

Annual Report 2024



Civil Service
Superannuation
Board

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Letters of transmittal



MINISTER OF FINANCE

Legislative Building
Winnipeg, Manitoba R3C 0V8
CANADA

June 9, 2025

The Honourable Anita R. Neville, P.C., O.M.
Lieutenant Governor of Manitoba
Room 235 Legislative Building
Winnipeg, MB R3C 0V8

May it Please Your Honour:

As Minister Responsible, I have the privilege of presenting for the information of Your Honour the 86th Annual Report of the Manitoba Civil Service Superannuation Board. This report covers the calendar year ending December 31, 2024.

Respectfully submitted,

A handwritten signature in blue ink, reading "Adrien Sala".

Honourable Adrien Sala
Minister of Finance
Minister Responsible for The Civil Service Superannuation Act



June 4, 2025

Honourable Adrien Sala
Minister of Finance,
Minister Responsible for The Civil Service Superannuation Act

Sir:

In accordance with *The Civil Service Superannuation Act*, I am pleased to submit the 86th Annual Report of the Civil Service Superannuation Board to you, the Minister responsible for the Act.

This report covers the period from January 1 to December 31, 2024. It includes a review of the Board's activities during that time, the Report of the Office of the Auditor General, and the audited financial statements.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Carmele Peter".

Carmele Peter, Chair
Civil Service Superannuation Board

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Message from the Board Chair

Carmelee Peter

Welcome to the 2024 CSSB Annual Report, a summary of our activities, investments, and audited financial statements from January 1 to December 31.

Investment results

Despite a year marked by uncertainty and complex global dynamics, 2024 was a strong year for the investment team. Their expertise and discipline delivered a Total Fund return of 16.25%, outperforming both our policy benchmark of 14.10% and the actuarially required rate of return of 6%. This exceptional result reflects the team's commitment to protecting and growing the Fund for the benefit of all members.

Inflation and the cost-of-living adjustment account

Each year, as outlined in CSSB's governing legislation, an actuary determines whether a cost-of-living adjustment can be given and, if so, by how much. These adjustments are funded from an account that is separate from the main pension account.

Prefunding criteria

The actuary's first consideration is whether there is enough money in the account to cover cost-of-living adjustments for the next 20 years.

If the account doesn't have enough funds to meet that threshold, the maximum given is the lesser of:

- two-thirds (66.67%) of the annual increase in the Canadian Consumer Price Index (CPI), which measures inflation, or
- the amount the actuary determines is available

The 20-year prefunding requirement has not been met for more than 35 years. During much of that time, the cost-of-living adjustment granted was two-thirds of the CPI increase. However, over the past three years, this trend has shifted as the account no longer has sufficient funds to support that level. In 2024, the adjustment was 1.2%, which represents 35.3% of the increase in CPI.

There are several reasons for the lower cost-of-living adjustments in recent years:

- inflation has been higher than historical averages
- the funding formula
- changes to membership
- increased longevity

We offer detailed explanations on pages (37-39).

Looking ahead

The Board continues to raise concerns about the cost-of-living adjustment account with all relevant parties, including the Liaison Committee, Advisory Committee, and the Province. These groups are working together to explore ways to improve the sustainability of the account.

Member survey follow-up

Last year, we shared the results of our 2023 member survey, which gathered more than 6,000 responses. One clear takeaway was that new members want to better understand how their pension works.

In response, throughout 2024, we invested in a redesigned website with clearer, audience-specific content to help all members find the information they need, when they need it. This includes a section dedicated to new members with updated pension basics information, a new three-minute introductory video, and an updated pension basics handout.

These improvements reflect our commitment to helping every member feel informed and confident about their pension right from the start.

Leadership transition

This year marks the close of a chapter at CSSB with the retirement of Bruce Schroeder, our long-serving General Manager. Bruce's career was dedicated to CSSB, beginning in 1989 as an Employee Records and Benefits Clerk and culminating in 18 years at the helm.

During his tenure, Bruce provided steady and principled leadership through some of the most challenging periods in recent memory—from the global financial crisis of 2008 to the unprecedented disruptions of the COVID-19 pandemic. Through it all, CSSB maintained its focus on long-term sustainability, safeguarded member benefits, and remained well-positioned for resilience.

Bruce's foresight led to many advances in technology, from the expansion of Online Services to the enhancement of disaster recovery capabilities. He also championed improvements in member communications and administrative efficiency, helping CSSB modernize while staying true to its core mission: service to our members.

Most notably, Bruce leaves behind a culture of dedication and service—a foundation of CSSB's long-standing success. Bruce leads by quiet example, not title. He truly understands the meaning of teamwork and the value of every individual's role in the organization.

On behalf of the Board and staff, I extend our deepest gratitude to Bruce for his extraordinary leadership and many contributions. We wish him every happiness in his well-deserved retirement.

Thank you for the opportunity to serve

This year also marks my final year with CSSB. When I was appointed Board Chair in 2022, I considered it a privilege—and I still do. Employees are one of the most important assets an organization has and the role of safeguarding their pension plan and ensuring good stewardship was a responsibility I embraced.

During my tenure, the Board has worked hard to strengthen governance and deepen collaboration with the Board's Investment Committee. These efforts have laid a strong foundation for continued stability and effective decision making. I'm confident the organization is well positioned for the future.

The search process for the new Board Chair has been comprehensive and thoughtful. As of this report, the results are not yet public but we look forward to introducing the successful candidate in the coming months.

In the meantime, it is my pleasure to introduce Michael Emslie as the new Chief Administrative Officer, effective July 14, 2025. Michael is a long-time senior executive in the Manitoba public sector and brings financial expertise and a deep understanding of the pension landscape. This title replaces the former General Manager role.

As CSSB navigates this period of transition, members can be assured that the Board and staff remain committed to long-term stewardship of the plan.

Throughout my time with this organization, I'm grateful for the opportunity to have worked alongside such dedicated professionals. It's been a pleasure to serve.

Message from the GM

Bruce Schroeder

Administrative excellence

As pension plan administrators, we manage complex processes and systems that impact thousands of members. Finding efficiencies lets us deliver timely, accurate information while focusing staff time where it's needed most. It's a critical part of ensuring the plan runs smoothly today and into the future.

In 2024, we made significant progress streamlining processes to improve service for our members. We redesigned the disability allowance application, cutting processing time by more than half. We also created a digital process for end-of-employment refunds that simplifies follow-up and correspondence. We strengthened year-end data reporting through updated instructions and in-person employer training, helping to reduce errors and speed up CRA reporting. We also completed the first phase of a major pension system upgrade.

Improved member communications

In 2024, we worked to enhance communication with our members. Our largest project was building a more member-focused website. Guided by member feedback, we built a site that's easier to navigate with content organized by career stage and life events. A cleaner layout, mobile-friendly design, and improved accessibility features make for a more inclusive experience.

Multi-factor authentication rollout completed

As part of our ongoing commitment to data security, we successfully completed the rollout of multi-factor authentication (MFA) for all members. MFA adds an additional layer of security by requiring members to verify their identity before accessing their account. This reduces the risk of unauthorized access and helps safeguard members' sensitive information.

Cost-of-living adjustment account

For many years, we've highlighted that the cost-of-living adjustment account has not kept pace with inflation. CSSB follows legislation that sets out how the account works but we are not able to change how the account is funded. We want members to understand the reasons behind the shortfall and offer a detailed explanation on pages (37–39).

Under our governance model, changes to the cost-of-living account must be recommended to the provincial government by both the Superannuation and Insurance Liaison Committee (representing members) and the Employer Pension and Insurance Advisory Committee (representing employers), with support from an actuarial

assessment. These committees understand the importance of this issue and are working together toward a solution.

Thank you Carmele Peter, outgoing Board Chair

This year marks the end of Carmele Peter's term as Board Chair. Her contributions span many years, first as a Board member from 1995 to 2011 and most recently as Chair from 2022 to 2025. Her impact during this latest chapter has been significant.

Under her leadership, the Board deepened its understanding of its responsibilities and enhanced its ability to govern. Through thoughtful guidance, Carmele ensured Board members had the clarity, context, and information needed to support strong oversight and sound decision making.

She also helped foster even stronger alignment between the Board and the Investment Committee. Her ability to recognize opportunities and bring people together led to deeper collaboration and more effective information sharing across both groups.

In addition to the focus and insight she brought to her role, she gave her unwavering support for management and for me personally. She championed modernization, encouraged transparency, and made sure the Board had a full appreciation of the scope of our work and the care and commitment we bring to serving members.

Despite her many leadership roles in the business community, Carmele always made time for CSSB. We were always a priority, never an afterthought. Her dedication never went unnoticed.

On behalf of staff and the management team, I want to thank Carmele for her leadership and many contributions.

Stepping away with gratitude

After 36 years with CSSB, I'll be retiring at the end of June.

When I first walked through the doors in 1989, I can't say I imagined I'd still be here decades later. But I quickly realized I was surrounded by good people doing meaningful work, and I stayed because I saw the potential to contribute.

I'm proud of many things at CSSB, especially our staff, who genuinely care about helping people. That spirit of service existed long before I became GM. When it comes to finances, not everyone knows the exact words to ask for what they need. I've always encouraged staff to read between the lines and listen closely, not just to the question but the concern behind it.

Above all, we want members to feel supported, never lost in the system, never forgotten. Whether someone is just starting out or preparing to retire, our goal has always been to meet them where they are and help them find their way forward.

I'm also proud of the technology innovations we've embraced over the years and the way we've adapted to change, whether it was legislation, economic shifts, or global challenges like COVID-19.

I'm grateful for the relationships built over the years and for the many people who have inspired, challenged, and encouraged me along the way. I'd like to thank Bob Covernton, Vaughan McLeod, Gary Coopland, and Al Morin, each of whom shaped my career and supported me at pivotal moments. I'm also grateful to the Board and our senior leadership teams, past and present, for their collaboration and dedication.

Although retirement doesn't quite feel real, I'm assured I'll adjust quickly. This feels like the right time for new energy, new ideas, and for others to put their mark on the organization.

Thank you for the opportunity to contribute.

Welcome Michael Emslie, CSSB's New Chief Administrative Officer

With a strong team in place and clear priorities, CSSB is well positioned for the future. I echo Carmele's warm welcome to Michael Emslie, our new Chief Administrative Officer. Michael is a proven leader who brings deep financial expertise and a thoughtful, strategic approach to the role.

During this transition, both the Board and staff remain focused on serving our members and supporting Michael in this important leadership role.



Civil Service Superannuation Board

About

CSSB manages the **defined benefit** pension plan for the Province of Manitoba and other employers, helping members build a strong financial future.

We oversee the \$9.1 billion Civil Service Superannuation Fund, designed to provide secure pension benefits for our members. The pension is funded by contributions from both members and employers, along with investment earnings.

We follow key legislation: *The Civil Service Superannuation Act*, *The Income Tax Act*, and *The Pension Benefits Act of Manitoba*. This ensures investments and benefits are clear and meet both provincial and national standards.

Our goal is to give every member peace of mind by providing a steady source of retirement income for life. This promise helps members feel confident as they plan for the future. And this promise of stability is at the heart of everything we do.

Established in 1939
and headquartered
in Winnipeg, Manitoba,
CSSB currently has:

63

Employees

57,141

Pension plan members

39

Employers



Member focused



Professional



Transparent



Innovative



Collaborative

Vision, mission, values

Vision

A professional, sustainable pension plan, designed for the future of our members.

Mission and purpose

To deliver to our plan members their pension entitlements.

We do this by:

- acting collaboratively with each other, with employers, and with the plan sponsor, constantly seeking member-focused outcomes
- prudently investing and monitoring plan assets
- delivering timely, accurate information to members, allowing them to make educated, informed decisions
- fostering a working environment that attracts and retains motivated, talented people

Values

In our relationships, decisions, words, and actions, we are guided by the following values:

- staying resolutely member-focused; always seeking the best outcomes for our members
- acting with integrity, professionalism, and excellence
- ensuring transparency and accountability to our members and other stakeholders
- pursuing and rewarding innovation, in the interests of best outcomes
- modelling and fostering collaboration and respectful action as the means of pursuing best member outcomes

2024 snapshot

\$55.6 million

Pensioner payroll per month

1.2%

Cost-of-living adjustment

57,141

2024 members

986

Retirements

59

Average age at retirement

Financial overview

	2024*	2023*
Rate of return on investments	16.25	10.68
Investments at market value	\$9,137,303	\$8,143,610
Employee contributions	\$178,818	\$157,878
Employer payments	\$323,371	\$317,744
Pension payments	\$666,888	\$643,804
Refunds and transfers	\$46,379	\$55,117
General expenses - net	\$3,842	\$3,309

* thousands unless otherwise noted

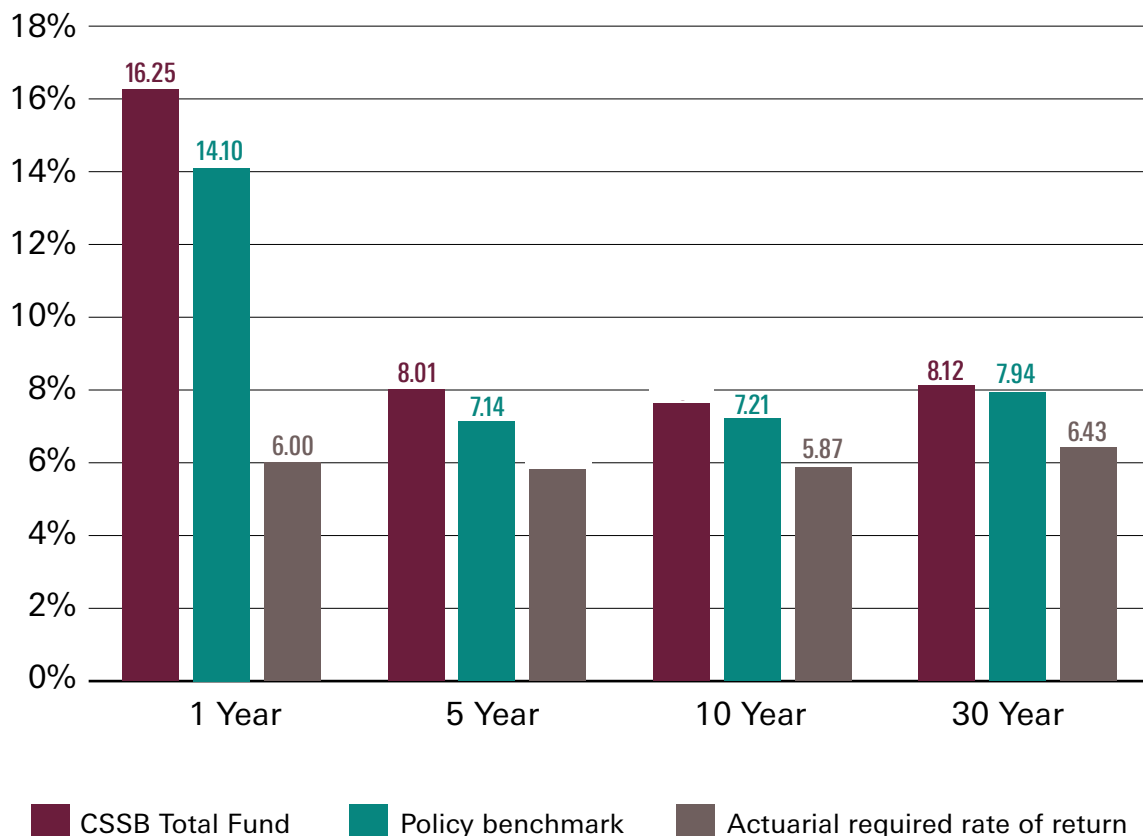
Investments overview

16.25%
Rate of return

14.10%
Policy benchmark

\$9.1 billion
Total assets

Annualized return comparison



CSSB leadership

Administration

Bruce Schroeder

General Manager

Hans Berger

Director, Management Information Systems

Erin Polcyn Sailer

Director, Communications and Member Services

Dawn Prokopowich

Director, Client Services Administration

Rick Wilson

Director, Finance and Investment
Communications and Management Services

Investments

Peter Josephson, CFA

Chief Investment Officer

Clancy Ethans, MBA, CFA

Managing Director, Alternative Assets

Advisory services and regulatory oversight

Consulting Actuary

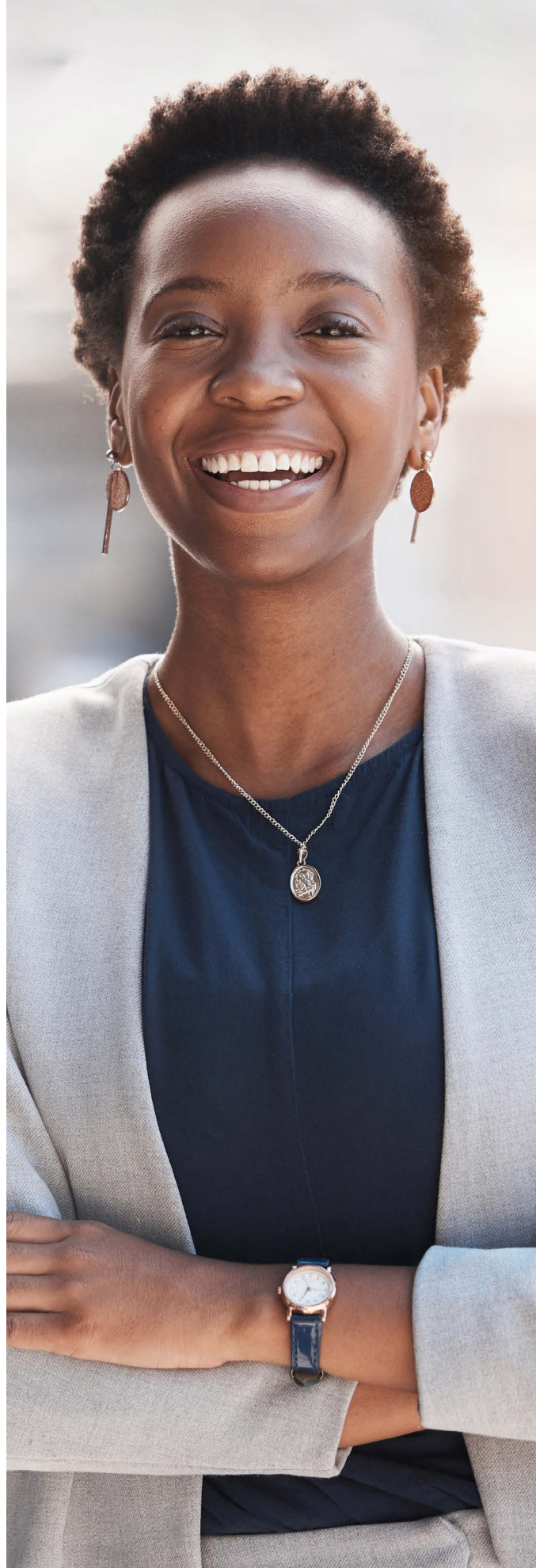
Ellement Consulting Group

Legal Counsel

Fillmore Riley

Auditor

Office of the Auditor General



Governance



Civil Service Superannuation Board

The Board is the pension plan trustee. Board members are responsible for overseeing administration of the plan and management of the Fund, ensuring investments benefit all members and their beneficiaries.

