

Imco

**20
25**

**ANNUAL
REPORT**

Investing with Purpose

Sustaining Performance Through
a Disciplined Approach

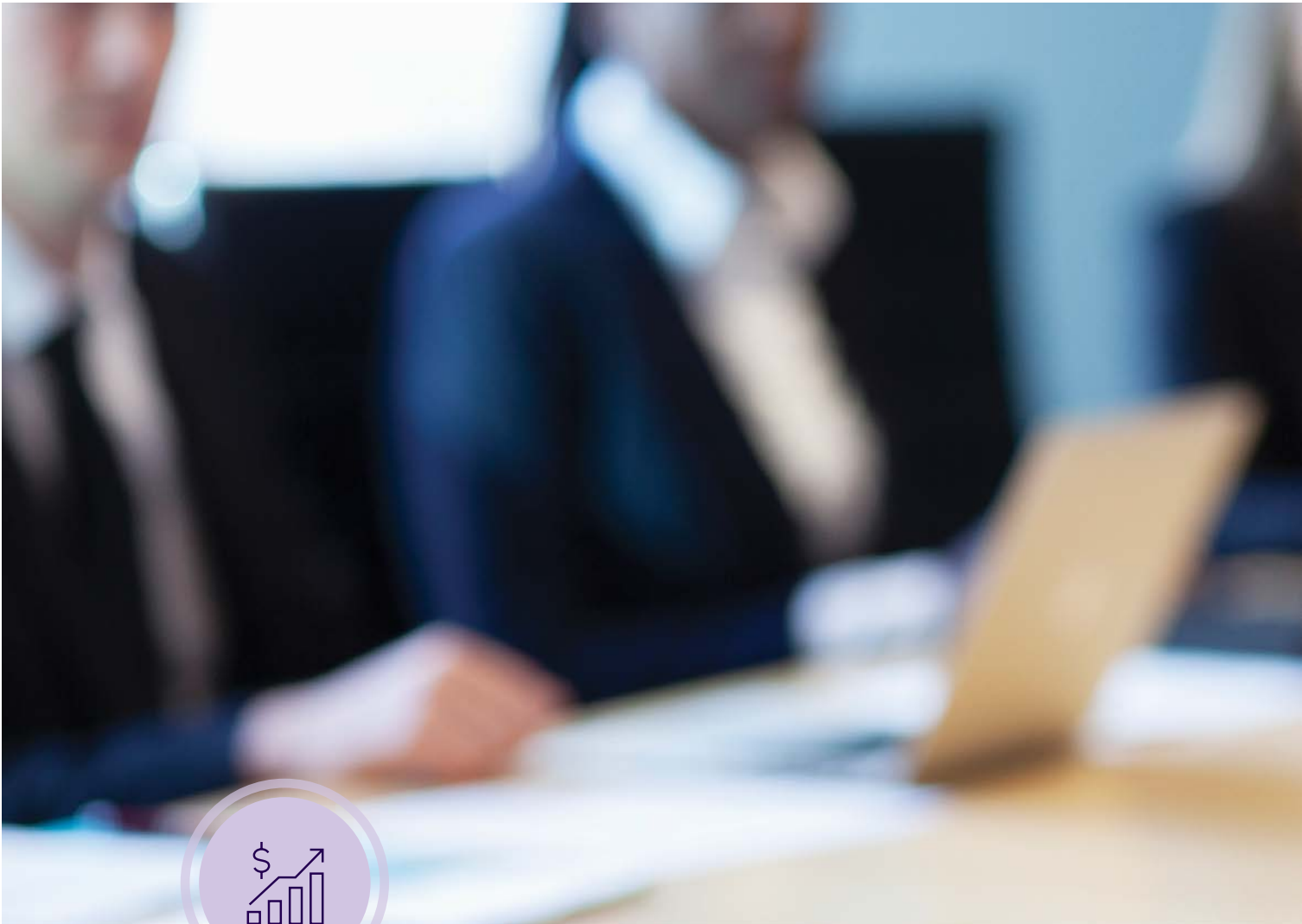
INVESTMENT MANAGEMENT CORPORATION OF ONTARIO

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About IMCO



Driving Better Investment Outcomes for Ontario's Public Sector



IMCO invests on behalf of Ontario's broader public sector. Led by an experienced management team and guided by a professional Board of Directors, we are an independent organization with a unique purpose. Our structure ensures that our decisions are based solely on meeting our clients' investment management, advisory and oversight needs.

Our mission is clear: We work in partnership with our clients to help them meet their financial obligations on a long-term, sustainable basis. Our purpose, expertise and scale are at the heart of our value proposition.

2025 HIGHLIGHTS

7.4%

One-year weighted average net return, solidifying a third consecutive year of strong investment performance



Assets under management rose to

\$90.7

BILLION



~\$1 billion

Returned by partial realization of CoreWeave

10% 

Expenses declined by 10%,
bringing cost per \$100 of
AUM to 62 basis points

Achieved Greater Toronto
Top Employer recognition for
the third consecutive year



96%

Achieved 96% in Global
Sovereign Wealth Fund 2025
Governance, Sustainability and
Resilience (GSR) Scorecard

CLIENTS

We serve a diverse range of clients and may manage assets on behalf of the following Ontario public entities: Pension plans and pension benefit funds, insurance funds, government agencies, municipalities, universities or colleges and crown corporations.



OUR CLIENTS

Ontario Pension Board (OPB), administrator of the Public Service Pension Plan

Workplace Safety and Insurance Board (WSIB), Insurance and Loss of Retirement Income funds

WISE Trust, administrator of the WSIB Employees' Pension Plan

Provincial Judges' Pension Board, administrator of the Provincial Judges' Pension Plan

Ontario's Pension Benefits Guarantee Fund (PBGF)

City of Ottawa, administrator of the OC Transpo Employees' Pension Plan

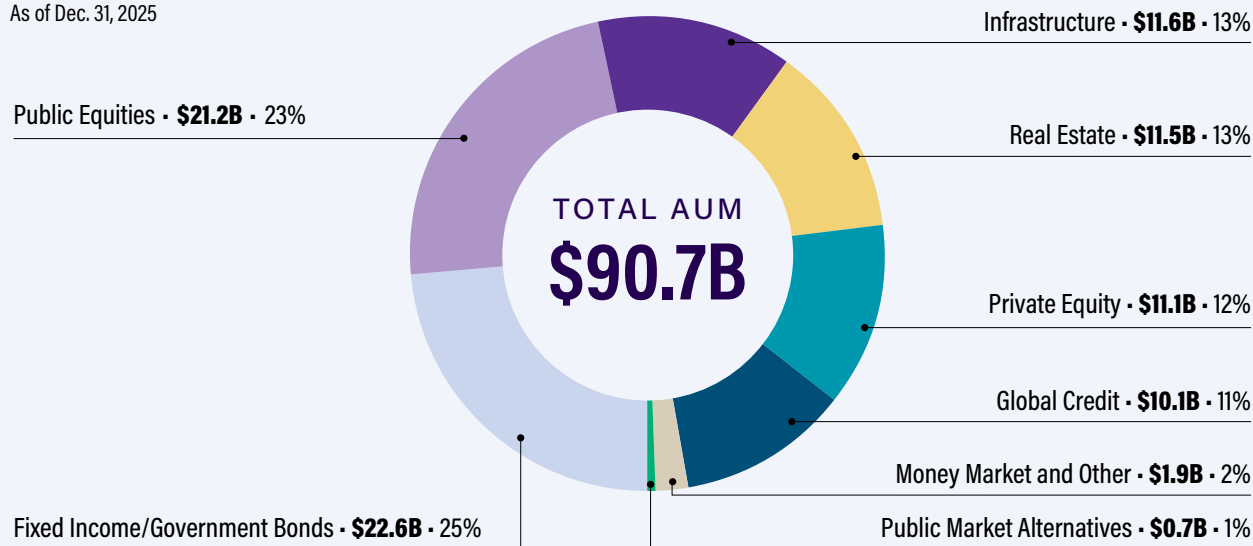
Tarion Warranty Corporation's Guarantee Fund (Tarion)

Ontario Clean Water Agency's (OCWA) reserve fund

IMCO PORTFOLIO IN BRIEF

Assets Under Management by Asset Class

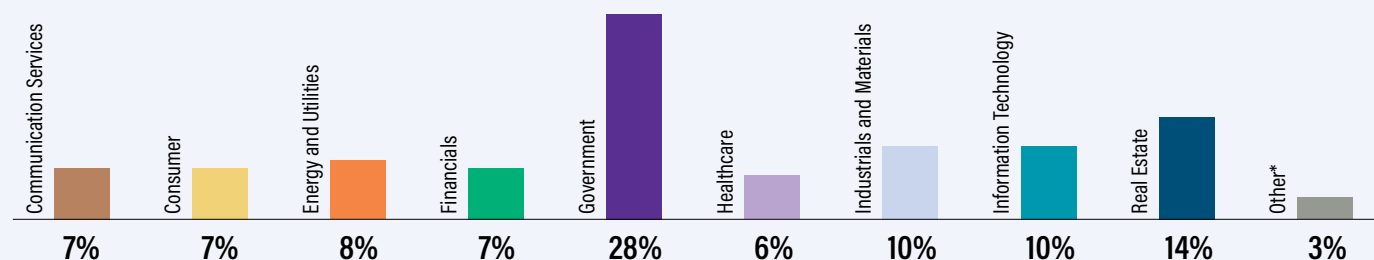
As of Dec. 31, 2025



Percentages shown are approximate due to rounding.

Portfolio Breakdown by Sector

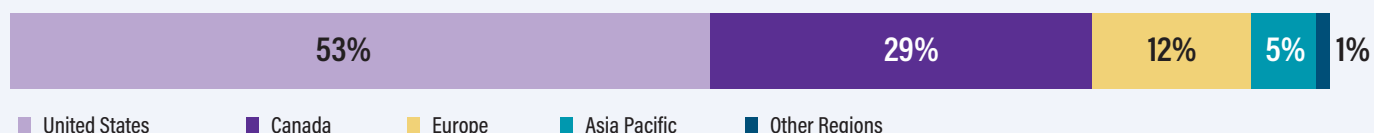
As of Dec. 31, 2025



* Other primarily includes cash and cash equivalents, public market alternatives, and other diversified holdings.

Regional Allocation of Assets Under Management

As of Dec. 31, 2025





Brian Gibson
Chair, IMCO Board of Directors

REPORT FROM THE CHAIR

2025 marks IMCO's third consecutive year of strong investment performance. We are proud of these results, which reflect IMCO's focus on providing attractive long-term investment returns for our clients by investing in high-quality assets and carefully limiting risk exposures.

Our clients' portfolios continue to be well positioned for the variety of risks that abound. Our disciplined investment approach continues to avoid overly complex investment structures, maintains modest financial leverage and provides strong liquidity management.

This was also another year of service excellence, with client satisfaction and trust remaining high. On behalf of the Board, I commend the IMCO team for its unwavering commitment to our clients.

IMCO is also dedicated to cost-effective operations. We pursue strong cost discipline through scale and efficiency. This approach allows IMCO to manage more assets without raising costs, ensuring effective client service at a high standard.

Developing IMCO's talent also remains a top priority. From investing in technology that enhances productivity to creating challenging growth opportunities across the organization, we remain committed to management's plan to support employees so they can continue delivering the strong results IMCO's clients depend on.

On behalf of the Board, I extend our sincere thanks to the IMCO team for their contributions in 2025 and to our clients for their continued confidence. While uncertainty will always be part of the investing landscape, IMCO is well prepared. We maintain resilient, high-quality portfolios, take a disciplined, long-term approach and have a team dedicated to delivering the results clients can count on in today's complex environment.

Brian Gibson

Chair, IMCO Board of Directors



Bert Clark
President and Chief Executive Officer, IMCO

REPORT FROM THE CEO

2025 was another year of solid investment results for IMCO, reflecting the consistency and discipline of our approach. In a complex and volatile environment, we delivered outcomes that met or exceeded client objectives while reinforcing the resilience of our portfolio and our organization.

Investment performance

We achieved our third consecutive year of strong absolute returns in 2025. Despite elevated market valuations and currency headwinds, we delivered a solid 7.4 per cent return for our clients. Our disciplined investment approach — avoiding big bets and market timing, pursuing outperformance only where we have a clear advantage, and maintaining a strong focus on costs — continues to work.

2025 underscored the importance of portfolio resilience. Long-standing economic and trade assumptions were tested, increasing uncertainty across markets. Our diversified portfolio, strong global partnerships, committed employees and the trust of our clients enabled us to navigate the year effectively.

Our medium- and longer-term results reflect both the degree of discretionary management available to us and the impact of evolving market conditions over time.

During the periods where we've had the greatest discretion in managing the portfolio through changing market conditions, performance has been strong. This is reflected in both our one- and three-year annualized returns at 7.4 per cent and 7.6 per cent.

Client success

Close collaboration with clients allowed us to respond quickly to a changing global environment. We secured approval for updated Strategic Asset Allocations (SAAs) and intensified currency management as foreign exchange risks increased.

As the public asset manager of choice in Ontario, we provide a comprehensive investment solution, including asset mix advice, access to a broad range of investment products and services, and high-quality reporting and risk management.

Culture evolution

In 2025, IMCO refreshed its brand to better reflect who we are and how we work. Our purpose — delivering the long-term investment results our clients need — remains unchanged. What differentiates us is our collaborative culture. How we work together, with each other, our partners and our clients, is central to better outcomes.

We also continued to invest in our people through talent management, succession planning, leadership development and enhanced benefits. Engagement remained strong, and for the third consecutive year, IMCO was named one of Greater Toronto's Top Employers.

Operational effectiveness

Cost-efficient operations depend not only on strong near-term cost management but also the infrastructure to underpin robust asset management and client success over the long term.

Operating expenses fell in 2025 to 62 basis points and independent benchmarking confirmed IMCO's continued cost competitiveness as we adapt to evolving cost exposures.

But operations must keep up with the evolution of our capabilities and the investment landscape. This year, we continued to build an enterprise-wide integrated data management platform, strengthened cybersecurity and launched a strategy governing our adoption of artificial intelligence (AI).

Looking ahead

We enter 2026 with a well-diversified portfolio backed by nimble asset management, operations attuned to the latest opportunities and risks, and a strong collaborative culture both internally and in our client relations.

I want to thank our team for their hard work and commitment to our mission. Together, we are well positioned to defend gains and seize opportunities on behalf of our clients. As a strong Canadian organization, we are well positioned to respond to investment opportunities that emerge in our home jurisdiction as our country responds to the challenges of our times.

Bert Clark

President and Chief Executive Officer, IMCO



Management's Discussion & Analysis



INVESTMENT EXCELLENCE



OUR VALUE PROPOSITION

At IMCO, we work closely with our clients to build portfolios tailored to their objectives and risk tolerances. These portfolios are diversified across asset classes, market segments, currencies and geographies that IMCO can access because of our scale and network of global investment partners.

We collaborate with clients to design SAAs that match their needs as closely as possible. With the benefit of our analysis and advice, clients set their overall investment strategies and trust us to implement their investment decisions.

OUR APPROACH TO ASSET MIX

IMCO's approach to asset mix is guided by a core set of principles:

- 1 We manage all our clients' assets, enabling us to adjust their portfolios as opportunities, risks and market dynamics evolve.
 - 2 We take a disciplined, fundamental approach to investing informed by our in-house World View, which identifies the medium- and long-term trends that we believe will have the biggest impact on financial markets and our clients' returns.
 - 3 We look to outperform in areas where we believe we have a competitive advantage, while avoiding unnecessary complexity and outsized allocations to any asset class or sector.
 - 4 We diversify across public and private markets. Public equities offer broad access to diversification and powerful trends (like technology) without the risk of choosing early winners or losers. Meanwhile, private assets offer incremental return opportunities through effective asset management and illiquidity premiums, as well as access to additional diversification.
 - 5 We focus on developed markets, which generally have a lower risk profile. Our allocation to high-quality liquid government bonds provides interest rate sensitivity, liquidity and diversification.
 - 6 We use leverage modestly to enhance risk-adjusted returns at the total portfolio level to deliver steady returns.
 - 7 We don't pursue short-term tactical changes in asset mix and we don't believe in trying to time the markets.
-

Q&A

WITH ROSSITSA STOYANOVA,
Chief Investment Officer



2025 confronted investors with intense geopolitical, economic and technological change. Rossitsa reflects on IMCO's experience.

