Fund Financial Statements of

RETIREMENT PLAN FOR THE EMPLOYEES OF KING'S UNIVERSITY COLLEGE

Registration number 0558759

And Independent Auditor's Report thereon

Year ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Administrator

Opinion

We have audited the fund financial statements of Retirement Plan for the Employees of King's University College (the Plan), which comprise:

- the statement of net assets available for benefits as at December 31, 2025
- the statement of changes in net assets available for benefits for the year then ended
- and notes to the fund financial statements, including a summary of significant accounting policies and other explanatory information.

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for the Plan as at December 31, 2025, and its changes in net assets available for benefits for the year then ended in accordance with the financial reporting provisions of Section 76 of Regulation 909 of the Pension Benefits Act (Ontario).

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 auditor’s report.

We are independent of the Plan 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.

Emphasis of Matter – Financial Reporting Framework

We draw attention to Note 1(a) in the financial statements, which describes the applicable financial reporting framework and the purpose of the financial statements.

As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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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 the financial reporting provisions of Section 76 of Regulation 909 of the Pension Benefits Act (Ontario), 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 Plan'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 Plan or to cease operations, or has no realistic alternative but to do so.

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 the 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 Plan'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 Plan'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 Plan 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

London, Canada

June 24, 2026

RETIREMENT PLAN FOR THE EMPLOYEES OF KING'S UNIVERSITY COLLEGE

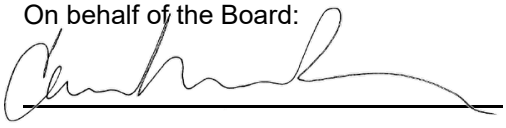
Registration number 0558759
Statement of Net Assets Available for Benefits

December 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Cash	$ 633,539	$ 372,005
Investments (note 3)	106,162,390	98,238,226
	106,795,929	98,610,231
Liabilities		
Accrued liabilities	147,892	105,725
Net assets available for benefits	$ 106,648,037	$ 98,504,506

See accompanying notes to fund financial statements.

On behalf of the Board:



Director

Director

RETIREMENT PLAN FOR THE EMPLOYEES OF KING'S UNIVERSITY COLLEGE

Registration number 0558759
Statement of Changes in Net Assets Available for Benefits

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Increase in net assets:		
Employer contributions:		
Normal	$ -	$ 1,813,601
Special	26,970	80,656
Employee contributions	1,814,749	1,712,510
Investment income	2,983,702	2,837,378
Net realized gain on sale of investments	4,198,034	3,705,719
Change in net unrealized gain on investments	2,842,428	6,583,355
	11,865,883	16,733,219
Decrease in net assets:		
Retirement benefit payments	3,009,388	2,680,093
Administrative expenses (note 6)	712,964	587,965
	3,722,352	3,268,058
Increase in net assets	8,143,531	13,465,161
Net assets available for benefits, beginning of year	98,504,506	85,039,345
Net assets available for benefits, end of year	$ 106,648,037	$ 98,504,506

See accompanying notes to fund financial statements.

RETIREMENT PLAN FOR THE EMPLOYEES OF KING'S UNIVERSITY COLLEGE

Registration number 0558759
Notes to Fund Financial Statements

Year ended December 31, 2025

These fund financial statements present the financial information of the Retirement Plan for the Employees of King's University College (the "Plan"). The Plan is a contributory registered pension plan in the Province of Ontario under registration number 0558759.

The following description of the Plan is a summary only. For more complete information, reference should be made to the Plan agreement registered under the Pension Benefits Act (Ontario), registration number 0558759.

(a) Funding policy:

In accordance with the Plan agreements, employees contribute 9% of their earnings by regular payroll deduction. King's University College (the "College") contributes an amount necessary to provide for the appropriate level of funding for the Plan, as determined by triennial actuarial valuations. For the year ended December 31, 2025, the employer did not make contributions during the year as the Plan was in a surplus position and contributions were not required under applicable funding regulations (2024 - 17.11%).

(b) Benefit payments:

Upon normal retirement, a pension benefit for the retiring employee is provided in an amount equivalent to 2% of the annual average of the retiree's three highest earnings years within the last ten years of service, multiplied by the member's number of years in the Plan. Retirement prior to age 65 and/or selection of various alternatives available within the Plan will affect the amount of the annuity.

A member who terminates employment shall be entitled to a vested deferred benefit commencing on the member's normal retirement date. However, upon application, and subject to lock-in provisions, termination refunds are payable when an employee ceases to be a member.

1. Basis of preparation:

(a) Basis of presentation:

As permitted by Financial Services Regulatory Authority ("FSRA"), the Plan has prepared these fund financial statements in accordance with Canadian accounting standards for pension plans, as outlined in the Chartered Professional Accountants ("CPA") Canada Handbook, Section 4600, Pension Plans, excluding pension obligations and any resulting surplus or deficit.

In selecting or changing accounting policies that do not relate to its investment portfolio or pension obligations, the Plan has chosen to comply on a consistent basis with Canadian accounting standards for private enterprises ("ASPE") in Part II of the CPA Canada Handbook - Accounting.

