For the Members of Alberta Refrigeration Industry Pension Plan

2024
ANNUAL REPORT

Directory

The Alberta Refrigeration Industry Pension Trust Fund
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Website: www.albertarefrigeration.com
Employment Pension Plans Act Registration Number – 422972
Income Tax Act Registration Number – 0422972

Board of Trustees

Administration Services Provider

McAteer – Employee Benefit Plan Services Limited

Auditor

BDO Canada, Edmonton, Alberta

Legal Counsel

Lawson Lundell LLP, Vancouver, British Columbia

Pension Trust Fund Investment Managers

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Clairvest Group Inc., Toronto, Ontario
Cortland Credit, Toronto, Ontario
DRC Capital LLP., London, England
TD Greystone, Regina, Saskatchewan
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Trez Capital Asset Management, Toronto, Ontario
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MGG Investment Group LP, New York, New York, USA
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CIBC Mellon Trust Company, Calgary, Alberta

Pension Plan Actuary

Segal Group, Edmonton, Alberta

Pension Trust Fund Investment Counsel

Ellement Consulting Group, Winnipeg, Manitoba

Alberta Refrigeration Industry Pension Plan Trust Fund

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Report of the Board of Trustees

The Alberta Refrigeration Industry Trustees are pleased to present the Pension Trust Fund Annual Report to its members for the fiscal year ended December 31, 2024. This 2024 Annual Report provides an accounting to the Members of the highlights and activities for the Fund from January 1, 2024, to December 31, 2024.

Board of Trustees

Our Trust Agreement is the key governance document for the Fund and sets out the roles and responsibilities of the Trustees. The Trust was last amended in June 2018.

The Board elects its own Co-Chairmen each year and all decisions made by the board require a majority vote of the Trustees.

The Board of Trustees met 5 times in 2024.

Pension Trust Fund

As of December 31, 2024 the Pension Fund had over $207 million in net assets available for benefits with an accumulated surplus of 57.5 million and a going concern ratio of 140%.

At the end of the 2023 fiscal year, the Fund had net assets available for benefits in excess of $182 million.

The plan performed an actuarial valuation in 2024 and it is important to note that the actuarial investment earnings assumption of the plan is 5.75%.

For the year ended December 31, 2024 the Fund earned a rate of return of 11.5% net of all fees.

For more information about the Pension Plan's funding status at the end of December 2024, reference should be made to the Financial Statement and Actuarial sections of this Report.

Through contributions the Fund had 1.34 million pension hours being accrued by members for the year ended December 31, 2024.

Plan Improvements

Significant plan improvements were made effective January 1, 2024 by implementing a 5% increase on all earned pension amounts, accompanied by a 6% improvement to the accrual rate.

The 5% increase on all earned pension amounts will provide a financial boost while improving the overall retirement income for both current and future retirees. Simultaneously, the 6% improvement to the accrual rate will result in a higher rate of pension accumulation for active plan members.

This combined approach reflects the Plan's commitment to reward its Members for their service while ensuring that their pension benefits adapt to the changing economic landscape.

General Comments

Our commitment to the Members is to protect your benefits provided through the Pension Plan. We strive to accomplish this protection by continuing to manage the Pension Plan under a prudent investment strategy and to bring into play all the resources we believe are appropriate to be a financially secure pension plan in the Province of Alberta.

The Trustees always use caution when examining the Plan's economic assumptions. We believe that taking this approach helps to reduce the risk Plan Members bear. Additionally, the Trustees have engaged our Actuary to produce additional forecast information to help make better-informed long-term decisions. Pension benefits are always target benefits – they can change if funding cannot meet legislated standards.

Conservatism in our economic assumptions should provide some margin to protect the Plan in times of economic uncertainty. We must balance conservatism in funding against the benefits the Plan can provide. The Trustees believe that their processes have helped Members to be confident in the benefits provided by the plan.

Diversification of the Fund's assets is critical to the success of the Plan and Fund. The Trustees continue to review the Pension Fund's investment manager structure and asset mix. Our review is always conducted using the due diligence information available and the guidance of the Plan's professional advisors. The Plan's asset mix is set with an understanding of the Plan's liabilities. Our asset mix also takes into consideration the risk and return profiles of major asset classes.