Tell us about IMCO's performance in 2025.

In 2025, IMCO's portfolio delivered solid returns amid complex market conditions, reflecting the resilience of an investment strategy built on discipline and diversification. Results were positive for a third consecutive year, with nearly all asset classes delivering strong gains. Real Estate was the exception, though we believe it's turning the corner with its broadly stable results, demonstrating meaningful progress from the year prior.

Our performance also benefited from the discretion IMCO exercised across client portfolios, as we made proactive adjustments to position us well amid changing market dynamics and elevated currency risk.

Over the year, exceptionally strong public markets challenged our ability to beat public market benchmarks, resulting in negative NVA. We continue taking a patient and disciplined approach to value creation, as most of our private assets are in the early stages of the investment life cycle and require time to realize their full value.

Notably, the core of our investment success this year came from our ability to diversify the portfolio and collaborate seamlessly across asset classes. For example, Public Equities partnered with Infrastructure to build a high-performing utility portfolio, while Global Credit supported Public Equities' due diligence in an AI-related investment.

Across the platform, teams prioritized defensiveness and reduced concentration risk, ensuring the fund remained adequately diversified across geographies, sectors and trends.

Currency volatility was elevated this year. How did IMCO adjust accordingly?

U.S. dollar volatility and rising hedging costs weighed on our performance results this year. Although the U.S. dollar strengthened in the second half of the year, earlier swings reinforced the need to manage currency risk carefully. To protect the portfolio, we proactively repositioned our U.S. exposure by setting targets on both U.S. assets and the USD.

Public markets were once again concentrated in 2025. How did that dynamic influence IMCO's results?

Market concentration remained a defining feature, as a small group of large technology companies often referred to as the "Magnificent Seven" extended their outsized influence on overall performance. That concentration was also reflected in IMCO's results as public equities led portfolio performance this year.

The asset class delivered returns well above target, which we credit in part to the thoughtful design of our strategy. Our increased passive exposure performed as expected, giving us efficient upside from the tech rally. Meanwhile, we deployed active capital selectively, focusing only in areas where we had differentiated insight to add value. This includes select pre-IPO and IPO-stage companies where our team identified compelling growth opportunities.

A standout example of our active strategy in action was our investment in AI cloud platform CoreWeave, which returned \$1 billion to the portfolio. We prudently trimmed the position during the year, realizing significant gains while remaining invested at an appropriate size.

How do private markets fit into IMCO's overall investment strategy? What do they represent in terms of the portfolio's long-term resilience?

Private markets are central to IMCO's strategy, representing roughly half of total assets and a key driver of long-term returns. While these investments take longer to realize gains than public markets, the advantages they offer are significant. Many of today's most valuable opportunities in infrastructure, real assets and early-stage growth companies are simply not accessible through public markets. They require scale, operational expertise and patient capital, which we bring as an institutional investor. Additionally, at the total portfolio level, privates help cushion our fund

from short-term market swings and have historically outperformed public markets over full cycles. The scale, diversification and reliability they provide will remain critical to our investment success.

Our private portfolio is well diversified, filled with high-quality assets. Most of our strategies have reached their allocation and internalization targets, a testament to the team's strong partnerships and flexible co-investment model. At this stage of the investment cycle, we are focused on optimizing the portfolio and partnering with our strategic partners and management teams, and exerting meaningful influence over value creation.

How does IMCO adapt to fast-changing markets while staying true to long-term objectives?

As a long-term investor, we anchor decisions in fundamentals while remaining market-aware and diversified — a discipline that proved critical this year.

As enthusiasm around AI lifted public markets, we took a picks-and-shovels approach that focused on investing in companies enabling the AI boom, such as data centres and energy. This allowed us to capture upside without assuming the risk of selecting individual winners.

At the same time, we stayed responsive to near-term shocks when warranted. Rapid shifts in U.S. policy disrupted global trade, currency and markets, prompting us to make targeted adjustments to client SAA, including selective hedging of U.S. assets and shorter bond durations to manage risk.

Meanwhile, at home in Canada, a renewed momentum to strengthen the economy is creating compelling opportunities. Our local insight, scale and flexible capital position us to pursue investments that align naturally with our expertise and long-term horizon.

In fast-changing markets, we have proved that our advantage lies in our judgment and flexibility to adjust the strategy while maintaining focus on our clients' long-term objectives.



PROUDLY INVESTED IN CANADA



IMCO invests approximately one-third of its \$90.7 billion in assets under management (AUM) in Canada, underscoring our deep and enduring commitment to our country. Canada represents a key market for IMCO, as demonstrated by our ownership of significant assets that are fundamental to the nation's economy. These include the country's largest toll road, essential hydroelectric facilities and our role as a lead investor in Definity Financial, where we secured one of the largest institutional allocations during Canada's most prominent IPO in recent years.

We remain firmly committed to Canada and are actively seeking new opportunities to invest and deploy capital domestically. By helping get capital across the Canadian finish line, our operations and investment activity deliver long-term value for our clients while contributing meaningfully to the strength and resilience of the Canadian economy.



CANADIAN INVESTMENT HIGHLIGHTS

407 ETR

Toll highway operator that manages a 108-kilometre user-pay toll road across the Greater Toronto Area.

Algoma Hydro

A diversified portfolio of contracted operating hydroelectric generation facilities located in Ontario and British Columbia, with a cumulative capacity of 413 MW.

Rogers Communications

Major telecommunications and media company offering wireless, cable, internet and media services across Canada.

VersaCold Storage

Canada's largest supply-chain company focused exclusively on the handling, warehousing and transportation of temperature-sensitive products.

West Square

Purpose-built mixed-income residential development in Toronto that will include hundreds of rental units with a portion dedicated to long-term affordable housing.

Definity Financial

Property and casualty insurance parent company that owns and operates several long-standing insurance brands providing home, auto, business and specialty coverage.



Aerial view of downtown Toronto.



Highway 407 ETR in the Greater Toronto Area.



Aerial view of a hydroelectric dam in Gartshore, Ontario. Image by Brookfield

IMCO WORLD VIEW 2026

Our flagship research report, the IMCO World View, identifies long-term global investment trends with the greatest potential to influence returns.

Developed by IMCO's in-house research team, it combines macro-level analysis with data-driven insights, alongside input from our asset class teams, to inform IMCO's five-to-10-year investment strategy.

For more on the IMCO World View, www.imcoinvest.com/worldview.



2025 INVESTMENT PERFORMANCE ANALYSIS

2025 PERFORMANCE: ANOTHER SOLID YEAR OF RESULTS

2025 was another year of solid investment performance for IMCO. Our results reflect the consistent application of our investment approach: sizing investments appropriately, avoiding unnecessary complexity, refraining from market timing, investing to our advantages and maintaining a strong focus on cost efficiency.

In 2025, the weighted average net return of all client portfolios (net of all costs) was 7.4 per cent, compared with a consolidated benchmark return of 8.8 per cent. Returns across IMCO's client portfolios ranged from 8.1 per cent to 3.4 per cent, while NVA ranged from 0.5 per cent to -1.7 per cent.

Market conditions were challenging early in the year as dramatic policy changes by the United States disrupted equity, bond and currency markets. Conditions stabilized in the second half when markets adjusted to higher U.S. tariffs and geopolitical tensions eased, leading to a strong rebound in public equity markets by year end.

Public Equities were the largest contributor to IMCO's absolute portfolio gains, adding five per cent to returns. The standout contributor within the asset class was our holding in AI cloud platform CoreWeave, which added 77 basis points to IMCO's total net return and 77 basis points to NVA. Public Equities also contributed the most to total portfolio NVA for the year, followed by Global Credit.

As expected, private market valuations adjusted more slowly than public market indices, particularly during the strong, momentum-driven equity rally in the second half of 2025. This timing difference can lead to temporary benchmark divergence and negative NVA, which typically normalizes as private asset valuations catch up to underlying fundamentals. Other asset classes produced mixed results. Both Real Estate and Infrastructure narrowed their NVA deficits year over year, reflecting improving fundamentals.

Currency movements also influenced results. After contributing positively to performance in 2024, movements in the U.S. dollar relative to the Canadian dollar detracted from returns in 2025.

Late in the year, we began repositioning the portfolio toward lower strategic allocations to U.S. assets, with higher exposures to Canadian public equities and shorter-duration bonds. In response to increased U.S. dollar volatility, we intensified our focus on currency management and return attribution.

PERFORMANCE OVER TIME: THE ROLE OF DISCRETION AND PORTFOLIO DESIGN

Our medium- and longer-term results reflect both the degree of discretionary management available to us and the impact of evolving market conditions over time.

During the periods where we've had the greatest discretion in managing the portfolio through changing market conditions, performance has been strong. This is reflected in both our one- and three-year annualized returns at 7.4 per cent and 7.6 per cent, respectively.

Over a five-year horizon, our performance was shaped less by active asset allocation and more by pre-existing portfolio exposures alongside challenging market cycles. Five-year annualized returns were lower at 4.6 per cent, reflecting the significant market volatility experienced in 2021-22 and the recovery that followed. As the investment horizon lengthens, our results increasingly reflect a diversified asset mix and a strategy anchored in prudent risk management, cost efficiency and a targeted pursuit of NVA.

Across asset classes, results over three and five years show a positive trajectory. Public Equities delivered healthy double-digit absolute returns on an annualized basis over both periods, while Fixed Income consistently fulfilled its portfolio-stabilizing role. Private Equity and Infrastructure have improved steadily in absolute terms as track records have lengthened, and Global Credit generated more NVA over five years than over shorter periods.

Real Estate performance has strengthened more recently, reflecting our gradual divestment from non-core legacy assets and the market's slow recovery from the COVID-19 pandemic. In some asset classes, negative NVA over longer periods says more about rising concentration risk in public market benchmarks than about portfolio quality. For example, global public equities, against which both our Infrastructure and Private Equity portfolios are benchmarked, generated a compound annual return in excess of 21.6 per cent over the three years through 2025. Much of that performance was driven by a narrow group of technology stocks that now account for a significant share of index returns.

Our private market portfolios are diversified across geographies and sectors, with exposure to resilient sub-sectors and disciplined risk management designed to avoid excessive concentration. While private markets may lag public-market benchmarks during periods of rapid equity appreciation, these same characteristics provide stability and can generate significant positive NVA during market downturns and over full economic cycles.

By maintaining a diversified mix of holdings across sectors, asset classes and geographies, the portfolio is positioned to deliver durable, long-term performance while remaining adaptable to evolving market conditions.

2025 INVESTMENT PERFORMANCE

Total IMCO net investments and rates of return by asset class represent assets on which IMCO has discretion and align with IMCO's investment strategy.

2025 Net Investments and Rates of Return by Asset Class

As of Dec. 31, 2025

ASSET CLASS	NET INVESTMENTS (C\$ billions)	Annualized Returns, net (%)								
		1-Year			3-Year			5-Year		
		Actual	Benchmark	NVA	Actual	Benchmark	NVA	Actual	Benchmark	NVA
Public Equities	\$20.9	19.1%	17.8%	1.3%	20.4%	20.7%	(0.3%)	11.9%	12.3%	(0.4%)
Fixed Income	\$19.7	1.7%	1.7%	0.0%	2.5%	2.5%	0.0%	(3.1%)	(3.1%)	0.0%
Infrastructure	\$11.6	5.1%	8.3%	(3.2%)	6.0%	8.9%	(2.9%)	7.5%	8.6%	(1.1%)
Private Equity	\$11.0	6.5%	14.3%	(7.8%)	9.4%	14.9%	(5.5%)	11.8%	10.0%	1.8%
Global Credit	\$9.6	6.7%	5.7%	1.0%	7.5%	7.6%	(0.1%)	3.4%	2.0%	1.4%
Real Estate ¹	\$9.6	(0.5%)	(0.7%)	0.2%	(5.0%)	(3.9%)	(1.1%)	(0.7%)	0.7%	(1.4%)
Money Market & Other ²	\$1.8	—	—	—	—	—	—	—	—	—
Public Market Alternatives ³	\$0.7	8.4%	8.4%	0.0%	5.3%	6.9%	(1.6%)	4.2%	4.9%	(0.7%)
Leverage ⁴	(\$6.6)	—	—	—	—	—	—	—	—	—
Total IMCO⁵	\$78.3	7.4%	8.8%	(1.4%)	7.6%	9.2%	(1.6%)	4.6%	5.3%	(0.7%)

1 Real estate is net of investment-related liabilities totaling \$1.3 billion.

2 Money market & other includes other assets and strategies for currency overlay, portfolio rebalancing and asset allocation purposes which are included in the total return.

3 Public market alternatives discontinued effective July 1, 2024.

4 Leverage, employed by IMCO's clients as part of their SAA, is applied at the total portfolio level rather than within a specific asset class.

5 Excludes investments of \$4.4 billion that do not align with our investment strategies. Including these assets in the table above would have reduced the total 1-Year, 3-Year, and 5-Year returns by 0.3%, 0.2% and 0.1% respectively.

ABOUT OUR BENCHMARKS

The performance of each IMCO asset strategy or composite of portfolios is compared to the performance of an appropriate benchmark. The benchmark may be a public market-based index, a weighted combination of more than one such index or customized.

This benchmark-relative measurement shows how performance resulting from actively investing in a portfolio of assets differs from what could be achieved passively by investing in an index. A benchmark can be used to calculate how much value an active manager has provided (what IMCO reports as NVA) and what strategies or assets affect relative performance.

NVA is the difference between investment returns of an asset class, net of all investment-related costs, and its respective benchmark. When NVA is positive, the strategy is said to have outperformed its benchmark. When NVA is negative, the strategy underperformed its benchmark.

IMCO's benchmark policy governs the process of recommending and establishing benchmarks. Our risk function is responsible for the research, analysis and review of benchmarks. The Management Investment Committee reviews and recommends benchmarks and any changes in benchmarks to the Board for final approval.

RESULTS BY ASSET CLASS

PUBLIC EQUITIES

Strategy

IMCO's Public Equities strategy blends passive and active investments to manage risk while capturing opportunity. Passive equities provide liquidity and broad market exposure. Active strategies are deployed selectively in regions and sectors where evidence shows active management can add value, supported by IMCO's in-house expertise and external partnerships.

IMCO's active Public Equities program has four components:

1. Factor investing to capture persistent sources of return such as quality, value, momentum and growth.
2. Fundamental equities focused on long-term value creation through public markets and direct ownership stakes.
3. External partnerships with specialized managers offering local expertise and complexity tolerance.
4. Portfolio completion to manage unintended exposures and align with total fund risk targets.

In 2025, IMCO's Board approved updates to the strategy reflecting market evidence and IMCO's experience. This resulted in reduced reliance on fundamental investing in highly efficient markets and increased emphasis on diversified factor exposures as a resilient source of long-term value.

Across the portfolio, capital is allocated with intent, targeting high-conviction opportunities and themes while supporting companies and ensuring diversification to drive durable returns.

Performance

As of Dec. 31, 2025

Net Investments (\$ billions)	1-Year			3-Year			5-Year		
	Actual	Benchmark	NVA	Actual	Benchmark	NVA	Actual	Benchmark	NVA
\$20.9	19.1%	17.8%	1.3%	20.4%	20.7%	(0.3%)	11.9%	12.3%	(0.4%)

BENCHMARKS AS OF DEC. 31, 2025:

Canadian Public Equities: S&P/TSX Composite Total Return Index

Global Public Equities: MSCI World ex-Canada Net Total Return Index

Emerging Markets Public Equities: MSCI EM Net Total Return Index

Key performance drivers

Our Public Equities portfolio performed well in 2025 in all markets where IMCO invests, with the strongest returns in Canadian equities and Emerging Markets, accompanied by double-digit returns in global equities, IMCO’s largest public equities exposure.

The year began with volatility following hawkish trade signals from the new U.S. administration, alongside uncertainty around the path of interest rates as inflation proved more persistent than expected. From the second quarter onward, equity markets rallied as the U.S. reached trade agreements with several countries and North American central banks cut policy rates. However, market gains lacked breadth as they were largely driven by a concentrated group of AI-related stocks.

The largest individual contributor to NVA in IMCO’s portfolio was our investment in AI cloud platform CoreWeave, where we realized gains following the expiration of the post-IPO lock-up in August. We also benefited from an overweight exposure to aerospace, which saw strong catch-up demand after years of aircraft underproduction.

