2025 ANNUAL REPORT

Securing Today. Shaping Tomorrow.

ATRF Alberta Teachers' Retirement Fund

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Corporate Overview, Mission, and Values

Alberta Teachers' Retirement Fund

Established in 1939, the Alberta Teachers' Retirement Fund (ATRF) is a corporation governed by the Alberta *Teachers' Pension Plans Act*.

From our office in Edmonton, Alberta, we are the trustee, administrator, and custodian of the pension assets of the Teachers' Pension Plan (TPP) as well as the Independent School Teachers' Pension Plan (ISTPP), which we will refer to as the plans. This encompasses Alberta teachers employed in school jurisdictions and charter schools, as well as teachers employed by participating independent schools.

Registered under the *Income Tax Act*, the plans are sponsored by the Government of Alberta (GoA) and the Alberta Teachers' Association (ATA), who are jointly responsible for changes to plan design, benefits, and funding arrangements.

The Independent School Teachers' Pension Plan (ISTPP) was previously known as the Private School Teachers' Pension Plan (PSTPP). In 2025, amendments to the provincial pension regulations changed the plan's formal name to the Independent School Teachers' Pension Plan (ISTPP) to align with how independent schools are referred to in Alberta legislation.

ATRF Alberta Teachers' Retirement Fund

Land Acknowledgment

The Alberta Teachers' Retirement Fund is now walking on a path of understanding, truth, and reconciliation alongside Indigenous peoples (www.atrf.com/atrf-land-acknowledgement/). As trustees and administrators of teachers' pensions in Alberta, we acknowledge the history between the colonial education system and Indigenous peoples, and we respect the significant role our members hold as teachers working with youth and Indigenous learners on the path to reconciliation. At ATRF, we also have unique opportunities and roles to contribute to meaningful change, with and for Indigenous peoples.

We respectfully acknowledge the traditional lands and ancestral territories in which our work is headquartered, as, Treaty Six Territory, amiskwacîwâskahikan, Edmonton. We would like to respectfully recognize the living presence of the Nêhiyaw (Nay-hee-yow), Dené (Deh-neyh), Anishinaabe (Ah-nish-in-ah-bay), Nakota Isga (Na-koh-tah ee-ska), Niitsitapi (Nit-si-tahp-ee), and all Indigenous peoples who call these lands home. We also acknowledge this as the rich homeland of Métis Regional Council Zone IV (May-tea) and appreciate that these lands are also home to one of the great communities of Inuit south of the border of the Northwest Territories.

Mission

Working in partnership to secure your pension income.

Values

ATRF's values, shaped by the insights, experiences, and aspirations of our team, define a clear vision for how we work and how we serve members. By embedding these principles into our culture, we are strengthening our ability to meet the evolving needs of members and stakeholders while fostering a positive and inclusive workplace.

INTEGRITY

We do the right thing. We act at all times and in everything we do as responsible fiduciaries and stewards of our plans, demonstrating competence, accountability, and trust. We act honestly and in the best interests of ATRF, the plans, and our members.

PURPOSE-DRIVEN

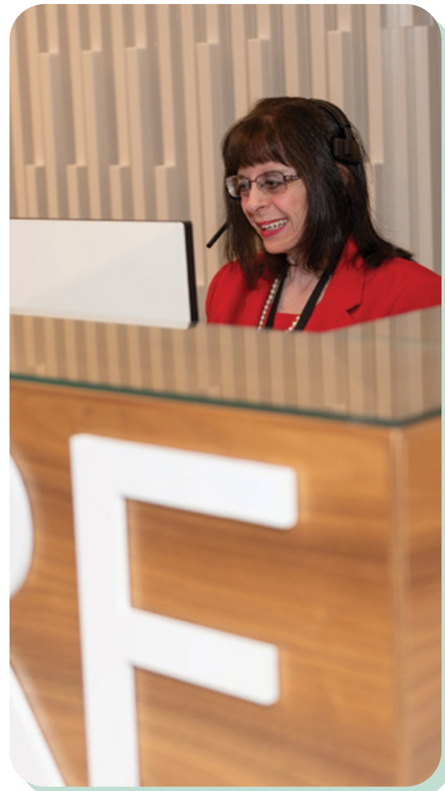
We embrace our purpose and understand the trust members place in us. We recognize the importance of the teachers' pension plans as a critical component of their financial well-being. Everything we do is aligned with that purpose.

COURAGE

We are not afraid to challenge the status quo and have the courage to take thoughtful actions to drive creativity, continuous improvement, excellence, and success.

INCLUSION

When we work together, we produce superior results. We care for and respect each other and our unique perspectives. We celebrate our diversity and recognize that it enables us to offer high-quality and value-added services to our members.



When we work together, we produce superior results.

"Excellent service. Very satisfied." - FEEDBACK FROM MAY 2025 MEMBER SURVEY

Highlights 2024–25

Plan Funded Status

We are pleased to report that both plans continue to be fully funded for the third year in a row.

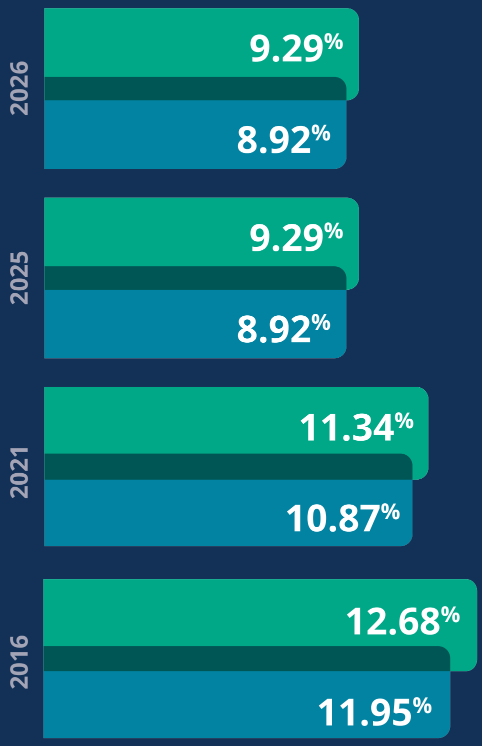
** See Plan Funding section for details of 2025 values*

Teachers' Pension Plan (TPP) Funded Ratio
Independent School Teachers' Pension Plan (ISTPP) Funded Ratio

Contribution Rates (% of pensionable salary)

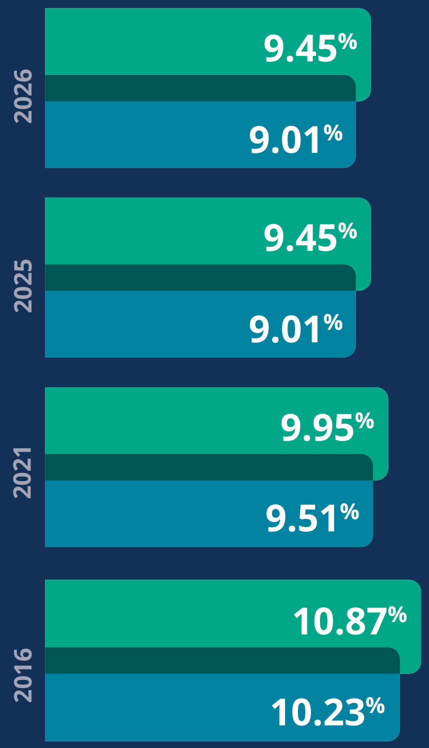
Contribution rates will remain unchanged for the 2026-27 school year, effective September 1, 2026.

Teachers' Pension Plan (TPP)



Total Teacher Contribution
Total Government Contribution

Independent School Teachers' Pension Plan (ISTPP)



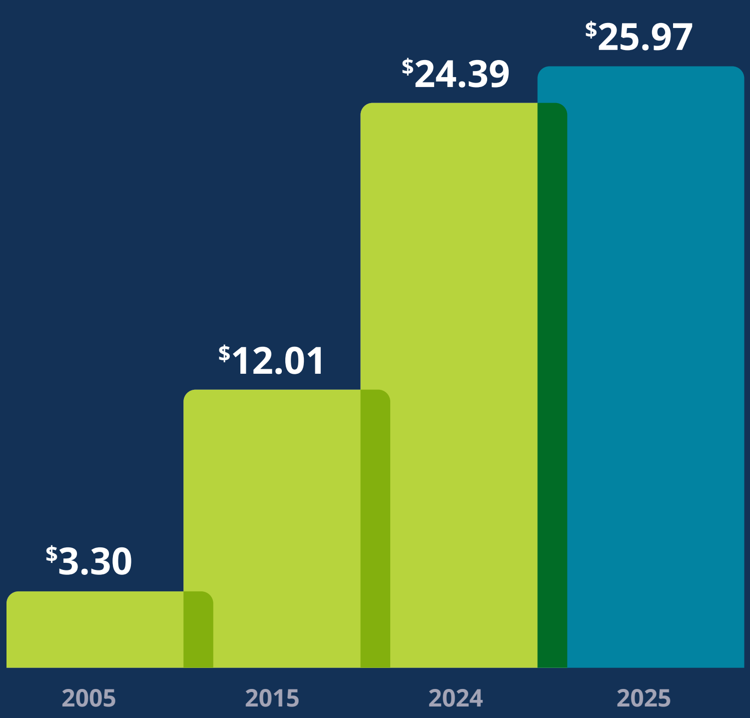
Total Teacher Contribution
Total Employer Contribution

Member contributions are greater than the government/employer contributions in order to fund an additional 10% of the annual cost-of-living adjustments (COLA).

Rates of Return and Long-Term Funding Objectives

* *Expected rates of return refers to the long-term expected return assumptions ATRF uses for funding purposes.*

Net Assets ($Billions) *as at August 31*



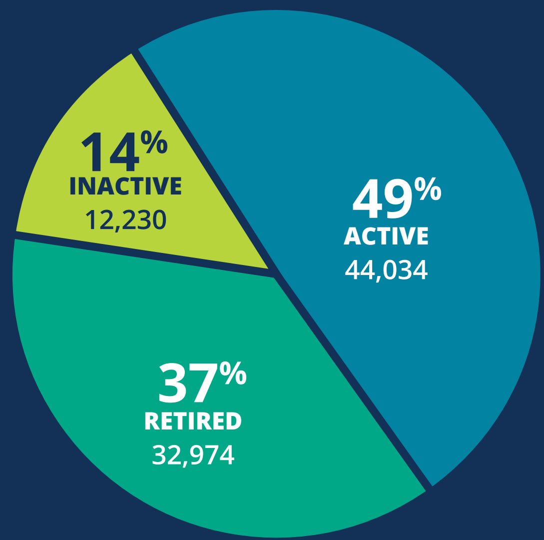
#17 **on Benefits Canada's annual *Top 100 Pension Funds Report*** ranking Canadian pension funds by asset size.

Total Pension Benefits Paid in 2024–25

$1.41 BILLION*

**Of which $502 million was received from the Government of Alberta for benefits paid by ATRF relating to the pre-1992 period.*

Plan Members as at August 31, 2025

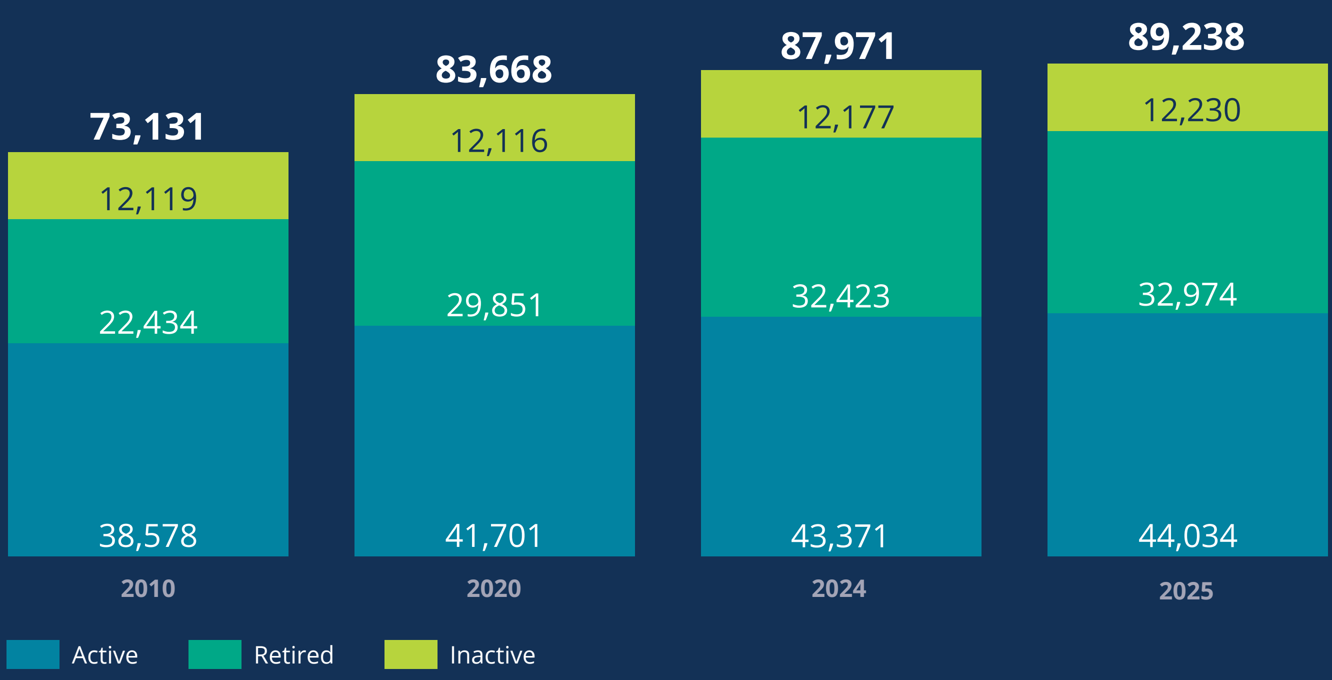


89,238

Average annual pension in payment

$39,206

Membership Over the Years



Member Facts

There are

1,069 NEW RETIRED MEMBERS

who **started receiving pensions in 2024–25**, up slightly from 1,049 the year before

In 2024–25,

99% OF RETIRED MEMBERS

received their pensions in Canada

24.6 YEARS

Average **pensionable service at retirement**

262 RETIRED MEMBERS

are **age 95 and older**

As at August 31, 2025, the **oldest retired member** is

105 YEARS OLD

and has been receiving their pension for **47 years**

Average retirement age

60 YEARS OLD

55 RETIRED MEMBERS

are **centenarians**

Greg Francis
ATRF Board Chair

Board Chair Message

It is my privilege to present the 2025 Annual Report of the Alberta Teachers' Retirement Fund (ATRF), themed *"Securing Today. Shaping Tomorrow."* This theme captures the balance at the heart of ATRF's work—protecting the financial security of our members today while ensuring the long-term sustainability of their pensions for generations to come.

Our foremost responsibility is to safeguard the pension plans entrusted to ATRF's care. Through prudent investment management, disciplined governance, and sound decision-making, the plans remain fully funded, which is the result of thoughtful leadership from the board, expert management by ATRF's team, and a shared dedication to protecting and enhancing the financial well-being of Alberta's teachers. Together, we remain focused on preserving members' confidence in the plans they rely on throughout their careers and into retirement.

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SHAPING TOMORROW

While we remain firmly grounded in our fiduciary responsibilities, ATRF is also looking ahead—continuously refining our expertise, tools, and strategies to meet future challenges and opportunities. The board continues to integrate sustainability and climate-related considerations into long-term decision-making. These efforts ensure that ATRF not only manages risk effectively but also positions the plans to benefit from emerging opportunities in the global transition to a more sustainable economy.