The Trustees regularly review and amend when deemed necessary the Statement of Investment Policies and Procedures (SIPP). The SIPP was last amended in August 2024 with some minor changes and updates of little significance.

All the Fund's investments are managed by professional investment managers. The investment managers are measured on an ongoing basis and compared to their peers by an independent party. The Trustees regularly meet with all the investment managers.

We certainly value all the services delivered to the beneficiaries by our knowledgeable front-line administration staff, from general inquiries to the preparation and delivery of retirement documents and benefits. The Trustees thank all our service providers who continue to administer this plan with care and diligence for our members.

Your Board of Trustees believes in the value of good governance practices and procedures. We have dedicated and well-educated Trustees that are passionate about ensuring that Members continue to receive valuable benefits that are sustainable over the long term.

Submitted on behalf of the Trustees by,

Bryan Rooney

Tom Wilkinson, P.Eng, BASc

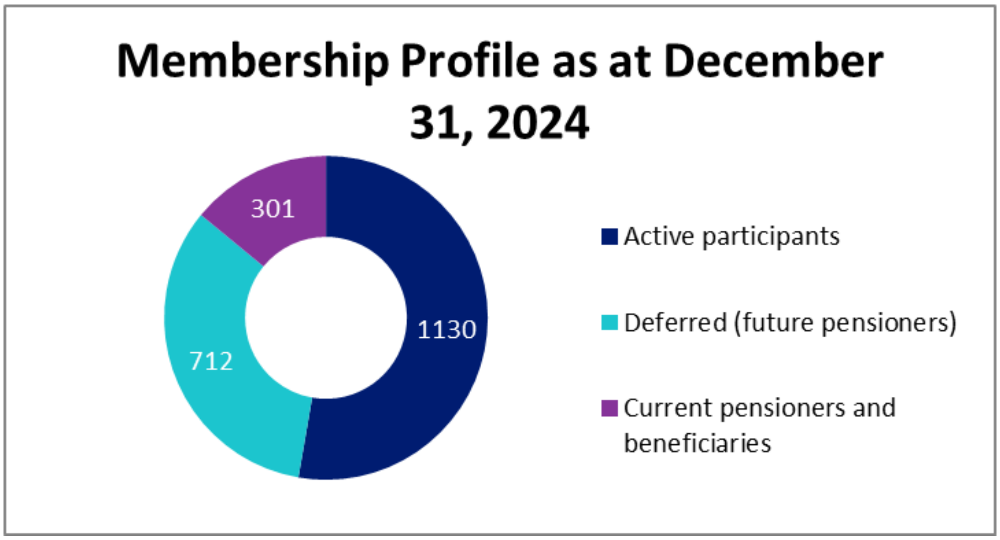
Co-Chairmen, ARI Board of Trustees

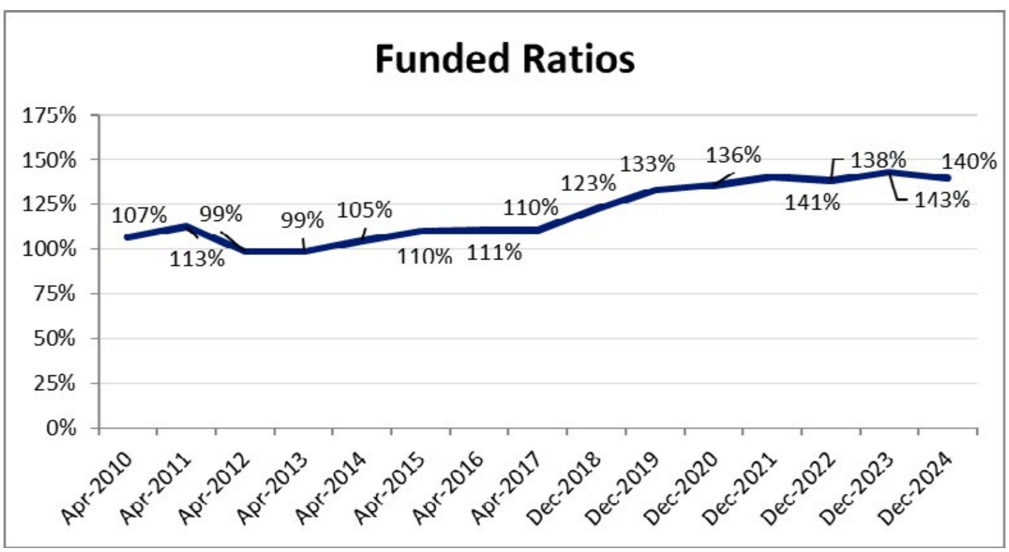
Alberta Refrigeration Industry Pension Plan

