

**For the
Members of
The Edmonton
Pipe Industry**

**Pension Trust Fund
and
Health and Welfare Fund**

2025
ANNUAL REPORT

DIRECTORY

The Edmonton Pipe Industry Pension Trust Fund
and

The Edmonton Pipe Industry Health and Welfare Fund

16214 – 118 Avenue, Edmonton, Alberta T5V 1M6

Phone (780) 452-1331 Fax (780) 487-4063

Website: www.epibenefitplans.com Pension Plan Registration Number 0546028

Board of Trustees

Independent Chair

Gordon Clanachan, FCA, ICD.D

Union Trustees

Rod McKay

Kevin Morin

Robert Taylor

Cody Telford

Independent Trustees

Ray Pisani, ICD.D

Ralph Peterson, CA, ICD.D

Administration Services Provider

McAteer – Employee Benefit Plan Services Limited

Executive Administrator – Rick McAteer

Auditor

BDO LLP, Oakville, Ontario

Legal Counsel

Bryan & Company, Edmonton, Alberta

Pension Trust Fund Investment Managers

Brookfield Asset Management Inc., Toronto, Ontario

Marathon Asset Management, LP, New York, New York, USA

RBC Global Asset Management Ltd., Vancouver, BC

KKR – New York, New York, USA

Letko Brosseau & Associates Inc., Montreal, Quebec

Orbis Investment Management – Bermuda

CBRE Group, Los Angeles, California, USA

MGG Investment Group, New York, New York, USA

Northleaf Capital Partners, Toronto, Ontario

JP Morgan Investment Management Inc., New York, New York, USA

Manulife Financial Asset Management, Toronto, Ontario

Clairvest Group Inc., Toronto, Ontario

Connor, Clark & Lunn Investment Management Ltd.,

Vancouver, British Columbia

Crestline Investors Inc., Ft. Worth, Texas, USA

QV Investors Inc., Calgary, Alberta

Neuberger Berman, New York, New York, USA

Trez Capital Asset Management, Toronto, Ontario

DRC (Duet) Capital, London, UK

IFM Investors, Toronto, Ontario

Infracapital – Edinburgh, Scotland

MB Global Partners – New York, New York, USA

Cyprium Investment Partners – Cleveland, Ohio, USA

Macquarie Infrastructure Partners – New York, New York, USA

White Oak Global Advisors – New York, New York, USA

Wellington Financial, Toronto, Ontario

Morgan Stanley Investment Management,

New York, New York, USA

Harbourvest Partners LLC, Boston, Mass, USA

Lasalle Investment Management Ltd, Chicago, IL, USA

Pension Trust Fund Custodian

CIBC Mellon Trust Company, Calgary, Alberta

Pension Plan Actuary

Mercer (Canada) Limited, Calgary, Alberta

Pension Trust Fund and Health & Welfare Fund Investment Counsel

Ellement Consulting Group, Vancouver, British Columbia

Health and Welfare Plan Insurers

Canada Life, Winnipeg, Manitoba

Manulife Financial, Toronto, Ontario

Chubb Insurance Canada, Toronto, Ontario

Health and Welfare Fund Investment Managers

RBC Global Asset Management Ltd., Vancouver, British Columbia

TD Asset Management, Toronto, Ontario

Northleaf Capital Partners, Toronto, Ontario

CBRE Group, Los Angeles, California, USA

Trans Canada Capital, Toronto, Ontario

Health and Welfare Plan Employee Assistance Program Provider

United Association Member Assistance Plan

Roles and Responsibilities

A number of parties are responsible for ensuring that the Pension Trust Fund and the Health and Welfare Fund are maintained in a financially sound way that will provide pension and health benefits for members over the long term. They include:

Board of Trustees

The Board of Trustees has overall responsibility for the Pension Trust Fund and the Health and Welfare Fund, including supervision of the administration services provider, the investment managers and other delegates in the governance process. The Board is also responsible for the approval of the annual audited financial statements. The Board is made up of:

- four trustees elected by Local Union 488 members,
- three independent trustees selected by a nominating committee comprised of a representative of Local Union 488 and Construction Labour Relations – Alberta (CLRa). Included in this group is the independent chairman.

The Board's Audit Committee meets with the administration services provider and the external auditors to review the financial statements and examine other auditing and accounting matters. The Audit Committee examines the quality of the financial statement disclosure, the accounting principles applied and any significant judgments affecting the financial statements. The audited financial statements in this Report have been approved by the Board of Trustees.

Administration services provider

The administration services provider is appointed by the Board of Trustees and manages the Pension Trust Fund and the Health and Welfare Fund, and is responsible for providing quality service to the members. The administration services provider develops and maintains high-quality systems for internal accounting and administrative control. These systems are designed to provide reasonable assurance that transactions are properly authorized, reliable financial records are maintained, financial information is timely, accurate and reliable, and assets are appropriately accounted for and adequately safeguarded. The administration services provider is also responsible for preparing financial statements in accordance with Canadian accounting standards for pension plans.

Actuary

The actuary is appointed by the Board of Trustees and carries out an annual valuation of the Pension Plan's actuarial liabilities in accordance with accepted actuarial principles. This process involves analyzing the benefits to be provided under the Pension Plan, including any increases to benefits. The actuary also provides advice to the Board of Trustees on funding and benefit policies, asset and liability structure, and other matters.

External auditors

The external auditors are appointed by the Board of Trustees. Their responsibility, the scope of their examination and their opinion is set out in the Independent Auditor's Report. The external auditors have full and unrestricted access to staff of the administration services provider, the Audit Committee and the Board of Trustees to discuss any findings related to the integrity of the financial reporting and the adequacy of internal control systems on which they rely for the purposes of their audit. The external auditors use the work of the actuary to support the pension obligations in the notes of the financial statements of the Pension Trust Fund.

Custodian

The custodian holds the Pension Fund's assets and executes trades under the direction of the Pension Fund's investment managers. The custodian is appointed by the Board of Trustees.

Investment managers

The investment managers each direct a portfolio of assets on behalf of the Pension Trust Fund or the Health and Welfare Fund. Investment guidelines are set by the Board of Trustees and communicated through a Statement of Investment Policies and Procedures. The investment managers are appointed by the Board of Trustees.

Investment counsel

The investment consultant is appointed by the Board of Trustees. The consultant is responsible for providing advice in respect of an appropriate asset mix, which is designed to protect the benefits promised to members of the Pension Plan. The investment consultant is also engaged to review the performance of the investment managers and to make recommendations about the selection, and retention, of investment managers.

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Report of the Board of Trustees

We are pleased to present the Annual Report of the Pension Trust Fund and the Health and Welfare Fund for the fiscal year ended December 31, 2025.

Pension Trust Fund

The Pension Trust Fund recorded good overall investment results for the year. At December 31, 2025, the Pension Fund reported net assets available for benefits of just over \$3 billion, an accessible going concern excess of \$1.2 billion and a going concern funded ratio of 169%.

For the year ended December 31, 2025, the Fund earned a rate of return of 7.4% (13.9% for Fiscal 2024) net of investment manager and custodial fees. The Canadian equities market had a strong year with a return of 30.9%. Global equities returned 10.4%. Alternatives had a poor year, except for Infrastructure which returned 6.5%. Real Estate and Private Equities both struggled and had negative returns, partly due to currency factors. The Board continues to review asset allocation with a goal of maximizing returns within our risk guidelines.

During the year we were pleased to announce, effective January 1, 2025, a 10.0% increase in pension payments and accrued pensions. This increase follows a 7.5% increase in the prior year. This results in a cumulative increase of 34.3% over the last five years. The Board reviews and considers pension adjustments each year. It is our objective to increase pension rates whenever possible, but such increases are subject to regulatory approval and the long-term financial stability of the Plan.

The Trustees annually review, and amend when deemed necessary, the Funding and Benefits Policy and the Statement of Investment Policies and Procedures. No significant amendments were made in 2025.

The current hourly pension contribution rate is \$6.60, as determined by the Collective Bargaining Agreement.

Health and Welfare Fund

The Health and Welfare Fund remains in a strong financial position. At December 31, 2025, net assets available for benefits were \$108.4 million, an increase of \$6.7 million from 2024. After reserves for future Plan benefits, including the hour bank, unallocated net assets were \$81.5 million. Investment results have a significant impact on the Fund's financial results and have fluctuated over the years as market performance varies from year to year. Investment income for 2025 was very good at \$11.8 million. This income is an important component in the overall funding of our Plan.

The hourly health and welfare contribution rate for 2025 was \$2.70. A new Collective Bargaining Agreement provides for increases to the contribution rate to \$2.95 in 2026 and \$3.20 in 2028. These new contribution amounts are welcome as it will help the Fund address the ongoing increases experienced in all benefit costs.

The average monthly cost of benefits for active members in 2025 was \$367, almost the same as in 2024. A contribution rate of \$2.70 per hour, times 130 hours, equates to \$351 per month. This is \$16 per month less than the cost incurred to provide benefits.

The Trustees continue to focus on the long-term sustainability of the Fund and strive to ensure that benefits can be financially supported through investment income, active member contributions and premiums paid by retirees, widows, disabled and pay direct members.

We regularly review the Plan's suite of benefits, and several improvements were made during the year. Dental benefits were increased to align with the 2024 Alberta Fee Guide; Short Term Disability benefit increased from \$668 to \$695 per week; and Cataract lenses are now included within the Laser Eye Surgery benefit.

Plan Administration

We thank the team at McAteer, in Edmonton and Markham, for their continued excellent service to the Boards and our members.

Boards of Trustees

At the Board meetings in May 2026, the Boards accepted the recommendation of the Trustees Nominating Committee and reappointed Ray Pisani as an Independent Trustee for a further two-year term. Robert Taylor completed his term as a Trustee in early 2026. We thank Robert for his 17 years of dedicated service to both plans. At the same time, we welcomed Pascal Contant to the Boards and look forward to his participation.

The Board of Trustees of the Pension Trust Fund and Health and Welfare Fund met six times during the year ended December 31, 2025. In addition, the Board of Trustees has an Audit Committee which met twice in 2025.

Submitted on behalf of the Trustees,

Gordon Clanachan, FCA, ICD.D
Chairman, Board of Trustees
June 2026

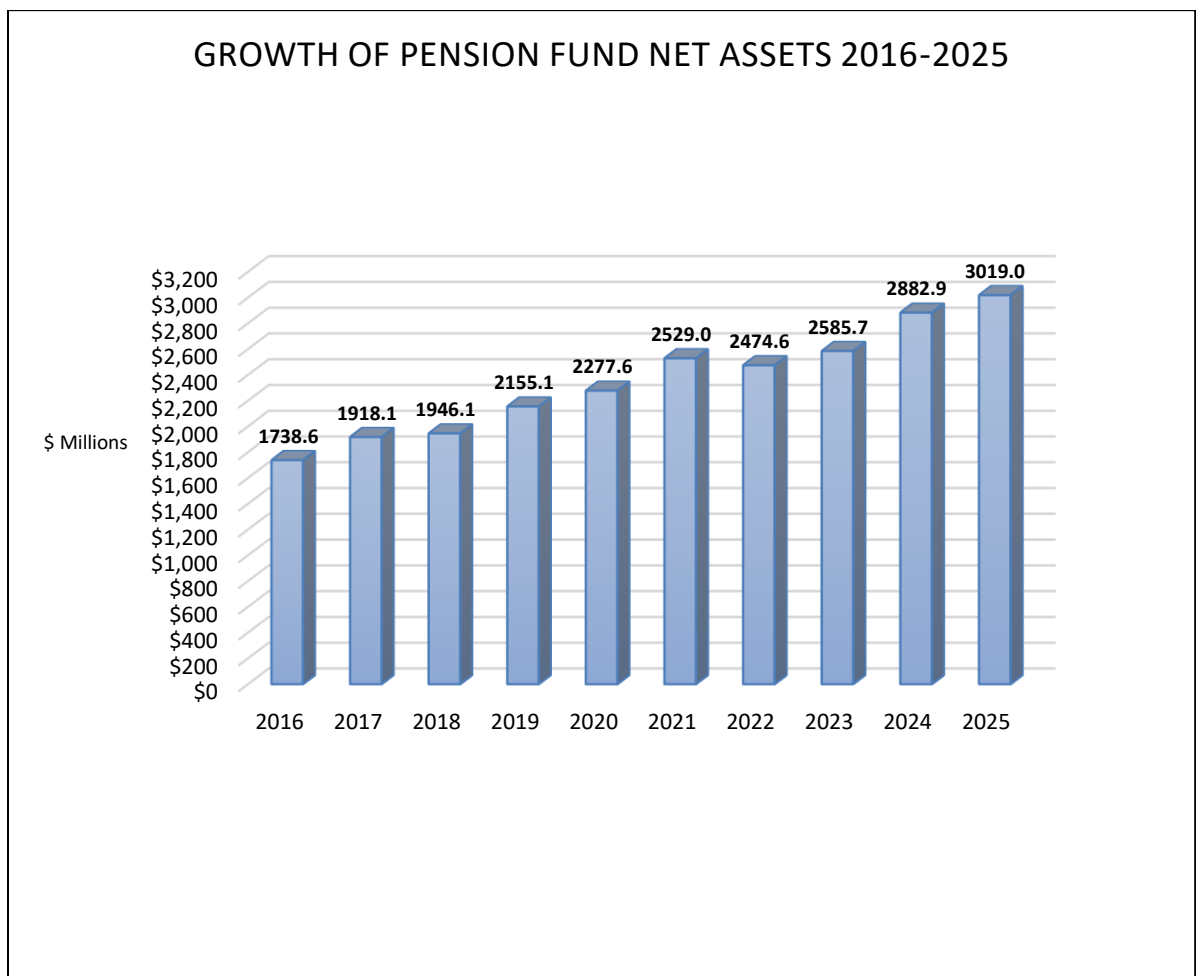
PENSION FUND HIGHLIGHTS AND COMMENTARY

Pension Fund Assets

At December 31, 2025, the Pension Fund had just over \$3.0 billion in net assets available for benefits. This is an increase of \$136.6 million compared to the net assets available for benefits at December 31, 2024. Net employer contributions, including reciprocal transfers, in 2025 were \$36.8 million, a decrease of \$5.0 million compared to 2024.

