



2025 Annual Report

Pension Plan for the Employees of the University of Prince Edward Island



For the period from January 1, 2025, to December 31, 2025

A message from your Trustees

Your UPEI Pension Plan remains in good health.

In 2025, our investment portfolio continued to perform well, delivering strong returns for the third year in a row at **8.24%**.

It was also a busy year as we completed the plan's fourth actuarial valuation since converting to a Jointly Sponsored Pension Plan (JSPP) back in 2017. The JSPP model continues to serve us well – the actuarial valuation effective April 30, 2025, showed the plan was **103.8% funded**.

We review the plan's investment managers on a regular basis. In 2025, we decided to enhance the plan's global equity investments by adding a new investment manager whose approach complements our current global equity manager. The new investment manager will be onboarded in 2026 and will help further diversify the plan's assets.

Looking ahead, we will continue to manage risk carefully amid ongoing political and geopolitical uncertainty. For example, continued U.S. tariffs on Canadian imports could affect Canadian investment markets, given our close trading relationship.

While our focus remains long-term, we stay nimble and ready to adjust as needed to protect the plan's financial health and secure your future pension benefits.

We encourage you to review this report to learn more about JSPP funding, investment performance, governance, and our growing membership.

Please get in touch if you have any questions.

Sincerely,

*Board of Trustees
of the Pension Plan for Employees of the University of Prince Edward Island*



The plan was
103.8%
funded, according to
the most recent
actuarial valuation
on April 30, 2025

upei.ca/hr/upei-pension-plan

Access your pension booklet, get details about your pension benefits, and learn more about plan governance, funding, and performance.

Hint: add this URL to your bookmarks for easy reference!

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Financial highlights

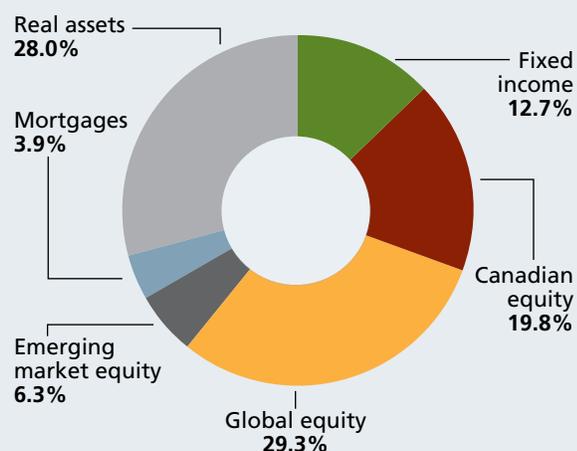
2025 was another strong year for the plan, building on the success of 2024. The plan's investment portfolio returned **8.24%** after all fees and expenses, and the four-year net investment return was **6.38%**.

How the plan's investments performed

Annualized net returns		
1-year: 8.24%	4-year: 6.38%	10-year: 8.00%

UPEI Pension Plan performance

The plan's investment mix



Policy targets

Whenever the portfolio weights deviate from the policy targets, a re-balancing of assets is performed to re-align with policy targets.

● Fixed income 15%	● Emerging market equity 5%
● Canadian equity 15%	● Mortgages 5%
● Global equity 30%	● Real assets 30%

Asset managers

Asset Class	Manager(s)	UNPRI Rating*
Fixed income	TD Asset Management	5
Canadian equity	Fidelity Fiera	5 4
Global equity	Walter Scott	4
Emerging market equity	Connor, Clark & Lunn	4
Mortgages	Phillips, Hager & North	5
Real assets	Fiera Brookfield IFM Investors	5 5 5

*United Nations Principles for Responsible Investments (UNPRI) rating out of 5 stars.

The plan's assets

Market value of assets as of January 1, 2025	\$413,957,240
Employee regular contributions	\$7,627,949
Employer regular contributions	\$8,298,752
Employee past service contributions	\$200,605
Termination / death payouts	-\$1,123,011
Payments to pensioners	-\$18,361,055
Plan expenses ¹	-\$2,604,973
Investment income	\$36,540,343
Market value of assets as of December 31, 2025	\$444,535,850

¹ Expenses relate to investment management, audit, actuarial and administration.

Funding

The plan's growth and future financial health depend on contributions (both member and employer) and, to a larger extent, on investment returns.