LOOKING AHEAD

As I begin my tenure as Board Chair, I want to express my gratitude to former Board Chair Sandra Johnston for her outstanding leadership and the strong foundation she leaves behind. I also extend sincere appreciation to my fellow board members and to ATRF's leadership and staff for their expertise, professionalism, and steadfast commitment to serving our members.

With this foundation, ATRF is well-positioned to continue securing today and shaping tomorrow, upholding the trust of Alberta's teachers, and ensuring the continued strength and sustainability of their pension plans for years to come.

Greg Francis
ATRF Board Chair

ATRF Board Members

Leadership positions as at August 31, 2025 unless noted otherwise.

From left to right: Chioma Ufodike, Paul Haggis, Myra Rybotycki, Tim Wiles, Greg Francis, Alexandria Matos, Brad Langdale, and Maria Holowinsky.

Greg Francis
Board Chair

Paul Haggis

Maria Holowinsky
Investment Committee Chair

Brad Langdale
Human Resources and Compensation Committee Chair

Alexandria Matos
Governance Committee Chair

Myra Rybotycki

Chioma Ufodike

Tim Wiles
Audit and Finance Committee Chair

Rod Matheson
Chief Executive Officer

CEO Message

In 2025, one theme stands out above all others: uncertainty. Over the last 12 months, we have witnessed significant global and domestic challenges – inflationary pressures, shifting trade patterns, and new tariffs and policy changes that have tested economies and financial markets alike.

Throughout this period, ATRF has remained steadfast in its focus: the stability and growth of the teachers' pension plans. Our strength lies not in reacting hastily to short-term disruption, but in making prudent, consistent, and proactive decisions that safeguard members' pensions over the long term. Thanks to the steady governance of the ATRF Board and the thoughtful leadership of our team, we continue to mitigate risks and seize opportunities even in challenging environments.

I am pleased to report that the teachers' pension plans remain fully funded—a powerful marker of financial health and resilience. This means that ATRF is well-positioned to meet the long-term obligations of the plans. Strong investment performance remains central to this stability. In a year marked by volatility, ATRF's long-term returns continue to surpass the assumptions used in our funding valuations, underscoring the importance of our disciplined investment strategy. That strategy emphasizes sustainable growth, diversification, and resilience—qualities that allow us to withstand turbulence while building long-term value for members.

> I am pleased to report that the teachers' pension plans remain fully funded—a powerful marker of financial health and resilience.

Internally, we have also advanced important initiatives that strengthen our organization's foundations. Project Lantern, our multi-year modernization program, continues to deliver upgrades that enhance efficiency, support member services, and improve system stability. This year, ATRF launched the first project from this program, our new employer portal, Teacher Pension Reporting Online (TPRO). This tool will continue to be developed as Project Lantern progresses. These investments in technology and operations ensure ATRF is not only resilient today but also equipped for the future.

The challenges of the past year highlight why stability and foresight matter more than ever. At ATRF, we are focused on the long term, committed to prudent stewardship, and confident in the resilience of our plans. To our members, sponsors, and partners: thank you for your continued trust. And to our dedicated staff: thank you for your expertise, energy, and service. Together, we are delivering stability today while shaping a secure tomorrow.

Rod Matheson
CEO

ATRF Executive

As at August 31, 2025 unless noted otherwise.

Rod Matheson
Chief Executive Officer

Alwyn Christian
Vice President, Information and Technology Services

Julie Joyal
Vice President, Pension Services

Myles Norton
Vice President, Finance

Andrew Tambone
Vice President, Investments & Funding *(Sept. 2024-June 2025)*

Governance and Strategy

ATRF Board and Plan Funding

ATRF's funding policy provides the foundation for sound financial management of the plans. Its central goal is long-term sustainability—ensuring pensions earned today will be paid well into the future, at a cost and risk level acceptable to plan sponsors.

Both the TPP and ISTPP remain fully funded, a reflection of decades of careful stewardship and thoughtful decision-making. Looking ahead, the ATRF Board is focused on protecting the plans' strong financial position and building resilience to withstand changing economic conditions.

The ATRF Board actively monitors plan funding and takes deliberate action to reinforce sustainability. These efforts uphold ATRF's funding principles: fairness across generations, secure benefits for members, and stable, affordable contribution rates. Thanks to diligent oversight, the Alberta teachers' pension plans remain healthy, stable, and supported by strong risk management tools.

Thanks to diligent oversight, the Alberta teachers' pension plans remain healthy, stable, and supported by strong risk management tools.

Risk Management

The ATRF Board also provides robust risk oversight, a key component of its fiduciary duty. Through a comprehensive enterprise risk management framework, the board ensures potential financial and operational risks are identified, monitored, and addressed in alignment with ATRF's strategic objectives. This proactive approach helps safeguard the plans against uncertainty and strengthens their long-term resiliency.

Investment Strategy

The ATRF Board sets the strategic direction for the Investment Approach, including asset mix, policies, goals, and risk tolerances.

This funding-driven approach balances opportunity with prudence: reviewing assumptions, updating data to reflect the current economic environment, and adjusting risk thresholds in line with the plans' funded status. Grounded in best practices, rigorous research, and ATRF's extensive experience, this strategy ensures investments remain well-aligned with the unique needs of the pension plans.

ATRF Board Meeting Attendance and Remuneration

The specific honorarium payments to each board member can be found in the table below.

Board Member	Board Meetings	Committee Meetings	Other (orientation, education, other meetings)	2024-25 Total Remuneration ($)[2]
Greg Francis *Board Chair as of December 19, 2024*	4	11	2	$ 41,610
Paul Haggis	5	10	2	35,000
Maria Holowinsky Investment Committee Chair	5	11	2	37,000
Sandra Johnston *Board Chair until December 18, 2024*	2	5	-	13,460
Brad Langdale[1] Human Resources and Compensation Committee Chair	5	10	2	-
Alexandria Matos[1] Governance Committee Chair	5	8	2	-
Myra Rybotycki[1,3]	1	2	2	-
Chioma Ufodike	3	7	2	26,600
Tim Wiles Audit and Finance Committee Chair	5	11	3	37,800
Total	**5**	**15**	**4**	**$191,470**

[1] In accordance with legislation, these members do not receive cash remuneration as they work for an employer or employer contributor. Employers are reimbursed for their time; in 2024-25, the total was $80,915 which includes amounts paid as well as estimates for reimbursements yet to be paid.

[2] Totals exclude *ex officio* and guest attendance.

[3] Appointed as of February 19, 2025.

Responsible Investment

Responsible Investment (RI) involves incorporating environmental, social, and governance (ESG) factors into the investment decision-making process to better manage risks and generate long-term, sustainable returns.

ATRF supports a holistic approach to RI that incorporates ESG integration and stewardship. We believe that considering material ESG factors in investment decision-making supports prudent risk management and long-term value creation, while aligning with ATRF's fiduciary obligations.

ATRF operates under several common beliefs.

- ESG factors can affect the performance of individual assets and investment portfolios to varying degrees across companies, sectors, regions, asset classes, and time horizons.
- Companies that manage ESG issues well are more likely to succeed over the long term.
- Climate change presents risks to ecological, societal, and financial stability, which pose systemic risks to the plans' financial sustainability.
- Responsible investing is integral to fiduciary duty and effective plan governance.
- Stewardship is fundamental to influencing responsible business practices and mitigating systemic risk.

ATRF supports a holistic approach to RI that incorporates ESG integration and stewardship.

CLIMATE CHANGE

In 2024-25, ATRF approved a comprehensive Climate Change Approach to address the potential impacts of environmental change on plan sustainability. ATRF is committed to embedding climate risk management into the fund's overall strategy, ensuring that our plans remain resilient and forward-looking.

The approach outlines clear commitments and actions to manage both risks and opportunities arising from climate change. It reflects the context in which we operate and is designed to safeguard the plans while capturing potential benefits. These risks include physical impacts, such as infrastructure damage and supply chain disruptions, as well as transition risks, such as regulatory changes and market volatility driven by the shift to a low-carbon economy. ATRF has established three overarching commitments to guide the implementation of our climate change approach (see below).

ATRF's Board and management are also collaborating with our investment manager, the Alberta Investment Management Corporation (AIMCo), to develop a climate dashboard. This tool will help us track risks by measuring portfolio greenhouse gas emissions and analyzing major emitters, while also identifying opportunities through investments in low-carbon solutions and emissions removals. The climate dashboard is expected to be completed in the 2025-26 fiscal year.

More details are available on **atrf.com/climatechange**.

ATRF's Overarching Commitments

ATRF will **establish systems and frameworks** to better evaluate and **manage climate-related risks and opportunities.**

ATRF will engage constructively with our asset manager to **support its management of climate-related risks and opportunities** in the alignment with our **goal of acheiving net-zero emissions by 2050.**

ATRF will **transition its investment portfolio** to achieve **net-zero greenhouse gas emissions by 2050 or sooner.**

ATRF CLIMATE CHANGE PRINCIPLES

We recognize that climate change presents risks to ecological, societal, and financial stability with implications for the sustainability of our pension plan.

We believe that addressing climate change risks and opportunities in plan governance and investing and doing our part to contribute to climate change mitigation is consistent with our fiduciary duty to the plans and its beneficiaries.

We understand that our approach to addressing climate change should be rooted in current and credible science and data, and supportive of the global goal of an orderly transition to limit global average temperature rise.

We value transparency in our approach to addressing climate change as it is critical to preserving the trust of our members, sponsors, and stakeholders.

Whistleblower Disclosures

In compliance with whistleblower legislation, ATRF maintains a policy and program that provides employees with a confidential way to report any breaches of our Code of Conduct. In 2024-25, no disclosures were received.

The approach outlines clear commitments and actions to manage both risks and opportunities arising from climate change.

Plan Funding

Plan Funding Status

PLAN VALUATION

Actuarial funding valuations are required to be filed with the Canada Revenue Agency (CRA) at least once every three years. The last actuarial funding valuation for the plans was completed and filed with CRA as at August 31, 2023. As such, no actuarial funding valuation is required to be completed and filed until August 31, 2026; however, the board has elected to complete and file an actuarial valuation for the plans as at August 31, 2025, the results of which are shown below.

Both the Teachers' Pension Plan and the Independent School Teachers' Pension Plan continue to be fully funded as of August 31, 2025. The funded ratio is a measure of plan member benefit security, and a funded ratio over 100% highlights the resiliency and stability of the plans.

Teachers' Pension Plan Post-1992 Period
($Millions)

	Aug. 31, 2025 Valuation	Aug. 31, 2023 Valuation
Market Value of Assets	25,865	22,755
Fluctuation Reserve*	274	743
Funding Value of Assets	26,139	23,498
Funding Liabilities	25,537	23,237
Funding Surplus (Deficit)	602	261
Funded Ratio	102%	101%

Independent School Teachers' Pension Plan
($Millions)

	Aug. 31, 2025 Valuation	Aug. 31, 2023 Valuation
Market Value of Assets	145.6	122.4
Fluctuation Reserve*	1.6	4.0
Funding Value of Assets	147.2	126.4
Funding Liabilities	131.9	115.7
Funding Surplus (Deficit)	15.3	10.7
Funded Ratio	112%	109%

** The difference between the market value of assets and the funding value of assets is referred to as the fluctuation reserve, which is a widely used risk management tool that helps smooth out market return volatility over a period of five years.*

Actuarial funding valuations are required to be filed with the Canada Revenue Agency (CRA) at least once every three years.

PLAN STRUCTURE AND FUNDING

The Teachers' Pension Plan and the Independent School Teachers' Pension Plan have three unique funding arrangements and liability structures:

Teachers' Pension Plan pre-1992

In 2007, the Government of Alberta (GoA) and the Alberta Teachers' Association (ATA) agreed that the government would be responsible for liabilities associated with pensions for the period of service up to August 31, 1992.

Teachers' Pension Plan post-1992

The cost of pension benefits earned for service from September 1, 1992 is shared between active plan members and the GoA. Funding deficiencies under the plan are amortized by additional contributions from active members and the GoA over a maximum 15-year period.

Independent School Teachers' Pension Plan

In 1995, legislation established a separate plan for independent school teachers. The funding of this plan mirrors the post-1992 portion of the Teachers' Pension Plan, except the cost is shared between teachers and employers (independent schools) instead of the GoA.

Contribution Rates

The ATRF Board carefully reviews a number of factors when determining the plans' contribution rates. This year, after several contribution rate reductions in recent years, the board determined that contribution rates will remain unchanged at their current levels for both plans, effective September 1, 2026.

The decision was based on the August 31, 2025 actuarial valuations and considered current volatile financial markets and the geopolitical landscape, while continuing to:

- prudently manage the plans' funding and maintain robust risk management levers
- reinforce the plans' long-term sustainability
- meet funding objectives, including benefit security, contribution rate affordability and security, and intergenerational equity

> The ATRF Board carefully reviews a number of factors when determining the plans' contribution rates.

Detailed contribution rate information is available at **atrf.com/contributionrates**.

Teachers' Pension Plan Contribution Rates

	Current Rates	Sept. 1, 2026
Total Teachers' Contribution *(% of pensionable salary)*	9.29	**9.29**
Total Government Contribution	8.92	**8.92**

Independent School Teachers' Pension Plan Contribution Rates

	Current Rates	Sept. 1, 2026
Total Teachers' Contribution *(% of pensionable salary)*	9.45	**9.45**
Total Employer Contribution	9.01	**9.01**

Financial Statements Valuation

ATRF engages an independent actuary to complete two types of actuarial valuations of the plans:

- **Funding valuation –** prepared in line with actuarial and regulatory standards to ensure the long-term sustainability of the plans.
- **Accounting valuation –** prepared in line with accounting standards and reported in the Financial Statements.

Both valuations are based on the same member data but serve different purposes and use different methods:

- The **funding valuation** smooths investment returns over a five-year period to reduce the impact of market fluctuations and includes a margin for adverse deviation in pension obligations and service costs to provide added security and stability.
- The **accounting valuation** uses the actual market value of assets and does not include a margin.

As a result, the asset and liability amounts reported in the Financial Statements may differ from those in the funding valuation, which is used to guide long-term plan funding decisions.

ATRF engages an independent actuary to complete two types of actuarial valuations of the plans: funding valuation and accounting valuation.

Investments

Rates of Return

To keep the plans well-funded and contribution rates affordable over time, our investment returns need to meet the long-term expected return.* We focus mainly on long-term results so that short-term fluctuations don't cause frequent changes to contribution rates. At the same time, we keep an eye on shorter-term results to make sure unexpected outcomes don't put the plans at risk.

ATRF measures investment performance in two ways: by comparing the fund's overall return to the long-term expected return and by comparing results to board-approved benchmarks. Comparing fund performance against long-term expected returns tells us if investment returns are sufficient to maintain the plans' sustainability, while a comparison against the total fund benchmark—composed of each asset class benchmark, weighted according to the fund's investment policy—assists in evaluating the fund's investment manager.

We are pleased to report that the one-year total return of 7.53% was above the plans' expected rate of return of 6.50%, indicating that our diversified asset mix delivers the investment returns required to maintain the financial sustainability of the plans. Similarly, over a decade-long review horizon that included the COVID pandemic and an inflation spike, the fund's investment portfolio generated an annualized return of 6.91%, exceeding the plans' expected rate of return of 6.53%. A medium-term review horizon of the last four years clearly shows the severity of recent market disruptions, where the fund's total return of 4.19% lagged the expected rate of return by 2.18%.

Fluctuations in the fund's performance relative to the expected rate of return are inevitable. Short-term underperformance may not alter the long-term expectation that the asset mix will achieve its return objectives. Given the current market environment and the funded position of the plans, ATRF continues to believe that the current strategic asset allocation is appropriate to achieve the long-term objectives of the plans. While we continue to monitor the performance of individual asset classes, our overarching goal is to maintain a portfolio that delivers sustainable returns and supports the long-term security of the pension plans.