The Board also...

- ensures the Fund follows governing legislation
- delegates day-to-day operations to the General Manager and staff
- provides overall direction and policy approval

Board member selection

The Board includes eight members and one Chair:

- four members represent employees – selected by the Superannuation and Insurance Liaison Committee
- four members represent employers – selected by the Manitoba government
- one Board Chair – selected by the Manitoba government based on a joint recommendation from the Employer Pension and Insurance Advisory Committee and the Superannuation and Insurance Liaison Committee

Committees

Three committees support the work of the Board.

Finance and Audit Committee

- reviews financials and budgets
- makes recommendations to the Board

Human Resources and Governance Committee

- reviews compensation and larger policy issues

Investment Committee

- regularly reviews current investments and gives direction on the investment of available funds



5

Board meetings held each year, with additional meetings held as needed



1

Actuarial valuation conducted annually



1

Independent audit completed each year

The Board

Chair

Carmelee Peter

President

Exchange Income Corporation

Employee Representatives

Jody Gillis

Doug Troke

Samantha Probetts

C. Reed Winstone

Employer Representatives

JoAnne Reinsch

Randal T Smith

Scott Wilson

Lynn Zapshala-Kelln

Finance and Audit Committee

Scott Wilson

Chair

Employer Representative

Jody Gillis

Employee Representative

Samantha Probetts

Employee Representative

Lynn Zapshala-Kelln

Employer Representative

Human Resources and Governance Committee

JoAnne Reinsch

Chair

Employer Representative

Randal T Smith

Employer Representative

Doug Troke

Employee Representative

C. Reed Winstone

Employee Representative



Investment Committee

The Investment Committee manages the assets of the Civil Service Superannuation Fund, the Legislative Assembly Pension Plan, three Centra Gas portfolios, and the Province of Manitoba trust account.

The committee includes:

- one employee representative
- the Deputy Minister of Finance
- the CSSB General Manager
- the Board Chair
- a chairperson
- up to four external investment professionals

Elizabeth Marr, CFA*

Chair

Retired, Vice President and Director,
Institutional Relationships TD Asset
Management

A. Scott Penman*

Retired, Executive Vice-president and
Chief Investment Officer
Investors Group Inc.

Brian Allison*

Retired, Executive Vice-president,
Chief Investment Officer
The Canada Life Assurance Company

Richard Brownscombe*

President
Montrose Mortgage Corporation Ltd.

BJ Reid*

Retired, IG Wealth Management
Chief Financial Officer, Mutual Funds and
Vice President, Fund Services

Sil Komlodi^

Deputy Minister of Finance
Province of Manitoba

C. Reed Winstone^

Employee Representative
Civil Service Superannuation Board

Carmelee Peter^

Chair
Civil Service Superannuation Board

Bruce Schroeder^

General Manager
Civil Service Superannuation Board

Susan Stephen+


Treasurer
Manitoba Hydro-Electric Board

* Appointed based on investment expertise

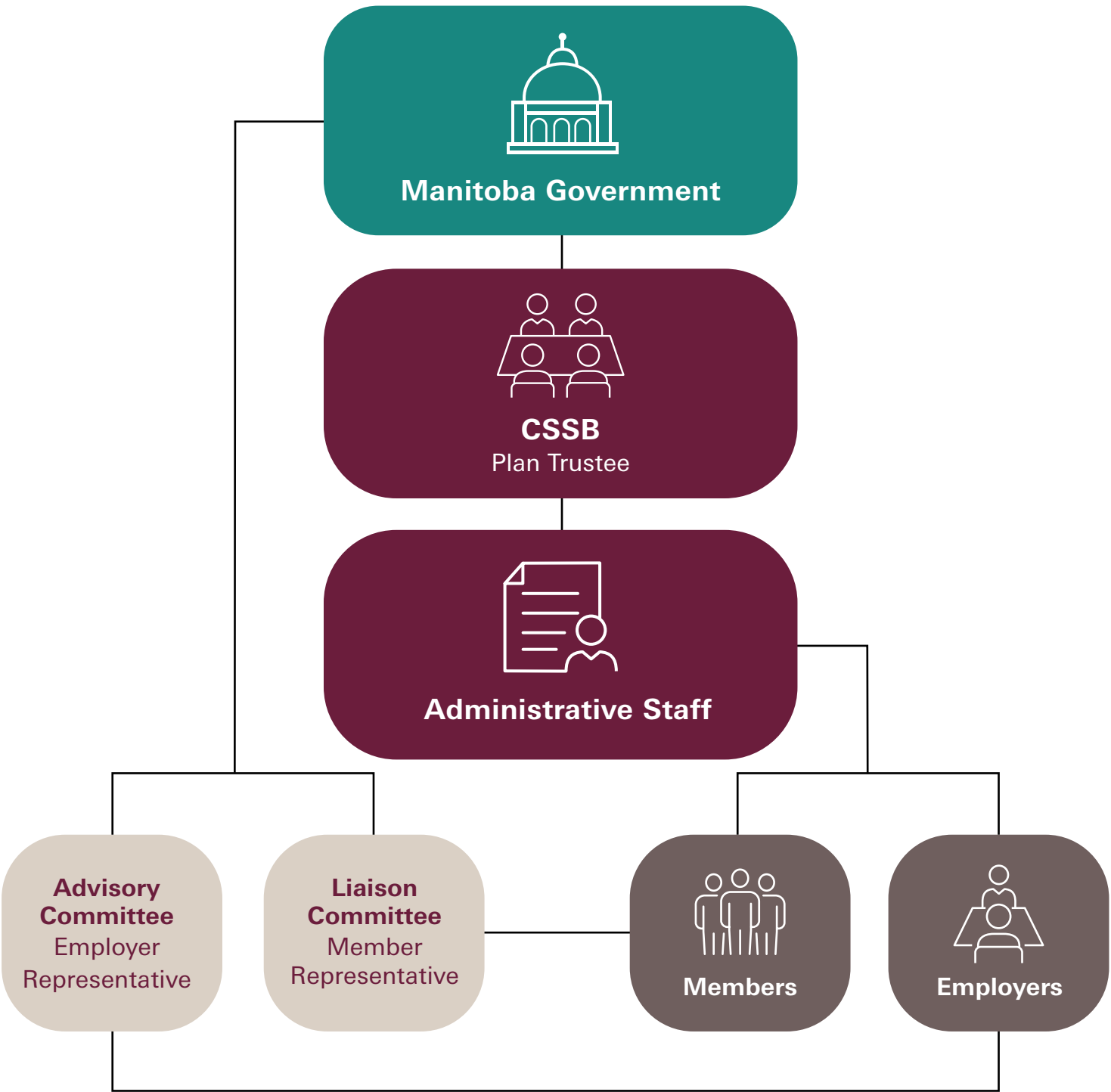
^ Required by legislation

+ Appointed by Manitoba Hydro to represent Hydro Fund only

Governance overview



Actuary
Independent Oversight



Membership



Membership profile 2024

31,641

Non-retired
members

25,500

Retired members
and beneficiaries

57,141

Total
members

45

Average age of
working members

72

Average age
of pensioner

59

Average
retirement age

986

New retirees
2024

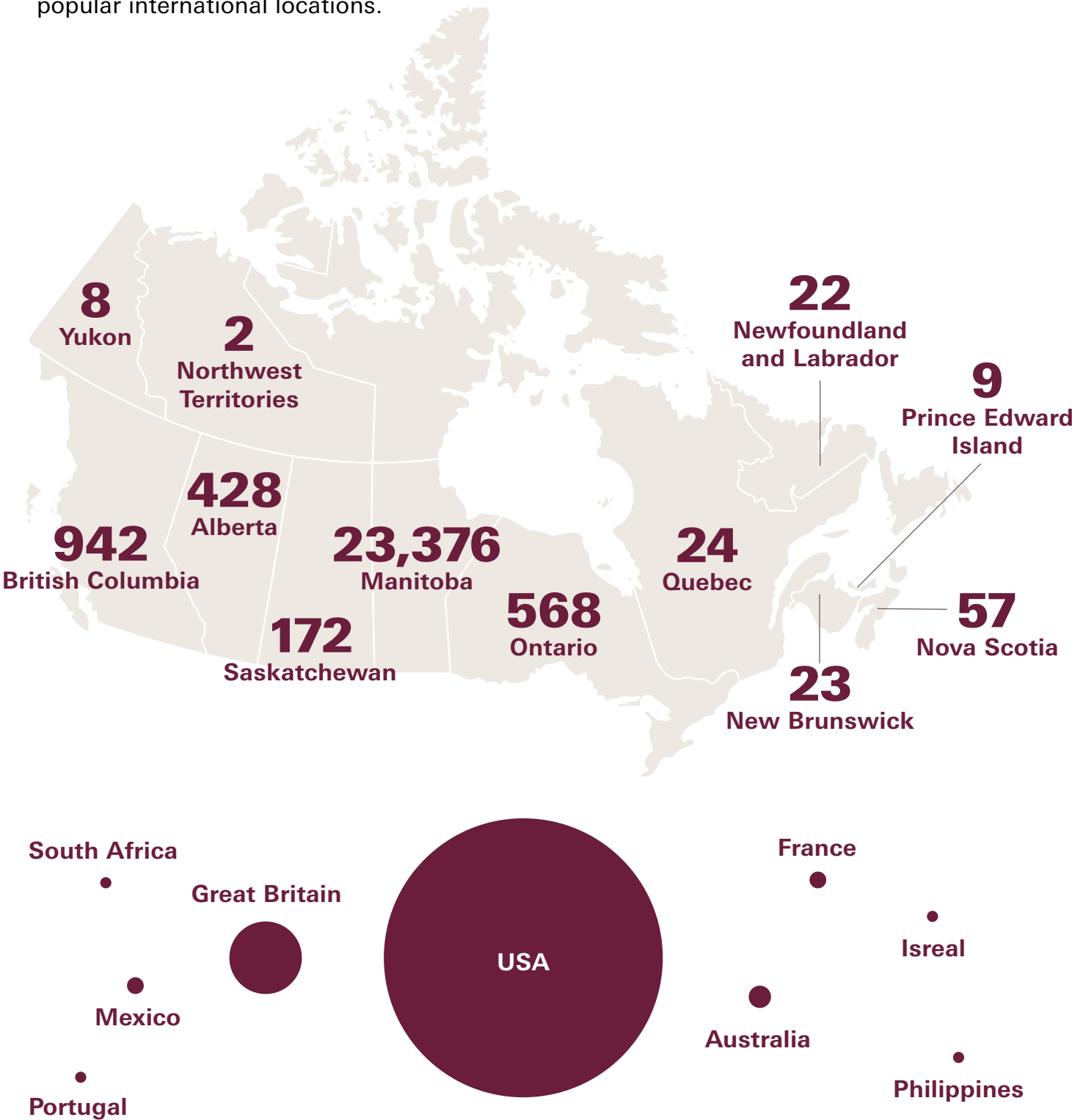
\$28,895

Average
yearly pension

Membership total		2024	2023
Membership	Non-retired members	31,641	30,990
	Retired members & other recipients	25,500	25,120
	Total	57,141	56,110
Other plans	Money Purchase Plan	3,246	3,314
	Centra Gas	703	718
	WCFS	189	192
	MLA	78	80
	LAPP	146	148
Total		61,503	60,562

Retired members around the world

CSSB pensioners live around the world and receive quality service wherever they call home. This map highlights where our members live across Canada and the most popular international locations.



Our members

Dave

37 years of service

Red River College Polytechnic and the Province of Manitoba

I joined the CSSB pension plan in 1987 and spent my entire career working with member organizations—first with the Province of Manitoba and later with Red River College Polytechnic (RRC Polytech). My roles spanned hands-on technical work to senior leadership, including positions like Assistant Shift Engineer, Control Technician, and ultimately Director of Facility Management.

Throughout my career, I was driven by a passion for problem-solving—whether that meant troubleshooting building systems, modernizing operations, or improving customer service delivery. Highlights include leading the Province’s first Emergency Response Team of Power Engineers, converting outdated control systems across government buildings, and implementing a new maintenance system at RRC Polytech to better serve staff and students.

One of my proudest contributions was developing long-term plans to tackle deferred maintenance at RRC, helping to secure its future infrastructure needs.

In 2024, I retired with gratitude for a fulfilling career and the freedom that comes with a defined benefit pension. When I was younger, the pension was just another deduction on my paycheck. Now I realize what an amazing opportunity it gave me—to retire at a reasonably young age with real peace of mind. I spend my time traveling with my wife, working on our home and RV, and enjoying my Harley.



“When I was younger, the pension was just another deduction on my paycheck. Now I realize what an amazing opportunity it gave me—to retire at a reasonably young age with real peace of mind.”

Dave used to maintain this very fountain!

Lisa

20 years of service

Manitoba Justice

“I’m really looking forward to spending time with family and friends and volunteering at festivals.”



I work with Manitoba Justice as a Judicial Assistant with the Associate Judges of the Court of King’s Bench. Over two decades, I’ve seen the court evolve—from Queen’s Bench to King’s Bench—and witnessed changes that have improved how the justice system operates.

I’m based in the Old Law Courts and feel fortunate to work in a supportive, collaborative environment. The judiciary has changed over the years, each bringing their own strengths, but one constant has been the strong sense of teamwork. The Associate Judges’ Office is a great place to be and the people I work with make it easy to want to come to work each day.

My job is both interesting and challenging. I enjoy being on the side of the desk that prepares rulings and I’ve always found the law fascinating. I also appreciate the support I get for my outside interests, including theatre and soccer. I’ve been a referee for over thirty years.

I’m planning to retire in a few years. While I won’t miss filing expense claims or shopping for work clothes, I’m really looking forward to spending time with family and friends and volunteering at festivals.

“Having the security of a guaranteed pension is priceless.”



Sheena
32 years of service
Mines Branch

I started with the Mines Branch in 1971. After a few promotions, I became Chief Mining Recorder in 1987. I spent 16 years in that role and retired in March 2003 with over 32 years of service in Manitoba—and another 11 years of public service in India before that.

As Chief Mining Recorder, I helped regulate Crown mineral rights and spent over a decade as Secretary to The Mining Board, settling disputes with respect to exploration, development, and production of Crown mineral rights in Manitoba. One of the biggest highlights of my career was helping to rewrite *The Mines Act* in 1992—it hadn't been updated in 60 years. For the first time, it included principles of sustainable development. I helped roll out all the new regulations.

Another proud moment was getting a letter from former Premier Gary Doer when I retired, thanking me for my service.

One of the things I enjoyed most about my career was traveling across the country for meetings and site visits. I got to see potash mines in Saskatchewan, gold mines in Snow Lake, Flin Flon, and Bissett, the big nickel mine in Thompson, as well as Canada's only diamond mine in Yellowknife.

Having the security of a guaranteed pension is priceless. I have been retired for 22 years now and have been able to live my life to the fullest, enjoying countless hours playing golf and spending time with friends and family.

Helping new members feel informed and supported

When we shared the results of our 2023 member survey, one message stood out: members—especially those early in their careers—wanted more help understanding how their pension works. With over 6,000 responses, we took that feedback to heart.

In 2024, we made it a priority to offer stronger support for new plan members. One of the biggest steps was launching a redesigned website. With clearer audience pathways and streamlined navigation, the site makes pension information easier to find and understand at every stage of a member's career.

To support new members, we introduced a tailored pension basics section, produced a short welcome video, and updated our handout to help them feel more confident and informed from the start.

Across the site, we simplified the language, making pension information clearer and more accessible. We believe every member should understand how their pension works, no matter where they are in their career.



CSSB Member Services

The CSSB Member Services team offers a range of educational sessions and personalized support to help members understand their pension and insurance benefits. Members also have access to online planning tools and resources they can use anytime, at their convenience.

Individual meetings

Members can meet one-on-one with a Member Services Specialist—in person, virtually, or by phone. Members are welcome to bring a spouse, financial planner, or anyone else involved in their financial planning. CSSB staff regularly travel to rural areas so all members, regardless of location, receive the same level of service.

Pre-retirement planning seminars

Designed for members planning retirement, CSSB offers live online and in-person seminars in Winnipeg and throughout Manitoba. As with individual meetings, members are welcome to bring anyone involved in key financial decisions, such as a spouse or financial planner. Seminars cover key pension and insurance options leading up to and in retirement.

Mid-career seminars

Designed for members in mid-career, employee seminars focus on pension and insurance benefits as well as life events such as maternity and parental leave, divorce or separation, and ways to increase pensions at retirement.

Phone, email, and mail

Members can connect with CSSB anytime by phone, email, or regular mail. Our dedicated team can help members with their needs, whether it's answering a quick question or assisting with a more complex pension scenario.



“Working with CSSB has been easy and seamless. I was really happy with the support the staff at CSSB have given us.”

