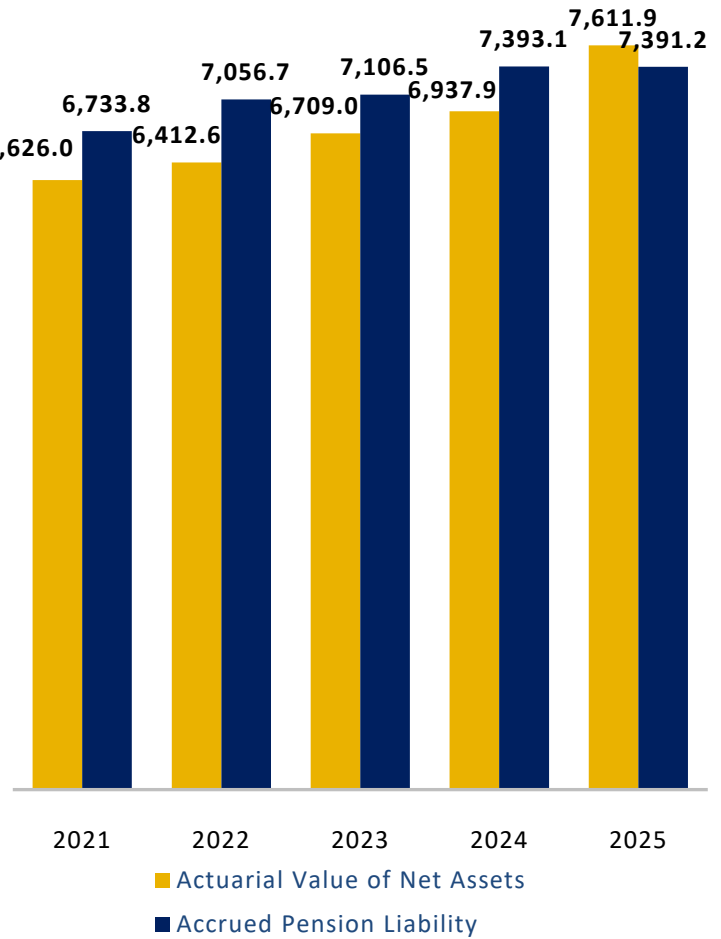
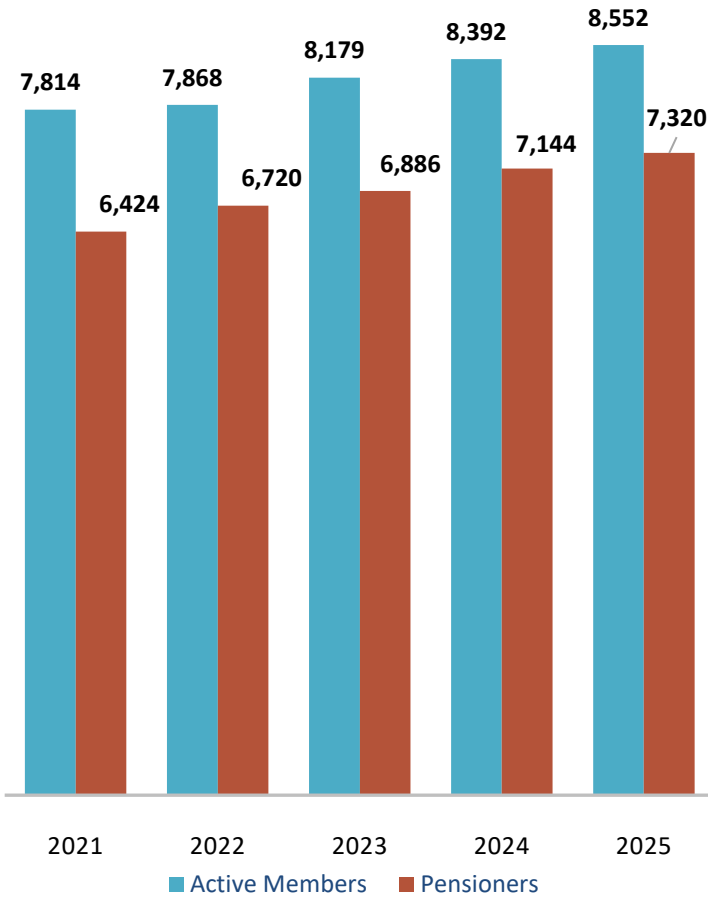