The one-year total return of

7.53%

was **above the fund's expected rate of return** of 6.50%.

** Expected rates of return refers to the long-term expected return assumptions ATRF uses for funding purposes.*

ATRF evaluates investment decisions by comparing each asset class against policy-weighted benchmarks. For the year, the total fund delivered a return of 7.53%, which was 3.17% below its benchmark.

This shortfall was largely driven by underperformance in real estate and private equity, reflecting challenging market conditions in these sectors. While these results are disappointing, ATRF remains focused on the long term. We are working closely with our investment manager to refine strategies in these areas and position the portfolio for sustainable growth and resilience in the years ahead.

The downward pricing pressure on real estate assets—driven by higher interest rates and structural shifts such as the move to hybrid work (impacting the office sector of the portfolio)—continues to be a key drag on recent performance.

We are working closely with our investment manager to refine strategies in these areas and position the portfolio for sustainable growth and resilience in the years ahead.

Net of fees, as at August 31, 2025

	1 Year (%)		4 Years (%)		10 Years (%)	
ASSET CLASS	**Net Return**	**Benchmark**	**Net Return**	**Benchmark**	**Net Return**	**Benchmark**
Growth	**13.52**	**18.17**	**7.85**	**10.42**	**10.23**	**11.51**
Global Equity	19.68	20.08	9.34	10.05	9.77	10.84
Private Equity	5.45	20.29	6.98	13.47	13.65	13.61
Private Credit[1]	8.45	5.46	NA	NA	NA	NA
Inflation Sensitive	**3.30**	**7.32**	**1.74**	**7.70**	**7.26**	**6.72**
Real Estate	-3.95	8.99	-4.67	7.18	3.27	6.29
Infrastructure	8.13	6.35	8.20	8.22	12.58	7.33
Timberland & Farmland[1]	2.33	6.35	NA	NA	NA	NA
Interest Rate Sensitive	**-2.37**	**-2.39**	**-2.43**	**-2.57**	**1.11**	**0.98**
Market Neutral	**4.97**	**5.84**	**5.45**	**5.87**	**3.98**	**5.11**
TOTAL PLAN	**7.53**	**10.70**	**4.19**	**6.76**	**6.91**	**7.64**
Expected Rates of Return[2]	**6.50**		**6.37**		**6.53**	

[1] Private Credit and Timberland/Farmland are new asset classes that commenced in 2024. As such they do not yet have four or 10 year returns to report.

[2] Expected rates of return refers to the long-term expected return assumptions ATRF uses for funding purposes.

The relative underperformance in private equity (versus its public equity benchmark) can be attributed to several factors, including the negative effects of higher interest rates on leveraged strategies that involve debt financing, a slowdown in deal activity, and a general repricing of private assets. Additionally, the exceptionally strong performance of public equity benchmark indices—largely driven by technology and artificial intelligence, which are not broadly represented in private equity—intensified the disparity in performance between this asset class and its benchmark. While short-term results reflect the market dynamics of the past year, as a pension plan with long-term pension liabilities, ATRF remains focused on achieving sustainable results over extended horizons. Positive drivers for the fund return in the last year were public equities, infrastructure, and private credit.

Short-term returns can vary significantly from year to year and often introduce volatility into the path toward our long-term objectives. Our diversified investment approach is designed to navigate this short-term volatility. Looking at longer periods, the total return over four years of 4.19% lagged the expected rate of return* by 2.18% and the benchmark return by 2.57%. Over 10 years, the fund's performance exceeded the expected rate of return by 0.38% but has fallen short of the benchmark by 0.73%.

Over 10 years, the Fund's performance has **exceeded the expected rate** of return by

0.38%

** Expected rates of return refers to the long-term expected return assumptions ATRF uses for funding purposes.*

In 2024-25, the fund's value

INCREASED BY $1.58 BILLION,

reaching **25.97 BILLION**

The fund is well-diversified, and the current long-term asset mix remains well-positioned to achieve its return objectives over time.

Looking ahead, while challenges persist in some sectors and asset types within real estate, the expectation is that perhaps the worst may be behind us, with signs of stabilization beginning to emerge. Given the higher interest rate environment, expected returns* are lower in private equity than what was seen up until 2022, but these returns should still be above public equity markets. While strong performance in the equity market persisted again in fiscal 2024-25, some critics point to higher valuations, which could signal weaker returns in the future. Management continues to analyze whether the overall positioning of the fund remains appropriate. The fund is well-diversified, and the current long-term asset mix remains well-positioned to achieve its return objectives over time.

** Expected rates of return refers to the long-term expected return assumptions ATRF uses for funding purposes.*

"Thanks for the EXCELLENT job you do!"- FEEDBACK FROM MAY 2025 MEMBER SURVEY

The Fiscal Year in Brief – Major Market Developments

2024-25 KEY MARKET INDICES' TOTAL RETURNS

Public Equities	
Canadian Equities (S&P/TSX Composite Index)	**25.86%**
Global Equities (MSCI World Index in Canadian dollars)	**17.84%**

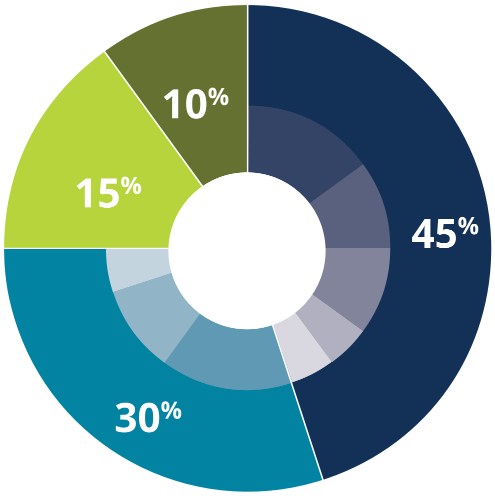
Fixed Income	
Canadian Bonds (FTSE Universe Bond Index)	**2.95%**
Canadian Long-Term Govt Bonds (FTSE Long-Term Govt Bond Index)	**-2.51%**

Trade policies and geopolitical risks were the main story of 2024-25. Financial markets saw a lot of uncertainty as a result of new political regimes such as in the United States, wars in the Middle East and Ukraine, and United States' trade policies. While market volatility appeared day-to-day and some periods saw large market drops, overall public equities were up significantly over the year. As demonstrated in the table above, stock markets were up substantially during the fiscal year, with the information technology and communication services sectors gaining the most, while the healthcare and energy sectors underperformed. The market's recovery underscored the resilience of the United States economy amid uncertainty.

With worries about rising unemployment and worsening economies due to the tariff impact, all central banks began a rate-cutting cycle. The United States Federal Reserve was the most patient and made fewer cuts than other developed economies. In addition to the focus on monetary policy across the globe, there was a renewed focus on fiscal policy and what this would mean for debt sustainability. The "Big Beautiful Bill", which was approved in July 2025, was judged to worsen United States debt dynamics. Moody's credit rating agency highlighted the increased burden of financing the United States government's budget deficit and cut the United States' credit rating for the first time in over a century.

During the fiscal year, budget, tariff, and economic concerns pushed yields on longer-term government bonds higher. This lowered their value, as shown in the Canadian long-term bond returns in the table above.

Financial markets saw a lot of uncertainty as a result of new political regimes such as in the United States, wars in the Middle East and Ukraine, and United States' trade policies.



Strategic Asset Allocation

as at August 31, 2025

Growth	**45%**
Developed Market Global Public Equity	15%
Private Credit	10%
Private Equity	10%
Canadian Public Equity	5%
Emerging Market Public Equity	5%
Inflation Sensitive	**30%**
Infrastructure	15%
Real Estate	10%
Timberland/Farmland	5%
Interest Rate Sensitive	**15%**
Long Term Government Bonds	15%
Market Neutral	**10%**
Absolute Return	10%
TOTAL	**100%**

The majority of a pension fund's investment returns are determined by the asset allocation decisions made at the policy level.

Investment Policy and Strategic Asset Allocation

As trustee and administrator for the plans, the ATRF Board, with the support of ATRF staff, is responsible for setting the plans' investment policy and determining its Strategic Asset Allocation (SAA). This crucial activity includes deciding how the fund's investments are distributed across various asset classes, known as the policy asset mix. By carefully considering factors such as the fund's long-term obligations, risk tolerance, investment objectives, and market outlook, the ATRF Board establishes a diversified asset allocation strategy to achieve sustainable returns while managing risk.

The majority of a pension fund's investment returns are determined by the asset allocation decisions made at the policy level. This asset allocation decision is distinct from the active management done by AIMCo as ATRF's legislated investment manager. Active management involves selecting individual securities or making tactical adjustments within asset classes. While active management can add value, particularly in certain markets or asset classes, its contribution to overall returns is generally modest compared to the impact of the overall asset mix. This underscores the importance of a thoughtful and well-executed asset allocation strategy.

Investment Costs

Net investment returns—after costs—are the primary driver of the plans' financial strength. At the same time, disciplined cost management is critical. By aligning costs with the value they deliver, ATRF ensures a cost-effective approach that helps optimize net returns. Striking the right balance between generating the returns needed by the plans and managing expenses is central to supporting long-term objectives and securing benefits for members. Ultimately, what matters most is achieving strong net investment returns at an acceptable level of risk.

ATRF's investment expenses are both internal and external.

- **Internal costs** represent 2.43% of ATRF's total investment expenses, or 0.02% of the year's average total assets (2024: 0.02%). These costs support ATRF's in-house expertise, which guides the ATRF Board in setting investment strategy, collaborates with our external investment manager on implementation, and monitors performance to ensure the strategy is executed effectively.
- **External costs** are incurred through ATRF's legislated investment manager, AIMCo. In 2024-25, these included:
    - Investment management fees of $141.88 million (0.56% of average total assets)
    - Investment performance fees of $42.65 million (0.17% of average total assets)

While AIMCo's operating costs increased, this was partially offset by lower third-party management fees. Combined with asset growth, the result was minimal year-over-year change in overall management fees in percentage terms. Due to the structure of certain fee arrangements, additional fees were paid to select investment mandates that exceeded their pre-determined targets. These are shown as investment performance fees.

Member Service

Securing Today. Shaping Tomorrow.

At ATRF, trust is the foundation of everything we do. It's the assurance that guides our decisions and the cornerstone of our relationship with members. As we look ahead, our purpose remains clear: to provide exceptional value to our members while evolving with responsibility and foresight. This evolution is reflected in the growing use of our online tools and resources, which are helping us serve members and employers more effectively than ever before. Our services are becoming more accessible, responsive, and tailored to the needs of those we serve.

A key part of this transformation is Project Lantern, our multi-year modernization initiative. In 2024-25, we made significant progress across three active projects: planning the modernization of our secure member portal, My*Pension*, beginning the implementation of a new pension administration system, and launching a customized online employer portal, Teacher Pension Reporting Online (TPRO).

The TPRO launch marks a major milestone in our modernization journey. The new portal streamlines employer reporting, improves data accuracy, and ultimately enhances the service we provide to our members. This achievement would not have been possible without the collaboration and dedication of employers throughout the project, who partnered closely with ATRF to design and test the system. To help ensure continued success, ATRF introduced Employer Basics training — a practical learning series designed to give employers the fundamentals on data reporting, so all employers would start from the same place when they moved over to the new portal.

We also continued to expand our member education offerings this year, including the launch of a new webinar for retired members and additional webinar sessions for members at all career stages. These efforts build on our strong and ongoing collaboration with partners like Alberta Retired Teachers' Association (ARTA) and Alberta School Employee Benefit Plan (ASEBP), helping us connect with members through familiar channels and formats. Even more webinar offerings and layout enhancements are planned for the coming year to make learning about pensions easier and more engaging.

These initiatives reflect our continued focus on service excellence and operational efficiency.

Our services are becoming more accessible, responsive, and tailored to the needs of those we serve.

"Thank you for making the [retirement] process so easy and transparent."

– NEWLY RETIRED MEMBER

Member Service and Value

Looking ahead, our commitment remains steadfast: to deliver exceptional value to our members while advancing with purpose and accountability.

Delivering high-quality service requires thoughtful stewardship of resources. ATRF continues to prioritize strong governance, effective plan administration, and strategic planning to safeguard the long-term health of the pension plans. This includes maintaining regulatory compliance, ensuring the financial integrity of the fund, and protecting the sustainability of member benefits.

In 2024–25, our administration costs were $213 per member annually, including costs related to our modernization efforts, Project Lantern. As we move forward with this project, we anticipate some increases in costs — both temporary and ongoing. However, this once-in-a-generation investment is designed to enhance service delivery and operational efficiency, and our focus on providing value-driven, high-quality service remains unchanged.

The Cost and Effectiveness Measurement (CEM) benchmarking results indicate that our administration cost per member continues to be comparable to the peer average while providing high-value services, demonstrating that ATRF continues to deliver strong value for money and is amongst the highest providers of service.

The ATRF Member Satisfaction Survey conducted in May 2025 indicated that ATRF continues to deliver a consistently high level of service, with members expressing strong satisfaction and trust in our team's responsiveness, accuracy, and care. These results reinforce the value of our modernization efforts and the dedication of ATRF staff to serving members with excellence.

ATRF also received some excellent suggestions around things like annual statements, communication, website and My*Pension* suggestions, among others.

- "If you had examples for people who want to know what their pension will be in 1, 2 or 5 years. You should also have examples on how to use the website." *- Suggestion from May 2025 Member Survey*
- "There are a couple sections in the mailed member statement that could use some further clarification. Some aspects are unclear about what they represent."*- Suggestion from May 2025 Member Survey*

We thank everyone who took the time to share their feedback – it means a lot. Listening to the voice of our members is invaluable to us, and we will continue to gather this input on a regular basis to continuously evolve and meet your needs. Thank you for your continued confidence in ATRF. We're proud to support you on your pension journey with dedication and purpose.

2025 Spring Member Satisfaction Survey Results

90%

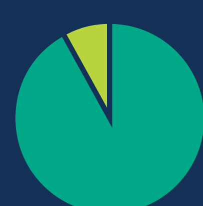
SATISFIED WITH
SERVICES RECEIVED
up 1% since 2023

95%

SATISFIED WITH
CUSTOMER SERVICE
up 1% since 2023

92%

SATISFIED
WITH My*Pension*
down 2% since 2023



Engaging With Members

ATRF continues to deliver timely, personalized presentations that adapt to the evolving needs of our members. We recognize that individual preferences and circumstances vary. An omnichannel approach gives members the freedom to choose the format that works best for them—whether in office, via Zoom, or by phone—ensuring flexible and accessible engagement across all touchpoints.

Our in-person presence at teachers' conventions across Alberta continues to be a cornerstone of our outreach, offering valuable face-to-face interactions. This year, 2,093 members visited our information booth—an increase from 1,897 last year.

Our webinars and presentations are a key part of how we keep members informed about their pensions. This year, we were pleased to introduce a newly launched webinar specifically for members already in retirement and we continued to collaborate with organizations such as the Alberta Teachers' Association (ATA), Alberta School Employee Benefit Plan (ASEBP), and Alberta Retired Teachers' Association (ARTA) to deliver sessions on timely and relevant topics.

1,266

members participated in **24 online webinars,** up from 889 attendees last year.

