	35
General Revenue Fund matching contributions	33	-	33	35	-	35
Other transfers and contributions	-	-	-	-	-	-
Total contributions	<u>303,649</u>	<u>-</u>	<u>303,649</u>	<u>311,084</u>	<u>-</u>	<u>311,084</u>
Total increase in assets	<u>\$ 316,674</u>	<u>\$ 66</u>	<u>\$ 316,740</u>	<u>\$ 319,158</u>	<u>\$ 67</u>	<u>\$ 319,225</u>
DECREASE IN ASSETS:						
Allowances to superannuates	\$ 322,814	\$ -	\$ 322,814	\$ 322,082	\$ -	\$ 322,082
Refunds and transfers	6,531	1,027	7,558	3,133	273	3,406
Investment expenses (Note 7)	207	1	208	232	2	234
Marriage breakdown payments	188	-	188	330	-	330
Total decrease in assets	<u>\$ 329,740</u>	<u>\$ 1,028</u>	<u>\$ 330,768</u>	<u>\$ 325,777</u>	<u>\$ 275</u>	<u>\$ 326,052</u>
Decrease in net assets	(13,066)	(962)	(14,028)	(6,619)	(208)	(6,827)
NET ASSETS AVAILABLE FOR BENEFITS, beginning of year	<u>162,565</u>	<u>962</u>	<u>163,527</u>	<u>169,184</u>	<u>1,170</u>	<u>170,354</u>
NET ASSETS AVAILABLE FOR BENEFITS, end of year	<u>\$ 149,499</u>	<u>\$ -</u>	<u>\$ 149,499</u>	<u>\$ 162,565</u>	<u>\$ 962</u>	<u>\$ 163,527</u>

(See accompanying notes to the financial statements)

Teachers' Superannuation Plan

Statement of Changes in Pension Obligations

Statement 3

Year Ended June 30

(in thousands of dollars)

	2025			2024		
	Superannuation Fund (Note 8)	Voluntary Contributions Fund	Total	Superannuation Fund (Note 8)	Voluntary Contributions Fund	Total
PENSION OBLIGATIONS, beginning of year	\$ 4,648,947	\$ 962	\$ 4,649,909	\$ 4,863,126	\$ 1,170	\$ 4,864,296
INCREASE IN PENSION OBLIGATIONS:						
Interest accrued on obligations	139,372	-	139,372	141,018	-	141,018
Impact of plan experience	11,788	-	11,788	-	-	-
Impact of actual indexation experience	-	-	-	13,305	-	13,305
Obligations accrued	143	-	143	525	-	525
	151,303	-	151,303	154,848	-	154,848
DECREASE IN PENSION OBLIGATIONS:						
Impact of actual indexation	13,338	-	13,338	-	-	-
Impact of change in discount rate assumption	39,772	-	39,772	43,482	-	43,482
Impact of change to percent married and retirement rate assumptions	158	-	158	-	-	-
Obligations paid	329,533	962	330,495	325,545	208	325,753
	382,801	962	383,763	369,027	208	369,235
PENSION OBLIGATIONS, end of year	\$ 4,417,449	\$ -	\$ 4,417,449	\$ 4,648,947	\$ 962	\$ 4,649,909

(See accompanying notes to the financial statements)

Teachers' Superannuation Plan

Notes to the Financial Statements

June 30, 2025

1. Status of the Commission

The Saskatchewan Teachers' Superannuation Commission (Commission) administers a pension plan, the Teachers' Superannuation Plan, consisting of the Teachers' Superannuation Fund and the Voluntary Contributions Fund (hereafter collectively referred to as the Plan). The Teachers' Superannuation Fund is used to account for the net assets accumulated for the defined benefit final average pension plan for teachers who commenced service prior to July 1, 1980. The Voluntary Contributions Fund is a money purchase fund, used to account for the net assets accumulated for teachers' voluntary contributions.

Description of the Plan

The Plan is a registered pension plan as defined by the *Income Tax Act (Canada)* and accordingly, is not subject to income taxes. Allowances and refunds are subject to withholding taxes that are remitted to the Canada Revenue Agency. The following description is a summary only. For more complete information, reference should be made to *The Teachers Superannuation and Disability Benefits Act* (the Act).

Teachers' Superannuation Fund

a) Funding Policy

Members are required to contribute 6.05% of their salary subject to Canada Pension Plan contributions, and 7.85% on the remainder of their salary. The Government's General Revenue Fund (GRF) pays into the Teachers' Superannuation Fund an amount equal to the amount contributed by members. Also, the GRF pays into the Teachers' Superannuation Fund other contributions pursuant to section 9(4) of the Act. Section 9(4) of the Act requires the GRF to pay yearly an amount by which the allowances, transfers and refunds that are paid out in that fiscal year exceed the credited contributions of members with respect to whom an allowance commences or a refund or transfer is made in that fiscal year.

b) Age and Service Allowance

The annual amount of pension is determined as follows:

- 2% of the five highest years salary times years of service (maximum 35 years)
- reduced at age 65 for Canada Pension Plan integration
- increased each January 1 by 80% of the increase in the Consumer Price Index for Canada

c) Interest Credited to Contributions

As of July 1, 1994, the interest credited to contributions is based on an annual rate determined by the Commission to be the annual rate of return earned from the investments of the Fund in a fiscal year, compounded annually. See Note 5 for determination of investment earnings.

d) Death Benefits

When a superannuate dies, the spouse receives 60% of the allowance plus a further 10% for each dependent child to a maximum of 25%. If there is neither a spouse nor dependent children, the nominee or estate receives a lump sum payment of the difference, if any, between the teacher's contributions and interest at retirement and the total pension paid to date.

e) Refunds

Refunds to teachers typically consist of the teacher's contributions and interest on those contributions.

Voluntary Contributions Fund

The Commission administers the Voluntary Contributions Fund. The Voluntary Contributions Fund allows active teachers to make contributions into the Fund, according to the limits set out in the *Income Tax Act (Canada)*.

The Voluntary Contributions Fund is credited with all voluntary contributions, any interest earned and any other revenue accrued from the investment of monies in the Voluntary Contributions Fund less investment expenses. The Voluntary Contributions Fund amount is reduced by amounts paid out at the time the teacher makes an application for a refund. If eligible, the accumulated contributions and interest earned are paid to the teacher, the teacher's nominee or to the teacher's estate.

In 2024-25, all funds have been disbursed to the participants in the Fund and the Voluntary Contributions Fund is now closed.