Year at a Glance

▪ **Actuarial asset value: $198.6 mill**	▪ **Estimated Funded ratio: 141%**
▪ **Estimated pension obligations: $141.1 mill**	▪ **Total Plan membership: 2,143**
▪ **Estimated Funding surplus: $57.5 mill**	▪ **Total participating employers: 38**

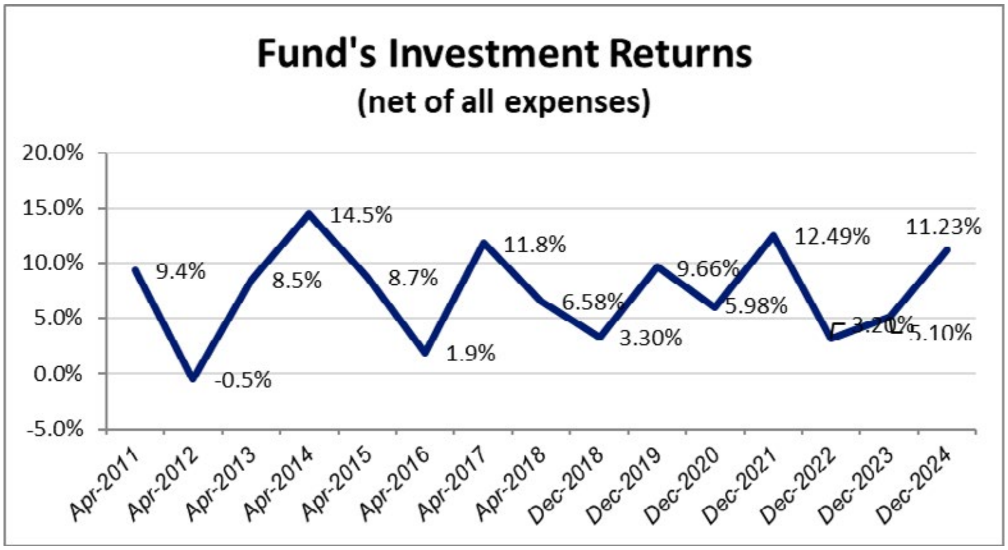
The last actuarial valuation was prepared with an effective date of December 31, 2023. The pension obligation, funding margin and funded ratio shown in the table above and later in this report are based on the preliminary valuation results as at December 31, 2024.