Given the early market volatility, diversified factor investing was key to portfolio resilience and added value, with the momentum factor contributing the most.

Performance was partially offset by the depreciation of the U.S. dollar against the Canadian dollar and losses by our external managers in Canadian and Emerging Market equities.

Effective execution of IMCO’s Public Equities strategy in 2025 reflected disciplined diversification and targeted active exposures, enabling the portfolio to benefit from global equity gains beyond the U.S. market.

Select highlights

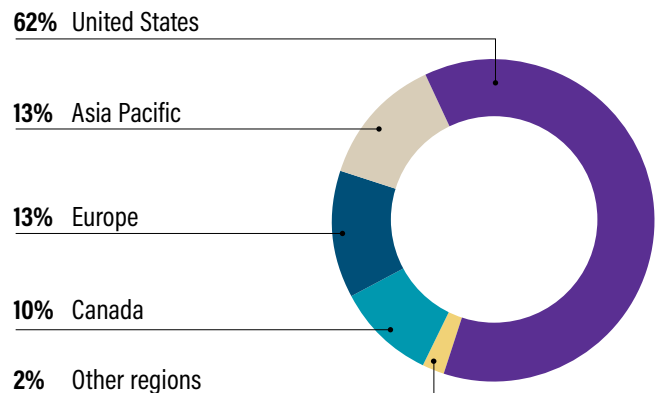
In line with the updated strategy, we allocated \$1.8 billion from our existing global public equity factor managers to two new managers.

We also used our trading and portfolio construction experience to support IMCO’s Infrastructure team in managing their \$500 million exposure to outperforming publicly listed utility companies.

IMCO also increased its exposure to the Canadian market (Toronto Stock Exchange) with a planned increase to grow the exposure in 2026.

Public Equities Distribution by Region

As of Dec. 31, 2025



FIXED INCOME

Strategy

IMCO's Fixed Income strategy supports the capital preservation, diversification and liquidity of client portfolios in an increasingly complex investing environment.

We offer a broad range of high-quality fixed income investment options, including money market securities, Canadian nominal bonds issued by all three levels of government and U.S. inflation-linked bonds. This breadth of options enables IMCO to navigate different market environments and allows clients to achieve the interest rate and inflation rate sensitivity appropriate to their liability profile.

Performance

As of Dec. 31, 2025

Net Investments (\$ billions)	1-Year			3-Year			5-Year		
	Actual	Benchmark	NVA	Actual	Benchmark	NVA	Actual	Benchmark	NVA
\$19.7	1.7%	1.7%	0.0%	2.5%	2.5%	0.0%	(3.1%)	(3.1%)	0.0%

BENCHMARKS AS OF DEC. 31, 2025:

Government Short-Term Fixed Income: FTSE Canada ST Gov't Bond Index

Government Mid-Term Fixed Income: FTSE Canada MT Gov't Bond Index

Government Long-Term Fixed Income: FTSE Canada LT Gov't Bond Index

Inflation-linked Bonds: ICE BofAML Inflation-Linked Government Index – Currency Hedged

Key performance drivers

Fixed Income contributed to absolute portfolio performance in 2025. Shorter duration bonds outperformed their long duration counterparts as the yield curve steepened.

About half of the portfolio is allocated to U.S. inflation-linked bonds, which were the main source of gains as inflation remained above central bank targets. A full hedge of U.S. dollar exposure meant gains weren't affected by movements in the Canadian dollar.

The value of provincial bond holdings also rose as spreads over Canadian federal bonds tightened.

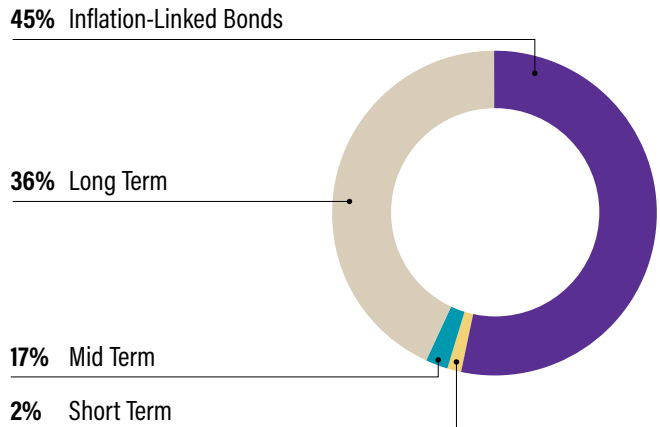
Canadian long-duration nominal bonds didn't fully benefit from cuts to central bank policy interest rates because of uncertainty over the impact of U.S. tariff policy and the possibility of higher inflation. Yields then rose toward the middle of the year as stock markets began to rally on easing trade jitters.

Toward year end, due to the shift in risks triggered by changing U.S. economic and trade policies, we began adjusting the portfolio in line with changes to clients' SAAs to nominal bonds.

Fixed income reasserted its defensive role in 2025 by delivering stability in an environment of elevated U.S. currency risk and policy driven volatility.

Fixed Income Breakdown by Portfolio Mandate

As of Dec. 31, 2025



INFRASTRUCTURE

Strategy

IMCO's Infrastructure strategy combines direct investments and external partnerships to build a globally diversified portfolio that delivers income, capital appreciation and inflation protection over the long term.

Our investment horizon, flexible mandate and focus on operational excellence support consistent long-term value creation across economic cycles. Our strategic partnerships complement our internal execution and asset management capabilities while enabling greater sector and geographic diversification.

Our infrastructure investments focus on three core themes:

Digital Infrastructure: IMCO invests in a variety of assets like data centres, fibre networks and cellular towers across the globe. This approach gives exposure to growth in new technologies like AI through low-risk investments in mature technologies.

Utilities: IMCO is investing in the networks required to transport, store and distribute energy around the globe.

Energy: We use our sector expertise to invest directly in clean energy businesses that are leaders in their respective markets. Conventional energy is expected to remain an important element of the energy value chain for the foreseeable future. Therefore, we also focus on critical energy transport assets, which will remain a source of energy supply during the transition to more abundant clean energy.

For further diversification, we look beyond our core thematic exposures to uncorrelated transportation, logistics and social infrastructure assets.

Performance

As of Dec. 31, 2025

Net Investments (\$ billions)	1-Year			3-Year			5-Year		
	Actual	Benchmark	NVA	Actual	Benchmark	NVA	Actual	Benchmark	NVA
\$11.6	5.1%	8.3%	(3.2%)	6.0%	8.9%	(2.9%)	7.5%	8.6%	(1.1%)

BENCHMARK AS OF DEC. 31, 2025:

Dow Jones Brookfield Global Infrastructure Index – Custom Currency Hedged



DataBank's ATL1 data centre in Atlanta, Georgia. Image by DataBank.

Key performance drivers

Strong performance came from our direct investment portfolio and was underpinned by active asset management driving valuation growth, and continued exposure to high-growth digital and energy trends.

We were well positioned to navigate the changing U.S. policy landscape and experienced limited impact from changing U.S. tariff and trade policies. Our portfolio continues to benefit from strong inflation correlation, either through strong pricing power or contractual and regulated charge increases.

Absolute returns were dampened due mostly to changes in foreign exchange rates and hedging costs. NVA was negative for the year due to strong gains by our public-market based benchmark driven by the AI theme and strong listed energy and utility company earnings. Another factor was the typical lag between valuations of our private market holdings and those of the benchmark.

At the end of the year, the IMCO Infrastructure portfolio was defensively positioned, with holdings featuring low financial risk and contracted, inflation-protected revenue streams.

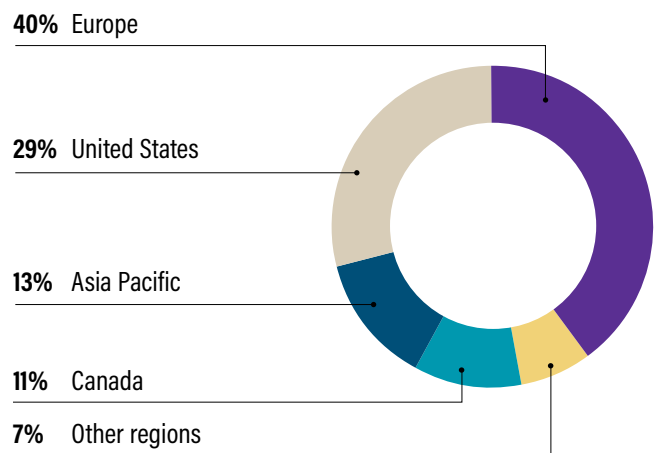
Select highlights

In May, we completed the monetization of our interest in energy production service provider Hess Midstream Partners, earning a return of two times our invested capital.

We increased our direct investments by investing US\$60 million alongside Brookfield Asset Management in U.S. pipeline operator Colonial Enterprises, and in a collection of three airports in the U.K. where we committed £64 million alongside Macquarie Group. To facilitate the increase in direct investments, we sold three funds at attractive valuations.

Infrastructure Distribution by Geography

As of Dec. 31, 2025



PRIVATE EQUITY

Strategy

IMCO's Private Equity strategy takes a balanced approach to investing in funds and direct co-investments, gaining access to high-quality, no-fee, no-carry opportunities.

We aim to generate superior risk-adjusted, long-term returns by partnering with high-quality general partners (GPs) who have the operating capabilities to generate consistent, strong performance across an investment cycle, and by diversifying across sectors, individual funds, co-investments and vintage years to enhance portfolio resilience.

We focus on companies in the North American and European health care, technology and business services sectors with strong cash-generating and pricing power and low exposure to macroeconomic volatility.

Performance

As of Dec. 31, 2025

Net Investments (\$ billions)	1-Year			3-Year			5-Year		
	Actual	Benchmark	NVA	Actual	Benchmark	NVA	Actual	Benchmark	NVA
\$11.0	6.5%	14.3%	(7.8%)	9.4%	14.9%	(5.5%)	11.8%	10.0%	1.8%

BENCHMARK AS OF DEC. 31, 2025:

MSCI World Small Cap Net Total Return Index

Key performance drivers

Our internally managed portfolio contributed strongly to returns in 2025 thanks to the operating performance of underlying portfolio companies. Top performers included clinical trials and research service provider Worldwide Clinical Trials, U.S.-based obstetrics service provider Ob Hospitalist Group and dermatology-focused pharmaceutical company, LEO Pharma.

Market conditions started to improve in the second half of 2025 after a period of high geopolitical uncertainty, higher interest rates and inflation that had caused a slowdown in private equity activity during 2023 and 2024. While valuations for high-quality assets remained high, exit activity started to pick up, with deal volumes up 40 per cent year over year. Improved market activity combined with growth in the secondary market began to generate much needed liquidity for private equity limited partners like IMCO.

Select highlights

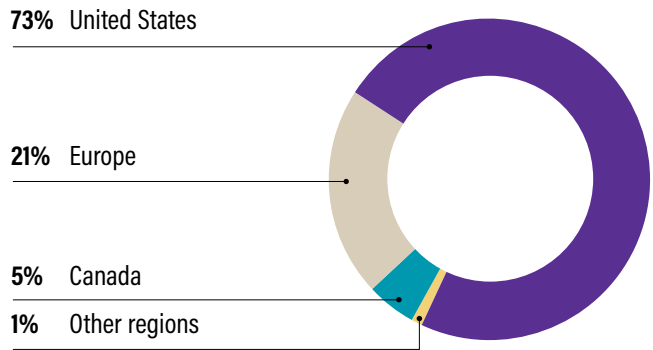
In 2025, we deployed over \$600 million across six new direct investments and made \$1.2 billion in fund commitments. Direct deployment included \$350 million across three new direct investments in Europe, where the team is looking to grow its exposure. The team also conducted an extensive European market review and expects to increase its European manager exposure in 2026.

Despite a largely constrained exit environment, the Private Equity team generated \$900 million in liquidity this year. This included a strong gain on the partial sale alongside our fund partner of our 2020 investment in contract drug developer and manufacturer PCI Pharma Services. We chose to re-invest 40 per cent of the proceeds into PCI's next growth phase alongside the existing partner given our strong conviction in the company's growth profile and our partner's ability to continue creating value.

In 2025, IMCO further developed its capabilities to participate in the secondary market as a buyer, enabling us to use the secondary market as a tool to manage portfolio composition and liquidity.

Private Equity Distribution by Region

As of Dec. 31, 2025



GLOBAL CREDIT

Strategy

IMCO's Global Credit strategy is built to capture relative value across credit markets by targeting a portfolio allocation of 70 per cent private and 30 per cent public credit. We diversify across credit sector, industry and issuer, and combine internal expertise with select external partners.

In private credit, we use our scale, partnerships and tolerance for illiquidity to invest in areas that offer competitive returns, including direct middle market lending, real assets, alternatives and customizable financing, known as capital solutions. In public credit, we invest in high-yield bonds, leveraged loans and specialty credit to provide income, liquidity and flexibility as market conditions evolve.

Performance

As of Dec. 31, 2025

Net Investments (\$ billions)	1-Year			3-Year			5-Year		
	Actual	Benchmark	NVA	Actual	Benchmark	NVA	Actual	Benchmark	NVA
\$9.6	6.7%	5.7%	1.0%	7.5%	7.6%	(0.1%)	3.4%	2.0%	1.4%

BENCHMARKS AS OF DEC. 31, 2025:

40 per cent Morningstar LSTA U.S. Leveraged Loan – Currency Hedged

60 per cent ICE BofAML Global High Yield Index – Currency Hedged

Key performance drivers

During the year, global credit delivered strong absolute and relative returns, driven mainly by high income and supportive asset prices as economic conditions improved, while geopolitical and trade tensions eased.

Private credit performed well due to high all-in yields (reflecting the full return investors expected to earn). Investments in capital solutions outperformed the broader market, benefiting from their structured premiums. In public credit, high-yield bonds outperformed leveraged loans, supported by tightening spreads, falling Treasury yields and good fundamentals.

The portfolio used U.S. dollar and other currency hedges for protection from foreign exchange volatility.

Overall, the portfolio outperformed its benchmark, driven by wider spread dispersion and consistent alpha across private and public strategies.

Throughout the year, our global credit team maintained a disciplined investment approach and positioned the portfolio defensively, prioritizing high-quality issuers with strong balance sheets.

Select highlights

In real-asset-backed finance, we initiated a new fund commitment and executed two new co-investments with a strategic partner totaling more than \$300 million, reinforcing our position in this high-growth space.

We selected a new infrastructure credit manager focused on energy, transportation and digital networks primarily in North America and Europe, while also deepening our relationship with an existing strategic partner. Alongside these fund commitments, we completed two co-investments in data centres and one in energy generation worth a combined total of \$380 million.

We capitalized on high-quality opportunities in alternative credit with three co-investments and two fund commitments worth a combined total of more than \$750 million, adding a new manager and deepening ties with an existing strategic partner in the process.

REAL ESTATE

Strategy

IMCO's Real Estate strategy seeks to generate long-term, inflation-sensitive total returns comprised principally of stable income and capital appreciation. The strategy is anchored by portfolio diversification across sectors and geography and active asset management to drive long-term value creation.

Sector diversification seeks to prioritize assets with resilient demand and strong long-term fundamentals across economic cycles and technological change. Geographic diversification reduces concentration risk and enhances performance across unsynchronized market cycles.

Active asset management is key to performance and risk mitigation, creating value at the property level instead of relying on overall market performance for returns.

While Real Estate is a private asset class, the team is flexible in pursuing relative value opportunities, including through public markets, when risk-adjusted returns merit.

Performance

As of Dec. 31, 2025

Net Investments (\$ billions)	1-Year			3-Year			5-Year		
	Actual	Benchmark	NVA	Actual	Benchmark	NVA	Actual	Benchmark	NVA
\$9.6	(0.5%)	(0.7%)	0.2%	(5.0%)	(3.9%)	(1.1%)	(0.7%)	0.7%	(1.4%)

BENCHMARK AS OF DEC. 31, 2025:

Real Estate Custom Benchmark

Key performance drivers

The real estate market is at or near a cyclical bottom and entering a period of recovery. The portfolio is well positioned to capitalize on demand trends.

Increased leasing activity, along with the expansion of return-to-office mandates, both helped boost market sentiment. Portfolio holdings displayed improving operating fundamentals and liquidity.

IMCO's targeted leasing initiatives, tenant-retention strategies and early engagement with key tenants all drove meaningful outperformance. Disciplined retail repositioning, office leasing and partner collaboration strengthened income durability and reduced downside risk.

