2025 ANNUAL REPORT

WINNIPEG POLICE PENSION PLAN

The *Winnipeg Police Pension Plan* operates in Winnipeg, which is located in Treaty One Territory, the home and traditional lands of the Anishinaabe (Ojibwe), Ininew (Cree), and Dakota peoples, and in the National Homeland of the Red River Métis. Our drinking water comes from Shoal Lake 40 First Nation, in Treaty Three Territory.

This annual report of the *Winnipeg Police Pension Plan* (the *Plan*), for the year ended December 31, 2025, contains audited financial statements of the *Plan* and highlights the activity of the *Winnipeg Police Pension Board* (the *Board*), as well as key operational activities in the year.

CONTENTS

MESSAGE FROM THE BOARD CHAIRS

A pension you can count on—it is something the entire *Winnipeg Police Pension Board* is honoured to be entrusted with delivering. Our Members' devotion and service to our community inspires us to not only plan for their secure retirement, but to plan for it as if it were our own. That commitment shows up in our investment strategies, governance, work ethic, values, and strength of leadership.

In 2025, much of that leadership was provided by the *Program's* new Chief Executive Officer (CEO), Cheldon Angus. His forward-thinking, along with his advocacy for training and modernization, have improved the collaboration and transparency between the *Board, Pension Committee,* and employees. All of which have contributed to the *Plan's* very strong position, both financially and operationally.

Strong investment returns also contributed to the *Plan's* financial strength and performance last year. In 2025, the *Plan's* long-term investment rate of returns remained steady with a four-year annualized rate of return of 7.16% (topping our 4-yr objective by 0.38% per year) and a ten-year annualized rate of return of 8.55% (exceeding our 10-yr objective by 0.66% per year), both measured as of December 31, 2025. The *Plan's* investment portfolio also posted a one-year rate of return of 9.06%, trailing the *Plan's* policy benchmark by 0.99% (as measured by RBC Investor Services, an independent measurement service).

We are also pleased to report that in 2025, our healthy funded status allowed the *Winnipeg Police Pension Plan* to provide for annual Cost-of-Living Adjustments (COLA) to both pensions in payment and deferred pensions. The COLA was granted at a rate of 68.71% (up from 65.40% in 2024) of the annual increase in Canada's Consumer Price Index as at March 31, 2026. This solid performance in uncertain times demonstrates both the resilience of the *Plan* and our dedication to keeping Members at the forefront of all decision-making.

Looking ahead, the *Board, Committee* Members, and management are incredibly confident in our vision for the long-term sustainability of the *Winnipeg Police Pension Plan*. Ensuring Members and their families can count on our strong governance and stewardship is an honour we are privileged to uphold.

On behalf of the entire *Winnipeg Police Pension Board*, we thank you for your dedication and service.

Sincerely,
Tracy Graham (Chair) and **Cory Wiles** (Vice-Chair)

FINANCIAL HIGHLIGHTS

106.6% FUNDED RATIO

$2.6B
NET ASSETS
(for the *Plan*)

$218M
NET INVESTMENT INCOME
(for the *Plan*)

2025 Rate of Return
9.1%

4-Year Annualized Rate of Return
7.2%

10-Year Annualized Rate of Return
8.6%

2,990

TOTAL PLAN MEMBERSHIP

$3,064.46

AVERAGE BIWEEKLY NEW PENSION

516

Members are Eligible to Retire in the Next 10 Years

2025 AT A GLANCE

The *Plan* currently serves over 2,990 Members (comprised of police officers, retired police officers, and other beneficiaries) with assets under management of more than $2.6 billion.

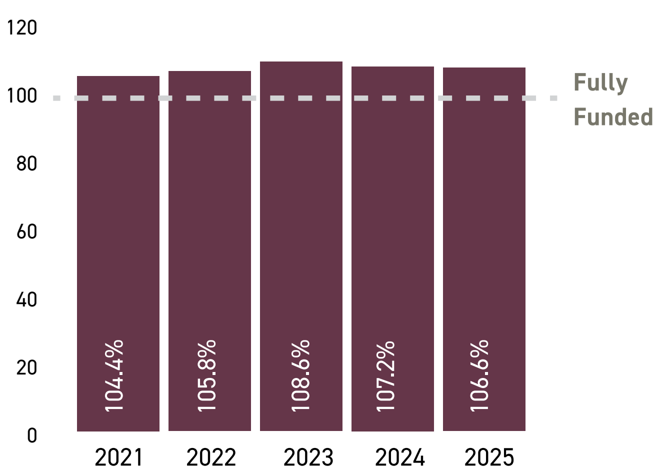
Funded Status

Actuarial valuation results as at December 31, 2025, show that:

- The *Plan* had a surplus of "smoothed value" of assets versus going-concern liabilities of $148.4 million and a going-concern funded ratio of 106.6% (prior to resolution of the in-year surplus in the Main Account—General Component; refer to Financial Status section on page 13 for details).
- "Excess" investment returns (those that exceeded the assumed rate of investment return in 2021, 2023, 2024, and 2025) generated $72.6 million to be recognized in 2025 and a further $220.8 million to be recognized for actuarial valuation purposes in future years (through 2029), under the "asset smoothing" technique used by the *Plan*.

FUNDED RATIO BASED ON ACTUARIAL VALUE OF ASSETS

(%)

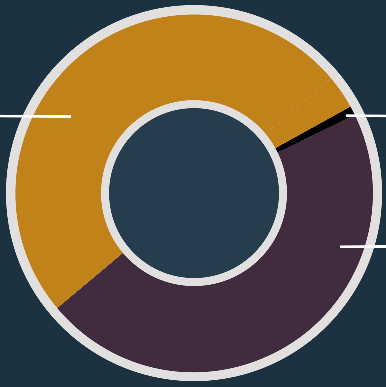


MEMBERSHIP HIGHLIGHTS

As at December 31, 2025

The ratio of contributing Members has increased slightly in 2025. There were 45 retirements in 2025 (36 in 2024) and 95 new hires (96 in 2024).

1,550 CONTRIBUTING MEMBERS (95 New Members)



20 INACTIVE MEMBERS

1,420 PENSIONERS

55 YEARS Average Age at Retirement in 2025

73 YEARS Average Age of Pensioners

41.9 YEARS Average Age of Contributing Members

14.5 YEARS Average Credited Service of Contributing Members

NEW RETIREES BY AGE

Under 50	5 Members
50-54	18 Members
55-59	15 Members
60-64	7 Members
65+	0 Members

- **45** New Retirees
- **17** New Survivor Beneficiaries
- **2** Additional Deferred Pensions
- **3** Commuted Values Paid

INVESTMENTS

2025 Investments Overview

The 2025 investment landscape marks the third consecutive year of robust equity returns despite persistent geopolitical uncertainties. Canadian equities stole the spotlight from their US counterparts as the S&P/TSX Capped Composite Index rose 31.7%, led by a strong gold rally and Canadian small-cap stocks. Emerging and international equities also delivered strong returns of 27.3% and 26.2% respectively. In contrast, US equities lagged with the S&P 500 returning just 12.4% for Canadian investors (17.9% in USD terms), dampened by a weaker US dollar that saw the Canadian dollar rebound strongly in 2025. The market dynamics shifted beyond the famous Magnificent Seven tech giants—Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, and Tesla—as a wider array of stocks contributed to returns, though these companies still maintained significant influence, with Nvidia being a key growth driver.

Fixed income markets faced another challenging year, with traditional bonds struggling alongside higher bond yields despite the Bank of Canada cutting short rates to 2.25% by year-end. Emerging market debt and US high yield stood out as top performers in public fixed income, while Canadian universe bonds posted modest 2.6% gains and Canadian long bonds declined 0.8%.

After several years of notable gains, alternative investments lagged elevated global equities but remain vital tools for building resilience in the portfolio. For the year, private markets revealed a mixed but encouraging landscape, with private credit and infrastructure delivering solid returns and commercial real estate showing steady improvement. By incorporating alternatives into asset allocation, we can better prepare for the inevitable volatility and uncertainty that characterizes financial markets from time to time.

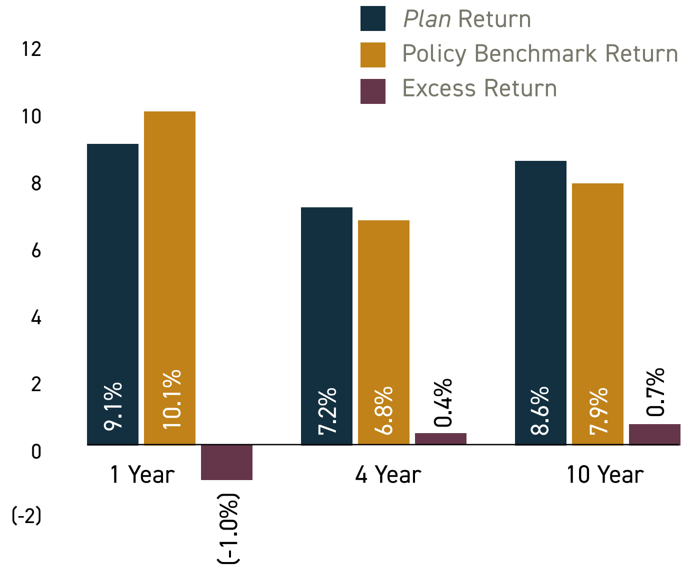
2025 Investment Performance

Based on investment return and risk considerations, the *Board* has established a target asset mix (the "long-term policy asset mix"), which is identified in the *Plan's* Statement of Investment Policies and Procedures. Based on the capital market conditions as of December 31, 2025, the expected long-term real rate of return on this target mix is 4.0% per annum.

The *Plan* also measures its success against its target asset mix objectives and against key benchmarks (for example, stock and bond market indices). The *Plan's* investment portfolio posted a one-year rate of return of 9.06%, trailing the *Plan's* policy benchmark by 0.99% (the benchmark's return was 10.05% as measured by RBC Investor Services, an independent measurement service). The *Plan's* long-term investment rate of returns remains steady with a four-year annualized rate of return of 7.16% (topping our 4-yr objective by 0.38% per year), and a ten-year annualized rate of return of 8.55% (exceeding our 10-yr objective by 0.66% per year), both measured as of December 31, 2025.