11,670

Emails with members

69,000

Visitors to CSSB website

32,515

Members enrolled in Online Services

188,214

Pension estimates run through Online Services

458

Pension applications completed through Online Services

522

Members attended an online seminar (midcareer and pre-retirement)*

453

Members attended in-person seminar (pre-retirement)*

*excludes employer-requested seminars



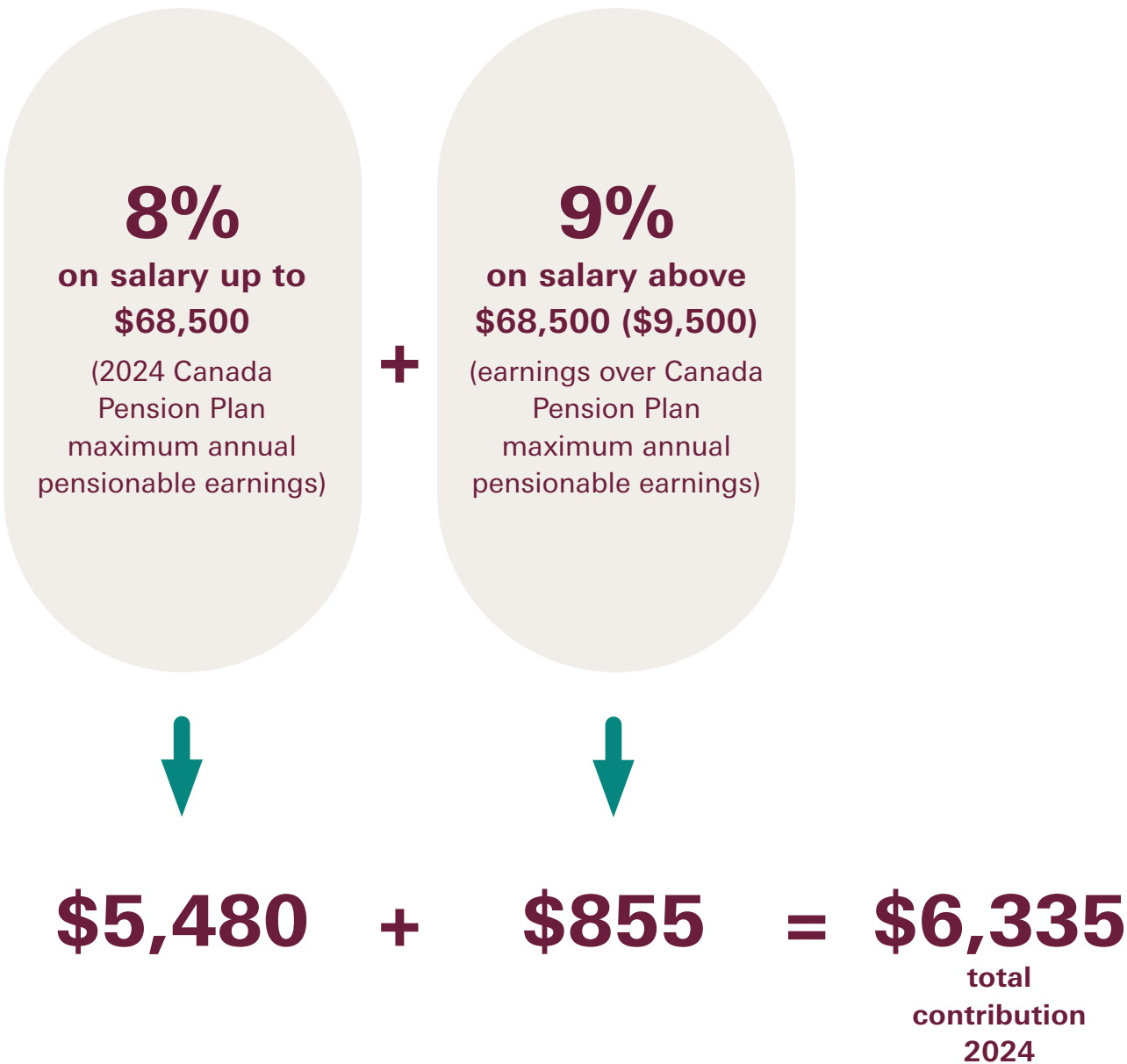
Funding

Contribution rates for 2024

In 2024, members contributed:

- 8% of their salary up to \$68,500 (2024 Canada Pension Plan maximum annual pensionable earnings) and
- 9% of their salary over \$68,500

This example is for a member earning \$78,000 per year.



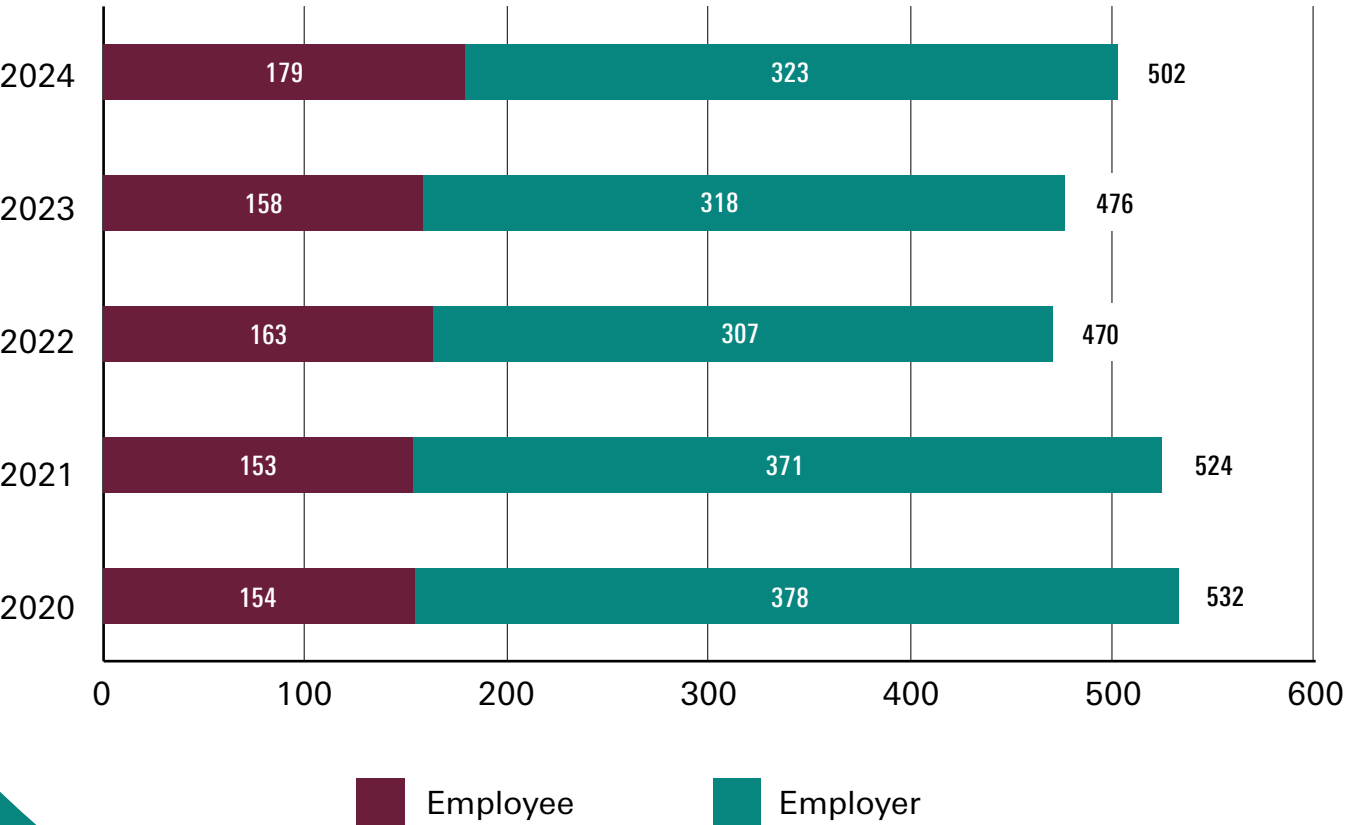
Contributions and payments

Employees and employers share the cost of the plan. Some employers make their contributions at the same time as the member; others pay later when the member retires.

Employee and employer contributions are split between two separate accounts:

- 89.8% basic pension and beneficiary benefits
- 10.2% cost-of-living benefits

Contributions and payments (\$millions)



The pension formula

As a defined benefit pension plan, CSSB provides retirement income for life. This income is based on a formula that considers a member's five highest earning years and years of pensionable service.

$$2\% \times \text{average best five years pensionable service} \times \text{pensionable service}$$

MINUS

$$0.4\% \times \text{average of CPP earnings based on same five years} \times \text{pensionable service}$$

= ANNUAL PENSION

Example – pension calculation

Retirement date: December 31, 2024

Employee age: 55

Pensionable service: 30 years

Average salary: \$67,000

Average CPP pensionable earnings:
\$64,060

$$\begin{array}{rcl} .02 \times \$67,000 \times 30 & = & \$40,200^* \\ \text{Less: } .004 \times \$64,060 \times 30 & = & \$7,687^* \\ \hline \text{Annual pension} & = & \$32,512^* \end{array} \quad \left. \vphantom{\begin{array}{rcl} .02 \times \$67,000 \times 30 & = & \$40,200^* \\ \text{Less: } .004 \times \$64,060 \times 30 & = & \$7,687^* \\ \hline \text{Annual pension} & = & \$32,512^* \end{array}} \right\} \text{Monthly pension} = \$2,709^{**}$$

*Rounded to the nearest dollar

**Lifetime pension option and assumes no early retirement reduction.

Benefits of being a member

In addition to income for life, benefits of the pension plan include:

- potential for partial inflation protection at retirement
- survivor benefits
- disability benefits
- pension funded by members and employers
- a diverse and professionally invested portfolio with no decisions required of members
- flexibility if a member leaves the plan



Cost-of-living adjustment

A cost-of-living adjustment is an increase to retired members monthly benefit payments. At CSSB, adjustments are not guaranteed, but retired members have typically received them. The level of increase depends on available funds and may only be a partial increase.

Adjustments falling short of target

CSSB targets an increase equal to 66.67% of the prior year’s Canadian Consumer Price Index. The index measures inflation by comparing the cost of the same goods and services (food, housing, clothing) at different points in time.

In 2023, the index was 3.4%. The 2024 adjustment increase was 1.2%, which is 35.3% of the index, falling below our target. The amount of the adjustment available is determined by an independent actuary and recommended to the Board.

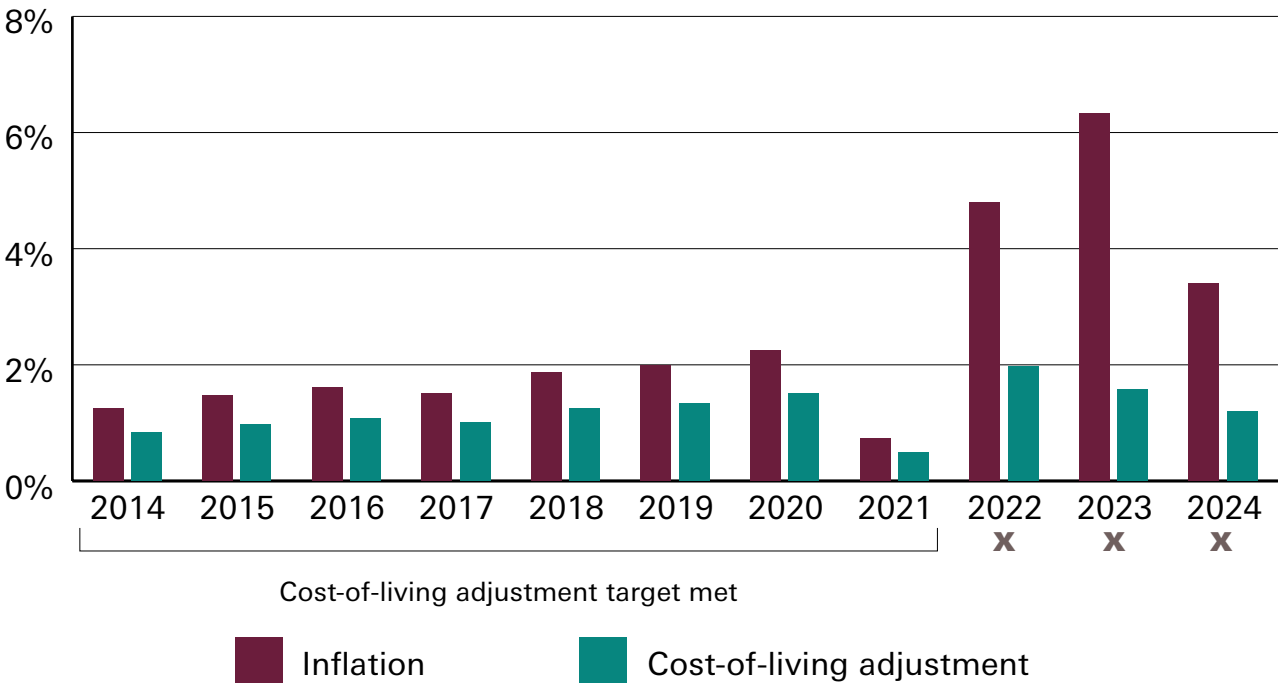
Why the cost-of-living account can’t keep up

The account can’t meet its target for several reasons:

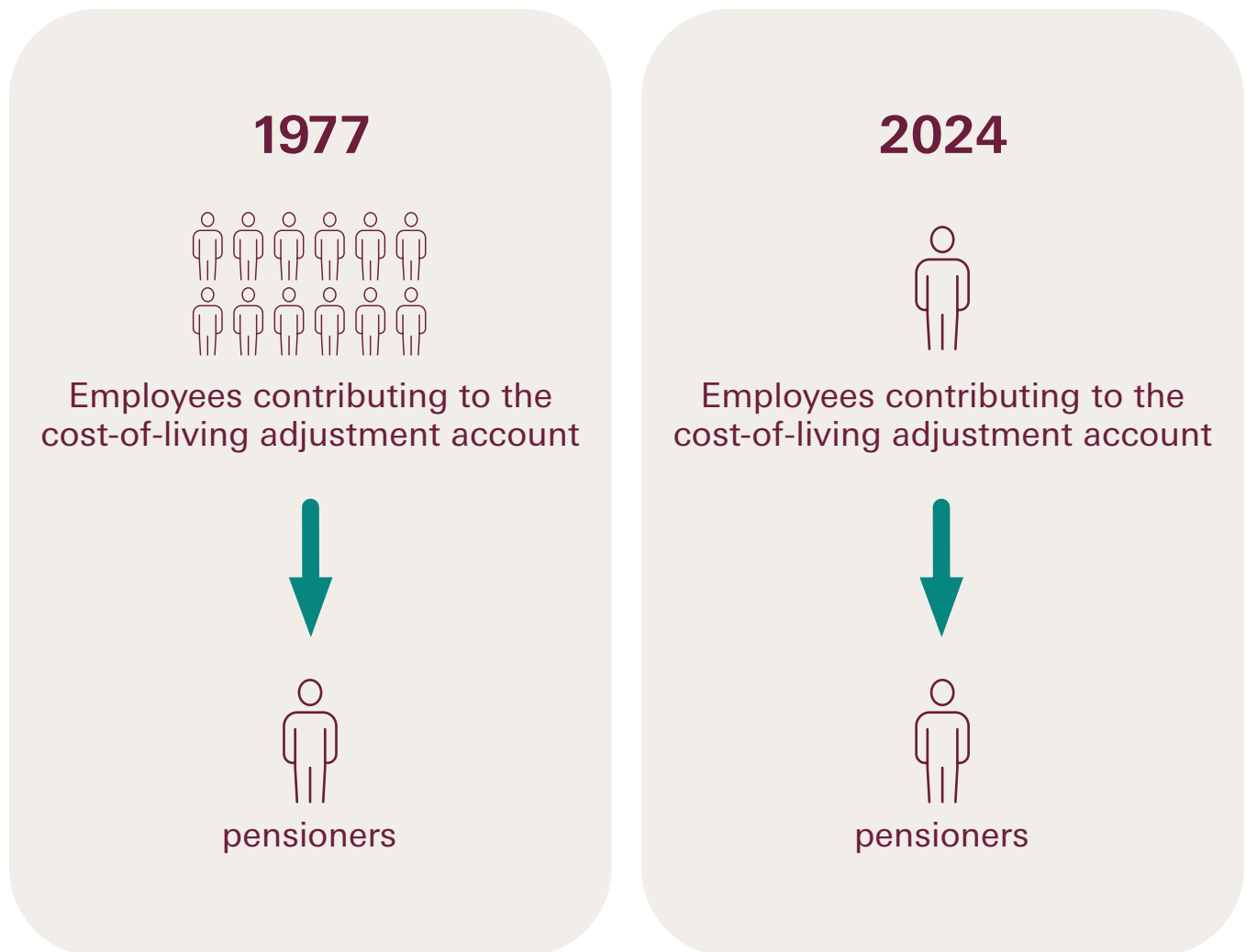
- inflation has been higher than historical averages
- the funding formula
- increased longevity
- changes to membership

Rising inflation

Inflation surged in 2022 and 2023 and slightly receded in 2024. Since cost-of-living adjustments come from a separate, limited account, the plan can’t keep pace with rising costs.



Changes in membership

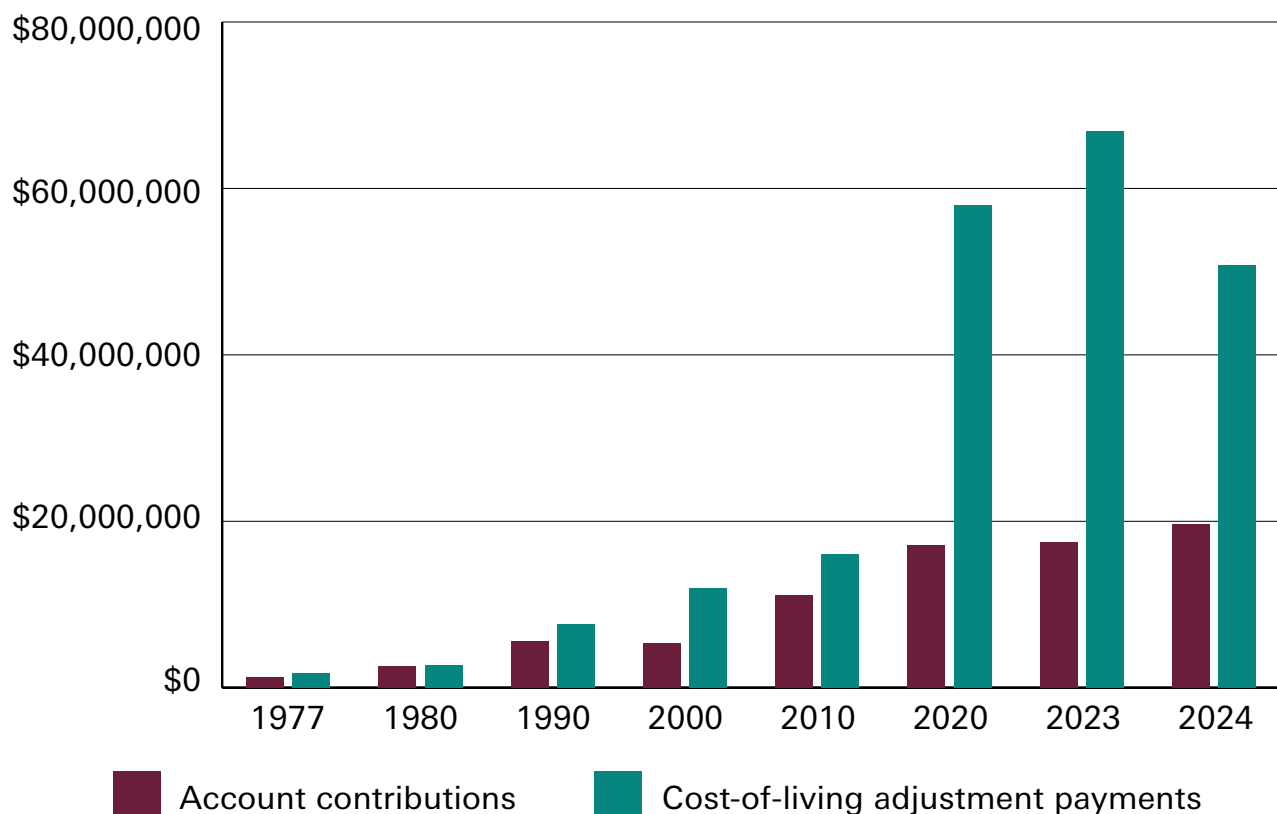


The employee to pensioner ratio has changed dramatically. In 1977, there were 12 employees contributing to the cost-of-living account for every one pensioner receiving an adjustment. Today, there are only 1.2 employees for every pensioner receiving an adjustment.