While office properties benefited from an accelerating return to office, U.S. trade policy created uncertainty within industrial real estate.

Select highlights

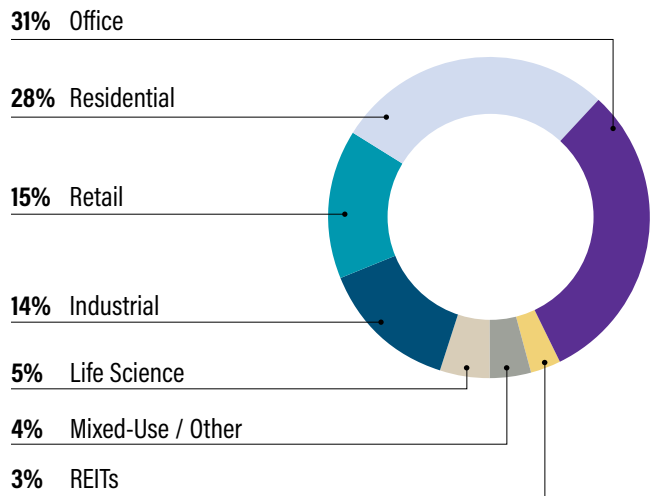
In 2025, the IMCO Real Estate Pool became fully operational, consolidating investments into a single, actively managed structure for enhanced governance, scale and execution of long-term objectives. Notably, the Canadian portfolio outperformed, led by office and select retail assets.

Improved market liquidity supported the disposition of some non-core holdings as we continued to reposition the portfolio toward modern, sustainable assets offering stable income and the opportunity for targeted value creation through asset management.

We committed approximately \$316.7 million across eight new investments that enhance diversification. This included investments in recently built multi-residential and industrial properties and two fund commitments — one targeting U.S. or European life science properties and the second focused on affordable housing development in Canada.

Real Estate Distribution by Sector

As of Dec. 31, 2025





RISK MANAGEMENT

ENTERPRISE RISK MANAGEMENT

The Enterprise Risk Management (ERM) team works with all IMCO business lines to inform employee and organizational decision-making.

2025 Enhancements



MODEL RISK MANAGEMENT:

ERM established a risk management framework standardizing how we develop, inventory, classify, validate and manage quantitative models used to inform decisions across the organization.



RISK REPORTING:

The ERM team re-designed quarterly reporting for management and the Board, which includes enhanced metrics, and monitoring of adherence to risk appetite and risk thresholds.



IMCO ANNUAL PLANNING:

The ERM team took a more comprehensive approach to evaluating risk as part of annual business planning. New risks to the organization, and their potential impact on IMCO's risk appetite, were evaluated.



RISK REGISTERS:

ERM began developing risk registers to track, assess and mitigate risk.



INVESTMENT RISK MANAGEMENT

The Investment Risk Management team provides an independent assessment of the risks associated with each portfolio and each potential investment transaction.

IMCO's investment risk management foundations

Market risk: IMCO measures exposure across portfolios, benchmarks and derivatives using standard and custom risk factors. We use statistical and historical models, scenario analysis and stress tests, assessing risk at the total portfolio level and drilling down to individual positions.

Credit risk: We assess issuer quality, set exposure limits and monitor counterparty and credit derivative risk daily. Public credit assessments combine agency ratings and internal measures; private ratings rely on third-party analytics. Counterparty risk models incorporate the effect of legal trading agreements (e.g., International Swaps and Derivatives Association "ISDA" agreements).

Liquidity risk: IMCO maintains a liquidity coverage ratio (LCR) to ensure sufficient high-quality liquid assets relative to stressed cash outflows. Outflows are tested using historical and statistical stress scenarios, with LCRs calculated at both client and strategy levels.

2025 Enhancements

Total portfolio risk: We introduced new tools to assess portfolio resilience across market scenarios, including the effects of rebalancing, currency and tail-risk hedging, and changes to SAA and glide paths.

Country risk framework: We developed a country ranking framework that categorizes investment risk by geography and sets due diligence standards by country and investment type, improving consistency in assessing political and economic risks.

Exposure to AI: An AI assessment framework was launched to evaluate company exposure, investment materiality and portfolio sensitivity to AI. It helps identify concentration risks and high-conviction AI-related opportunities.

Strategy reviews: The risk team conducted in-depth reviews with investment teams, evaluating portfolio construction, benchmarks, risk-adjusted returns and limits. This included expanding the private equity co-investment program and developing a new infrastructure benchmark effective January 2026.

Risk reporting: We initiated a multi-year program to build a new risk reporting platform, improving accessibility and integrating risk data with accounting and performance information across IMCO.



SUSTAINABLE INVESTING

BUILDING RESILIENT PORTFOLIOS THROUGH SUSTAINABILITY

Sustainable investing plays an important role in enabling our clients to meet their long-term financial obligations. As the investment landscape grows more complex, our ability to identify material sustainability factors and analyze how they may impact our portfolio and the broader markets allows us to make informed investment choices, while protecting and enhancing the portfolio. IMCO is committed to integrating sustainability considerations across the investment lifecycle, from due diligence through portfolio monitoring and value creation.

In 2025, we continued to enhance our integration of sustainability considerations, build organization-wide sustainability expertise, sharpen our diligence to focus on material factors, improve how we integrate climate-related risks and progress toward our climate targets, and focus our engagement on key value drivers.

Our sustainability beliefs: our beliefs underpin our ambition and our view of effective leadership in this complex and evolving space.

Risk and return: Sustainability issues affect investment risks and returns. Considering these issues leads to insights and better decisions about risks and opportunities, which safeguards the long-term viability of our portfolio.

Innovation: We view sustainability as a vector for innovation. Organizations that embrace robust sustainability practices are more likely to thrive in the changing business landscape.

Active ownership: As an active owner, we engage with stakeholders to promote improved practices, focusing on material factors and interventions with the greatest impact.

Adaptability: Sustainability introduces complexity as standards, regulations and preferences change rapidly. Our ability to adapt and mine the future on emerging sustainability trends and insights will be a competitive advantage.



HIGHLIGHTS

- 51 per cent reduction in portfolio financed emissions intensity from 2019 baseline¹
- ~\$924 million deployed to Climate Solutions
- Achieved 96 per cent in Global Sovereign Wealth Fund 2025 Governance, Sustainability and Resilience (GSR) Scorecard: IMCO recognized as a top 10 pension fund globally
- Voted on 33,700 management and shareholder proposals
- 73 per cent of environmental-related and 73 per cent of social shareholder proposals supported
- 50+ sustainability due diligence exercises conducted
- Participated in 13 Climate Engagement Canada engagements
- Developed IMCO's Indigenous Rights strategy
- Conducted IMCO's first materiality assessment

¹ Portfolio financed emissions referred to in this report are the Scope 3 Category 15 emissions associated with the investments managed by IMCO for our clients, excluding sovereign debt emissions. If emissions figures include sovereign debt contributions this will be stated explicitly. Due to timing of availability of emissions data, portfolio financed emissions are reported on a one-year lag. The calculation of IMCO's portfolio financed emissions for December 31, 2024, was carried out in 2025, concluding on September 30, 2025. All references to emissions in this report refer to 2024 emissions data, unless otherwise specified.



Sustainable Investing Strategy

Insights: We enable our investment teams with decision-useful tools, data and insights. We monitor and consider trends, emerging issues and market sustainability practices and translate them into portfolio initiatives.

Capital deployment: We pursue and capitalize on long-term opportunities that contribute to investment returns while contributing to our sustainability goals.

Value creation: We leverage our expertise and governance rights to drive progress and support our portfolio companies and assets in embedding sustainability considerations to create value. We amplify our reach and voice through select partnerships, coalitions and policy engagement.

WHAT MATTERS MOST?

This year, IMCO completed its first materiality assessment, capturing extensive feedback from a broad group of stakeholders on the sustainability topics that present the greatest risks and opportunities. The assessment maps these topics based on their materiality to IMCO and their importance to stakeholders, helping us identify, prioritize, and manage critical portfolio-wide issues such as climate-related transition and physical risk, corporate governance, and employee health and safety, outlined in more detail below. For more information on IMCO's 2025 materiality matrix please visit our website, imcoinvest.com.



Climate Action Plan: managing climate risks and unlocking opportunities

As a global investor, IMCO recognizes climate change as an urgent risk to the global economy, as well as a meaningful source of long-term investment opportunity. Since 2022, we have committed to achieving net zero emissions across our investment portfolio while deploying capital to Climate Solutions that support the transition to a net zero economy.² To support this commitment, we developed a Climate Action Plan (CAP) focused on integrating climate considerations across capital deployment, portfolio management, and active ownership to better manage material risks and position the portfolio for long-term value creation.

In 2025, we continued to advance our climate strategy by strengthening our capabilities to actively manage the material risks and opportunities posed by the global transition to a lower-carbon economy, including more robust and insightful modelling to reflect evolving industry best practices and the changing realities of our portfolio and the broader

environment. As part of this progress, we refreshed the CAP to reflect the natural evolution of our approach, including an updated ambition to deploy \$10 billion in Climate Solutions between 2020 and 2030. We also reaffirmed our target to reduce financed emissions intensity by 50 per cent by 2030 and our commitment to achieving a net zero emissions portfolio by 2050.

Governance that drives accountability

In 2025, we exercised our proxy voting rights on director election proposals, casting 14,828 votes in alignment with IMCO's Proxy Voting Guideline. Of these, we supported 81 per cent of the proposals and opposed 15 per cent. Among the opposing votes, 77 per cent related to concerns over independence, underscoring the importance we place on this principle.

Committed to safer workplaces and better outcomes

When one of our portfolio companies faced a medical emergency during a routine maintenance inspection, IMCO supported management to review health and safety policies and processes, identifying opportunities to strengthen safety practices and improve outcomes.

² Climate Solutions are investments in companies that contribute positively to climate change mitigation or provide adaptation services that limit the impacts of climate change. IMCO's Climate Solutions Taxonomy is aligned with the categories of activities defined by the International Capital Markets Association (ICMA) in their Green Bond Principles and with eligible assets under each category taken from ICMA, as well as the Climate Bond Initiative (CBI) taxonomy.



BUILDING ORGANIZATION-WIDE SUSTAINABILITY EXPERTISE

We believe that to effectively embed sustainability considerations across the investment lifecycle, every IMCO investment professional needs to understand key sustainability topics and know how to use them to make informed decisions.

This year, we made progress towards our goal of developing “100+ sustainability-minded investors,” — a cornerstone of our sustainable investing approach — through the launch of a suite of relevant training programs. Training topics included the Board’s role in managing crisis situations; biodiversity; and climate-related transition risk. Seventy-six per cent of front office employees attended at least one sustainability-related education session.

Building our expertise

Embedding biodiversity insights in investment practices:

Biodiversity and nature are increasingly expected to become systemic drivers of investment performance and risk. In 2025, our Sustainable Investing experts led training sessions with investment teams highlighting the subsectors where biodiversity can materially impact the investment thesis, as well as recent global policy developments impacting companies’ capex programs and returns.

Partnering to deliver scenario-based solutions: Collaborating with our strategic partner Baillie Gifford, IMCO conducted a workshop on qualitative scenario analysis of the climate and energy transitions. The session focused on the “Disorderly Transition” narrative, examining potential biases, sector sensitivities and resilience factors. Insights from this workshop guide stock selection, portfolio construction and asset allocation.

Deepening our governance expertise: Building on IMCO’s ongoing director training program, we delivered a session on the Board’s role in managing a crisis, and their responsibilities with respect to anti-money laundering, counter-terrorist financing, and anti-bribery and corruption. Designed for our senior investment professionals and front-office functional partners, the program equips IMCO’s senior investment professionals with the tools to respond effectively and lead confidently in critical situations, as well as effectively evaluate governance in new and existing investments.

SUSTAINABLE CAPITAL DEPLOYMENT

IMCO has targeted \$10 billion of capital deployed to Climate Solutions between 2020 and 2030. Climate Solutions are investments in companies that contribute positively to climate change mitigation — preventing the release of or reducing the concentration of greenhouse gases (GHGs) into the atmosphere — or provide adaptation services that limit the impacts of climate change. The transition to a capital deployment target better reflects the impact of our investments and is more consistent with how we manage our portfolio. In 2025, approximately \$924 million was deployed, bringing cumulative deployments to approximately \$7 billion as of December 31, 2025.



Pulse Clean Energy's Willoughby battery storage site in the United Kingdom. Image by Pulse Clean Energy.



West Square under construction in Toronto, Ontario. Image by KingSett Capital

Deployed ~€30 million to NeXtWind to continue its strategy of acquiring and rejuvenating older wind parks.

Deployed ~£29 million to Pulse Clean Energy to develop solutions to help balance, optimize and secure the renewable energy network in the U.K.

Deployed ~US\$70 million to Sandbrook Climate Infrastructure Fund, which is dedicated to investing in solutions that contribute to the economy's transition away from fossil fuels.

Sustainability integration starts at diligence

Climate considerations are embedded in our standard due diligence process. For all potential investments, we conduct a sustainability materiality risk and opportunity analysis, which includes climate factors. This may involve assessing physical climate risks and identifying opportunities to enhance resilience and mitigate emissions.

New process for evaluating external managers

In 2025, we enhanced our due diligence process for external managers by introducing a Sustainable Investing maturity assessment. This structured approach provides a clear view of each manager's strengths, gaps and opportunities for engagement.

Built on the UN Principles for Responsible Investment and Institutional Limited Partners Association frameworks, the assessment applies a consistent lens across four key categories: Policy & Reporting, Commitment, Consideration & Integration, and Active Ownership/ Stewardship. It evaluates whether managers have the resources, sustainability research capabilities and active portfolio company engagement practices needed to address material issues. These insights help us identify leaders, pinpoint good practices and support managers still developing their approach. Seventy-eight per cent of strategic partners were assessed at an intermediate or advanced level of sustainable investing maturity.

Applying a more nuanced lens to our portfolio to guide engagement efforts

An integral part of integrating sustainability considerations into our investing approach is using our influence to promote best practices across various sustainability topics — from climate to human capital to governance — whether through direct engagement with portfolio companies, collaboration with external managers, or proxy voting and joint initiatives with peers. We believe sharing our expertise can strengthen investment outcomes by accelerating adoption of effective practices, improving risk management and supporting long-term value creation across markets in which we invest.

With the cost of climate disasters at an all-time high, we believe it is critical to assess which companies understand their climate-related physical and transition risks and are taking the right steps toward adaptation and mitigation. IMCO's new Climate Taxonomy, developed as part of our Climate Action Plan refresh, will enable us to better understand how portfolio companies contribute to the energy transition and focus our engagements on areas that will deliver the greatest impact.

The taxonomy includes four categories:

Green: Businesses that are aligned with IMCO's definition of Climate Solutions (e.g., renewable generation).

Enabler: Businesses that contribute indirectly to environmental objectives or enable the energy transition (e.g., utilities). May be higher emitting but are critical to the success of the energy transition.

Low impact: Businesses in low-emitting industries (e.g., healthcare) where impact of climate transition risk on assets is likely lower (climate physical risk remains).

High impact: Businesses that have a direct, material negative climate impact and where climate risk is highest; transition options will vary by industry.

Focusing our engagement efforts

IMCO's engagement strategy provides a framework for constructive, forward-looking dialogue with investee companies to support sustainable value creation. In 2025, we updated our priority sustainability issues relevant to our investments to ensure our portfolio remains resilient to change and have prioritized three key areas:



Climate change & biodiversity: emissions reduction, disclosures by high-emitting companies, physical risk, biodiversity.



Human capital management: health and safety, fair pay, diversity and inclusion.



Governance: board effectiveness, executive compensation, cybersecurity and data privacy.

HOW WE ENGAGE: CASE STUDIES

ADVOCATING FOR CLIMATE ACCOUNTABILITY: IMCO'S ENGAGEMENT WITH CAPITAL POWER

As part of the Climate Engagement Canada initiative, IMCO engaged with Capital Power to encourage a continued commitment to decarbonization, following the retirement of the company's previous emissions targets. The targets were retired to reflect the company's growth strategy of meeting the high electricity demands of data centres. Our engagement has focused on providing feedback and guidance on how Capital Power's peers are approaching similar energy demand issues while maintaining climate commitments and has resulted in the company implementing new internal emissions targets, which have not been disclosed publicly. External disclosure of these targets remains a key engagement priority.