2025 PLAN RETURNS

Annualized (%)



The *Plan's* healthy portfolio return lagged its benchmark portfolio in 2025, primarily due to lower relative returns in equities and real estate. In the meantime, the private capital and infrastructure asset classes outpaced their benchmarks, while posting mid-single digit returns and fixed income kept pace with its benchmark.

TOTAL RETURNS 2025

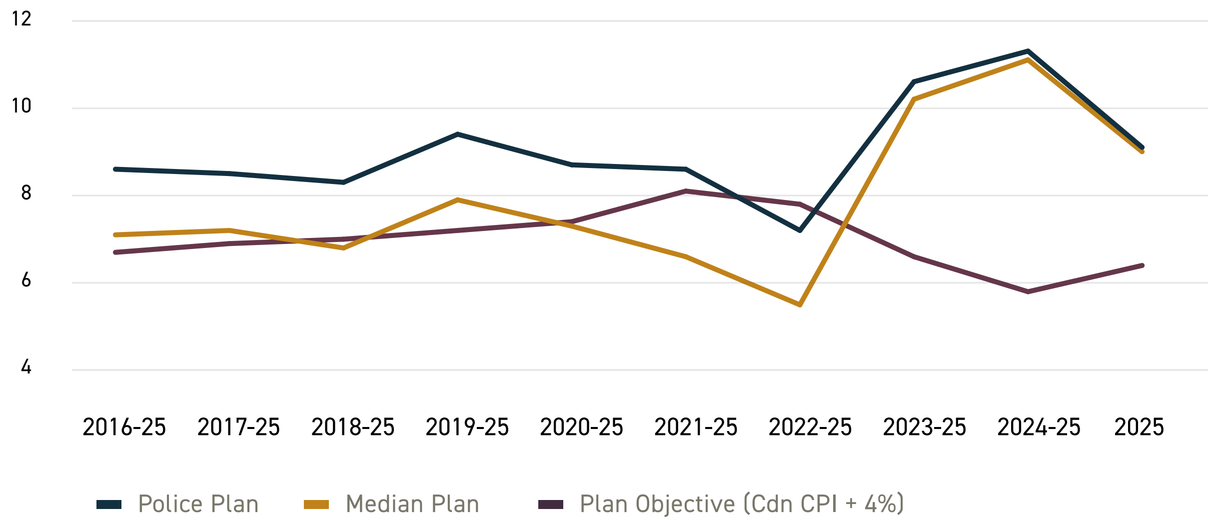
	One Year	Four Years	Ten Years
Total Fund	**9.1%**	**7.2%**	**8.6%**
Bonds and debentures	2.5%	1.0%	2.9%
Canadian equities	29.9%	14.6%	11.5%
Foreign equities	18.2%	10.6%	12.9%
Private capital	3.3%	10.8%	N/A
Real estate	-2.9%	3.0%	6.5%
Infrastructure	7.7%	9.5%	9.8%
Benchmarks			
Plan Benchmark*	10.1%	6.8%	7.9%
Fixed Income Benchmark	2.6%	0.2%	2.3%
S&P / TSX Composite Index	31.7%	13.9%	12.7%
S&P 500 (CAD$)	12.4%	13.4%	14.7%
MSCI ACWI Ex-US Index	26.2%	10.2%	8.3%
Private Placements Benchmark	2.7%	6.6%	N/A
Real Estate Benchmark	-0.3%	0.9%	3.8%
Infrastructure Benchmark	6.4%	8.1%	7.8%
Consumer Price Index (CPI)	2.4%	3.5%	2.7%

**Plan Benchmark is comprised of indices considered appropriate for each applicable asset class, each weighted in proportion to the Plan's assets.*

The *Plan* also considers the performance of other pension plans of a similar size (reported as the "median plan" performance). In 2025, the *Plan's* rate of return on investments of 9.06% exceeded the median Canadian pension fund return of 8.95% (as reported by RBC Investment Services - Plans Over $1Bn Universe). This ranked the *Plan* in the 42nd percentile among larger pension plans in Canada. For the four- and ten-year returns ended December 31, 2025, the *Plan's* investments ranked in the 18th and 12th percentiles, respectively.

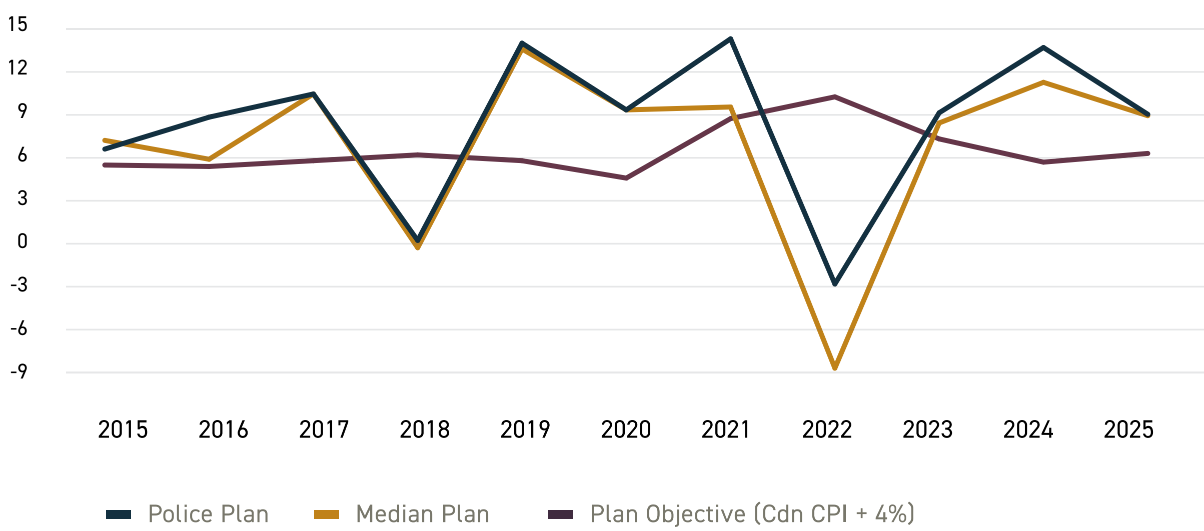
ANNUALIZED RATES OF RETURN

(%)



ANNUAL RATES OF RETURN

(%)



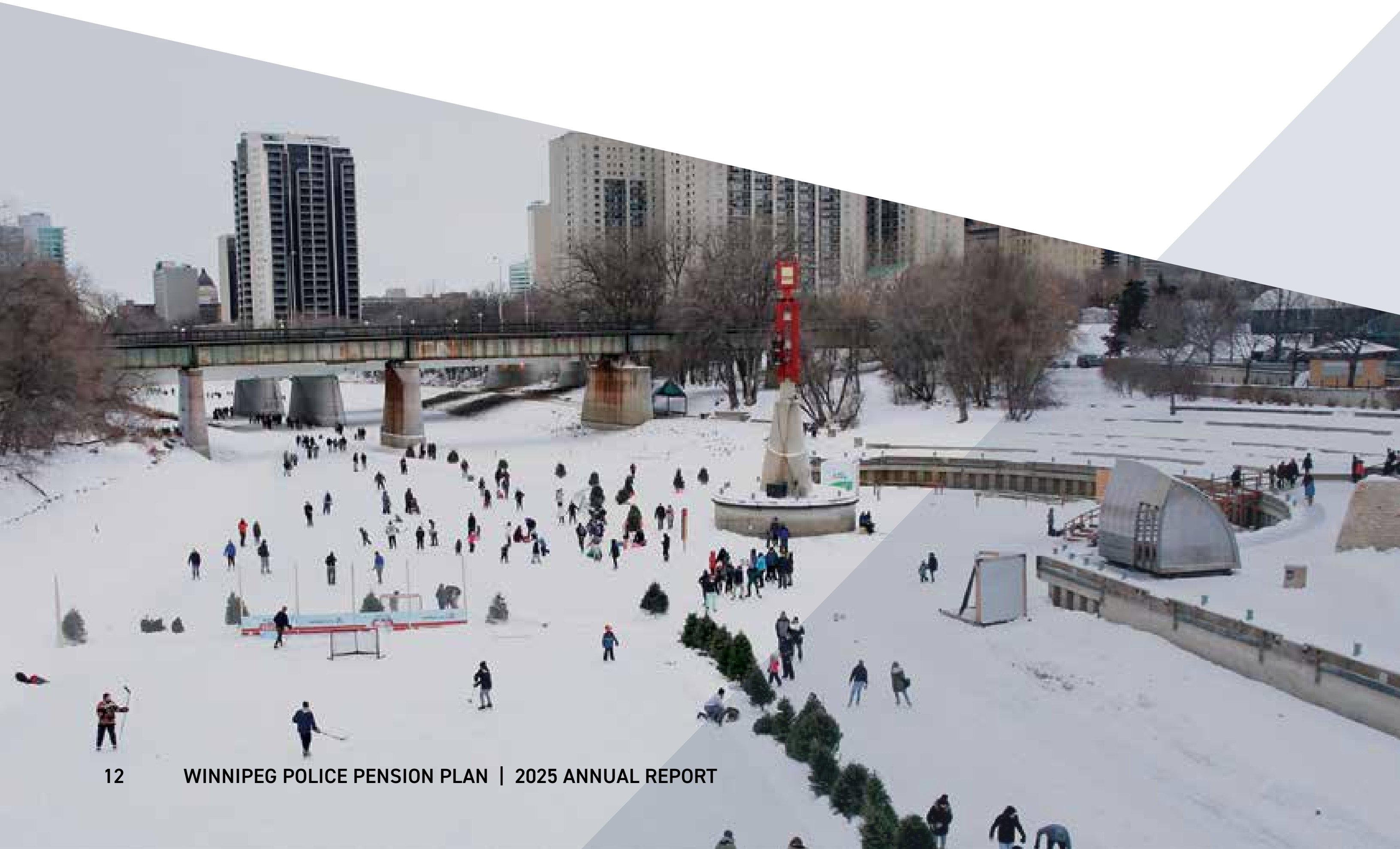
The portfolio continues to experience strong risk-adjusted returns, maintaining a suitably lower volatility return profile for the *Plan*.

