

Remarks delivered by Derek Dobson, CEO and Plan Manager, CAAT Pension Plan at the Annual Performance Update Conference, May 29, 2025

Hello. I'm Derek Dobson, CEO and Plan Manager of the CAAT Pension Plan.

It's my pleasure to welcome you to our 2024 annual update.

In 2024, we made meaningful progress and delivered impressive results.

First, CAAT provided greater access to valuable workplace pensions. The Plan reached -- then surpassed -- 100,000 members. And we almost doubled the number of participating employers -- from 370 -- to over 710.

We are proud to offer the “gold standard” in pension plans to employers in every sector of the Canadian economy -- and as importantly -- to organizations of all sizes.

Second, our investment program generated returns to keep the Plan's financial health strong -- and allows us to continue our 18-year record -- of granting additional benefit enhancements -- adding even more value on top of your secure lifetime pension.

We recorded a 10-year annualized net rate of return of 9.6%. In 2024, we delivered an impressive annual net rate of return of 15.2%.

We entered 2025 with over \$23 billion in assets and \$6 billion in funding reserves.

And third, CAAT found new ways to enhance the financial security of our members. The launch of GROWTHplus is a great example.

This optional savings account provides members with the opportunity to transfer their tax-sheltered savings, like RRSPs -- and invest it in our investment program, which includes assets that aren't typically available to individuals.

The reception to this innovation has been extremely positive, and I'm proud to say, GROWTHplus was recognized internationally, and more importantly it is responding directly to the requests from members and employers in Canada.

Like I said, impressive results. But, for CAAT, the most inspiring area is the confidence our members place in us. Nine in 10 members trust the Plan -- and are confident -- their pension benefits are secure.

That's a testament to our team. They care deeply about delivering on our pension promise - - and helping CAAT stand out for all the right reasons.

We'll keep focused and working hard at:

1. Providing members with the tools they need to succeed,
2. Generating sufficient long-term returns to continue to grant additional benefit enhancements and promote the Plan's health,
3. Innovating to meet the needs of members and employers, and
4. Fostering a truly engaged and purpose-driven work culture.

I want to talk more broadly about CAAT's unique value proposition, especially in uncertain times.

Many Canadians are finding it hard to save for retirement -- with the rising cost of living -- or are nervous given the increased economic uncertainty and investment market volatility.

Retirement plans are being delayed as a result.

A report from Deloitte paints a pretty stark picture for the vast majority of people nearing retirement, those aged between 55 and 64. It found that:

- Almost 7 out of 10 households are at risk of not being able to financially sustain their lifestyle in retirement. And nearly half of those will need to rely heavily on government programs.
- All told, more than 2 million of the 3 million Canadians nearing retirement are in financially vulnerable positions.

At CAAT, we believe that every Canadian deserves to retire with security -- and confidence.

Which is why our Plan is designed -- to offer members a lifetime retirement income -- with additional conditional enhancements -- such as inflation protection.

Predictable income is the cornerstone of financial security. The ease of participating in our plan can reduce stress and strain of daily life -- and provide greater confidence about the future.

Employers who focus on the financial wellbeing of their workers -- can build the kind of workplace people want to be part of -- enhancing attraction, retention, and employee engagement.

And if they partner with CAAT, they can make this happen in flexible and cost-effective ways -- without -- adding risk or complexity to their operations.

Our unique value proposition of predictability is built on a foundation of stability and security -- and is embedded into everything we do, including the way CAAT is governed and operates.

Let me highlight four ways.

First, relates to our jointly sponsored governance model. It ensures employers and members share responsibility in the decision-making of the Plan, working collaboratively on advancing our mission, vision, and purpose.

This year we are celebrating our 30th anniversary as a jointly sponsored pension plan. And as Kareen Stangherlin and Virginia Di Monte noted in the Board's letter in our Annual Report, this model has been effective in delivering on our pension promise "while also evolving with the needs of the employers and members, even in the face of significant market volatility."

Second, our well-defined funding policy is designed to ensure the long-term security of the Plan while delivering valuable benefit enhancements when the Plan is well funded. There are six policy levels, each with specific guidelines for managing our reserves and granting additional conditional benefits. Our priority is to build reserves to protect the Plan from economic shocks and to grant valuable inflation increases to ensure we continue to provide members with growing income in retirement.

The third factor speaks to our focus on the long-term. I already talked about our commitment to generate sufficient long-term returns to support the Plan's health. Another method is through asset smoothing. That's when we set aside money earned in one year, which we gradually recognize in future reporting. It's an effective way to avoid any reactions to short-term market volatility. Smoothing out volatility allows us to plan in a more consistent manner. In 2024, we allocated over \$1.8 billion for such purposes which will be gradually recognized over the next four years.

Finally, our risk focused culture helps ensure the stability and sustainability of our Plan. Considering risk is embedded into all facets of what we do at CAAT. Identifying, managing and mitigating risks is critical to the long-term success of the Plan.

Rising prices and greater economic uncertainty can make planning for and living in retirement hard for many Canadians. But the stabilizing force of the CAAT Pension Plan provides greater peace of mind for our members and smart ways for employers to invest in their people without adding risk or complexity to their operations.

That's the power and unique value proposition of generating predictable -- secure retirement income for life. It's what we stand for and why we stand out as Canada's workplace pension solution of choice.

I now want to turn our meeting over to Diana Swain, a former journalist, who will moderate a series of conversations with CAAT leaders on our 2024 performance and what lies in store for our members and employers...