2. Significant Accounting Policies

The following accounting policies are considered significant:

a) Basis of Presentation

The financial statements for the year ended June 30, 2025 have been prepared in accordance with Canadian accounting standards for pension plans as defined in the CPA Canada Handbook Section 4600, *Pension Plans*. For matters not addressed in Section 4600, *Pension Plans*, Canadian Accounting Standards for Private Enterprises (ASPE) have been followed. These financial statements were authorized and issued by the Board on October 16, 2025.

b) Investments

Investments in bonds and equities are recorded at fair value which are determined by reference to closing year end bid prices from recognized security dealers. Transactions in bonds and equities are recorded as of the trade date.

Investments denominated in foreign currency are translated at the exchange rate in effect at year end. Investment transactions and realized gains and losses are translated at the exchange rate in effect at the transaction date. Unrealized gains and losses resulting from exchange differences are included in the determination of the change in fair value of investments.

Pooled funds are recorded based on the net asset value per unit of the underlying investments determined using closing bid prices as at year end. Short-term investments are recorded at fair value.

Real estate pooled funds and private equity are recorded at fair value as estimated by independent appraisals. All investments are classified at fair value through profit or loss.

c) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for pension plans requires management to make estimates and assumptions that affect the recorded amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the recorded amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the valuation of investments and accrued pension obligation. Actual results could differ from these estimates.

d) Change in Accounting Policy

In April 2025, the Commission changed the policy for allocating interest to remaining teacher accounts at the end of each year. Previous to 2024-25, interest was credited using a smoothed approach by allocating only 25% of current gains or losses from investments and 75% from the remaining years and 100% of investment expenses. Effective for the June 30, 2025 year end, the interest credited uses a market rate calculation where 100% of all investment income and expenses are credited in the current year. The comparative year 2023-24 has not been restated as it is not practicable to do so.

3. Due From General Revenue Fund

The Plan's bank accounts are included in the Consolidated offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan. Under this arrangement, interest is calculated on the net position of all COBC accounts and is paid by the bank into the GRF.

The Plan's share of this interest is allocated and paid by the GRF on a quarterly basis into the Plan's bank accounts using the Government's thirty-day borrowing rate. The Government's average thirty-day borrowing rate in 2025 was 3.50% (2024 – 4.99%).

4. Investments

The Commission's investment strategy is to invest cash flows from contributions and investment returns into assets such as private equities and pooled funds comprising of Canadian and foreign equities, bonds and debentures as well as real estate.

Teachers' Superannuation Fund

The Act and the Plan's investment policy require that all the Fund's investments comply with the provisions of *The Pension Benefits Act, 1992*, which does not allow any one holding to represent more than 10% of the cost of the Fund's portfolio at the time of acquisition.

During 2011-12, the Commission engaged its Investment Consultant to conduct a de-risking optimization study of the asset mix for the Teachers' Superannuation Fund. In March 2012, the Commission amended their investment policy to reflect the de-risking investment strategy to be effective July 1, 2012. The final step of the de-risking glidepath was allocated to the Fund asset mix on July 1, 2018. Effective July 1, 2019 riskier assets were reintroduced to the Fund. Return-seeking assets were gradually added to the Fund until 2025.

The de-risking glidepath is in the Plan's investment policy. The effect of the de-risking investment strategy has been reflected in projections used in the actuarial valuation at June 30, 2024 and the extrapolation at June 30, 2025 in Note 8.

In October 2024, (with the exception of the private equity and the pooled funds) the Commission divested of all short-term, equity and bonds and debenture investments and invested into corresponding pooled funds pursuant to the current Statement of Investment Policy and Objective Statement (IP&OS).

Short-term Investments

Effective June 30, 2025, there are no short-term investments held within the portfolio. In 2024, these investments were comprised of T-Bills, notes and commercial paper with effective interest rates of 0% to 0.01% and a weighted average term to maturity of 83 days. Interest was receivable until maturity.

Bonds and Debentures

The Plan's investment policy limits its investment concentration in any one investee or related group to no more than 10% of that corporation's cost of outstanding bonds. Bonds must meet a minimum quality standard of BBB rating as measured by a recognized credit rating service. Effective June 30, 2025, there are no Bonds and Debentures held within the portfolio.

For the Teachers' Superannuation Fund, the Plan invests in bonds that are considered to be high quality as described below:

	Years to Maturity	2025			2024		
		Fair Value	Weighted Average Yield (%)	Weighted Average Coupon Rate (%)	Fair Value	Weighted Average Yield (%)	Weighted Average Coupon Rate (%)
		(\$000's)			(\$000's)		
Federal Bonds	<1	\$ -	-	-	\$ -	-	-
Government of Canada	1-5	-	-	-	10,059	2.15	2.00
	6-10	-	-	-	18,952	2.53	2.35
	11-15	-	-	-	290	5.01	5.21
	20+	-	-	-	1,425	2.64	1.93
		-	-	-			
Provincial & Provincially Guaranteed Bonds	1-5	-	-	-	2,519	2.27	2.05
Other Provinces	6-10	-	-	-	14,275	4.04	4.13
	11-15	-	-	-	491	4.00	3.83
	16-20	-	-	-	1,519	4.16	3.85
	20+	-	-	-	6,544	3.71	2.88
		-	-	-			
Saskatchewan	20+	-	-	-	950	3.91	3.22
		-	-	-			
Municipal	6-10	-	-	-	35	5.34	5.90
		-	-	-			
Corporate Bonds	<1	-	-	-	241	3.97	3.92
	1-5	-	-	-	10,349	3.79	3.75
	6-10	-	-	-	5,397	4.18	4.03
	11-15	-	-	-	461	4.31	3.84
	16-20	-	-	-	203	4.44	3.99
	20+	-	-	-	2,762	5.06	4.49
		\$ -			\$ 76,472		

Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Equities

	2025		2024	
	(\$000's)			
Pooled Funds				
Canadian Equity	\$	16,794	\$	-
Foreign Equity		17,893		-
		<u>34,687</u>		<u>-</u>
Common Shares				
Foreign		-		7,033
Private Equity		1,783		3,790
Total Equities	\$	<u>36,470</u>	\$	<u>10,823</u>

The Plan's investment policy limits any holding in the Fund to no more than 30% of the outstanding shares of the issuing corporation. The investment policy allows up to 25.0% of the Fund to be invested in foreign equities, including those held in pooled funds. At June 30, 2025, the Plan held 14.0% (2024 – 5.2%) in foreign equities.

Foreign equities and pooled funds are denominated in Canadian dollars. The Fund's equities include common shares that have no fixed maturity date and are generally not exposed to interest rate risk. Dividends are generally declared on a quarterly basis. The average effective dividend rate during the year was Nil% (2024 – 1.4%).