There are many reasons for this change. People are living longer and collecting pensions for more years. Meanwhile, retired member numbers have grown but the public sector hasn't expanded significantly—so the pool of active contributors has stayed about the same. We're also seeing the effects of a demographic wave: many members who joined the workforce in the 1970s and 1980s are now retired or retiring soon.

The funding formula

With the current funding formula, contributions can't keep pace with payments.



Increased longevity

Life expectancy in Canada has steadily increased, aside from a brief dip in 2019–2020 due to Covid-19-related deaths. A member born in 1920 had a life expectancy of 57 years. In contrast, someone born in 2023 can expect to live to 82. While longer lives are worth celebrating, it also means pensions must last longer and include more cost-of-living adjustments over time.

Looking forward

If pension payments stay the same while the price of goods and services continue to rise, pensioners lose buying power. For more than two decades, the Board and Plan actuary have warned that the cost-of-living account can't always meet its target. They have also indicated this trend will continue unless changes are made.

Within the CSSB governance framework, changes to the cost-of-living account start with the Superannuation and Insurance Liaison Committee (representing members) and the Employer Pension and Insurance Advisory Committee (representing employers). The committees are studying the matter and possible options.



Investments

Message from the CIO

Peter Josephson, CFA

Total Fund

2024 investment overview

Over 2024, the global economy experienced steady, albeit uneven growth across the major regions. The US economy remained the main driver of global economic growth. China's economy struggled for most of the year but rebounded over the final quarter. Europe and Japan were areas of economic weakness.

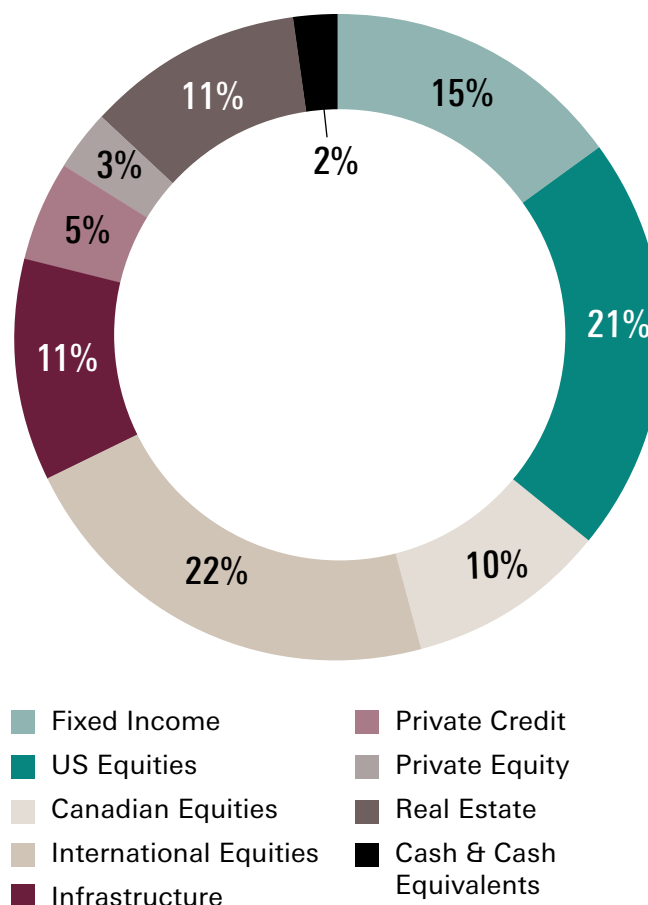
Global equity markets posted robust returns in 2024, while fixed income market results were mixed. Despite the impressive performance, equity markets continued to face uncertainty and challenges over the year, including:

- historically high valuations
- escalating geopolitical tensions
- a normalizing economy
- the pace of bank rate cuts
- the US presidential election

Equity markets

The US market outperformed international developed, emerging markets, and domestic Canadian equities in 2024. This outperformance was largely driven by a resilient economy, moderating inflation, rising corporate profits, central bank easing, AI optimism, and post-election enthusiasm for Trump pro-growth policies.

Asset Mix



Annual Return

16.25%

Total Assets

\$9.1 B

Benchmark

14.10%

Global equity market returns

For the 12 months
ended December 31, 2024

Index total returns	Returns (\$CAD)
S&P/TSX composite	21.70%
DJIA	25.30%
S&P 500	36.20%
S&P 400	24.20%
S&P 600	18.50%
NASDAQ	41.20%
MSCI EAFE	13.80%
MSCI emerging	17.60%
MSCI all world	28.60%
MSCI Japan	18.10%
MSCI China	30.40%
MSCI Hong Kong	8.90%
MSCI Australia	11.50%

The mega-cap tech stocks once again led the S&P 500 to dominate global markets as the 'Magnificent Seven' stocks rose 48% while the other 493 stocks rose just 10%. The index has now returned a remarkable 58% since the beginning of 2023. International and Canadian equity markets also delivered strong double-digit gains for the year.

Fixed income markets

In North American fixed income markets, both the Bank of Canada and the US Federal Reserve cut rates in 2024, albeit at different paces. The Bank of Canada reduced its policy rate by 0.25% in June 2024 and finished with 1.75% in cuts. The US Federal Reserve maintained a more restrictive stance throughout most of 2024. However, over the third quarter, signs of economic weakness emerged and moderating inflation data prompted cut rates by an outsized 50 basis points at their September policy meeting. After this cut, the pace slowed to a more normal 25 basis point cut at each of the November and December meetings, bringing total cuts to 100 basis points.

The divergence in the pace of cuts between Canada and the US led to significant outperformance by the Canadian bond market relative to the US for the year. The Canadian index was up 4.2% for the year while the US index was only up 1.3% for the year. CSSB's custom Canadian bond index was up 3.3%.

2024 performance

For 2024, the Total Fund returned 16.25% versus the policy benchmark return of 14.10%. The main drivers include the strong performance of the US equity portfolio and the relative outperformance of international equities, real estate, and fixed income portfolios to their respective benchmarks. CSSB's exposure to alternative assets also made a substantial contribution to plan performance.



Policies and procedures

The policies and procedures that guide or impact investment decisions include:

- Statement of Investment Policies and Procedures (SIP&P)
- compliance with investment manager mandates
- Proxy Voting Policy and Guidelines

Statement of Investment Policies and Procedures

SIP&P guides the investment decision-making process. An independent consultant, the Investment Committee, and the investment management team create this document. It recommends how the Fund's assets should be invested while considering the structure and size of the Fund's liabilities and cash flows, now and into the future.

The independent consultant provides recommendations, which are reviewed and approved by the Investment Committee and Board. These recommendations are then formalized in the SIP&P.

Examples include:

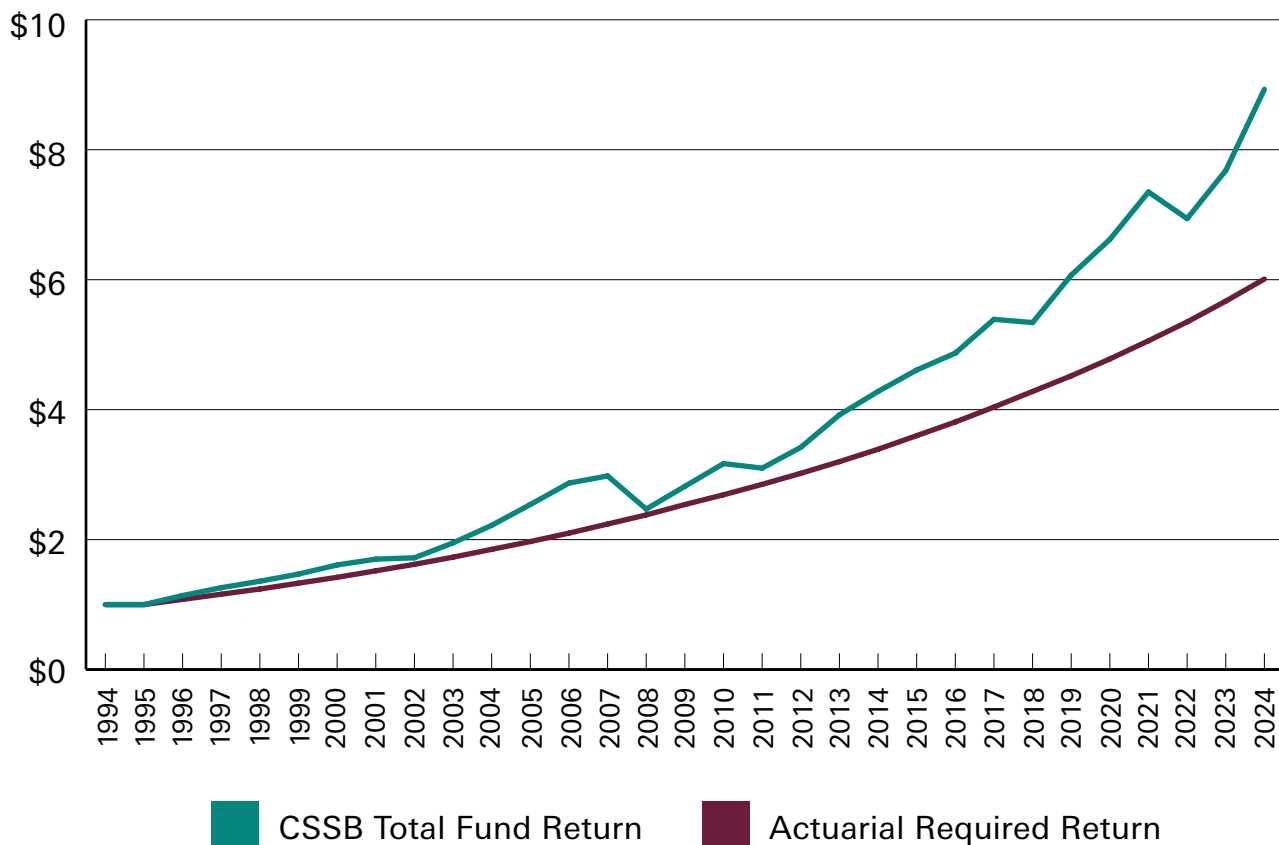
- recommended target asset mix
- appropriate asset class ranges
- fixed-income investment grade quality
- individual holding limits
- investment objectives
- valuation procedures
- investment management structure

Asset mix is the single most important factor in determining pension fund performance. Different risk elements relating to market volatility and potential returns are factored into an investment decision. To optimize returns and reduce investment volatility, Fund assets are diversified among various asset classes and across the world's economic regions.

Long-term success of investment policy

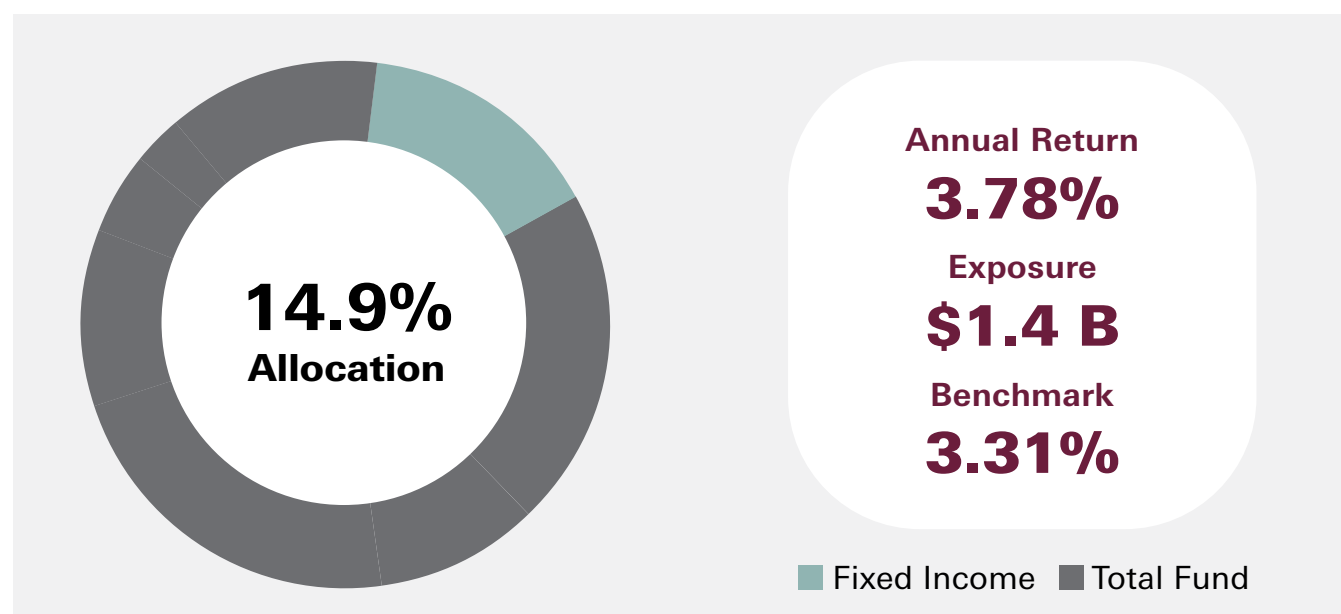
The ultimate success of the Fund's investment policy is measured by how well it meets the long-term obligations to its members. An actuarial valuation on the Fund is the best way to measure this.

Growth of \$1 invested over 30 years ended December 31, 2024



Asset class performance

Fixed Income



Investment approach

We manage the bond portfolio with a focus on liquidity and safety. The portfolio positioning with regards to sector weights, curve, and duration are determined by a top-down assessment of the economy and the credit cycle. Relative value trading is done to take advantage of opportunities both within and amongst the different sectors.

To maintain liquidity in the corporate holdings, the portfolio is invested in the largest issuers in the market, which tend to be regulated utilities and other infrastructure-related companies. Due to their size in the benchmark, the big 5 Canadian banks tend to make up the bulk of the corporate holdings in the front end of the curve.

2024 performance

The bond portfolio generated a return of 3.78% in 2024, compared to a benchmark return of 3.31%. The outperformance was driven by an overweight corporate credit position that was maintained throughout the year.

Divergence was the theme for the Canadian bond market in 2024 as the historically close link with the US bond market broke down particularly in the latter part of the year. Driving this divergence was a combination of a much weaker Canadian economy, meaningful progress in bringing inflation down to 2%, and uncertainty regarding trade policies by the incoming US administration. This allowed the Bank of Canada to cut rates by 175 basis points in 2024 compared to only 100 basis points by the US Federal Reserve.

Overall, 10-year yields in Canada increased a modest 11 basis points ending at 3.22%. In the US, 10-year yields increased by 70 basis points ending at 4.58%.

Sector allocation

We began the year with a corporate weighting of 38% (25% benchmark). Credit spreads were still relatively wide to begin the year and the mix of carry and potential for spread tightening was favourable.

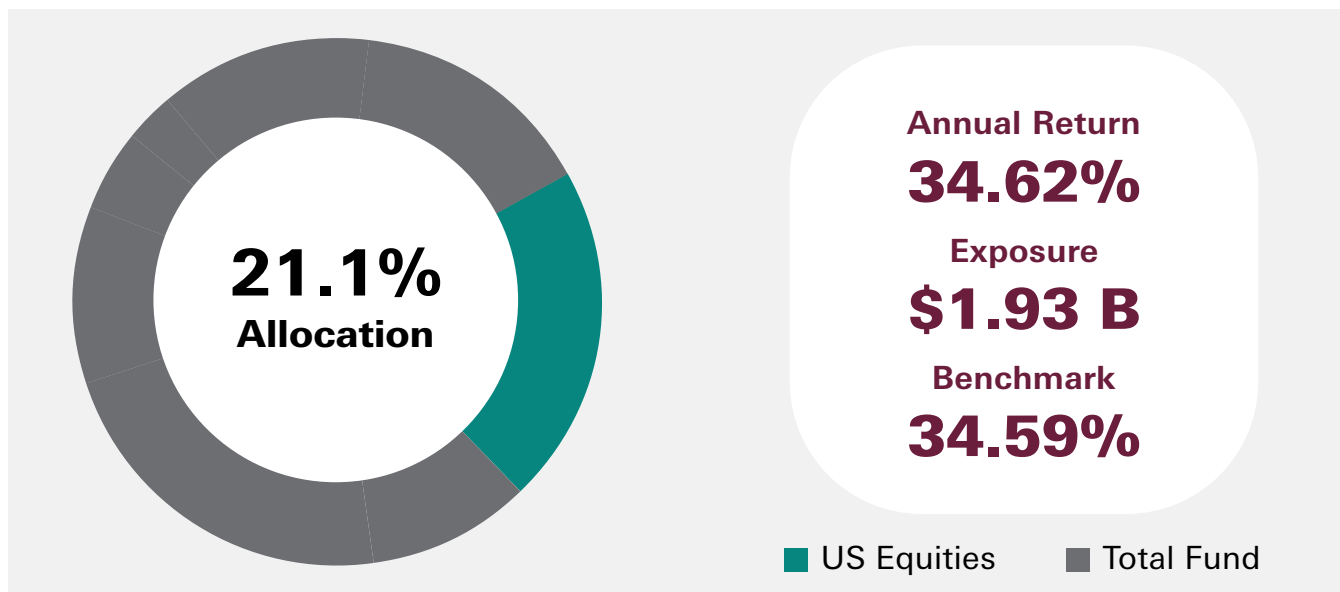
Flows into fixed income combined with insufficient new issue supply helped to propel corporate spreads over 35 basis points tighter, reaching some of the tightest levels witnessed over the past decade in some sectors.

As corporate spreads tightened, we decreased corporate exposure to 36%. The biggest reduction to corporate exposure occurred in the long end of the curve where outright valuations left minimal room for additional performance.

The provincial sector also benefited from the broad spread tightening environment. As a result, we reduced exposure to the sector from 40% down to 36% (42% benchmark) as risks loom from a potential trade war with the US.



US Equities



Investment approach

The bulk of assets managed in the US equity market are invested in our internally managed US Large Cap Equity fund. This fund is benchmarked to the S&P 500 Index and primarily focuses on large cap US equities. The goal of this fund is to provide index plus performance over time.