Investment Management

The *Plan* continues to move closer to its long-term policy asset mix established in 2024 by shifting assets away from Canadian, US, and international equities and into Real Estate, Infrastructure, and Private Debt. For the foreseeable future, the *Plan* will utilize a transitional target asset mix.

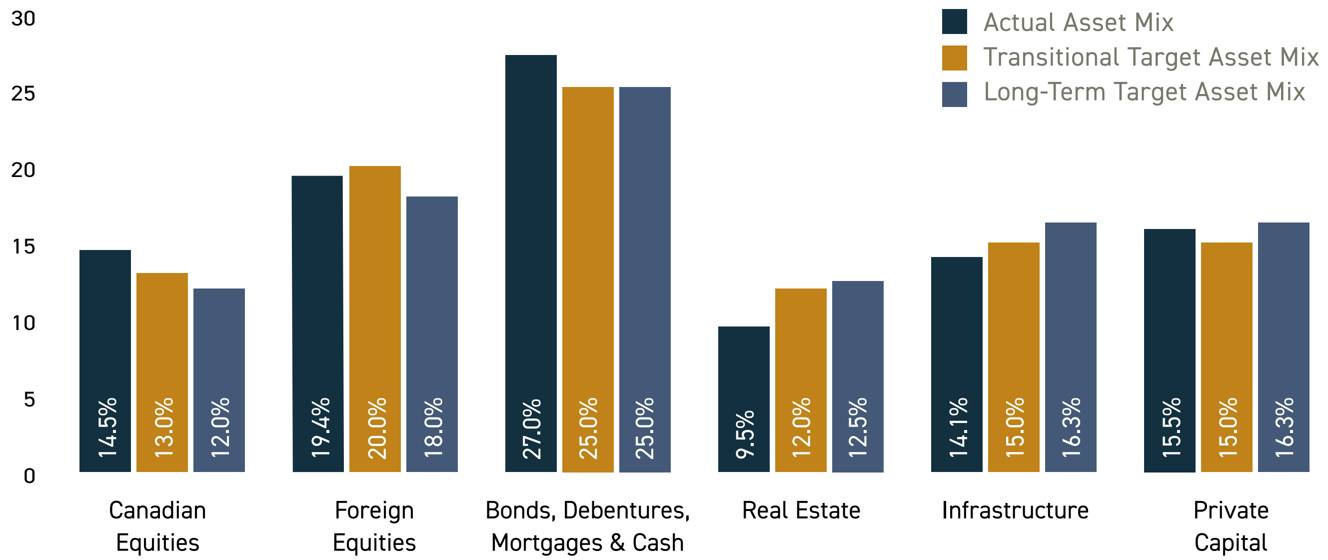
The *Plan* primarily uses external investment managers to manage all asset classes and portfolios. Two new mandates with existing managers were added to the *Plan's* investment portfolio in 2025, specifically Bridge Debt Strategies Fund V (Private Debt) managed by Bridge Investment Group and KKR Asset-Based Finance Partners II (Private Debt) managed by KKR. In addition, two new alternative mandates with new managers were also added during the year. Sagard Enhanced Property Fund (US Real Estate) managed by Sagard Real Estate, and Chorus Capital Credit Fund VI (Private Debt) managed by Chorus Capital were added in 2025. New capital was allocated to all four mandates. Additional capital was also allocated to the following existing alternative investments: Axium Infrastructure North America Fund, Stonepeak Core Fund, IFM Global Infrastructure Fund, Dawson Portfolio Finance 5 Fund, Neuberger Berman Private Debt - Centennial Fund, IFM US Infrastructure Debt Fund, TPG AG Asset Based Credit Evergreen Fund, Penfund PRIME Fund, KKR Direct Lending Fund, Barings Real Estate Debt Income Fund, and GIP Essential Tech and Science Fund. The required funding was sourced primarily through broad-based redemptions of Public Equities and Cash (See Appendix B on page 45 for a complete list of Investment Managers).

The *Plan's* actual asset mix as of December 31, 2025, is compared to the transitional asset mix and long-term asset mix in the graph below, while the following graph shows the *Plan's* asset mix history over the last five years.



ASSET MIX*

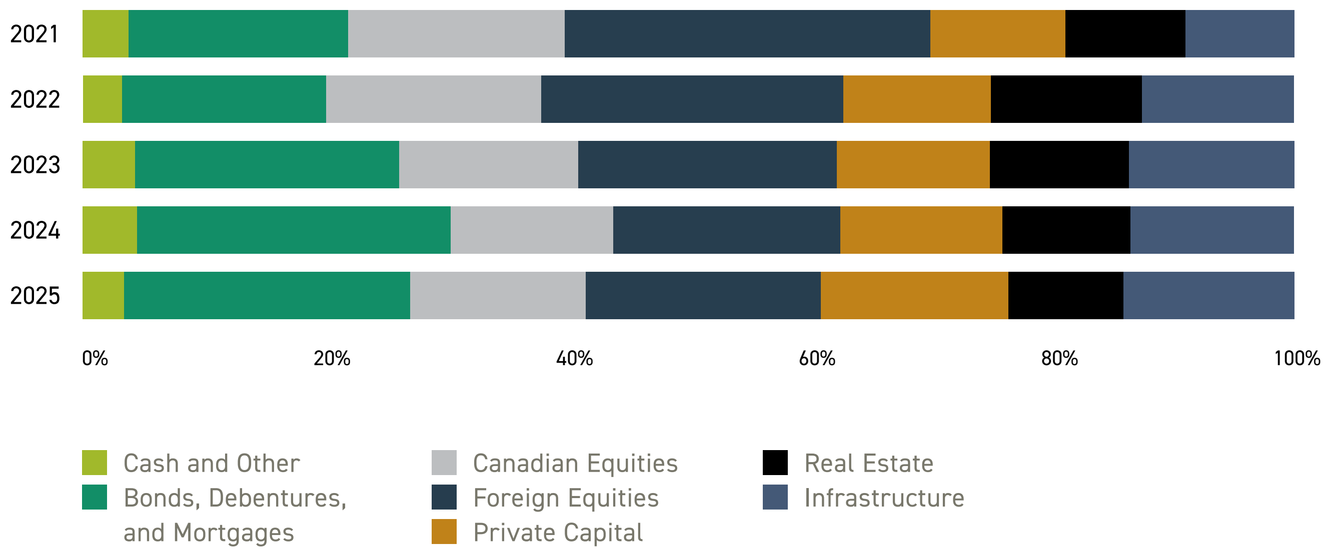
(%)



**totals may exceed 100% due to rounding*

ASSET MIX

(%)



The *Plan's* investment costs track well below the average of Canadian pension plans and the *Plan* continues to maintain a strong financial position.

FINANCIAL STATUS

Going-Concern Basis

The most recent actuarial valuation of the *Winnipeg Police Pension Plan*, as at December 31, 2025, disclosed that, measured on a going-concern basis (which assumes the *Plan* will continue to exist into the future), the *Plan* was in a surplus position with respect to benefits accrued for all service up to December 31, 2025. At that date, the Plan had an excess of assets versus actuarial liabilities of $148,363,000—a funded ratio of 106.6%—based on the value of assets which smooths investment gains and losses over five years. If the fair value of assets had been used instead of the smoothed value, there would have been an excess of $369,171,000—which would have resulted in a funded ratio of 116.4% on a fair value basis. The application of an actuarial "asset smoothing" technique has been used by the *Plan* for many years.

Although changes to the actuarial assumptions increased the *Plan's* obligations in 2025, the *Plan's* actuarial position benefited from significant investment experience gains. The *Plan's* investment portfolio achieved a rate of investment return of 9.1%, significantly higher than the valuation interest rate assumption of 5.00% in the valuation. The "excess" investment returns (those that exceeded the net rate of return assumed for actuarial purposes 2021, 2023, 2024 and 2025), generated "excess" investment returns of $72.6 million to be recognized in 2025, and a further $220.8 million to be recognized for actuarial valuation purposes in future years (through 2029) under the "asset smoothing" technique used by the *Plan*.

The actuarial valuation revealed an in-year actuarial surplus of $30,196,000 in the Main Account –General Component related to calendar year 2025 operations. The 2025 actuarial surplus was resolved, in accordance with the terms of the *Plan*, by transferring $15,098,000 from the Main Account–General Component to the Main Account– Contribution Stabilization Reserve, and by increasing the rate of future cost-of-living adjustments from 68.71% to 70.89% of inflation (which resulted with a corresponding increase in obligations for pension benefits of $15,098,000, effective January 1, 2026).

Current Service Cost

The current service cost of the benefits expected to be earned under the *Plan* for service in 2026 is 34.24% of contributory earnings. Currently, the employee share of annual contributions equals 9.6% of contributory earnings. The City of Winnipeg is also responsible for contributing 9.6% of contributory earnings, while 10.14% of contributory earnings will be funded from the Contribution Stabilization Reserve. The balance of 4.90% of contributory earnings is expected to be financed from available reserves (if any) future actuarial surplus or future reductions in Cost-of-Living Adjustments.

Solvency Basis

An actuarial valuation performed on a solvency basis assumes the Plan is terminated and wound up as of the valuation date. Under this scenario, no further contributions are made or pension benefits earned after that date. It is also assumed pension benefits already earned are paid out to the members either through the purchase of lifetime annuities or through lump sum payments or transfers.