Pooled Funds

The Plan holds units in pooled funds, which have no fixed interest rate, and its returns are based on the success of the fund manager. The Plan unit holdings are:

	Units Held		% of Total Units Outstanding		Fair Value		Investment Income and Change in Fair Value	
	2025	2024	2025	2024	2025	2024	2025	2024
	(000's)				(\$000's)		(\$000's)	
TD Emerald Canadian Short Term Investment Fund, Class B	53	-	0.02	-	\$ 515	\$ -	\$ 16	\$ -
TD Greystone Canadian Fixed Income Fund	5,159	-	8.91	-	68,195	-	2,460	-
TD Greystone Canadian Equity Fund	309	307	1.77	1.72	16,794	13,340	3,845	(224)
TD Greystone U.S. Equity Fund	187	-	5.40	-	13,062	-	1,079	-
TD Emerald International Equity Index Fund, Class B	202	-	0.09	-	4,831	-	710	-
TD Greystone Real Estate Fund	115	121	0.20	0.20	<u>22,734</u>	<u>23,572</u>	<u>163</u>	<u>1,118</u>
					<u>\$ 126,131</u>	<u>\$ 36,912</u>	<u>\$ 8,273</u>	<u>\$ 894</u>

Private Equity

In 2005, the Plan committed \$36 million US, as a Limited Partner, to GE Asset Management Incorporated (GEAM), investment manager for investment in the GEAM International Private Equity Fund, L.P. representing \$437 million US in total partnership commitments. One pension trust represents 50% of committed and invested funds with the sixteen Limited Partners representing the remaining 50%. The purpose of the Partnership is to invest in primarily private placement investments and through such investments provide its partners with current income and long-term capital gains. The private placements would be those of companies located and doing a substantial portion of their business outside of the United States. The Teachers' Superannuation Fund has 8.2% (2024 – 8.2%) of the committed and 8.2% (2024 – 16.4%) of the invested funds. As of June 30, 2025, the total value of the International Private Equity Fund, L.P. was \$15.8 million US (2024 – \$33.6 million US) and the Plan's share was \$1.8 million CDN (2024 – \$3.8 million CDN).

Determination of Fair Value

The determination of fair value for both the Teachers' Superannuation Fund and the Voluntary Contributions Fund is based on valuations that make maximum use of available market information. The best measure of fair value is an independent quoted market price for the same instrument in an active market. An active market is one where quoted prices are readily available representing regularly occurring transactions. Fair value measurements are categorized into levels within a fair value hierarchy based on the nature of the inputs used in the valuation.

The three levels of the fair value hierarchy are:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted market prices that are observable for the asset or liability either directly or indirectly; and

Level 3 Inputs that are not based on observable market data.

The following table classifies the Plan's financial instruments within a fair value hierarchy:

Teachers' Superannuation Fund (\$000's)

	Level 1		Level 2		Level 3		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Bonds and debentures	\$ -	\$ -	\$ -	\$ 76,472	\$ -	\$ -	\$ -	\$ 76,472
Pooled funds	-	-	103,397	13,340	22,734	23,572	126,131	36,912
Equities	-	7,033	-	-	-	-	-	7,033
Private equity	-	-	-	-	1,783	3,790	1,783	3,790
Short - term	-	11,179	-	-	-	-	-	11,179
Total	\$ -	\$ 18,212	\$ 103,397	\$ 89,812	\$ 24,517	\$ 27,362	\$ 127,914	\$ 135,386

Fair value measurements using level 3 inputs:

Teachers' Superannuation Fund (\$000's)

	Real Estate Pooled		International Private Equity		Total	
	2025	2024	2025	2024	2025	2024
Balance at July 1	\$23,572	\$27,796	\$ 3,790	\$ 5,992	\$ 27,362	\$ 33,788
Purchases	-	-	-	-	-	-
Sales	(1,000)	(4,000)	(2,956)	-	(3,956)	(4,000)
Net transfers in (out)	-	-	(76)	(2,202)	(76)	(2,202)
Gains (Losses):						
Realized	423	-	2,241	-	2,664	-
Unrealized	(261)	(224)	(1,216)	-	(1,477)	(224)
Balance at June 30	\$22,734	\$23,572	\$ 1,783	\$ 3,790	\$ 24,517	\$ 27,362

Realized and unrealized gains and losses appear in the increase or decrease in fair value of investments on the Statement of Changes in Net Assets Available for Benefits.

At June 30, 2025, the following techniques were used to determine the fair value of the investments categorized in level 3:

i. Real Estate Pooled Funds

For the TD Greystone Real Estate Pooled Funds, the Pool Fund Manager uses an independent arm's length appraisal process for each property held within the pooled fund to establish the fair market value of the real estate investments on a semi-annual basis for each property in the Pooled Fund.

The fund is audited by an independent accounting firm on an annual basis which includes a review of the valuation process as well as the appropriateness of the values contained within the financial statements of the Real Estate Pooled Fund to ensure compliance with all standards set by the CPA Canada Handbook and all Canadian pension legislation that may apply to the Fund or its shareholders. Changes in the underlying assumptions would have an immaterial impact on the market value of the investments.

ii. International Private Equity

The Plan's private equity investment in the International Private Equity Fund I is held through limited partnerships within the corresponding fund. The investments are valued using the net asset valuation technique by the General Partner, using the best information available, including quoted market prices or market prices for similar assets when available, internal cash flow estimates discounted at an appropriate interest rate or independent appraisals as appropriate. Changes in the underlying assumptions would have an immaterial impact on the market value of the investments.

Voluntary Contributions Fund

In 2024-25, the Voluntary Contributions Fund was closed. In 2023-24, the Fund held pooled funds which are classified as level 2 and are described below.

Pooled Funds

The Plan holds for the Voluntary Contributions Fund units in pooled funds, which have no fixed interest rate, and its returns are based on the success of the manager.

The TD Greystone International Equity Fund may use derivative financial instruments such as equity index future contracts for managing its equity portfolio and forward contracts for cash management. Derivative financial instruments are financial contracts that change in value resulting from changes in underlying assets or indices.

Derivative transactions are conducted in over-the-counter markets directly between two counterparties or on regulated exchange markets. All derivative financial instruments are recorded at fair value using market prices. Where market prices are not readily available, other valuation techniques are used to determine fair value.