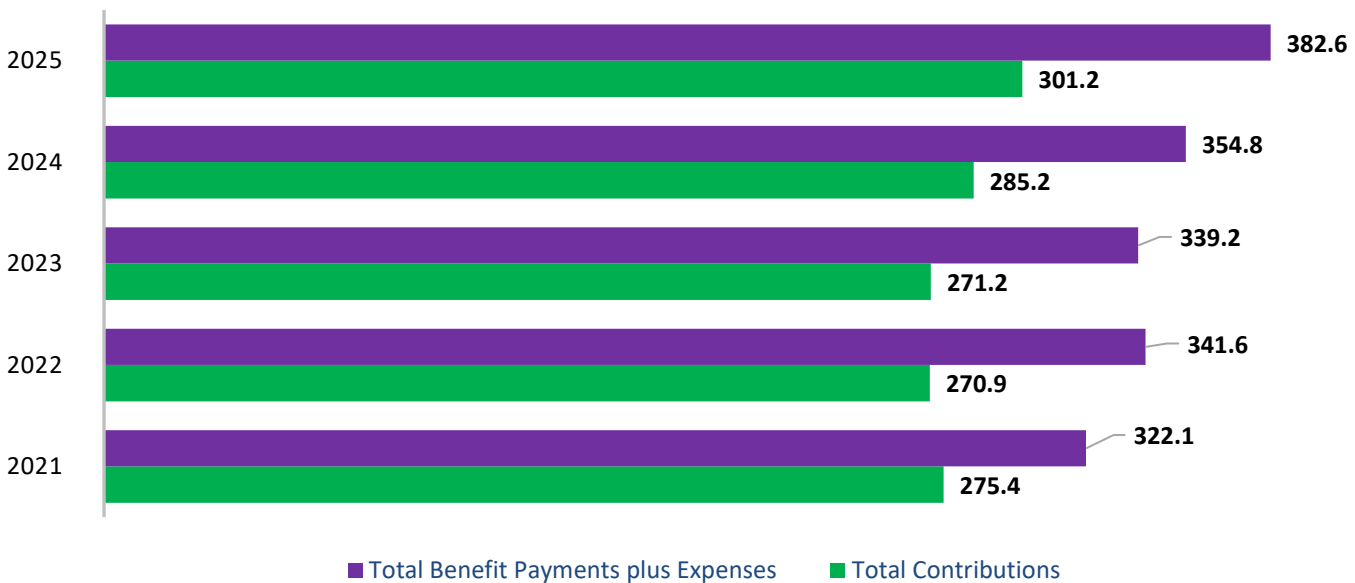
UAPP's 2025 Annual Report has been released, and this issue of the Communiqué provides financial, statistical, and other summary highlights of the Report. The full Annual Report is available at [uapp.ca/publications/annual-reports/](http://uapp.ca/publications/annual-reports/).

## Active and Pensioner Member Totals

## Assets and Liabilities (\$ millions)



## Contributions and Benefit Payments plus Expenses (\$ millions)



# COMMUNIQUE – SPRING 2026

## Message From The CEO

As I write my second annual CEO's message, our team has been looking back to all that has happened at UAPP during the past two years, and a central theme captures the experience: Change That Moves Us Forward. As we continue to make progress on our many initiatives, UAPP has indeed been changing and certainly moving forward.

Change That Moves Us Forward describes the intentional work our team has been undertaking since late 2024 through our Pension Administration Transformation Project. This monumental initiative entirely revamps the way UAPP members and employers experience pension administration. After maneuvering through recent challenges in third-party administration, UAPP is entering a new era to ensure the provision of high quality, cost-effective pension benefits administration services, fulfilling a prominent component of the Board's mission.

On May 4, 2026, UAPP will be going live with a new pension administration solution. Throughout 2025 and well into 2026, the team has been working hard to configure a system to provide members, and their participating employers, with a modernized online experience in a significantly enhanced portal. In addition to developing the new system, UAPP has also been busy preparing to administer pension benefits internally by building a dedicated and talented team.

A significant governance milestone was achieved in 2025 with the development and Board approval of UAPP's Enterprise Risk Management framework. This organization wide initiative established a formal and consistent approach to identifying, evaluating, managing, and reporting risk across UAPP's activities, strengthening governance, supporting better decision making and accountability, and advancing UAPP's alignment with the expectations of CAPSA Guideline No. 10.

Each December, UAPP publishes its three-year Business Plan. As 2025 ends, we want to evaluate how UAPP fulfilled the Board's mission during the year and how we intend to continue to do so in 2026 for each of four areas of focus:

### Provide High Quality, Cost-Effective Pension Benefits Administration Services

While service levels from the current provider, TELUS Health (formerly Gallagher), have slightly improved from 2024, UAPP continues its conscientious work to make improvements in the entire pension administration process to better provide the high quality administration services that members and stakeholders deserve. While the landmark changeover to internal administration occurs May 4, 2026, the enhancements will continue to roll out over the coming months as we identify opportunities for further refinement. A comprehensive review of what is changing and what to expect is summarized in the Administration Report section of the 2025 Annual Report.

### Optimize Long-Term Investment Returns

As noted in the Investment Report section of the 2025 Annual Report, the market value of the Fund continued its upward trajectory towards the \$8 billion mark. An asset-liability modeling study was completed during 2025 from which new asset classes were recommended. Given the potential for significant changes, UAPP will be preparing an implementation plan and Trustee education sessions to ensure alignment prior to modifying the asset mix. I'm pleased to share that UAPP's new Chief Investment Officer Edward Ng is now in place to drive this work.

# COMMUNIQUE – SPRING 2026

## Provide Effective Communications

In October 2025, UAPP moved to exciting new office space to better accommodate growth in the team and the anticipation of a greater volume of member visits due to in-house pension administration. The change management plan relating to the Pension Administration Transformation Project is being deployed in April 2026 to ensure all members and employers are aware of the upcoming changes.

## Practice Effective Governance

The establishment of UAPP’s Enterprise Risk Management framework marks an important step forward in strengthening our governance practices. As UAPP continues to advance major initiatives and operate in an increasingly complex environment, a formal and consistent approach to risk management is essential. In 2026, UAPP will focus on operationalizing the framework through quarterly risk reporting, annual risk assessments, and the integration of recurring risk management processes across the organization. Reviewing workforce requirements across the organization will help ensure that the Plan remains sufficiently resourced to properly carry out oversight requirements. The Board’s newly established Human Resources and Governance Committee will also provide additional safeguards for UAPP’s operations.