93%

SATISFIED WITH COMMUNICATION MATERIALS

up 2% since 2023

91%

SATISFIED WITH PUBLIC WEBSITE

up 8% since 2023

atrf.com

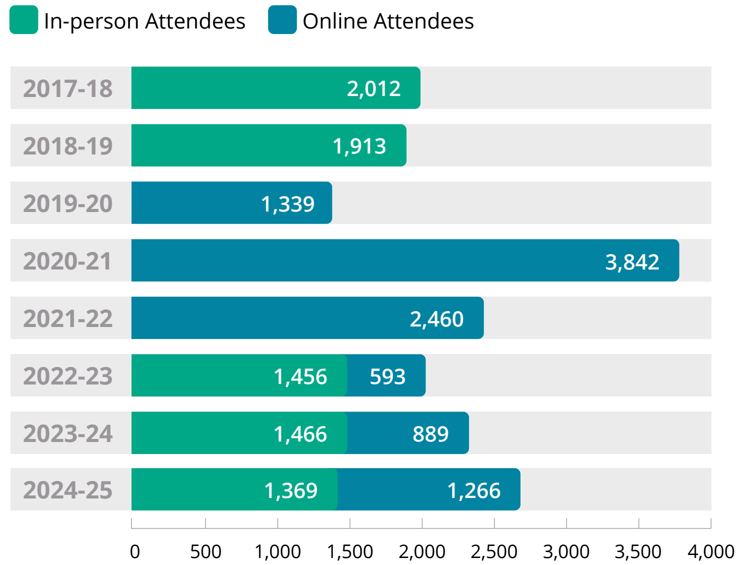
CUSTOMER EFFORT SCORE:

83%

up 9% since 2023

Our webinars and presentations are a key part of how we keep members informed about their pensions.

Member Presentations



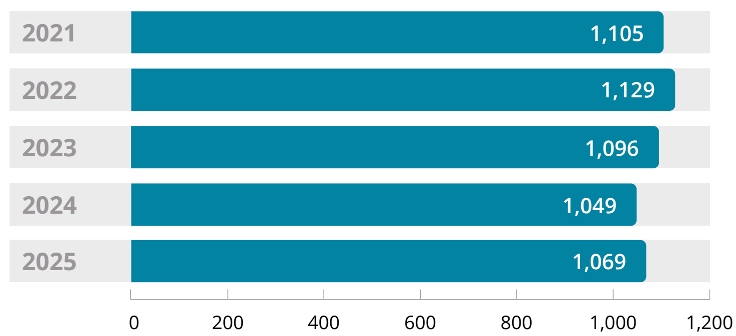
21 in-person events reached

1,369

members.

Number of Newly Retired Members

(year ending August 31)



"It was a very smooth process especially with staff and online appointments. I appreciated their courtesy and willingness to answer my questions and explain what I did not understand. Thank you."

- NEWLY RETIRED MEMBER

Online Services and Tools

At ATRF, we're always looking for ways to better serve our members, no matter where they are in their careers or how they prefer to engage with us. That's why we continue to enhance our online tools and services, making it easier than ever for members to access the pension information they need, on their own terms.

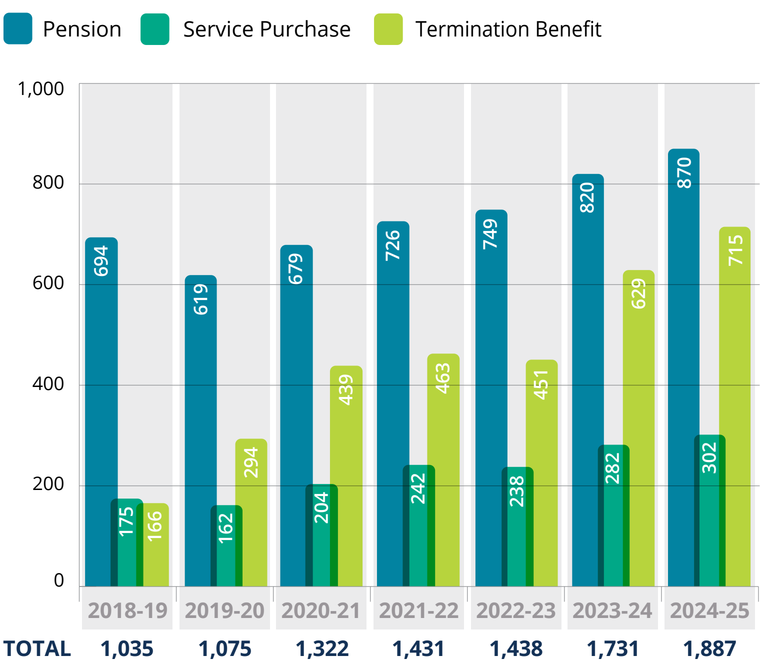
Whether it's early morning or late-night, our digital tools are built for flexibility. Members can explore retirement options, prepare pension estimates, and securely connect with us—all from the comfort of their own devices. And every year, more members are choosing to take advantage of these features.

One area that's seen significant growth is the use of secure messaging and document uploads through My*Pension*. These tools aren't just convenient—they're a safe and reliable way to share sensitive information and get support when it's needed most.

We're proud to offer services that put members in control, and we're excited to offer tools that meet their evolving needs.

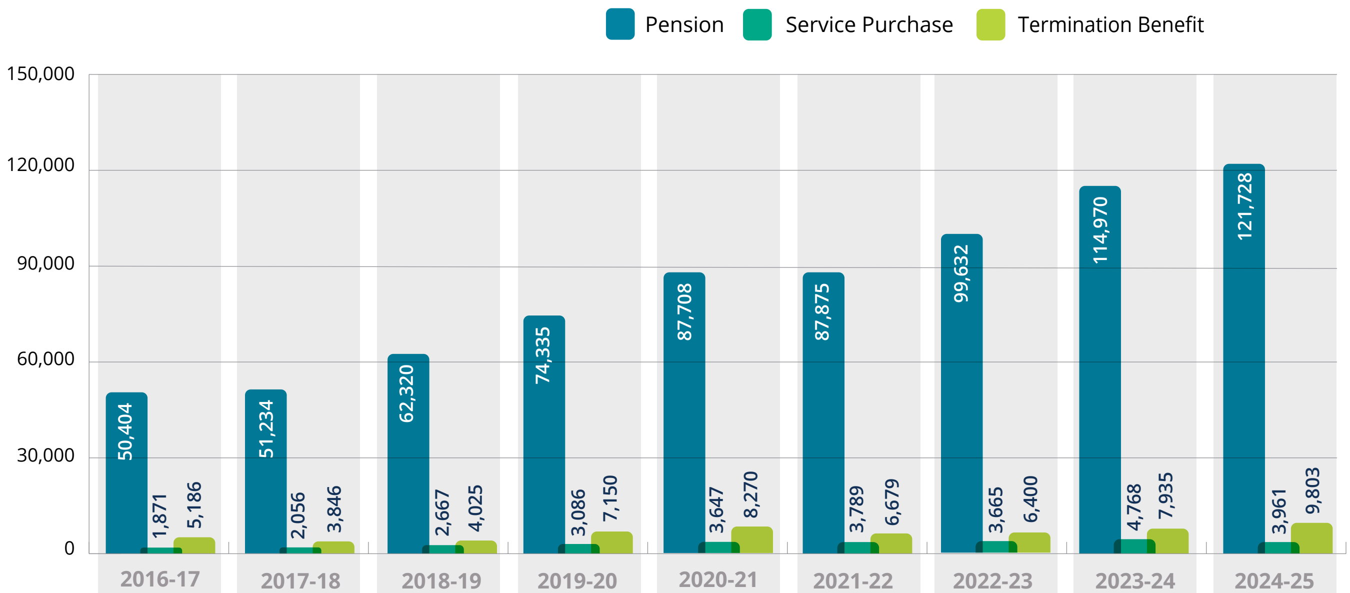
77,600 total views of **Member Videos** in 2024-25.

My*Pension* - Applications Initiated



2,772 total views of **refreshed Pension Option Selection Tool** in 2024-25.

My*Pension* - Estimates

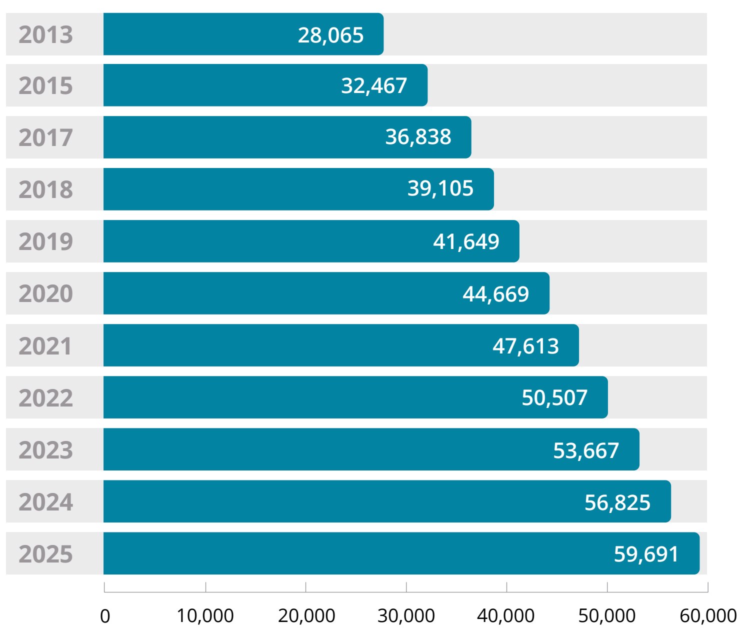


In 2024-25,

59,691

plan members were **registered for My*Pension***. This is 67% of members, up from 65% in 2023-24.

Members Registered for My*Pension*

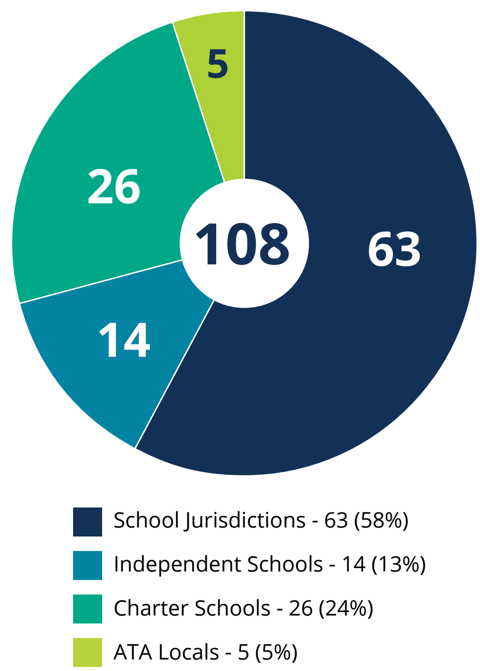


"TPRO provides more flexibility as we can work remotely, which we were unable to do with ATRF-CS." - ATRF EMPLOYER

PARTNERING WITH EMPLOYERS

Effective September 1, 2025, we welcomed four new charter schools. We now partner with 108 employers in offering a valuable component of the teachers' total compensation.

We extend our sincere appreciation to the employers who participated in our Teacher Pension Reporting Online (TPRO) portal project, as their thoughtful input was instrumental in the successful launch of the new system. As we move forward with the new TPRO portal, we remain committed to fostering strong partnerships with employers and upholding the highest standards of data accuracy, timeliness, and security in all information exchanges with ATRF.



"TPRO makes it easy to create and organize schedules and add new employees. I find TPRO very user-friendly." - ATRF EMPLOYER

ATRF in the Community

Food Bank

ATRF's Finance department volunteered its time on June 17, 2025, to support the Hampers Program at Edmonton's Food Bank.

Each year, Edmonton's Food Bank rescues or recovers millions of kilograms of food from the food industry. This food includes fresh vegetables and fruit, baked goods, dairy, non-perishables, and frozen meats. Rescued food is used in their Hamper Programs for individuals and families and is available to their agency partners.

Every year, ATRF staff are given two volunteer days, which are used to support a need in the community.

> During their visit, ATRF staff had the chance to meet with some of the teachers. ATRF staff were thrilled to be able to help.

Tools for School

In August 2025, ATRF dropped off a variety of school supplies to St. Augustine Catholic School, which is located in a low-income area and has more than 220 students.

The staff were incredibly grateful and moved by the generosity of the donations. They said the volume of supplies collected will not only benefit students but also teachers.

During their visit, ATRF staff had the chance to meet with some of the teachers. ATRF staff were thrilled to be able to help.

ATRF is Honoured with 2025 Top Employer Award

We're proud to share that ATRF has once again been recognized as a top employer in the pension industry by Benefits and Pensions Monitor (BPM) for the second year in a row!

The BPM Top Employers award is designed to recognize the best employers in the benefits and pensions industry. The selection process evaluated organizations on several metrics, including benefits, compensation, culture, employee development, and commitment to diversity and inclusion.

Chris Sweeney, Managing Editor for Special Reports at Benefits and Pensions Monitor, shared his insights on the selection process, stating, "It was inspiring to see so many nominated employers setting such impressive standards. Alberta Teachers' Retirement Fund (ATRF) were recognized as winners due to showcasing excellence in employee support by offering a range of leading policies across benefits, compensation, culture and career development."

To learn more go to **atrf.com/2025bpm**.

Every year, ATRF staff are given two volunteer days, which are used to support a need in the community.

"I recently completed the process of purchasing my buy-back service with ATRF, and I am satisfied with the support I received throughout. The team was helpful and responsive, which made the experience smooth and reassuring. Thank you." - FEEDBACK FROM MAY 2025 MEMBER SURVEY

Compensation Discussion and Analysis

The Compensation Discussion & Analysis explains ATRF's approach to compensation, the various elements of our pay programs, and the remuneration paid to our executives.

Human Resources and Compensation Committee

The Human Resources and Compensation Committee (HRCC) supports the board in fulfilling its oversight of human resources and compensation matters, ensuring alignment with our peer group and competitive market practices, integration with business strategy, and compliance with applicable compensation regulations.

The HRCC is made up of four board members. The Committee met four times during the 2024-25 fiscal year. Each meeting begins and ends with in-camera sessions held without management.

In 2024-25 the HRCC's key responsibilities included:

- Recommending performance results of the Chief Executive Officer and executives to the board for approval.
- Reviewing human resources and compensation aspects of the business plan.
- Ensuring that the enterprise risk management framework appropriately considers human resource and compensation risks.
- Ensuring emergency succession plans are in place for the Chief Executive Officer and key executive positions.
- Overseeing ATRF's response to emerging changes to compensation regulations.

ATRF's Total Rewards Philosophy

ATRF's reward programs are designed and delivered to:

- Foster a culture of performance, engagement, and continuous growth.
- Support our diverse workforce and thrive in our changing environment.
- Align with the market within defined parameters.
- Support employee well-being.
- Enable transparency and communication.

The Human Resources and Compensation Committee (HRCC) supports the board in fulfilling its oversight of human resources and compensation matters.

Our executive compensation approach remains aligned with long-standing program objectives and is managed within the parameters of applicable regulations and directives to:

- Attract and retain high-quality executives in a competitive market while ensuring affordability and reasonableness.
- Drive strategic success by linking the achievement of critical goals to quantitative and qualitative measures of success.
- Align interests of the Executive Leadership Team with the best interests of the plans by encouraging and rewarding performance that preserves and protects beneficiaries' benefits.
- Promote the shared contributions of the Executive Leadership Team by rewarding for fostering a culture of teamwork and collegiality throughout the organization.

The HRCC assesses compensation policies and practices to ensure they do not encourage behaviours that are misaligned with ATRF's risk appetite.

Managing Risk

The HRCC assesses compensation policies and practices to ensure they do not encourage behaviours that are misaligned with ATRF's risk appetite. Compensation risk is managed by:

- Ensuring HRCC's independence from management, and retaining an external compensation advisor
- Working within an enterprise-wide risk management framework and a robust code of conduct
- Establishing appropriate performance measures that are challenging, but achievable
- Setting individual and team accountabilities for achieving objectives
- Setting threshold levels of performance for the annual incentive plan and paying incentive only when threshold performance is achieved
- Establishing the maximum incentive pay

Comparator Groups Used to Set Incentive Pay

For disclosed roles, compensation is benchmarked against Canadian pension funds with assets under management below $60 billion, emphasizing external management and a mix of public and private sector organizations.