The Pension Fund received contributions in respect of 5.2 million hours earned during 2025. During 2024 the Fund received contributions in respect of 5.8 million hours.

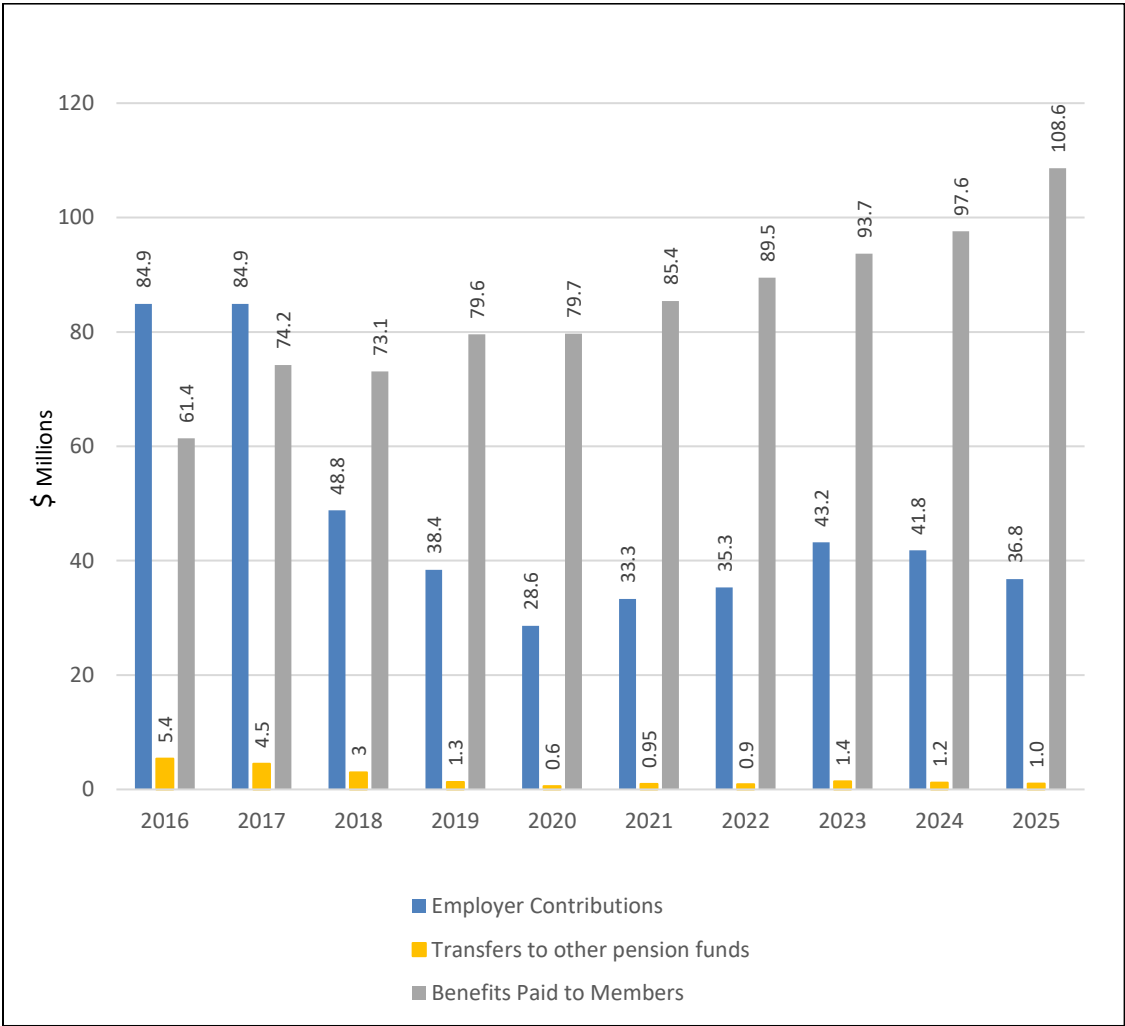
The chart below illustrates the growth in the Pension Fund's net assets.



Pension Fund Contributions

For the year ended December 31, 2025, the Pension Fund paid \$108.6 million (\$97.6 million in 2024) in pension, death and termination benefit payments.

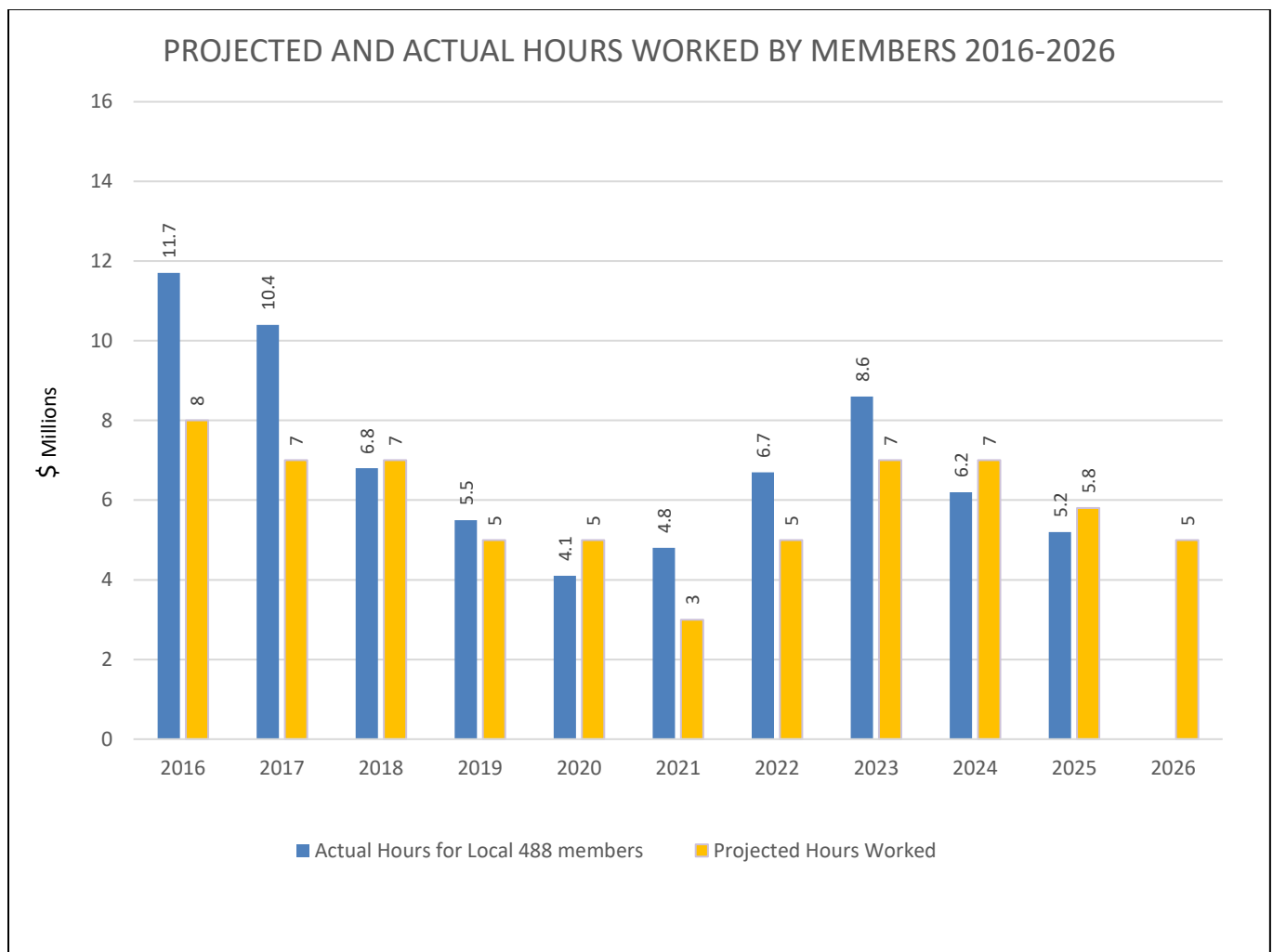
The chart below illustrates, for the period 2016 to 2025, the employer contributions received, reciprocal transfers to other pension funds and the pension benefits paid to plan members.



Employer Contributions and Hours Reported to the Pension Fund

During the year ended December 31, 2025, the Pension Fund received employer contributions based on 5.63 million hours earned in the Local 488 jurisdiction. The Pension Fund transferred contributions based on 0.14 million hours to other pension funds on behalf of union members who were not members of Local 488. Included in the remaining hours of 5.49 million is 0.34 million hours earned by Retired Members.

For Fiscal 2026, the Pension Plan will use an assumption that 5.0 million hours will be worked by Local 488 Members. The Trustees gather information about the work outlook for Local 488 Members from sources including Local 488. The Trustees' assumption for hours worked, used for actuarial valuation purposes, is also discussed with the Pension Plan's actuary.



Pension Fund Investment Rate of Return

Asset class and the Pension Fund's returns for the year ended December 31, 2025 were:

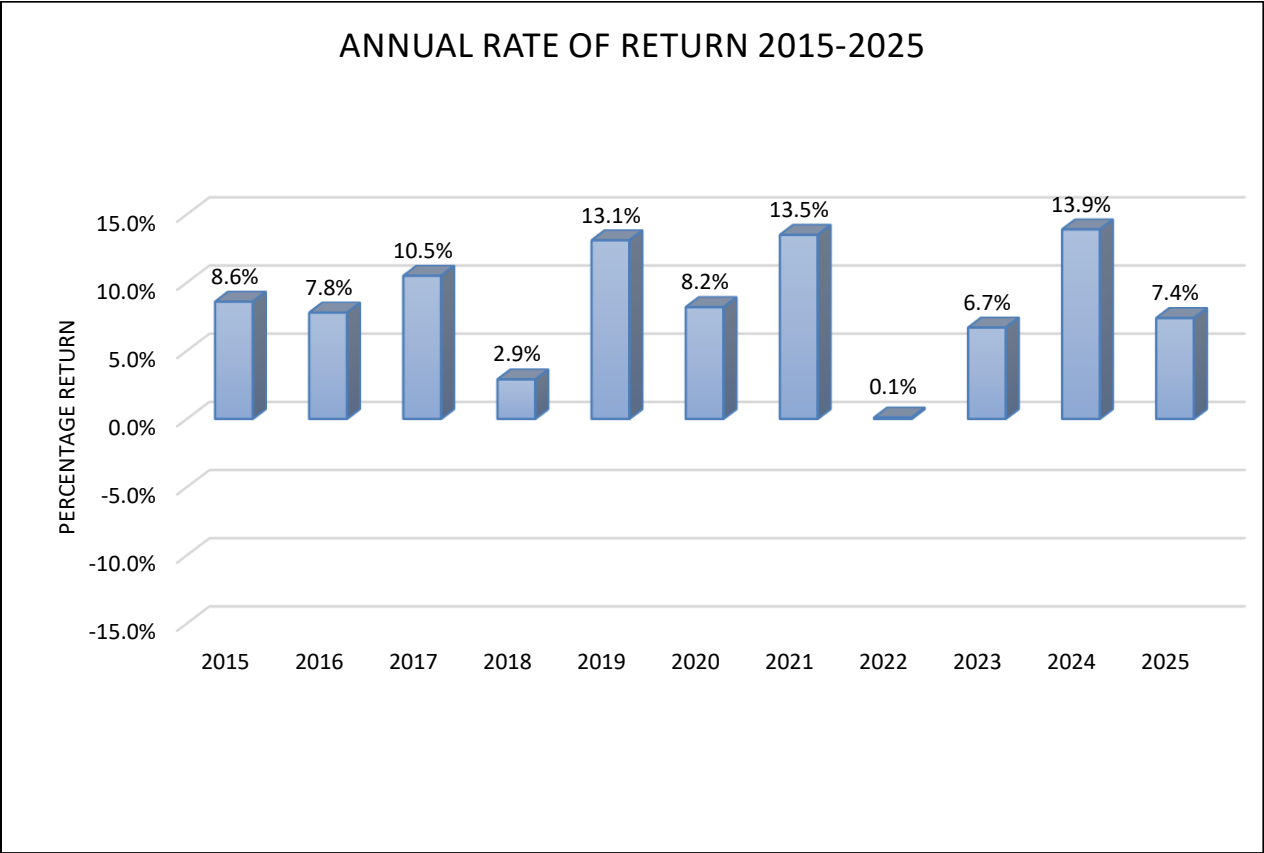
Asset Class	Pension Fund Return for The Year Ended December 31, 2025	Market Return for the Year Ended December 31, 2025
Canadian Equities	30.9%	31.7%
Canadian Long Term Bonds	0.1%	-0.7%
Canadian Universe Bonds	3.9%	2.6%
Canadian Treasury Bills	2.9%	2.6%
Global Equities	10.4%	15.4%
Alternative Fixed Income (Private Debt)	2.4%	**
Infrastructure	6.5%	**
Private Equities	-4.5%	**
Real Estate	-2.2%	**

**** Market Returns for these Asset Classes not publicly available**

For the year ended December 31, 2025, the Pension Fund earned an overall rate of return of 7.4%, net of investment manager and custodial fees. In Fiscal 2024 the Pension Fund had a rate of return of 13.8%. The Pension Plan's assumed investment return from the 2025 actuarial valuation was 6.8%. The chart on the following page shows the annual rates of return of the Pension Fund from 2015 to 2025 inclusive.