The Voluntary Contributions Fund unit holdings are:

	Units Held		% of Total Units Outstanding		Fair Value		Investment Income and Change in Fair Value	
	2025	2024	2025	2024	2025	2024	2025	2024
	(000's)				(\$000's)		(\$000's)	
TD Greystone International Equity Fund	-	2	-	0.01	\$ -	\$ 43	\$ (1)	\$ 6
TD Greystone Canadian Fixed Income Fund	-	38	-	0.08	-	469	18	22
TD Greystone Canadian Equity Fund	-	6	-	0.06	-	277	39	18
TD Greystone US Equity Fund	-	1	-	0.03	-	51	5	14
TD Emerald Treasury Management Fund	-	9	-	0.01	-	93	2	5
					<u>\$ -</u>	<u>\$ 933</u>	<u>\$ 63</u>	<u>\$ 65</u>

5. Teachers' Superannuation Fund – Determination of Investment Earnings for Administrative Purposes

The Commission determines investment earnings of the Superannuation Fund in order to establish what interest must be credited to teachers, and what interest teachers must pay when purchasing past service. For years up to June 30, 2024, the Commission determined that only 25% of the current period change in fair values of investments (includes both realized and unrealized gains and losses) would be recognized as part of investment earnings. The remaining 75% would be recognized equally over the following three years as part of investment earnings. Interest and dividend income less investment expenses are fully allocated for the current year. In April 2025, the Commission changed the policy to the Market value rate which allocates 100% of both realized and unrealized gains and losses as well as investment expenses to remaining teacher accounts effective June 30, 2025. In 2024-25 only, the change also results in the remaining unallocated gains and losses from previous years to be allocated to the current interest allocation. The investment earnings rate was 7.43% (2024 – 17.35%) for the year.

6. Voluntary Contributions Fund - Earnings Allocation to Members

During 2024-25, all remaining members were informed that the Commission had approved the wind-up of the Voluntary Contributions Fund and members were to withdraw their funds prior to December 31, 2024.

Each year, the Commission allocates all realized and unrealized gains/losses at year-end. During 2024-25, the Commission allocated investment interest to member accounts at the prevailing rates at the time of withdrawal ranging from 3.80% to 4.02% pursuant to Section 11(4) and (5) of *The Teachers' Superannuation and Disability Benefits Regulations*. In 2023-24, allocated investment income less investment expenses of \$65,361 to yearend accounts which equated to a 6.5% interest rate. All funds have been withdrawn from the Fund and it is now closed.

7. Related Party Transactions

These financial statements include transactions with related parties. The Plan is related to all Saskatchewan Crown agencies such as ministries, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Plan is related to non-Crown enterprises that the Government jointly controls or significantly influences.

a) Administration

In accordance with the Act, all expenses of the administration are paid out of monies appropriated for the Ministry of Education by the Legislature. Accordingly, no provision for these costs is included in the financial statements.

Expenses related to managing, investing or disposing of assets of the Plan are paid directly by each fund. The annual expenses for custodial, brokerage and investment management fees appear below.

	2025			2024		
	Superannuation Fund (\$ 000's)	Voluntary Contributions Fund (\$ 000's)	Total (\$ 000's)	Superannuation Fund (\$ 000's)	Voluntary Contributions Fund (\$ 000's)	Total (\$ 000's)
Custodial fees	\$ 5	\$ -	\$ 5	\$ 7	\$ -	\$ 7
Brokerage fees	1	-	1	1	-	1
Investment and asset management fees	201	1	202	224	2	226
	<u>\$ 207</u>	<u>\$ 1</u>	<u>\$ 208</u>	<u>\$ 232</u>	<u>\$ 2</u>	<u>\$ 234</u>

b) Investment Management Services

Investment management services are provided by TD Asset Management.

c) Investment Holdings

Teachers' Superannuation Fund

Included in the totals for bonds and debentures and income are Province of Saskatchewan holdings of \$Nil (2024 – \$960,274) and investment losses including change in fair value of \$Nil (2024 – investment earnings including change in fair value of \$2,835).

8. Actuarial Valuation - Pension Benefits

Accrued Pension Benefit Obligation

The present value of accrued pension benefits was determined using the projected benefit method prorated on services and the best estimate assumptions of the Teachers' Superannuation Commission. The Commission performs actuarial valuations every three years.

Extrapolations are made every year using the last valuation available since the valuation results are not available until approximately six months following the year-end. Aon prepared an actuarial valuation of the Teachers' Superannuation Fund as at June 30, 2024 with an extrapolation made to June 30, 2025.

The pension liability is based on a number of assumptions about future events including discount rate, rate of salary increase, inflation rate, mortality, retirement rates and termination rates. The actual rates may vary significantly from the long-term assumptions used.

The 2024 actuarial valuation used a discount rate of 3.1% per annum. This assumption represents the 10-year average of June 30 discount rates from June 30, 2015 through June 30, 2024. Each of the individual discount rates used in the 10-year average represents the single discount rate that would have been applied to the Teachers' Superannuation Plan based on yields on Saskatchewan provincial bonds on June 30 of the applicable year. The 10-year average rate used for the extrapolation to June 30, 2025 was 3.2%.

For the June 30, 2024 valuation and the June 30, 2025 extrapolation, the Commission used the adjusted 2014 Canadian Pensioners' Mortality Public Sector table with sex-distinct mortality improvements in accordance with the MI-2017 mortality improvement scale.

The Commission also recognizes known actual indexation losses due to statutory cost of living adjustments.

The assumptions used in determining the actuarial value of accrued pension benefits were:

	2025	2024
▪ salary increases	2.75% thereafter	2.75% thereafter
▪ discount rate	3.2%/ year	3.1%/ year
▪ inflation	2.0% thereafter	3% in 2024; 2.0% thereafter
▪ mortality table	MI-2017	MI-2017

The following illustrates the effect of changing certain assumptions from the assumed rates. For the salary and discount rate categories, the changes in assumption are independent of one another. The inflation category, however, shows the impact of changing all assumptions that have an inflation component. In the scenario of the 1% change in inflation, the assumptions for the interest rate, salary increase, Year's Maximum Pensionable Earnings (YMPE) and Canada Revenue Agency pension maximum are also changed by 1%.

Effect on Pension Obligation	Long-term assumptions					
	Salary		Discount rates		Inflation	
	1.75%	3.75%	2.2%	4.2%	1.0%	3.0%
(Decrease)						
Increase	\$(0)	\$0	\$442,281	\$(377,815)	\$112,787	\$(107,397)
(\$000s)						

Plan experience gains or losses result from the differences between actual and expected terminations, disabilities, retirements, salaries, yearly maximum pensionable earnings, interest credited and deaths that occur between valuations/extrapolations. In the June 30, 2025 extrapolation, these experience gains increased the liability by \$11.8 million offset by an indexation experience gain of \$13.4 million. The \$11.8 million is primarily due to a mortality gain of \$4.0 million and retirement gains of \$14.4 million offset by a loss of \$27.9 million due to interest credited at a higher rate than expected.

Assumption changes arise when the assumptions change from the previous valuation/extrapolation to the current valuation/extrapolation. In the June 30, 2025 extrapolation, the changes in the discount rate assumption decreased the accrued pension benefit overall by \$39.8 million.