Change That Moves Us Forward means that UAPP will continue its journey towards providing secure and sustainable pensions to our members by delivering high quality services to stakeholders, prudent investments, cost consciousness, and effective risk management from a culture of discipline, determination, accountability, and integrity.

Chris Schafer  
Chief Executive Officer



# COMMUNIQUE – SPRING 2026

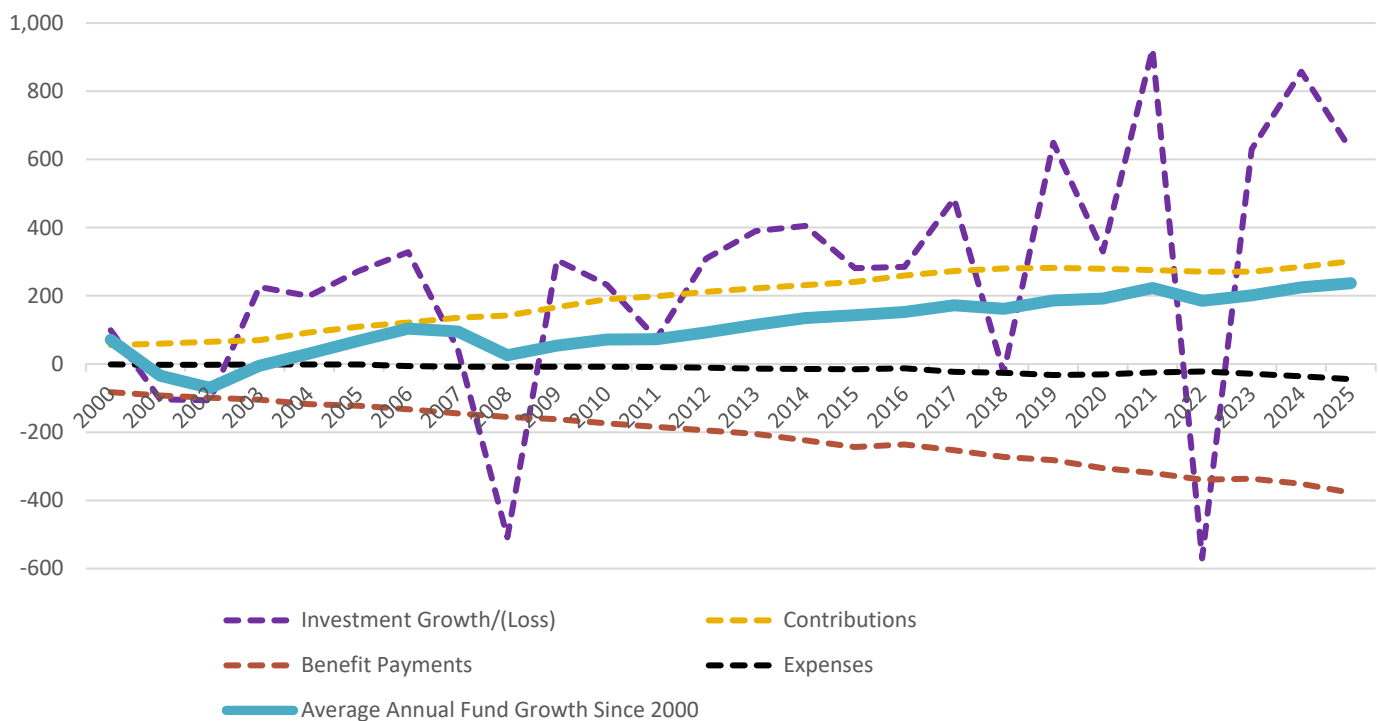
## Financial Position of the Plan

### The Plan's Assets

The market value of the Plan's assets increased to \$7,910.2 million at December 31, 2025 from \$7,364.2 million at the end of 2024, reflecting an increase of \$546.0 million during the year due to positive investment returns. The Fund achieved a return of 8.8 per cent in 2025 following returns of 13.4 per cent in 2024 and 10.5 per cent in 2023.

The Fund has grown at an average annual rate of \$236.9 million since 2000, driven by mostly positive investment income and changes in the fair value of assets. Though contributions have lagged benefit payments in recent years, the net impact of these components has been small while administrative and investment expenses have had a minimal effect on the Plan's asset value.

Fund Growth (\$ millions)