The Pension Fund's assumed investment return of 6.8% was set by the Trustees based on input from the Pension Plan's actuary and after taking into consideration the continued volatility in the global investment markets. This is the average rate that the Pension Fund's investments are expected to earn in the long term. The Trustees anticipate that, over short periods of time, the Fund's actual investment returns will be higher or lower than our 6.8% average return expectation. This assumption is reviewed annually.

Pension Fund Investment Rate of Return (Cont'd)



Pension Fund Investments

For the year ended December 31, 2025 the Pension Fund’s investments returned 7.4% after fees (8.2% before investment manager and custodial fees). The average pension fund, invested in a balanced portfolio, measured by our independent performance measurement service returned 13.2% before fees for the year ended December 31, 2025. The Pension Fund’s four-year average return of 7.1% ranks in the third quartile (58th percentile).

Pension Fund Investments (Cont'd)

As part of their ongoing management of the Pension Fund, the Trustees complete an annual review of the asset mix of the Fund. The table below outlines how the Pension Fund's assets will be allocated among different classes of investments.

Asset Class	Guidelines set by Statement of Investment Policies and Procedures			Actual Allocation as of December 31, 2025 (based on market values)
	Minimum	Normal	Maximum	
Cash and Cash Equivalents	0%	0%	4%	0.2%
Canadian Fixed Income (Bonds)	10%	17%	25%	14.3%
Publicly Traded Equities (Canadian)	10%	15%	25%	17.7%
Publicly Traded Equities (Foreign)	10%	19%	30%	20.3%
Private Equities	5%	12%	18%	10.8%
Real Estate	5%	10%	15%	8.2%
Infrastructure	5%	10%	15%	11.5%
Alternative Fixed Income (AFI)	10%	17%	25%	17.0%

The Pension Fund's investment strategy is designed to provide income to pay current pensions and asset growth to support future payments while managing overall investment risk. Providing income is particularly challenging given low interest rates. Accordingly, the Trustees continue on the path of diversification among asset classes with a further focus on investments in alternative asset classes.

Pension Fund Investments (Cont'd)

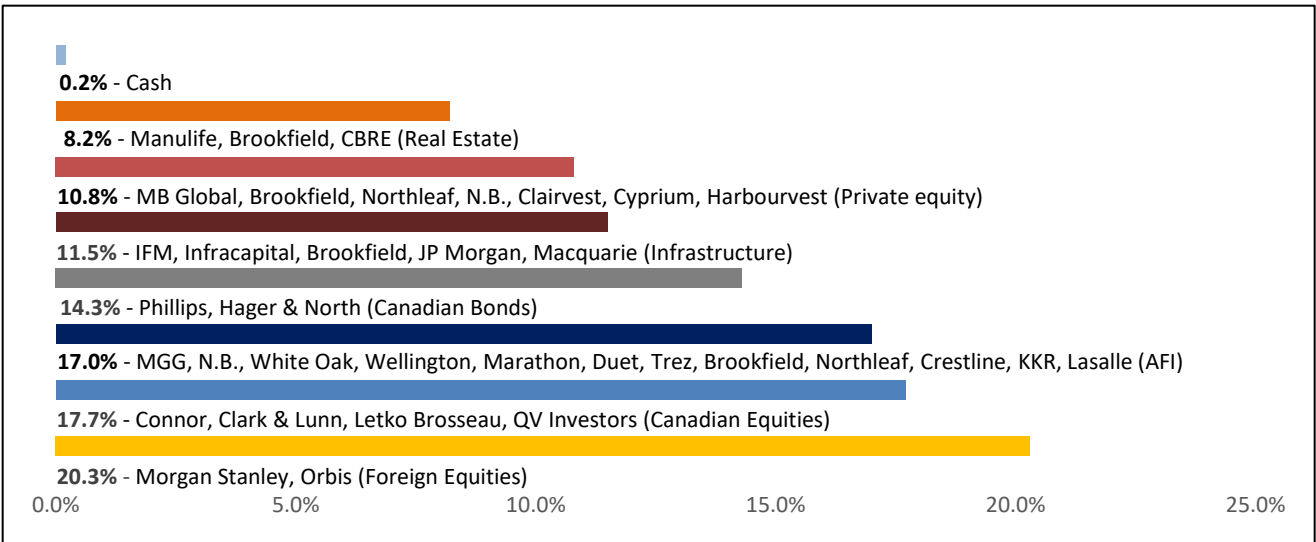
By investing in a variety of different asset classes, the Pension Fund is able to diversify its assets across a broader range of return expectations and investment risk. This is expected to produce a more stable risk and return profile which more closely matches the investment needs of a pension plan. It also allows the Pension Plan to improve the income characteristics of the investment which can then be relied upon to fund pension payments.

The Trustees have policies in place to monitor the overall asset mix of the Pension Fund and to guide the investment of contributions from employers and investment income.

An important element of the Pension Fund's governance is that the Trustees set standards for the performance of the investment managers and measure the actual performance against the standards. The Trustees retain an independent investment consultant to assist them in this monitoring responsibility. On a quarterly basis, the Trustees receive reports which give very detailed information about the investment activities of each investment manager along with the return they achieved in the quarter.

The Trustees compare this information to their standards and review whether the standards have been achieved. If standards are not achieved, the Trustees consider whether the performance deficiency is temporary. The Trustees then take action in the event they believe an investment manager's performance will not meet the standard.

The Pension Fund's assets are allocated amongst 29 independent investment managers. In addition, the Pension Fund's Custodian, CIBC Mellon, manages the Pension Fund's short term cash assets. The Trustees have a policy for the allocation of employer contributions which gives guidance about where new monies received by the Pension Fund will be invested. These guidelines also protect the Pension Fund from unacceptable market risk. The allocation of Pension Fund assets to the independent investment managers, as at December 31, 2025, is illustrated as follows:



PENSION PLAN BENEFITS – FUNDING AND BENEFIT POLICY

The Pension Plan has a Funding and Benefit Policy. This Policy sets guidelines for the Trustees about what considerations to take when thinking about the Pension Plan's benefits and how to react if the Pension Plan becomes under financial stress or when it has surplus. The Funding and Benefits Policy also helps Members to understand what to expect from the Pension Plan.

The Trustees act in the best interest of Plan Members, by ensuring that the benefits provided by the Pension Plan are sustainable. One of the products of an actuarial valuation is the demonstration of benefit security.

The Pension Plan's Funding and Benefits Policy is posted on the Plan website www.epibenefitplans.com

ACTUARIAL VALUATION

Membership Data	2018	2019	2020	2021	2022	2023	2024	2025
Number of active members	7345	6487	5339	4781	4559	4578	4473	4375
Average age of active members (in years)	41.8	41.9	42.5	42.8	43.3	43.4	43.6	43.7
Average hours worked	1110	1124	1043	1143	1704	2086	1526	1433
Number of pensioners (including disabled)	3610	3820	3971	4115	4207	4295	4435	4550
Average age of pensioners (in years)	70.8	70.8	71.1	71.3	71.5	71.9	72.2	72.5

The Pension Plan's actuarial valuation is a sophisticated mathematical tool prepared by a certified actuary. The actuary uses accepted actuarial standards, guided by the Canadian Institute of Actuaries, to estimate the future rate of growth of the Pension Plan's liabilities. This result is compared to the actual market value of the assets of the Pension Fund. The actuary also takes into consideration the negotiated contribution rate established in the collective agreements and the estimated number of hours to be worked by the Plan's Members.

As part of satisfying their responsibility for monitoring the Pension Plan, the Trustees have an actuarial valuation of the Pension Plan carried out each year. Current pension legislation requires that a valuation be filed at least every three years. The Trustees consider that the knowledge acquired from an actuarial valuation is vital to their understanding of the funded status of the Pension Plan. If the Pension Plan's assumptions for investment return, hours worked or life expectancy are not met by the actual results of the Pension Plan, the Trustees can take early corrective action, if necessary. The results of the actuarial valuation are taken into consideration when the Trustees review whether benefit improvements can be made.

Each year the Trustees, together with the Pension Plan's actuary, review and approve the assumptions to be included in the actuary's preparation of the actuarial valuation. The Trustees are confident that the Pension Plan's assumptions are realistic forecasts about the Pension Plan's future. The assumptions include a reasonable margin in case there is a poor result in investment markets, contributions to the Pension Fund or Pension Plan demographics.

ACTUARIAL VALUATION (Cont'd)

There are many assumptions included in the preparation of an actuarial valuation. The two most important assumptions are:

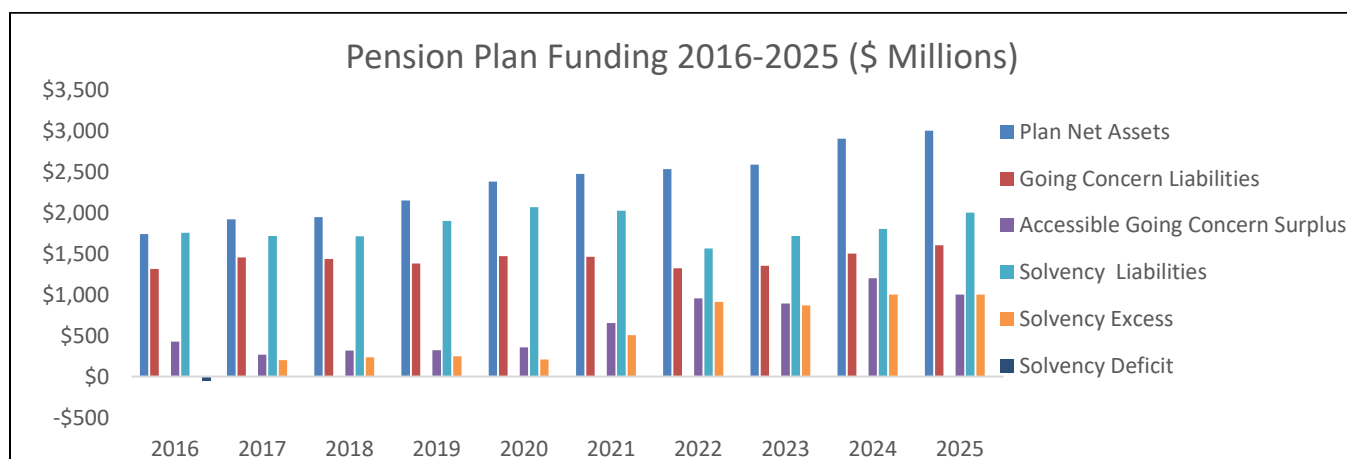
The rate of return that the Pension Fund's investments will earn. This assumption attempts to predict the future growth of the Pension Fund's assets.

For the 2025 actuarial valuation, the assumed rate of return on Pension Fund investments is 6.8%. This is the average rate that the Pension Fund's investments are assumed to earn in the long-term. The Trustees anticipate that, over short periods of time, the Fund's actual investment returns will be higher or lower than our 6.8% average return expectation.

The number of hours each member will work in the future. This assumption predicts the amount of contributions the Pension Fund will receive each year. The contribution rate is set out in the collective agreement and is a defined amount to be paid per hour earned.

The more hours earned by Local 488 members, the higher the total amount of contributions that are paid to the Pension Fund. Contributions are invested and are used to pay the Pension Plan's benefits. For the 12 months ended December 31, 2025, Local 488 members earned a total of 5.2 million hours, compared to the forecast of 5.8 million hours. For Fiscal 2026 the Plan's assumption is that Local 488 members will earn 5.0 million hours. The assumption regarding hours earned is closely monitored at each Trustees' meeting.

The Pension Plan's funding status from 2016 to 2025 is shown in the illustration below:



ACTUARIAL VALUATION (Cont'd)

The Pension Plan's going concern funded ratio, after PfAD, decreased to 169% at December 31, 2025 compared to 181% at December 31, 2024. The Pension Plan had an accessible going concern excess of \$1.146 billion at December 31, 2025 compared to \$1.208 billion at December 31, 2024.

The Pension Plan pays Termination Benefits based upon the going concern method used in the Actuarial Valuation. The interest rate used for this calculation in 2025 will be 6.82% once the funding valuation for the year ended December 31, 2025 is filed. Until such time, the interest rate used for termination benefit calculations is 6.88%, consistent with the last filed funding valuation at December 31, 2024.

Effective January 1, 2007 the Pension Plan was amended to allow a defined contribution benefit accrual for retired Members who return to work in participating employment. In 2015 the Trustees amended the accrual rate to be the hourly contribution less 5% (currently \$6.279 per hour worked). At December 31, 2025 the value of the defined contribution benefit for retired Members is \$20.5 million.

**The Edmonton Pipe Industry
Pension Trust Fund
Financial Statements
For the year ended December 31, 2025**

The Edmonton Pipe Industry Pension Trust Fund
Financial Statements
For the year ended December 31, 2025

Independent Auditor's Report

Financial Statements

Statement of Financial Position

Statement of Changes in Net Assets Available for Benefits

Notes to Financial Statements

Independent Auditor's Report

To the Trustees of The Edmonton Pipe Industry Pension Trust Fund

Qualified Opinion

We have audited the financial statements of The Edmonton Pipe Industry Pension Trust Fund (the "Fund" or "pension plan"), which comprise the statement of financial position as at December 31, 2025, and the statement of changes in net assets available for benefits for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2025, and the changes in its net assets available for benefits for the year then ended in accordance with Canadian accounting standards for pension plans.