We manage an internal US Low Volatility Dividend fund benchmarked to the S&P 500 Low Volatility High Dividend Index. This fund is used to lower overall volatility of the US equity exposure and is expected to outperform the S&P 500 during periods of drawdown while providing an equity rate of return over time.

For 2025 we are managing an internal US Midcap fund benchmarked to the Russell Midcap index. This fund is used to gain exposure to US equities outside of the largest companies in the world. Our last remaining US equity allocation is an index fund to replicate the S&P 500 return.

2024 performance

US Equities returned 34.62% in 2024 versus the Fund's benchmark return of 34.59%.

The outperformance was attributable to the internal Large Cap US Equity Fund beating its benchmark by 88 basis points. The two index funds finished the year even with their benchmarks as designed.

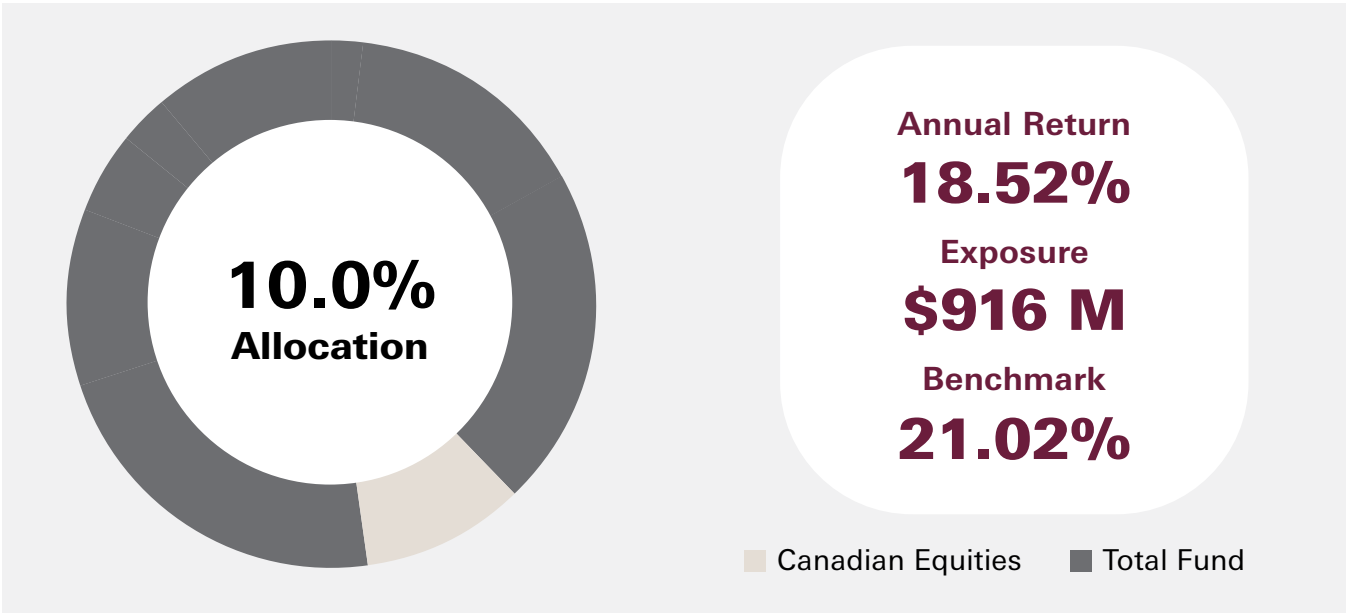
The 5-year return generated by our US equity program is 16.60% per year, which compares to the 5-year benchmark return of 15.68% per year.

Capital allocation

The Fund's 21.1% allocation to US Equities represents an overweight exposure compared to the policy benchmark of 17.5%. The share of US stocks relative to the Fund's total public equity allocation was 39.6% at the end of the year.

Within the US equity allocation, we have 80% allocated to large cap equities, 10.1% allocated to midcap equities, 8.5% allocated to the low volatility dividend strategy, and the balance in an index fund.

Canadian Equities



Investment approach

Most Canadian equity assets are allocated to our internally managed Canadian Large Cap Equity Fund. This fund aims to deliver long-term returns that exceed the S&P/TSX benchmark, while maintaining disciplined risk management, particularly in light of the Canadian market’s significant cyclical and commodity exposure. Our investment strategy emphasizes companies with robust and defensible business models, healthy margins, strong free cash flow, and clear growth opportunities.

We also internally manage a Canadian Low Volatility Equity Fund, benchmarked against the BMO Low Volatility Canadian Equity ETF. This fund is designed to reduce the overall volatility of the Canadian equity exposure. It seeks to outperform the S&P/TSX during market downturns while delivering strong risk-adjusted returns over the long term.

2024 performance

The Fund’s Canadian Equity allocation delivered a return of 18.52% in 2024, compared to its benchmark return of 21.02%. This performance was driven by an 18.79% return from the Large Cap Fund and a 16.54% return from the Low Volatility Fund. While the Large Cap Fund underperformed its benchmark by 286 basis points, the Low Volatility Fund outperformed its benchmark by 123 basis points.

Canadian equities posted double-digit returns for the second consecutive year, driven by resilient economic growth and central bank rate cuts. Gains were broad-based, with all S&P/TSX sectors except Communication Services delivering positive returns, led by strong performance in Information Technology, Financials, and Gold equities.

The Large Cap Canadian Equities Fund delivered strong absolute returns but lagged the benchmark due to underperformance from a few idiosyncratic holdings and under allocation to high-performing benchmark weights. The Low Volatility Fund achieved strong risk-adjusted returns, driven by favourable sector weighting and stock selection.

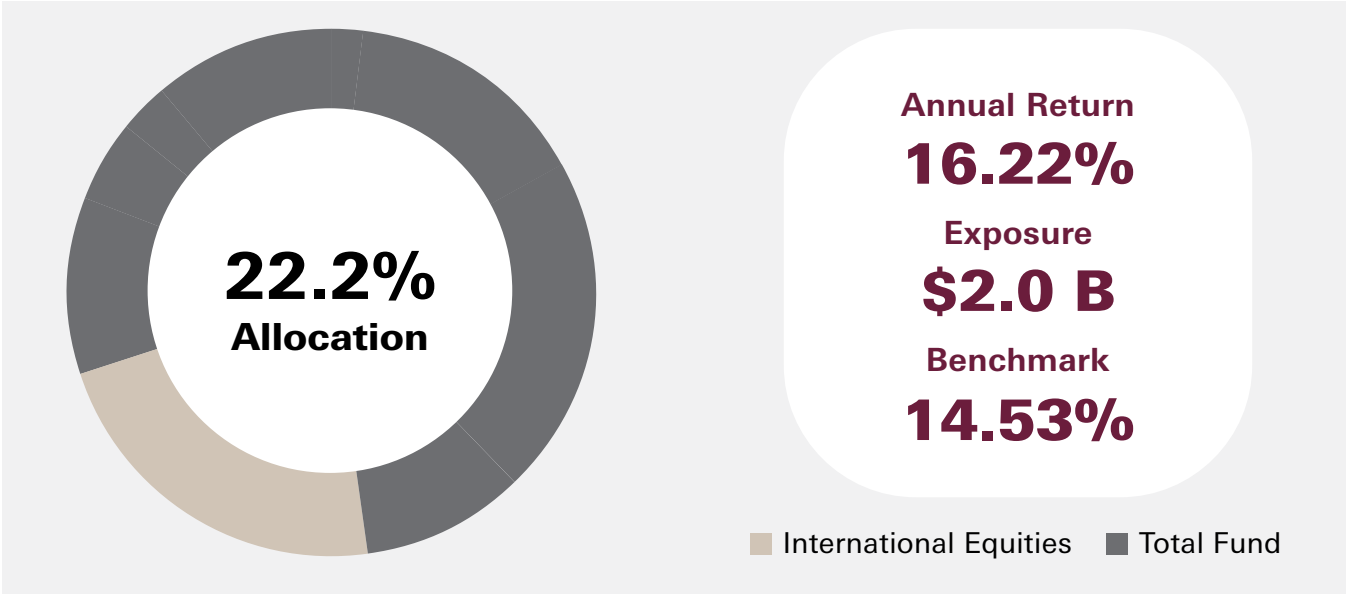
Capital allocation

The Fund's allocation to Canadian equities stood at 10.0%, closely aligned with the policy benchmark weight of 9.5%. At year-end, Canadian equities represented 18.8% of the Fund's total public equity exposure.

Within this allocation, 92% of the capital was invested in the Canadian Large Cap Equity Fund, while the remaining 8% was allocated to the Canadian Low Volatility Equity Fund.



International Equities



Investment approach

Our International Equities portfolio uses a multi-manager approach diversified across regions and investment styles. Our benchmark is roughly 72% developed markets and 28% emerging markets. We have three managers focused on Developed Markets, one manager for Asia Pacific, and one manager for Emerging Markets. In terms of style, we aim to have large cap exposure and an even split across value, core, and growth.

2024 performance

The International Equities portfolio returned 16.22% compared to its benchmark return of 14.53%.

The portfolio’s outperformance was due to the Fund’s overweight exposure to emerging markets, which outperformed EAFE and the strong performance from Jennison.

All international managers outperformed their own benchmarks except for William Blair. William Blair returned 9.64% vs 13.24%, Mackenzie Investments returned 20.53% vs 20.17%, Marathon returned 14.46% vs 13.24%, and RBC returned 4.97% vs 4.72%. Jennison beat its benchmark of 13.24% with a return of 18.10%.

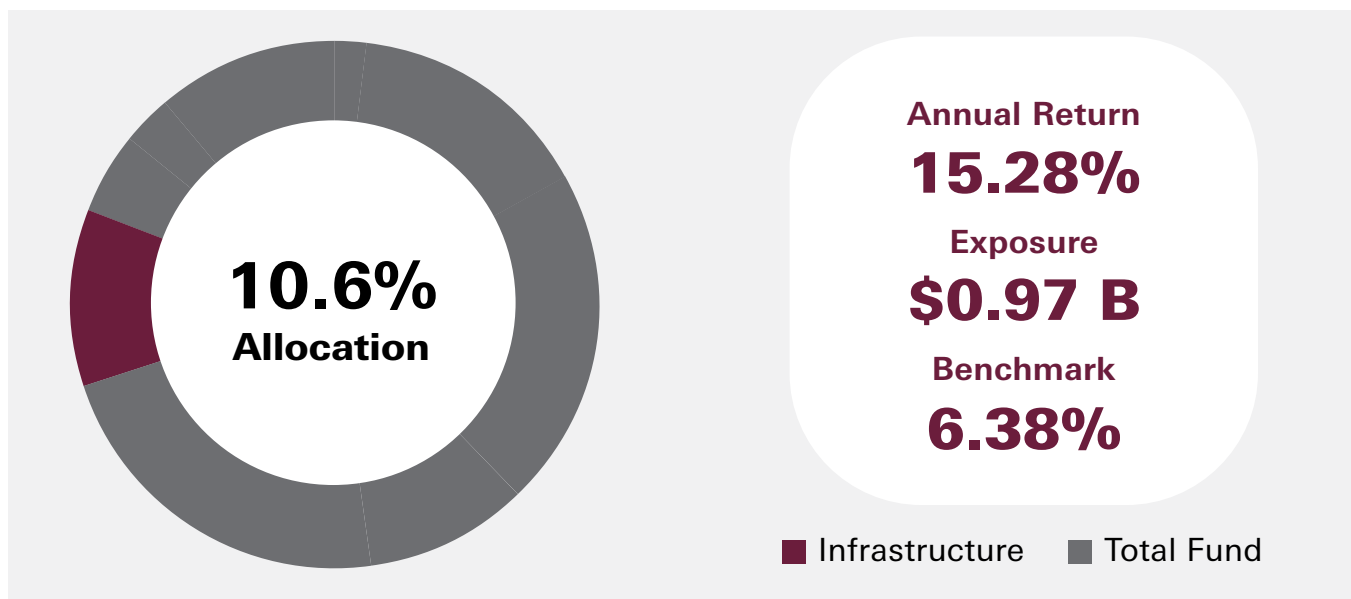
The fund added RBC Asset Management as the emerging markets manager on August 1, 2024.

Capital allocation

Total investments in International Equities increased to \$2.02 billion at the end of 2024, up from \$1.84 billion in 2023. Total fund allocation to International Equities was 22.2% at the end of 2024 compared to 22.6% at the end of 2023. This is also slightly under CSSF’s target allocation to International Equities at 23%.

Investments in Emerging Markets represents 31.87% of International holdings compared to 27.90% for the benchmark.

Infrastructure



Investment approach

We invest in medium and large-scale infrastructure services or businesses predominantly operating within the transportation, digital and social infrastructure, and energy and utilities sectors. We take a patient and disciplined approach to infrastructure investing and actively diversify our portfolio across industries, technologies, and geographies. We focus on investments with high barriers to entry or those supported by public regulation or substantially contracted revenue streams, which are typically protected with inflation adjustments. The portfolio consists of funds (84%) and co-investments (16%).

2024 performance

Our infrastructure assets generated a return of 15.28% in 2024, compared to the benchmark of 6.38% (5-year forward inflation rate plus a 4% risk premium). Our returns were supported by steady

income generation and valuation gains from operational performance across several assets, particularly our co-investment in AMPORTS. Overall, the infrastructure portfolio continues to perform well.

Capital allocation

Total investments in infrastructure increased to \$970 million at the end of 2024, up from \$828 million in 2023. This represents 10.6% of total fund assets.

Our priority is to find new, high-quality infrastructure investments to maintain our asset class weighting as we unwind our contractual return agreement with OMERS Infrastructure. We agreed in early 2024 to receive 100% of our capital back in three payments over 24 months, starting at the end of Q1 2024.

Investment spotlights

Neoen: powering the future with renewable energy

Through a co-investment managed by Brookfield Asset Management, CSSB holds a stake in Neoen—one of the world’s leading producers of exclusively renewable energy. Companies like Google and Heineken have signed long-term agreements to purchase power from select projects within Neoen’s portfolio of solar, wind, and battery storage assets.

Photo credit: Brookfield Asset Management



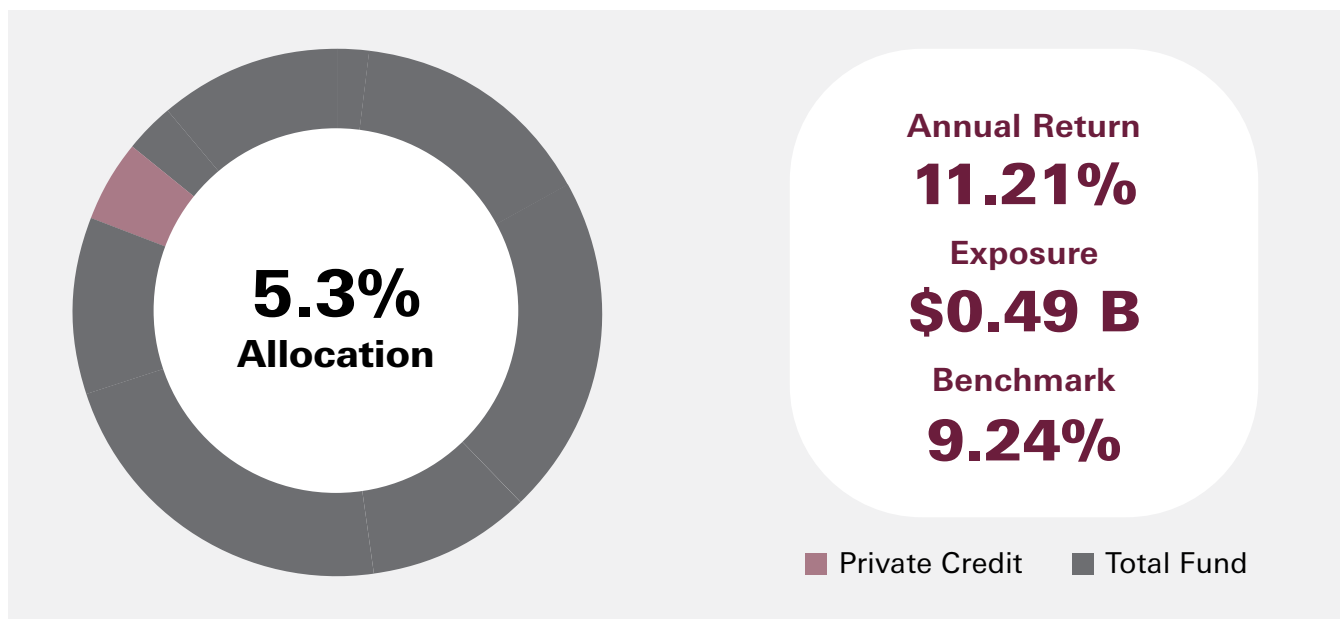
Mundys: a global leader in transportation infrastructure

Through a co-investment managed by Blackstone, CSSB holds a stake in Mundys, the largest privately owned transportation infrastructure operator, with assets spanning toll roads, airports, and rail. Its portfolio includes the Rome Fiumicino Airport, Italy’s busiest airport and the most punctual airport in Europe.

Photo credit: Blackstone



Private Credit



Investment approach

Private credit covers an array of strategies that span the capital structure and borrower type. These range from senior secured loans for corporate borrowers, junior and unitrache, real estate mezzanine lending and even asset-based specialty finance that includes lending against contractual revenue streams like royalties.

2024 performance

Private credit generated a gain of 11.21% in 2024 compared to our benchmark return of 9.24% (LSTA + 50 basis points). The return was driven primarily from interest income and spread tightening. Since most of the program is exposed to floating rate debt, the portfolio benefits from the higher-than-normal short-term interest rates observed in 2024. The largest driver of return was our co-investment in Antares, the largest mid-market private lender in the United States. Detractors of performance included the real estate

debt fund, Brookfield Real Estate Finance V. The difficulties in this fund relate to office exposure across the United States where work from home culture since the COVID-19 pandemic has negatively impacted office vacancy.

Capital allocation

Total investments in private credit increased to \$486 million at the end of 2024, up from \$464 million in 2023. This increase was primarily driven by additional capital invested within existing funds, capital invested into two new funds and a valuation increase associated with our co-investment in Antares. The private credit program ended 2024 at 5.30% of total fund assets. Our intention for 2025 is to continue to build out the program methodically as opportunities arise in the credit market.

Private Equity



Investment approach

Our private equity businesses have solid fundamentals, strong management teams, and opportunities to grow both organically and through acquisition. We focus on four core verticals: Business Services, Healthcare, Industrials, and Software and Technology. The companies we invest in are primarily headquartered in North America and Europe. The portfolio consists of funds (72%) and co-investments (28%).

2024 performance

Private equity assets generated a return of 30.93% in 2024, compared to our benchmark of 28.59% (MSCI World + 200 basis points).

