

Harbourline Pension Trust

2025 Annual Report to Members

Funded status 118% | Net assets \$42.7 billion | 231,400 members



Cover artwork: layered bands in the plan's colours.

A plan built to pay pensions for decades

This report covers the year ended 31 December 2025. It sets out how the plan invested, what it earned, how the funding position moved, and what the Board expects over the next three years. Figures are in Canadian dollars unless stated otherwise.

Specimen document prepared for accessibility testing. Harbourline Pension Trust is a fictional organization and every figure in this report is illustrative.

Message from the Chair

Two thousand twenty-five tested the assumptions every pension plan carries. Inflation settled lower than forecast, long bond yields moved twice in the same quarter, and public equity leadership narrowed to a handful of names. The plan finished the year funded at 118 percent on a going-concern basis, up from 114 percent.

That result did not come from a single decision. It came from the asset mix the Board set in 2022, from the decision to hold duration through the second quarter, and from the private credit programme reaching its target weight a year ahead of plan. We expect none of those conditions to repeat in the same combination.

A pension promise is only as good as the funding discipline behind it in the years nobody is watching.

Dana Whitfield, Chair of the Board of Trustees

The Board reviewed the funding policy in September and left the margin for adverse deviation unchanged at four percent. Three trustees asked for a sensitivity study on a sustained low-return decade; that work is under way and will be reported next year.

Nous avons également publié cette année notre premier rapport sur les risques climatiques, conformément aux attentes des organismes de réglementation. Le rapport complet est disponible sur notre site Web.

Read the full climate risk report at <https://www.harbourlinepension.example/reports/climate-2025>



2025 net investment return by asset class

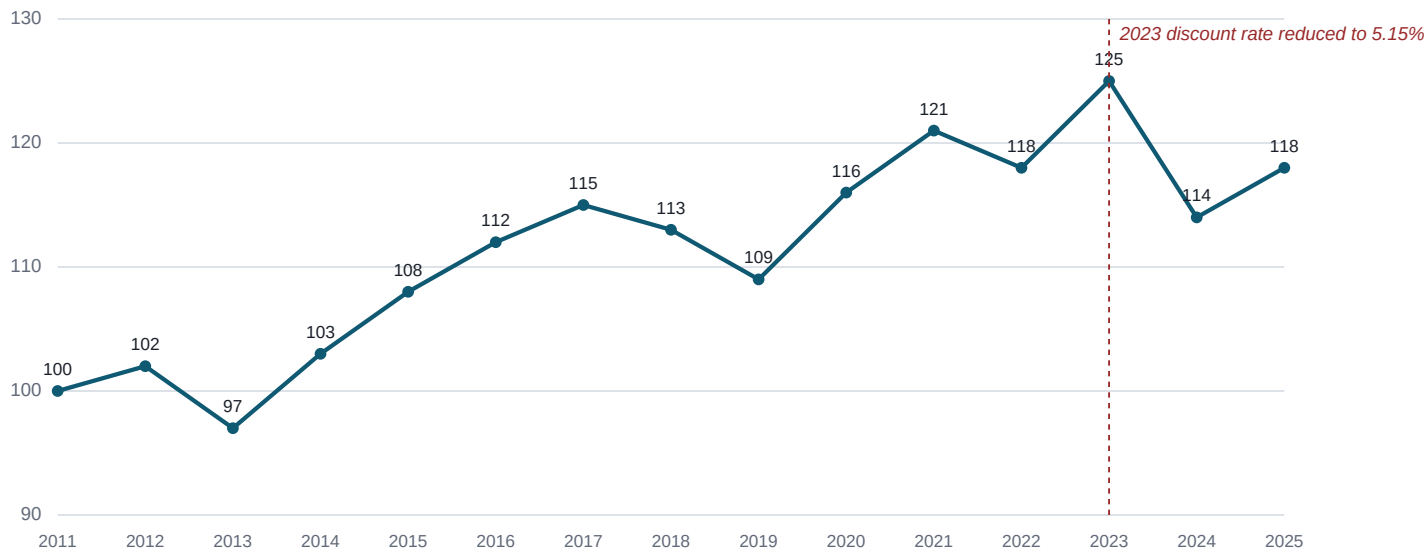
Returns are net of external investment management fees and are shown against the benchmark adopted by the Board for each mandate. Market values are in millions of Canadian dollars at 31 December 2025.