Basis for Qualified Opinion

As agreed to by the Trustees of the Fund and in common with many pension plan audits, the scope of our audit was limited to the records of the Fund and therefore, did not extend to an examination of the payroll records of the contributing employers. Accordingly, our verification of contribution revenue was limited to the amounts recorded in the records of the Fund and we were not able to determine whether any adjustments might be necessary to contribution revenue and increase in net assets for the years ended December 31, 2025 and 2024, assets as at December 31, 2025 and 2024 and net assets available for benefits as at January 1 and December 31 for both the 2025 and 2024 years. Our audit opinion on the financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects of this scope limitation.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for pension plans, 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 Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund'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 Fund'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 Fund 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Oakville, Ontario
June 10, 2026

The Edmonton Pipe Industry Pension Trust Fund Statement of Financial Position

December 31	2025	2024
Assets		
Investments (Note 2)	\$ 2,969,428,533	\$ 2,830,643,262
Cash	49,662,928	51,422,707
Contributions receivable	2,174,971	2,744,229
Accounts receivable	191,189	191,412
Due from The Edmonton Pipe Industry Health and Welfare Fund (Note 4)	76,416	-
Prepaid expenses and deposits	28,098	31,707
	3,021,562,135	2,885,033,317
Liabilities		
Accounts payable and accrued liabilities (Note 3)	2,042,909	2,136,816
Due to The Edmonton Pipe Industry Health and Welfare Fund (Note 4)	-	34,949
	2,042,909	2,171,765
Net assets available for benefits (Note 5)	\$ 3,019,519,226	\$ 2,882,861,552

On behalf of the Board:

_____ Trustee

_____ Trustee

The Edmonton Pipe Industry Pension Trust Fund

Statement of Changes in Net Assets Available for Benefits

For the year ended December 31	2025	2024
Increase in assets		
Employer contributions	\$ 35,347,489	\$ 34,327,549
Reciprocal transfers, net	1,518,463	7,546,845
	36,865,952	41,874,394
Investment income (Note 6)	229,846,836	377,371,216
	266,712,788	419,245,610
Decrease in assets		
Benefit costs		
Pension payments	98,816,775	87,647,538
Termination and other lump sum payments	8,139,185	8,973,913
Lump sum death benefits	1,679,102	972,568
Total benefit payments	108,635,062	97,594,019
Fund and plan management expenses		
Administrative expenses (Note 7)	1,854,791	1,807,764
Investment services and custodial fees	19,639,760	22,818,924
GST/HST recovery	(74,499)	(77,444)
Total fund and plan management expenses	21,420,052	24,549,244
	130,055,114	122,143,263
Increase in net assets	136,657,674	297,102,347
Net assets available for benefits, beginning of year	2,882,861,552	2,585,759,205
Net assets available for benefits, end of year	\$3,019,519,226	\$2,882,861,552

The Edmonton Pipe Industry Pension Trust Fund

Notes to Financial Statements

December 31, 2025

1. Significant Accounting Policies

Purpose of the Pension Plan

The United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, Local 488 (the "Union") and the Construction Labour Relations - an Alberta Association Mechanical (Provincial) Trade Division Pursuant to Registration Certificate No. 27 (the "Party Employers") entered into an agreement and declaration of trust dated October 1, 1968 (the "Pension Trust Agreement") which has been amended and restated as of August 13, 2007. The Pension Trust Agreement provides for the establishment, maintenance, investment and administration of a trust fund known as The Edmonton Pipe Industry Pension Trust Fund.

The pension plan itself was established pursuant to a collective agreement between the Union and the Party Employers dated May 1, 1965 (the "Collective Agreement"). A new Collective Agreement was signed in 2025 and is effective until April 30, 2029.

Basis of Presentation

These financial statements are prepared using Canadian accounting standards for pension plans. For accounting policies that do not relate to the Fund's investment portfolio, the Fund has elected to apply Canadian accounting standards for private enterprises.

These financial statements are prepared on the going concern basis and present the aggregate financial position of the Fund as a separate financial reporting entity independent of the participating employers and pension plan members. They are prepared to assist pension plan members and others in reviewing the activities of the Fund for the fiscal period but they do not portray the funding requirements of the pension plan or the benefit security of individual pension plan members.

The pension plan is a target defined benefit plan that specifies the expected benefits to be paid to members upon pension eligibility. Contributions are limited to amounts in the collective agreement and employers are not required to fund actuarially determined funding deficiencies that may occur from time to time. Rather, such actuarially determined funding deficiencies are addressed by options such as negotiating changes to the contribution levels specified in the collective agreement, making changes to the Fund's investment strategies and/or by making adjustments to benefits paid by the Fund.

Contributions

Contributions are recognized on an accrual basis in the accounts on the basis of hours worked as reported by contributing employers at rates set in the applicable collective agreements.

Pension Benefits

Pension payments are shown as expenditures in the year of payment. Information is presented in Note 5 with respect to the pension obligation and funding valuation.

Investments and Investment Income

All investments are reported at fair value.

Cash and Short-term Investments

Cash is reported at the fair value of the reporting currency, which is Canadian dollars. Short-term investments represent highly liquid, low-risk debt investments. Due to their short-term nature, the fair value of these investments approximates cost plus accrued interest or amortized discount/premium.

The Edmonton Pipe Industry Pension Trust Fund

Notes to Financial Statements

December 31, 2025

1. Significant Accounting Policies (Continued)

Investments and Investment Income (continued)

Cash and Short-term Investments (continued)

Interest income is recognized on a time proportionate basis, using the effective interest method. This method ensures that interest income is recognized in accordance with the passage of time and the applicable interest rate, reflecting the economic benefits earned during the reporting period.

Publicly Traded Equities

Publicly traded equities are stated at fair value which is based on the closing quoted market prices on active exchanges.

Dividend income is recognized when the right to receive payment is established, based on the ex-dividend date.

The realized gain or losses on sale of investments sold during the year are determined by the excess of proceeds over average cost of investments sold and, accordingly, includes the applicable share of the excess fair value over cost of investments at the beginning of the year.

The current period change in fair value of investments represents the unrealized appreciation or depreciation of the fair value of investments held at year end less the related unrealized appreciation or depreciation at the previous year end.

Pooled Funds

Pooled funds are managed investments that pool assets in a diversified portfolio. The Fund holds pooled fund investments in bonds, publicly traded equities and real estate.

Pooled funds are valued at the unit net asset values supplied by the pooled fund administrator, which represents the Fund's proportionate share of underlying net assets. The unit net asset value is determined based on the fair value of the underlying assets and liabilities of the pooled fund.

The Fund's fair value holding in pooled funds is calculated as the unit net asset value of the pooled fund, multiplied by the number of units held by the Fund.

Investment income is the increase or decrease in the fair value of the pooled funds reflective of the fair value of the underlying investments held by the pooled funds. Dividends and interest are reinvested within the pooled funds. Distributions from pooled funds are recorded when declared by the pooled fund managers.

The realized gains or losses on sale of pooled funds sold during the year are determined by the excess of proceeds over average cost of investments sold and, accordingly, includes the applicable share of the excess of fair value over cost of investments at the beginning of the year.

The current period change in fair value of pooled funds represents the unrealized appreciation or depreciation of the fair value of investments held at year end less the related unrealized appreciation or depreciation at the previous year end.

Limited Partnerships

The Fund holds units in limited partnerships, that in turn, hold alternative fixed income, infrastructure, private equity and real estate investments that are not traded in an active market.

The Edmonton Pipe Industry Pension Trust Fund

Notes to Financial Statements

December 31, 2025

1. Significant Accounting Policies (Continued)

Investments and Investment Income (continued)

Limited Partnerships (continued)

The fair values of the Fund's investments in limited partnerships are based on its proportionate share of the limited partnerships' net assets or equity as reported in its audited financial statements.

The fair value of the underlying limited partnership investments is determined using valuation techniques as described in the limited partnership's audited financial statements.

Investment income related to the Fund's holdings in the limited partnerships includes the change in fair value of investments which represents the unrealized appreciation or depreciation of the fair value of investments held at year end less the related unrealized appreciation or depreciation at the previous year end.

Investment income is also earned within the limited partnership. To the extent that the Fund receives distributions from the limited partnership, they are based on the Fund's proportionate share of the limited partnership and are recorded when declared by the limited partnership investment managers.

The realized gains or losses on sale of limited partnership investments sold during the year are determined by the excess of proceeds over average cost of investments sold and, accordingly, includes the applicable share of the excess of fair value over cost of investments at the beginning of the year.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, investments are reported at fair value and all other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Foreign Currency

Foreign currency accounts are translated to Canadian dollars as follows:

At the transaction date, each asset, liability, revenue or expense is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year end date, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date and the resulting foreign exchange gains and losses are included in income in the current period.

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 assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates as additional information becomes available in the future.

Income Tax Status

The pension plan is registered pursuant to the Alberta Employment Pension Plans Act and the Income Tax Act (Canada), and is not subject to income taxes.

The Edmonton Pipe Industry Pension Trust Fund

Notes to Financial Statements

December 31, 2025

2. Investments

(a) Investments by Manager

	2025	2024
Direct investments		
Letko, Brosseau & Associates	\$ 94,976,491	\$ 72,786,596
Cash and cash equivalents	9,219,288	12,707,828
	104,195,779	85,494,424
Pooled funds		
RBC Global Asset Management Inc. (PH&N Institutional)		
- Canadian bonds	423,591,447	318,109,169
Morgan Stanley Investment Management Limited		
- foreign equities	311,819,953	419,006,488
Orbis Institutional Global Equity LP		
- foreign equities	289,864,447	218,586,098
QV Investors Inc.		
- Canadian equities	219,427,532	198,439,298
Connor, Clark & Lunn Investment Management Ltd.		
- Canadian equities	210,159,619	251,384,698
	1,454,862,998	1,405,525,751
Alternative fixed income		
Northleaf Capital Partners (Canada) Ltd.	102,229,880	115,376,846
Neuberger Berman Investment Advisors LLC	97,901,931	97,066,755
White Oak Global Advisors LLC	77,277,902	87,193,031
MGG Investment Group LP	71,742,911	66,563,137
KKR & Co. Inc.	65,899,781	10,040,201
LaSalle Investment Management Inc.	26,548,236	-
Crestline Investors Inc.	24,205,689	15,123,492
Trez Capital Fund Management LP (TCYT)	21,075,007	40,940,409
DRC Savills Investment Management LLP	12,129,799	16,484,864
Brookfield Asset Management Inc.	6,389,541	10,412,547
Trez Capital Finance Fund Limited Partnerships	275,785	304,285
Wellington Financial LP	43,310	120,445
	505,719,772	459,626,012
Infrastructure		
Macquarie Infrastructure Partners Inc.	162,544,252	127,327,657
Brookfield Asset Management Inc.	69,610,989	91,805,612
IFM Global Infrastructure (Canada) B, L.P.	59,440,872	55,125,115
JP Morgan Asset Management Inc.	50,435,190	48,399,017
Infracapital Partners (NT) II LP	230	1,261,603
	342,031,533	323,919,004

The Edmonton Pipe Industry Pension Trust Fund Notes to Financial Statements

December 31, 2025

2. Investments (Continued)

(a) Investments by Manager (continued)

	2025	2024
Private equities		
Northleaf Capital Partners GP Ltd.	85,131,271	95,269,280
Brookfield Asset Management Inc.	63,464,761	63,772,272
Neuberger Berman Investment Advisors LLC	61,594,641	36,570,905
Cyprium Investment Partners LLC	45,257,892	50,705,608
MB Global Partners	21,762,080	22,509,391
Clairvest Equity Partners Limited Partnerships	21,883,301	33,149,404
HarbourVest Partners LLC	20,559,000	-
	319,652,946	301,976,860
Real estate		
Brookfield Asset Management Inc.	138,875,271	147,730,036
Manulife Financial	60,778,703	61,375,407
CBRE Investment Management Fund S.à.r.l.	43,311,531	44,995,768
	242,965,505	254,101,211
	\$ 2,969,428,533	\$ 2,830,643,262

(b) Statement of Investment Policies and Procedures

	Fund Policy Range %	Target Allocation %	2025 %	2024 %
Canadian equities	10 - 25	15.0	17.7	18.5
Foreign equities	10 - 30	19.0	20.3	22.6
Private equities	5 - 18	12.0	10.8	10.7
Short term	0 - 4	-	0.2	0.4
Canadian bonds	10 - 25	17.0	14.3	11.2
Alternative fixed income	10 - 25	17.0	17.0	16.2
Real estate	5 - 15	10.0	8.2	9.0
Infrastructure	5 - 15	10.0	11.5	11.4
		100.0	100.0	100.0

The actual asset allocation may differ from the target allocation due to commitments made and not yet called by the applicable investment manager.

The Edmonton Pipe Industry Pension Trust Fund

Notes to Financial Statements

December 31, 2025

2. Investments (Continued)

(c) Commitments

The Fund has the following aggregate commitments for alternative fixed income, infrastructure, private equity and real estate investments as at December 31, 2025:

	Aggregate Commitments	Capital Calls to Dec. 31, 2025	Balance Outstanding
Foreign			
USD	\$ 1,295,000,000	\$ 912,092,872	\$ 382,907,128
GBP	£ 45,500,000	£ 32,659,084	£ 12,840,916
EUR	€ 26,000,000	€ 25,869,840	€ 130,160
Canadian			
CAD	\$ 36,100,000	\$ 31,522,576	\$ 4,577,424

3. Accounts Payable and Accrued Liabilities

The Fund has entered into reciprocal agreements with other pension funds. These agreements provide that contributions received on account of employees working outside of their local union jurisdiction are remitted on a monthly basis to the pension fund of which they are a member. Included in accounts payable and accrued liabilities are \$100,107 (2024 - \$84,322) due to other pension funds with respect to reciprocal transfers.