9. Investment Performance

The investment manager makes day-to-day decisions on whether to buy or sell investments in order to achieve the long-term performance objectives set by the Commission. The Commission reviews the investment performance of the Funds in terms of the performance of the benchmark portfolio over four-year rolling periods. The primary long-term investment performance objective for the entire portfolio is to outperform a benchmark portfolio.

The following is a summary of the Plan's investment performance, which assumes a full allocation of realized and unrealized gains and losses:

	2025 annual return%	Rolling four-year average annual return%
Teachers' Superannuation Fund ¹	9.3%	3.8%
Target rate of return ²	9.6%	4.2%

¹ The annual returns are before deducting investment expenses.

² The Commission's weighted target rate of return for its investment portfolio (return on the benchmark portfolio) has been determined, after the fact, using the weighted actual returns of certain market indices such as S&P/TSX Capped Composite Index, S&P 500, MSCI EAFE, FTSE TMX Canada Universe Bond Index, MSCI/REALPAC Annual Property Index as well as 30-Day and 91-Day T-Bills.

10. Financial Risk Management

The nature of the Plan's operations results in a statement of financial position that consists primarily of financial instruments. The risks that arise are credit risk, market risk (consisting of interest rate risk, foreign exchange risk and equity price risk) and liquidity risk.

Significant financial risks are related to the Plan's investments. These financial risks are managed by having an investment policy, which is approved annually by the Commission. The investment policy provides guidelines to the Plan's investment managers for the asset mix of the portfolio regarding quality and quantity of fixed income, real estate and equity investments. The asset mix helps to reduce the impact of market value fluctuations by requiring investments in different asset classes and in domestic and foreign markets. The Commission reviews regular compliance reports from both its investment managers and custodian as to their compliance with the investment policy.

a) Credit Risk

Credit risk is the risk that one party does not pay funds owed to another party. The Plan's credit risk arises primarily from two distinct sources – contributions receivable and certain investments. The maximum credit risk to which it is exposed at June 30, 2025 is limited to the carrying value of the financial assets and is disclosed in the table on following page.

	2025 Carrying Value (\$000's)	2024 Carrying Value (\$000's)
Teachers' Superannuation Fund		
Cash	-	510
Accrued investment income	8	348
Contributions receivable	21,791	26,351
Fixed income investments	-	87,651
Due from General Revenue Fund	26	27
Voluntary Contributions Fund		
Due from General Revenue Fund	-	29

Fixed income investments include short-term investments and bonds and debentures. Contributions receivable are primarily made up of employee and employer contributions and are generally received in less than 30 days. Accrued investment income is received on the next scheduled payment date, generally annually or semi-annually.

For both the Teachers' Superannuation Fund and the Voluntary Contributions Fund, credit risk within investments is primarily related to short-term investments and bonds and debentures. The Commission limits the credit risk by dealing with issuers that are considered to be high quality (minimum rating of BBB for bonds and debentures and R-1 for short-term investments) along with an investment policy that limits the maximum exposure with respect to any one issuer. The credit ratings used to describe the bonds and debentures are no longer relevant as there are no individual bonds and debentures or short-term investments. All investments are in pooled funds.

Credit Rating	2025		2024	
	Fair Values (\$000's)	% Portfolio	Fair Values (\$000's)	% Portfolio
AAA	\$ -	-	\$ 31,351	40.9
AA	-	-	25,467	33.3
A	-	-	13,510	17.8
BB	-	-	1,131	1.5
BBB	-	-	5,013	6.5
Total	<u>\$ -</u>	<u>-</u>	<u>\$ 76,472</u>	<u>100.0</u>

In 2024, for bonds and debentures, there were no holdings from one issuer, other than the Government of Canada or a Canadian province, over 2.25% of the market value of the combined bonds and debentures and short-term investment portfolios. No one holding of a province was over 20.4% of the market value of the investment portfolio.

b) Market Risk

The Commission invests in publicly traded equities and bonds available on domestic and foreign exchanges. These securities are affected by market changes and fluctuations. The Commission manages market risk by investing in different domestic and foreign markets and through the establishment and review of asset mix ranges and limits for various investments. The Commission does not use derivative financial instruments to alter the effects of these market changes and fluctuations except through their use in pooled funds.

Market risk represents the potential for loss from changes in the value of financial instruments. Value can be affected by changes in interest rates, foreign exchange rates and equity prices. Market risk primarily impacts the value of investments.

Geopolitical Environment Market Risk

The current geopolitical environment increases uncertainty in financial markets with a possible resurgence of trade tariffs and inflation, including upward pressure on commodity prices and the potential for global supply-chain disruptions. With the recent changes in the U.S. Government, the threat of protectionism increases the risks of tariffs, stagflation, turbulence in the financial markets, and a weakening of the Canadian Dollar against other currencies. Management will continue to monitor the impact of geopolitical risk on its use of judgements, estimates and assumptions.

Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Plan's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Plan's assets and liabilities. The value of the Plan's assets is affected by short-term changes in nominal interest rates in its short-term investments and bonds and debentures. Interest rate risk is managed by investing in bonds and debentures with varying durations.

It is estimated that a 100 basis point change in interest rates would change net assets available for benefits and Plan deficit by \$5.0 million at June 30, 2025; representing 7.4% of the \$68.7 million of fixed income investments.

Foreign Currency Risk

Foreign currency exposure arises from the Plan holding investments denominated in currencies other than the Canadian Dollar. Fluctuations in the relative value of the Canadian Dollar against these foreign currencies results in a positive or negative effect on the fair value of investments. Exposure to both U.S. equities and non-North American equities is limited to a maximum 25.0% of the market value of the total investment portfolio. At June 30, 2025, the Plan's exposure to U.S. currencies was 15.4% (2024 – 8.0%).

At June 30, 2025, a 10% change in the Canadian Dollar versus the U.S. Dollar exchange rate would result in approximately a \$1.5 million change in the net assets available for benefits and Plan deficit.

Equity Price Risk

The Teachers' Superannuation Fund is exposed to changes in equity prices in Canadian, U.S. and EAFE markets. Equities and equity pooled funds comprise 27.1% (2024 – 15.0%) of the market value of the Fund's total investments. The investment policy of the Teachers' Superannuation Fund limits the Plan's equity exposure to 37.5% of the Plan's total investments and any holding to represent no more than 30% of the outstanding shares of the issuing corporation. The policy also limits the Voluntary Contributions Fund's equity exposure to 60% of the Plan's total investments.

For the Voluntary Contributions Fund, equity pooled funds comprise 0% (2024 – 39.8%) of the market value of the Fund's total investments.