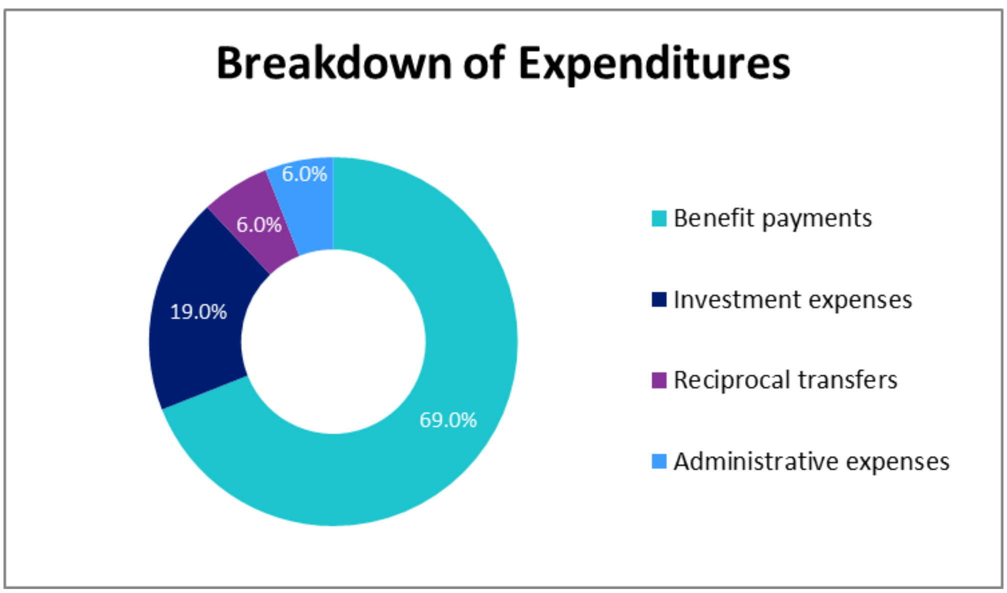




Segal

Asset Class	Target Allocation		Asset Class	Target Allocation
Canadian equity	10.0%		**Private debt**	25.0%
Foreign equity	10.0%		**Real estate**	12.5%
Domestic bonds	10.0%		**Infrastructure**	12.5%
Mortgages	10.0%		**Private equity**	10.0%





Segal

Plan Benefits

Where your employer is making contributions to the Plan at the standard rate for refrigeration mechanics, the Plan currently credits members with a fixed amount of pension for every covered hour of employment. The following table illustrates the amount of additional pension earned for varying levels of reported hours.

Reported Hours Over Plan Year	Monthly Pension Credited Pre January 1, 2024	Monthly Pension Credited Post December 31, 2023
500	$32.00	$34.00
1,000	72.00	76.50
1,500	112.00	119.00
2,000	152.00	161.50
2,500	192.00	204.00

If contributions are being remitted at a different rate, as is the case for apprentices where the contributions are pro-rated, the monthly pension credited is adjusted on a proportionate basis.

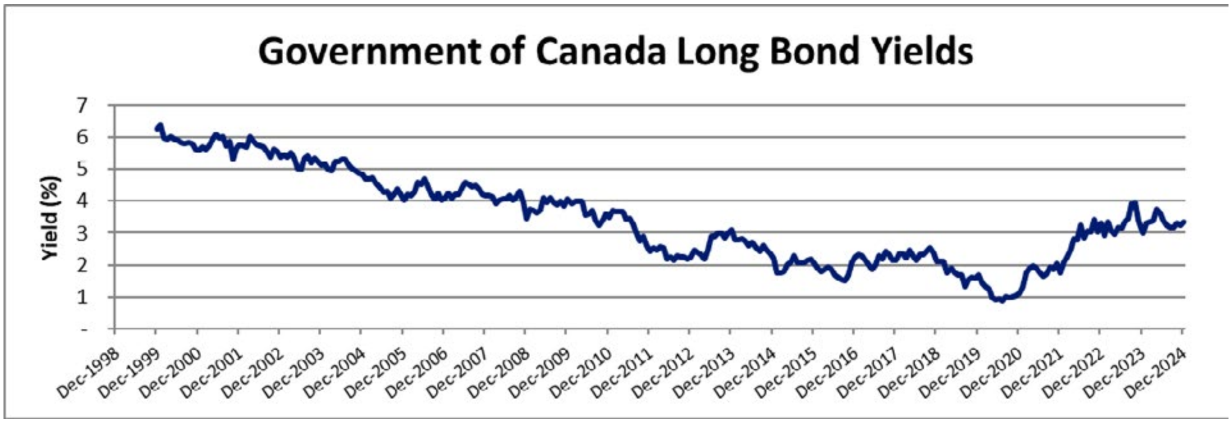
Members are eligible to retire on their full pension if retirement occurs after age 65. Retirement is permitted as early as age 55, but the monthly pension amount is reduced to reflect that it will be paid for a greater number of years. Please refer to the pension booklet for early unreduced pension commencement options. Members who cease participating in the Plan prior to age 55 are provided with an opportunity to transfer the commuted value of their pension entitlement to a locked-in RRSP. If a member dies prior to retiring, the commuted value of the pension is paid to the member's spouse or beneficiary.

Plan Funding

The Plan's financial position is measured periodically by an actuary engaged by the Board. As at December 31, 2024, the Plan was fully funded on a going concern basis. This means that the Plan's current assets, along with future contributions and investment income, are expected to be sufficient to pay all past pensions earned to December 31, 2024 and pensions to be earned in the future. Note however that pensions are not guaranteed. The on-going health of the Plan is reliant on certain levels of future investment income and other expectations about the future.