4. Due from (to) The Edmonton Pipe Industry Health and Welfare Fund

The amount due from/to The Edmonton Pipe Industry Health and Welfare Fund (the "Welfare Fund") represents expenditures paid by the Welfare Fund on behalf of the Fund, net of cash transfers. The Funds are related through common Board membership.

5. Pension Obligation

(a) Changes in Pension Obligation

The major assumptions used for financial statement reporting purposes to determine the pension obligation of the Pension Plan, as approved by the Fund's Trustees, are as follows:

	2025	2024
Discount rate, beginning of year	6.88%	7.03%
Discount rate, end of year	6.82%	6.88%
Investment return, actual ¹	7.39%	13.87%
Provision for adverse deviation, beginning of the year	15.00%	28.15%
Provision for adverse deviation, end of the year	15.00%	15.00%
Hours worked - assumption	5,800,000	6,200,000
Hours worked - actual	5,490,422	6,229,687

¹ Investment return represents investment and other income and change in fair value net of investment manager and custodian fees and carried interest.

The Edmonton Pipe Industry Pension Trust Fund Notes to Financial Statements

December 31, 2025

5. Pension Obligation (Continued)

(a) Changes in Pension Obligation (continued)

The Pension Plan's change in pension obligation is as follows:

	2025		2024
	(000s)		(000s)
Pension obligation before provision for adverse deviation, beginning of year	\$ 1,489,801	\$	1,352,339
Benefit improvement, effective January 1st	130,279		87,893
	1,620,080		1,440,232
Benefits accumulated	21,742		22,179
Pension credits and reciprocal transfers in	1,178		876
Reciprocal transfers out	(212)		-
Benefits paid	(108,635)		(97,594)
Interest	108,506		98,628
Impact of assumption changes - end of year	11,231		25,324
Net experience losses - end of year	(3,268)		156
Pension obligation before provision for adverse deviation	1,650,622		1,489,801
Provision for adverse deviation	222,662		185,668
Pension obligation, end of year	\$ 1,873,284	\$	1,675,469

The Edmonton Pipe Industry Pension Trust Fund

Notes to Financial Statements

December 31, 2025

5. Pension Obligation (Continued)

(b) Funding Valuation

An actuarial valuation of the pension obligation of the Pension Plan was carried out by Mercer, the Pension Plan's actuaries, at December 31, 2025 to determine funding requirements for the Pension Plan.

The Pension Plan's actuaries updated the actuarial valuation of the pension obligation of the Pension Plan based on membership data at December 31, 2025 as provided by the Pension Plan. The Pension Plan's actuaries applied tests for internal consistency, as well as for consistency with the data used for the December 31, 2025 actuarial valuation for funding purposes, and this updated information was used to calculate the Pension Plan's pension obligation in Note 5(a).

The Pension Plan's funded position on a going concern basis is as follows:

	2025	2024
	(000s)	(000s)
Net assets available for benefits	\$ 3,019,519	\$ 2,883,862
Actuarial present value of accrued benefits, excluding a provision for adverse deviation for		
Active members	444,401	405,139
Pensioners and survivors	999,541	888,729
Disabled pensioners	40,603	39,155
Deferred pensioners	145,548	136,731
Defined contribution balances for active retired members	20,529	20,047
	1,650,622	1,489,801
Funding excess as determined on a going concern basis	1,368,897	1,394,061
Net provision for adverse deviation ("PfAD")	(222,662)	(185,668)
Accessible going concern excess	\$ 1,146,235	\$ 1,208,393
Funded ratio (prior to PfAD)	183%	194%
Funded ratio (after PfAD)	169%	181%

The next actuarial valuation of the Pension Plan must be carried out no later than December 31, 2028.

The Edmonton Pipe Industry Pension Trust Fund

Notes to Financial Statements

December 31, 2025

6. Investment Income

	2025	2024
Interest and other	\$ 56,589,159	\$ 59,310,011
Dividends	40,661,377	24,380,385
Gain on sale of investments	139,601,215	86,878,106
Unrealized fair value adjustments	(7,004,915)	206,802,714
	\$ 229,846,836	\$ 377,371,216

Unrealized fair value adjustments and realized gain on sale of investments includes foreign exchange gains/losses in the year.

7. Administrative Expenses

Common expenses are allocated 60% to the Pension Fund and 40% to the Health and Welfare Fund.

	2025	2024
Direct expenses		
Administration and services provider fees	\$ 792,635	\$ 797,298
Actuarial and consulting fees	264,283	254,904
Investment consulting fees	225,994	211,785
Audit	96,194	89,716
Independent trustees' fees	92,951	89,959
Legal	66,552	68,040
Fiduciary insurance	29,220	29,794
Registration	38,647	35,462
Other expenses	14,386	7,593
	1,620,862	1,584,551
Common expenses shared with the Welfare Fund		
Rent	127,932	127,932
Office expenses	144,017	146,927
Postage	61,295	49,057
Annual report to members	16,269	15,254
Travel, conferences and meeting expenses	35,093	27,393
Other shared expenses	4,796	5,035
Insurance	480	423
	389,882	372,021
Less: Welfare Fund share	(155,953)	(148,808)
	233,929	223,213
Total	\$ 1,854,791	\$ 1,807,764

The Fund has engaged McAteer - Employee Benefit Plan Services Limited to provide administration services to the Fund.

The Edmonton Pipe Industry Pension Trust Fund

Notes to Financial Statements

December 31, 2025

8. Financial Instrument Risks

The Fund may be exposed to a variety of direct and indirect financial risks including credit risk, liquidity risk and market risk (including currency risk, interest rate risk and other price risk) as a result of its investment activities. These risks have not changed from the prior year.

Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation that is entered into with the Fund. The risk of default on transactions in listed securities is considered minimal, as the trade will fail if either party to the transaction does not meet its obligation. The Fund also has credit risk to the extent that contributions receivable are not collectible. The Fund manages this risk by closely monitoring delinquent contributors and ensuring late contributions and deviations are pursued.

While the Fund may be exposed to credit risk with respect to bonds, it manages this risk by diversifying fixed income investments by issuer, market and debt ratings as specified in the Fund's Statement of Investment Policies and Procedures. As at December 31, the Fund's fixed income investments (excluding alternative fixed income investments) by credit rating are as follows:

	2025		2024	
	Fixed Income Investments	% of Total	Fixed Income Investments	% of Total
Cash and short term	\$ 27,636,712	7	\$ 24,173,574	8
AAA	44,391,367	10	42,547,705	13
AA	102,760,130	24	74,114,227	24
A	85,533,853	20	68,312,368	21
BBB	53,134,097	13	44,458,868	14
< BB	40,934,724	10	17,103,706	5
Mortgages and other	69,200,564	16	47,398,721	15
	\$ 423,591,447	100	\$ 318,109,169	100

Liquidity Risk

The Fund is also exposed to *liquidity risk* in the event that investments must be sold quickly. The Fund's assets are invested significantly in securities that are traded in an active market and can be readily disposed of as liquidity needs arise, assuming orderly markets.

The Fund's investments in infrastructure, real estate, private equity and alternative fixed income may be exposed to higher degree of liquidity risk.

The Edmonton Pipe Industry Pension Trust Fund

Notes to Financial Statements

December 31, 2025

8. Financial Instrument Risks (Continued)

Market Risk

Interest rate risk arises from the possibility that changes in interest rates will affect the fair value of financial instruments. It arises when the Fund invests in interest-sensitive investments such as bonds and other fixed income investments that will fluctuate due to changes in prevailing levels of market interest rates. The Fund mitigates this risk by investing in interest-bearing investments with varying maturity dates in accordance with its Statement of Investment Policies and Procedures. As at December 31, the terms to maturity of interest-bearing investments (excluding alternative fixed income investments) is as follows:

December 31, 2025 (millions)	Less than 1 year	1 - 5 years	5 - 10 years	> 10 years	Total
Fixed income	\$ 33	\$ 55	\$ 71	\$ 265	\$ 424

December 31, 2024 (millions)	Less than 1 year	1 - 5 years	5 - 10 years	> 10 years	Total
Fixed income	\$ 31	\$ 41	\$ 57	\$ 189	\$ 318

As at December 31, 2025, had prevailing interest rates decreased or increased by 1%, with all other variables held constant, net assets available for benefits would have increased or decreased by approximately \$56,800,000 (2024 - \$42,500,000). The Fund's sensitivity to interest rate risk was estimated using the weighted average duration of the fixed income investments. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign currencies. The Fund's allocation of holdings in foreign currency investments are summarized in Note 2. The Fund may partially mitigate this risk by the use of foreign exchange forward contracts. As at December 31, 2025, the Fund had not entered into any foreign exchange contracts.

As at December 31, 2025, had the Canadian dollar appreciated or depreciated by 5% relative to other currencies, with all other variables held constant, net assets available for benefits would have decreased or increased, respectively by approximately \$69,700,000 (2024 - \$64,600,000).

Other price risk is the risk that the value of financial instruments 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 the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market.

The Fund manages market risk by diversifying investments in accordance with the Fund's Statement of Investment Policies and Procedures. As at December 31, 2025, had market prices, including pooled equity and alternative investments, increased or decreased by 10%, the net assets available for benefits of the Fund would have increased or decreased, respectively, by approximately \$253,662,000 (2024 - \$249,983,000).

The Edmonton Pipe Industry Pension Trust Fund

Notes to Financial Statements

December 31, 2025

8. Financial Instrument Risks (Continued)

Financial Instruments Fair Value Hierarchy

Disclosure of a three-level hierarchy for fair value measurements based upon transparency of inputs to the valuation of an asset or liability as of the measurement date is required. The three levels are defined as follows:

Level 1:

For securities valued based on unadjusted quoted prices in active markets for identical assets.

Level 2:

For securities valued based on inputs, other than quoted prices in active markets for identical assets.

Level 3:

For securities valued based on inputs that are based on unobservable market data.

The following table represents a summary of investments held by level:

	2025	2024
Level 1 - equity pooled funds and cash	\$ 1,135,098,037	\$ 1,172,468,572
Level 2 - short-term notes and fixed income	423,960,740	318,551,602
Level 3 - private equity, real estate, infrastructure and alternative fixed income	1,410,369,756	1,339,623,088
	\$ 2,969,428,533	\$ 2,830,643,262

The schedule below presents a reconciliation of Level 3 investments measured at fair value using unobservable inputs during the year. Fair value adjustments include realized and unrealized gains (losses) which are included in investment income.

	2025	2024
Balance, beginning of year	\$ 1,339,623,088	\$ 1,240,865,122
Purchases	208,805,791	116,536,079
Sales	(154,752,842)	(165,497,174)
Fair value adjustments	16,693,719	147,719,061
	\$ 1,410,369,756	\$ 1,339,623,088

There were no transfers between levels during the year.

The Edmonton Pipe Industry Pension Trust Fund

Notes to Financial Statements

December 31, 2025

9. Capital Management

The Fund considers its capital to be its net assets available for benefits. The Fund's objective when managing its capital is to accumulate funds to provide retirement benefits to pension plan members, as further described in Notes 5 and 10.

The Fund's ability to meet its objective is affected primarily by the level of retirement benefits provided, contributions negotiated in the applicable collective agreements and by the return on the Fund's investment assets, which are invested in accordance with the Fund's Statement of Investment Policies and Procedures, most recently amended and approved effective December 11, 2025 and within the applicable regulatory limits.

The Statement of Investment Policies and Procedures was established to ensure the Fund's assets are invested in a prudent and effective manner so that they will be sufficient to meet the obligations of the pension plan as they fall due. The trustees monitor investment managers to ensure that they achieve the expected returns relative to benchmark performance and to ensure the investment assets are invested within acceptable risk levels. The primary long-term overall investment objective of the Fund is to achieve a minimum annual rate of return of 6.88% per annum (Note 5(a)), representing the discount rate assumed in the pension plan's actuarial calculation of the pension obligation plus a "value added target" of 1.50%. Actual results related to the Fund's investment portfolio are disclosed in Note 6.

There have been no changes in what the Fund considers to be its capital and there have been no significant changes to the Fund's capital management objectives, policies and processes in the year.

10. Pension Plan Information

Description of Pension Plan Benefits

Actual benefits including conditions and limitations thereto are governed by the provisions of the pension plan text and reference should be made to the pension plan text for more detailed information, including details pertaining to the pension formula used to determine a retiring member's monthly benefit.

The following is a brief summary of the key aspects of the pension plan, including pension plan benefits:

The pension plan's registration number with Canada Revenue Agency and Alberta Treasury Board and Finance is 0546028.

(a) Eligibility for Membership

The pension plan covers employees of the Party Employers that are bound by the Collective Agreement to contribute to the Fund and other parties as determined by the provisions of the pension plan text.

The Edmonton Pipe Industry Pension Trust Fund

Notes to Financial Statements

December 31, 2025

10. Pension Plan Information (Continued)

(b) Pension Benefit

Effective January 1, 2017, for each full 100 covered hours, a member earns a monthly pension benefit of \$6.79 for service on or after January 1, 2017. Effective January 1, 2022, for each full 100 covered hours, a member earns a monthly pension benefit of \$5.00 for service on or after January 1, 2022. Effective January 1, 2024, for each full 100 covered hours, a member earns a monthly pension benefit of \$6.60 for service on or after January 1, 2024. Effective January 1, 2025, for each full hour, a member earns a monthly pension benefit of \$0.07 for service on or after January 1, 2025.

Effective January 1, 2022, the Trustees amended the pension plan to include a 5% increase to pensions in payment and accrued pensions for active members in good standing effective December 31, 2022. Effective January 1, 2023, the Trustees amended the pension plan to include a 5% increase to pensions in payment and accrued pensions for active members in good standing effective December 31, 2023. Effective January 1, 2024, the Trustees amended the pension plan to include a 7.5% increase to pensions in payment and accrued pensions for active members in good standing effective December 31, 2024.