"The knowledge, communication and service of staff I have received is wonderful." - FEEDBACK FROM MAY 2025 MEMBER SURVEY

Compensation Elements

Below is a summary of the type, nature, and purpose of each element of our compensation program.

BASE SALARY

Base salaries are designed to be market-competitive, reviewed annually by the HRCC, and determined based on an individual's primary duties and responsibilities, with relevant consideration given to ATRF's market comparators.

ANNUAL INCENTIVE PLAN (AIP)

The AIP is an annual incentive plan designed to attract, retain, and motivate high-performing individuals through competitive, performance-based rewards aligned with market practices and ATRF's business strategy. Corporate performance measures, targets, and weightings are approved annually by the HRCC. Corporate, team, and individual objectives are set at the start of the year, and actual performance is evaluated at year-end.

Incentive payments are calculated as a percentage of eligible salary, with payouts ranging from zero to 1.5 times the target, based on actual performance against approved objectives.

PENSION AND BENEFITS

ATRF offers a competitive benefits program, including pension, health and dental benefits, life insurance, disability coverage, and professional development support. All staff participate in the Local Authorities Pension Plan (LAPP). For earnings above the pensionable salary cap under the federal *Income Tax Act*, the CEO and Vice Presidents are eligible for an unfunded Supplementary Employee Pension Plan (SEPP), which mirrors the LAPP formula without a salary cap, offset by the initial LAPP pension.

2024-25 Performance and its Impact on Compensation Levels

In 2024–25, incentive payments were based on performance achieved relative to key corporate and team objectives. AIP target compensation is competitive with board-approved peer groups and rewards achievement of company, team, and individual performance goals over the fiscal year (September 1 to August 31).

ATRF's overall scorecard results were above target, reflecting strong execution of our mandate and delivering exceptional value to members, employers, sponsors, and stakeholders.

In 2024–25, incentive payments were based on performance achieved relative to key corporate and team objectives.

Compensation of the Chief Executive Officer

For 2024–25, the HRCC worked with the CEO to set performance goals and deliverables, which the board assessed as above target.

Ministerial Orders No. 13/2024 & 16/2025 sets a limit on total compensation for ATRF's CEO, including salary, incentive payouts, employer contributions to retirement savings and benefits, and perquisites. Within this limit, the board has the discretion to determine the CEO's annual incentive payment based on performance outcomes. The CEO received the following incentive payment related to performance:

$ dollars, audited

	2024-25		2023-24	
Performance Measure	**Weight**	**Payout**	**Weight**	**Payout**
ATRF Scorecard Objectives	50%	$23,771	50%	$20,047
Individual Objectives	50%	24,161	50%	20,570
Total Payout		**$47,932**		**$40,617**

Compensation

$ dollars, audited

Compensation Element	2024-25 Compensation	2023-24 Compensation
Base Salary	$360,500	$354,375
Annual Incentive	47,932	40,617
Total Direct Compensation	**$408,432**	**$394,992**

Total Compensation Summary

The table below represents disclosure of salary, incentive payments, and all other compensation earned for the years ended August 31, 2025 and 2024 by ATRF's Executive Leadership Team members.

$ dollars, audited

Name and Position	Salary[1]	Annual Incentive Plan (AIP)	All Other Compensation[2]	Total Compensation 2025[6]	Total Compensation 2024
Rod Matheson Chief Executive Officer	$ 360,500	$ 47,932	$ 99,899	$ 508,331	$ 491,751
Marcie Chisholm[3] Vice President, People & Culture	-	-	-	-	49,994
Alwyn Christian Vice President, Information & Technology Services	210,463	53,226	60,741	324,430	295,047
Julie Joyal Vice President, Pension Services	258,336	82,635	57,171	398,142	381,260
Myles Norton Vice President, Finance	248,101	62,000	54,862	364,963	373,881
Gary Smith[4] Vice President, Funding & Investments	-	-	-	-	140,244
Andrew Tambone[5] Vice President, Investments & Funding	$205,833	-	75,716	281,549	24,561

[1] Salary paid during the fiscal year.

[2] All other compensation consists of ATRF's share of all employee benefits, contributions or payments made on behalf of employees, supplemental pension plan current service accrual, health plan coverage, statutory contributions, vacation payouts including vacation payouts upon termination, and pay in lieu of notice for terminated employees.

[3] Voluntary resignation effective October 31, 2023. Position remained vacant.

[4] Voluntary resignation effective December 22, 2023. Position remained vacant until a new current VP, Investments & Funding was hired on August 6, 2024.

[5] Voluntary resignation effective June 13, 2025. Position remained vacant pending recruitment of a new VP, Investments & Funding.

[6] Total compensation for the ATRF CEO is calculated differently for financial disclosure than Ministerial Order No. 13/2024 & 16/2025.

External Consultants

The HRCC is supported by independent, external human resources and compensation consultants who are retained by, and report directly to, the committee. In 2024-25, Hugessen Consulting was the HRCC's independent advisor.

The HRCC reviews all fees and terms of consulting service, and makes decisions independently, considering more than just the information and recommendations provided by its compensation consultant or management.

The table to the right outlines the fees paid to Hugessen for the periods noted.

Executive Compensation-Related Fees

$ dollars, audited

Advisor	2024-25	2023-24
Hugessen Consulting	$13,924	$9,818

Audited

Financial Statements

Management's Responsibility for Financial Reporting

The financial statements of the Alberta Teachers' Retirement Fund Board and all information in the Annual Report are the responsibility of management and have been approved by the Board. The financial statements have been prepared in accordance with Canadian accounting standards for pension plans. Where necessary, management has made informed judgments and estimates of the outcome of events and transactions, with due consideration to materiality. Financial and operating data presented in the Annual Report, where applicable, is consistent with the financial statements.

For the integrity of financial information included in this Annual Report, management relies on the organization's system of internal controls and supporting procedures. This system has been established to ensure within reasonable limits that assets are safeguarded, transactions are executed in accordance with management's authorization, and accounting records are properly maintained. Controls include high-quality standards for hiring and training employees, an organizational structure that provides a well-defined division of responsibilities and accountability for performance, and the communication of policies and guidelines throughout the organization.

Ultimate responsibility for the financial statements rests with the Board, which is assisted in its responsibilities by the staff and the Audit and Finance Committee. The Alberta Teachers' Retirement Fund Board's external auditor, the Auditor General, has conducted an independent examination of the financial statements in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as he considers necessary to express the opinion in his report. The Auditor General has full, unrestricted access to discuss the audit and related findings regarding the integrity of financial reporting, and the adequacy of internal control systems.

[Original Signed by Rod Matheson]

Rod Matheson CPA, CMA, CFA, ICD.D
Chief Executive Officer

[Original Signed by Myles Norton]

Myles Norton CPA, CMA, CFA
Vice President, Finance

December 10, 2025

Internal Control over Financial Reporting

ATRF business plans include action plans to enhance governance and management of internal control processes and systems. This is aimed at providing an appropriate level of due diligence and assurance in our internal controls, financial operations, reporting, and information systems.

ATRF is not required by law or regulation to perform this annual evaluation. We have chosen to perform this evaluation and meet these standards as a part of our commitment to strong corporate governance and accountability.

The Chief Executive Officer and the Vice President of Finance are responsible for the design and maintenance of Internal Control over Financial Reporting, to provide reasonable assurance that it is reliable and that the preparation of the financial statements conforms with Canadian Accounting Standards for pension plans. They are also responsible for the design and maintenance of disclosure controls and procedures to provide reasonable assurance that all material information is gathered and reported to management on a timely basis.

We have completed the 2024-25 fiscal year evaluation of the effectiveness of our internal control over financial reporting and disclosure controls and procedures. Based upon the results of the evaluation, the Chief Executive Officer and Vice President, Finance have concluded that internal control over financial reporting and disclosure controls and procedures are properly designed and operated effectively throughout the year.

There were no significant changes made in internal controls over financial reporting during the year ended August 31, 2025, that materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

[Original Signed by Rod Matheson]

Rod Matheson CPA, CMA, CFA, ICD.D
Chief Executive Officer

[Original Signed by Myles Norton]

Myles Norton CPA, CMA, CFA
Vice President, Finance

December 10, 2025

Auditor General OF ALBERTA

Independent Auditor's Report

To the Alberta Teachers' Retirement Fund Board

Report on the Financial Statements

Opinion

I have audited the financial statements of Alberta Teachers' Retirement Fund Board, which comprise the statement of financial position as at August 31, 2025, and the statements of changes in net assets available for benefits, and changes in pension obligations for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Alberta Teachers' Retirement Fund Board as at August 31, 2025, and the changes in 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

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of Alberta Teachers' Retirement Fund Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the *Annual Report*, but does not include the financial statements and my auditor's report thereon. The *Annual Report* is expected to be made available to me after the date of this auditor's report.

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

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

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

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

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

In preparing the financial statements, management is responsible for assessing Alberta Teachers' Retirement Fund Board'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 an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Alberta Teachers' Retirement Fund Board's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Alberta Teachers' Retirement Fund Board'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 Alberta Teachers' Retirement Fund Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Alberta Teachers' Retirement Fund Board 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.

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

[Original signed by W. Doug Wylie FCPA, FCMA, ICD.D]
Auditor General

December 11, 2025
Edmonton, Alberta

Actuaries' Opinion

Aon has been engaged by the Alberta Teachers' Retirement Fund Board ("ATRF") to prepare actuarial valuations for the *Teachers' Pension Plan* and the *Independent School Teachers' Pension Plan* (the "Plans") as at August 31, 2025. The purpose of these valuations is to determine the necessary actuarial information for financial statement reporting for the Plans in accordance with Section 4600 of the CPA Canada Handbook ("Section 4600").

Our valuations have been prepared based on:

- membership data provided by ATRF as at the most recent reported date by the respective employers, projected to August 31, 2025 and adjusted to reflect anticipated new hires as at September 1, 2025;
- asset data provided by ATRF as at August 31, 2025;
- assumptions that we understand have been adopted as ATRF management's best estimates; and
- actuarial cost methods and asset valuation methods that are in accordance Section 4600.

Based on the work we have performed, including conducting reasonability tests on the membership and asset data, we have concluded that, in our opinion:

- the data is sufficient and reliable for the purpose of the valuations;
- the assumptions adopted as best estimate by ATRF's management are appropriate for the purpose of the valuations;
- the actuarial cost methods and the asset valuation methods employed are appropriate for the purpose of the valuations; and
- the valuations conform with the requirements of Section 4600.

While the actuarial assumptions used to estimate the Plans' liabilities represent ATRF management's best estimate of future events and market conditions at August 31, 2025, the Plans' 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 Plans.

Our opinions have been given, and our valuations have been performed, in accordance with accepted actuarial practice in Canada.

[Original signed by Steve Windsor]

Steve Windsor
Fellow, Canadian Institute of Actuaries
Fellow, Society of Actuaries

[Original signed by Nathan Conway]

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

[Original signed by Brad Nehring]

Brad Nehring
Fellow, Canadian Institute of Actuaries
Fellow, Society of Actuaries

December 9, 2025

Statement of Financial Position

As at August 31 ($ Thousands)	**2025**	**2024**
ASSETS		
Investments *(Note 3)*	**$ 26,293,405**	$ 24,395,058
Corporate cash	**43,119**	19,418
Contributions receivable	**17,234**	17,238
Other assets	**6,665**	7,269
	26,360,423	24,438,983
LIABILITIES		
Investment related liabilities *(Note 3)*	**325,990**	25,261
Accounts payable and accrued liabilities *(Note 4)*	**22,466**	22,457
Other liabilities	**860**	1,240
	349,316	48,958
NET ASSETS AVAILABLE FOR BENEFITS *(Note 5)*	**26,011,107**	24,390,025
ACCRUED PENSION OBLIGATIONS *(Note 5)*	**20,783,232**	19,141,606
ACCOUNTING SURPLUS *(Note 5)*	**$ 5,227,875**	**$ 5,248,419**

The accompanying notes are part of these financial statements.

Approved by the ATRF Board

[Original Signed by Greg Francis]

Greg Francis, K.C.
Chair

[Original Signed by Tim Wiles]

Tim Wiles, FCPA, FCA
Chair, Audit & Finance Committee

Statement of Changes in Net Assets Available for Benefits

For the Year Ended August 31 ($ Thousands)	2025	2024
Net assets available for benefits, beginning of year	**$ 24,390,025**	**$ 22,877,420**
Investments		
Investment income *(Note 6)*	**1,256,296**	793,200
Change in fair value of investments *(Note 6)*	**758,157**	1,024,334
Investment expenses *(Note 7)*	**(189,139)**	(241,695)
Net investment operations	**1,825,314**	1,575,839
Member services		
Contributions *(Note 8)*		
Teachers	**367,158**	390,460
The Province	**345,163**	374,645
Transfers from other plans	**6,921**	10,360
Independent School Boards	**3,259**	3,249
	722,501	778,714
Member service expenses *(Note 7)*	**(16,386)**	(13,580)
Benefits paid *(Note 9)*	**(910,347)**	(828,368)
Net member service operations	**(204,232)**	(63,234)
Increase in net assets available for benefits	**1,621,082**	1,512,605
Net assets available for benefits, end of year	**$ 26,011,107**	**$ 24,390,025**

The accompanying notes are part of these financial statements.

Statement of Changes in Pension Obligations

For the Year Ended August 31 ($ Thousands)	2025	2024
Accrued pension obligations, beginning of year	**$ 19,141,606**	**$ 18,243,557**
Increase (decrease) in accrued pension obligations		
Interest on accrued benefits *(Note 5)*	**1,233,160**	1,177,002
Benefits accrued *(Note 5)*	**570,513**	556,711
Changes in actuarial assumptions *(Note 5)*	**584,354**	-
Experience losses (gains) *(Note 5)*	**163,946**	(7,296)
Benefits paid *(Notes 5 and 9)*	**(910,347)**	(828,368)
	1,641,626	898,049
Accrued pension obligations, end of year *(Note 5)*	**$ 20,783,232**	**$ 19,141,606**

The accompanying notes are part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

NOTE 1 DESCRIPTION OF ATRF AND THE PLANS

a) ATRF – nature of operations

The Alberta Teachers' Retirement Fund Board ("ATRF"), established in 1939, a corporation under the authority of the *Teachers' Pension Plans Act,* Chapter T-1, RSA 2000, is the trustee and administrator of the Teachers' Pension Plan and the Independent School Teachers' Pension Plan (the "Plans").

ATRF is responsible for establishing the Plans' funding policy and setting contribution rates, establishing the Statement of Investment Policies & Goals ("SIP&G") for the Plans' assets, providing pension benefit administration services to the Plan members and other stakeholders. The SIP&G describes policies that govern how ATRF's assets are to be invested. It defines the strategic asset allocation including well-defined asset categories, their performance benchmarks and risk profiles, and the long-term target proportion of total assets to be invested in each. The SIP&G also defines ATRF's guidance for both total investment risk and for Alberta Investment Management Corporation's ("AIMCo") latitude in implementing these policies.

ATRF is governed by a board. One-half of the board members are nominated by the Finance Minister of the Government of Alberta and one-half by the Alberta Teachers' Association. All board members are appointed by Order in Council.