Asset class	Market value	2025 return	Benchmark	Benchmark return	Difference
Canadian equities	\$ 3,842	12.4%	S&P/TSX Composite	11.8%	0.6%
Global developed equities	\$ 9,517	18.1%	MSCI World	17.4%	0.7%
Emerging market equities	\$ 2,106	6.3%	MSCI EM	7.1%	-0.8%
Nominal bonds	\$ 6,295	1.5%	Custom benchmark	1.2%	0.3%
Inflation-linked bonds	\$ 2,884	0.4%	Custom benchmark	0.9%	-0.5%
Private credit	\$ 4,470	9.8%	Custom benchmark	8.2%	1.6%
Real assets	\$ 7,229	5.2%	Custom benchmark	4.4%	0.8%
Infrastructure	\$ 5,118	7.6%	Custom benchmark	6.9%	0.7%
Cash and equivalents	\$ 1,242	4.1%	FTSE 91-day T-bill	4.0%	0.1%
Total plan	\$ 42,703	9.1%	Policy benchmark	8.3%	0.8%

1. Private credit and infrastructure are valued quarterly with a one-quarter lag. 2. The difference column may not equal the arithmetic difference of the two return columns because of rounding. 3. The policy benchmark is rebalanced monthly.

Funded status, 2011 to 2025

Going-concern funded ratio at each 31 December valuation date. A ratio above 100 percent means the plan holds more assets than the value of the pensions promised.



The ratio fell in 2014 and again in 2022 for different reasons. The 2014 decline followed a mortality table update that lengthened expected payment periods. The 2022 decline followed the discount rate reduction the Board approved that September.

The Board's funding policy targets a ratio between 105 and 125 percent. Above that band, contribution reductions are considered; below it, the policy requires a written plan to return to the band within three valuation cycles.

Who the plan serves

Membership grew by 3.4 percent in 2025, the eighth consecutive year of growth. Most of that growth came from three employer groups joining in the first half of the year, bringing 4,180 active members with them. The ratio of active members to retired members was 1.71 to 1 at year end, down from 1.78 to 1.

That ratio matters more than its slow drift suggests. A plan with more retired members than contributing members depends more heavily on investment returns and less on contributions, which makes the funded ratio more sensitive to market conditions in any single year. The Board reviews the ratio annually against the funding policy.

The average annual pension paid to a member who retired in 2025 was \$31,940, compared with \$30,110 for those who retired in 2024. The increase reflects both salary growth and longer average service at retirement.

At a glance

Active members

146,200

Retired members

85,200

Employers

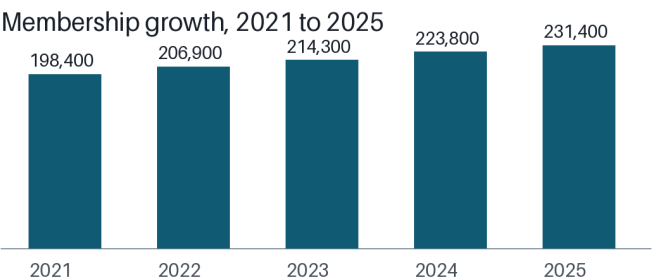
118

Average pension

\$31,940

Pensions paid in 2025

\$2.41 billion



Membership growth, 2021 to 2025.

Members can estimate their own pension using the calculator in the secure member portal. Registration requires the member number printed on the annual statement. Questions about a specific pension should go to member services rather than to the addresses listed at the back of this report.



Note 3 - Investments by category

Fair value at 31 December 2025, in millions of Canadian dollars, with each category shown as a percentage of total investments.

Category	Fair value	% of total
3(a) Equities		
Canadian equities	\$ 3,842	9.0%
United States equities	\$ 6,118	14.3%
International developed equities	\$ 3,399	8.0%
Emerging market equities	\$ 2,106	4.9%
Total equities	\$ 15,465	36.2%
3(b) Fixed income		
Government of Canada bonds	\$ 2,914	6.8%
Provincial bonds	\$ 2,196	5.1%
Corporate bonds	\$ 1,185	2.8%
Real return bonds	\$ 2,884	6.8%
Total fixed income	\$ 9,179	21.5%
3(c) Private markets		
Private credit	\$ 4,470	10.5%
Real estate	\$ 7,229	16.9%
Infrastructure	\$ 5,118	12.0%
Total private markets	\$ 16,817	39.4%
Total investments	\$ 42,703	100.0%

Amounts shown for private credit, real estate and infrastructure reflect the most recent external valuations available at the reporting date, adjusted for cash flows since that valuation. Percentages may not sum to 100.0 because of rounding.