The funding requirements relating to the *Plan's* solvency position under *The Pension Benefits Regulation* are based on the last actuarial valuation filed with the Manitoba Pension Commission, which will be as at December 31, 2025. The *Plan* is required to submit an actuarial valuation report to the Regulators (Manitoba Pension Commission and Canada Revenue Agency) at least every three years (annually if the *Plan's* solvency ratio is less than 85%). The next valuation required to be filed by the *Plan* is at December 31, 2027.

The solvency valuation of the *Plan*, as at December 31, 2025, disclosed that the *Plan* has a solvency surplus, with a solvency ratio of 137.5% (up from 132.2% as at December 31, 2024).

FINANCIAL POSITION

As at December 31, 2025 (in thousands)

	Fair Value	Actuarial Value
Net Assets Available For Benefits		
Main Account - General Component	$ 2,502,746	$ 2,281,938
Main Account - Contribution Stabilization Reserve	92,785	92,785
Plan Members' Account	25,319	25,319
City Account	63	63
	$ 2,620,913	$ 2,400,105
Plan Obligations per valuation report	$ 2,251,742	$ 2,251,742
Funded Ratio	116.4%	106.6%

COST OF BENEFITS FOR SERVICE IN 2026

As % of Contributory Earnings

Normal actuarial cost of benefits in 2026	**34.24%**
Employee required contributions	9.60%
City of Winnipeg required contributions	9.60%
Balance from future surplus or COLA reduction	15.04%
	34.24%

COST OF BENEFITS FOR SERVICE IN 2025

As % of Contributory Earnings

	Prior to Feb 9, 2025	Feb. 9, 2025 to Dec. 31, 2025
Normal actuarial cost of benefits in 2025	**33.72%**	**33.72%**
Employee required contributions	8.80%	9.60%
City of Winnipeg required contributions	8.80%	9.60%
Balance from future surplus or COLA reduction	16.12%	14.52%
	33.72%	33.72%

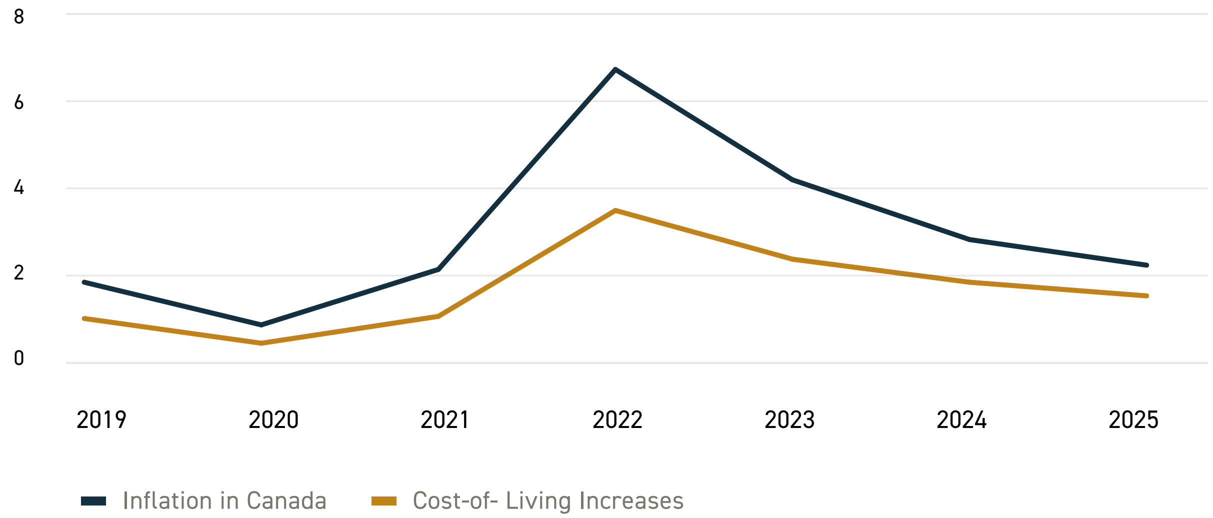
Cost-of-Living Adjustments

The *Winnipeg Police Pension Plan* provides for annual cost-of-living adjustments (COLA) to both pensions in payment and deferred pensions.

The level of COLA granted is tied to the funded status of the *Plan*. In 2025, COLA was granted at a rate of 68.71% of the annual increase in Canada's Consumer Price Index at March 31.

COST-OF-LIVING INCREASES

(%)



2025 FINANCIAL STATEMENTS

THE CITY OF WINNIPEG
WINNIPEG POLICE PENSION PLAN

DECEMBER 31, 2025

Deloitte LLP
360 Main Street
Suite 2300
Winnipeg MB R3C 3Z3
Canada

Tel: 204-942-0051
Fax: 204-947-9390
www.deloitte.ca

INDEPENDENT AUDITOR'S REPORT

To the Chairperson and Members of the Winnipeg Police Pension Board, and The City of Winnipeg

Opinion

We have audited the accompanying financial statements of the *Winnipeg Police Pension Plan* (*"the Plan")*, which comprise the statements of financial position as at December 31, 2025 and the statements of changes in net assets available for benefits, changes in pension obligations and changes in surplus for the year then ended, and a summary of significant accounting policies and other explanatory information (collectively referred to as the "financial statements").

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

Basis of Opinion

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

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 ASPP, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the *Plan's* ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the *Plan* or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the *Plan's* financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS 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 GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Plan to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Deloitte LLP

Chartered Professional Accountants
June 19, 2026
Winnipeg, Manitoba

THE CITY OF WINNIPEG
WINNIPEG POLICE PENSION PLAN

STATEMENT OF FINANCIAL POSITION

As at December 31
(in $ thousands)

	2025	2024
ASSETS		
Investments, at fair value		
Bonds, debentures and mortgages	**$ 618,758**	$ 630,361
Canadian equities	**380,674**	327,586
Foreign equities	**508,915**	456,584
Cash and short-term deposits	**89,463**	109,545
Private equities	**1,024**	5,545
Real estate	**248,131**	257,090
Infrastructure	**370,522**	329,584
Private debt	**405,464**	321,050
	2,622,951	2,437,345
Participants' contributions receivable	**15**	16
Employers' contributions receivable	**7**	6
Accounts receivable	**471**	278
Total Assets	**2,623,444**	2,437,645
LIABILITIES		
Accounts payable	**2,375**	1,971
Due to The Winnipeg Civic Employees' Pension Plan	**156**	345
Total Liabilities	**2,531**	2,316
NET ASSETS AVAILABLE FOR BENEFITS	**2,620,913**	2,435,329
PENSION OBLIGATIONS	**2,251,742**	2,031,739
SURPLUS	**$ 369,171**	$ 403,590
SURPLUS COMPRISED OF:		
Main Account - General Component	**$ 251,004**	$ 294,856
Main Account - Contribution Stabilization Reserve	**92,785**	85,453
Plan Members' Account	**25,319**	23,223
City Account	**63**	58
	$ 369,171	$ 403,590

See accompanying notes to the financial statements

THE CITY OF WINNIPEG
WINNIPEG POLICE PENSION PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the year ended December 31
(in $ thousands)

	2025	2024
INCREASE IN ASSETS		
Contributions (Note 5)		
The City of Winnipeg	**$ 19,334**	$ 16,936
Employees	**19,526**	17,083
Reciprocal transfers from other plans	**4,556**	4,884
	43,416	38,903
Investment income (Note 6)	**88,416**	88,235
Current period change in fair value of investments	**141,051**	209,245
Total increase in assets	**272,883**	336,383
DECREASE IN ASSETS		
Pension payments	**73,180**	70,065
Lump sum benefits (Note 8)	**973**	3,252
Administrative expenses (Note 9)	**1,978**	1,760
Investment management and custodial fees	**11,168**	10,524
Total decrease in assets	**87,299**	85,601
Increase in net assets	**185,584**	250,782
Net assets available for benefits at beginning of year	**2,435,329**	2,184,547
Net assets available for benefits at end of year	**$ 2,620,913**	$ 2,435,329

See accompanying notes to the financial statements

THE CITY OF WINNIPEG
WINNIPEG POLICE PENSION PLAN

STATEMENT OF CHANGES IN PENSION OBLIGATIONS

For the year ended December 31
(in $ thousands)

	2025	2024
ACCRUED PENSION BENEFITS, BEGINNING OF YEAR	**$ 2,031,739**	$ 1,935,297
INCREASE IN ACCRUED PENSION BENEFITS		
Interest on accrued pension benefits	**102,552**	99,028
Benefits accrued	**73,311**	67,754
Changes in actuarial assumptions	**127,563**	-
Experience gains and losses and other factors	**-**	18,169
Total increase in accrued pension benefits	**303,426**	184,951
DECREASE IN ACCRUED PENSION BENEFITS		
Benefits paid	**74,154**	73,317
Experience gains and losses and other factors	**7,422**	-
Changes in actuarial assumptions	**-**	13,408
Administration expenses	**1,847**	1,784
Total decrease in accrued pension benefits	**83,423**	88,509
NET INCREASE IN ACCRUED PENSION BENEFITS FOR THE YEAR	**220,003**	96,442
ACCRUED PENSION BENEFITS, END OF YEAR	**$ 2,251,742**	$ 2,031,739

See accompanying notes to the financial statements

STATEMENT OF CHANGES IN SURPLUS

For the year ended December 31
(in $ thousands)

	2025	2024
SURPLUS, BEGINNING OF YEAR	**$ 403,590**	$ 249,250
Increase in net assets available for benefits for the year	**185,584**	250,782
Net (increase) in accrued pension benefits for the year	**(220,003)**	(96,442)
SURPLUS, END OF YEAR	**$ 369,171**	$ 403,590

See accompanying notes to the financial statements

THE CITY OF WINNIPEG
WINNIPEG POLICE PENSION PLAN
SCHEDULE 1

SCHEDULE OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS BY ACCOUNT

For the year ended December 31,
(in $ thousands)