Should the Plan's future investment returns fall short of expectations, or should the Plan encounter other adverse experience, it is possible that pension benefits could be reduced. Since the Plan's inception over 45 years ago, no members' accrued benefits have ever been reduced. One of the Board's key objectives is the prudent governance of the Plan, such that the likelihood of a benefit reduction ever being required for financial reasons is minimized.

The solvency ratio is a secondary measure of a Plan's financial position. The solvency ratio measures the extent to which all benefits accrued in the Plan would be settled (in the market) in the event the Plan were immediately shut down (wound-up). The Plan's solvency liabilities are determined using reference to long-term Government of Canada bond rates. Pension liabilities change in the opposite direction of interest rate movements. That is, liabilities decrease as interest rates increase. However, the decline in Government of Canada bond rates over the years has been increasing the Plan's solvency liabilities.



The Plan’s solvency ratio as at December 31, 2024 was 128%. This means that if the Plan had been wound-up on December 31, 2024, all Plan benefits would have been fully funded. The Board notes that there is no intent to wind-up the Plan anytime in the future. Even so, the Board will continue to measure and monitor the solvency ratio. While this Plan does not fund its solvency deficit since the Alberta Regulator has granted this Plan a solvency moratorium, the Trustees have allocated additional amounts to the fund to ensure future benefit security. The Board’s primary focus remains on the prudent management of the Plan for the benefit of all current and future Plan participants.

The following table illustrates the solvency liability associated with a 60-year old pensioner receiving $1,000 per month. As you can see, the cost has increased by 22% over the last 20 years and has only recently started to come down as a result of the increasing interest rates. We note that the pension regulators prescribe the assumptions such as interest rates and life expectancy to be used in solvency valuations leaving the Board absolutely no control over these costs.

Date Calculated	Solvency Liability	Increase (Decrease) from 5 Years Prior	Increase Since 2004
December 31, 2004	$154,000	n/a	n/a
December 31, 2009	$168,000	9%	9%
December 31, 2014	$209,000	24%	36%
December 31, 2019	$220,000	5%	43%
December 31, 2023	$179,000	(19%)	16%

Plan Amendments

The Plan was amended during the period ending December 31, 2024.

All active, inactive and retired members with benefits remaining in the Plan as of January 1, 2024 had all benefits earned prior to January 1, 2024 increased by 5%. In addition, the accrual rate was increased to $0.085 for Covered Hours on and after January 1, 2024.

Plan Documents

The report was prepared by the Board to provide all participants with the Plan's key highlights. Additional and more detailed information can be obtained and can be made available for examination pursuant to section 43 and 46 of the Employment Pensions Plans Act at the Administration Office located in the Local 488 building in Edmonton. Any participant seeking additional information can call Debbie Pawlick in the Administration Office at (780) 483-1591. Members outside of Edmonton can call toll free at (800) 227-6139.

The Board welcomes your feedback about this annual report and any additional information that could be considered for future annual reports. Please forward your suggestions and comments to the Administration Office.

Alberta Refrigeration Industry Pension Trust Fund
Financial Statements
For the year ended December 31, 2024

Alberta Refrigeration Industry Pension Plan Trust Fund
Financial statements
For the year ending December 31, 2024

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Independent Auditor's Report

To the Trustees of Alberta Refrigeration Industry Pension Trust Fund

Qualified Opinion
We have audited the financial statements of Alberta Refrigeration Industry Pension Trust Fund (the "Fund" or "pension plan"), which comprise the statement of financial position as at December 31, 2024, 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, 2024, 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, 2024 and 2023, assets as at December 31, 2024 and 2023 and net assets available for benefits as at January 1 and December 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended December 31, 2023 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 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.

Independent Auditor's Report (Continued)

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.