These fund financial statements have been prepared to assist the Administrator of the Retirement Plan for the Employees of King's University College in meeting the requirements of FSRA under Section 76 of Regulation 909 of the Pension Benefits Act (Ontario). As a result, these fund financial statements may not be suitable for another purpose.

These fund financial statements of the Plan do not purport to show the adequacy of the Plan's assets to meet its pension obligation. Such an assessment requires additional information, such as the Plan's actuarial reports and information about the College's financial health.

(b) Basis of measurement:

The fund financial statements have been prepared on the historical cost basis, except for investments which are measured at fair value through the statement of changes in net assets available for benefits.

(c) Use of estimates:

The preparation of the fund financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the statement of net assets available for benefits and the reported amounts of changes in net assets available for benefits during the year. Actual results may differ from these estimates.

2. Significant accounting policies:

(a) Financial assets and financial liabilities:

Investment transactions are recognized initially on the trade date, which is the date that the Plan becomes a party to the contractual provisions of the instrument. Transaction costs are recognized in the statement of changes in net assets available for benefits when incurred.

Investments are stated at fair value. All other financial assets and liabilities, being cash, and accrued liabilities are measured at amortized cost.

(b) Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In determining fair value, the Plan has adopted the guidance in IFRS 13, Fair Value Measurement ("IFRS 13"), in Part I of the CPA Canada Handbook - Accounting. As allowed under IFRS 13, if an asset or a liability measured at fair value has a bid and an ask price, the price within the bid-ask spread that is the most representative of fair value in the circumstances shall be used to measure fair value. The Plan uses closing market price as a practical expedient for fair value measurement.

When available, the Plan measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, then the Plan establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models.

2. Significant accounting policies (continued):

(b) Fair value measurement (continued):

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets. When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognized in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

Fair values of investments are determined as follows:

Pooled funds are valued at the unit values supplied by the pooled fund administrator, which represent the Plan's proportionate share of underlying net assets at fair values determined using closing market prices.

(c) Investment income:

Investment income, which is recorded on the accrual basis, includes dividend and interest income.

(d) Net realized and unrealized gains (losses):

The net realized gain (loss) on sale of investments is the difference between proceeds received and the average cost of investments sold and is reflected in the statement of changes in net assets available for benefits. The change in net unrealized gain (loss) on investments represents the change in the difference between the fair value and cost of investments at the beginning and end of the year and is reflected in the statement of changes in net assets available for benefits.

2. Significant accounting policies (continued):

(e) Foreign currency translation:

The fair values of foreign currency-denominated investments included in the statement of net assets available for benefits are translated into Canadian dollars at year-end rates of exchange. Gains and losses arising from translations are included in the change in net unrealized gain (loss) on investments.

Foreign currency-denominated transactions, as well as cost amounts included in note 3 to the fund financial statements, are translated into Canadian dollars at the rates of exchange on the dates of the related transactions.

(f) Income taxes:

The Plan is a registered pension plan, as defined by the Income Tax Act (Canada) and, accordingly, is not subject to income taxes.

3. Investments:

(a) Investments at fair value and cost at December 31, are as follows:

	2025		2024	
	Market	Cost	Market	Cost
Pooled fund investments	$106,162,390	$ 99,604,583	$ 98,238,226	$ 94,522,847

(b) All investments are managed by an independent investment manager on a pooled basis. The shares of the pooled fund is determined on a unit allocation basis.

4. Statutory disclosure:

The following information is provided in respect of individual investments with a cost or fair value in excess of 1% of the cost or fair value of the Plan as at December 31, 2025, as required by the Pension Benefits Act (Ontario):

Fund name	Fund operator	Nature of investments	Fair value
FGP Core Plus Bond Fund	FGP Investments Canada	Bonds	$ 15,251,620
FGP Canadian Equity Fund	FGP Investments Canada	Canadian equities	30,469,498
FGP Global Equity Fund	FGP Investments Canada	Foreign equities	38,284,687
FGP Long Term Bond Fund	FGP Investments Canada	Bonds	22,156,585
			$106,162,390

5. Capital risk management:

The Plan defines capital as the net assets available for benefits.

The primary investment objective of the Plan is to sustain a certain level of net assets in order to meet the pension obligations of the College, which are not presented or discussed in these specified-purpose fund financial statements.

The Plan fulfils its primary objectives by adhering to specific investment policies outlined in its Statement of Investment Policies and Procedures ("SIPP"), which is reviewed annually by the College and was last amended March 7, 2025. The most recent changes made pertain to the addition of an allocation to alternative investments. The SIPP defines investment objectives, guidelines and benchmarks used in investing the capital of the Plan, permitted categories of investments, asset-mix diversification and rate of return expectations.

5. Capital risk management (continued):

The Plan manages net assets by engaging knowledgeable investment managers who are charged with the responsibility of investing existing funds and new funds (current year's employee and employer contributions) in accordance with the approved SIPP.