	2025				
	Main Account - General Component	Main Account - Contribution Stabilization Reserve	Plan Members' Account	City Account	**Total**
INCREASE IN ASSETS					
Contributions (Note 5)					
The City of Winnipeg	$ 19,334	$ -	$ -	$ -	**$ 19,334**
Employees	19,526	-	-	-	**19,526**
Reciprocal transfers from other plans	4,556	-	-	-	**4,556**
	43,416	-	-	-	**43,416**
Transfer from Contribution Stabilization Reserve to Main Account	21,900	(21,900)	-	-	**-**
Investment income (Note 6)	84,088	3,477	849	2	**88,416**
Current period change in fair value of investments	134,146	5,548	1,354	3	**141,051**
Transfer to Contribution Stabilization Reserve - Resolution of funding surplus (Note 3)	(20,646)	20,646	-	-	**-**
Total increase in assets	262,904	7,771	2,203	5	**272,883**
DECREASE IN ASSETS					
Pension payments	73,180	-	-	-	**73,180**
Lump sum benefits (Note 8)	973	-	-	-	**973**
Administrative expenses (Note 9)	1,978	-	-	-	**1,978**
Investment management and custodial fees	10,622	439	107	-	**11,168**
Total decrease in assets	86,753	439	107	-	**87,299**
Increase in net assets	176,151	7,332	2,096	5	**185,584**
Net assets available for benefits at beginning of year	2,326,595	$ 85,453	$ 23,223	58	**2,435,329**
Net assets available for benefits at end of year	$ 2,502,746	$ 92,785	$ 25,319	$ 63	**$ 2,620,913**

See accompanying notes to the financial statements

THE CITY OF WINNIPEG
WINNIPEG POLICE PENSION PLAN
SCHEDULE 2

SCHEDULE OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS BY ACCOUNT

For the year ended December 31,
(in $ thousands)

	2024				
	Main Account - General Component	Main Account - Contribution Stabilization Reserve	Plan Members' Account	City Account	Total
INCREASE IN ASSETS					
Contributions (Note 5)					
The City of Winnipeg	$ 16,936	$ -	$ -	$ -	$ 16,936
Employees	17,083	-	-	-	17,083
Reciprocal transfers from other plans	4,884	-	-	-	4,884
	38,903	-	-	-	38,903
Transfer from Contribution Stabilization Reserve to Main Account	22,042	(22,042)	-	-	-
Investment income (Note 6)	83,928	3,470	835	2	88,235
Current period change in fair value of investments	199,031	8,228	1,981	5	209,245
Transfer to Contribution Stabilization Reserve - Resolution of funding surplus (Note 3)	(48,929)	48,929	-	-	-
Transfer to City Account - Resolution of funding surplus (Note 3)	(16)	-	-	16	-
				-	
Total increase in assets	294,959	38,585	2,816	23	336,383
DECREASE IN ASSETS					
Pension payments	70,065	-	-	-	70,065
Lump sum benefits (Note 8)	3,252	-	-	-	3,252
Administrative expenses (Note 9)	1,760	-	-	-	1,760
Investment management and custodial fees	10,010	414	100	-	10,524
Total decrease in assets	85,087	414	100	-	85,601
Increase in net assets	209,872	38,171	2,716	23	250,782
Net assets available for benefits at beginning of year	2,116,723	$ 47,282	$ 20,507	35	2,184,547
Net assets available for benefits at end of year	$ 2,326,595	$ 85,453	$ 23,223	$ 58	$ 2,435,329

See accompanying notes to the financial statements

THE CITY OF WINNIPEG
WINNIPEG POLICE PENSION PLAN
SCHEDULE 3

SCHEDULE OF CHANGES IN SURPLUS BY ACCOUNT
For the year ended December 31,
(in $ thousands)

	2025				
	Main Account - General Component	Main Account - Contribution Stabilization Reserve	Plan Members' Account	City Account	**Total**
SURPLUS, BEGINNING OF YEAR	$ 294,856	$ 85,453	$ 23,223	$ 58	**$ 403,590**
Increase in net assets available for benefits for the year	176,151	7,332	2,096	5	**185,584**
Net (increase) in accrued pension benefits for the year	(220,003)	-	-	-	**(220,003)**
SURPLUS, END OF YEAR	$ 251,004	$ 92,785	$ 25,319	$ 63	**$ 369,171**

For the year ended December 31,
(in $ thousands)

	2024				
	Main Account - General Component	Main Account - Contribution Stabilization Reserve	Plan Members' Account	City Account	Total
SURPLUS, BEGINNING OF YEAR	$ 181,426	$ 47,282	$ 20,507	$ 35	$ 249,250
Increase in net assets available for benefits for the year	209,872	38,171	2,716	23	250,782
Net (increase) in accrued pension benefits for the year	(96,442)	-	-	-	(96,442)
SURPLUS, END OF YEAR	$ 294,856	$ 85,453	$ 23,223	$ 58	$ 403,590

See accompanying notes to the financial statements

1. Description of Plan

a) General

The *Plan* is a single employer defined benefit pension plan, which provides pension benefits for City of Winnipeg police officers. All police officers are required to become members of the *Plan* at the commencement of their employment.

b) Administration

The *Plan* is administered by the *Winnipeg Police Pension Board* which is comprised of two voting members appointed by the Winnipeg Police Association, appointed on behalf of Police Officers who are Active Members; one voting member appointed by the Winnipeg Police Senior Officers' Association, appointed on behalf of the senior police officers who are Active Members; one voting member elected by the Non-Active Members and other beneficiaries under the *Plan*; and five voting members appointed by the City of Winnipeg.

The *Board* also consists of a maximum of four non-voting members, one of whom may be appointed by each of the Winnipeg Police Association, the Winnipeg Police Senior Officers' Association, and the City of Winnipeg, respectively, and one of whom may be elected by the Non-Active Members or, if no election is held, appointed by the Non-Active Member Representative on behalf of the Non-Active Members.

The *Plan* is registered under *The Pension Benefits Act* of Manitoba. The *Plan* is a registered pension plan under the *Income Tax Act*, and is not subject to income taxes.

c) Financial structure

The *Winnipeg Police Pension Plan* is comprised of three Accounts, namely the Main Account (which has two components being the General Component and the Contribution Stabilization Reserve), the Plan Members' Account and the City Account.

i) Main Account – General Component

All benefits of the Pension *Plan* are paid from the Main Account - General Component.

Employees contribute 8% of earnings to the Main Account. If the Contribution Stabilization Reserve is sufficient to provide a transfer to fund the difference between the current service cost of benefits accrued during the year and matching employee and City contributions and to the extent provincial funding regulations permit such a transfer, then the City matches the employee contributions during the year.

If the Contribution Stabilization Reserve is insufficient to provide the above transfer or if provincial funding regulations restrict such a transfer, then the City contributes the balance of the current service cost of benefits accrued during the year, including 2% of earnings for post-retirement cost-of-living adjustments, in excess of the employees' contributions.

ii) Main Account – Contribution Stabilization Reserve

The Main Account - Contribution Stabilization Reserve is credited with a portion of actuarial surpluses. The Main Account - Contribution Stabilization Reserve finances, through transfers to the Main Account – General Component, the portion of the current service cost of benefits that exceeds the employees' and City's contributions.

1. Description of Plan (continued)

c) Financial structure (continued)

ii) Main Account – Contribution Stabilization Reserve (continued)

In accordance with Provincial funding regulations, the Contribution Stabilization Reserve can be used to reduce the City's contributions only to the extent of the balance in excess of 5% of the *Plan's* solvency liabilities.

iii) Plan Members' Account

In order to ensure that the *Plan* members will receive a benefit equal to the benefit received by the City through the contribution holidays that it took in 2001 and 2002, the Plan Members' Account was established effective January 1, 2003 with an initial balance equal to the amount of the City's contribution holidays adjusted for investment income up to December 31, 2002.

The Plan Members' Account will be credited with any share of future actuarial surpluses that are allocated to the *Plan* members in accordance with the *Plan*.

iv) City Account

The City Account is credited with the share of future actuarial surpluses that are allocated to the City in accordance with the *Plan*.

d) Retirement pensions

The *Plan* provides for retirement at or after age 55 or following completion of 25 years of credited service. The *Plan* allows early retirement at age 50 or completion of at least 20 years of credited service subject to an early retirement pension reduction. The pension formula prior to age 65 is equal to 2% of the average earnings in the 60 consecutive months in which the earnings are highest ("Best Average Earnings") for each year of credited service. The pension formula after age 65 is equal to 1.4% of Best Average Canada Pension Plan earnings plus 2% of Best Average Non-Canada Pension Plan earnings for each year of credited service. Pensions are subject to the maximum benefit limits prescribed for registered pension plans under the *Income Tax Act*.

Retirement and survivor pensions, including deferred pensions, are increased annually to provide cost-of-living adjustments at the stated level in the *Plan* text, which level is currently 68.71% (2024 – 65.40%) of the percentage change in the Consumer Price Index for Canada.

e) Disability pensions

A member, who has completed at least fifteen years of credited service, and who has become totally and permanently disabled may apply for a disability pension.

f) Survivor's benefits

The *Plan* provides survivor pensions or lump sum benefits on death prior to retirement. On death after retirement, eligible surviving spouses normally receive 66 ⅔% of the member's pension.

1. Description of Plan (continued)

g) Termination benefits

Upon application and subject to vesting and locking-in provisions, deferred pensions or equivalent lump sum benefits are payable when a member terminates employment with the City.

h) Variation in benefits

The *Plan* provides that the rate of cost-of-living adjustment to pensions may be increased using funds available in the Plan Members' Account or may be reduced in the event of a funding deficiency.

2. Summary of Significant Accounting Policies

a) Basis of presentation

These financial statements are prepared in accordance with Canadian accounting standards for pension plans on a going concern basis and present the aggregate financial position of the *Plan* as a separate financial reporting entity, independent of the City and *Plan* members. The *Plan* has elected to apply accounting standards for private enterprises (aspe) for accounting policies that do not relate to its investment portfolio or pension obligations. They are prepared to assist *Plan* members and others in reviewing the activities of the *Plan* for the fiscal period.