An amendment to the *Teacher's Pension Plans Act* came into force on November 22, 2019, requiring ATRF to engage AIMCo as the exclusive provider of investment management services to ATRF in respect of the Plans' assets. Effective October 1, 2021, ATRF transitioned the responsibility for investment management of the Plans' remaining assets to AIMCo.

b) The Plans – general description

The Plans are contributory defined benefit pension plans for all Alberta teachers employed in school jurisdictions and charter schools, as well as teachers employed by participating independent schools. The Plans are sponsored by the Government of Alberta and the Alberta Teachers' Association, as representatives of the plan members. These plan sponsors are responsible for plan design, benefits and funding arrangements, and share in plan gains and losses. Design of the Plans' benefits are established by the *Teachers' and Independent School Teachers' Pension Plans Regulation 203/1995, as amended* (the "Regulation").

The following descriptions of the Plans and their key attributes is a summary only. Refer to the Regulation and the Plans' text documents for a complete description of the Plans' benefits and obligations. Unless otherwise stated, all terms not defined below have the meaning ascribed to them in the Plans' documents.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

NOTE 1 DESCRIPTION OF ATRF AND THE PLANS (CONTINUED)

c) Obligations relating to the period before September 1992

The Teachers' Pension Plan's assets and obligations related to pensionable service after August 31, 1992 (the "post-1992 period") have been accounted for separately from the assets and obligations related to pensionable service prior to September 1, 1992 (the "pre-1992 period") and, accordingly, these financial statements and notes include only post-1992 period transactions of the Teachers' Pension Plan and transactions of the Independent School Teachers' Pension Plan.

Effective September 1, 2009, the Province of Alberta (the "Province") assumed full responsibility for obligations related to the Teachers' Pension Plan pre-1992 period pensionable service and provides the required amounts to ATRF to pay the obligations on a monthly basis (Note 9).

d) Contributions

The determination of the value of the benefits and the required contributions for the Plans is made on the basis of periodic actuarial valuations.

All teachers under contract with school jurisdictions and charter schools in Alberta are required to contribute to the Teachers' Pension Plan. Current service costs and related deficiencies are funded by equal contributions from the Province and the teachers. A component of the post-1992 contributions includes a cost-of-living adjustment ("COLA"), equating to 70% of the increase to the Alberta Consumer Price Index ("ACPI"). Teachers and the Province equally contribute to fund the COLA of 60% of the ACPI, with the additional COLA of 10% of the ACPI fully funded by the teachers.

Certain other designated organizations in Alberta also participate in the Teachers' Pension Plan under the same funding arrangements, except these organizations make the employer contributions rather than the Province.

Certain independent schools participate in the Independent School Teachers' Pension Plan. The structure for plan costs and related deficiencies are funded in equal contributions from the employers and the teachers. Similar to the Teachers' Pension Plan above, the teachers and the Province equally contribute to fund the COLA of 60% of the ACPI, with the additional COLA of 10% of the ACPI fully funded by the teachers.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

NOTE 1 DESCRIPTION OF ATRF AND THE PLANS (CONTINUED)

The contribution rates for fiscal years ended August 31 are as follows:

	Teachers' Pension Plan		Independent School Teachers' Pension Plan	
	2025	2024	2025	2024
Up to YMPE[1]	8.24%	9.00%	8.25%	8.50%
Above YMPE	11.76%	12.86%	11.79%	12.15%
Total Teachers' Contribution	9.29%	10.32%	9.45%	9.95%
Total Government/Employer Contribution	8.92%	9.89%	9.01%	9.51%

[1] YMPE: Year's Maximum Pensionable Earnings used by the Canada Pension Plan (2025: $71,300, 2024: $68,500)

e) Retirement pensions

Retirement pensions are based on the number of years of pensionable service and the average salary of the highest five consecutive years. Pensions are payable to teachers who retire after completion of at least five years of pensionable service, with certain restrictions, and who have attained age 65. Unreduced pensions are also payable to teachers who have reached at least age 55 and the sum of their age and service equals at least 85. With certain restrictions, reduced pensions are payable to teachers who retire at or after age 55 with a minimum of five years of pensionable service.

f) Disability benefits

Teachers who are disabled after August 31, 1992 are credited with pensionable service while disabled. Teachers do not contribute to the Plans while disabled.

g) Termination benefits

Refunds or commuted value transfers are available when a teacher ceases employment, subject to certain restrictions. Inactive members with a minimum of five years of pensionable service, subject to certain restrictions, have the option to defer their entitlement in the Plans and receive a pension when they retire.

h) Death benefits

Death benefits are available upon the death of a teacher and may be available upon the death of a retired member, depending on the pension option selected by the retired member at the time of retirement. The benefit may take the form of a lump sum payment or a survivor pension.

i) Service purchases and transfers

Purchase of past service, such as substitute teaching service, employer-approved leaves, and reinstatement of refunded service is allowed on a basis that is cost neutral to the Plans.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

NOTE 1 DESCRIPTION OF ATRF AND THE PLANS (CONTINUED)

The Plans have Reciprocal Transfer Agreements with all other provincial teachers' pension plans, the Alberta public sector pension plans, and the Government of Canada Public Service Pension Plan. These agreements authorize the transfer of pensionable service and related obligations and assets in accordance with the terms of the reciprocal transfer agreement between the participating organizations.

j) COLA

Deferred pensions and pensions payable for the portion of pension earned after 1992 are increased each year by a COLA equal to 70% of the increase in the ACPI.

k) Income taxes

The Plans are registered pension plans as defined in the *Income Tax Act* (registration number 0359125) and are not subject to income taxes in Canada. The Plans may be subject to taxes in other jurisdictions where full tax exemptions are not available.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation

The statements present the aggregate financial position of the Plans. These financial statements are prepared in accordance with Canadian accounting standards for pension plans. Section 4600 – Pension Plans, of the CPA Canada Handbook, prescribes accounting policies specific to investments and pension obligations. For accounting policies which do not relate to either investments or pension obligations, International Financial Reporting Standards ("IFRS") are applied. To the extent that IFRS are inconsistent with Section 4600, Section 4600 takes precedence.

All of the entities that ATRF has an ownership interest in, regardless of whether ATRF can control or exercise significant influence, are considered to be investment assets and are presented on a non-consolidated basis.

b) Valuation of investments

Investments, investment-related receivables, and investment-related liabilities are recognized on a trade date basis and are stated at fair value.

Fair value is the price at which an investment asset would be sold or investment liability transferred through an orderly transaction between market participants at the measurement date under current market conditions.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The following methods are used by AIMCo to determine the fair values of investment, as presented in Note 3.

CATEGORY	BASIS OF VALUATION
Money-market securities	Cost plus accrued interest approximates fair value due to the short-term nature of these securities.
Bonds and debentures	Closing quoted market price. Where quoted prices are not available, estimated values are calculated using discounted cash flows based on current market yields for comparable securities.
Public equity and REITS	Closing quoted market price. Where a market price is not available, market value is determined using appropriate valuation methods.
Private equity/ Infrastructure	Managers or general partners estimate the fair value of private equity funds, pools, and limited partnerships. Valuation techniques include a combination of the market approach using prices or earnings multiples of comparable investments or companies, the income approach considering discounted or capitalized future cash flows, and the cost approach.
Absolute return	Absolute return strategies include investments in hedge funds, and underlying securities in the funds can include equities, fixed income securities, derivatives, and alternative investments. The fair value of these funds is based on the net asset value reported by the external fund manager or the administrator.
Real estate	The estimated fair value of private real estate investments is reported at the most recent appraised value, net of any liabilities against the real property. Real estate properties are appraised at least annually by qualified external real estate appraisers. Appraisers use a combination of methods to determine a fair value, including replacement cost, direct comparison, direct capitalization of earnings, and discounted cash flows.
Renewables	Managers or general partners estimate the fair value of the underlying timberland and agricultural investments. Valuation techniques include a combination of the market approach using public comparables or precedent transaction multiples of comparable investments or companies, the income approach considering discounted or capitalized future cash flows, and the cost approach. Underlying real estate, if any, is valuated using the same methodologies described in the real estate category.
Bond repurchase agreement	Bonds sold under repurchase agreement are recorded at cost plus accrued interest, which approximates fair value.

NOTES TO THE FINANCIAL STATEMENTS
August 31, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CATEGORY	BASIS OF VALUATION
Derivatives	The carrying value of derivative contracts in a favourable and unfavourable position is recorded at fair value and is included in the fair value of pooled investment funds (see Note 10). The estimated fair value of equity and bond index swaps is based on changes in the appropriate market-based index net of accrued floating rate interest. Interest rate swaps and cross currency interest rate swaps are valued based on discounted cash flows using current market yields and exchange rates. Credit default swaps are valued based on discounted cash flows using current market yields and calculated default probabilities. Forward foreign exchange contracts are valued based on the difference between contractual foreign exchange rates and foreign exchange forward rates. Future contracts are valued based on quoted market prices. Options to enter into interest rate swap contracts are valued based on discounted cash flows using current market yields and volatility parameters, which measure changes in the underlying swap. Warrants and rights are valued at the year-end closing sale price or the average of the latest bid and ask prices quoted by an independent securities valuation company.

As disclosed in Note 3, the Plans' investments consist of direct ownership in both segregated and pooled investment funds ("the pools"). Participants in the pools are not a party to the contracts and have no control over the management of the pool and the selection of securities in the pool. The Plans' investment manager controls the creation of the pools and the management and administration of the pools, including security selection. The Plans hold units in the pooled investment fund. Accordingly, the Plans do not report the financial instruments of the pools on its statement of financial position, but rather the value of the units.

The fair value of units held by the Plans is derived from the fair value of the underlying financial instruments held by the pools as determined by the investment manager. Investments in units are recorded in the Plans' accounts. The underlying financial instruments are recorded in the accounts of the pools on a trade-date basis. The pools have a market-based unit value that is used to distribute income to the pool participants and to value purchases and sales of the pool units. The pools include various financial instruments such as bonds, equities, real estate, derivatives, investment receivables, and payables.

The Plans become exposed to the financial risks and rewards associated with the underlying financial instruments in a pool when the Plans purchase units issued and lose exposure to those financial risks and rewards when it sells its units. The Plans report its share of the investment risks in Note 10.

All purchases and sales of the pool units are in Canadian dollars.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FAIR VALUE HIERARCHY

All financial instruments measured at fair value are categorized into one of the following three hierarchy levels. Each level reflects the availability of observable inputs which are used to determine fair values, based on financial information significant to the valuation measurement.

- Level 1: Fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities. For multi-client pools, securities held in pools with quoted price in active markets are classified as level 2 as the pool units themselves are not listed in an active market, and therefore, cannot be classified as level 1.
- Level 2: Fair value is based on market data other than quoted prices included in Level 1 that are observable either directly or indirectly. This level includes units of multi-client pools holding public equity, debt securities, and derivative contracts that would otherwise be classified as Level 1.
- Level 3: Fair value is based on inputs other than observable market data. This level includes units of multi-client pools holding investments that would not be classified as Level 1 and Level 2.

c) Investment income

Income is recognized as follows:

CATEGORY	BASIS OF RECOGNITION
Interest income	Accrual basis
Dividend income	Accrual basis on the ex-dividend date
Income from real estate, private equity, and infrastructure	Income includes distributions recognized as interest income, dividend income, or other income, as appropriate
Realized gains and losses on investments	Difference between proceeds on disposal and the average cost
Unrealized gains and losses on investments	Change in the difference between estimated fair value and the average cost

Income distributions from pooled funds are based on the Plans' pro-rata share of total units issued by the pools. Changes in fair value of units, including realized gains and losses on disposal of units and unrealized gains and losses on units are determined on an average cost basis.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Investment expenses

Investment expenses, including those relating to portfolio transaction costs (incremental costs attributable to the acquisition and disposition of investment assets or liabilities), investment personnel and operations, oversight, and governance, are accrued and expensed in the fiscal period as incurred.

In addition, investment expenses are charged by AIMCo on a cost-recovery basis. Amounts charged to the Plans by AIMCo for investment costs include external management fees, external administration costs, employee salaries and incentive benefits, and overhead costs. Please refer to the AIMCo financial statements for a more detailed breakdown of the types of expenses.

Investment performance fees are earned by AIMCo and other external investment managers for earning returns in excess of pre-determined thresholds. Fees earned by AIMCo and external managers in the fiscal period are expensed.

e) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing on the year-end date. Income and expenses are translated into Canadian dollars at the exchange rates prevailing on the dates of the transactions. Realized and unrealized gains and losses arising from these translations are included within the change in fair value of investments in investment earnings.

f) Contributions

Contributions from the teachers, the Province, and the employers are recorded on an accrual basis. Cash received from teachers for credited service and cash transfers from other pension plans are recorded when received.

g) Benefits

Pension benefits, termination benefits, and transfers to other plans are recorded in the period in which they are paid. Any benefit payment accruals not paid are reflected in accrued pension benefits.

h) Accrued pension obligations

The value of accrued pension obligations and changes therein during the year are based on an actuarial valuation/extrapolation prepared by an independent firm of actuaries annually as at August 31. The valuation/extrapolation uses the projected benefit method, pro-rated on service, and includes management's best estimate of various future events, as at the valuation/extrapolation date (Note 5).

i) Corporate cash

Corporate cash comprises of cash on hand and demand deposits. Cash is held for the purpose of meeting short-term commitments rather than for investment purposes.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Capital assets

Capital assets are recorded at cost and amortized over their estimated useful lives. Costs net of accumulated amortization are included with 'Other assets' on the Statement of Financial Position.

k) Use of estimates

The preparation of financial statements, in conformity with Canadian accounting standards for pension plans, requires management to make estimates and assumptions in circumstances where the actual values are unknown. Uncertainty in determination of the amount that is reported in the financial statements is known as measurement uncertainty.

Measurement uncertainty exists in the calculation of the Plans' actuarial value of accrued benefits. Uncertainty arises because the Plans' actual experience may differ significantly from assumptions used in the calculation of the Plans' accrued benefits.

The fair value of financial instruments can be impacted by global events, therefore measurement uncertainty exists in the fair values of the Plans' assets.

Significant estimates and assumptions are made in measuring the Plans' private investments. The fair values may differ significantly from the fair values that would have been used had a ready market existed for these investments.

l) Salaries and benefits

Details of executives' compensation are presented in the Compensation Discussion and Analysis section of the Annual Report.

ATRF participates in the Local Authorities Pension Plan, a defined benefit public sector pension plan, which meets the accounting requirements for treatment as a defined contribution plan. The employer contributions are recorded as an expense.

ATRF provides a Supplementary Employee Pension Plan (SEPP) to executives and certain eligible managers whose earnings exceed the pension benefit limit under the *Income Tax Act* regulations. Benefits are paid to these members as the benefits come due. No assets are earmarked, set aside, or placed into trust by ATRF for SEPP benefit payments. The pension benefit is recorded as an expense and as a liability.

m) Accounting surplus

For financial statement reporting purposes, the Plans' surplus or deficiency is based on the difference between the fair value of the Plans' net assets available for benefits and the accrued pension obligation.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

NOTE 3 INVESTMENTS

The following schedule summarizes the fair value of the Plans' investments before allocating the market exposure related to derivative financial instruments. Investment assets and liabilities are presented within the fair value hierarchy as defined in Note 2 b).