CHAMPIONING FAIR PAY THROUGH EMPLOYEE OWNERSHIP

In 2023, IMCO became the first institutional asset manager to join Ownership Works, a non-profit dedicated to broad-based employee ownership. Our research and industry experience show that employee ownership creates meaningful value for both employees and businesses. Through this partnership, we've helped portfolio companies successfully implement ownership programs, including DataBank, which made all full-time employees part owners in 2025, building on their culture of "taking extreme ownership" and fostering accountability while seeking higher levels of performance.

PROXY VOTING IN A CHANGING LANDSCAPE: IMCO'S 2025 APPROACH

We use proxy voting to fulfill our responsibilities to oversee our public holdings and ensure they focus on long-term value creation. The 2025 proxy season reflected regulatory changes, evolving market sentiment and updates to proxy advisor guidance. IMCO maintained a disciplined and pragmatic approach amid these changing dynamics.

IMCO voted on 33,700 agenda items at over 2,200 meetings in 2025. Our results highlight IMCO's commitment to our sustainable investing principles:

IMCO supported 44 per cent of governance-related shareholder proposals

A notable development in 2025 was the rise of AI-related shareholder proposals, particularly on governance of the emerging risks associated with the rapidly advancing technology. IMCO supported 32 per cent of AI-related shareholder proposals, particularly those pertaining to disclosure and enhanced oversight.

IMCO supported 82 per cent of say-on-pay proposals

IMCO believes that establishing a sound executive compensation program that attracts and retains talent while aligning with long-term shareholder interests is a critical Board responsibility. IMCO supports annual advisory votes on executive pay and will oppose proposals if problematic pay practices are identified. These include executive compensation plans with misaligned pay and performance, inadequate disclosure of targets, and outsized awards that lack strategic connection or a compelling rationale. For example, IMCO voted against Trade Desk's executive pay because the company did not tie the vesting of long-term awards to the achievement of performance goals.

IMCO supported 89 per cent of climate disclosure-related shareholder proposals

IMCO supports climate-related proposals that strengthen transparency and accountability. In 2025, we voted in favour of shareholder proposals calling for major Canadian banks to disclose their Energy Supply Banking Ratio (ESBR) — a metric developed by Bloomberg New Energy Finance to compare low-carbon investment needs under Paris-aligned scenarios with potential fossil fuel financing. Enhanced disclosure on GHG reduction plans like the ESBR is essential for assessing climate risk.

ADVANCING GHG EMISSIONS REDUCTION GOALS

In 2024, IMCO continued to make progress towards our interim target of reducing our Scope 1 and 2 portfolio financed GHG emissions intensity by 50 per cent against our 2019 baseline, largely driven by strategic asset allocation.³ Additionally, there have been improvements in data quality, most notably for private asset data, through partnerships with the ESG Data Convergence Initiative (EDCI) and stronger relationships with GPs, which enabled direct sourcing of reported emissions values. EDCI allows for the streamlined collection of GP data that may not otherwise

be collected through direct reach, leading to improvements in both the breadth and efficiency of private data collection. Improved data quality provides us with a more accurate representation of our portfolio companies and therefore we are better able to tailor our climate-related activities.

IMCO measures portfolio financed emissions in line with the Partnership for Carbon Accounting Financials (PCAF) standard, the global benchmark for financed emissions accounting.

Total Scope 1 and 2 portfolio financed emissions (excluding sovereign debt)

As of Dec. 31

	2019	2023	2024	2024 vs 2019
Total Scope 1 and Scope 2 portfolio financed emissions, excluding sovereign debt (tCO _{2e})	3,223,480	2,008,153	2,069,160	(36%)
In-scope AUM for Scope 1 and Scope 2 portfolio financed emissions, excluding sovereign debt (\$ million)	46,942	51,938	56,676 ⁴	21%
Scope 1 and Scope 2 portfolio financed emissions intensity, excluding sovereign debt (tCO _{2e} /\$ million) ⁵	75	42	37	(51%)

In alignment with our commitment to provide transparency and accountability to our stakeholders, we have obtained limited assurance on the total Scope 1 and 2 portfolio financed emissions (excluding sovereign debt), and separately, on the total Scope 1 portfolio financed emissions related to sovereign debt for the year-ended December 31, 2024, aligning us with industry practice.

IMCO's full emissions disclosure, including our operational emissions, portfolio financed emissions, additional details of our methodology, and the limited assurance report can be found on imcoinvest.com.

³ Consistent with PCAF, IMCO has developed a framework that defines when base-year emissions may be recalculated, and sets out the criteria, thresholds and principles that guide these decisions.

⁴ To arrive at our in-scope AUM, we first consider our public equities, global credit, private equity, infrastructure, real estate, and fixed income/government bonds asset classes, which represents \$81.8 billion of our total \$86 billion in AUM, as these asset classes align with the listed equity and corporate bonds, business loans and unlisted equity, commercial real estate and sovereign debt asset classes outlined in the PCAF standard. We then further exclude financial products where the PCAF standard does not provide explicit guidance on methods to calculate financed emissions (including, cash, futures, forwards, derivatives, sub-sovereign bonds), as well as assets lacking sufficient data to report at the lowest data quality. This results in \$56.7 billion in AUM for public equities, global credit, private equity, infrastructure and real estate and \$11.8 billion for the fixed income/government bonds asset class, which in aggregate, represents \$68.5 billion of our total \$86 billion in AUM. Of the total outstanding loans and investments that are covered by the methodologies outlined in the PCAF standard, we could not obtain sufficient data to report at the lowest data quality for 1 per cent of these assets, resulting in a data coverage of 99 per cent.

⁵ For 2019 and 2023, emissions intensity is calculated by considering the portion of our in-scope AUM for which we are able to measure financed emissions. The measurable portion is a subset of the total in-scope AUM for these years; thus, intensity cannot be derived from the simple division of the financed emissions and in-scope AUM in the table above for these years.



CORPORATE SUSTAINABILITY APPROACH

Prioritizing human capital, sustainable operations and integrity, governance and continuity as key sustainability factors are critical to our organizational success.

While the majority of IMCO's sustainability impact comes from our investment portfolio, we hold our internal operations to similarly high standards. In 2025, we strengthened our corporate sustainability strategy based on insights from the materiality assessment. Material to our organizational success is the close management of critical areas such as human capital, operations, and governance and ethics.

An updated corporate sustainability approach fully aligns our sustainability approaches to our investments and our operations and ensures each team at IMCO understands the role they play in achieving our sustainability objectives.

Empowering people. Enabling potential.

At IMCO, our people are our greatest asset. We foster a culture where collaboration thrives, diverse perspectives are valued and people are empowered to grow. We have worked to create a positive working environment, prioritizing well-being, supporting learning and development, and championing diversity.

Responsible operations. Sustainable impact.

Our corporate office emissions footprint is not large relative to the footprint of our investee companies; however, we do apply the same principles to ensure we efficiently and responsibly manage this footprint. As such, we seek to reduce the emissions and waste of our internal operations.

We also believe that providing opportunities to diverse suppliers can result in greater choice and value for money as well as cost savings.

Integrity-driven governance. Built to endure.

At IMCO, integrity is non-negotiable. We need to hold ourselves to very high ethical standards. We establish and live up to our code of conduct and critical policies around anti-bribery, corruption and personal trading.

We safeguard our critical data assets and establish business resilience and continuity. We ensure our Board and internal governance structures operate efficiently and effectively.

CLIENT SUCCESS



Client success is central to IMCO's purpose. Everything we do is grounded in a single objective: helping our clients meet their commitments to their stakeholders. We view ourselves not simply as an asset manager, but as a long-term partner.

We measure our success by the degree to which our clients achieve their objectives. That means delivering value through thoughtful portfolio design, disciplined total portfolio management and maintaining full alignment between our interests and those of the organizations we serve.

UPDATES TO STRATEGIC ASSET ALLOCATION

In 2025, IMCO worked closely with clients to recommend updates to their SAAs in response to evolving market and economic conditions. Significant shifts in U.S. trade policy created rising policy uncertainty, accelerating deglobalization trends and heightened volatility. These dynamics amplified market concentration and currency risks, while persistent inflation and structural changes in global markets reinforced the need for resilient, adaptable portfolios.

Our approach was guided by client-specific objectives and liabilities. Through collaborative dialogue and scenario analysis, we focused on ensuring portfolios remain positioned to support long-term funding sustainability and meet each client's unique obligations.

CLIENT PORTFOLIO MANAGEMENT COMMITTEE

To further embed client alignment into our investment process, we established a Client Portfolio Management Committee. This forum enhances our ability to ensure that portfolio outcomes reflect client priorities and long-term goals.

The committee facilitates early-stage, cross-functional discussion of strategic investment and portfolio management matters, promoting collaboration and alignment before proposals advance for formal approval. Co-chaired by IMCO's Chief Client Officer and Chief Strategist, it reinforces our commitment to integrating client perspectives directly into portfolio decision-making.

CLIENT GROWTH STRATEGY

Serving Ontario's public sector is core to IMCO's mandate. In 2025, we began advancing a measured client growth strategy, carefully designed to expand access to our model

while preserving the high level of service and value our existing clients expect and deserve.

Our focus is on delivering total portfolio mandates that support strong governance and long-term sustainability for large funds, municipal reserve funds and crown corporations. We have active engagements across all three segments and are working collaboratively with the Ontario government to facilitate participation where appropriate.

Growth is pursued to extend the benefits of our scale, expertise and partnership model, while ensuring that every client continues to receive the attention, responsiveness and strategic insight required to fulfill their responsibilities.

CLIENT-CENTRIC KNOWLEDGE SHARING

We recognize that informed decision-making is critical to our clients' ability to steward assets responsibly. Providing timely insights into market developments, risk management and emerging opportunities is an important part of how we support them in meeting their obligations.

In 2025, we broadened our knowledge-sharing efforts by piloting webinars for a wider group of client stakeholders, covering topics such as investment strategy and market insights. These sessions were designed to enhance transparency, deepen understanding and support effective governance.

At our annual IMCO Forum, we explored the portfolio implications of U.S. policy shifts, macroeconomic and other global trends, sustainable investing and technology-driven infrastructure opportunities. The discussion focused on practical strategies for resilience and innovation in a rapidly evolving global market, equipping our clients with insights to navigate complexity with confidence.

Across all these initiatives, our priority remains clear: to be a trusted partner, to stay aligned with our clients' long-term objectives and to help them deliver on the promises they have made to those they serve.

CULTURE EVOLUTION



TALENT MANAGEMENT

In 2025, IMCO continued to build its talent management strategy around the three pillars of “attract,” “grow” and “inspire.” We shifted from what our leaders manage, to ensuring a consistent approach in how they lead. We also launched new skills training opportunities, allowing employees to grow professionally and remain well equipped to succeed.

Attract

A key initiative in 2025 was the launch of “Hiring with Purpose,” an e-learning course all managers complete before they hire staff. The course emphasizes the need to hire people who are strongly aligned with IMCO’s values, vision and public purpose.

The course teaches managers how to design job postings to reflect these goals, build inclusiveness into hiring and use the process to shape high-performing teams.

Grow

In October, we held the first Leadership Summit for directors and above. The event covers topical issues to help leaders orient their teams around organizational priorities.

We also began refreshing our succession planning framework both to integrate leadership goals in individual development plans and to ensure leadership development serves IMCO’s expected future needs.

Inspire

We launched a new program as part of our Leadership Development Path called “Talk it Out: Navigating Difficult Conversations with Confidence” to help our people leaders approach challenging conversations with greater clarity and empathy.

The sessions featured both peer and AI-based role-playing scenarios and feedback.



EMPLOYEE ENGAGEMENT

Industry surveys reveal that IMCO is known as an organization that cares for its employees, and we have worked hard to intentionally build that culture. A key channel for employee input is our annual engagement survey, which again saw strong (95 per cent) participation in 2025. We remain committed to demonstrating to employees that their feedback yields results. In 2025, we responded with:

- New employee development plans and career clinics
- Enhanced pay transparency
- Greater sick day eligibility to care for dependents
- A new Leadership Summit for directors and above
- A new cross-functional IMpact Award celebrating collaborative work

The new Cross-Functional Partnership IMpact Award promotes deeper insight, faster action and progress on IMCO's goals. This recognition joins our existing individual Impact Award program honouring employees who exemplify our five core values: Client Focus, Integrity, Respect, Partnership and Innovation. Employees nominate their peers for the awards.

Giving back

In 2025, our employees once again demonstrated their generosity and gratitude with enthusiastic participation in community events. In the spring, IMCO volunteers gardened for Foodshare, a United Way organization that promotes equitable access to healthy, local food for disadvantaged communities.

In the fall, teams donated a record 10,790 items to Toronto's Parkdale Community Foodbank, more than double the campaign's goal of 5,000 items.

This year's United Way campaign also smashed through a \$200,000 fundraising target, raising \$279,210.

2025 Awards

IMCO's culture enables our people to do their best work, guided by professionalism, collaboration and accountability. The recognition we received by industry partners and peers reflects our culture in practice.

GREATER TORONTO'S TOP EMPLOYER

(Third consecutive year)

Mediacorp Canada Inc.

Demonstrated supportive workplace through employee growth, engagement and empowerment.

INSTITUTIONAL INVESTOR OF THE YEAR

Institutional Connect

Showed strong investment performance, clear communication and effective governance.

CIO AWARDS CANADA WINNER

(Third consecutive year)

CIO Awards Canada

Used technology in innovative ways to deliver business value.



COST-EFFICIENT OPERATIONS

DATA AT THE CENTRE

Accurate and accessible data supported by strong data management is key to delivering sustainable value for IMCO's clients. In 2025, we focused on the continued development of a robust data ecosystem throughout the organization to strengthen resilience, support scalability and ultimately improve investment performance.



Robust operating model

We continued to strengthen our foundational data capabilities with our enterprise-wide Integrated Data Platform (IDP). This consolidates data from all business units, establishes consistent governance and bolsters disaster recovery and business continuity.

In 2025, we completed the migration of all enterprise data to version 2.0 of our IDP and we continued to standardize data quality, access and metadata. We also introduced a framework to improve the reliability of data processing.

Additionally, we continued to implement our private asset portfolio management platform. This platform enhances our portfolio management capabilities and supports integrated back-office functions.

Cybersecurity maturity

IMCO continues to enrich its cybersecurity posture through enhanced monitoring capabilities and rigorous third-party risk governance. We are strengthening identity protections for high-value accounts and assets, embedding least-privilege access principles and expanding our security culture.

During the year, the cybersecurity team conducted a full-scale disaster recovery simulation. We also upgraded our secondary data centre to ensure uninterrupted, secure connectivity even during major disruptions and align with industry best practices on business continuity.

Artificial intelligence

In 2025, we finalized a strategic AI framework based on "Value-Driven AI Solutions," an "AI-Ready Culture" and "Responsible Governance and Oversight".

We are already seeing productivity benefits as we integrate AI more deeply. We believe in putting general purpose AI tools in the hands of all employees. In line with that vision, we completed detailed communication, training and other execution plans for an enterprise-wide rollout of Microsoft 365 Copilot™.

IMCO pools

In 2025, we introduced three fixed income pools, expanding the suite of pooled solutions for each of our asset classes.

Compared to the segregated accounts they replace, pooled funds simplify asset servicing and enhance our ability to provide scalable solutions to clients, which support strategic asset mixes and cost-effectively match their investment objectives.

MANAGING COSTS EFFECTIVELY

Our focus

IMCO's long-term commitment to cost-efficient operations means that we manage costs effectively today, while also investing in longer-term operational efficiency. In 2025, we enhanced capabilities in areas such as risk management, compliance, client service and cybersecurity — all critical for efficient operations — while also reducing operating costs year over year.

Costs are influenced by client asset mix decisions, corporate objectives and investment strategies. With client portfolios shifting toward assets like private equity, infrastructure and real estate — where external fees are significant — our strategy focuses on managing more of these assets internally, reducing reliance on external managers and delivering savings to clients. This effort requires enhancements to our investment and operational capabilities so that IMCO can be a best-in-class manager delivering value cost-effectively.

Costs are also influenced by growing AUM, which drives economies of scale, spreading operating costs across a larger base and creating value for all clients.

Cost governance

Our continued cost discipline has ensured that we are driving operating leverage as we ensure our costs do not grow at a faster pace than our growth in AUM. We have managed our costs well within our budget while ensuring that we continue to invest in key talent and infrastructure as we service our clients' mandates.