In addition, effective July 2025, the Trustees amended the pension plan to include a 10% increase to accrued pensions earned to December 31, 2024 for all non-retired members, in good standing as at December 31, 2024 and a 10% increase to pensions for all retired members in good standing and in receipt of a pension on January 1, 2025.

(c) Contributions

All members, on whose behalf employers contribute, participate in the pension plan. Contributions to the pension plan are paid pursuant to collective agreements.

(d) Retirement Dates

(i) Normal Retirement Date

The normal retirement date is the first day of the month coincident with or next following the member's 65th birthday.

(ii) Early Retirement Date

The member may choose to retire as early as age 55.

(iii) Postponed Retirement

Pension commencement may be postponed, and pension credits may continue to accrue up to the end of November of the year during which the member attains age 71.

The Edmonton Pipe Industry Pension Trust Fund

Notes to Financial Statements

December 31, 2025

10. Pension Plan Information (Continued)

(e) Retirement Benefits

(i) Normal Retirement

If a member retires on their normal retirement date, the member will be entitled to the pension that was accrued prior to retirement.

(ii) Early Retirement Pension

If a member retires early, they will be entitled to a pension that is calculated the same way as for a normal retirement. If the member does not qualify for the special early retirement pension:

- (1) Their earned pension is actuarially reduced from age 65; or
- (2) For a qualified member retiring after age 60, their earned pension is reduced by 3 percent for each year that their actual retirement age precedes the normal retirement age.

A qualified member retiring after attaining age 58, but prior to their normal retirement age, is entitled to a special early retirement pension if the sum of their age and years of credited service equal at least 80 points for ages 58 and 59, and 75 points after age 60, provided they have at least 15 years of credited service. The special early retirement pension is an unreduced pension commencing on their early retirement date.

(iii) Postponed Retirement Pension

A member may elect to postpone retirement. In that case, benefits continue to accrue. Upon the member's actual retirement date, they will be entitled to their accrued benefit without any actuarial adjustment or increase.

(f) Survivor Benefits

(i) Death Prior to Receipt of a Pension

If a member not in receipt of a pension dies after accruing a vested pension, their surviving spouse shall receive an immediate lifetime pension. The amount of monthly pension payable to them is the lesser of the amount of the monthly pension earned by the member prior to their death or 66-2/3% of their earned pension plus the amount they would have earned had they worked to age 65, subject to the minimum standards under the Employment Pension Plans Act. In lieu of a monthly pension, the surviving spouse may elect to receive a commuted value equal to the deceased members termination benefit calculated as if the member had terminated at their date of death.

No death benefit is payable in respect of any accrued pension which was not vested in the member at the time of their death. Benefits earned prior to October 1, 1999 vest after the member completes five years of vesting service. Benefits earned after September 30, 1999 vest after the member completes two years of vesting service. Benefits earned on or after September 1, 2014 are immediately vested.

The Edmonton Pipe Industry Pension Trust Fund

Notes to Financial Statements

December 31, 2025

10. Pension Plan Information (Continued)

(f) Survivor Benefits (continued)

(i) Death Prior to Receipt of a Pension (continued)

If a member dies without a spouse, the member's beneficiary or estate shall receive the commuted value of any vested pension earned.

(ii) Death while in Receipt of a Pension

For a member in receipt of a pension who does not have a spouse at the time of their death, all payments would cease upon the death of the member. Effective with retirements on or after March 1, 2014 the normal form of pension for a member without a spouse at retirement is Life, guaranteed 10 years.

For a member who retired prior to January 1, 1992 who has a spouse at the time of their death, 75% of their monthly pension will be payable to their spouse after their death. For a member who retired on or after January 1, 1992 who has a spouse at the time of their death, the normal form of pension provides that 66-2/3% of their monthly pension will be payable to their spouse after their death.

Notwithstanding the foregoing, for a member who retired prior to the introduction of the long-term disability plan who dies prior to age 65 while in receipt of a disability pension, the spouse shall receive a survivor pension equal to the lesser of 66-2/3% of the monthly pension the member was receiving at the time of their death and the amount of pension accrued by the member to the date of their death.

For any member who elected an optional form of pension at the time of their retirement, any applicable survivor benefits will be payable in accordance with the terms of the optional form of pension chosen.

(g) Termination Benefits

A member terminating membership in the Fund after seven years of vesting service is entitled to receive a deferred pension from the Fund. A member terminating membership in the Fund after five years of vesting service is entitled to a deferred pension from the Fund in respect of their credited service after October 1, 1986. A member terminating their membership in the Fund after two years of vesting service is entitled to a deferred pension from the Fund in respect of their credited service after October 1, 1999. Effective September 1, 2014, a member terminating membership in the Fund is entitled to a deferred pension from the Fund.

The normal, special and early retirement provisions applicable to a qualified member with deferred pension entitlements correspond to the provisions applicable to a qualified member as noted under the Retirement benefits section above. For other members entitled to deferred pensions, the pension is payable commencing at age 65. However, a member may elect to receive an actuarially reduced early retirement pension as early as age 55.

If a member is under the age of 55, they may also transfer the commuted value of that pension into another retirement vehicle in accordance with the applicable federal and provincial legislation.

10. Pension Plan Information (Continued)

(h) Disability

A member who is in receipt of benefits from the long-term disability plan sponsored by the Welfare Fund shall be credited with deemed hours of covered employment at the average rate earned by all active members during the previous plan year.

All other members with a vested pension who become totally and permanently disabled are entitled to receive an immediate monthly pension equal to the vested pension earned prior to their becoming disabled.

(i) Post Retirement Benefits for Retired Members

An amendment to the Fund was approved by the Trustees on September 7, 2007, effective January 1, 2007, to permit contributions for retired members under age 71 returning to work with a contributing employer to accrue for the benefit of the retired member. The contributions received by the Fund, for work periods after the retired members' initial retirement date, are held with the general assets of the Fund and are immediately vested. For work periods after the retired member's initial retirement date and prior to October 1, 2009, the entire employer contribution accrues for the benefit of the retired member. For work periods after the retired member's initial retirement date and between September 30, 2009 and December 31, 2014, a portion of the employer contribution, based on the Fund's current service cost rate, accrues for the benefit of the retired member. For work periods after the retired member's initial retirement date and after January 1, 2015, the entire employer contribution less a 5% administrative fee accrues for the benefit of the retired member. Upon subsequent retirement, a benefit will be transferred to a Locked-In Retirement Account ("LIRA") on behalf of the retired member. As at December 31, 2025, the defined contribution investments of \$20,500,000 (2024 - \$20,100,000) are included in the Fund's investments presented in Note 2.

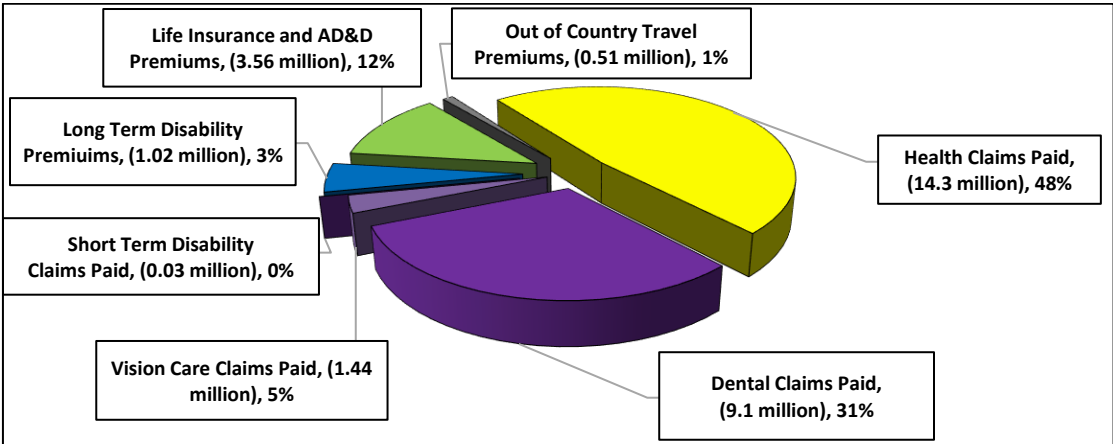
THE EDMONTON PIPE INDUSTRY HEALTH AND WELFARE FUND **HEALTH AND WELFARE FUND HIGHLIGHTS AND COMMENTARY**

The Trustees of the Health and Welfare Fund have the objective of providing a plan of benefits to covered Members to help offset normal health care expenses. In addition, the Health and Welfare Plan is designed to also provide valuable benefits to help the Members and their families when there are major events such as death and disability. The Health and Welfare Plan provides life insurance, disability and health care benefits to active and disabled Members. The Health and Welfare Plan provides life insurance, health and dental care benefits to retired Members. The Health and Welfare Plan also provides health and dental benefits to the widows of active and retired Members.

During the year ended December 31, 2025, on average, the Health and Welfare Plan provided benefits to 4,625 active Members; 1,581 retired Members; 116 disabled Members and 494 widows of Members. The Health and Welfare Plan also provided 65 Members with benefits under the self-payment program.

The Trustees have the sustainable long term funding of the Health and Welfare Plan as an important objective. The Health and Welfare Plan is financed under several funding arrangements including insurance policies underwritten by Canada Life for the life, and long term disability benefits, Chubb for the accidental death & dismemberment benefit and out of country emergency travel assistance insured by Manulife. The Health and Welfare Plan’s medical, dental, vision care and short term disability benefits are funded solely by the assets of the Health and Welfare Fund – there is no insurance contract guaranteeing the payment of these benefits. The Fund bears all of the risk of claims arising under these benefits. If there is not enough funding available to pay benefits, the Trustees would amend the Plan to bring funding in line with the cost of benefits.

During Fiscal 2025 total Health and Welfare Fund benefit payments and premiums were \$29.9 million. The chart below illustrates the Health and Welfare Fund expenses in Fiscal 2025:



THE EDMONTON PIPE INDUSTRY HEALTH AND WELFARE FUND

HEALTH AND WELFARE FUND HIGHLIGHTS AND COMMENTARY (Cont'd)

In order to offer sustainable benefits to the Health and Welfare Plan Members, the Trustees must continually monitor the financial experience of the Health and Welfare Plan. This ongoing examination of funding and benefit usage will help to ensure that the Health and Welfare Fund has the necessary resources needed to meet the potential liabilities of the Health and Welfare Plan. The liabilities of the Health and Welfare Plan will fluctuate because of changes in our demographics and the Trustees must ensure that the Health and Welfare Plan is responsive to the changing health care needs of the Members. The average age of our membership is increasing. Retired Member benefits are highly subsidized by the Health and Welfare Fund and, as the Health and Welfare Plan covers more Retired Members, we must be careful to hold enough in reserve to support the coverage allowed under the Health and Welfare Plan. Inflation and utilization in health care are also important trends monitored by the Trustees.

The Trustees strive to provide the best possible health care benefits to the Members. In addition, the Trustees have set a standard for clear, accurate and timely communication with Members. A very good resource for information about the Health and Welfare Plan is the Plan Web Site, www.epibenefitplans.com. Changes to the Health and Welfare Plan are always communicated to Members in newsletters.

THE EDMONTON PIPE INDUSTRY HEALTH AND WELFARE FUND
HEALTH AND WELFARE FUND HIGHLIGHTS AND COMMENTARY (Cont'd)

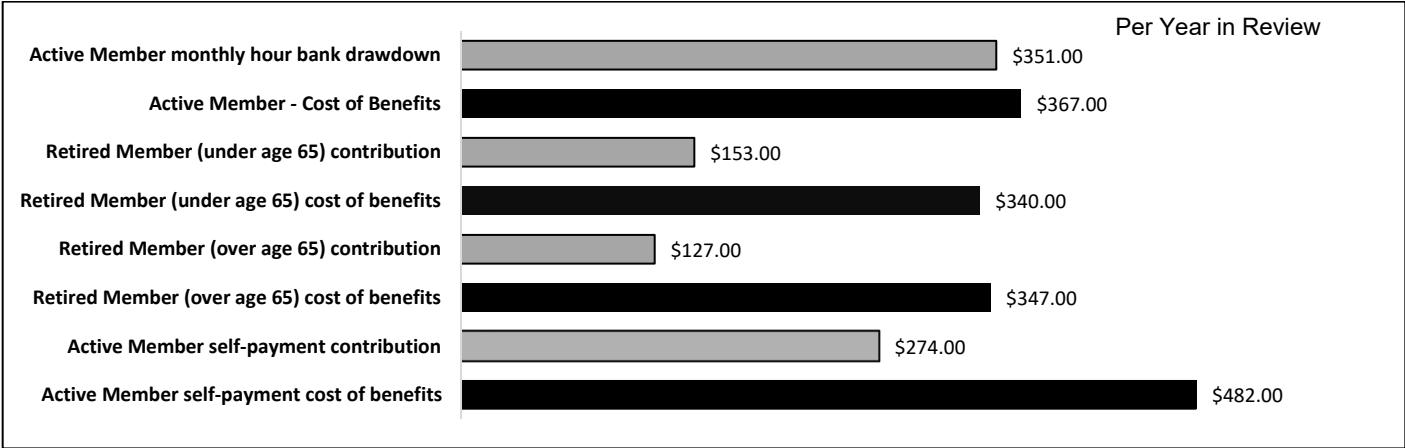
Funding of Welfare Plan Benefits

At December 31, 2025 the Health and Welfare Fund had sufficient assets on hand to provide benefits to active Members for the entire amount deposited to their hour banks. The Health and Welfare Fund also retained sufficient monies to provide retiree benefits for a period of 60 months.