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
May 30, 2025

Alberta Refrigeration Industry Pension Trust Fund
Statement of Financial Position

December 31	2024	2023
Assets		
Investments (Note 2)	**$202,096,375**	$174,358,678
Cash	**4,748,688**	9,356,544
Contributions receivable	**702,164**	679,099
HST recoverable	**1,139**	3,800
Prepaid expenses	**8,672**	7,137
	207,557,038	184,405,258
Liabilities		
Accounts payable and accrued liabilities	**220,881**	265,326
Reciprocal contributions payable	**32,236**	30,650
Pension holdbacks (Note 4)	**291,671**	478,803
	544,788	774,779
Net assets available for benefits	**$207,012,250**	$183,630,479

On behalf of the Board:

_______________ Trustee

_______________ Trustee

The accompanying notes are an integral part of these financial statements.

Alberta Refrigeration Industry Pension Trust Fund
Statement of Changes in Net Assets Available for Benefits

For the year ended December 31	2024	2023
Increase in assets		
Employer contributions	**$ 7,367,622**	$ 6,657,970
Reciprocal transfers, net	**436,855**	324,786
	7,804,477	6,982,756
Investment income (Note 3)	**22,767,335**	10,269,950
	30,571,812	17,252,706
Decrease in assets		
Benefit costs		
Pension payments	**4,334,312**	3,982,459
Termination and other lump sum payments	**905,630**	1,496,851
Total benefit payments	**5,239,942**	5,479,310
Fund and plan management expenses (Note 5)		
Administration	**99,436**	70,114
Conferences and meetings	**37,121**	49,805
Insurance	**28,068**	26,656
Investment services and custodial fees	**1,478,413**	1,455,014
Office and sundry	**43,124**	47,900
Professional and consulting fees	**267,001**	279,269
Registration fees	**5,273**	4,139
HST recoverable	**(8,337)**	(11,963)
Total expenses	**1,950,099**	1,920,934
	7,190,041	7,400,244
Increase in net assets	**23,381,771**	9,852,462
Net assets available for benefits, beginning of year	**183,630,479**	173,778,017
Net assets available for benefits, end of year	**$207,012,250**	$183,630,479

The accompanying notes are an integral part of these financial statements.

1. **Significant Accounting Policies**

Purpose of the Pension Plan
The purpose of the Alberta Refrigeration Industry Pension Trust Fund (the "Fund" or "pension plan") is to provide pension benefits to eligible members. The Fund's assets are invested in accordance with the Statement of Investment Policies and Procedures.

Basis of Accounting
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 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.

An actuarial valuation is completed at least every three years in respect of members' accrued pension benefits. The latest actuarial valuation, prepared by Segal Consulting, was as at December 31, 2023. Reference should be made to this actuarial valuation with respect to the most recently calculated actuarially determined going concern and solvency funding positions.

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.

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.

1. Significant Accounting Policies - (Continued)

Investments and Investment Income (continued)

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 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 fair values of the Fund's investments in limited partnerships are based on its proportionate share of the limited partnership's 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.

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.

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.

2. Investments

(a) Investments by Type

	2024		2023	
	Fair Value	**Cost**	Fair Value	Cost
Cash	**$ -**	**$ -**	$ 71,490	$ 71,490
Equities				
Canadian	**22,567,491**	**19,988,395**	18,275,388	17,921,045
Foreign	**22,272,743**	**18,424,880**	19,204,009	16,684,462
Private equity - Cdn	**4,730,790**	**-**	5,694,154	3,703,871
Private equity - Foreign	**12,225,008**	**10,599,830**	8,783,552	9,403,100
Fixed income				
Domestic bonds	**24,343,171**	**24,671,636**	25,257,086	26,214,690
Mortgages - Cdn	**25,337,760**	**25,573,405**	19,831,228	20,248,220
Private debt - Cdn	**10,875,687**	**10,857,399**	10,520,826	10,502,679
Private debt - Foreign	**25,825,030**	**23,894,381**	24,036,448	24,089,936
Real Assets				
Real estate - Foreign	**27,127,815**	**25,124,432**	18,007,347	16,540,186
Infrastructure - Cdn	**10,696,428**	**6,434,203**	9,886,144	6,434,203
Infrastructure - Foreign	**16,094,452**	**12,004,859**	14,791,006	11,991,084
	$202,096,375	**$177,573,420**	$174,358,678	$163,804,966