The table below indicates the approximate change that could be anticipated to both the increase in net assets available for benefits and Plan deficit based on changes in the Plan's benchmark indices at June 30, 2025.

	Change in thousands of \$	
	10% increase	10% decrease
Teachers' Superannuation Fund		
S&P/TSX Composite Index	\$ 1,679	\$ (1,679)
S&P 500 Index	1,306	(1,306)
MSCI EAFE Index	483	(483)

Securities Collateral

At June 30, 2025, the Plan has not borrowed any securities, therefore no Plan assets have been deposited or pledged as collateral or margin. As part of the Plan's securities lending strategy, cash and non-cash collateral has been pledged as security to the Plan by various counterparties for securities out on loan to the counterparties. At June 30, 2025, cash collateral of \$Nil million (2024 – \$Nil million) and non-cash collateral of \$Nil (2024 – \$6.7 million) was pledged to the Plan.

For loans of Canadian fixed income securities and Canadian equities collateralized by cash, the cash collateral must have a market value of not less than 102% of the market value of the loaned securities. For loans of Canadian fixed income securities and Canadian equities collateralized by non-cash collateral, the collateral must have a market value of not less than 105% of the market value of the loaned securities. The Securities Lending program has now ceased in 2025 since there are no longer any segregated equity holdings to lend.

Real Estate Risk

Risk in the real estate pooled fund is managed through diversification across real estate types and locations. Adverse impacts in any one segment of the market or geographic location are minimized by having holdings diversified across property type, geographic location and investment size. The real estate portfolio currently consists of \$22.7 million (2024 – \$23.6 million) in real estate pooled funds.

c) Liquidity Risk

The Plan is exposed to liquidity risk through its responsibility to pay pensions on a timely basis. The contributions from the GRF as well as the majority of Plan investments provide sufficient liquidity to support the Plan's required cash flows without impacting its asset mix. Cash resources are managed on a daily basis based on anticipated cash flows. Accounts payable are due within one year.

11. Cash Flow Forecast

The total cash inflow is the amount of contributions and investment income expected to be received by the pension plan. The GRF contributions include matching contributions and additional amounts contributed pursuant to section 9(4) of the Act. The total cash outflow is the amount required to pay all pension obligations. The cash required is the amount by which the cash outflows exceed cash inflows and is forecasted to the year 2054-55. The cash required will be funded from the proceeds of disposals of investments for the period 2025 to 2030.

The forecast of cash inflows and outflows have been determined using the long-term assumptions used in the June 30, 2024 valuation. All amounts shown are based on actual dollar forecasts and appear in the table below.

	Cash inflows			Cash Outflows	Cash Required
	Teachers Contributions	GRF Contributions	Investment Income		
	(\$ 000's)	(\$ 000's)	(\$ 000's)	(\$ 000's)	(\$ 000's)
2025-26	-	302,176	6,671	336,309	27,462
2026-27	-	305,689	5,277	333,760	22,794
2027-28	-	301,928	3,960	330,561	24,673
2028-29	-	297,126	2,528	326,709	27,055
2029-30	-	289,373	927	322,184	31,884
Total within 5 years	\$ -	\$ 1,496,292	\$ 19,363	\$ 1,649,523	\$ 133,868
Total 6 to 10 years	\$ -	\$ 1,451,863	\$ -	\$ 1,451,863	\$ -
Total 11 to 30 years	\$ -	\$ 2,896,420	\$ -	\$ 2,896,420	\$ -

12. Fair Value of Financial Assets and Financial Liabilities

For the following financial instruments, the fair value approximates their carrying value due to the immediate or short-term nature of these instruments. These financial instruments are interest and non-interest bearing and are due or payable within the next year.

- Cash
- Due from GRF
- Accrued investment income
- Teachers' contributions receivable and GRF contributions receivable
- Accounts Payable

For investments, fair values are considered to be market value, the calculation of which is described in Note 4. The actuarial accrued pension benefits are long-term in nature and there is no market for settling these obligations. Therefore, determination of the fair value of the actuarial accrued pension benefits is not practicable (see Note 8).

13. Capital Management

The Plan receives new capital from employee and employer contributions. The plan also benefits from income and market value increases on its invested capital. The Plan's capital is invested in a number of asset classes including equities, fixed-income and short-term investments. The Commission has delegated the operational investment decisions to a number of different investment management firms through a number of different investment mandates as defined in the Plan's Statement of Investment Policy and Objective Statement (IP&OS).

Investment Schedules

SCHEDULE 1

TEACHERS' SUPERANNUATION FUND

SCHEDULE OF INVESTMENTS AND ACCRUED INTEREST AS AT JUNE 30 (UNAUDITED)

	2025		2024	
	Total Fair Value (\$000's)	Accrued Interest (\$000's)	Total Fair Value (\$000's)	Accrued Interest (\$000's)
Canada and Canada Guaranteed	\$ -	\$ -	\$ 30,726	\$ 56
Provincial and Provincially Guaranteed	-	-	26,298	93
Urban Municipalities And Hospitals	-	-	35	-
Corporate Debentures	-	-	19,413	187
Corporate Shares	-	-	7,033	4
Pooled Funds	126,131	-	36,912	-
Short Term	-	8	11,179	8
Private Equity	1,783	-	3,790	-
Total	\$ 127,914	\$ 8	\$ 135,386	\$ 348

SCHEDULE 2**TEACHERS' SUPERANNUATION FUND****SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2025 (UNAUDITED)**

Investments	Maturity Date	Coupon Interest Rate %	Fair Value \$
Debentures:			
Government of Canada	Jun. 01, 2034	3.00	1,428,713
Government of Canada	Dec. 01, 2055	2.75	1,041,751
Altalink LP	Jun. 01, 2027	3.99	64,112
Bank of Montreal	Jun. 30, 2043	4.31	304,263
Bank of Nova Scotia	Feb. 01, 2029	4.68	347,003
Canada Housing Trust	Jun. 15, 2030	1.75	508,079
Greater Toronto Airports	Oct. 17, 2039	2.75	161,210
Muskat Falls/Labrador	Jun. 01, 20237	3.83	156,000
North West Redwater	Jun. 01, 2034	4.85	309,750
North West Redwater	Jun. 01, 2031	2.80	372,040
North West Redwater	Jan. 10, 2039	4.35	71,096
Province of Alberta	Jun. 01, 2031	3.50	399,928
Province of Alberta	Jun. 01, 2052	2.95	534,970
Province of Manitoba	Sep. 05, 2055	4.40	279,014
Province of Ontario	Jun. 02, 2030	2.05	117,115
Province of Ontario	Dec. 02, 2031	2.25	1,673,616
Province of Ontario	Jun. 02, 2041	4.65	266,539
Province of Ontario	Dec. 02, 2055	4.60	1,477,529
Province of Quebec	Jun. 01, 2032	6.25	262,679
Province of Quebec	Sep. 01, 2032	3.25	341,576
Province of Quebec	Sep. 01, 2033	3.60	98,439
Province of Saskatchewan	Dec. 02, 2054	4.20	548,582
Rogers Communications Inc.	Apr. 15, 2052	5.25	122,874
Royal Bank of Canada	May 01, 2028	4.63	473,989
Royal Bank of Canada	Oct. 17, 2030	4.00	700,000
South Bow Can Infra Hold	Feb. 01, 2032	4.62	1,020,627
Shares:			
Abbvie Inc		--	89,296
Accenture Plc		--	54,591
Alphabet Inc		--	286,691
Amazon.com Inc		--	264,841
Apple Inc		--	498,738
Applied Materials Inc		--	131,744
Arthur J Gallagher + Co		--	79,018
Autozone Inc		--	50,871
Boston Scientific Corp		--	144,407
Broadcom Inc		--	251,024
Cencora Inc		--	126,544