Retiree benefits are an important feature of the Health and Welfare Plan. Benefits provided to Retirees are highly subsidized by the Health and Welfare Plan. The Trustees have made the decision to provide these benefits as long as the funding for them is available and there are no legislative barriers to providing them. The Trustees may change the type of benefit provided, or the amount retired Members pay to the Health and Welfare Fund for benefits, in order to secure the appropriate level of funding.

After the Health and Welfare Fund had set aside sufficient funds to cover its defined reserves for Active Member hour banks of \$21.3 million and Retirees/Disabled and Widows of \$23.1 million, the Health and Welfare Fund held unallocated net assets available for benefits of \$81.5 million.

The following graph shows the relationship between the average monthly self-payment contribution, or hour bank drawdown, and the average monthly cost of benefits paid by the Health and Welfare Plan for the year ended December 31, 2025.



THE EDMONTON PIPE INDUSTRY HEALTH AND WELFARE FUND

HEALTH AND WELFARE FUND HIGHLIGHTS AND COMMENTARY (Cont'd)

The chart below shows how the average monthly cost of benefits has changed comparing 2024 to 2025:

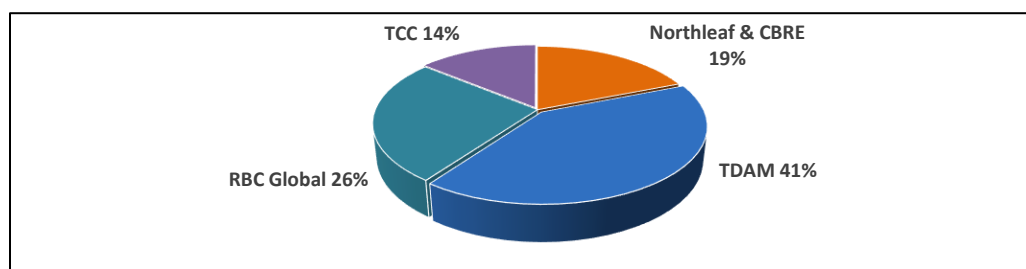
Classification	Fiscal 2024 Average Monthly Cost of Benefits	Fiscal 2025 Average Monthly Cost of Benefits	Change in Cost of Benefits 2024 to 2025
Active Members	\$368.00	\$367.00	-0.1%
Retired Members under age 65	\$295.00	\$340.00	15.2%
Retired Members over age 65	\$329.00	\$347.00	5.5%
Active Members using self-payment	\$592.00	\$482.00	-18.6%

HEALTH AND WELFARE FUND INVESTMENTS

The Health and Welfare Fund's investments are governed by an investment policy approved by the Trustees. Investment income is important to the Health and Welfare Fund because, as shown above, some of the Health and Welfare Plan's benefits are highly subsidized. Investment income helps to support the subsidies. Without investment income, earned under a prudent investment mandate, the active Members' hour bank drawdown would be higher. The Health and Welfare Fund's investment policy ensures that there are sufficient liquid assets on hand to pay benefits and premiums. The investment policy also allows some assets to be invested in longer-term securities.

The Health and Welfare Fund earned investment income, including realized and unrealized gains on the value of investments, of \$11.8 million in Fiscal 2025 (\$12.9 million in Fiscal 2024). At December 31, 2025, assets managed by TD Asset Management (TDAM) had a market value of \$51.6 million. The assets managed by RBC Global Asset Management had a market value of \$31.7 million. The assets managed by CBRE Global and Northleaf Capital Partners had a market value of \$23.9 million. The assets managed by Trans Canada Capital (TCC) had a market value of \$17.7 million.

A snapshot of where the Health and Welfare Fund's assets are invested at December 31, 2025 is as shown in the graph below



**The Edmonton Pipe Industry
Health and Welfare Fund
Financial Statements
For the year ended December 31, 2025**

The Edmonton Pipe Industry Health and Welfare Fund
Financial Statements
For the year ended December 31, 2025

Independent Auditor's Report

Financial Statements

Statement of Financial Position

Statement of Changes in Net Assets Available for Benefits

Notes to Financial Statements

Independent Auditor's Report

To the Trustees of The Edmonton Pipe Industry Health and Welfare Fund

Qualified Opinion

We have audited the financial statements of The Edmonton Pipe Industry Health and Welfare Fund (the "Fund"), which comprise the statement of financial position as at December 31, 2025, and the statement of changes in net assets available for benefits for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2025, and its changes in net assets available for benefits for the year then ended in accordance with Canadian accounting standards for pension plans.

Basis for Qualified Opinion

As agreed to by the Trustees of the Fund and in common with many benefit fund audits, the scope of our audit was limited to the records of the Fund and therefore, did not extend to an examination of the payroll records of the contributing employers. Accordingly, our verification of contribution revenue was limited to the amounts recorded in the records of the Fund and we were not able to determine whether any adjustments might be necessary to contribution revenue and increase in net assets for the years ended December 31, 2025 and 2024, assets and liabilities as at December 31, 2025 and 2024 and net assets available for benefits as at January 1 and December 31 for both the 2025 and 2024 years. Our audit opinion on the financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects of this limitation in scope.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for pension plans, 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 Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund'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 Fund'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 Fund 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Oakville, Ontario
June 19, 2026

The Edmonton Pipe Industry Health and Welfare Fund Statement of Financial Position

December 31	2025	2024
Assets		
Cash	\$ 3,382,871	\$ 2,919,355
Investments (Note 2)	125,100,125	120,869,735
Contributions receivable	1,693,581	1,536,913
Accounts receivable	190,686	12,774
Prepaid expenses	2,416,488	2,417,021
Due from The Edmonton Pipe Industry Pension Trust Fund (Note 3)	-	34,949
	<u>132,783,751</u>	<u>127,790,747</u>
Liabilities		
Accounts payable and accrued liabilities (Note 4)	2,572,201	2,843,133
Self-funded benefits payable	316,885	260,512
Due to The Edmonton Pipe Industry Pension Trust Fund (Note 3)	76,416	-
Hour Bank (Note 5)	21,345,367	22,961,159
	<u>24,310,869</u>	<u>26,064,804</u>
Net assets available for benefits (Note 6)	\$108,472,882	\$ 101,725,943

On behalf of the Board:

_____ Trustee

_____ Trustee

The Edmonton Pipe Industry Health and Welfare Fund Statement of Changes in Net Assets Available for Benefits

For the year ended December 31	2025	2024
Increase in assets		
Contributions	\$ 24,578,102	\$ 22,859,181
Reciprocal transfers, net	<u>1,042,584</u>	<u>3,644,994</u>
	25,620,686	26,504,175
Investment and other income (Note 7)	<u>11,838,147</u>	<u>12,935,354</u>
	<u>37,458,833</u>	<u>39,439,529</u>
Decrease in assets		
Benefit costs		
Health, dental, vision and short-term disability claims	24,868,354	24,922,467
Long-term disability premiums	1,021,812	1,444,586
Life insurance premiums	3,284,916	2,330,746
Accidental death and dismemberment premiums	256,356	193,716
Out-of-country insurance premiums	508,766	443,413
Members' optional life insurance premiums	<u>23,323</u>	<u>26,128</u>
	29,963,527	29,361,056
Increase (decrease) in Hour Bank (Note 5)	(1,615,792)	254,872
Increase (decrease) in self-funded benefits payable	<u>56,373</u>	<u>(240,056)</u>
Total benefit costs	<u>28,404,108</u>	<u>29,375,872</u>
Fund management expenses (Note 8)	1,848,319	1,767,346
Investment services and custodial fees	<u>459,467</u>	<u>390,323</u>
Total expenses	<u>2,307,786</u>	<u>2,157,669</u>
	<u>30,711,894</u>	<u>31,533,541</u>
Increase in net assets	6,746,939	7,905,988
Net assets available for benefits, beginning of year	<u>101,725,943</u>	<u>93,819,955</u>
Net assets available for benefits, end of year	<u>\$ 108,472,882</u>	<u>\$ 101,725,943</u>

The Edmonton Pipe Industry Health and Welfare Fund

Notes to Financial Statements

December 31, 2025

1. Significant Accounting Policies

Purpose of the Fund

The United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, Local 488 (the "Union") and the Construction Labour Relations - an Alberta Association Mechanical (Provincial) Trade Division Pursuant to Registration Certificate No. 27 (the "Party Employers") entered into an agreement and declaration of trust dated May 7, 1965 which has been amended and restated as of August 13, 2007. It provides for the establishment, maintenance, investment and administration of a fund known as The Edmonton Pipe Industry Health and Welfare Fund (the "Fund"), created pursuant to The Edmonton Pipe Industry Health and Welfare Plan (the "Health and Welfare Plan") which includes all restatements and amendments to July 1, 2023. The Health and Welfare Plan itself was established pursuant to a collective agreement between the Union and the Party Employers dated May 7, 1965 (the "Collective Agreement"). A new Collective Agreement was signed in 2025 and is effective until April 30, 2029.

The purpose of the Fund is to provide benefits to members of the Health and Welfare Plan upon eligibility as further described in Note 11.

Basis of Presentation

These financial statements are prepared using Canadian accounting standards for pension plans, which are applicable to all benefit plan financial statements. For accounting policies that do not relate to the Fund's investment portfolio, the Fund has elected to apply Canadian accounting standards for private enterprises.

Contributions

Contributions are recognized on an accrual basis in the accounts on the basis of hours reported by the employers at rates set in the collective agreements.

Investments and Investment Income

All investments are reported at fair value.

Cash

Cash is reported at the fair value of the reporting currency, which is Canadian dollars.

Pooled Funds

Pooled funds are managed investments that pool assets in a diversified portfolio. The Fund holds pooled fund investments in bonds, mortgages, publicly traded equities and real estate.

Pooled funds are valued at the unit net asset values supplied by the pooled fund administrator, which represents the Fund's proportionate share of underlying net assets. The unit net asset value is determined based on the fair value of the underlying assets and liabilities of the pooled fund.

The Fund's fair value holding in pooled funds is calculated as the unit net asset value of the pooled fund, multiplied by the number of units held by the Fund.

Investment income is the increase or decrease in the fair value of the pooled funds reflective of the fair value of the underlying investments held by the pooled funds. Dividends and interest are reinvested within the pooled funds. Distributions from pooled funds are recorded when declared by the pooled fund managers.

The Edmonton Pipe Industry Health and Welfare Fund

Notes to Financial Statements

December 31, 2025

1. Significant Accounting Policies (Continued)

Investments and Investment Income (continued)

Pooled Funds (continued)

The realized gains or losses on sale of pooled funds sold during the year are determined by the excess of proceeds over average cost of investments sold and, accordingly, includes the applicable share of the excess of fair value over cost of investments at the beginning of the year.

The current period change in fair value of pooled funds represents the unrealized appreciation or depreciation of the fair value of investments held at year end less the related unrealized appreciation or depreciation at the previous year end.

Limited Partnerships

The Fund holds units in limited partnerships, that in turn, hold private debt, real estate, infrastructure and private equity investments that are not traded in an active market.

The fair values of the Fund's investments in limited partnerships are based on its proportionate share of the limited partnerships' net assets or equity as reported in its audited financial statements.

The fair value of the underlying limited partnership investments is determined using valuation techniques as described in the limited partnership's audited financial statements.

Investment income related to the Fund's holdings in the limited partnerships include the change in fair value of investments which represents the unrealized appreciation or depreciation of the fair value of investments held at year end less the related unrealized appreciation or depreciation at the previous year end.

Investment income is also earned within the limited partnership. To the extent that the Fund receives distributions from the limited partnership, they are based on the Fund's proportionate share of the limited partnership and are recorded when declared by the limited partnership investment managers.

The realized gains or losses on sale of limited partnership investments sold during the year are determined by the excess of proceeds over average cost of investments sold and, accordingly, includes the applicable share of the excess of fair value over cost of investments at the beginning of the year.

Self-funded Benefits Payable

The self-funded benefits payable represents an estimate of the amounts payable at year end for amounts incurred, but not yet reported. Amounts are determined by the Fund's Administrator/Consultant.

Hour Bank

The Hour Bank liability is calculated by dividing the accumulated Hour Bank hours as at December 31, 2025 by the monthly take-out to determine a "months of benefit" number, which is then multiplied by the monthly benefit cost as at December 31.

The Edmonton Pipe Industry Health and Welfare Fund

Notes to Financial Statements

December 31, 2025

1. Significant Accounting Policies (Continued)

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, investments are reported at fair value and all other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Income Tax Status

The Fund is an Employee Life and Health Trust pursuant to the provisions of the Income Tax Act. Accordingly, the net investment income earned by the Fund is subject to income tax to the extent investment income exceeds allowable expenses. In the year, there were sufficient deductions to result in no taxable income.

Foreign Currency

Foreign currency investments are translated to Canadian dollars as follows:

At the transaction date, each investment, income or expense is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year end date, the investments are translated into Canadian dollars by using the exchange rate in effect at that date and the resulting foreign exchange gains and losses are included in investment income in the current period.

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 assets and liabilities at the date of the financial statements, and the reported amounts of changes in net assets available for benefits during the reporting period. Management estimates include the reserve for adverse claims fluctuations, reserve for future plan benefits and self-funded benefits payable. Actual results could differ from management's best estimates as additional information becomes available in the future.