IMCO operates on a cost-recovery model, with strong governance to ensure costs are equitable, appropriate and transparent to clients. Cost management is embedded in our culture and directly contributes to our returns.

IMCO annually assesses cost effectiveness and staffing levels through independent studies by CEM Benchmarking, a leading global provider of institutional investor insights. The most recent study in 2025 confirmed that IMCO's costs and staffing remain in line with peer benchmarks.



Total costs

Our 2025 costs of \$545 million decreased \$60 million, or 10 per cent, below 2024. Lower costs and higher average AUM (\$87.5 billion vs \$81.6 billion) resulted in cost per \$100 of average annual AUM of 62 basis points (bps), which is at the lowest point in three years.

The table below shows our operating costs and external investment management costs.

Total operating costs of \$257 million decreased \$5 million, or two per cent, primarily due to lower transaction and pursuit costs and lower project spend in 2025.

Compensation and benefits have increased by \$6 million, or four per cent, driven by higher headcount to support our investment and operational capabilities.

Other operating costs declined by \$11 million, or 13 per cent, mainly due to lower transaction-related activities.

While average annual AUM grew \$5.9 billion, external investment management costs decreased by \$54 million, or 16 per cent, in 2025, driven by the prior year's wind down of the Public Markets Alternatives strategy, higher levels of co-investments in private equity and asset dispositions in real estate and infrastructure.

2025 costs

	2025 AVERAGE AUM \$87.5 BILLION		2024 AVERAGE AUM \$81.6 BILLION	
	2025 TOTAL COSTS		2024 TOTAL COSTS	
Cost Items	\$ thousands	Bps	\$ thousands	Bps
Compensation and benefits	180,868	20	174,689	21
Other operating costs ¹	76,284	9	87,435	11
Total operating costs	257,152	29	262,124	32
External investment management costs ^{2,3}	288,262	33	342,640	42
Total costs	545,414	62	604,764	74

¹ Other operating costs include costs to maintain business operations such as technology, facilities, project expenditure etc., as well as transaction costs directly related to investment activities.

² External management costs include all fees charged by external investment managers for managing public and private assets, including estimated fees from second-layer managers in fund-of-funds structures as well as fund administration expenses and custodial fees. They also include expenses invoiced separately and fees deducted at source by managers. These costs exclude performance fees, which are profit-sharing arrangements to align external manager interests with IMCO and paid only when returns exceed a predefined hurdle rate.

³ IMCO's financial statement disclosures reflect only cash payments for invoiced amounts for these fees, paid by IMCO as an agent on behalf of its clients.



Corporate Governance

A strong governance structure is critical in ensuring that investment decisions are prudent and in the best interests of our clients. Sound governance helps us effectively invest, manage risk and maintain overall confidence among clients and other key stakeholders. Our investment and operational activities are led by an experienced senior executive team and overseen by a highly qualified, professional Board of Directors.

Independence, including an arm's-length relationship with the government, was a fundamental founding principle to which all parties agreed and remains core to IMCO's identity.



IMCO INVESTMENT GOVERNING POLICIES AND GUIDELINES

IMCO's Investment Governing Policies and Guidelines provide for consistency and transparency in our investment approach. For example, IMCO's Investment Approval Policy guides the Board of Directors in approving material investment decisions and activities.

Each IMCO investment strategy has an Investment Policy Statement (IPS) that describes, among other things, investment objectives, permitted investments and restrictions.

COMMITTEES AND THEIR AUTHORITY

Every investment decision or activity requiring Board approval must first be recommended for approval by the Management Investment Committee, composed of the Chief Investment Officer, the Chief Risk Officer (co-chairs) and the Chief General Counsel, along with other senior

management team members. A formal committee mandate sets out the approval, review and governance process.

To help streamline decision-making, the Management Investment Committee may delegate certain authorities to an Investment Department Committee.

IMCO has two Investment Department Committees: one covering private markets and credit, and one for active equities. Each committee is co-chaired by senior members of the investments and investment risk teams. Senior investment team members and representatives from legal, investment risk and sustainable investing teams provide additional perspectives. Investment Department Committees can approve investment decisions and activities up to specific thresholds. Approval authority among the Board, Management Investment Committee and Investment Department Committees is clearly defined.

IMCO's Senior Executive Team (SET), comprised of the CEO and other C-suite leaders (including the General Counsel), provides strategic oversight on sustainable investing initiatives, objectives and strategy, and any associated commitments that arise as a result. The SET is also responsible for integrating sustainability across corporate functions like risk, operations, human resources and corporate services.



BOARD OF DIRECTORS

Our professional and independent Board of Directors is responsible for the stewardship of IMCO and is required to manage or supervise the activities and affairs of IMCO in accordance with the *IMCO Act*, as well as the IMCO by-laws.

The Board has delegated to management the responsibility for IMCO's day-to-day operations, with appropriate oversight from the Board and/or Board committees.

Board composition

The Board must consist of at least seven and not more than 11 directors. The Ontario Minister of Finance appoints the chair and can appoint up to two other directors. The remaining Board members are elected pursuant to Section 13 of the *IMCO Act*, which provides that a nominating committee of the Board will propose candidates who may be elected to the Board by the members, pursuant to a process set out in the IMCO by-laws.

On June 30, 2025, three of our initial Directors (Colleen McMorrow, Vincenza Sera and Eric Tripp) left the Board after serving nine years, the maximum number of years permitted under the *IMCO Act*. Following a robust search process and election by our members, we welcomed three new Directors (Tanya Carmichael, Ken Hartwick and Michelle Savoy) effective July 1.

Ms. Carmichael, Mr. Hartwick, and Ms. Savoy became Committee members effective January 1, 2026; however, they each attended Committee meetings as guests during 2025. Ms. Savoy became an NGC member on August 13, 2025.

At the end of 2025, the Board consisted of nine directors, with the chair and two other directors appointed by the Minister.

BOARD COMMITTEES

To assist the Board in fulfilling its mandate, it delegates certain matters to four committees, as described below.

Board Investment Committee	Responsibilities:
Chair:	
Eric Wetlaufer	Supervise management of IMCO's investment activities and affairs
Members:	
Daniel Nowlan	Review and, if satisfied, approve investment decisions and activities
Lisa Raitt	Review SAA advice to clients
Rajendra Kothari	Monitor performance of IMCO's investment strategies at the asset class, client and overall portfolio levels
Ken Hartwick	Monitor principal risks related to IMCO's investment decisions and activities, and oversee implementation of appropriate systems to manage these risks
Michelle Savoy	Approves IMCO's Sustainable Investing Policy and oversees the implementation of that policy, as well as the organization's approach to corporate sustainability
Brian Gibson	
Tanya Carmichael	
Finance & Audit Committee	Responsibilities:
Chair:	
Rajendra Kothari	Oversee IMCO's financial statements and financial disclosures, internal controls and controls over information technology and management information systems
Members:	
Eric Wetlaufer	Monitor the key enterprise risks facing IMCO's business and overseeing the implementation of appropriate actions to manage these risks
Daniel Nowlan	Oversee IMCO's compliance with applicable laws and regulations, and its compliance with all significant policies and procedures approved by the Board in relation to finance, risk and audit matters, including with respect to IMCO's investment pools
Brian Gibson (invited)	If requested by the Board, review IMCO's annual budget and annual business plan with IMCO management
	Review and discuss with management and the internal and external auditors the effectiveness of IMCO's capabilities, key initiatives, policies and procedures with respect to risk management
Nominating & Governance Committee	Responsibilities:
Chair:	
Daniel Nowlan	Oversee Board nomination process and succession planning, review Board skills/needs matrix and Board and director assessment process, review committee membership, oversee director orientation and continuing Board education
Members:	
Geoffrey Belsher	Oversee effectiveness of IMCO's corporate governance framework
Lisa Raitt	Monitor key risks facing IMCO's business related to corporate governance matters and oversee implementation of appropriate actions to manage these risks
Michelle Savoy	Oversee IMCO's compliance with applicable laws and regulations and its compliance with all significant policies and procedures approved by the Board in relation to governance matters
Brian Gibson (invited)	
Human Resources & Compensation Committee	Responsibilities:
Chair:	
Lisa Raitt	Oversee IMCO's human resources and compensation, including annually reviewing the talent management strategy, significant organizational structure changes and the corporate goals and objectives of the CEO and other executive officers
Members:	
Eric Wetlaufer	Oversee IMCO's approach to culture, inclusion, diversity and well-being
Rajendra Kothari	Monitor principal risks of IMCO's business related to human resources and compensation matters, oversee implementation of appropriate systems to manage these risks and discuss IMCO's key HR risk exposures with management
Geoff Belsher	Oversee IMCO's compliance with applicable laws and regulations, and its compliance with all significant Board-approved policies and procedures related to human resources and compensation matters
Brian Gibson (invited)	



BOARD EVALUATION

The Board has established an annual process for evaluating its performance through the Nominating & Governance Committee. This process includes evaluating the performance of the chair and board committees, and contributions of individual directors. Assessments are conducted through surveys, and director interviews done by the chair of the Board and the chair of the Nominating & Governance Committee.

A final report is provided to the Board by the chair of the Nominating & Governance Committee.

2025 ACTIVITIES

The Board meets on a regular basis, and not less than once each quarter. There were six Board meetings in 2025.

In addition, there were four Board Investment Committee meetings, four Finance & Audit Committee meetings, four Human Resources & Compensation Committee meetings and five Nominating & Governance Committee meetings.

BOARD SKILLS MATRIX

Experience and Expertise	Brian Gibson (Chair)	Geoffrey Belsher	Tanya Carmichael	Ken Hartwick	Rajendra Kothari	Daniel Nowlan	Lisa Raitt	Michelle Savoy	Eric Wetlaufer
CORE SKILLS									
Investment Management									
Public Markets, including derivatives	■	■	■	■	■	■		■	■
Private Markets	■	■	■	■	■	■			■
Asset Allocation	■		■	■				■	■
Investment Strategy	■		■	■				■	■
ESG Management			■	■			■	■	■
Pension/Insurance Liability Management	■		■	■			■	■	■
Risk Management (including experience in investment and enterprise risk management)	■	■	■	■	■	■		■	■
Finance/Accounting/Audit (including experience in the development of, and/or oversight over, internal controls)	■	■	■	■	■	■			■
Public Sector Experience/ Government Relations						■	■	■	
Senior leadership with a significant pension plan, insurance company, financial services institution or investment organization	■	■	■	■		■		■	■
Human Resources/Compensation	■	■	■	■			■	■	■
Information Technology (including Cybersecurity)								■	■
Corporate Governance	■	■	■	■	■	■	■	■	■
Legal/Regulatory		■	■	■			■		■
ANCILLARY SKILLS									
Senior Business/Organizational Management Experience	■	■	■	■	■	■	■	■	■
Strategic Planning	■	■	■	■	■	■	■	■	■
Client Relations/Service Delivery		■	■		■	■	■	■	

REQUIREMENTS AND CORE COMPETENCIES

IMCO Board members are expected to meet certain requirements and possess a set of personal attributes that enable them to effectively fulfill their duties. The expectation is that the majority will have investment management experience and expertise as part of their core skills.

Directors are required to:

- Comply with the *IMCO Act*, its regulations and by-laws;
- Exercise the care, diligence and skill in the investment of client assets that a person of ordinary prudence would exercise in dealing with the property of another person; and
- Use in the investment of client assets all relevant knowledge and skill that they possess or, by reason of their profession, business or calling, ought to possess.

In addition, each individual director and the Board must demonstrate the following attributes and competencies:

- A high standard of personal values and ethics, including integrity, accountability, commitment and courage;
- Excellent business and professional judgment, including the ability to think strategically and problem solve;
- Demonstrated mature and cooperative leadership;
- A strong understanding of fiduciary duty, and support for defined benefit plans;
- Strong communication skills, including the ability to listen and speak his/her mind independently and respectfully;
- Willingness and ability to commit the required time to the role and actively participate in meetings;
- Maintain a commitment to ongoing training and education for Board skills and duties; and
- Financial and investment competency/literacy.

The Board is also required to demonstrate the core and ancillary skills described in the matrix on the following page, which also details the skills of each director.

IMCO DIRECTORS



Brian Gibson, CFA, ICD.D

Chair

Mr. Gibson has over 46 years of investment experience, including as Senior Vice President at Ontario Teachers' Pension Plan and Alberta Investment Management Corporation. During his career, he has built or restructured large, institutional investment operations and has managed large investment portfolios, including those of insurance companies, a chartered bank, pension and mutual funds and endowments. He has extensive experience in corporate governance and in director education.

Mr. Gibson is a director of Samuel, Sons & Company Ltd. and of the Inuvialuit Investment Corporation. He is an advisory board member of Kruger Inc. and of Atria Development. He is a past director of several Canadian public companies and he is the past chair of the Corporate Disclosure Policy Committee of the CFA Institute. Mr. Gibson is a member of the Institute of Corporate Directors and the National Association of Corporate Directors.

IMCO Board and Committee Appointments		2025 Attendance
<i>Current term to March 31, 2028</i>		
Director, IMCO Board of Directors		6 of 6 meetings
Finance & Audit Committee		4 of 4 meetings
Nominating & Governance Committee		5 of 5 meetings
Human Resources & Compensation Committee		5 of 5 meetings
Member, Board Investment Committee		3 of 4 meetings
2025 REMUNERATION		
Annual Retainer	Meeting Fee	Committee Chair Fee
\$185,000 plus expenses	-	-



Geoffrey Belsher

Mr. Belsher has over 40 years of experience as a senior business executive, investment banker and corporate lawyer. He served as the Group Co-Head of Wholesale Banking at CIBC until late 2015. In 2023, he was appointed as Chairman and Country Chief Executive Officer for Barclays in Canada.

Throughout his career, Mr. Belsher has focused on providing strategic advice to public and private clients. Prior to his tenure at CIBC, he had more than 12 years of investment banking experience with major Canadian and global investment banks and was a partner at a national law firm for 13 years. In 2018-19, he served on the Board of AGT Food and Ingredients Inc. and chaired a Special Committee of the Board in connection with a going-private transaction.

IMCO Board and Committee Appointments 2025 Attendance

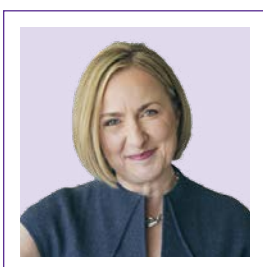
Current term to March 31, 2028

Director, IMCO Board of Directors	6 of 6 meetings
Member, Nominating & Governance Committee	5 of 5 meetings
Member, Human Resources & Compensation Committee	4 of 5 meetings

2025 REMUNERATION

Annual Retainer	Meeting Fee	Committee Chair Fee
\$50,000 plus expenses	\$1,500	-

In 2025, Mr. Belsher attended two meetings of the Board Investment Committee as a non-member.



Tanya Carmichael, LL.B., ICD.D

Ms. Carmichael has more than 25 years of experience as an institutional investor. Most recently, she was Global Head of Private Equity Funds at Ontario Teachers' Pension Plan, responsible for the investment and oversight of the \$12 billion portfolio, strategy and team. Ms. Carmichael has also held leadership roles in the global investment industry, serving as chair of the Institutional Limited Partners Association Board of Directors and as a member of the Private Equity Steering Committee for the Principles for Responsible Investment.

Currently, Ms. Carmichael is a strategic advisor to pension plans, asset owners, private equity managers and industry associations, connecting leadership best practices and systems-thinking to the issues investment organizations face, focusing on long-term outcomes.

IMCO Board and Committee Appointments 2025 Attendance

Current term to July 1, 2028

Director, IMCO Board of Directors	3 of 3 meetings
Member, Nominating & Governance Committee	2 of 2 meetings
Member, Human Resources & Compensation Committee	2 of 2 meetings
Member, Finance & Audit Committee	2 of 2 meetings
Member, Board Investment Committee	1 of 1 meeting

2025 REMUNERATION

Annual Retainer	Meeting Fee	Committee Chair Fee
\$50,000 plus expenses (prorated)	\$1,500	-



Ken Hartwick, FCPA, ICD.D

Mr. Hartwick is the former President and CEO of Ontario Power Generation, one of North America's largest, most diverse electricity generators and clean tech innovators. He has a 40-year career spanning finance, investment, corporate leadership and governance, risk management and stakeholder engagement, with a focus in the energy and finance sectors.