($ Thousands)	Fair Value			2025	2024
	Level 1	Level 2	Level 3	Total	Total
Fixed Income					
Investment cash	$ -	$ 172,174	$ -	**$ 172,174**	$ 292,215
Money-market securities	-	76,087	-	**76,087**	8,746
Bonds and debentures	-	4,127,076	-	**4,127,076**	4,012,592
	-	4,375,337	-	**4,375,337**	4,313,553
Equity					
Public & REITs	-	7,021,385	-	**7,021,385**	6,772,023
Private	-	-	5,991,987	**5,991,987**	4,714,479
	-	7,021,385	5,991,987	**13,013,372**	11,486,502
Absolute return	-	-	2,580,539	**2,580,539**	2,301,087
Real estate	-	-	2,164,411	**2,164,411**	2,291,428
Infrastructure	-	-	3,525,966	**3,525,966**	3,543,000
Renewables	-	-	469,971	**469,971**	435,277
	-	-	6,160,348	**6,160,348**	6,269,705
Investment related assets					
Due from brokers	-	140,704	-	**140,704**	2,229
Accrued income	-	1,476	-	**1,476**	636
Reverse Repurchase agreements	-	6	-	**6**	-
Unrealized gains and amounts receivable on derivative contracts	-	21,623	-	**21,623**	21,346
	-	163,809	-	**163,809**	24,211
INVESTMENT ASSETS	-	11,560,531	14,732,874	**26,293,405**	24,395,058
Investment related liabilities					
Due to brokers	-	1,516	-	**1,516**	12,629
Repurchase agreements	-	274,123	-	**274,123**	3,159
Unrealized losses and amounts payable on derivative contracts	-	50,351	-	**50,351**	9,473
INVESTMENT LIABILITIES	-	325,990	-	**325,990**	25,261
NET INVESTMENTS	$ -	$ 11,234,541	$ 14,732,874	**$ 25,967,415**	$ 24,369,797

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

NOTE 3 INVESTMENTS (CONTINUED)

($ Thousands)	Fair Value			2024
	Level 1	Level 2	Level 3	Total
Fixed Income				
Investment cash	$ -	$ 292,215	$ -	$ 292,215
Money-market securities	-	8,746	-	8,746
Bonds and debentures	-	4,012,592	-	4,012,592
	-	4,313,553	-	4,313,553
Equity				
Public & REITs	12,545	6,759,478	-	6,772,023
Private	-	-	4,714,479	4,714,479
	12,545	6,759,478	4,714,479	11,486,502
Absolute return	-	-	2,301,087	2,301,087
Real estate	-	-	2,291,428	2,291,428
Infrastructure	-	-	3,543,000	3,543,000
Renewables	-	-	435,277	435,277
	-	-	6,269,705	6,269,705
Investment related assets				
Due from brokers	-	2,229	-	2,229
Accrued income	-	636	-	636
Reverse Repurchase agreements	-	-	-	-
Unrealized gains and amounts receivable on derivative contracts	-	21,346	-	21,346
	-	24,211	-	24,211
INVESTMENT ASSETS	12,545	11,097,242	13,285,271	24,395,058
Investment related liabilities				
Due to brokers	-	12,629	-	12,629
Repurchase agreements	-	3,159	-	3,159
Unrealized losses and amounts payable on derivative contracts	-	9,473	-	9,473
INVESTMENT LIABILITIES	-	25,261	-	25,261
NET INVESTMENTS	$ 12,545	$ 11,071,981	$ 13,285,271	$ 24,369,797

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

NOTE 3 INVESTMENTS (CONTINUED)

The following table represents a reconciliation of financial instruments included in Level 3 of the fair value hierarchy for the year ended August 31, 2025:

($ Thousands)

($ Thousands)	Fair Value, August 31, 2024	Purchases	Sales	Realized Gain (loss)	Unrealized Gain (loss)	Fair Value, August 31, 2025
Private equity	$ 4,714,479	$ 1,330,531	$ (340,138)	$ 199,713	$ 87,402	**$ 5,991,987**
Absolute return	2,301,087	161,932	(11,098)	(7,495)	136,113	**2,580,539**
Real estate	2,291,428	118,111	(207,256)	43,027	(80,899)	**2,164,411**
Infrastructure	3,543,000	56,627	(246,131)	143,185	29,285	**3,525,966**
Renewables	435,277	160,569	(131,805)	156	5,774	**469,971**
	$ 13,285,271	$ 1,827,770	$ (936,428)	$ 378,586	$ 177,675	**$ 14,732,874**

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

($ Thousands)	2025	2024
Tax withholdings	**$ 14,027**	$ 16,020
Supplementary Employee Pension Plan	**4,401**	4,324
Accounts payable	**2,968**	1,080
Incentive plans payable	**1,070**	1,033
	$ 22,466	$ 22,457

NOTE 5 ACCRUED PENSION OBLIGATIONS

Pension obligations represent the value of accrued pension benefits payable in the future to members and are based on an actuarial valuation or extrapolation by an independent firm of actuaries.

Separate valuations or extrapolations are performed for accounting purposes and for funding purposes. The accrued pension obligation for funding purposes was determined using the valuation methodology described in Note 5 d).

For accounting purposes, an actuarial valuation of the Plans was performed as at August 31, 2025. The accrued pension obligation reflected in the Statement of Financial Position represents the present value of the accrued pension obligations of $20,783 million (2024: $19,142 million), which was determined using the projected accrued benefit actuarial cost method prorated on service.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

NOTE 5 ACCRUED PENSION OBLIGATIONS (CONTINUED)

a) Best-estimate valuations and assumptions

The assumptions used in the valuations are based on past experience, as analyzed by the Plans' actuary, and management's best estimate of future events and involve rates of demographic change, such as rates of mortality, termination of membership and retirement, as well as economic parameters, such as rates of inflation, discount rates, and salary escalation rates.

The discount rate is equivalent to the long-term expected rate of return on invested assets.

The major long-term economic assumptions used in determining the actuarial value of accrued pension benefits were:

	2025	2024
Rate of return on invested assets (discount rate)	**6.50%**	6.50%
Rate of inflation	**2.00%**	2.00%
Salary escalation rate*	**2.75%**	2.75%

* 3.00% for one year from September 1, 2025, 5.5% for one year from September 1, 2026, 3.00% for one year from September 1, 2027 and 2.75% per annum thereafter, in addition to merit and promotion increase assumptions.

b) Sensitivity of changes in major assumptions on best-estimate valuations

For illustrative purposes, the table below shows the impact of changes in major assumptions, holding all other assumptions constant:

	Teachers' Pension Plan		Independent School Teachers' Pension Plan	
	0.5% decrease in rate of return on invested assets	0.5% increase in rate of inflation	0.5% decrease in rate of return on invested assets	0.5% increase in rate of inflation
Increase in current service costs (% of total teacher salaries)	1.8%	1.3%	1.9%	1.3%
Increase in accrued pension obligations	$1,611 million	$1,102 million	$9 million	$6 million

For accounting purposes, and using best-estimate financial statement valuation assumptions, as at August 31, 2025, the current service cost as a percent of total teacher salaries for the Teachers' Pension Plan is 14.9% and for the Independent School Teachers' Pension Plan is 15.5%. The financial statement valuation's current service cost may differ from the current service cost calculated using the funding valuation assumptions for funding purposes.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

NOTE 5 ACCRUED PENSION OBLIGATIONS (CONTINUED)

c) Results based on valuations/extrapolations

For accounting purposes, the excess of net assets available for benefits against pension obligations results in the Plans having an accounting surplus of $5,188 million for the post-1992 period of the Teachers' Pension Plan and an accounting surplus of $40 million for the Independent School Teachers' Pension Plan as at August 31, 2025.

($ Thousands)	2025			2024		
	Teachers' Pension Plan	Independent Teachers' Plan	Total	Teachers' Pension Plan	Independent Teachers' Plan	Total
Net assets at beginning of year	$ 24,256,852	$ 133,173	$ 24,390,025	$ 22,755,061	$ 122,359	$ 22,877,420
Contributions	715,982	6,519	722,501	772,233	6,481	778,714
Benefits	(906,412)	(3,935)	(910,347)	(824,346)	(4,022)	(828,368)
Investment earnings	2,003,454	10,999	2,014,453	1,807,813	9,721	1,817,534
Investment and member service expenses	(204,403)	(1,122)	(205,525)	(253,909)	(1,366)	(255,275)
Net assets at end of year	25,865,473	145,634	26,011,107	24,256,852	133,173	24,390,025
Accrued pension obligations at beginning of year	19,044,875	96,731	19,141,606	18,153,574	89,983	18,243,557
Interest on accrued benefits	1,226,831	6,329	1,233,160	1,171,124	5,878	1,177,002
Benefits accrued	565,298	5,215	570,513	551,788	4,923	556,711
Changes in actuarial assumptions	581,132	3,222	584,354	-	-	-
Experience losses (gains)	166,003	(2,057)	163,946	(7,265)	(31)	(7,296)
Benefits paid	(906,412)	(3,935)	(910,347)	(824,346)	(4,022)	(828,368)
Actuarial value of accrued pension obligations	20,677,727	105,505	20,783,232	19,044,875	96,731	19,141,606
Accounting surplus	$ 5,187,746	$ 40,129	$ 5,227,875	$ 5,211,977	$ 36,442	$ 5,248,419

The change in pension obligations is comprised of five components:

i) INTEREST ON ACCRUED BENEFITS

Pension obligations increase with interest as the present value of the valuation is evaluated one year later. The interest on accrued benefits is calculated using the rate of return on invested assets.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

NOTE 5 ACCRUED PENSION OBLIGATIONS (CONTINUED)

ii) BENEFITS ACCRUED

Pension obligations increase with new service credited and additional benefits accumulated by plan members during the fiscal year.

iii) EXPERIENCE LOSSES (GAINS)

Experience losses of $164 million (2024: Experience gains of $7 million) on accrued benefits are the result of actual experience from one valuation to the next being different than implied by the assumptions from the previous valuation/extrapolation. As the experience is less favorable than anticipated in the assumptions, this results in an experience loss. Experience losses increase the pension obligations.

The following table provides details on the net losses (gains) on accrued benefits.

($ Thousands)	**TPP**	**ISTPP**	**Total**
Demographic	$ 117,092	$ (260)	$ 116,832
Other plan experience	62,183	(325)	61,858
Salary	(3,997)	(1,440)	(5,437)
COLA	(9,275)	(32)	(9,307)
Experience losses (gains)	$ 166,003	$ (2,057)	$ 163,946

iv) CHANGES IN ACTUARIAL ASSUMPTIONS

Pension obligations can increase or decrease if there are changes in actuarial assumptions used to evaluate the present value of benefits.

The assumption changes from August 31, 2024 to August 31, 2025 include changes to economic assumptions. The impact of the assumption changes on the accrued benefits is shown in the following table.

($ Thousands)	**TPP**	**ISTPP**	**Total**
Lump sum CV interest & inflation rate	$ (24,000)	$ (156)	$ (24,156)
Mortality improvement scale	352,000	1,775	353,775
Short term salary increase	253,132	1,603	254,735
Total assumption changes	$ 581,132	$ 3,222	$ 584,354

v) BENEFITS PAID

The pension obligations decrease with benefits paid from the Plans during the fiscal year, as the funds are no longer required to be set aside to pay for those benefits.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

NOTE 5 ACCRUED PENSION OBLIGATIONS (CONTINUED)

d) Valuation methodologies

ATRF engages an independent actuary to perform two different actuarial valuations of the Plans, one for accounting purposes which is performed in compliance with the prescribed accounting standards, and the second for funding purposes, which is performed in compliance with the prescribed professional and regulatory standards.

The Plans' accounting surplus or deficiency includes the determination of assets on a fair value basis. However, for actuarial funding valuation purposes, asset values are adjusted for fluctuations in fair values to moderate the effect of market volatility on the Plans' funded status. The funding valuation is calculated in accordance with actuarial standards on a going concern basis and is used to determine changes to contribution rates for future service in order to manage the Plans' funding status. Both types of valuations have prescribed uses and are based on the same underlying plan member data, but the funding valuation differs by smoothing market returns over a five-year period and incorporating a margin for adverse deviation in the pension obligations and current service costs.

In accordance with the *Teachers' Pension Plans Act*, an actuarial funding valuation is required to be performed, at a minimum, every three years. The objective is to ensure that the Plans are fully funded over the long term through the management of investments and contribution rates. Investments are based on an asset mix that is designed to enable the Plans to meet their long-term funding requirement within an acceptable level of risk, consistent with the Plans' investment and funding policies, which are approved by the Board. In years when an actuarial valuation is not performed, the Plans' obligations are determined by extrapolating the Plans' obligations from the previous actuarial valuation as per the accepted extrapolation methodologies under the prescribed professional standards. For further information, refer to the funding section of the Annual Report.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

NOTE 6 INVESTMENT EARNINGS

The following is a summary of investment earnings by asset class:

($ Thousands)	2025			2024		
	Investment Income	Change in Fair Value[1]	Total	Investment Income	Change in Fair Value[2]	Total
Fixed income						
Investment Cash & money-market securities	$ 6,121	$ 564	$ 6,685	$ 23,268	$ 2,324	$ 25,592
Bonds and debentures	125,375	(207,399)	(82,024)	149,660	179,620	329,280
Equity						
Public & REITs	765,120	519,447	1,284,567	487,125	786,835	1,273,960
Private	140,679	287,115	427,794	9,162	99,640	108,802
Absolute return	3,578	128,618	132,196	18,587	166,536	185,123
Real estate	17,949	(37,872)	(19,923)	19,238	(419,711)	(400,473)
Infrastructure	190,672	172,470	363,142	87,357	133,880	221,237
Renewables	6,802	5,930	12,732	(1,197)	69,703	68,506
Derivatives	-	(110,716)	(110,716)	-	5,507	5,507
	$ 1,256,296	$ 758,157	$ 2,014,453	$ 793,200	$ 1,024,334	$ 1,817,534

[1] 2025 change in fair value includes a realized net gain of $382,717 and an unrealized net gain of $375,440.

[2] 2024 change in fair value includes a realized net gain of $277,836 and an unrealized net gain of $746,498.

NOTES TO THE FINANCIAL STATEMENTS
August 31, 2025

NOTE 7 INVESTMENT AND MEMBER SERVICE EXPENSES

a) Investment expenses

($ Thousands)	2025	2024
ATRF		
Investment management and oversight	$ 4,609	$ 4,531
AIMCo[1]		
Investment management fees	141,877	137,213
Investment performance fees	42,653	99,951
Total AIMCo fees	184,530	237,164
Total investment expenses	$ 189,139	$ 241,695

[1] AIMCo charges investment expenses to ATRF on a cost-recovery basis. Amounts recovered include external administration costs, employee salaries, incentive and performance-related benefits, and overhead costs.

b) Member service expenses

($ Thousands)	2025	2024
ATRF internal benefit administration and oversight	$ 16,386	$ 13,580

Member service expenses include ATRF's direct costs for pension services such as salaries and benefits of pension team members, plan administration, actuarial services, and shared services such as technology, governance, and oversight costs. It also includes indirect costs for operations such as premises and other corporate operations.

c) ATRF operating expenses

($ Thousands)	2025	2024
Salaries and benefits	$ 11,483	$ 11,549
Professional services	5,326	2,226
Premises and operations	3,706	3,869
Board and committees	480	467
Total ATRF operating expenses	$ 20,995	$ 18,111

NOTES TO THE FINANCIAL STATEMENTS
August 31, 2025

NOTE 8 CONTRIBUTIONS

($ Thousands)	**2025**	**2024**
Teachers		
Current service	**$ 348,849**	$ 346,655
Current service additional 10% of COLA	**14,494**	14,597
Past service	**3,815**	4,750
Deficiency	**-**	24,458
	367,158	390,460
The Province		
Current service	**343,619**	349,337
Past service	**1,544**	1,944
Deficiency	**-**	23,364
	345,163	374,645
Independent School Boards		
Current service	**3,259**	3,244
Deficiency	**-**	5
	3,259	3,249
Transfers from other plans	**6,921**	10,360
	$ 722,501	$ 778,714

NOTE 9 BENEFITS PAID

($ Thousands)	**2025**	**2024**
Pension benefits	**$ 774,000**	$ 721,486
Termination benefits	**122,238**	88,770
Transfers to other plans	**14,109**	18,112
	$ 910,347	$ 828,368

During the year $502 million (2024: $503 million), was received from the Province and was distributed as benefits paid relating to the pre-1992 period.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

NOTE 10 INVESTMENT RISK MANAGEMENT

The Plans' actuarial liabilities are primarily affected by the long-term real rate of return expected to be earned on investments. To earn the best possible return at an acceptable level of risk, the SIP&G contains an asset mix with policy ranges designed to deliver the expected long-term rate of return. The Board reviews and approves the SIP&G at least once every fiscal year.