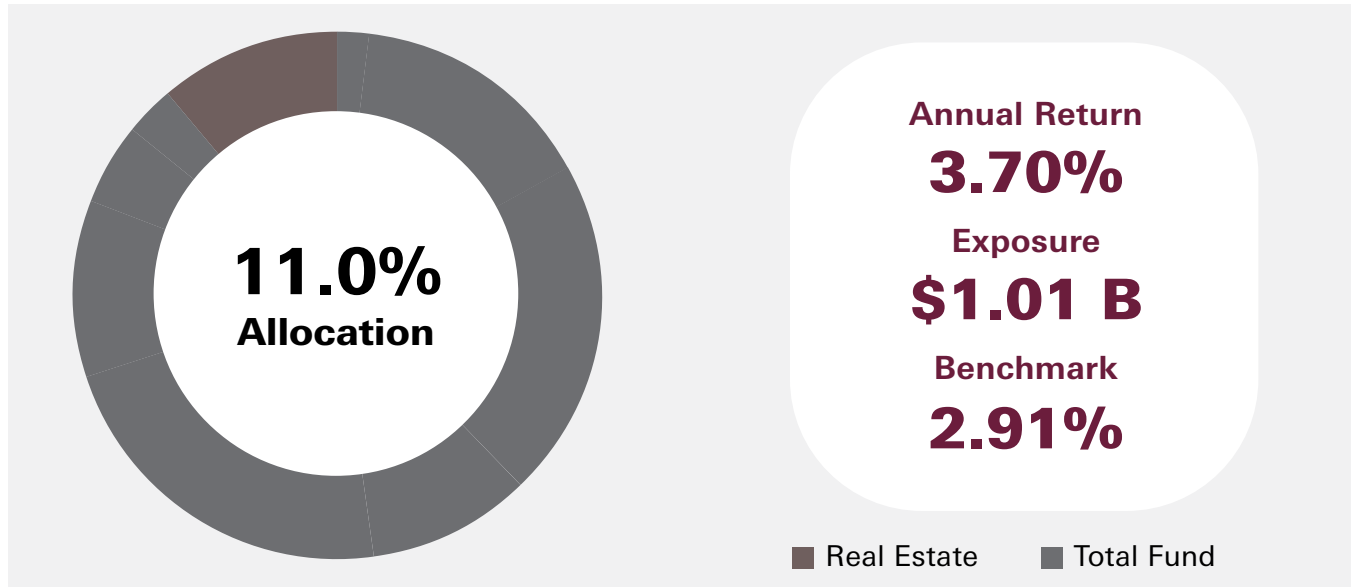
Our private equity returns were driven by organic EBITDA growth and accretive M&A activities across our portfolio companies, particularly in our software and industrial verticals. Elevated interest rates did, in limited circumstance, impact operating margins. Valuations for high-quality and

recession-resilient assets we own generally remained stable or increased throughout the year. Two of our co-investments—Clarios and Ping Identity—performed exceptionally well in 2024.

Capital allocation

Total investments in private equity increased to \$306 million at the end of 2024, up from \$187 million in 2023. Private equity now represents 3.4% of total fund assets. The increase was driven by valuation gains, additional investments in existing fund relationships, and one new co-investment. In 2025, we intend to continue building the program as opportunities arise in the market.

Real Estate



Investment approach

We work with top real estate managers who oversee our properties around the world. Our focus is on retail, office, industrial, and residential properties.

Our goal is to generate stable and growing income streams in our core portfolio of assets with long-term leases in place. We try to increase the value of these properties through upgrades and by making them more attractive for sale. We add value by developing market-leading properties for long-term ownership.

2024 performance

In 2024, the real estate portfolio generated a 3.70% return compared to our benchmark of 2.91%. In 2024, the Bank of Canada began cutting interest rates, which halted the decline in real estate values, helping drive overall positive returns for the portfolio.

Offices, where we had an overweight position of 20% (target 6%), were the least profitable type of property for the second year in a row.

After a decade, retail has regained its position as the top performing real estate asset class. We held 20% (target 16%) in retail assets.

Capital allocation

We sold some of our properties and reallocated the proceeds away from Canada to international real estate investments. As a result, total real estate allocation increased from the end of 2023 by \$700 thousand. At the end of 2024, 25% of our investments are in global properties. We plan to increase this percentage moving forward to diversify our portfolio.

Investment spotlight

660 Fifth Avenue: premier office space in New York City

Through Brookfield, the real estate portfolio has invested in 660 Fifth Avenue, an office tower in New York City. The building comprises 1.4 million square feet of best-in-class office space located steps away from Grand Central Terminal.

Originally built in 1957, Brookfield completely renovated the building to attract some of the top financial firms in the city. As of 2024, 100% of the electricity comes from renewable sources. Vacancy among the best quality buildings, like 660 Fifth Avenue, remains very low in New York City as demand for premium spaces continues.

Photo credit: Brookfield Properties





FX Hedging Program

Since 2018, we have hedged the USD portion of our alternative assets through forward agreements based on the latest valuations. Hedge amounts are updated quarterly and new funding is hedged immediately as it is called and distributed by our counterparties. This strategy reduces FX volatility in our alternative assets, which have grown from \$295 million at inception to \$959 million USD by mid-May this year.

Hedging costs are periodically offset by investing surplus cash allocated at the program's inception. When deficits occur, we borrow against our bond holdings through a repurchase agreement to meet obligations.

At the end of the most recent quarter, we continued to experience a near-record deficit due to significant and rapid weakness in the Canadian dollar. Since inception, \$108.5 million has been injected into the program. These realized losses are offset by proportionate unrealized gains within the asset base, less associated program costs.

Hedging costs, indicated by Forward Points, have surged since early 2023 due to diverging strength in the Canadian and US economies and central banking expectations reaching between 1.30% and 1.40% annualized. This is far above our expectations at the outset of the program, which was between 0.40% and 0.95%. Given divergences in the two nations economic strength, we do not expect a decline in the near term. Total costs since inception now stand at -0.27% annualized, up from 0.14% at the end of 2024. A similar increase is expected for 2025.

Environmental, Social, and Governance

Socially responsible corporate behaviour, including environmental, social, and governance (ESG) policies and procedures, can reduce the risk to long-term corporate profitability and investment performance.

One of our most important rights as investors is to cast votes in a way that is consistent with the long-term best economic interests of the company. As such, our fund managers incorporate ESG into their investment processes. Careful consideration to social responsibility by companies and their Boards can enhance long-term shareholder value.

Our fund managers and analysts review each proxy resolution based on our voting guidelines. Managers also consider the research provided by our ESG data partner, Sustainalytics. These resources help us make informed decisions that align with our investment goals.

The Board and Investment Committee have a fiduciary responsibility to ensure the Fund's assets are invested to achieve the highest possible return while maintaining acceptable levels of risk. Our ESG approach focuses on maximizing risk-adjusted returns.





Monitoring investments

CSSB uses a risk-management program provided by Eckler, an actuarial consulting firm. The program uses state-of-the art tools to safeguard the assets and interests of plan members.

Using different economic scenarios, the software calculates expected returns, standard deviation, and the likelihood of achieving our actuarial required rate of return of 6% over ten years. It also compares our current asset allocation with the expected returns of our target portfolio.

Using this software, we can test different asset mixes to reduce risk or lower volatility for the pension plan's assets. We can test different asset mixes to reduce risk or lower volatility for the pension plan's assets.



Financials

Management Responsibility for the Financial Statements

The accompanying financial statements of The Civil Service Superannuation Fund are the responsibility of management and have been prepared in accordance with Canadian accounting standards for pension plans, as stated in the notes to the financial statements. Management maintains internal controls to provide reasonable assurance of the reliability and accuracy of the financial information and to safeguard the assets of the Fund. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to May 29, 2025.

The firm of Ellement Consulting Group has been appointed as consulting actuary for the Fund. The role of the actuary is to complete the triennial actuarial valuations of the Fund in accordance with actuarial practice and estimate the obligations for benefits for inclusion in the annual financial statements.

The Auditor General performs an independent audit of the financial statements in accordance with Canadian generally accepted auditing standards. The resulting opinion is set out in the Auditor's Report attached to the financial statements.

Ultimate responsibility for the financial statements rests with the members of the Civil Service Superannuation Board. The Board established a Finance and Audit Committee to meet with Board staff and representatives of the Auditor General. It is the responsibility of the Finance and Audit Committee to review the financial statements, ensure that each group has properly discharged its respective responsibilities and make a recommendation to the Board regarding approval of the financial statements. The auditors have full and unrestricted access to the Board and to the Finance and Audit Committee.

The Board has reviewed and approved these financial statements.

On behalf of Management,



Bruce Schroeder
General Manager



Rick Wilson
Director, Finance

INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of Manitoba
To the Civil Service Superannuation Board

Opinion

We have audited the financial statements of the Civil Service Superannuation Fund (CSSF), which comprise the statement of financial position as at December 31, 2024, and the statements of changes in net assets available for benefits, the statement of changes in pension obligations and the statement of changes in surplus (deficit) for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the CSSF as at December 31, 2024, and the changes in its net assets available for benefits, the changes in its pension obligations and the changes in its surplus (deficit) for the year then ended in accordance with Canadian accounting standards for pension plans.

Basis for opinion

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 CSSF in accordance with the ethical requirements in Canada that are relevant to our audit of the financial statements, 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 opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 CSSF'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 an intention exists to liquidate the CSSF or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the CSSF'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.

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 CSSF'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 CSSF'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 CSSF 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.

Original signed by

Tyson Shtykalo, FCPA, FCA
Auditor General
Winnipeg, Manitoba
May 29, 2025

The Civil Service Superannuation Fund

EXHIBIT A

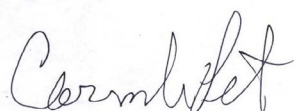
Statement of Financial Position

As at December 31, 2024

	2024	2023
(%) Thousands		
Assets		
Investments, Schedule 1 and Note 2(b)	\$ 9,137,303	\$ 8,143,610
Capital assets	902	521
Prepaid expenses	524	497
Debt due from the Province of Manitoba, Note 4	1,826	1,826
Receivables, Note 5	6,411	12,766
Accrued dividends and interest	14,545	15,298
Total assets	9,161,511	8,174,518
Liabilities		
Accounts payable and accrued liabilities	28,954	21,155
The Province of Manitoba Unfunded Pension Liability Trust Account, Note 6	2,614,087	2,346,636
Manitoba Hydro Enhanced Benefit Trust Account, Note 7	56,254	47,616
Correctional Officers' Trust Account, Note 8	22,954	19,690
Employer Trust Accounts, Note 9	165,042	142,261
Money Purchase Accounts Plan, Note 10	63,142	58,058
Total liabilities	2,950,433	2,635,416
Net assets available for benefits, Exhibit B	\$ 6,211,078	\$ 5,539,102
Pension Obligations and Deficit		
Actuarial value of pension obligations, Exhibit C, Note 11	\$ 11,460,648	\$ 11,173,865
Deficit, Exhibit D, Note 1(b), 11, 12 and 19	(5,249,570)	(5,634,763)
Pension obligations and deficit	\$ 6,211,078	\$ 5,539,102

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

Approved on behalf of the Board



Chairperson of the Board



Chairperson, Finance and Audit Committee

The Civil Service Superannuation Fund

EXHIBIT B

Statement of Changes in Net Assets Available for Benefits For the year ended December 31, 2024

	2024		2023	
(\$) Thousands	Basic Benefits Account	Indexing Benefits Account	Total	Total
Increase in assets				
Contributions, Schedule 2, Note 1(b) and 13				
Employees	\$ 160,658	\$ 18,160	\$ 178,818	\$ 157,878
Employers	279,981	43,390	323,371	317,744
Total contributions	440,639	61,550	502,189	475,622
Net investment income, Schedule 3	132,654	99,365	232,019	205,027
Current period change in fair value of investments, Note 14	1,070,659	-	1,070,659	624,433
Other	87	-	87	82
Total increase in assets	1,644,039	160,915	1,804,954	1,305,164
Decrease in assets				
Benefits paid, Note 15	575,171	91,717	666,888	643,804
Refunds and transfers, Note 16	46,379	-	46,379	55,117
Administrative expenses, net, Note 17	3,842	-	3,842	3,309
Interest allocations to various trust accounts and Money Purchase Accounts Plan, Note 18	415,869	-	415,869	254,761
Total decrease in assets	1,041,261	91,717	1,132,978	956,991
Increase in net assets	602,778	69,198	671,976	348,173
Net assets available for benefits, beginning of year	4,901,557	637,545	5,539,102	5,190,929
Increase in net assets	602,778	69,198	671,976	348,173
Net assets available for benefits, end of year, Exhibit A	\$ 5,504,335	\$ 706,743	\$ 6,211,078	\$ 5,539,102

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

The Civil Service Superannuation Fund

Statement of Changes in Pension Obligations

For the year ended December 31, 2024

EXHIBIT C

			2024		2023	
(\$) Thousands	Fund	Payment Funding Employers	Total		Total	
<u>Basic Benefits Account</u>						
Pension obligations, beginning of year	\$ 5,917,442	\$ 4,334,802	\$ 10,252,244	\$	10,286,424	
Change in pension obligations						
Experience loss (gain)	14,354	32,040	46,394		(253,816)	
Benefits accrued	141,111	95,396	236,507		242,147	
Benefits paid	(332,588)	(288,962)	(621,550)		(613,332)	
Interest accrued on benefits	350,164	256,204	606,368		590,821	
	173,041	94,678	267,719		(34,180)	
Pension obligations, end of year	\$ 6,090,483	\$ 4,429,480	\$ 10,519,963	\$	10,252,244	
<u>Indexing Account</u>						
Pension obligations, beginning of year	\$ 500,465	\$ 421,156	\$ 921,621	\$	904,006	
Change in pension obligations						
Experience (gain)	(2,985)	(3,640)	(6,625)		(12,335)	
Benefits accrued, Note 11(b)	37,679	31,623	69,302		93,428	
Benefits paid	(49,866)	(41,851)	(91,717)		(85,589)	
Interest accrued on benefits	26,154	21,950	48,104		45,123	
Change in actuarial assumptions	-	-	-		(23,012)	
	10,982	8,082	19,064		17,615	
Pension obligations, end of year	\$ 511,447	\$ 429,238	\$ 940,685	\$	921,621	
<u>Combined</u>						
Pension obligations, beginning of year	\$ 6,417,907	\$ 4,755,958	\$ 11,173,865	\$	11,190,430	
Change in pension obligations	184,023	102,760	286,783		(16,565)	
Pension obligations, end of year, Exhibit A	\$ 6,601,930	\$ 4,858,718	\$ 11,460,648	\$	11,173,865	

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

The Civil Service Superannuation Fund

EXHIBIT D

Statement of Changes in Surplus (Deficit)

For the year ended December 31, 2024

			2024		2023	
(\$) Thousands	Fund	Payment Funding Employers	Total	Total	Total	Total
Basic Benefits Account						
Deficit, beginning of year	\$ (1,015,885)	\$ (4,334,803)	\$ (5,350,688)	\$ (5,350,688)	\$ (5,700,777)	\$ (5,700,777)
Increase in net assets	602,778	-	602,778	602,778	315,909	315,909
Change in pension obligations	(173,041)	(94,678)	(267,719)	(267,719)	34,180	34,180
	429,737	(94,678)	335,059	335,059	350,089	350,089
Deficit, end of year	\$ (586,148)	\$ (4,429,481)	\$ (5,015,629)	\$ (5,015,629)	\$ (5,350,688)	\$ (5,350,688)
Indexing Account						
Surplus (Deficit), beginning of year	\$ 137,080	\$ (421,155)	\$ (284,075)	\$ (284,075)	\$ (298,724)	\$ (298,724)
Increase in net assets	69,198	-	69,198	69,198	32,264	32,264
Change in pension obligations	(10,982)	(8,082)	(19,064)	(19,064)	(17,615)	(17,615)
	58,216	(8,082)	50,134	50,134	14,649	14,649
Surplus (Deficit), end of year	\$ 195,296	\$ (429,237)	\$ (233,941)	\$ (233,941)	\$ (284,075)	\$ (284,075)
Combined						
Deficit, beginning of year	(878,805)	(4,755,958)	(5,634,763)	(5,634,763)	(5,999,501)	(5,999,501)
Change during the year	487,953	(102,760)	385,193	385,193	364,738	364,738
Deficit, end of year, Exhibit A, Note 19	\$ (390,852)	\$ (4,858,718)	\$ (5,249,570)	\$ (5,249,570)	\$ (5,634,763)	\$ (5,634,763)

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

The Civil Service Superannuation Fund

Notes to the Financial Statements For the year ended December 31, 2024

(\$) Thousands

1. Description of Plan

The following description of the Civil Service Superannuation Plan (the “Plan”) is a summary only. For more complete information reference should be made to the Civil Service Superannuation Act (the “Act”).

(a) General

The Civil Service Superannuation Board (the “Board”) and the Civil Service Superannuation Fund (the “Fund”) were established under the Act in May 1939. The Board is responsible for administering the Act. The Act defines the basis of funding and the operation of the Plan as a defined benefit plan, which provides pension benefits to employees of the Government of the Province of Manitoba and its agencies participating in the Plan.

(b) Funding

The Act requires that employees contribute 8.0% of pensionable earnings up to the Canada Pension Plan (CPP) maximum pensionable earnings and 9.0% of pensionable earnings above that maximum. In accordance with the Act, 89.8% of the employee contributions are allocated to the Basic Benefits Account and 10.2% are allocated to the Indexing Benefits Account. The prefunding employer contribution rate is .9% less than the employee on pensionable earnings up to the Canada Pension Plan (CPP) maximum pensionable earnings and the same as the employee on Pensionable Earnings above that maximum.

Under provisions of the Act, payment funding employers defer contributing their share of employee pension benefits until they are billed for 50% of the benefit payments processed. However, payment funding employers are not billed for the cost of the pension formula improvement implemented in 2000. Prefunding employers similarly do not contribute toward the 2000 pension formula improvement.

The Fund’s net assets available for benefits are primarily comprised of investments derived from contributions from employees and prefunding employers together with investment income. These assets are intended to finance the Fund’s portion of the Plan’s actuarially determined obligation for pension benefits accruing to employees for service to the date of these financial statements. The payment funding employers’ portion of the obligation for pension benefits, as shown on Exhibit C and disclosed in Note 11, is unfunded.

The cost-of-living benefit payments are limited to the extent that the amount in the separate Indexing Benefits Account is actuarially able to finance one-half of that

The Civil Service Superannuation Fund

Notes to the Financial Statements

For the year ended December 31, 2024

(\$) Thousands

payment. Legislation limits the maximum annual adjustment to two-thirds of the increase in Consumer Price Index (Canada) until the Indexing Benefits Account can pre-fund anticipated adjustments for the next twenty years.