These financial statements include the financial statements of the *Plan* and its wholly-owned subsidiary, 5332665 Manitoba Ltd., which was incorporated on July 14, 2006. The *Plan* accounts for its investment in its subsidiary on a non-consolidated basis and presents it at fair value. The purpose of the subsidiary corporation is to invest in and hold certain private equity investments on behalf of the *Plan*.

b) Investments and investment income

Investments are stated at fair value. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions.

Publicly traded equity investments are valued using published market prices.

Bonds, debentures and mortgages are valued either using published market prices or by applying valuation techniques that utilize observable market inputs.

For private equity, private debt and infrastructure investments, where quoted market prices are not available, various methods of valuation are used by the external managers to determine fair value including the use of discounted cash flows, earnings multiples, prevailing market rates for instruments with similar characteristics or other pricing models as appropriate. Real estate investments are valued based on the most recent valuations or appraisals of the underlying properties.

Cash and short-term investments are recorded at cost, which, together with accrued interest income, approximates fair value.

2. Summary of Significant Accounting Policies (continued)

b) Investments and investment income (continued)

Investment transactions are recognized on a trade date basis. Investment income is recorded on the accrual basis.

The *Plan's* investment income, current period change in fair value of investments and investment management and custodial fees are allocated between the Accounts and Reserve based on the average balance of each Account and Reserve during the year.

c) Financial instruments other than investments

Financial instruments other than investments include accrued contributions receivable, accrued pension benefits payable and lump sum benefits payable. Financial assets other than investments and financial liabilities are recognized in the *Plan's* statement of financial position when the *Plan* becomes a party to the contractual provisions of the instrument. All financial assets and financial liabilities are initially measured at fair value.

The *Plan's* contributions receivable is measured at amortized cost. The settlement periods for the majority of items are normally in the seven to fourteen days range. Management reviews the aging of the contributions receivable to determine if any loss allowance is required.

The *Plan's* financial liabilities are measured subsequently at amortized cost.

d) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing at the year end. Income and expenses, and the purchase and sale of investments, are translated into Canadian dollars at the exchange rates prevailing on the transaction dates.

d) Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for pension plans requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets, obligations, and surplus during the year. Actual results could differ from those estimates. Items within the financial statements which require significant estimates and judgment include the pension obligations and the fair value of investments.

e) Future changes in accounting policies

In April 2025, the Accounting Standards Board (AcSB) issued amendments to Section 4600 related to the presentation and disclosure of investments held by pension plans, including full adherence to the disclosure requirements in IFRS 13, Fair Value Measurement and the introduction of new disclosure requirements for investment expenses and interests in investment vehicles.
The amendments apply to annual reporting periods beginning on or after January 1, 2027. The *Plan* is currently assessing the impact of these amendments.

3. Obligations for Pension Benefits

An actuarial valuation of the *Plan* was performed as of December 31, 2025 by Aon Solutions Canada Inc. The next actuarial valuation required to be filed with the Manitoba Pension Commission is as of December 31, 2027. This valuation was used to determine the actuarial present value of accrued benefits disclosed in the Statement of Financial Position as at December 31, 2025. For the comparative 2024 figures, the actuarial present value of accrued benefits at December 31, 2024 is based on the December 31, 2024 actuarial valuation performed by Aon Solutions Canada Inc.

The economic assumptions used in determining the actuarial value of accrued pension benefits were developed by reference to expected long term economic and investment market conditions. Significant long term actuarial assumptions used for accounting purposes included a valuation interest rate of 5.00% (2024 – 5.25%) per year, inflation of 2.25% (2024 – 2.25%) per year and general increases in pay of 3.25% (2024 – 3.25%) per year.

The financial statement valuation interest rate of 5.00% (2024 – 5.25%) is a current snapshot view of the Plan's financial position based on market rates. The financial statement valuation is considered the best estimate to project the value for future pension plan liabilities for accounting purposes.

The *Plan's* funding valuation interest rate of 5.00% (2024 – 5.00%) assesses the long-term health of the plan and is used to establish contribution and benefit rates. Funding valuations are prepared in accordance with legislative and regulatory requirements using actuarial assumptions to project the value of future pension plan liabilities for funding purposes.

The demographic assumptions for annual rates of mortality improvements were revised to utilize the Mortality Improvement 2024 Scale (MI-2024) increasing obligations for pension benefits by $44,586. The demographic assumptions, including rates of termination of employment, retirement and mortality, were chosen after detailed analysis of past experience. These assumptions were approved by the *Winnipeg Police Pension Board* for the purpose of preparing the financial statements. The actuarial present value of accrued benefits was determined using the projected benefit method pro-rated on services.

The actuarial valuation as at December 31, 2025 disclosed a $30,196 funding surplus which is to be resolved in accordance with the *Plan*, by transferring $15,098 from the Main Account – Contribution Stabilization Reserve to the Main Account – General Component and by increasing future cost-of-living adjustments from 68.71% to 70.89% of inflation (with a corresponding increase in obligations for pension benefits of $15,098), effective January 1, 2026.

The actuarial valuation as at December 31, 2024 disclosed a $41,292 funding surplus which was resolved in accordance with the *Plan*, by transferring $20,646 from the Main Account – Contribution Stabilization Reserve to the Main Account – General Component and increasing future cost-of-living adjustments from 65.40% to 68.71% of inflation (with a corresponding increase in obligations for pension benefits of $20,646), effective January 1, 2025.

The assets available to finance the *Plan's* accrued benefits are those allocated to the Main Account - General Component. In determining the surplus or deficiency for actuarial valuation purposes, and to be consistent with the assumptions used to determine the actuarial present value of benefits, the actuarial value of the assets of the Main Account – General Component was determined from fair values. The actuarial value placed on the assets smoothes out fluctuations in fair values by spreading the difference between expected returns and actual returns, including unrealized gains and losses, over five years.

(in $ thousands)

3. Obligations for Pension Benefits (continued)

The effect of using a smoothed value of assets for the Main Account – General Component in determining the estimated actuarial surplus or deficiency, before allocation of surplus or deficit resolution, is as follows:

	2025	2024
Surplus for financial statement reporting purposes - Main Account - General Component	**$ 251,004**	$ 294,856
Variance between funding and financial statement valuation		
Interest rate	**-**	(62,331)
Fair value changes not reflected in actuarial value of assets	**(220,808)**	(191,233)
Surplus for actuarial valuation purposes - Main Account - General Component	**30,196**	41,292
Add: special purpose reserves and accounts		
Main Account – Contribution Stabilization Reserve	**92,785**	85,453
Plan Members' Account	**25,319**	23,223
City Account	**63**	58
Surplus for actuarial valuation purposes - including special purpose reserves and accounts	**$ 148,363**	$ 150,026

4. Management of Financial Risk

In the normal course of business, the *Plan's* investment activities expose it to a variety of financial risks. The *Plan* seeks to minimize potential adverse effects of these risks on the *Plan's* performance by hiring professional, experienced portfolio managers, by regular monitoring of the *Plan's* position and market events, by diversifying the investment portfolio within the constraints of the investment policy and objectives, and occasionally through the use of derivatives to hedge certain risk exposures. Significant risks that are relevant to the *Plan* are discussed below.

a) Credit risk

Credit risk arises from the potential for an investee to fail or to default on its contractual obligations to the *Plan*, and is concentrated in the *Plan's* investment in bonds, debentures, mortgages, private debt, cash and short-term deposits. At December 31, 2025, the *Plan's* credit risk exposure related to bonds, debentures, mortgages, private debt and short-term deposits totalled $1,113,685 (2024 - $1,060,956).

The *Plan's* concentration of credit risk as at December 31, 2025, related to bonds, debentures, and mortgages, as well as private debt is categorized amongst the following types of issuers:

(in $ thousands)

4. Management of Financial Risk (continued)

a) Credit risk (continued)

Type of Issuer	2025 Fair Value	2024 Fair Value
Government of Canada and Government of Canada guaranteed	**$ 131,223**	$ 123,803
Provincial and Provincial guaranteed	**188,043**	204,068
Canadian cities and municipalities	**10,914**	11,187
Corporations and other institutions	**50,069**	52,989
Commercial mortgages	**238,509**	238,314
Bonds, debentures and mortgages	**618,758**	630,361
Private debt	**405,464**	321,050
	$ 1,024,222	$ 951,411

The *Plan's* investments include short-term deposits with the City of Winnipeg which have a fair value of $18,794 at December 31, 2025 (2024 – $15,233).

The *Plan* limits credit risk by investing in bonds and debentures of investees that are considered to be high quality credits and by utilizing an internal Investment Policy Guideline monitoring process.

As at December 31, 2025 bonds and debentures analyzed by credit rating are as follows:

	2025		2024	
Credit Rating	Percent of Total Bonds	Percent of Net Assets	Percent of Total Bonds	Percent of Net Assets
AAA	**35.9**	**1.7**	32.8	5.3
AA	**47.0**	**2.2**	49.7	8.0
A	**11.2**	**0.5**	11.8	1.9
BBB	**5.9**	**0.3**	5.7	0.9
	100.0	**4.7**	100.0	16.1

At December 31, 2025, the interest rates of the loans within the mortgage portfolios range from 1.0% to 11.2%. The *Plan's* external managers for the mortgage and private debt portfolios limit credit risk through diversification, performing due diligence at the time of investing including internal credit analysis, and enforcing loan covenants while monitoring the loans until maturity.

The *Plan* participates in a securities lending program, managed by the *Plan's* custodian, wherein securities are loaned to counterparties in exchange for lending fees. At December 31, 2025, the *Plan's* share of securities loaned under this program is $133,465 (2024 – $116,856). In this regard, the *Plan's* exposure to credit risk relates to the potential for a counterparty to not return a security and the related collateral held is insufficient to replace the security in the open market. The credit worthiness of counterparties is regularly monitored and collateral is maintained greater than the value of the loans.