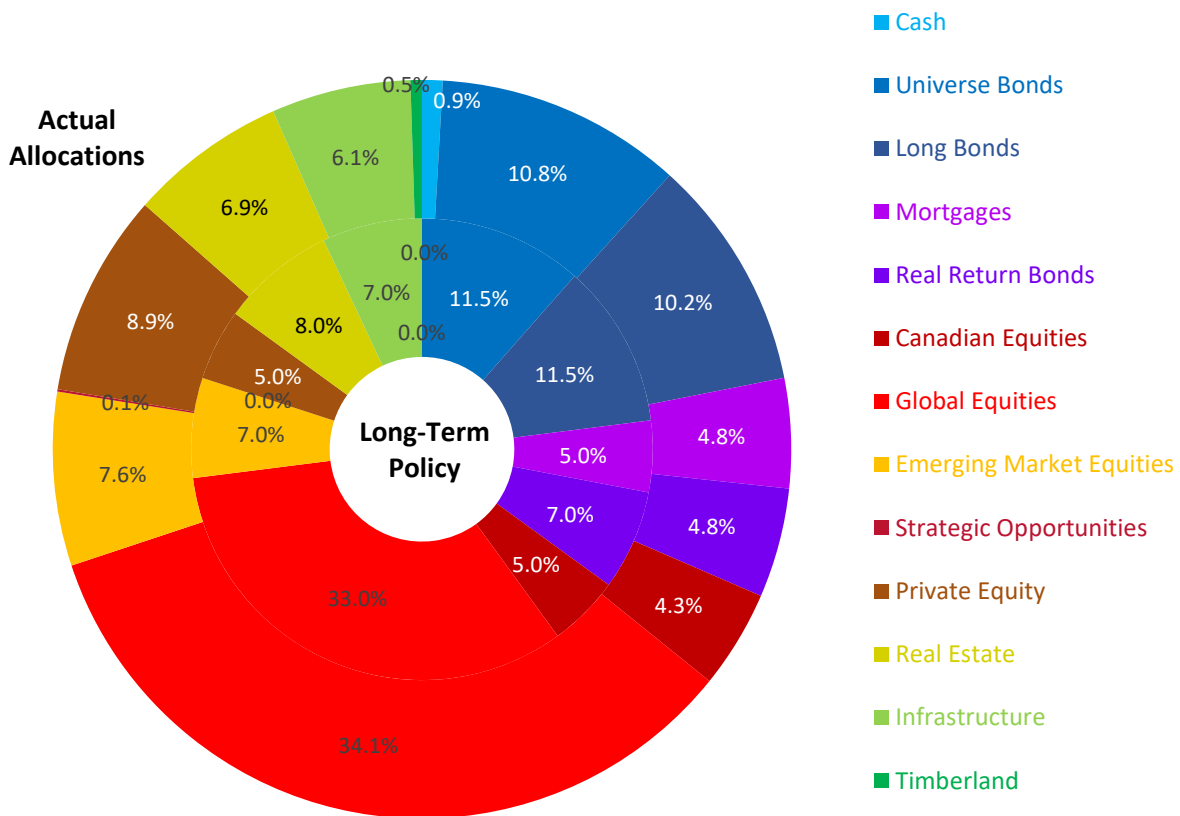


UAPP's investment philosophy includes the belief that diversification can reduce risk over the long-term. However, diversification is also a useful tool for enhancing potential investment returns particularly across asset classes that are not perfectly correlated. At December 31, 2025, UAPP invests in sixteen different mandates across seven investment managers. Within these mandates, managers are selected for several reasons, including for a diversity of styles. For example, in 2024, UAPP's public equities mandates were split across five very different managers, from those with a traditional value approach, to a quantitative manager, to a boutique manager with a focus on emerging markets.

# COMMUNIQUE – SPRING 2026

Despite drawing down \$111 million from the global equity class to make pension payments and no cash infusion throughout the year, these managers performed so well that the market value of this asset class still grew by a net sum of \$252.1 million. Emerging market equities also performed exceptionally through the year with a rate of return of 33.1 per cent and growth of \$149.6 million, again with no new funds. As a result of these strong equity returns in 2025, the whole asset class spent most of the year near the upper bound of its allowable range under the Plan’s target asset mix as defined in the Statement of Investment Policies and Goals. At the end of the year, equities sat at 54.9 per cent versus a maximum of 55.0 per cent. Early in 2026, the asset class exceeded this mark, resulting in a subsequent rebalancing.

Asset Mix at December 31, 2025



During 2025, UAPP undertook an actuarial valuation which included an increase in the assumed rate of return from 5.62 per cent per annum in the prior two years to 5.9 per cent from December 31, 2024. The Fund performance exceeded this updated assumption by 2.9 per cent with an annual return of 8.8 per cent. This year is the third straight in which the Fund outperformed the actuarially assumed return and the sixth time in the past seven years in which this occurred.