(c) Pension Calculation

The lifetime pension calculation equals:

- (i) 2% of a member's best five-year average pensionable earnings multiplied by pensionable service.
- (ii) minus .4% of the average CPP maximum pensionable earnings for the same period multiplied by pensionable service since January 1, 1966.

The lifetime pension is subject to an overall maximum of 70% of the average earnings described in (i) above. Some pensions for members retiring prior to age 60 are subject to an early retirement reduction.

(d) Excess Contributions

On termination, retirement, or death, if a member's contributions plus interest (less 10.2% allocated to the Indexing Benefits Account) exceed 50% of the commuted value of the pension for service after December 31, 1984, the excess contributions are payable to the member or the member's estate.

(e) Retirement

A member is eligible to retire as early as age 55.

All members must commence pension benefits no later than the last day of the calendar year in which the member attains 71 years of age.

Eligible members of the Province of Manitoba's Corrections Component may retire as early as age 50 if age plus years of qualifying service is greater than or equal to 75.

(f) Disability Pensions

A member with ten or more years of qualifying service is eligible to apply for a disability pension.

(g) Death Benefits Pre-retirement

Upon the death of an active member, a survivor's benefit is payable to a spouse or partner or the member's estate when there is no survivor.

(h) Death Benefits Post-retirement

A death refund is payable to the estate of a pensioner or survivor where such pensions have not been paid to the full extent of the member's contributions plus interest.

The Civil Service Superannuation Fund

Notes to the Financial Statements

For the year ended December 31, 2024

(\$) Thousands

(i) Withdrawal Refunds

Upon application and subject to lock-in provisions, withdrawal refunds are payable when a member ceases to be employed by a participating employer. Members may choose to leave their contributions in the Plan as a vested member.

(j) Income Taxes

The Plan is a Registered Pension Trust as defined in the Income Tax Act and is not subject to income taxes.

(k) Money Purchase Accounts Plan

The Board administers and maintains a separate Money Purchase Accounts Plan on a trust basis as provided for in the Act.

2. Significant Accounting Policies

The significant accounting policies are summarized below:

(a) Basis of Presentation

The financial statements are prepared on a going-concern basis as a separate financial reporting entity, in accordance with Canadian accounting standards for pension plans. The Fund has selected Part II (accounting standards for private enterprises) of the CPA Canada Handbook for issues not directly addressed by these standards. In accordance with these standards, statements prepared include the statement of financial position, the statement of changes in net assets available for benefits, the statement of changes in pension obligations and the statement of changes in surplus (deficit). They are prepared to assist participants and others in reviewing the financial activities for the fiscal year.

(b) Investments

Investments are presented on a non-consolidated basis even when an investment is in an entity over which the Plan has control or can exercise significant influence. Investments are recorded at fair value on a trade date basis. Fair values of investments are determined as follows:

Fixed Income

- (i) Short-term investments are valued at cost, which approximates market and short-term equivalents are valued at market by independent sources.
- (ii) Bonds and debentures are valued at market by independent sources.
- (iii) Index-linked mortgages are valued at amortized cost, which approximates fair value.

The Civil Service Superannuation Fund

Notes to the Financial Statements

For the year ended December 31, 2024

(\$) Thousands

Equities

- (i) Publicly traded securities are valued at year end market prices as listed on the appropriate stock exchange.
- (ii) Pooled equity funds are valued at market by the external manager based on the fair value of the underlying assets.

Other Investments

- (i) Real estate investments are valued at fair value based on the most recent appraisals or external managers' valuations of the underlying properties.
- (ii) Private equity, Infrastructure, and Private credit investments are valued at the fair value of the underlying investments as established by the external managers or at cost, which approximates fair value, when no valuation has been prepared.

(c) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for pension plans requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the year. Actual results could differ from those estimates. Items requiring the use of significant estimates include Level 3 investments and obligations for pension benefits.

(d) Foreign Currency Translation

Transactions denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing on the dates of the transactions. The foreign currency translation of these transactions (except for any foreign currency translation related to the acquisition of investments) is included in investment income or the current period change in fair value of investments (net realized gains or losses on the sale of investments) or administrative expenses.

The fair value of investments denominated in foreign currencies is translated into Canadian dollars at the exchange rate in effect at year-end and the resulting change from the translation at acquisition (or the prior year end) is included in the current period change in fair value of investments (net unrealized market gains or losses).

(e) Forward Contracts

A forward contract is a contractual obligation to buy or sell a specified amount of foreign currency at a predetermined future date and exchange rate. Forward contracts are recorded at fair value which is the estimated amounts that the Fund would receive or pay to terminate the contracts at the reporting date. Realized and unrealized gains

The Civil Service Superannuation Fund

Notes to the Financial Statements For the year ended December 31, 2024

(\$) Thousands

or losses on forward contracts are recognized with the current period change in fair value of investments.

(f) Equipment

Computer equipment costing less than \$15 and all furniture purchases are charged to operations in the year of acquisition. Mid-range computer equipment cost is amortized over 5 years and microcomputer equipment cost is amortized over 3 years.

(g) Related Party Transactions

The Plan's sponsor and administrator (and their close family members) are related parties of the Civil Service Superannuation Fund. The sponsor of the Plan is the Government of the Province of Manitoba and the administrator of the Plan is the management of the Civil Service Superannuation Board (CSSB).

CSSB management and their close family members include board members, external committee members and senior management, as well as their spouses, and any controlled business or business subject to significant influence.

All related party transactions are recorded at the exchange amount. Material transactions, in aggregate, and balances are disclosed separately.

(h) Net Investment Income and Current Period Change in Fair Value of Investments

Dividend income is recognized based on the ex-dividend date; interest income and income from real estate, infrastructure, private equity, private credit, and security lending are recognized on the accrual basis as earned. Investment management expenses, transaction costs, and interest allocated to employee future benefit obligations are reductions to gross investment income. Current period change in fair value of investments includes both realized and unrealized gains and losses. Unrealized gains and losses are recognized only when the fair value of the investment is based on a quoted market price in an active market or a valuation using appropriate valuation techniques is performed and approved by management.

(i) Contributions

Contributions from the members are recorded on an accrual basis. Cash received from members for credited service and cash transfers from other pension plans are recorded when received.

(j) Benefits

Benefit payments to members, termination refunds to former members, and transfer payments to other plans are recorded in the period in which they are paid or payable.

The Civil Service Superannuation Fund

Notes to the Financial Statements

For the year ended December 31, 2024

(\$) Thousands

3. Risk Management

The fair value of investments is exposed to market risk (interest rate risk, currency risk and price risk), credit risk, and liquidity risk.

(a) Market Risk

Interest Rate Risk

Interest rate risk refers to the impact of interest rate changes on the Fund’s cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Fund’s assets and liabilities. The value of the Fund’s assets is affected by changes in interest rates.

The Fund’s exposure to interest rate risk is concentrated in its investments in bonds and debentures. To properly manage the Fund’s interest rate risk, appropriate guidelines on the weighting and duration for bonds and debentures are set and monitored by the Fund’s Investment Committee.

The Fund has invested approximately 17% (2023 – 18%) of its assets in fixed income securities as at December 31, 2024, which generated a rate of return of 3.78% (2023 – 8.48%). The returns on fixed income securities are particularly sensitive to changes in nominal interest rates. As at December 31, 2024, if prevailing interest rates were raised or lowered by 100 basis points, with all other factors held constant, fixed income investments would likely have decreased or increased respectively by approximately \$132,268 (2023 - \$130,891). The Fund’s interest rate sensitivity was determined based on portfolio weighted duration.

Currency Risk

Currency risk relates to the possibility that foreign currency-denominated investments will change in value due to future fluctuations in foreign exchange rates. The impacts can be positive or negative and can be significant given the volatility of foreign exchange rates. CSSB management and external managers hedge some of the Fund’s currency exposure in invested assets using forward contracts.

The Civil Service Superannuation Fund

Notes to the Financial Statements For the year ended December 31, 2024

(\$ Thousands)

The Fund's exposure in cash and investments to foreign currencies, net of hedging, reported in Canadian dollars is shown below:

As at December 31, 2024	Actual Currency Exposure	Percentage
Canadian dollar	\$ 4,526,947	49.5%
US dollar	2,608,320	28.6
Euro	439,179	4.8
Japanese yen	332,921	3.6
Pound sterling	293,452	3.2
Hong Kong dollar	194,702	2.1
Australian dollar	150,032	1.6
Other currencies	591,750	6.6
Total investments	\$ 9,137,303	100.0%

A 10 percent increase or decrease in exchange rates, net of hedging, with all other variables held constant, would result in a change in unrealized gains (losses) of \$461,036 (2023 - \$405,198).

Price Risk

Price risk is the risk that the value of an investment will fluctuate as a result of a change in market conditions (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market. The Fund's equity and private market investments are sensitive to market fluctuations. To assist in mitigating the impact of price risk, the Board has established appropriate guidelines on asset diversification to address specific security, geographic, sector and investment manager risks which they monitor on a regular basis. A decline or increase of 10 percent in fair values of public equities, with all other variables held constant, will impact the Fund's investments by an approximate loss or gain of \$486,723 (2023 - \$419,954). A decline or increase of 10 percent in fair values of private market investments, with all other variables held constant, will impact the Fund's investments by an approximate loss or gain of \$276,983 (2023 - \$248,455).

The Civil Service Superannuation Fund

Notes to the Financial Statements For the year ended December 31, 2024

(\$) Thousands

(b) Credit Risk

Credit risk is the risk of loss from the failure of a counter party to discharge its contractual obligations. At December 31, 2024, the Fund’s maximum credit risk exposure relating to bonds and debentures, cash and short-term investments and mortgages totaled \$1,500,241 (2023 - \$1,459,513), receivables of \$6,411 (2023 - \$12,766) and accrued income of \$14,545 (2023 - \$15,298) totaled \$1,521,197 (2023 - \$1,487,577). The Fund’s Investment Committee limits credit risk by concentrating on high quality securities and adhering to a Statement of Investment Policies and Procedures. The Policy establishes investment ownership limits and acceptable credit ratings. In the case of bonds and debentures, all bonds must be rated BBB- or higher at the time of purchase.

All transactions in listed securities are settled upon delivery using approved investment managers. The risk of default is considered minimal, as delivery of securities sold is only made once the investment manager has received payment. Payment is made on a purchase once the securities have been received by the investment manager. The trade will fail if either party fails to meet its obligation.

The breakdown of the Fund’s bonds and debentures portfolio by credit rating from various rating agencies is presented below:

Credit Rating	2024 Fair Value		2023 Fair Value	
AAA	\$	373,913 27.0%	\$	315,225 23.8%
AA		525,443 38.0		249,949 18.9
A		401,519 29.0		643,742 48.5
BBB+		59,541 4.3		73,314 5.5
BBB and lower		22,903 1.7		44,138 3.3
		1,383,319 100.0%		1,326,368 100.0%
Cash and short-term		(24,565)		49,846
Total bonds and debentures	\$	1,358,754	\$	1,376,214

The Civil Service Superannuation Fund

Notes to the Financial Statements

For the year ended December 31, 2024

(\$) Thousands

Credit risk associated with contributions receivable is minimized due to their nature. Contributions are collected from participating members through the payroll process. No provision for doubtful contributions receivable has been recorded in either 2024 or 2023.

(c) Liquidity Risk

Liquidity risk is the possibility that investments of the Fund cannot be readily converted into cash when required to meet contractual obligations. The Fund may be subject to liquidity constraints because of insufficient volume in the markets for the securities of the Fund or other securities may be subject to legal or contractual restrictions on their resale. Liquidity risk is managed by investing the majority of the Fund’s assets in investments that are traded in an active public market and can be readily sold. Although market events could lead to some investments becoming illiquid, the diversity of the Fund’s portfolio and current contribution levels should ensure that liquidity is available for benefit payments.

The term to maturity and related market values of fixed income investments are as follows:

Term to Maturity	2024		2023	
Less than one year	\$	116,371	\$	131,657
One to five years		283,658		305,778
Over five years		1,100,212		1,022,078
Total fixed income investments	\$	1,500,241	\$	1,459,513

The Civil Service Superannuation Fund

Notes to the Financial Statements

For the year ended December 31, 2024

(\$) Thousands

(d) Fair Value

The following is a summary of the inputs used in the measurement of the fair value of the Fund's investments based on the fair value hierarchy:

	Level 1 Quoted Prices in Active Markets	Level 2 Significant Other Observable Inputs	Level 3 Significant Unobservable Inputs	Total 2024
Assets				
Short-term	\$ 16,263	\$ 124,172	\$ -	\$ 140,435
Bonds and debentures	-	1,358,754	-	1,358,754
Mortgages	-	1,052	-	1,052
Equities	4,214,714	652,521	-	4,867,235
Real estate	-	-	1,006,919	1,006,919
Infrastructure	-	-	970,304	970,304
Private equity	-	-	306,517	306,517
Private credit	-	-	486,087	486,087
Total investments, Schedule 1	\$ 4,230,977	\$ 2,136,499	\$ 2,769,827	\$ 9,137,303

	Level 1 Quoted Prices in Active Markets	Level 2 Significant Other Observable Inputs	Level 3 Significant Unobservable Inputs	Total 2023
Assets				
Short-term	\$ 742	\$ 80,485	\$ -	\$ 81,227
Bonds and debentures	-	1,376,214	-	1,376,214
Mortgages	-	2,072	-	2,072
Equities	3,602,972	596,571	-	4,199,543
Real estate	-	-	1,006,234	1,006,234
Infrastructure	-	-	827,828	827,828
Private equity	-	-	186,759	186,759
Private credit	-	-	463,733	463,733
Total investments, Schedule 1	\$ 3,603,714	\$ 2,055,342	\$ 2,484,554	\$ 8,143,610

The Civil Service Superannuation Fund

Notes to the Financial Statements For the year ended December 31, 2024

(\$ Thousands)

All securities in Level 1 can be traded in an active market. During the year ended December 31, 2024, no equity investments were transferred from Level 1 to Level 2.

During the year ended December 31, 2024, the reconciliation of investments measured at fair value using unobservable inputs (Level 3) is presented as follows:

	Real Estate	Infrastructure	Private Equity	Private Credit	Total
Beginning Balance	\$ 1,006,234	\$ 827,828	\$ 186,759	\$ 463,733	\$ 2,484,554
Purchases	36,120	92,051	35,427	41,566	205,164
Sales and withdrawals	(63,935)	(64,086)	-	(77,089)	(205,110)
Capitalized income	67,554	55,645	2,163	20,644	146,006
Change in unrealized appreciation/ (depreciation)	(39,054)	58,866	82,168	37,233	139,213
Ending Balance	\$ 1,006,919	\$ 970,304	\$ 306,517	\$ 486,087	\$ 2,769,827

Section 3.29 of the Manitoba Pension Benefits Act Regulation requires disclosure of each investment asset that has a fair value greater than two percent of the fair value of the investment assets of the fund. As at December 31, 2024, the Fund held the following investments that met this classification:

Equities:

Marathon M-L Investment Fund \$ 633,007

Infrastructure:

Borealis Infrastructure Fund \$ 328,561

Private credit:

Antares Capital \$ 242,042

(e) Securities Lending

The Fund is entered into a securities lending program through the lending agent, State Street Trust Company Canada. Under the program, the Fund will lend various securities in its possession to borrowers approved by the lending agent. The loans can be secured by either securities or cash collateral. The Fund has risks under this program including borrower default and reinvestment risk, mitigated by an indemnification clause in the securities lending agreement with State Street Bank and Trust Company.

The Civil Service Superannuation Fund

Notes to the Financial Statements For the year ended December 31, 2024

(\$) Thousands

4. Debt due from the Province of Manitoba

Under Section 24(1) of the Act, the Province of Manitoba assumed an accrued liability of \$1,826 (2023 - \$1,826) for its employees and pensioners as at May 1, 1939. The Province of Manitoba pays semi-annual interest at 4% per annum on this amount.

5. Receivables

	2024	2023
Contributions receivable		
Employers	\$ 2,840	\$ 1,909
Employees	994	1,198
	3,834	3,107
Other receivables	2,577	9,659
	\$ 6,411	\$ 12,766

6. The Province of Manitoba Unfunded Pension Liability Trust Account

The Province has established a fund for the purpose of accumulating funds for the eventual retirement of the Province’s unfunded pension obligation.

Under the terms of a March 6, 2001 agreement between the Province and the Board, the Province established a fund with the Board and the Province is making the required contributions to this fund. As well, the Province is making contributions to this fund that is related to the Special Operating Agencies unfunded pension liabilities. Contributions received by the Board from the Province are held by the Board (as invested assets) in trust for and on behalf of the Province and are invested by the Board on behalf of the Province. The contributions received are not assets of the Plan and accordingly, they are accounted for by the Fund in the Unfunded Pension Liability Trust Account. This trust account earns investment income at a rate of return equal to the rate of return earned by the Fund. The Board receives an investment management fee for its services. The contributions made by the Province to the Board do not reduce the pension benefit obligations and deficit of the Fund.

The Trust Agreement was amended effective December 31, 2008, to make the trust irrevocable. Accordingly, the assets in the Trust Account can not be used for any purposes other than to fund the payment of pension benefits for which the Province is responsible and to pay the costs and expenses that are directly attributable to the administration of the Trust Account.

The Civil Service Superannuation Fund

Notes to the Financial Statements

For the year ended December 31, 2024

(\$) Thousands

In October 2007, The Financial Administration Act was amended to allow for withdrawals from the fund to pay, or fund the payment of, pension benefits for which the Province is responsible.