SCHEDULE 2**TEACHERS' SUPERANNUATION FUND****SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2025 (UNAUDITED)**

Investments	Maturity Date	Coupon Interest Rate %	Fair Value \$
Chevron Corp		--	82,845
Core + Main Inc		--	77,550
Costco Wholesale Corp		--	133,138
Exxon Mobil Corp		--	127,108
Home Depot Inc		--	107,347
JPMorgan Chase + Co		--	198,900
Linde Plc		--	124,502
Mastercard Inc		--	120,299
McDonald S Corp		--	78,157
Merck + Co. Inc.		--	114,720
Meta Platforms Inc		--	195,843
Microsoft Corp		--	565,164
Moody s Corp		--	93,630
Nextera Energy Inc		--	111,355
Nvidia Corp		--	507,443
Parker Hannifin Corp		--	117,477
Pepsico Inc		--	92,788
Philip Morris International		--	90,055
PNC Financial Services Group		--	62,025
Progressive Corp		--	76,083
Republic Services Inc		--	120,800
Sherwin Williams Co		--	115,048
Synopsys Inc		--	131,810
TD Emerald Intl Equity		--	5,080,970
TD Emerald Cdn Short Term Investments		--	4,323,785
TD Greystone Canadian Equity Fund		--	5,740,485
TD Greystone Cdn Fixed Income Fund		--	83,012,018
TD Greystone US Equity Fund		--	41,340,563
Tesla Inc		--	37,732
Thermo Fisher Scientific Inc		--	69,489
TJX Companies Inc		--	90,790
Trane Technologies Plc		--	223,823
Union Pacific Corp		--	102,175
Unitedhealth Group Inc		--	134,304
Vertex Pharmaceuticals Inc		--	143,279
Visa Inc Class		--	108,590
Short Term:			1,394,236
Total:			\$ 160,305,582

SCHEDULE 3**TEACHERS' SUPERANNUATION FUND****SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2025 (UNAUDITED)**

Investments	Maturity Date	Coupon Interest Rate %	Fair Value \$
Debentures:			
Government of Canada	Jun. 01, 2030	1.25	3,233,302
Government of Canada	Jun. 01, 2031	1.50	4,833,471
Government of Canada	Jun. 01, 2032	2.00	2,522,125
Government of Canada	Jun. 01, 2033	2.75	10,906,000
Government of Canada	Jun. 01, 2034	3.00	2,059,590
Government of Canada	Dec. 01, 2053	1.75	1,176,152
Government of Canada	Dec. 01, 2055	2.75	1,322,143
55 School Board Trust	Jun. 02, 2033	5.90	32,331
Altalink LP	Jun. 30, 2042	3.99	329,841
Bank of Montreal	Jun. 01, 2027	4.31	1,083,739
Bank of Nova Scotia	Mar. 08, 2027	2.95	834,330
Bank of Nova Scotia	Feb. 01, 2029	4.68	559,796
Bank of Nova Scotia	May. 03, 2032	3.93	576,244
Bell Canada	Sep. 30, 2050	3.50	101,270
Canada Housing Trust	Jun. 15, 2028	3.10	3,077,419
Canada Housing Trust	Jun. 15, 2030	1.75	4,340,055
Canadian Imperial Bank	Jun. 29, 2027	4.95	1,672,165
Enbridge Gas Inc	Apr. 01, 2050	3.65	403,894
Enbridge Inc	Sep. 27, 2077	5.375	867,808
Enbridge Pipelines Inc	Aug. 09, 2046	4.13	362,510
Enbridge Pipelines Inc	May. 12, 2051	4.2	222,852
Fed Caisses Desjardins	Aug. 16, 2028	0.01	404,406
Fed Caisses Desjardins	May. 28, 2031	1.992	793,004
Federated Co operatives	Jun. 17, 2025	3.917	245,638
Greater Toronto Airports	Oct. 17, 2039	2.75	355,646
Hyundai Capital Canada	Feb. 16, 2027	3.196	344,113
Inter Pipeline Ltd	Nov. 25, 2031	3.983	660,958
Inter Pipeline Ltd	May. 18, 2032	5.849	1,098,954
Manulife Financial Corp	May. 12, 2030	0.01	593,369
Met Life Glob Funding	Mar. 20, 2028	1.95	312,517
Met Life Glob Funding	Apr. 09, 2030	3.394	200,024
Muskrat Falls/Labrador	Jun. 01, 2037	3.83	734,302
Muskrat Falls/Labrador	Dec. 01, 2048	3.86	177,258
National Bank of Canada	Aug. 18, 2026	1.573	489,414
North West Redwater	Jun. 01, 2029	4.25	670,101
North West Redwater	Jun. 01, 2031	2.8	376,446
North West Redwater	Jun. 01, 2034	4.85	737,391