The Edmonton Pipe Industry Health and Welfare Fund

Notes to Financial Statements

December 31, 2025

2. Investments

	<u>2025</u>	<u>2024</u>
(a) Investments by Investment Manager		
CBRE Investment Management Fund S.à.r.l.		
Global Investment Partners Global Alpha Fund		
CT3 TP1 DIS - Global Alpha Open Ended Fund	\$ 10,307,992	\$ 10,708,835
Cash and cash equivalents	102,593	111,810
	<u>10,410,585</u>	<u>10,820,645</u>
Northleaf Capital Partners (Canada) Ltd.		
Northleaf Senior Private Credit LP	13,322,879	13,681,517
Cash and cash equivalents	214,729	-
	<u>13,537,608</u>	<u>13,681,517</u>
RBC Global Asset Management Inc. (PH&N Institutional)		
Mortgage Pension Trust Fund	21,949,190	20,902,565
Short Core Plus Bond Fund	9,830,647	18,244,175
	<u>31,779,837</u>	<u>39,146,740</u>
TD Asset Management Inc.		
TD Emerald Low Volatility Canadian Equity Pooled Fund Trust	24,011,033	25,608,770
TD Emerald Low Volatility Global Equity Pooled Fund Trust	27,637,490	31,612,063
	<u>51,648,523</u>	<u>57,220,833</u>
Trans-Canada Capital Inc.		
TCC Alternative Feeder 2 LP	17,723,572	-
	<u>\$ 125,100,125</u>	<u>\$ 120,869,735</u>

The Edmonton Pipe Industry Health and Welfare Fund

Notes to Financial Statements

December 31, 2025

2. Investments (Continued)

- (b) The Fund's Statement of Investment Policies and Procedures for the year ending December 31, 2025 is as follows:

	Fund Policy Range %	Target Allocation %	2025 %
Canadian equities	0 - 50	15.0	19.2
Foreign equities	0 - 50	25.0	22.2
Short term fixed income	5 - 40	10.0	7.9
Alternative fixed income	0 - 20	10.0	10.7
Mortgages	10 - 40	15.0	17.5
Real estate	0 - 20	10.0	8.3
Diversified alternatives	0 - 25	15.0	14.2
		100.0	100.0

- (c) The Fund's Statement of Investment Policies and Procedures for the year ending December 31, 2024 was as follows:

	Fund Policy Range %	Target Allocation %	2024 %
Canadian equities	0 - 50	20.0	21.2
Foreign equities	0 - 50	25.0	26.2
Short term fixed income	10 - 40	15.0	15.1
Alternative fixed income	0 - 20	10.0	11.3
Mortgages	15 - 40	20.0	17.3
Real estate	0 - 20	10.0	8.9
		100.0	100.0

3. Due from (to) The Edmonton Pipe Industry Pension Trust Fund

The amount due from/to The Edmonton Pipe Industry Pension Trust Fund (the "Pension Fund") primarily represents shared expenses between the Fund and the Pension Fund for which the Fund remits payment for on behalf of both entities. The Fund and the Pension Fund are related by common Board membership.

4. Accounts Payable and Accrued Liabilities

The Fund has entered into reciprocal agreements with other health and welfare funds. These agreements provide that contributions received on account of employees working in a jurisdiction other than their local union are remitted on a monthly basis to the local union of which they are a member. Included in accounts payable and accrued liabilities are \$42,194 (2024 - \$27,586) of reciprocal transfers payable.

The Edmonton Pipe Industry Health and Welfare Fund Notes to Financial Statements

December 31, 2025

5. Hour Bank

	2025	2024
Balance, beginning of year	\$ 22,961,159	\$ 22,706,287
Increase (decrease) for the year	(1,615,792)	254,872
Balance, end of year	\$ 21,345,367	\$ 22,961,159

6. Net Assets Available for Benefits

Net assets available for benefits is comprised of the following:

Year ending December 31, 2025

	Reserve for Adverse Claims Fluctuations	Reserve for Future Plan Benefits	Unallocated	Total
Balance, beginning of year	\$ 3,759,328	\$ 20,321,955	\$ 77,644,660	\$ 101,725,943
Increase in net assets	-	-	6,746,939	6,746,939
Transfers to (from) reserves	(2,402)	2,874,247	(2,871,845)	-
Balance, end of year	\$ 3,756,926	\$ 23,196,202	\$ 81,519,754	\$ 108,472,882

Year ending December 31, 2024

	Reserve for Adverse Claims Fluctuations	Reserve for Future Plan Benefits	Unallocated	Total
Balance, beginning of year	\$ 3,448,627	\$ 18,705,383	\$ 71,665,945	\$ 93,819,955
Increase in net assets	-	-	7,905,988	7,905,988
Transfers to (from) reserves	310,701	1,616,572	(1,927,273)	-
Balance, end of year	\$ 3,759,328	\$ 20,321,955	\$ 77,644,660	\$ 101,725,943

Reserve for Adverse Claims Fluctuations

The Fund has established a Reserve for Adverse Claims Fluctuations to consider the risk that future claims in the aggregate will be higher than the amount supported by current funding rates. The Reserve for Adverse Claims fluctuations has been established at approximately 15% of benefit claims paid in the most recent fiscal year. The balance in this reserve may or may not be adequate to provide the coverage required.

The Edmonton Pipe Industry Health and Welfare Fund

Notes to Financial Statements

December 31, 2025

6. Net Assets Available for Benefits (Continued)

Reserve for Future Plan Benefits

The Fund has established a Reserve for Future Plan Benefits to support the payment of benefits to retired, disabled and spouses of deceased members. The Reserve for Future Plan Benefits is based on the the average monthly actual cost of benefits for such group of persons for the 12 months ended December 31, 2025 multiplied by 60 months. These benefits are provided at the discretion of the Board of Trustees based on the financial position of the Fund. In the event that adjustments are required, the Trustees may amend benefits or allocate funds to/from the reserve.

7. Investment and Other Income

	2025	2024
CBRE Investment Management Fund S.à.r.l.		
Investment and other income	\$ 156,027	\$ 53,054
Realized gains	299,103	526,138
Unrealized fair value adjustments	(400,843)	104,618
	<u>54,287</u>	<u>683,810</u>
Northleaf Capital Partners (Canada) Ltd.		
Investment and other income	1,103,213	1,374,310
Realized gains	101,775	67,732
Unrealized fair value adjustments	(358,638)	(135,720)
	<u>846,350</u>	<u>1,306,322</u>
RBC Global Asset Management Inc. (PH&N Institutional)		
Investment and other income	1,246,767	1,507,745
Realized gains (losses)	118,930	(26,212)
Unrealized fair value adjustments	329,900	788,391
	<u>1,695,597</u>	<u>2,269,924</u>
TD Asset Management Inc.		
Investment and other income	1,150,388	1,746,262
Realized gains	7,797,913	3,832,837
Unrealized fair value adjustments	(458,113)	2,855,291
	<u>8,490,188</u>	<u>8,434,390</u>
Trans-Canada Capital Inc.		
Investment and other income	180,658	-
Realized losses	(237,936)	-
Unrealized fair value adjustments	667,322	-
	<u>610,044</u>	<u>-</u>
Bank interest	141,681	240,908
	<u>\$ 11,838,147</u>	<u>\$ 12,935,354</u>

December 31, 2025

In addition to investment services and custodial fees reported on the Statement of Changes in Net Assets Available for Benefits, certain investment costs are netted against investment returns.

Common expenses are allocated 60% to the Pension Fund and 40% to the Health and Welfare Fund.

The Fund has engaged McAteer - Employee Benefit Plan Services Limited to provide administration services to the Fund.

The Edmonton Pipe Industry Health and Welfare Fund

Notes to Financial Statements

December 31, 2025

9. Financial Instrument Risks

The Fund may be exposed to a variety of direct and indirect financial risks including credit risk, liquidity risk and market risk (including interest rate risk, currency risk and other price risk). These risks have not changed from the prior year.

Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation that is entered into with the Fund. The risk of default on transactions in listed securities is considered minimal, as the trade will fail if either party to the transaction does not meet its obligation. The Fund also has credit risk to the extent that contributions receivable are not collectible. The Fund manages this risk by closely monitoring delinquent contributors and ensuring late contributions and deviations are pursued.

While the Fund may be exposed to credit risk with respect to bonds and mortgage investments within the PH&N pooled funds, it manages this risk by diversifying fixed income investments in accordance with the Fund's investment policy approved by the Trustees. As at December 31, the Fund's interest bearing investments by credit rating within the PH&N pooled funds are as follows:

	2025		2024	
	Interest-bearing Investments	% of Total	Interest-bearing Investments	% of Total
AAA	\$ 1,808,273	6	\$ 5,965,963	15
AA	514,833	2	1,080,450	3
A	2,304,038	8	3,644,561	10
BBB	2,542,387	8	4,067,346	10
< BB	1,077,336	3	802,508	2
Mortgages	19,697,143	61	19,819,994	50
Cash and short-term	3,835,827	12	3,765,918	10
	\$ 31,779,837	100	\$ 39,146,740	100

Liquidity Risk

The Fund is also exposed to *liquidity risk* in the event that investments must be sold quickly. The Fund's assets are invested in securities that are traded in an active market and can be readily disposed of as liquidity needs arise, assuming orderly markets.

The Fund's investments in real estate, private debt and mortgages may be exposed to a higher degree of liquidity risk.

The Edmonton Pipe Industry Health and Welfare Fund

Notes to Financial Statements

December 31, 2025

9. Financial Instrument Risks (Continued)

Market Risk

Interest rate risk arises from the possibility that changes in interest rates will affect the fair value of financial instruments. It arises when the Fund invests in interest-sensitive investments such as bonds and other fixed income investments that will fluctuate due to changes in prevailing levels of market interest rates. The Fund mitigates this risk by investing in interest-bearing investments with varying maturity dates.

As at December 31, the terms to maturity of interest-bearing investments within the PH&N pooled funds is as follows:

2025 (millions)	Less than 1 year	1 - 5 years	5 - 10 years	Total
Fixed income	\$ 6	\$ 20	\$ 6	\$ 32
2024 (millions)	Less than 1 year	1 - 5 years	5 - 10 years	Total
Fixed income	\$ 7	\$ 23	\$ 9	\$ 39

As at December 31, 2025, had prevailing interest rates on the interest-bearing investments raised or lowered by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$0.8 million (2024 - \$1.1 million). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the underlying investments in the pooled fund fixed income portfolio. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign currencies. As at December 31, 2025, had the Canadian dollar appreciated or depreciated by 5% relative to other currencies, with all other variables held constant, net assets available for benefits would have decreased or increased, respectively by approximately \$1.4 million (2024 - \$0.5 million).

Other price risk is the risk that the value of financial instruments 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 the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market.

The Fund manages market risk by investing amounts in accordance with the Fund's investment policy approved by the Board of Trustees. If market prices of equity, real estate and private debt investments had increased or decreased by 5% on December 31, 2025, the net assets available for benefits of the Fund would have increased or decreased, respectively, by approximately \$4.7 million (2024 - \$4.1 million).

The Edmonton Pipe Industry Health and Welfare Fund

Notes to Financial Statements

December 31, 2025

9. Financial Instrument Risks (Continued)

Financial Instruments Fair Value Hierarchy

Disclosure of a three-level hierarchy for fair value measurements is based upon transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1:

For securities valued based on unadjusted quoted prices in active markets for identical assets.

Level 2:

For securities valued based on inputs, other than quoted prices included in Level 1, that are observable for the asset, either directly or indirectly.

Level 3:

For securities valued based on inputs that are based on unobservable market data.

As at December 31, the following table represents a summary of investments held by level:

	2025	2024
Level 1 - cash and cash equivalents and equity pooled funds	\$ 51,751,116	\$ 57,332,643
Level 2 - fixed income pooled funds	10,045,376	18,244,175
Level 3 - mortgage, real estate and diversified alternatives funds	63,303,633	45,292,917
	\$ 125,100,125	\$ 120,869,735

The schedule below presents a reconciliation of Level 3 investments measured at fair value using unobservable inputs during the year. Realized and unrealized gains are included in investment income.

	2025	2024
Balance, beginning of year	\$ 45,292,917	\$ 41,269,889
Purchases	17,959,145	3,519,799
Realized gains (losses)	(95,001)	101,840
Unrealized fair value adjustments	146,572	401,389
	\$ 63,303,633	\$ 45,292,917

10. Capital Management

The Fund considers its capital to be its net assets available for benefits. The Fund's objective when managing its capital is to safeguard its ability to continue as a going concern so it can continue to provide benefits to eligible members. The Trustees monitor the Fund's financial position and adjust benefits as required to ensure its objective is met.

There have been no changes in what the Fund considers to be its capital and there have been no significant changes to the Fund's capital management objectives, policies and processes in the year.

The Edmonton Pipe Industry Health and Welfare Fund Notes to Financial Statements

December 31, 2025

11. Fund Information

Description of the Plan Benefits

Actual benefits, including conditions and limitations thereto, are governed by the provisions of the Plan and reference should be made to the Plan documents for more detailed information.

The benefits of the Plan are provided to eligible members of the Plan and their dependants. Members and dependants are covered on the first day of the month following the month in which 260 hours (320 hours prior to July 1, 2025) have been accumulated in a member's Hour Bank. Such members are continuously covered provided that their Hour Bank contains at least 130 hours. Coverage is terminated when a member's Hour Bank falls below 130 hours with two exceptions: it is not terminated if the member makes self-contributions to the Fund, and it is not terminated in the event of disability under the Disability Credit Policy as the Plan credits the member's Hour Bank to maintain eligibility for a period of up to twenty four months at which point the member is then eligible to self pay. After termination, members can become eligible for benefits again by accumulating a balance of at least the monthly draw down amount in their Hour Bank. The maximum number of hours that members may accumulate in their Hour Bank is 2,600 hours.

The benefits of the Plan can be summarized as follows:

- (1) Life insurance
- (2) Accidental death and dismemberment
- (3) Weekly indemnity - members only (self-funded)
- (4) Long term disability - members only
- (5) Emergency travel assistance
- (6) Major medical (self-funded)
- (7) Dental (self-funded)
- (8) Vision care (self-funded)