(in $ thousands)

4. Management of Financial Risk (continued)

b) Liquidity risk

Liquidity risk is the risk that the *Plan* will encounter difficulty in meeting obligations associated with financial liabilities. The *Plan* ensures it retains sufficient cash and short-term investment positions to meet its cash flow commitments, including the ability to fund the pensioner payroll costs and to fund investment commitments. The *Plan* primarily invests in securities that are traded in active markets and can be readily disposed. The *Plan* may invest in private equity, which is not traded in an organized market and may be illiquid, but only up to a maximum of 2.5% of the *Plan's* assets, as stipulated in the *Plan's* Statement of Investment Policies and Procedures. The *Plan* may also invest in private debt, real estate and infrastructure, which are not traded in organized markets and may be illiquid, but only up to a maximum of 21.25%, 16.25%, and 21.25% of the *Plan's* assets for each asset class respectively, as stipulated in the *Plan's* Statement of Investment Policies and Procedures.

c) Interest rate risk

Interest rate risk is the risk that the fair value of the *Plan's* interest-bearing investments will fluctuate due to changes in market interest rates. The *Plan's* exposure to interest rate risk is concentrated in its investment in bonds, debentures, mortgages, short-term investments and private debt.

The *Plan's* actuarial liabilities are also exposed to fluctuations in long term interest rates as well as expectations of inflation and salary escalation. The *Plan's* primary exposure is to a decline in the long-term real rate of return which may result in higher contribution rates or lower benefit levels.

The *Plan* has approximately 27.0% (2024 – 30.4%) of its assets invested in bonds, debentures, mortgages and short-term investments as at December 31, 2025. The returns on bonds, debentures and mortgages are particularly sensitive to changes in nominal interest rates.

The term to maturity and related fair values of investments in bonds, debentures and mortgages held by the *Plan* at December 31, 2025 are as follows:

Term to Maturity	2025 Fair Value	2024 Fair Value
Less than one year	**$ 57,741**	$ 64,464
One to five years	**236,031**	224,130
Greater than five years	**324,986**	341,767
	$ 618,758	$ 630,361

As at December 31, 2025, had prevailing interest rates raised or lowered by 0.5% (2024 – 0.5%) assuming a parallel shift in the yield curve, with all other variables held constant, the fair value of investments in bonds and debentures would have decreased or increased, respectively, by approximately $22,677 (2024 – $24,080), approximately 0.9% of total net assets (2024 – 1.0%).

The *Plan's* sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, the actual results may differ and the difference could be material.

(in $ thousands)

4. Management of Financial Risk (continued)

d) Foreign currency risk

The *Plan* also has exposure to interest rate risk from its private debt investments. The *Plan's* external investment managers mitigate fair value interest rate risk by making loans that are primarily floating rate instruments.

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency exposure arises from the *Plan's* holdings of foreign equity, private equity, private debt and infrastructure investments. The *Plan's* investment managers may, from time to time, hedge some of this exposure using forward contracts. The following table indicates the *Plan's* net foreign currency exposure after giving effect to the net related economic hedge as at December 31, 2025. The table also illustrates the potential impact to the *Plan's* net assets, all other variables held constant, as a result of a 10% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

	2025				2024	
	Gross Exposure	Net Foreign Currency Hedge	Net Exposure	Impact on Net Assets	Net Exposure	Impact on Net Assets
United States	**$ 957,519**	**$ 80,908**	**$ 876,611**	**$ 87,661**	$ 773,274	$77,327
Euro countries	**140,852**	**36,533**	**104,319**	**10,432**	88,250	8,825
United Kingdom	**59,559**	**14,406**	**45,153**	**4,515**	43,931	4,393
Australia	**41,239**	**9,748**	**31,491**	**3,149**	30,404	3,041
Japan	**32,509**	**-**	**32,509**	**3,251**	25,333	2,533
Switzerland	**15,834**	**-**	**15,834**	**1,583**	12,082	1,208
Hong Kong	**10,750**	**-**	**10,750**	**1,075**	11,158	1,116
Sweden	**7,191**	**-**	**7,191**	**719**	5,003	500
Other	**61,077**	**23,922**	**37,155**	**3,716**	26,696	2,670
	$ 1,326,530	**$165,517**	**$ 1,161,013**	**$116,101**	$1,016,131	$101,613

e) Other price risk

Other price risk is the risk that the value of investments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to an individual asset or its issuer, or factors affecting all securities traded in the market. All securities present a risk of loss of capital. The *Plan's* policy is to invest in a diversified portfolio of investments. As well, the *Plan's* Managers moderate this risk through careful selection of securities and other financial instruments within the parameters of the investment policy and strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

For this *Plan*, the most significant exposure to other price risk is from its investment in equity securities. As at December 31, 2025, had the prices on the respective stock exchanges for these securities increased or decreased by 15%, with all other variables held constant, net assets would have increased or decreased by approximately $133,438 (2024 – $117,626),

(in $ thousands)

4. Management of Financial Risk (continued)

e) Other price risk (continued)

approximately 5.1% of total net assets (2024 – 4.8%). In practice, the actual results may differ and the difference could be material.

The *Plan* also has exposure to valuation risk through its holdings of private equity, private debt, real estate and infrastructure investments, for which quoted market prices are not available.

In 2013, the *Plan* became a client of OMERS Investment Management, and to date has made payments of $44,255 in a Contractual Return Arrangement. The Contractual Return Arrangement provides the *Plan* with the annual rate of return (which may be positive or negative) based on the total investment return reported in the OMERS Annual Report for the assets and related liabilities allocable to the OMERS Primary Pension Plan fund that are directly or indirectly owned by OMERS Administration Corporation ("OAC") and managed by Borealis Infrastructure (the "Borealis Assets"). Under this arrangement the *Plan* is the sole limited partner in an Ontario limited partnership (OIM B4 2013 L.P.), and it has entered into a derivative contract with that limited partnership, which provides the return described above each year on the outstanding value of the contract. The arrangement provides for annual cash distributions to the *Plan* to the extent that cash distributions are received by OAC in respect of the operations of any investment forming part of the Borealis Assets. In addition, further cash distributions may be made under the arrangement, to the extent that cash distributions are received by OAC and distributed to the partnership in respect of the full or partial disposition of any investment forming part of the Borealis Assets.

The table below itemizes the estimated fair value and related change in fair value of investments recognized for the year ended December 31, 2025, for the following investment assets with exposure to valuation risk:

	2025			2024		
	Fair Value of Investments	Percent of Net Assets	Change in Fair Value of Investments	Fair Value of Investments	Percent of Net Assets	Change in Fair Value of Investments
Private equities	**$ 1,024**	**0.1**	**$ 191**	$ 5,545	0.2	$ 388
Real estate	**248,131**	**9.5**	**(13,174)**	257,090	10.6	7,186
Infrastructure	**370,522**	**14.1**	**21,163**	329,584	13.5	22,152
Private debt	**405,464**	**15.5**	**(14,598)**	321,050	13.2	23,741

f) Fair value hierarchy

Financial instruments recorded at fair value on the Statement of Financial Position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and, Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs). The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

(in $ thousands)

4. Management of Financial Risk (continued)

f) Fair value hierarchy (continued)

The following tables present the investment assets recorded at fair value in the Statement of Financial Position as at December 31, 2025, classified using the fair value hierarchy described above:

	Level 1	Level 2	Level 3	2025 Total Investment Assets at Fair Value
Bonds, debentures and mortgages	**$ -**	**$ 618,758**	**$ -**	**$ 618,758**
Canadian equities	**380,674**	**-**	**-**	**380,674**
Foreign equities	**508,915**	**-**	**-**	**508,915**
Cash and short-term deposits	**89,463**	**-**	**-**	**89,463**
Private equities	**-**	**-**	**1,024**	**1,024**
Real estate	**-**	**-**	**248,131**	**248,131**
Infrastructure	**-**	**-**	**370,522**	**370,522**
Private debt	**-**	**-**	**405,464**	**405,464**
	$ 979,052	**$ 618,758**	**$1,025,141**	**$ 2,622,951**

	Level 1	Level 2	Level 3	2024 Total Investment Assets at Fair Value
Bonds, debentures and mortgages	$ -	$ 630,361	$ -	$ 630,361
Canadian equities	327,586	-	-	327,586
Foreign equities	454,261	2,323	-	456,584
Cash and short-term deposits	109,545	-	-	109,545
Private equities	-	-	5,545	5,545
Real estate	-	-	257,090	257,090
Infrastructure	-	-	329,584	329,584
Private debt	-	-	321,050	321,050
	$ 891,392	$ 632,684	$ 913,269	$ 2,437,345

During the year, there has been no significant transfer of amounts between Level 1 and Level 2.