The Plans are exposed to financial risks associated with the underlying securities held in the pools created and managed by AIMCo. These financial risks include market risk, credit risk, and liquidity risk. Market risk comprises currency risk, interest rate risk, and price risk. Credit risk is a probable risk of loss resulting from the borrower failing to repay a loan or meet contractual obligations. Liquidity risk is the risk the Plans will not be able to meet their obligations as they fall due. Another type of liquidity risk affecting the Plans' fund is the risk that, for a certain period of time, a given financial asset cannot be traded quickly enough without impacting its market price.

a) Market risk

Market risk is the risk that the fair value or future cash flows of an investment asset or investment liability will fluctuate because of changes in market factors such as foreign exchange rates, interest rates, equity and commodity prices. Market risk is mitigated through diversification of investments across asset types, geography, and time horizons. Market risk is comprised of the following:

i) CURRENCY RISK

Currency risk is the risk that the value of foreign investments will be affected by changes in foreign currency exchange rates for Canadian dollars. The Plans are exposed to currency risk through holdings of investment assets or liabilities in foreign currencies. The relative Canadian value or future cash flows of investments denominated in foreign currencies will change with a change in the price of the Canadian dollar against other currencies.

Foreign investments in absolute return, real estate, and infrastructure are hedged with the aim of minimizing foreign currency exposure. ATRF permits AIMCo to hedge foreign currency holdings to limit the Plans' foreign currency exposure.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

NOTE 10 INVESTMENT RISK MANAGEMENT (CONTINUED)

The Plans' foreign currency exposure is as follows:

($ Thousands)	2025				2024			
Currency	Foreign Currency Exposure	Currency Derivatives	Net Foreign Currency Exposure	% of Total	Foreign Currency Exposure	Currency Derivatives	Net Foreign Currency Exposure	% of Total
United States Dollar	**$ 12,109,656**	**$ (6,140,682)**	**$ 5,968,974**	**63 %**	$ 11,204,264	$ (5,535,009)	$ 5,669,255	65 %
Euro	**3,215,741**	**(1,678,218)**	**1,537,523**	**16**	2,553,149	(1,235,105)	1,318,044	15
Hong Kong Dollar	**363,554**	**1,603**	**365,157**	**4**	270,231	(1,688)	268,543	3
Japanese Yen	**209,582**	**30,434**	**240,016**	**3**	228,201	14,828	243,029	3
Taiwan Dollar	**230,955**	**-**	**230,955**	**3**	174,781	-	174,781	2
British Pound Sterling	**654,159**	**(444,403)**	**209,756**	**2**	526,034	(332,085)	193,949	2
Other	**1,151,426**	**(295,090)**	**856,336**	**9**	1,268,848	(404,308)	864,540	10
	$ 17,935,073	**$ (8,526,356)**	**$ 9,408,717**	**100 %**	$ 16,225,508	$ (7,493,367)	$ 8,732,141	100 %

The net foreign currency exposure of its underlying investments represents 36% (2024: 36%) of the Plans' net investments.

After considering the effect of currency hedges, a 5% increase/decrease in the value of the Canadian dollar against all currencies, with all other variables held constant, would result in an approximate decrease/increase in the value of net foreign investments of $470 million as at August 31, 2025 (2024: $437 million).

ii) INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of an investment will fluctuate as a result of changes in market interest rates. The Plans are exposed to interest rate risk through fixed-rate and floating-rate securities. There are also certain alternative investments which may have interest rate components exposing them to interest rate risk. Changes in interest rates affect fair values of fixed-rate securities and the cash flows of floating-rate securities. Increases in interest rates will generally decrease the fair value of fixed-rate securities and increase cash flow from floating-rate notes.

Interest rate risk sensitivity

The interest rate sensitive assets represent 26% (2024: 23%) of the Plans' net investments.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

NOTE 10 INVESTMENT RISK MANAGEMENT (CONTINUED)

The following table presents the approximate increase/decrease in market value for the Plans' interest rate sensitive investments, assuming a parallel 1% decrease/increase in interest rates, with all other variables held constant:

($ Thousands)	2025			2024		
Term to Maturity	Market Value	Change in Market Value	Market Value % of Total	Market Value	Change in Market Value	Market Value % of Total
Less than 1 year	$ 730,956	$ 681	11 %	$ 456,487	$ 897	8 %
1-3 years	716,099	6,736	11	527,915	5,526	10
3-5 years	349,588	4,499	5	306,252	3,225	6
5-10 years	750,405	17,127	11	350,459	7,984	6
Greater than 10 years	4,144,435	524,446	62	3,854,238	512,370	70
	$ 6,691,483	$ 553,489	100 %	$ 5,495,351	$ 530,002	100 %

iii) EQUITY PRICE RISK

Equity price risk is the risk that the fair value of an investment will fluctuate as a result of changes in equity market prices (other than those arising from interest-rate risk or currency risk), whether those changes are caused by factors specific to the individual investment or factors affecting all securities traded in the market.

Equity price risk is mitigated through the use of geographic, sector and entity specific analyses, and strategies such as diversification and derivative instruments to mitigate the overall impact of price risk.

A 10% increase/decrease in the value of the overall public equity market, with all other variables held constant, would result in an approximate increase/decrease in the value of public-market exposure of $697 million (2024: $673 million).

b) Credit risk

Credit risk is the potential of loss should a counterparty fail to meet its contractual obligations, or a reduction in the value of assets due to deteriorated credit quality of the counterparty, guarantor, or the collateral supporting the credit exposure. The Plans are exposed to credit risk through investment in fixed income investments, securities lending, and balances receivable from sponsors and counterparties.

To mitigate this risk, AIMCo has set investment restrictions to limit the credit exposure to security issuers. Short-term investments require a rating of "R-1" or equivalent. Credit exposure to any single counterparty is limited to maximum amounts and minimum ratings as specified in the relevant product descriptions.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

NOTE 10 INVESTMENT RISK MANAGEMENT (CONTINUED)

As at August 31, 2025, fixed-income investments exposed to credit risk, by credit rating, are as follows:

($ Thousands)	2025		2024	
	Total credit exposure	% of Total	Total credit exposure	% of Total
Investment grade (AAA to BBB-)	$ 4,427,285	67 %	$ 3,758,133	68 %
Speculative grade (BB+ or lower)	366,466	5	1,027,554	19
Unrated[1]	1,897,732	28	709,664	13
	$ 6,691,483	100 %	$ 5,495,351	100 %

[1] Includes private debt investments and holdings for which a credit rating is not assigned.

As at August 31, 2025, the Plans have significant concentration of credit risk within fixed-income investments with the following issuers:

($ Thousands)	2025		2024	
	Fair Value	% of Total	Fair Value	% of Total
Government of Canada	$ 1,047,319	16 %	$ 731,535	13 %
Province of Ontario	1,013,674	15	1,084,400	20
Province of Quebec	801,685	12	862,264	16

The Plans are also exposed to risk through over-the-counter ("OTC") derivative transactions, arising from a default or insolvency of a counterparty.

The Plans have exposure to OTC derivatives as follows:

($ Thousands)	2025	2024
Forwards	$ 21,585	$ 21,256
Options	38	90
	$ 21,623	$ 21,346

c) Liquidity risk

Liquidity risk is the risk of the Plans being unable to generate sufficient cash in a timely and cost-effective manner to meet commitments and expenses as they become due. Consideration is given to the Plans' financial liabilities, which include investment-related liabilities (Note 3), accrued pension obligations (Note 5), and contracts that give rise to commitments for future payments (Note 11).

Liquidity requirements of the Plans are met through income generated from investments, employee and employer contributions, and by holding publicly traded liquid assets in active markets that are easily sold and converted to cash. ATRF also maintains cash holdings with major Canadian financial institutions to manage short-term corporate liquidity needs.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

NOTE 10 INVESTMENT RISK MANAGEMENT (CONTINUED)

The investment-related liabilities are due within one year as follows:

($ Thousands)	2025	2024
Due to brokers	$ 1,516	$ 12,629
Derivative instruments	50,351	9,473
Bonds repurchase agreements	274,123	3,159
	$ 325,990	$ 25,261

The following table presents the liquid investment assets at the year ended August 31:

($ Thousands)	2025	2024
Investment cash	$ 172,174	$ 292,215
Money-market securities	76,087	8,746
Investment related assets	163,809	24,211
Bonds and debentures	4,127,076	4,012,592
Public equity & REITs	7,021,385	6,772,023
	$ 11,560,531	$ 11,109,787

ATRF aims to ensure sufficient liquidity to meet the Plans' obligations while maintaining the agility for suitable investment opportunities and/or rebalancing the investment portfolios to target levels.

NOTE 11 COMMITMENTS

The Plans have committed to fund certain private investments over the next several years. These commitments are generally payable on demand based on the funding needs of the investment subject to the terms and conditions of each commitment. As at August 31, 2025, the sum of these commitments equalled $646 million (2024: $855 million).

NOTE 12 NET INVESTMENT RETURNS, RELATED BENCHMARK RETURNS, AND THE DISCOUNT RATE

Net investment returns, related benchmark returns, and the discount rate for the Plans for the years ended August 31 are as follows:

	2025	2024
Net Investment Return	7.5%	6.9%
Benchmark Return	10.7%	12.3%
Discount Rate	6.5%	6.5%

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

Investment return has been calculated using a time-weighted rate of return methodology in accordance with industry standard methods. Net investment return is net of investment costs and excludes plan member service costs of $16.2 million or 0.06% (2024: $13.6 million or 0.06%).

The Plans' benchmark return is a composite benchmark produced by aggregating returns from each policy asset class benchmark, using the Plans' asset mix policy weights.

The discount rate is the long term expected rate of return on invested assets needed to achieve the Plans fully funded status.

NOTE 13 RECLASSIFICATION

Some prior year figures have been reclassified for current year's presentation.

NOTE 14 SUBSEQUENT EVENTS

On October 28, 2025, subsequent to the reporting date of August 31, 2025, the Government of Alberta enacted the *Back to School Act* (Bill 2), legislating a new collective bargaining agreement for Alberta teachers. The agreement includes retroactive salary increases effective September 1, 2024, and applies through to August 31, 2028.

Components of the financial statements that were affected by this event include changes in actuarial assumptions, experience losses (gains), and accrued pension obligations. The relevant amounts have been incorporated in the current financial statements and notes.

Other components of the financial statements that were affected by this event are benefits paid and contributions, however, they cannot be accurately estimated. The amounts are not expected to be material when determined and will be reflected in the fiscal period that they are received/paid.

NOTE 15 APPROVALS OF FINANCIAL STATEMENTS

These financial statements were approved by the ATRF Board on Thursday, December 11, 2025.

10–year Financial and Statistical Review

(UNAUDITED)

Financial Position as at August 31	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
($ millions)										
Investments										
Fixed Income	**4,375**	4,314	4,832	4,545	4,409	4,790	4,701	4,277	3,640	3,040
Public equity	**7,021**	6,772	6,607	6,573	8,463	6,805	6,358	6,140	5,609	5,350
Private equity	**5,992**	4,715	3,792	3,456	2,733	2,100	1,883	1,538	1,398	1,196
Absolute Return	**2,581**	2,301	2,377	2,246	2,150	1,873	1,672	1,511	1,340	1,280
Real Estate	**2,164**	2,291	2,846	3,028	2,709	2,665	2,737	2,389	1,940	1,518
Infrastructure	**3,526**	3,543	2,441	2,108	1,872	1,545	1,260	1,076	952	947
Renewables	**470**	435	-	-	-	-	-	-	-	-
Other Investment Assets/(Liabilities)	**(162)**	(1)	(52)	(55)	25	(467)	(467)	(368)	(114)	30
Net Investments	**25,967**	**24,370**	**22,843**	**21,901**	**22,361**	**19,311**	**18,144**	**16,563**	**14,765**	**13,361**
Contributions Receivable	**17**	17	18	18	16	17	26	20	26	26
Other Assets and Liabilities	**27**	3	16	24	(35)	(30)	(34)	(32)	(23)	(30)
Net Assets Available for Benefits	**26,011**	**24,390**	**22,877**	**21,943**	**22,342**	**19,298**	**18,136**	**16,551**	**14,768**	**13,357**
Actuarial Value of Accrued Pension Obligations*	**20,783**	19,142	18,243	17,908	17,022	16,216	14,688	13,854	12,863	12,118
Surplus / (Deficiency)	**5,228**	**5,248**	**4,634**	**4,035**	**5,320**	**3,082**	**3,448**	**2,697**	**1,905**	**1,239**
Activity during year ended August 31										
($ millions)										
Benefit and Investment Operations										
Investment earnings	**2,014**	1,817	1,143	(185)	3,208	1,146	1,471	1,569	1,154	920
Net contributions	**723**	779	744	799	799	829	844	871	849	882
Benefits paid	**(910)**	(828)	(758)	(769)	(747)	(658)	(558)	(509)	(459)	(421)
Investment & member service expenses	**(206)**	(255)	(195)	(244)	(217)	(155)	(172)	(147)	(134)	(94)
Increase in Net Assets	**1,621**	**1,513**	**934**	**(399)**	**3,043**	**1,162**	**1,585**	**1,784**	**1,410**	**1,287**
Increase in Accrued Pension Obligations	**1,642**	898	336	885	806	1,528	834	992	744	837
Increase (Decrease) in Surplus	**(20)**	**615**	**598**	**(1,284)**	**2,237**	**(366)**	**751**	**792**	**666**	**450**
Funding:										
Discount Rate										
Post-1992 TPP**	**5.15%**	4.90%	4.90%	4.80%	4.90%	5.15%	5.15%	5.20%	5.40%	6.00%
Independent School TPP**	**5.15%**	4.95%	4.95%	4.90%	4.90%	5.00%	5.10%	5.30%	5.40%	6.00%
Funding Shortfall/(Surplus) ($ millions)										
Post-1992 TPP**	**(602)**	(415)	(216)	215	322	711	863	1,186	1,516	1,950
Independent School TPP**	**(15)**	(12)	(11)	(8)	(7)	(2)	(2)	(2)	1	4
	(617)	(427)	(227)	207	315	709	861	1,184	1,517	1,954
Plan Members										
Active	**44,034**	43,371	42,617	42,053	42,186	41,701	42,278	41,746	40,716	41,015
Inactive	**12,230**	12,177	12,123	12,075	11,833	12,116	11,847	11,758	11,997	12,102
Retired Members	**32,974**	32,423	31,839	31,233	30,582	29,851	29,108	28,241	27,625	27,015
Number of New Pensions	**1,069**	1,049	1,096	1,129	1,105	1,147	1,180	1,089	1,171	1,074
Member Service Costs (per member)	**$213**	**$179**	**$170**	**$128**	**$114**	**$118**	**$120**	**$111**	**$97**	**$90**
Post 1992 TPP* - year ended August 31										
Net Investment Returns	**7.5%**	6.9%	4.4%	-1.8%	15.6%	5.5%	7.8%	9.6%	7.7%	6.7%
Benchmark	**10.7%**	12.3%	8.5%	-4.1%	13.8%	7.3%	6.4%	8.5%	7.0%	6.6%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