A continuity schedule of this trust account is as follows:

	2024	2023
Contributions received	\$ 107,404	\$ 146,049
Interest earned (charged)	374,857	230,970
Pension and refund payments made	(201,932)	(202,663)
Investment management fees charged	(12,878)	(11,253)
Change during the year	267,451	163,103
Balance, beginning of year	2,346,636	2,183,533
Balance, end of year	\$ 2,614,087	\$ 2,346,636

7. Manitoba Hydro Enhanced Benefit Trust Account

Effective January 1, 2012, Manitoba Hydro employees with pensionable service after May 31, 2006 are eligible for an additional benefit. The Enhanced Hydro Benefit Plan enhances the formula used in calculating pension benefits from 1.6% to 1.7% of earnings up to the Canada Pension Plan average Yearly Maximum Pensionable Earnings at the time of retirement. Manitoba Hydro will fund the enhanced pension benefit through contributions to a trust account that will be used to fund the additional benefit to employees. A continuity schedule of this trust account is as follows:

	2024	2023
Contributions received	\$ 2,520	\$ 2,276
Interest earned (charged)	7,831	4,576
Pension and refund payments made	(1,444)	(1,359)
Investment management fees charged	(269)	(223)
Change during the year	8,638	5,270
Balance, beginning of year	47,616	42,346
Balance, end of year	\$ 56,254	\$ 47,616

The Civil Service Superannuation Fund

Notes to the Financial Statements

For the year ended December 31, 2024

(\$) Thousands

8. Correctional Officers' Trust Account

Effective November 19, 1996, employees who are members of the Province of Manitoba's Corrections Component are required to contribute an additional 1% of pensionable earnings. These additional contributions are credited to this trust account and are intended to fund the additional pension benefits for eligible employees who may retire as early as age 50 with no reduction for early retirement providing the total of age and qualifying service equals 75 or greater. A continuity schedule of this trust account is as follows:

	2024	2023
Contributions received	\$ 1,461	\$ 1,389
Interest earned (charged)	3,157	1,848
Pension and refund payments made	(1,334)	(1,261)
Expenses paid	(20)	(9)
Change during the year	3,264	1,967
Balance, beginning of year	19,690	17,723
Balance, end of year	\$ 22,954	\$ 19,690

9. Employer Trust Accounts

The Fund is responsible for providing enhanced benefits enacted in the 1992 legislation agreed to by the Employee Liaison Committee and the Employer Pension Advisory Committee. These benefits are 100% financed from the Fund's net assets available for benefits. To facilitate this funding, trust accounts were established for payment funding employers participating in the Fund for their share of the actuarial valuation of these future benefit enhancements. Specific contributions from eligible employees are being transferred to the applicable trust account. A continuity schedule of this trust account is as follows:

	2024	2023
Contributions	\$ 16	\$ 17
Interest earned (charged)	22,765	13,384
Change during the year	22,781	13,401
Balance, beginning of year	142,261	128,860
Balance, end of year	\$ 165,042	\$ 142,261

The Civil Service Superannuation Fund

Notes to the Financial Statements For the year ended December 31, 2024

(\$) Thousands

10. Money Purchase Accounts Plan

Effective January 2, 1985, a separate Money Purchase Accounts Plan was established to enhance the portability of pensions. Contributors include employees, recipients of superannuation allowances, annuities, or pensions payable under the Act, or persons on whose behalf the Board is required or requested to transfer moneys to this Plan. Interest earned on this plan is guaranteed at the Bank of Canada five-year personal fixed-term rate. An additional interest adjustment may be paid depending on the performance of the fund. Refunds are made upon written request by the contributor. Administrative costs are recovered by the Board. A continuity schedule of this liability account is as follows:

	2024	2023
Contributions received	\$ 1,297	\$ 3,071
Interest earned	7,259	3,982
Refunds and administration fees paid	(2,975)	(3,377)
Annuities made	(497)	(1,119)
Change during the year	5,084	2,557
Balance, beginning of year	58,058	55,501
Balance, end of year	\$ 63,142	\$ 58,058

11. Obligations for Pension Benefits

(a) Basic Benefits Account

In accordance with the Pension Benefits Act of the Province of Manitoba, actuarial valuations are required every three years. The stated purpose of the actuarial valuation is to:

- determine the financial position of the Plan as at the valuation date,
- determine the adequacy of the contributions being received in relation to the portion of the benefits financed by the Fund, and
- provide recommendations as to the future course of action based on the financial position revealed.

Actuarial valuations (going concern basis) for the Fund and Payment Funding Employers' pension obligations were prepared as at December 31, 2023 by Ellement Consulting Group. The actuarial present value of the accrued basic pension benefit obligations, based on service to date, was extrapolated by the actuary to December 31, 2024. The principal components of the changes in pension obligations during the year are presented in Exhibit C.

The Civil Service Superannuation Fund

Notes to the Financial Statements For the year ended December 31, 2024

(\$) Thousands

The payment funding employers’ portion of the accrued basic pension benefit obligation is unfunded. These payment funding employers defer contributing their share of employee pension benefits until they are billed for approximately 50% of the benefit payments processed. Payment funding employers are not billed for the cost of the pension formula improvement that was effective from September 1, 2000.

Significant long-term actuarial assumptions used in the December 31, 2023 and 2022 valuations of the present value of the accrued basic pension benefit obligations were:

	2023	2022
Discount rate:		
(i) inflation component	2.00%	2.00%
(ii) real rate of return	<u>4.00%</u>	<u>4.00%</u>
	<u>6.00%</u>	<u>6.00%</u>
Annual salary escalation rates:		
(i) general increases		
a) inflation component	2.00%	2.00%
b) productivity component	<u>0.50%</u>	<u>0.50%</u>
	<u>2.50%</u>	<u>2.50%</u>
(ii) service, merit and promotional increases *		
* the rates used vary by age groupings from a high of 3.0% to a low of 0%		
Mortality rates:		
(i) mortality	CPM 2014 Public	CPM 2014 Public
(ai)mortality improvements	Scale B	Scale B

The extrapolations to December 31, 2024 were based on the assumptions used in the 2023 actuarial valuations.

The next actuarial valuations for Basic Benefits will be prepared as at December 31, 2024, and will be completed by the fall of 2025.

The Civil Service Superannuation Fund

Notes to the Financial Statements For the year ended December 31, 2024

(\$) Thousands

(b) Indexing Benefits Account

Under section 33(6) of the Act, the Board must approve a cost-of-living adjustment before it is in effect. The 2024 financial statements reflect the pension obligations for cost-of-living adjustments up to the change in the Consumer Price Index for 2024.

A 0.87% cost-of-living adjustment for the year ended December 31, 2024 at a cost of \$69,302 (Fund - \$37,679, Payment Funding Employers - \$31,623) was approved March 27, 2025, with payment commencing July 2025.

These pension obligations are reported in the 2024 statement of changes in pension obligations (Exhibit C).

The December 31, 2024 actuarial valuations for the Fund’s Indexing Benefits Account and the Payment Funding Employers’ liability for indexing benefits were prepared by Ellement Consulting Group. The actuarial assumptions were the same as those used for the December 31, 2023 actuarial valuations for basic benefits.

The next actuarial valuations on the Indexing Benefits Account and the Payment Funding Employers’ indexing benefits liability will be prepared as at December 31, 2025, and will be completed during 2026.

12. Employer Assets Provided for Pension Obligations

Readers should refer to the latest audited employer financial statements, including the financial statements of the Government of the Province of Manitoba and its participating agencies, to determine how employers fund their pension obligations.

The Fund also manages monies from payment funding employers designed to help offset their share of the unfunded pension obligation and deficit. These monies have not been included in the statement of net assets available for benefits. The breakdown of these total funds under management is as follows:

	2024		2023	
Province of Manitoba, Note 6	\$	2,614,087	\$	2,346,636
Manitoba Hydro, Note 20		1,199,614		1,078,989
Total funds managed	\$	3,813,701	\$	3,425,625

The funds from the Province of Manitoba are included in both the assets (investments) and liabilities in the statement of financial position (Exhibit A) and thus have no impact on the net assets available for benefits and deficit. The funds managed for Manitoba Hydro are managed separately and are excluded from the statement of financial position.

The Civil Service Superannuation Fund

Notes to the Financial Statements For the year ended December 31, 2024

(\$) Thousands

13. Contributions

	2024	2023
Employees		
Required contributions	\$ 177,633	\$ 158,971
Voluntary contributions	179	190
Past service contributions	1,320	876
Special contributions	(314)	(2,159)
	178,818	157,878
Employers		
Required contributions	15,458	15,180
Special contributions ¹	307,913	302,564
	\$ 502,189	\$ 475,622

¹ includes payment funding employers' pay-as-you-go portion of benefit payments

14. Current Period Change in Fair Value of Investments

	2024	2023
Net realized gains on the sale of investments	\$ 450,418	\$ 304,574
Net unrealized market gains	620,241	319,859
	\$ 1,070,659	\$ 624,433

15. Benefits Paid

	2024	2023
Pension benefit payments	\$ 655,007	\$ 632,134
Disability benefit payments	11,881	11,670
	\$ 666,888	\$ 643,804

The Civil Service Superannuation Fund

Notes to the Financial Statements For the year ended December 31, 2024

(\$) Thousands

16. Refunds and Transfers

	2024	2023
Termination refund payments	\$ 37,581	\$ 44,417
Death refund payments	6,596	8,242
Relationship separation refund payments	1,603	1,964
Reciprocal transfers out – prefunding employers	599	494
	\$ 46,379	\$ 55,117

17. Administrative Expenses, Net

	2024	2023
Actuary fees	\$ 357	\$ 247
Audit fees	74	72
Legal fees	35	61
Consulting fees	85	61
Professional fees	551	441
Salaries and fringe benefits	5,645	4,886
Office and administration	1,906	1,797
Gross administrative expenses	8,102	7,124
Less: Recoveries		
From other administrated funds – regular administration	(1,319)	(1,293)
From payment funding employers	(2,941)	(2,522)
Administrative expenses, net	\$ 3,842	\$ 3,309

18. Allocations to the Various Trust Accounts and Money Purchase Accounts Plan

The various trust accounts and Money Purchase Plan Account are credited (charged) with interest equivalent or comparable to the Fund's annual rate of return. The breakdown of these allocations is as follows:

The Civil Service Superannuation Fund

Notes to the Financial Statements

For the year ended December 31, 2024

(\$ Thousands)

	2024	2023
The Province of Manitoba Unfunded Pension Liability Trust Accounts	\$ 374,857	\$ 230,970
Manitoba Hydro Enhanced Benefit Trust Account	7,831	4,576
Correctional Officers' Trust Account	3,157	1,848
Employer Trust Accounts	22,765	13,384
Money Purchase Plan Account	7,259	3,983
	\$ 415,869	\$ 254,761

19. Deficit

	Fund	Payment Funding Employers	Total 2024	Total 2023
(Deficit) surplus, beginning of year				
Basic Benefits	\$ (1,015,885)	(4,334,803)	(5,350,688)	(5,700,777)
Indexing Benefits	137,080	(421,155)	(284,075)	(298,724)
	(878,805)	(4,755,958)	(5,634,763)	(5,999,501)
Change in net assets available for benefits, Exhibit B				
Basic Benefits	602,778	-	602,778	315,909
Indexing Benefits	69,198	-	69,198	32,264
	671,976	-	671,976	348,173
Change in pension obligations during the year, Exhibit C				
Basic Benefits	(173,041)	(94,678)	(267,719)	34,180
Indexing Benefits	(10,982)	(8,082)	(19,064)	(17,615)
	(184,023)	(102,760)	(286,783)	16,565
(Deficit) surplus, end of year, Exhibit D				
Basic Benefits	(586,148)	(4,429,481)	(5,015,629)	(5,350,688)
Indexing Benefits	195,296	(429,237)	(233,941)	(284,075)
	\$ (390,852)	\$ (4,858,718)	\$ (5,249,570)	\$ (5,634,763)

The Civil Service Superannuation Fund

Notes to the Financial Statements For the year ended December 31, 2024

(\$) Thousands

20. Managed Investment Funds

The Board acts as investment manager for other funds, which are separate and have been excluded from the statement of financial position (Exhibit A).

The fair values of these other funds under administration on a trade date basis at December 31 are:

	2024	2023
The Manitoba Hydro Pension Fund	\$ 1,199,614	\$ 1,078,989
Joint Board of Trustees of The Municipal Employees Benefits Program	1,032,633	901,397
The Public Service Group Insurance Fund	326,517	289,607
Centra Gas Manitoba Inc.	146,561	134,539
Manitoba Liquor & Lotteries Corporation	9,003	7,733
Winnipeg Child and Family Services Employee Benefits Retirement Plan	24,884	22,996
University of Winnipeg	10,922	10,642
Legislative Assembly Pension Plan	48,313	41,998
	\$ 2,798,447	\$ 2,487,901

The Board recovers its administrative costs for this service by charging an investment management fee, which is deducted from investment management expenses in Schedule 3.

The Civil Service Superannuation Fund

Notes to the Financial Statements For the year ended December 31, 2024

(\$) Thousands

21. Future Commitments

The Fund has contractual obligations for future investment transactions, which may be funded over the next several years in accordance with the terms and conditions agreed to. As at December 31, 2024, the Fund's share of the outstanding commitment is \$808,592 (2023 - \$618,445).

22. Capital Disclosures

Capital is defined as the net assets available for benefits. Externally imposed capital requirements relate to the administration of the Fund in accordance with the terms of the Fund, The Pension Benefits Act of the Province of Manitoba, and the provisions of the Income Tax Act (Canada). The Fund has developed appropriate risk management strategies, as described in Note 3, to preserve the net assets available for benefits. The Fund has complied with externally imposed capital requirements during the year.

23. Comparative Figures

Certain of the 2023 comparative figures have been reclassified to conform with the presentation adopted for 2024.

The Civil Service Superannuation Fund

SCHEDULE 1

Summary of Investments

For the year ended December 31, 2024

	2024	2023
(\$) Thousands		
Fixed income		
Short-term	\$ 140,435	\$ 81,227
Bonds and debentures	1,358,754	1,376,214
Mortgages	1,052	2,072
	<u>1,500,241</u>	<u>1,459,513</u>
Equities		
Domestic	916,289	824,198
Foreign	3,950,946	3,375,345
	<u>4,867,235</u>	<u>4,199,543</u>
Real estate	1,006,919	1,006,234
Infrastructure	970,304	827,828
Private equity	306,517	186,759
Private credit	486,087	463,733
Investments, Exhibit A	\$ 9,137,303	\$ 8,143,610

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

The Civil Service Superannuation Fund

SCHEDULE 2

Schedule of Contributions

For the year ended December 31, 2024

			2024		2023
(\$) Thousands	Employers	Employees	Total	Total	
Payment Funding employers, Note 1 (b)					
Province of Manitoba Civil Service	\$ 208,426	\$ 81,845	\$ 290,271	\$ 282,378	
Manitoba Hydro-Electric Board	81,820	41,890	123,710	116,978	
Manitoba Public Insurance Corporation	18,362	13,137	31,499	27,897	
Red River College Polytechnic	177	11,121	11,298	10,732	
Addictions Foundation of Manitoba	73	-	73	72	
Community Colleges					
Assiniboine Community College	100	2,763	2,863	2,938	
University College of the North	-	2,082	2,082	1,775	
Regional Health Authorities					
Winnipeg	-	608	608	3,911	
Prairie Mountain	-	398	398	455	
Southern	-	79	79	94	
Interlake - Eastern	-	71	71	82	
Northern	-	220	220	203	
The Legal Aid Services Society of Manitoba	-	1,027	1,027	893	
Manitoba Centennial Centre Corporation	478	206	684	689	
Shared Health Inc.	3	3,583	3,586	3	
Teachers' Retirement Allowances Fund Board	485	458	943	848	
Communities Economic Development Fund	203	75	278	277	
Manitoba Horse Racing Commission	73	8	81	57	
Workers Compensation Board	1	-	1	1	
Total payment funding employers	\$ 310,201	\$ 159,571	\$ 469,772	\$ 450,283	

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

The Civil Service Superannuation Fund

SCHEDULE 2

Schedule of Contributions

For the year ended December 31, 2024

	2024		2023	
(\$) Thousands	Employers	Employees	Total	Total
Total payment funding employers, continued	\$ 310,201	\$ 159,571	\$ 469,772	\$ 450,283
Payment Funding employers, Note 1 (b)				
Manitoba Liquor & Lotteries Corporation	9,802	10,482	20,284	16,695
Manitoba Housing	75	-	75	53
Manitoba Agricultural Services Corporation	665	1,152	1,817	3,512
CUPE Support Workers	912	1,028	1,940	2,197
All Nations Coordinated Response Family Services	799	869	1,668	1,726
Manitoba Government and General Employees' Union	716	757	1,473	1,335
Liquor, Gaming and Cannabis Authority of Manitoba	485	511	996	869
Civil Service Superannuation Board	562	600	1,162	1,062
Teranet Manitoba LP	546	594	1,140	1,135
Manitoba Floodway Authority	16	-	16	15
Manitoba Hydro Utilities Services	229	258	487	425
Travel Manitoba	288	296	584	595
Industrial Technology Centre	1	-	1	1
Dairy Farmers of Manitoba	117	128	245	263
Hams Marketing Services Co-op Inc.	52	57	109	104
Manitoba Pork Council	121	116	237	195
Manitoba Arts Council	76	84	160	157
Manitoba Film and Sound	79	76	155	150
Manitoba Health Research Council	89	96	185	171
Manitoba Chicken Producers	65	70	135	114
Crown Corporations Council	8	-	8	7
Horizon Lab Ltd.	34	37	71	67
Manitoba Turkey Producers	11	12	23	23
Economic Innovation and Technology Council	5	-	5	5
Efficiency Manitoba	584	635	1,219	1,028
Total prefunding employers	\$ 16,337	\$ 17,858	\$ 34,195	\$ 31,904
Total employers, payment funding and prefunding	\$ 326,538	\$ 177,429	\$ 503,967	\$ 482,187

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

The Civil Service Superannuation Fund

SCHEDULE 2

Schedule of Contributions

For the year ended December 31, 2024

	2024			2023	
(\$) Thousands	Employers	Employees	Total	Total	
Total payment funding employers, continued	\$ 326,538	\$ 177,429	\$ 503,967	\$ 482,187	
Other					
Employees on loan	41	41	82	68	
Employees on workers compensation	-	4	4	45	
Reciprocal agreement - transfers in	-	3,000	3,000	3,675	
Reciprocal agreement - transfers out	(3,211)	(3,811)	(7,022)	(12,776)	
Repayment of contributions previously refunded	-	204	204	317	
Contributions based on prior non-pensionable employment	3	1,454	1,457	987	
Transfer from Money Purchase Accounts Plan	-	497	497	1,119	
Total other	\$ (3,167)	\$ 1,389	\$ (1,778)	\$ (6,565)	
Total contributions, Exhibit B	\$ 323,371	\$ 178,818	\$ 502,189	\$ 475,622	

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

The Civil Service Superannuation Fund

SCHEDULE 3

Schedule of Investment Income

For the year ended December 31, 2024

	2024	2023
(\$) Thousands		
Fixed income		
Short-term	\$ 3,813	\$ 2,531
Bonds and debentures	53,730	47,814
Mortgages	136	309
	57,679	50,654
Equities		
Domestic	25,885	23,823
Foreign	67,816	70,660
	93,701	94,483
Real estate	43,105	38,792
Infrastructure	42,230	25,876
Private equity	2,260	1,577
Private credit	22,347	22,379
Security lending revenue	1,153	1,551
Gross investment income	262,475	235,312
Less:		
Investment management expenses, net, Note 20	26,088	24,995
Investment transaction costs	4,076	5,018
Interest allocated to employee future benefits obligations	292	272
	30,456	30,285
Net investment income, Exhibit B	\$ 232,019	\$ 205,027

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



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