The following table reconciles the fair value of financial instruments classified in Level 3 from the beginning balance to the ending balance:

(in $ thousands)

4. Management of Financial Risk (continued)

f) Fair value hierarchy (continued)

Private equities	2025	2024
Fair value, beginning of year	**$ 5,545**	$ 5,464
Gains recognized in increase in net assets	**191**	388
Purchases	**290**	296
Sales/distributions	**(502)**	(603)
Dividends received	**(4,500)**	-
	$ 1,024	$ 5,545

Real estate	2025	2024
Fair value, beginning of year	**$ 257,090**	$ 251,212
(Losses) gains recognized in increase in net assets	**(13,174)**	7,186
Purchases	**5,936**	301
Sales	**(1,721)**	(1,609)
	$ 248,131	$ 257,090

Infrastructure	2025	2024
Fair value, beginning of year	**$ 329,584**	$ 299,113
Gains recognized in increase in net assets	**21,163**	22,152
Purchases	**21,387**	8,453
Sales	**(1,612)**	(134)
	$ 370,522	$ 329,584

Private debt	2025	2024
Fair value, beginning of year	**$ 321,050**	$ 272,217
(Losses) gains recognized in increase in net assets	**(14,598)**	23,741
Purchases	**144,518**	64,418
Sales	**(45,506)**	(39,326)
	$ 405,464	$ 321,050

Section 3.29 of *The Pension Benefits Act Regulations* requires disclosure of each investment asset that has a fair value greater than two percent of the fair value of the investment assets of the Fund. As at December 31, 2025, the *Plan* held the following investments that met this classification:

(in $ thousands)

4. *Management of Financial Risk (continued)*

f) Fair value hierarchy (continued)

		2025
Infrastructure		
IFM Global Infrastructure (Canada), L.P.		125,286
OIM B4 2013 L.P.		80,075
Stonepeak Core Fund, L.P.		69,520
Axium Infrastructure N.A. L.P.		59,181
Bonds, debentures and mortgages		
TD Emerald Canadian Bond PFT	$	203,731
TD Emerald Canadian Long Government Bond Pooled Fund Trust		176,518
ACM Commercial Mortgage Fund		119,665
TD Greystone Mortgage Fund		118,845
Foreign equities		
State Street S&P 500 Index Common Trust Fund		109,844
Real estate		
TD Greystone Real Estate Fund Inc.		70,570
Carlyle Property Investors, L.P.		56,882

5. *Contributions*

		2025		2024
Employees				
Required contributions	**$**	**19,338**	$	16,930
Voluntary additional contributions		**28**		27
Special contributions		**4,716**		5,010
	$	**24,082**	$	21,967
City of Winnipeg				
Required contributions	**$**	**19,334**	$	16,936
Special contributions		**-**		-
	$	**19,334**	$	16,936
Total Contributions	**$**	**43,416**	$	38,903

Special contributions include amounts for purchase of service while on a leave of absence and reciprocal transfers. There were no past service contributions made in 2025 (2024 - $Nil).

(in $ thousands)

6. *Investment Income*

	2025	2024
Bonds, debentures and mortgages	**$ 27,488**	$ 26,783
Canadian equities	**9,742**	10,528
Foreign equities	**6,949**	6,553
Cash, short-term deposits and other	**2,029**	4,623
Real estate	**5,805**	5,288
Infrastructure	**8,459**	9,471
Private debt	**27,944**	24,989
	$ 88,416	$ 88,235
Allocated to:		
Main Account – General Component	**$ 84,087**	$ 83,928
Main Account – Contribution Stabilization Reserve	**3,478**	3,470
Plan Members' Account	**849**	835
City Account	**2**	2
	$ 88,416	$ 88,235

7. *Investment Transaction Costs*

During 2025, the *Plan* incurred investment transaction costs in the form of brokerage commissions, in the amount of $90 (2024 - $75). Investment transaction costs are included in the current period change in fair value of investments.

8. *Lump Sum Benefits*

	2025	2024
Death benefits	**$ -**	$ 305
Payments on relationship breakdown	**638**	784
Termination benefits	**218**	2,163
Other	**117**	-
	$ 973	$ 3,252

9. *Administrative Expenses*

	2025	2024
The Winnipeg Civic Employees' Benefits Program	**$ 1,566**	$ 1,431
Actuarial fees	**223**	172
Audit fees	**40**	37
Legal fees	**83**	58
Consulting fees	**-**	1
General and administrative expenses	**66**	61
	$ 1,978	$ 1,760

10. Commitments

The *Plan's* wholly-owned subsidiary, 5332665 Manitoba Ltd., has entered into an investment management agreement wherein it has authorized an investment manager to make private equity investment commitments on its behalf, with aggregate commitments not to exceed $20,000. Commitments will be funded over the next several years. As at December 31, 2025, $14,822 had been funded, $17,500 (2024 – $13,000) capital had been returned back to the *Plan* and the remaining fair value of this investment is $1,024 (2024 – $5,465). No further private equity investments are expected to occur in 5332665 Manitoba Ltd.

APPENDICES

APPENDIX A
LARGEST 50 CORPORATE SHAREHOLDINGS*

As at December 31, 2025 (in thousands)

			Pension Plan Market Value
1	Royal Bank of Canada	$	20,005
2	Nvidia Corp		17,721
3	Apple Inc		15,642
4	Microsoft Corp		14,851
5	Bank of Nova Scotia		13,459
6	Toronto-Dominion Bank		12,143
7	Canadian Imperial Bank of Commerce		10,711
8	Agnico Eagle Mines Ltd		9,763
9	Kinross Gold Corp		8,969
10	Shopify Inc - Class A		8,899
11	Amazon.com Inc		8,895
12	Alphabet Inc-CL A		8,699
13	Bank of Montreal		6,917
14	Saputo Inc		6,654
15	Broadcom Inc		6,576
16	Canadian National Railway Co		6,499
17	Meta Platforms Inc-Class A		6,373
18	Intact Financial Corp		6,343
19	TC Energy Corp		6,299
20	TMX Group Ltd		5,947
21	Dollarama Inc		5,824
22	Loblaw Companies Ltd		5,540
23	Fairfax Financial Hldgs Ltd		5,304
24	Roche Holding AG-Genusschein		5,298
25	Magna International Inc		5,274

		Pension Plan Market Value
26	BCE Inc	5,153
27	Kering	5,144
28	Metro Inc/CN	5,112
29	Empire Co Ltd 'A'	5,035
30	Waste Connections Inc	4,836
31	Alimentation Couche-Tard Inc	4,625
32	Brookfield Corp	4,584
33	Manulife Financial Corp	4,519
34	OceanaGold Corp	4,477
35	Fortis Inc/Canada	4,230
36	Constellation Software Inc	4,124
37	Tesla Inc	4,124
38	Enbridge Inc	3,930
39	Reckitt Benckiser Group PLC	3,923
40	Wells Fargo & Co	3,862
41	Linamar Corp	3,860
42	Rogers Communications Inc-B	3,849
43	Enerflex Ltd	3,837
44	Taiwan Semiconductor-SP ADR	3,819
45	ATCO Ltd -Class I	3,809
46	SAP SE	3,762
47	Mastercard Inc - A	3,733
48	Alstom	3,663
49	AstraZeneca PLC	3,602
50	Quebecor Inc -CL B	3,598

* *Includes effective holdings through participation in pooled funds, including index funds.*

APPENDIX B
INVESTMENT MANAGERS

As at December 31, 2025

Fixed Income

- ACM Advisors Ltd.
- TD Asset Management Inc.

Canadian Equities

- Fidelity Investments Canada
- Hillsdale Investment Management Inc.
- Phillips, Hager & North
- TD Asset Management Inc.

US Equities

- J.P. Morgan Investment Management Inc.
- State Street Global Advisors, Ltd.

Non-North American Equities

- Baillie Gifford Overseas Ltd.
- Causeway Capital Management LLC
- Hillsdale Investment Management Inc.
- Pyrford International

Private Capital

- Hamilton Lane Advisors LLC (Equity)
- AMP Capital (Debt)
- Barings (Debt)
- Brookfield Asset Management (Debt)
- Bridge Investment Group (Debt)
- Chorus Capital Management Ltd. (Debt)
- Dawson Partners (Debt)
- Golub Capital (Debt)
- Fiera Infrastructure Private Debt (Debt)
- IFM Investors LLC (Debt)
- Kohlberg Kravis Roberts & Co. LP (Debt)
- Neuberger Berman (Debt)
- Northleaf Capital Partners (Debt)
- Penfund Management Ltd. (Debt)
- TPG Inc. (Debt)

Real Estate

- Bentall Kennedy (Equity)
- Clarion Partners (Equity)
- TD Asset Management Inc. (Equity)
- The Carlyle Group (Equity)
- GI Partners (Equity)
- Sagard Holdings Inc. (Equity)

Infrastructure

- Axium Infrastructure
- IFM Global Infrastructure (Canada) LP
- J.P. Morgan Investment Management Inc.
- OMERS Borealis Infrastructure
- Stonepeak

ADMINISTRATION

As at December 31, 2025

The *Winnipeg Police Pension Plan* is constituted under City of Winnipeg By-law No. 126/2011. The *Winnipeg Police Pension Board* is responsible for the administration of the *Plan*. The *Board* is made up of nine voting members: five are appointed by the City of Winnipeg, two are appointed by the Winnipeg Police Association, one is appointed by the Winnipeg Police Senior Officers' Association, and one is elected by non-active members and other beneficiaries. In addition, a maximum of four non-voting members may be appointed to the *Board*, one from each of the groups identified above.

Winnipeg Police Pension Board

Appointed by Winnipeg City Council

Tracy Graham (Chair)
Tracey Cechvala
Grant Heather
Jason Ruby
John Speidel

Appointed by Winnipeg Police Association

Cory Wiles (Vice-Chair)
Philip Neyron

Appointed by Winnipeg Police Senior Officers' Association

Cory Francis
Ken Zushman (non-voting)

Elected by Non-Active Members and Other Beneficiaries

Maurice (Moe) Sabourin

Investment Committee Members

Gary Timlick (Chair)
Rob Provencher (Vice-Chair)
Don Delisle
Phil Dembicki
Jeff Norton
Brad Peacock

Management

The day-to-day administration of the *Plan* is carried out by the management and staff of *The Winnipeg Civic Employees' Benefits Program* under the direction of its Chief Executive Officer.

Cheldon Angus
CHIEF EXECUTIVE OFFICER

Nestor Theodorou
CHIEF INVESTMENT OFFICER

Nardia Maharaj
CHIEF FINANCIAL OFFICER

Melony Schanel
CHIEF MODERNIZATION OFFICER

Amanda Jeninga
DIRECTOR, MEMBER SERVICES

David Tenjo
DIRECTOR, INFORMATION SYSTEMS

Jason Machado
CORPORATE CONTROLLER

External Advisors

ACTUARY
Aon Solutions Canada Inc.

AUDITOR
Deloitte LLP

CUSTODIAN
RBC Investor Services Trust

LEGAL COUNSEL
Koskie Minsky
Taylor McCaffrey

THE CITY OF WINNIPEG
WINNIPEG POLICE PENSION PLAN

5th Floor – 317 Donald Street
Winnipeg, Manitoba R3B 2H6
T. 204 986 2516 | F. 204 986 3571
wcebp@winnipeg.ca

WCEBP.CA