Current contribution rates

Member

- **8.68%** of pensionable payroll (7.99% on CPP earnings and 9.79% on non-CPP earnings).
- **Special employee contributions ceased June 30, 2025.**

Employer

- **9.68%** of pensionable payroll.
- *Includes 1.00% for special contributions* payable until September 30, 2031.*

* *Special contributions were put in place to address the deficit that existed at the time of the plan's conversion to a JSPP.*

Monitoring the plan's financial health

Investment income funds most of the pensions paid to members, so long-term returns play an important role in the plan's future financial health. Under the JSPP model, the Trustees assess plan funding and recommend actions to the Sponsor Board if a surplus or deficit arises.

Funded status

The Income Tax Act requires the plan to conduct an actuarial valuation at least once every three years. Through this valuation, an actuary will look at how well plan assets are balancing against plan liabilities and determine the funded status. The funded status reflects the plan's financial health and helps gauge when corrective action is needed.

We use a going-concern valuation, which assumes the plan will continue to operate indefinitely. The most recent valuation as of April 30, 2025, showed the plan was **103.8%** funded on a going-concern basis. The next formal valuation must be completed with an effective date no later than April 30, 2028.

Indexing

Indexing is an advantage of the plan because it provides periodic increases to pension benefits to help offset the impact of inflation. This year's increase is 0.83%. Many plans do not include this valuable feature.

To support plan sustainability, indexing is provided only when the plan's four-year average net return exceeds the assumed interest rate in the most recent actuarial valuation, which is currently 5.50%. When granted, indexing takes effect on January 1 each year.

Here is a summary of pensioner indexing in recent years:

2026	2025	2024	2023	2022
0.83% ¹	2.05%	1.06%	2.03%	3.40%

¹ The plan's four-year average net rate of return at December 31, 2025, was 6.38%, which exceeded the base rate of 5.50%. Therefore, monthly pension payments will be increased retroactive to January 1, 2026, at 0.83% (i.e., $1.0638 / 1.055 - 1$).



Plan membership

We're pleased to see our membership continuing to grow, with **153** new active members in 2025. We also had **42** new retirees – congratulations and best wishes on this new chapter in your life.

	Actives	Deferred	Retirees	Total
As of December 31, 2024	834	88	529	1,451
Retired	-40	-2	42	0
Moved to deferred status	-19	19	0	0
Termination paid	-28	-20	0	-48
Death	0	0	-14	-14
New survivors	0	0	6	6
New entrants	153	0	0	153
As of December 31, 2025	900	85	563	1,548

Governance

Governance responsibilities are split between the Sponsor Board and the Board of Trustees.

The Board of Trustees held quarterly meetings, two meetings on the search for a new global equity manager, one meeting to review governing documents, and two meetings with the Sponsor Board on the 2025 actuarial valuation.

The Sponsor Board held two joint meetings with the Board of Trustees on the actuarial valuation and three meetings to review and approve the Board of Trustees' recommended changes to the governing documents.

Sponsor Board

- Sets benefits, contributions, and funding policies
- Determines the timing of actuarial valuations
- Determines the level of risk appropriate for the plan's asset mix

Board of Trustees

- Manages member communication
- Administers the plan
- Manages plan investments
- Makes decisions about the plan's day-to-day operations

Employer	Unions
Alex MacBeath (Co-chair) Board of Governors	Ye (George) Jia (Co-chair) Faculty Association
Tim Walker VP Administration & Finance	Nathan Rainnie CUPE 1870
Jennifer Mersereau* Board of Governors	Thomas Ravenhill CUPE 501
Jane Ngobia VP People & Culture	Adam Timmons IBEW 1928

Employer	Unions
Carol De Veau (Co-chair) Board of Governors	Robert Olscamp (Co-chair) CUPE 1870
Marianna Carter Board of Governors	Yechao Meng Faculty Association
Peter Hayes Board of Governors	Enio Rodriguez Camiro CUPE 501
Kathy MacKenzie Board of Governors	Jonathan Holmes IBEW 1928
Phil Hooper Retiree Appointee	Betty Jeffery Retiree Appointee

* Term ended December 31, 2025. Replacement to be determined.

Have questions or need more information?

Contact Human Resources

Email: upeipension@upepei.ca

Phone: (902) 566-0517

Fax: (902) 894-2895

Final word

This report provides summary information about the University of Prince Edward Island Pension Plan. It is not intended to be comprehensive or to provide advice. If there are any differences between the information provided in this report and the legal documents that govern the plan, the legal documents will apply.

The University of Prince Edward Island Pension Plan – Registration No. 0520635