# COMMUNIQUE – SPRING 2026

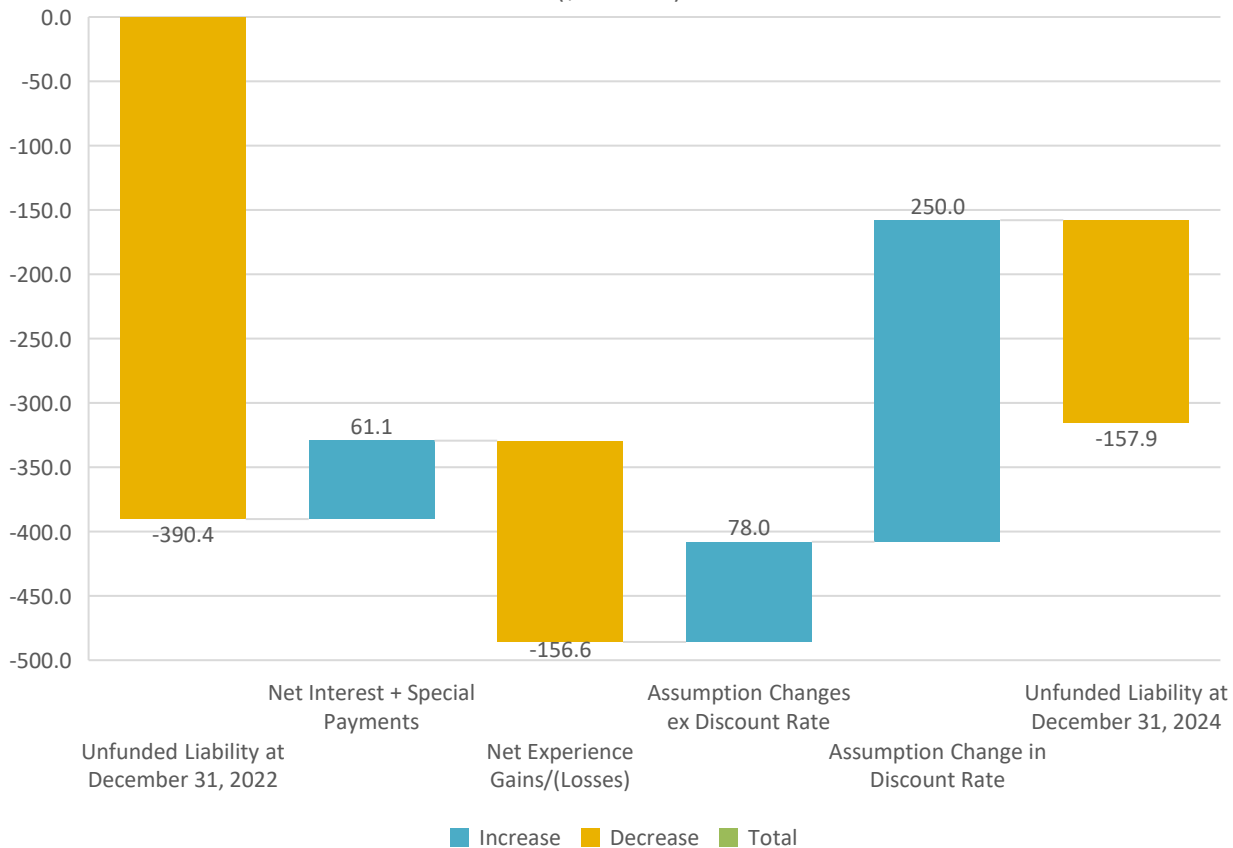
## The Plan’s Liabilities

The Plan’s total liability at December 31, 2025 is determined to be \$7,391.2 million, just slightly less than the December 31, 2024 total of \$7,393.1 million. The liability this year is based on an extrapolation from the actuarial valuation as at December 31, 2024 which was completed during 2025, while the previous year’s liability came from an extrapolation of the December 31, 2022 actuarial valuation.

A key component of the valuation process is the Board review, in consultation with the Plan’s actuary, of the actuarial assumptions. Given rising interest rates since 2022, UAPP adopted a higher discount rate for the new actuarial valuation and for this year’s Financial Statements. All else being equal, raising the discount rate to 5.9 per cent this year would normally decrease the value of liabilities. A review of the December 31, 2024 actuarial valuation report shows that the Plan’s financial position was enhanced largely due to this change in the discount rate, much of which was offset by net experience losses.

### December 31, 2024 Actuarial Valuation Gain/(Loss)

(\$ millions)



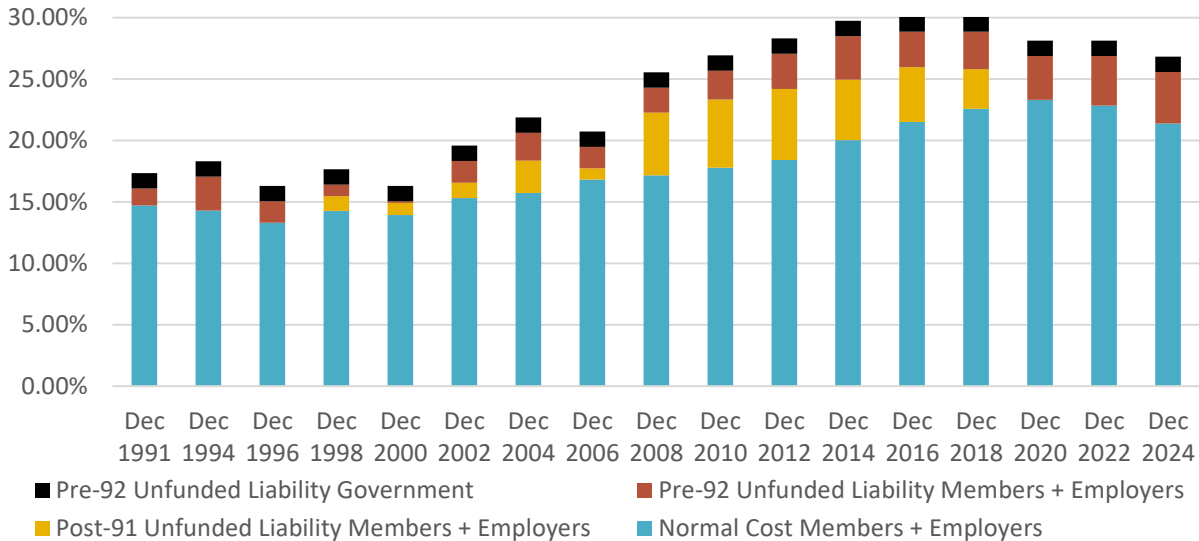
Just prior to the actuarial valuation, the actuary completed a mortality study to assist the Board in setting the assumption for how long UAPP members will live. This assumption is critical to valuing the Plan’s liabilities because members receive pensions paid for their lifetimes and, in many cases, the lifetimes of their surviving spouses. The study revealed that male members are living closer to as long as the actuary’s socioeconomic tools suggest they are living while female members are living longer than expected.