Mr. Hartwick's previous experience includes Wellspring Financial Corporation, where he was CFO and Treasurer. He held various senior positions in the energy sector, including interim President and CEO of Atlantic Power Corporation, CFO and CEO of Just Energy Corporation and CFO of Hydro One. He previously held senior positions at Capgemini and was a partner at Ernst & Young LLP.

IMCO Board and Committee Appointments 2025 Attendance

Current term to July 1, 2028

Director, IMCO Board of Directors	3 of 3 meetings
Member, Nominating & Governance Committee	1 of 1 meeting
Member, Human Resources & Compensation Committee	2 of 2 meetings
Member, Finance & Audit Committee	2 of 2 meetings
Member, Board Investment Committee	1 of 1 meeting

2025 REMUNERATION

Annual Retainer	Meeting Fee	Committee Chair Fee
\$50,000 plus expenses (prorated)	\$1,500	-



Rajendra Kothari, FCPA, FCA

Chair, Finance & Audit Committee

Mr. Kothari is a Chartered Professional Accountant and was formerly Vice Chair of PricewaterhouseCoopers LLP in Canada. He was also Managing Partner for the Greater Toronto area and National Practice Leader for the Asset & Wealth Management industry in Canada. His experience spans the areas of business assurance and advisory services, transaction support services, valuation and related services to clients in a variety of businesses.

Mr. Kothari serves on the board of a few subsidiaries of Scotiabank, including Jarislowsky Fraser and MD Growth. He also serves on the independent review committee of Brompton Funds. Mr. Kothari was appointed to the Board of Schroeder Ambulatory Centre Foundation. As former chair of UHN Foundation, he continues to serve on its Board as chair of the nomination and governance committee.

IMCO Board and Committee Appointments 2025 Attendance

Current term to June 20, 2027

Director, IMCO Board of Directors	6 of 6 meetings
Chair, Finance & Audit Committee*	4 of 4 meetings
Member, Human Resources & Compensation Committee	5 of 5 meetings
Member, Board Investment Committee	4 of 4 meetings

2025 REMUNERATION

Annual Retainer	Meeting Fee	Committee Chair Fee
\$50,000 plus expenses	\$1,500	\$15,000 (prorated)

In 2025, Mr. Kothari attended one meeting of the Nominating & Governance Committee as a non-member.

* Since October 1, 2025. Fee is prorated.



Daniel Nowlan

Chair, Nominating & Governance Committee

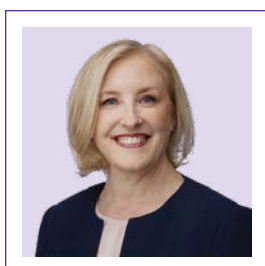
Mr. Nowlan has more than 25 years of experience in the financial industry. Since 2017, he has been Vice Chair of Equity Capital Markets at National Bank of Canada. Previously, he spent 17 years at CIBC in various senior roles, including Co-Head of Equity Capital Markets and Vice Chair, Global Investment Banking.

Mr. Nowlan was Chief of Staff to the federal Minister of Finance and led the 2015 Federal Budget process. He has also served as a Special Assistant to the Canadian Minister of Industry, Science and Technology, the Minister of International Trade and the Minister of Human Resources and Labour.

IMCO Board and Committee Appointments		2025 Attendance
<i>Current term to January 23, 2029</i>		
Director, IMCO Board of Directors		6 of 6 meetings
Chair, Nominating & Governance Committee*		2 of 2 meetings
Member, Finance & Audit Committee		4 of 4 meetings
Member, Board Investment Committee**		4 of 4 meetings
2025 REMUNERATION		
Annual Retainer	Meeting Fee	Committee Chair Fee
\$50,000 plus expenses	\$1,500	\$15,000 (prorated)

* Since October 1, 2025

** Mr. Nowlan does not attend Board Investment Committee meetings for investment transaction approvals.



Hon. Lisa Raitt, P.C.

Chair, Human Resources & Compensation Committee

Ms. Raitt is Managing Director and Vice Chair, Global Investment Banking, at CIBC Capital Markets. Previously, she was the president and CEO of the Toronto Port Authority.

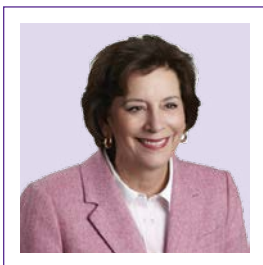
Ms. Raitt was elected to the House of Commons in 2008, where she served as Minister of Natural Resources, Minister of Labour and Minister of Transport. In 2015, Ms. Raitt was appointed Finance Critic for the Official Opposition and in 2017 she was appointed Deputy Leader of the Official Opposition and Deputy Leader of the Conservative Party of Canada. In 2020, Ms. Raitt was named a Woodrow Wilson Center Global Fellow of the Canada Institute.

IMCO Board and Committee Appointments		2025 Attendance
<i>Current term to January 23, 2029</i>		
Director, IMCO Board of Directors		6 of 6 meetings
Member, Nominating & Governance Committee*		5 of 5 meetings
Chair, Human Resources & Compensation Committee**		1 of 1 meeting
Member, Board Investment Committee***		4 of 4 meetings
2025 REMUNERATION		
Annual Retainer	Meeting Fee	Committee Chair Fee
\$50,000 plus expenses	\$1,500	\$15,000

* Chaired this committee until September 30, 2025.

** Since October 1, 2025.

*** Ms. Raitt does not attend Board Investment Committee meetings for investment transaction approvals.



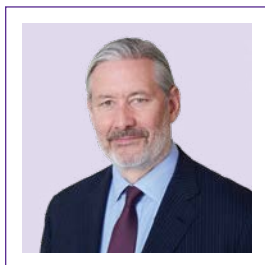
Michelle Savoy, ICD.D

Ms. Savoy is the former President of Capital Guardian Canada, the Canadian arm of The Capital Group of Companies. With more than 25 years of experience in financial services and capital markets industries, Ms. Savoy brings tremendous expertise in strategic business development.

Her earlier experience includes senior executive consulting at Spencer Stuart and Associates, Inc. and more than a decade with CIBC World Markets, where she ultimately held the position of Managing Director, Global Head of Foreign Exchange and Fixed Income Sales.

She is President of Quill Ridge Capital Inc. and currently serves on the Boards of Pizza Pizza Royalty Corporation, Carfin Inc. and UHN Foundation. Additionally, Ms. Savoy is Chair of the Board of NAV CANADA and Aireon LLC. She previously served on the Board of the Laurentian Bank of Canada.

IMCO Board and Committee Appointments		2025 Attendance
<i>Current term to July 1, 2028</i>		
Director, IMCO Board of Directors		3 of 3 meetings
Member, Finance & Audit Committee		2 of 2 meetings
Member, Human Resources & Compensation Committee		2 of 2 meetings
Member, Nominating & Governance Committee		2 of 2 meetings
Member, Board Investment Committee		1 of 1 meeting
2025 REMUNERATION		
Annual Retainer	Meeting Fee	Committee Chair Fee
\$50,000 plus expenses (prorated)	\$1,500	-



Eric M. Wetlaufer, CFA, ICD.D

Chair, Board Investment Committee

Eric Wetlaufer is a seasoned institutional investor, director and advisor. He provides strategic counsel to a diverse range of organizations — from large public corporations to private enterprises and family offices — primarily within the technology and financial sectors. He currently serves as a Director of the TMX Group and of Enterra Solutions, and advises entities across North America, Europe and Asia. As founder and leader of TwinRiver Capital, an impact investment platform, he continues to innovate in sustainable investing. Previously, he led the CPP Investment Board's Public Market Investments department and served as Fidelity Investments (Boston) CIO of International. He is currently the Interim Chief Executive Officer at Mawer Investment Management. He was previously an advisory member of Mawer's Board of Directors from June 2025 to February 2026.

IMCO Board and Committee Appointments		2025 Attendance
<i>Current term to June 1, 2026</i>		
Director, IMCO Board of Directors		6 of 6 meetings
Member, Finance & Audit Committee		3 of 4 meetings
Member, Human Resources & Compensation Committee*		5 of 5 meetings
Chair, Board Investment Committee**		4 of 4 meetings
2025 REMUNERATION		
Annual Retainer	Meeting Fee	Committee Chair Fee
\$50,000 plus expenses	\$1,500	\$18,750 (prorated)

In 2025, Mr. Wetlaufer attended one meeting of the Nominating & Governance Committee as a non-member.

* Chaired this committee until September 30, 2025.

** Since October 1, 2025.



Compensation Discussion & Analysis



At IMCO, we are committed to our people and strive to create a culture that attracts, grows and inspires a world class workforce. We believe that employees have an important contribution to make, both individually and as a team. We provide an environment where all employees are encouraged to reach their highest potential.

IMCO offers total rewards (base salary, incentive award, benefits and a defined benefit pension plan) that are competitive with the market and intended to support the strategic objectives and public mandate of the organization. The Human Resources & Compensation Committee (HRCC) of the Board is responsible for annually reviewing IMCO's overall compensation philosophy, including its compensation, pension and other benefit plans and programs, and makes recommendations on these matters to the Board. The HRCC is supported by an external advisor who provides advice on executive compensation, the compensation framework and compensation proposals made by management.

TOTAL REWARDS PHILOSOPHY

IMCO's total rewards philosophy and compensation program is designed to:

- Be competitive to attract, retain and engage qualified talent to effectively execute our mandate.
- Reinforce and reflect our values, ensuring employees act ethically, professionally and with integrity.
- Reward employees for achieving both annual objectives and long-term performance, which promotes sustained long-term success.
- Align with client and stakeholder interests.
- Link back to our public purpose.

IMCO's incentive plan is designed to:

- Be aligned with our public purpose (based on limited tolerance for downside risk, stability of returns, cost sensitivity and long-term time horizon).
- Be competitive, while recognizing the distinct differences of IMCO compared to peers.
- Be simple to understand.
- Enable differentiation by individual contribution and performance.
- Reward not only what is done, but how it is accomplished.
- Allow for the application of informed judgment where needed.

COMPENSATION PROGRAM

IMCO's compensation program consists of two elements: base salary and an incentive award. An individual's base salary is based on job level, role and proficiency and is intended to compensate for the fulfillment of core job responsibilities. Formal base salary reviews are conducted in line with our performance management process and are informed by a market review of relevant comparable organizations.

Employees receive a Total Incentive Target, which is expressed as a percentage of base salary. Total incentive awards are designed to be consistent with investment management market practice and reward participants for results tied to the experience of our clients. The Total Incentive Target is multiplied by the performance score that takes into consideration both IMCO and individual performance against predetermined objectives. The total incentive award may pay out either as an annual cash award, or an annual cash award plus a deferred cash award, depending on the eligible employee level.

The annual cash award is paid out in cash following the end of the fiscal year. For select employees at mid- and senior levels, a portion of the total incentive award is deferred

over a period of three years (deferred cash award). The Deferred Cash Award may be further adjusted by the total fund performance and is intended to promote long-term alignment with the goals of the organization. The Deferred Cash Award vests equally over three years and is paid at the end of November.

Performance framework

IMCO's performance framework differentiates individual performance related to specific performance objectives, as well as demonstrated behaviours and values. It also recognizes overall IMCO performance, as measured by investment performance, client success, efficient operations and culture. IMCO management determines the individual factor for employees below the senior-executive level and the HRCC and Board determine the individual factor for the senior executive team and other key staff, as well as the overall IMCO performance factor. The overall performance score is based on the IMCO factor and the individual performance factor for all employees, including the CEO and senior executive team members.

Executive compensation

The HRCC reviewed the 2025 objectives, performance evaluation and total compensation for the President & CEO and recommended them to the Board for approval. The HRCC also reviewed compensation and performance evaluations for the senior executive team, including the named executives listed below.

Name and Position	Base Salary	Annual Cash Incentive	Deferred Cash Incentive	All Other Compensation	Total Compensation
Bert Clark, President & CEO	\$575,000	\$1,762,500	\$1,762,500	\$101,869	\$4,201,869
Rossitsa Stoyanova, Chief Investment Officer	\$525,000	\$1,289,453	\$1,289,453	\$83,181	\$3,187,087
Ben De Prisco, Chief Risk Officer	\$375,000	\$623,301	\$623,301	\$55,046	\$1,676,648
Raneet Aggarwal, Chief Financial Officer	\$375,000	\$525,722	\$525,722	\$63,561	\$1,490,005
Allen Garson, General Counsel & Corporate Secretary	\$375,000	\$495,430	\$495,430	\$59,648	\$1,425,508



Financial Statements

December 31, 2025

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Investment Management Corporation of Ontario

Opinion

We have audited the financial statements of **Investment Management Corporation of Ontario** [the "Corporation"], which comprise the statement of financial position as at December 31, 2025, and the statement of operations, statement of changes in members' surplus, and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ["IFRSs"].

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 Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis and the Annual Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Management's Discussion and Analysis and the Annual Report prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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 IFRSs, 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 Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

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

Toronto, Canada
March 5, 2026



Chartered Professional Accountants
Licensed Public Accountants

STATEMENT OF FINANCIAL POSITION

As at December 31
(in thousands of dollars)

	2025	2024
Assets		
Cash	\$ 67,650	\$ 60,958
Accounts receivable (note 6)	46,831	52,545
Prepaid expenses	6,248	5,612
Right-of-use asset, net (note 9)	30,014	24,290
Capital assets, net (note 8)	8,905	10,934
Total assets	\$ 159,648	\$ 154,339
Liabilities and members' surplus		
Accounts payable and accrued liabilities (note 5)	\$ 117,110	\$ 115,201
Lease liability (note 9)	33,633	28,204
Deferred recovery of costs (note 8)	8,905	10,934
Total liabilities	159,648	154,339
Members' surplus	—	—
Total liabilities and members' surplus	\$ 159,648	\$ 154,339

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

Approved on behalf of the Board:



Brian Gibson
Chair, Board of Directors



Rajendra Kothari
Chair, Finance and Audit Committee

STATEMENT OF OPERATIONS

For the year ended December 31
(in thousands of dollars)

	2025	2024
Revenue		
Recovery of costs	\$ 306,531	\$ 314,043
Interest income	2,392	3,181
	308,923	317,224
Expenses		
Compensation and benefits	180,868	174,689
External investment management and product costs	65,256	74,359
Information technology and data costs	31,630	33,757
Professional services	13,263	16,765
General, administrative, and other	11,524	11,208
Depreciation (<i>notes 8 and 9</i>)	6,382	6,446
	308,923	317,224
Net operating surplus	\$ —	\$ —

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

STATEMENT OF CHANGES IN MEMBERS' SURPLUS

For the year ended December 31
(in thousands of dollars)

	2025	2024
Balance, beginning of year	\$ —	\$ —
Net operating surplus for the year	—	—
Balance, end of year	\$ —	\$ —

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

STATEMENT OF CASH FLOWS

For the year ended December 31
(in thousands of dollars)

	2025	2024
Operating activities		
Net operating surplus for the year	\$ —	\$ —
Adjustments for non-cash items:		
Depreciation on capital assets (<i>note 8</i>)	2,029	2,030
Depreciation on right-of-use asset (<i>note 9</i>)	4,353	4,416
Net changes in operating assets and liabilities:		
Prepaid expenses	(636)	(865)
Accounts receivable	5,714	(1,517)
Accounts payable and accrued liabilities	1,909	4,277
Deferred recovery of costs	(2,029)	(2,030)
Cash provided by operating activities	11,340	6,311
Financing activities		
Rent paid on lease liability – principal portion (<i>note 9</i>)	(4,648)	(4,590)
Cash used in financing activities	(4,648)	(4,590)
Net increase in cash during the year	6,692	1,721
Cash, beginning of year	60,958	59,237
Cash, end of year	\$ 67,650	\$ 60,958

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2025
(in thousands of dollars)

1. Nature of operations

Investment Management Corporation of Ontario ("IMCO" or the "Corporation") (in French, Société ontarienne de gestion des placements) was incorporated as a not-for-profit corporation on July 1, 2016 by proclamation of the *Investment Management Corporation of Ontario Act, 2015*. IMCO was established as a non-share corporation to enable Ontario's Broader Public Sector ("BPS") organizations to reduce costs and improve investment outcomes by pooling their assets. IMCO is headquartered in Toronto, Ontario, Canada.

Participation of BPS organizations to receive IMCO's services is voluntary and governed through individual Investment Management Agreements. IMCO commenced commercial operations in July 2017 and provides investment management and advisory services to its clients on a full cost recovery basis, without profit.