(b) Reconciliation of fair value of investments

	2024	2023
Balance, beginning of year	**$ 174,358,678**	$ 167,247,947
Purchases, net of sales	**13,768,454**	7,598,416
Fair value adjustments	**13,969,243**	(487,685)
	$ 202,096,375	$ 174,358,678

2. Investments - (Continued)

(c) Investment Allocation

Percentage of total investments at fair value as reported by the custodian:

	Fund Policy Range %	Target %	**2024 %**	2023 %
Cash	0	0.0	**-**	-
Equities				
Canadian equities	5.0-20.0	10.0	**11.2**	10.5
Foreign equities	5.0-20.0	10.0	**11.0**	11.0
Private equities	0-15.0	10.0	**8.4**	8.3
Fixed income				
Domestic debt	0-30.0	10.0	**12.0**	14.5
Mortgages	0-20.0	10.0	**12.5**	11.4
Private debt	10.0-30.0	25.0	**18.2**	19.8
Real assets				
Real estate	0-15.0	12.5	**13.4**	10.3
Infrastructure	0-15.0	12.5	**13.3**	14.2
			100.0	100.0

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

(d) Commitments

The Fund has made an aggregate commitment for foreign infrastructure, public equity and debt, private equity and debt, and real estate investments in the amounts of USD$80,000,000 and GBP£2,500,000, of which USD$61,842,396 and GBP£1,376,983 have been called. As a result, the Fund has outstanding commitments of USD$18,157,604 and GBP£1,123,017 as at December 31, 2024.

The Fund has made an aggregate commitment for Canadian public equity and debt, private equity and debt, and real estate investments in the amount of $18,289,000, of which $17,642,871 has been called. As a result, the Fund has an outstanding commitment of $646,129 as at December 31, 2024.

3. Investment Income

	2024	2023
Interest and other	**$ 5,749,054**	$ 4,122,946
Dividends	**5,768,483**	3,682,655
Gain (loss) on sale of investments (net)	**(2,719,445)**	2,952,034
Unrealized fair value adjustments	**13,969,243**	(487,685)
	$ 22,767,335	$ 10,269,950

4. Pension Holdbacks

The pension plan had a solvency funding deficiency and, pursuant to applicable pension legislation, was required to defer a portion of the payment for certain termination benefits. The amounts deferred bear interest at prescribed rates. The deferred amount, plus interest, is required to be paid at the earlier of five years from the date of the initial payment or the date upon which the pension plan is fully funded as prescribed in applicable pension legislation.

Effective December 1, 2017, the applicable legislation was amended so that there would be no further holdbacks required for benefits payable on/after December 1, 2017.

5. Fund and Plan Management Expenses

	2024	2023
Administration	**$ 99,436**	$ 70,114
Conferences and meetings	**37,121**	49,805
Insurance	**28,068**	26,656
Investment services and custodial fees		
Investment management	**1,478,413**	1,455,014
Office and sundry		
Bank charges and interest	**2,770**	1,201
Computer maintenance	**16,336**	17,085
Printing and stationery	**6,960**	10,728
Telephone, postage, courier and general	**17,058**	18,886
	43,124	47,900
Professional and consulting fees		
Actuarial	**84,668**	61,341
Audit	**61,134**	60,205
Consulting	**117,505**	119,620
Legal	**3,694**	38,103
	267,001	279,269
Registration fees	**5,273**	4,139
HST recoverable	**(8,337)**	(11,963)
Total	**$ 1,950,099**	$ 1,920,934

6. 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 mortgages and private debt) by credit rating are as follows:

	2024 Fixed Income Investments	**2024** % of Total	2023 Fixed Income Investments	2023 % of Total
AAA	**$ 6,635,845**	**27**	$ 5,989,696	24
AA	**4,762,867**	**20**	5,623,464	22
A	**6,948,612**	**29**	8,050,128	32
BBB	**4,500,640**	**18**	4,378,786	17
BB	**1,114,242**	**4**	541,511	2
< BB	**380,965**	**2**	673,501	3
	$ 24,343,171	**100**	$ 25,257,086	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 primarily 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 debt, private equity and mortgages may be exposed to higher degree of liquidity risk.