Board of Trustees

The Board has twelve trustees. Six are appointed by participating employers and six by the member associations. Trustees serve three-year terms and may be reappointed twice.

Dana Whitfield, Chair

Marcus Oyelaran, Vice-Chair

Priya Raghunathan

Elena Kowalczyk

Samuel Adeyemi

Beatrice Lindqvist

Tomas Svoboda

Aisha Bettencourt

Gregory Nakamura

Ines Ferreira-Duarte

Oluwaseun Balogun

Margaret Ainsworth

Committee attendance in 2025

Audit and Finance	7 meetings	96% attendance
Investment	11 meetings	94% attendance
Governance and Human Resources	5 meetings	100% attendance
Appeals	4 meetings	92% attendance

Trustee expenses, remuneration and the charter of each committee are published in the governance section of the plan website. The Board's conflict of interest policy was last reviewed in March 2025 and applies to trustees, officers and external advisers.



Changes in net assets available for benefits

Years ended 31 December, in millions of Canadian dollars.

	2025	2024
Increase in net assets		
Investment income	\$ 3,612	\$ 2,884
Contributions from employers	\$ 1,148	\$ 1,072
Contributions from members	\$ 1,102	\$ 1,031
Transfers from other plans	\$ 94	\$ 118
Total increase	\$ 5,956	\$ 5,105
Decrease in net assets		
Pensions paid	\$ 2,410	\$ 2,268
Termination and death benefits	\$ 212	\$ 196
Investment management expenses	\$ 184	\$ 171
Administrative expenses	\$ 71	\$ 68
Total decrease	\$ 2,877	\$ 2,703
Increase in net assets for the year	\$ 3,079	\$ 2,402

These extracts are drawn from the audited financial statements. The complete statements, including the auditor's report and all notes, are available at:

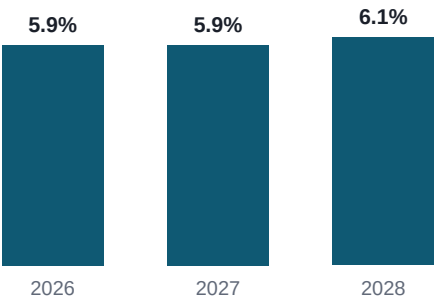
<https://www.harbourlinepension.example/annual-report/2025/financial-statements>

What the Board expects

The Board's three-year outlook assumes a nominal return of 5.9 percent a year, which is below the ten-year realized return of 7.2 percent. The gap is deliberate. Half of the realized return came from a decade in which both equities and bonds rose together, a combination the Board does not expect to repeat.

Contribution rates are unchanged for 2026. The next funding valuation is scheduled for 31 December 2026 and will be filed with the regulator in mid-2027.

Assumed nominal return



Three risks sit above the others in the Board's register. The first is a sustained period of real returns below three percent, which would consume the funding margin within two valuation cycles. The second is the maturity of the membership: the active to retired ratio is expected to fall below 1.6 to 1 by 2029. The third is concentration in the private markets programme, where four managers hold 61 percent of committed capital.

Each risk has a named owner, a quarterly reporting line to the Investment Committee, and a defined trigger that escalates it to the full Board. The register is reviewed in its entirety once a year and after any event that moves the funded ratio by more than four percentage points.

Asset mix at 31 December 2025



Asset mix at 31 December 2025.



How to reach us

Member services

Harbourline Pension Trust
480 Winslow Street, Suite 1900
Toronto, Ontario M5H 2N2
1-800-555-0148
members@harbourlinepension.example

Employers

Employer reporting and remittance
1-800-555-0172
employers@harbourlinepension.example
Remittance deadlines are published each
December for the following year.

Media and general enquiries

communications@harbourlinepension.example
1-416-555-0190
Media requests are answered within one
business day.

Publications

Annual report archive

<https://www.harbourlinepension.example/reports/annual/archive>

Funding policy

<https://www.harbourlinepension.example/governance/funding-policy-2025>

Climate risk report

<https://www.harbourlinepension.example/reports/climate-2025>

This report is available in alternative formats on request. Harbourline Pension Trust is a fictional organization and this document is a specimen prepared for accessibility testing; every figure in it is illustrative.