# COMMUNIQUE – SPRING 2026

As a result, the adjustment factors were changed for males from 80 per cent to 85 per cent and for females from 95 per cent to 90 per cent. The base table and projection scales remained unchanged. New tables are likely going to be available at the time of the next actuarial valuation, expected in 2027, and UAPP looks forward to continuing its pattern of adopting the latest mortality assumptions. Regularly reviewing and updating this assumption is a key step in achieving intergenerational equity, such that the current generation of contributors fund only the current generation’s accrual of pension benefits. This target remains one of the objectives identified in the UAPP Funding Policy.

With the goals of securing the benefits of Plan members and complying with the funding requirements of the Employment Pension Plans Act (Alberta), the Board, on the advice of its actuary, will reduce the overall total contribution rate effective July 1, 2026 to 25.59 per cent combined for members and employers with lower required rates for the portion of salaries below the Year’s Maximum Pensionable Earnings (YMPE) and between the YMPE and pensionable salary cap, but a higher required rate above the pensionable salary cap. Contribution rates are at their lowest level in fourteen years. Contributions from the Government of Alberta towards the pre-1992 unfunded liability continue at 1.25 per cent of all salaries with that amortization scheduled to end on the sooner of December 31, 2043 or the date when this unfunded liability is eliminated.

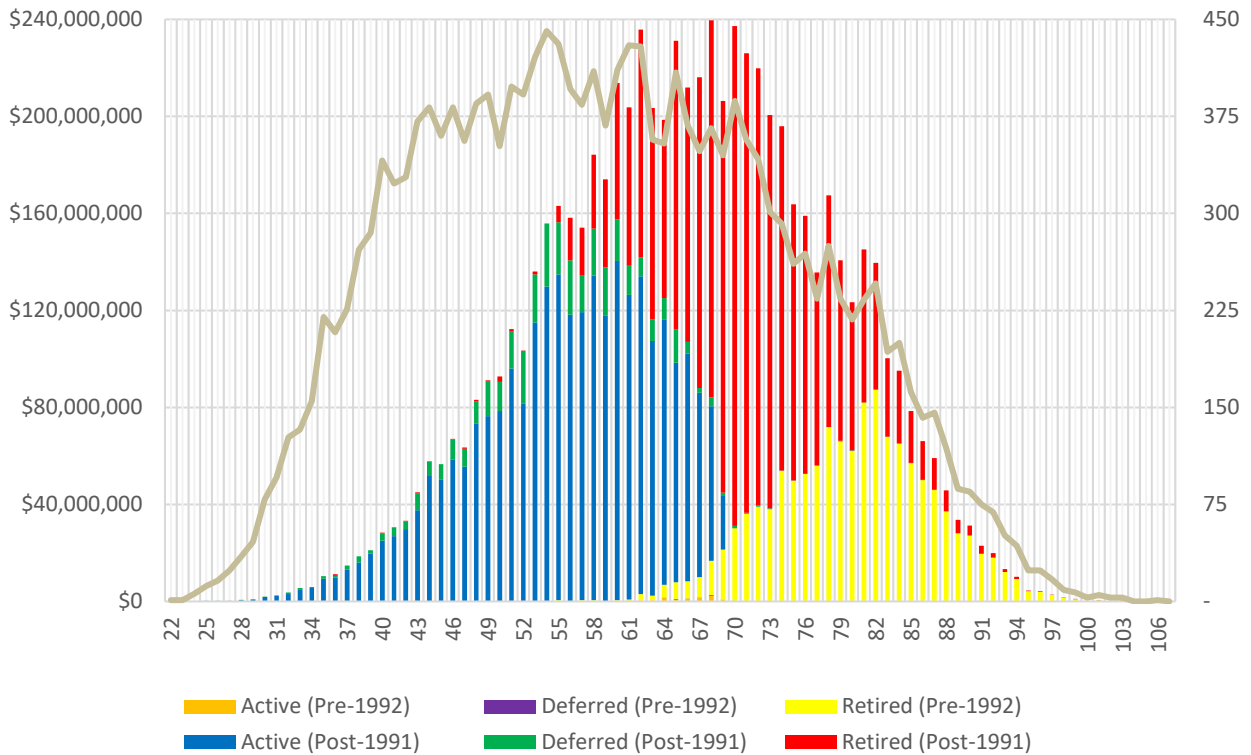
Contribution Rates by Type by Actuarial Valuation Date  
(as % of salary)



The lifecycle of a pension plan member’s actuarial liability is generally one of gradual growth while actively accruing years of pensionable service, culminating in a peak at the time of retirement. As their pension is then paid, the value of the liability typically declines steadily before running to zero when the pension ceases upon the member’s or surviving spouse’s death, as applicable.

# COMMUNIQUE – SPRING 2026

Liabilities by Age and Member Group  
(December 31, 2024 Valuation)



As 1992 falls further into the past, the pre-1992 liability for active members will dwindle further. At this valuation, only 71 active members have liabilities from this period, ranging in age from 58 to 69. However, roughly half of retired members have pre-1992 liabilities, meaning pensions accrued in this period will continue to be paid for decades to come.