At year end, the Plan's investments were allocated within the allowed asset mix category ranges, as follows:

	Asset allocation (%)				
	SIPP minimum	SIPP policy	SIPP maximum	As at December 31, 2025	2024
Equities	50.0	60.0	70.0	65.0	61.0
Debt	30.0	40.0	50.0	35.0	39.0
Alternatives	-	-	10.0	-	-
Cash and equivalents	-	-	5.0	-	-
Total investments		100.0		100.0	100.0

The Plan invests in pooled funds, which are managed by Foyston Gordon & Payne in accordance with the SIPP. The Plan's investment positions expose it to a variety of financial risks which are discussed in note 7 – financial instruments and risks. The allocation of assets among various asset categories is monitored by the investment manager.

The employer is required under the Pension Benefits Act (Ontario) to pay contributions, based on actuarial valuations, necessary to ensure the benefits are funded. See the introduction to the notes to the fund financial statements for the funding policy and contributions made to the Plan during the year. As at December 31, 2025, no contributions remain past due (2024 - nil). There is no change in the manner in which capital is managed in the current year.

Although there are no regulatory requirements relating to the level of net assets, the funding to be maintained by the Plan is determined by triennial actuarial valuations. The Plan is required to file fund financial statements as prescribed by FSRA under Section 76 of the Regulations to the Pension Benefits Act (Ontario).

6. Administrative expenses:

	2025	2024
Investment counsel fees	$ 332,592	$ 313,033
Actuarial fees	199,445	162,984
Trustee, custodian and record keeping fees	83,352	46,834
Other	86,225	54,114
Audit fee	11,350	11,000
	$ 712,964	$ 587,965

7. Financial instruments and risks:

(a) Fair values:

The fair values of other financial assets and liabilities, being cash, and accrued liabilities approximate their carrying values due to the short-term nature of these instruments.

Fair values of investments are described in note 2(b) and disclosed in note 3.

Fair value measurements recognized in the statement of net assets available for benefits are categorized using a fair value hierarchy that reflects the significance of inputs used in determining the fair values.

- Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - inputs for assets and liabilities that are not based on observable market data.

All Plan investments in pooled funds are categorized as Level 2. There were no transfers of investments between classifications during the year.

7. Financial instruments and risks (continued):

(b) Associated risks:

(i) Market price risk:

Market price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issue or all other factors affecting all instruments traded in the market. As all of the Plan's financial instruments are carried at fair value with fair value changes recognized in the statement of changes in net assets available for benefits, all changes in market conditions will directly affect the increase (decrease) in net assets available for benefits. Market price risk is managed by the Administrator through construction of a diversified portfolio of instruments traded on various markets and across various industries.

As at December 31, 2025, had the equity prices increased or decreased by 10.0%, with all other variables held constant, the value of the Plan's investments would have increased or decreased, respectively, by approximately $6,875,000 or 6.4% (2024 - $5,997,000 or 6.1%, respectively) of net assets available for benefits.

(ii) Credit risk:

Credit risk refers to the risk of financial loss due to a counterparty failing to meet its contractual obligations. The Plan's most significant exposure to credit risk is its investment in debt securities. The carrying amounts of debt security investments included in pooled fund investments, as presented in the statement of net assets available for benefits, represent the maximum credit risk exposure at the date of the statement of net assets available for benefits.

(iii) Liquidity risk:

Liquidity risk is the risk that the Plan will not be able to meet its obligations as they fall due. The Plan maintains an investment policy, as approved by the Administrator, which contains asset mix guidelines which help to ensure the Plan is able to liquidate investments to meet its pension benefit or other obligations.

7. Financial instruments and risks (continued):

(b) Associated risks (continued):

(iv) Foreign currency risk:

Foreign currency risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Plan invests in pooled fund investments which enter into transactions denominated in U.S. dollars and other international currencies. Consequently, the Plan is exposed to risks that the exchange rate of the foreign currency may change in a manner that has an adverse affect on the value of the portion of the Plan's assets or liabilities denominated in currencies other than Canadian dollars. The Plan's overall currency positions and exposures are monitored on a regular basis by the Administrator.

As at December 31, 2025, had foreign exchange rates increased or decreased by 5.0%, with all other variables held constant, the value of the Plan's investments would have increased or decreased, respectively, by approximately $1,914,000 or 1.7% (2024 - $1,845,000 or 1.9%, respectively) of net assets available for benefits.

(v) Interest rate risk:

Interest rate risk refers to the impact of interest rate changes on the Plan's financial position. Interest rate changes directly impact the fair value of fixed income securities included in the pooled fund investments held in the Plan. Interest rate changes will also have an indirect impact on the remaining assets of the Plan. The Plan employs investment diversification to manage this risk.

As at December 31, 2025, had prevailing interest rates increased or decreased by 1.0%, with all other variables held constant, the value of the Plan's investments would have increased or decreased, respectively, by approximately $374,000 or 0.4% (2024 - $383,000 or 0.4%, respectively) of net assets available for benefits.