The Ontario Pension Board ("OPB") and the Workplace Safety and Insurance Board ("WSIB") are IMCO's founding members and initial clients. OPB is the administrator of the Public Service Pension Plan ("PSPP" or the "Plan"), a major defined benefit pension plan sponsored by the Government of Ontario. WSIB is an independent agency that administers compensation and no-fault insurance for Ontario workplaces. The founding and all subsequent IMCO clients (collectively, "Clients") are governed by a cost recovery methodology, which ensures the continuous operations of the Corporation.

These financial statements have been prepared based on accounting principles applicable to a going concern, which assume that the Corporation will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. IMCO allocates and recovers all operational costs from its Clients in accordance with agreed cost allocation principles.

2. Basis of presentation

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The financial statements were approved by the Board of Directors on March 5, 2026.

(b) Use of estimates and judgments

The preparation of these financial statements requires management to make estimates and apply judgments that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. These estimates and judgments are made based on information available as of the date the financial statements are approved.

Judgments are made in the selection and application of accounting policies and the interpretation of financial reporting standards. Key areas of estimation include assumptions used in the evaluation of lease arrangements and the determination of employee benefit obligations including incentive compensation accruals. Refer to the relevant accounting policies in Note 3 for details on our use of

estimates and judgments. Actual results may differ from these amounts. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

3. Material accounting policy information

The following material accounting policies have been applied by management in the preparation of these financial statements. The significant accounting policies have been applied consistently to all periods presented in these financial statements.

(a) Consolidation

Subsidiaries are consolidated in the Corporation's financial statements from the date that control is obtained until the date that control ceases.

The Corporation is considered to control an entity when all of the following conditions are met:

- When the Corporation exerts power over the relevant activities of the entity. Power exists if the Corporation has decision-making authority over those activities that significantly influence the entity's returns;
- Where the Corporation has exposure or rights to variability of returns of the entity. Exposure exists if the Corporation's returns vary as a result of the performance of the entity; and
- Where there exists a linkage between power and returns as described above. A linkage exists when the Corporation can use its power over the activities of the entity to generate returns for itself.

Generally, the Corporation utilizes investment vehicles to facilitate the management of Client investment assets. This includes establishing various structured entities, which may comprise pooled investment entities and other subsidiaries, through its role as investment manager. While IMCO has power over the relevant activities of the structured entities it manages; in all cases, the Corporation has no exposure or rights to variability of returns in these structured entities. Accordingly, these investment entities do not meet the criteria for control and are not consolidated.

(b) Financial instruments

The Corporation classifies and measures its financial assets and financial liabilities, in accordance with IFRS 9, *Financial Instruments*. Financial assets are initially recognized at fair value and are subsequently measured at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") or amortized cost depending on the Corporation's business model for managing the financial instruments and the contractual cash flow characteristics of the asset. Financial liabilities are classified and measured at amortized cost or FVTPL.

A financial asset is measured at amortized cost when both of the following conditions are met and the asset has not been designated at FVTPL:

- It is held within a business model whose objective is to collect the contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Accounts receivable are initially recognized when they arise with initial fair value determined at its transaction price plus any transactions costs that are directly attributable to the acquisition or issuance of the receivable. All other financial assets and financial liabilities are initially recognized when the Corporation becomes a party to the contractual provisions of the instrument. Cash and accounts receivable are measured at amortized cost. The Corporation has not classified any of its financial assets as FVTPL or FVOCI.

Accounts payables and accrued liabilities are classified and measured at amortized cost. The Corporation has not classified any of its financial liabilities at FVTPL.

(c) Deferred recovery of costs

The Corporation recovers its operating costs from its Clients. If an amount has been collected from the Clients in advance of the actual expense being incurred by the Corporation, the amount is initially reported as a deferred recovery of costs in the statement of financial position and subsequently recognized in the statement of operations when the expense is incurred by the Corporation.

Amounts that are collected from the Clients to fund the acquisition of the Corporation's capital assets, are initially reported as deferred recovery of costs in the statement of financial position, and subsequently amortized to the statement of operations as the related capital assets are depreciated.

(d) Prepaid expenses

Prepaid expenses are initially recognized at cost in the statement of financial position and subsequently amortized to the statement of operations over the term of the underlying agreement.

(e) Capital assets

Capital assets are recorded at cost less accumulated depreciation. Cost includes expenditures directly attributable to the acquisition of capital assets.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the capital assets as follows:

Computer equipment	5 years
Furniture and fixtures	10 years
Leasehold improvements	Term of lease

(f) Right-of-use asset and lease liability

In accordance with IFRS 16, *Leases*, IMCO recognizes a right-of-use asset and a corresponding lease liability, except for short-term leases and leases of low-value assets for which practical expedients have been applied. The lease liability is initially measured at the present value of lease payments that are unpaid at the lease commencement date, discounted using IMCO's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method. The right-of-use asset is initially measured as the initial lease liability, plus any initial direct costs incurred and estimated cost of removal, and reduced for lease payments made on or prior to the lease commencement date and for lease inducements received. The right-of-use asset is depreciated on a straight-line basis over the lease term or the useful life of the underlying asset, whichever is shorter.

The lease liability is remeasured when there is a change in future lease payments or if the Corporation revises its assessment of whether it is reasonably certain to exercise a purchase, extension, or termination option. A corresponding adjustment is made to the carrying amount of the right-of-use asset and recognized in the statement of operations.

IMCO has elected not to recognize lease assets and lease liabilities for short-term leases (leases with a term of 12 months or less) and leases of low-value assets, including computer equipment. Payments on these leases are recognized as an expense on a straight-line basis over the lease term.

The lease term generally corresponds to the non-cancellable period of the lease except in cases where IMCO is reasonably certain that it will exercise contractual extension options. The exercise of extension options will result in a change in estimate of lease assets and lease liabilities. The assessment

regarding exercise of extension options involves management judgment and estimates based on information at the time the assessments are made. Extension options are included in the lease term when IMCO has an economic incentive to exercise the option based on the evidence available at the time of the assessment. This includes potential favourable terms upon extension, potential termination penalties, the relative costs associated with potential relocation or termination of the lease and the extent of leasehold improvements undertaken.

(g) Employee benefits

(i) Defined benefit plan

Employees of the Corporation participate in the Plan, which is a multi-employer contributory defined benefit pension plan in accordance with the *Public Service Pension Act*, 1990. OPB administers the Plan, including payment of pension benefits to employees. The Province of Ontario is the sole sponsor (the "Sponsor") of the Plan. The Plan is accounted for as a defined contribution plan because insufficient information is provided to the Corporation or otherwise available for the Corporation to apply defined benefit plan accounting to the Plan.

The Plan Sponsor is responsible for ensuring that the Plan is financially viable. Any surpluses or unfunded liabilities arising from statutory actuarial funding valuations are not assets or obligations of the Corporation. The Corporation is not exposed to any liability to the Plan for other entities' obligations under the terms and conditions of the Plan.

In addition, there is no agreed allocation of a deficit or surplus on wind-up or withdrawal by the Corporation from the Plan. Payments made to the Plan are recognized as an expense when employees have rendered the service entitling them to the contributions. Information on the Corporation's level of participation in the Plan in relation to other participating entities is not available. The Corporation's contributions are disclosed in the statement of operations under compensation and benefits. The expected contributions for the Plan for fiscal 2026 are not available.

(i) Incentive cash award plan

The Corporation provides eligible employees with a Short-Term Incentive cash award. Certain employees are also eligible for a Long-Term Incentive deferred cash award. The Short-Term Incentive is accrued on an annual basis and paid out in the subsequent year. The Long-Term Incentive is accounted for as 'compensation and benefits' and is accrued on a graded vesting basis for eligible employees in the year of performance and over the following three-year period. Each Long-Term Incentive award vests and is paid out in three equal instalments over the subsequent three-year period.

(h) Functional currency

All figures presented in the financial statements and note disclosures to the financial statements are reported in Canadian dollars, which is the Corporation's functional currency.

(i) Foreign currency translation

Foreign currency transactions are translated into Canadian dollars at the exchange rates prevailing at the dates of the transactions. The monetary assets and liabilities denominated in foreign currencies are translated at the rates in effect at year-end.

(j) Income taxes

IMCO is a not-for-profit corporation without share capital and, accordingly, no provision for income taxes has been recorded in these financial statements.

4. Future changes in accounting policies

IFRS 18, *Presentation and Disclosure in Financial Statements* ("IFRS 18") was issued in April 2024, but was not yet effective as at December 31, 2025, and has not been applied in the preparation of these financial statements. IFRS 18 replaces IAS 1, *Presentation of Financial Statements* and introduces new requirements expected to impact the presentation and disclosure of the financial statements. These include:

- (i) the requirement to classify all income and expense into specified categories and provide specified totals and subtotals in the statement of profit or loss;
- (ii) enhanced guidance on the aggregation, location and labeling of items across the financial statements and the notes to the financial statements; and
- (iii) required disclosures about management-defined performance measures.

IFRS 18 is effective for annual periods beginning on or after January 1, 2027, with early adoption permitted.

The Corporation is currently assessing the impact of these standards and amendments. No other new standards, amendments or interpretations are expected to have a material effect on these financial statements.

5. Accounts payable and accrued liabilities

	2025	2024
Trade payables and other accruals	\$ 25,935	\$ 31,123
Compensation and benefits accruals	91,175	84,078
	\$ 117,110	\$ 115,201

Compensation and benefits accruals are comprised primarily of accruals in respect of the annual and deferred incentive cash award plans as described in Note 3(g)(ii), and other employee-related payments and benefits. In 2025, the total expense related to the Short-Term Incentive was \$53,459 (2024 – \$50,784) and for the Long-Term Incentive was \$27,008 (2024 – \$26,388), respectively. These amounts are reported under compensation and benefits in the statement of operations.

6. Related party transactions

As at December 31, 2025, the majority of the total accounts receivable balance relates to cost recoveries due from Clients for operating expenses, external investment management and product costs incurred by IMCO in the amount of \$45,701 (2024 – \$51,412), plus HST. The remainder relates to miscellaneous receivables for various charges paid on behalf of Clients.

As an agent, IMCO administers external management fees, custodian fees, and other investment-related fees pertaining to the assets managed on behalf of its Clients. The contractual arrangements for these fees are between the Clients and the service providers; accordingly, these amounts do not represent liabilities of the Corporation. Fees are collected from the Clients and subsequently remitted to external vendors upon receipt of billings.

During the year ended December 31, 2025, investment-related fees administered by IMCO on behalf of its Clients were as follows:

	2025		2024
Agency fees collected or receivable from members	\$ 24,346	\$	52,438
Agency fees paid or payable on behalf of members			
Investment management fees	21,829		49,886
Custodial and other investment-related fees	2,517		2,552
	\$ 24,346	\$	52,438

As at December 31, 2025, included in cash and accounts payable and accrued liabilities is \$5,013 (2024 – \$6,880) relating to agency fees collected from clients, but not yet billed by external vendors.

OPB administers the PSPP, in which all IMCO employees participate. In relation to this service, IMCO remits to OPB the employee contributions and employer matching portion.

The Corporation maintains prior banked vacation liabilities for certain legacy OPB and WSIB employees upon their transfer to IMCO in 2017. The assumed obligation is reported as a liability with a corresponding fixed receivable from OPB and WSIB. The value of the liability may change due to changes in the base compensation of the associated employees. The liability is paid out upon an employee's departure from IMCO. As the liability is settled with employees over time, a recovery is made from the Clients, reducing the receivable balance. As at December 31, 2025, the legacy banked vacation liability was \$101 (2024 – \$216).

The 16 York lease is a related party transaction, as OPB has ownership interest in this property. Please refer to Note 9 for additional details.

All of the above transactions are in the normal course of business and carried out on an arm's length basis.

Remuneration of key management personnel and directors is as follows:

	2025		2024
Key management personnel and directors	\$ 15,884	\$	15,640
	\$ 15,884	\$	15,640

7. Letters of credit

The Corporation maintains a letter of credit facility with a Canadian chartered bank as a guarantee for its contributions to the PSPP. A fee of 0.475% per annum is charged on the face amount of the letter of credit. Total aggregate letters of credit facilities available as at December 31, 2025 was \$6,000 (2024 – \$10,852). As at December 31, 2025 and December 31, 2024, there were no amounts drawn on any letters of credit.

8. Capital assets

Capital assets consist of the following:

	Computer equipment	Furniture and fixtures	Leasehold improvements	Total
Cost				
Balance, December 31, 2024	\$ 930	\$ 3,013	\$ 13,933	\$ 17,876
Additions	—	—	—	—
Balance, December 31, 2025	\$ 930	\$ 3,013	\$ 13,933	\$ 17,876
Accumulated depreciation				
Balance, December 31, 2024	\$ 628	\$ 1,004	\$ 5,310	\$ 6,942
Depreciation expense	184	301	1,544	2,029
Balance, December 31, 2025	\$ 812	\$ 1,305	\$ 6,854	\$ 8,971
Net book value				
As at December 31, 2024	\$ 302	\$ 2,009	\$ 8,623	\$ 10,934
As at December 31, 2025	\$ 118	\$ 1,708	\$ 7,079	\$ 8,905

The computer equipment, furniture and fixtures, and leasehold improvements all relate to the 16 York Street, Toronto ("16 York") office premises. Additional information regarding the 16 York lease is provided in Note 9.

As at December 31, 2025, capital expenditures funded by OPB and WSIB in respect of capital assets at 16 York are reported as a deferred recovery of costs in the statement of financial position in the amount of \$8,905 (2024 – \$10,934).

9. Right-of-use asset and lease liability

IMCO leases office space in the 16 York building. In December 2025, the lease was amended and accounted for as a lease modification. The key terms of the amendment included an increase in the office space leased and an extension of the lease term to July 31, 2036. At the modification date, IMCO remeasured the lease liability with a corresponding adjustment to the right-of-use asset. The amended lease includes an extension option; however, management is uncertain at this time whether the option will be exercised.

(a) The movement in the 16 York right-of-use asset and lease liability during the year is presented below:

	2025		2024	
	Right-of-use asset	Lease liability	Right-of-use asset	Lease liability
Balance, beginning of year	\$ 24,290	\$ 28,204	\$ 28,706	\$ 32,794
Depreciation expense	(4,353)	—	(4,416)	—
Interest expense	—	501	—	557
Lease payments	—	(5,149)	—	(5,147)
Lease modification adjustment	10,077	10,077	—	—
Balance, end of year	\$ 30,014	\$ 33,633	\$ 24,290	\$ 28,204

- (b) The maturity analysis for the lease liability and common area maintenance payments, presented as contractual undiscounted cash flows as at December 31, 2025 and December 31, 2024 is presented below.

	2025	2024
Within one year	\$ 6,598	\$ 5,928
After one year but not more than five years	29,576	24,138
More than five years	47,049	3,520
	\$ 83,223	\$ 33,586

10. Financial instruments and risk management

The Corporation is exposed to various financial risks. The nature of these risks and the Corporation's policies and processes for managing them are described below:

(a) Credit risk

Credit risk on financial instruments is the risk of financial loss if a counterparty fails to meet its contractual obligations. The Corporation is exposed to credit risk primarily through its accounts receivable and cash on deposit with banks.

Accounts receivable are due to be recovered from Clients. The Corporation is not exposed to significant credit risk as the Corporation acts as fund manager for Clients and recovers the outstanding amounts in accordance with agreements with them.

Cash on deposit is held with a Canadian Schedule I bank that has a high credit rating. The Corporation considers the cash on deposit to have a low credit risk as the cash is highly liquid and available on demand.

Impairment allowance has not been recognized on the Corporation's financial assets, and the Corporation does not hold any collateral as security. The Corporation's maximum exposure to credit risk is the carrying amount of these financial assets.

(b) Interest rate risk

Interest rate risk is the risk that changes in market interest rates will affect the fair value or future cash flows of financial instruments held by the Corporation. The Corporation does not have significant exposure to interest rate risk.

(c) Liquidity risk

Liquidity risk is the risk that the Corporation cannot meet a demand for cash or fund its obligations as they come due. The Corporation is entirely dependent upon support from its Clients to meet its obligations as they become due. Management is responsible for ensuring adequate funds exist to support its various business functions. Liquidity risk is managed by forecasting cash flows and monitoring anticipated operating activities. Senior management also reviews and approves any significant planned expenditures.

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