## The Plan's Funded Ratio

The extrapolation for this year's Financial Statements shows that the Plan's funded ratio, the ratio of the actuarial value of assets to liabilities, increased significantly from 93.8 per cent at December 31, 2024 to an all-time high of 103.0 per cent at December 31, 2025. This year also marks the first time UAPP has been fully funded on a total Plan basis with a going concern surplus of \$220.7 million.

	December 31, 2025			December 31, 2024		
	Pre-1992	Post-1991	Total	Pre-1992	Post-1991	Total
Fair Value of Net Assets	368.5	7,541.7	7,910.2	403.3	6,960.9	7,364.2
Actuarial Adjustment	(19.0)	(279.3)	(298.3)	(28.8)	(397.5)	(426.3)
Actuarial Value of Net Assets	349.5	7,262.4	7,611.9	374.5	6,563.4	6,937.9
Accrued Pension Liability	1,198.2	6,193.0	7,391.2	1,288.8	6,104.3	7,393.1
Actuarial (Deficiency) Surplus	(848.7)	1,069.4	220.7	(914.3)	459.1	(455.2)
Actuarial Funded Ratio	29.2%	117.3%	103.0%	29.1%	107.5%	93.8%

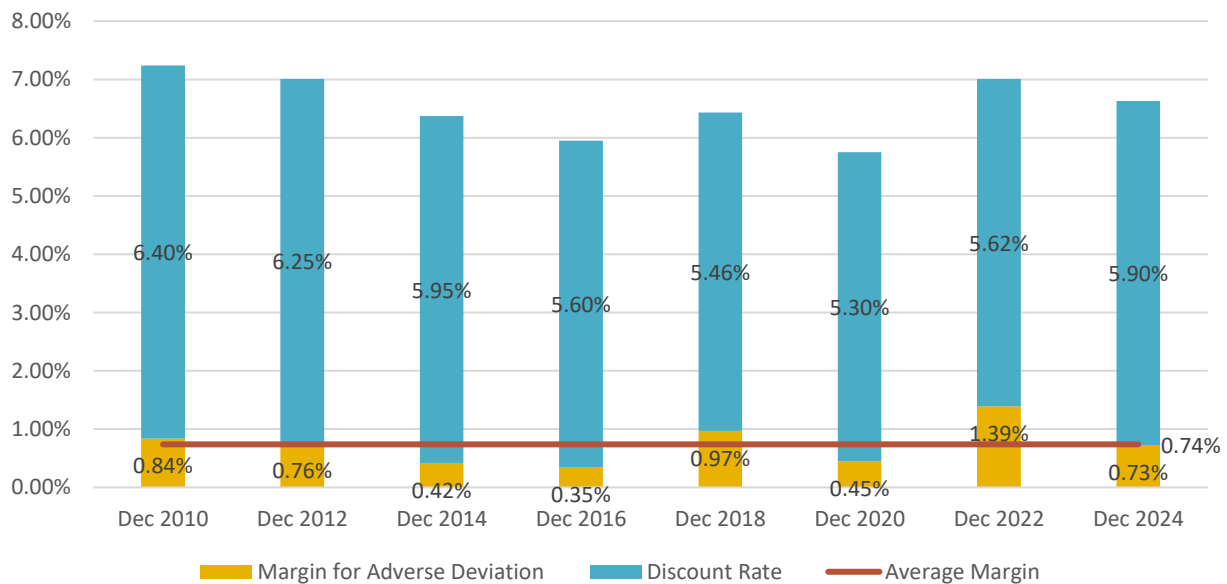
(all figures in \$millions)

# COMMUNIQUE – SPRING 2026

The significant increase in the funded ratio has occurred for two reasons. Firstly, there was virtually no net movement in the denominator of the ratio calculation. Typically, the Plan experiences increases in liabilities due to active members continuing to accrue additional years of pensionable service. However, as described earlier, this growth was muted by an increase in the discount rate used for the actuarial valuation completed in 2025.

When setting the discount rate used to value the Plan’s liabilities, the Board consults with the Plan’s actuary to estimate the future investment returns based on the target asset mix. From there, the Board chooses a margin for adverse deviation, which acts as a buffer should the investment returns fail to reach projections. In the December 31, 2022 actuarial valuation, a large margin was chosen because the smoothed value of assets exceeded the fair value of assets, meaning the asset value was overstated for the purposes of the valuation. The reverse situation occurred in the December 31, 2024 actuarial valuation where the smoothing method resulted in an understatement in the asset value. As such, a sizable margin was already built into the value of the assets this valuation, enabling the Board to adopt a discount rate that utilized a smaller margin than in the previous valuation. The margin chosen was almost identical to the average margin used over the seven previous actuarial valuations.