SCHEDULE 3**TEACHERS' SUPERANNUATION FUND****SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2025 (UNAUDITED)**

Investments	Maturity Date	Coupon Interest Rate %	Fair Value \$
North West Redwater	Jan. 10, 2039	4.35	449,303
Ontario Power Generation	Feb. 21, 2051	2.947	118,150
Province of Alberta	Jun. 01, 2031	3.5	988,866
Province of Alberta	Dec. 01, 2048	3.05	512,525
Province of Alberta	Jun. 01, 2050	3.1	1,106,958
Province of Alberta	Jun. 01, 2052	2.95	782,776
Province of British Columbia	Jun. 18, 2050	2.95	1,027,866
Province of Manitoba	Sep. 05, 2046	2.85	582,766
Province of Manitoba	Mar. 05, 2050	3.2	216,697
Province of Manitoba	Sep. 05, 2055	4.4	282,098
Province of Nova Scotia	Jun. 01, 2042	4.4	376,370
Province of Ontario	Jun. 02, 2030	2.05	2,694,271
Province of Ontario	Dec. 02, 2031	2.25	3,633,116
Province of Ontario	Jun. 02, 2032	3.75	2,296,354
Province of Ontario	Jun. 02, 2033	3.65	4,892,398
Province of Ontario	Jun. 02, 2035	5.6	1,068,616
Province of Ontario	Jun. 02, 2041	4.65	553,213
Province of Ontario	Jun. 02, 2045	3.45	1,096,011
Province of Ontario	Jun. 02, 2048	2.8	876,197
Province of Ontario	Dec. 02, 2051	1.9	1,116,300
Province of Ontario	Dec. 02, 2055	4.6	1,492,950
Province of Quebec	Jun. 01, 2032	6.25	3,466,205
Province of Quebec	Sep. 01, 2032	3.25	345,431
Province of Quebec	Sep. 01, 2033	3.6	918,383
Province of Quebec	Dec. 01, 2051	3.1	734,029
Province of Quebec	Dec. 01, 2048	3.5	910,757
Province of Saskatchewan	Jun. 02, 2048	3.3	634,951
Province of Saskatchewan	Jun. 02, 2050	3.1	399,636
Province of Saskatchewan	Dec. 02, 2054	4.2	554,750
Riocan Real Estate Invst	Nov. 08, 2028	2.829	189,908
Rogers Communications Inc	Apr. 15, 2052	5.25	124,251
Rogers Communications Inc	Apr. 15, 2032	4.25	1,151,960
Royal Bank of Canada	Oct. 17, 2030	4	707,710
Royal Bank of Canada	May. 01, 2028	4.632	1,638,209
Royal Office Finance LP	Nov. 12, 2032	5.209	298,805
South Bow Can Infra Hold	Feb. 01, 2032	4.616	1,031,807
Sun Life Financial Inc	Nov. 21, 2033	2.8	811,388
Toronto Dominion Bank	Jun. 01, 2027	4.21	1,120,097
Transcanada Pipelines	Jun. 06, 2046	4.35	296,283

SCHEDULE 3**TEACHERS' SUPERANNUATION FUND****SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2025 (UNAUDITED)**

Investments	Maturity Date	Coupon Interest Rate %	Fair Value \$
Transcanada Pipelines	Jul. 03, 2048	4.18	409,826
Transcanada Trust	May. 18, 2077	4.65	294,205
Wells Fargo + Company	May. 19, 2026	2.975	385,940
Wells Fargo + Company	Feb. 18, 2027	2.493	1,083,576
Shares:			
Abbvie Inc		--	218,421
Accenture Plc		--	142,498
Alphabet Inc		--	576,954
Amazon.com Inc		--	553,554
Apple Inc		--	1,060,996
Applied Materials Inc		--	229,139
Arthur J Gallagher + Co		--	187,172
Autozone Inc		--	125,586
Boston Scientific Corp		--	346,828
Broadcom Inc		--	596,662
Cencora Inc		--	243,123
Chevron Corp		--	172,248
Core + Main Inc		--	182,099
Costco Wholesale Corp		--	299,632
Exxon Mobil Corp		--	284,705
Geam International Priv Equity Fund		--	2,956,106
Home Depot Inc		--	274,480
JPMorgan Chase + Co		--	463,368
Linde Plc		--	300,564
Mastercard Inc		--	299,121
McDonald S Corp		--	200,517
Merck + Co. Inc.		--	203,719
Meta Platforms Inc		--	497,385
Microsoft Corp		--	1,165,556
Moody s Corp		--	219,800
Nextera Energy Inc		--	271,262
Nvidia Corp		--	1,281,167
Parker Hannifin Corp		--	313,758
Pepsico Inc		--	206,401
Philip Morris International		--	248,425
PNC Financial Services Group		--	159,028
Progressive Corp		--	188,073
Republic Services Inc		--	277,188
Sherwin Williams Co		--	305,148

SCHEDULE 3**TEACHERS' SUPERANNUATION FUND****SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2025 (UNAUDITED)**

Investments	Maturity Date	Coupon Interest Rate %	Fair Value \$
Synopsys Inc		--	253,633
TD Emerald Intl Equity		--	761,733
TD Emerald Cdn Short Term Investment		--	3,802,815
TD Greystone Canadian Equity Fund		--	4,751,471
TD Greystone Cdn Fixed Income Fnd		--	16,006,796
TD Greystone Real Estate Fund Inc		--	1,000,000
TD Greystone Us Equity Fund		--	26,951,151
Tesla Inc		--	93,702
Thermo Fisher Scientific Inc		--	154,326
TJX Companies Inc		--	203,661
Trane Technologies Plc		--	253,739
Union Pacific Corp		--	228,124
Unitedhealth Group Inc		--	326,737
Vertex Pharmaceuticals Inc		--	308,777
Visa Inc		--	250,582
Brokerage Fees		--	1,217
Short Term:			12,593,393
Total:			\$ 175,375,024

SCHEDULE 4**TEACHERS' VOLUNTARY CONTRIBUTIONS FUND****SCHEDULE OF INVESTMENTS AND ACCRUED INTEREST, AS AT JUNE 30, 2025****(UNAUDITED)**

Investments	2025		2024	
	Total Fair Value	Accrued Interest	Total Fair Value	Accrued Interest
	(\$000's)	(\$000's)	(\$000's)	(\$000's)
Pooled Funds	\$ -	\$ --	\$ 933	\$ --
Total	\$ -	\$ --	\$ 933	\$ --

SCHEDULE 5
VOLUNTARY CONTRIBUTIONS FUND
SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2025
(UNAUDITED)

Investments	Fair Value
POOLED FUNDS:	
TD Greystone Canadian Equity	\$ -
TD Greystone US Equity Fund	-
TD Greystone Fixed Income Fund	7,441
TD Emerald Canadian Treasury Management Fund	9,215
TD Greystone International Equity Fund	7,545
TOTAL	\$ 24,201

SCHEDULE 6
VOLUNTARY CONTRIBUTIONS FUND
SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2025
(UNAUDITED)

Investments	Fair Value
POOLED FUNDS:	
TD Greystone Canadian Equity Fund	\$ 315,779
TD Greystone US Equity Fund	56,796
TD Greystone Fixed Income Fund	494,178
TD Emerald Canadian Treasury Management Fund	102,521
TD Greystone International Equity Fund	49,969
TOTAL	\$ 1,019,243

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