6. **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 mortgages and private debt) is as follows:

December 31, 2024 (millions)	**Less than 1 year**	**1 - 5 years**	**5 - 10 years**	**> 10 years**	**Total**
Cash	**$ 5**	**$ -**	**$ -**	**$ -**	**$ 5**
Fixed income	**4**	**7**	**6**	**7**	**24**
	$ 9	**$ 7**	**$ 6**	**$ 7**	**$ 29**

December 31, 2023 (millions)	Less than 1 year	1 - 5 years	5 - 10 years	> 10 years	Total
Cash	$ 9	$ -	$ -	$ -	$ 9
Fixed income	2	10	5	8	25
	$ 11	$ 10	$ 5	$ 8	$ 34

As at December 31, 2024, 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 $1,800,000 (2023 - $1,800,000). 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 holdings in foreign currency investments are summarized in Note 2.

As at December 31, 2024, 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 $5,200,000 (2023 - $4,200,000).

6. Financial Instrument Risks - (Continued)

Market Risk - (continued)
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, 2024, had market prices, including those of the pooled equity funds, private equities, infrastructure investments, and real estate investments, increased or decreased by 10%, the net assets available for benefits of the Fund would have increased or decreased, respectively, by approximately $11,600,000 (2023 - $9,500,000).

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:

	2024	2023
Level 1 - cash and equity pooled funds and cash	**$ 44,840,234**	$ 37,550,887
Level 2 - fixed income pooled funds	**24,343,171**	25,257,086
Level 3 - private equity/debt, real estate, mortgages and infrastructure	**132,912,970**	111,550,705
	$202,096,375	$174,358,678

6. Financial Instrument Risks - (Continued)

Financial Instruments Fair Value Hierarchy - (continued)

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

	2024	2023
Balance, beginning of year	**$111,550,705**	$116,302,970
Purchases	**20,416,012**	8,474,782
Sales	**(6,175,986)**	(9,497,124)
Realized losses included in investment income	**(2,667,962)**	(1,014,741)
Fair value adjustments	**9,790,201**	(2,715,182)
	$132,912,970	$111,550,705

There were no transfers between levels during the year.

7. 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 Note 8.

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 August 20, 2024 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 6.75% per annum, representing the discount rate assumed in the pension plan's actuarial valuation, plus a premium to cover plan expenses and any funding deficiencies that may exist. Actual results related to the Fund's investment portfolio are disclosed in Note 3.

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.

8. 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 pension plan benefits:

The pension plan's registration number with Canada Revenue Agency and Alberta Treasury Board and Finance is 0422972.

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

Pension plan members become eligible for full benefits on or after age 65 provided the member has applied in writing to the Trustees. Benefits are calculated as the sum of a member's past service benefit, and a member's membership service benefit. A member's past service benefit is equal to $13.00 per month per year, up to a maximum of ten years, and were granted as a result of service before May 1, 1980. A member's monthly membership service is equal to $0.085 (2023 - $0.080) multiplied by every covered hour of employment after the first 100 hours, after May 1, 2007. Prior to May 1, 2007, membership service benefits were calculated based on covered hours of employment during the plan year.

A member is eligible for an unreduced benefit if the member is age 60 with a minimum of 15 years (prior to July 1, 2023 - 5 years) credited service and the member is in good standing. A member can apply to receive a reduced benefit provided that the member is at least age 55 when application is made. Benefits are calculated in the same manner as for normal retirement, but are reduced, taking into consideration the number of months that the member is under age 60. Members may qualify for an unreduced pension at age 60 if the minimum number of years are reached and they are a member in standing with the Union. Normal retirement is at age 65 with no reduction.

The pension plan also pays benefits to the member's designated beneficiary in the event of the member's death before commencement of pension payments.

Members who terminate participation in the pension plan where less than 350 hours of employment were credited to the member in two pension plan years or such shorter period as prescribed by applicable legislation will be entitled to a deferred pension or be able to transfer the commuted value out of the Plan. Members who are not vested upon termination forfeit any benefits.

Persons whose contributions are governed by a reciprocal agreement with the Fund have contributions transferred to their home pension fund.

Members will earn a benefit in the pension plan until December 1 in the calendar year in which they reach age 71.

No monthly pension or other benefits are guaranteed.

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