Discount Rates and Margins Past Eight Actuarial Valuations



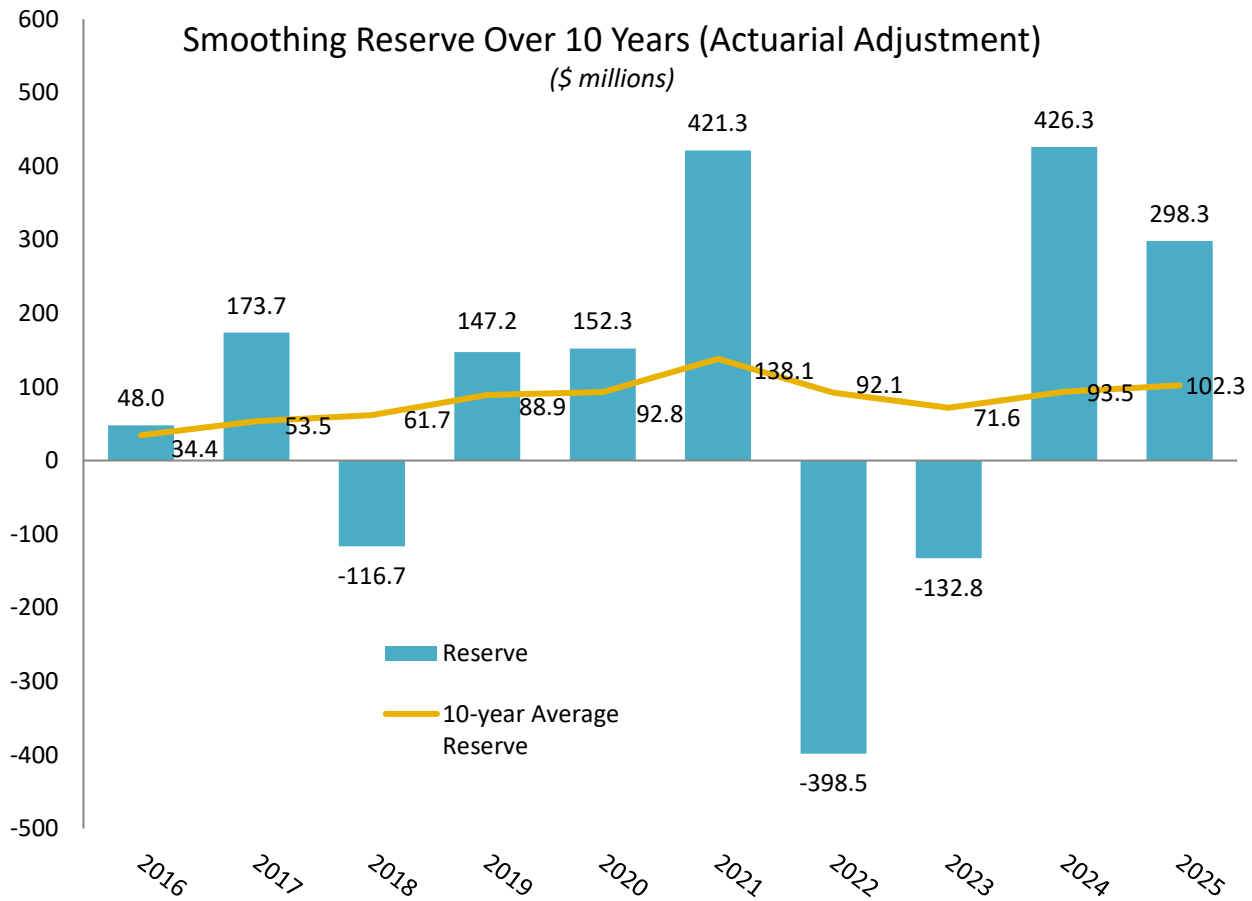
The second reason the funded ratio surged this year is because for the third year in a row, the Plan’s investments attained sizable positive returns. At December 31, 2022, the fair value of net assets was \$6,014.1 million. This value has grown over the past three years to \$7,910.2 million, representing a total increase in that time of 31.5 per cent despite negative cash flow due to benefit payments exceeding contributions.

For funding valuation purposes, asset values are adjusted for fluctuations in fair values to moderate the effect of market volatility on the Plan’s funded status. Under this method, asset values are calculated based on what the asset value would be at the valuation date had the assets earned precisely the rate of return assumed in the actuarial valuation. This calculation is carried out independently at each of two starting points, namely the market value as at each of the two calendar year-ends preceding the valuation date.

# COMMUNIQUE – SPRING 2026

These two calculated values, together with the market value as at the valuation date, are averaged to determine the actuarial value of assets with a constraint limiting the actuarial value not to exceed 110% or fall below 90% of net assets available for benefits.

For 2025, the actuarial value of the Fund grew to \$7,611.9 million at the end of the year from \$6,937.9 million at the end of 2024. The December 31, 2025 actuarial value of the Fund is \$298.3 million lower than the market value, aided by the actual return exceeding the assumed rate of return for 2025. The smoothing reserve has fluctuated from a high of \$426.3 million (2024) to a low of -\$398.5 million (2022), averaging \$102.3 million over the last 10 years.



## Looking to the Future

The theme Change That Moves Us Forward captures the excitement of what’s happening across the organization at UAPP. We are building a new and better way of providing high quality pension administration services to members and employers at a time when we have finally attained fully funded status on a total Plan basis. With a strong risk foundation now established, UAPP is poised to transform change into opportunity, redefine member value, and build a resilient future for all Plan members.

# COMMUNIQUE – SPRING 2026

## Publications

The UAPP website includes a host of publications intended to assist members in understanding their pension plan. In addition to this [Communique](#), these publications include the [Member Handbook](#), [Annual Report](#), and several [Information Sheets](#), covering a range of topics such as New Member Basics, Pension Options, Death or Leaving the Plan Before Retirement, Preparing For Retirement, and the Retired Member Guide.

## Contact Us

If you terminate employment and leave your funds in UAPP, ensure we have your current address and beneficiary information. [Email us](#) to update your address. Beneficiaries can be updated by using the [UAPP Designation of Spouse and Non-Spouse Beneficiary form](#). Make sure your family and executor know you are entitled to a benefit from the UAPP.

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