
Condensed Interim Consolidated Financial Statements

OMERS Administration Corporation

As at and for the six months ended June 30, 2025 and 2024

Condensed Interim Consolidated Statement of Financial Position

(unaudited)

(in millions of Canadian dollars)			
As at		June 30, 2025	December 31, 2024
Net Assets Available for Benefits			
Assets			
Investments (note 3)	\$	162,593	\$ 159,980
Investment-related assets (note 3)		2,499	2,110
Contributions receivable			
From employers		235	207
From members		235	207
Other assets		333	304
Total Assets		165,895	162,808
Liabilities			
Investment-related liabilities (notes 3 and 4)		21,084	20,044
Amounts payable under contractual agreements		3,629	4,078
Other liabilities		216	272
Total Liabilities		24,929	24,394
Net Assets Available for Benefits	\$	140,966	\$ 138,414
Accrued Pension Obligation and Deficit			
OMERS Primary Pension Plan (note 5)			
Defined Benefit component			
Accrued pension obligation	\$	144,441	\$ 140,766
Deficit			
Funding deficit		(1,627)	(2,913)
Actuarial value adjustment to net assets available for benefits		(3,821)	(1,406)
		(5,448)	(4,319)
Additional Voluntary Contributions component		1,696	1,723
Accrued Pension Obligation and Deficit of the Primary Plan		140,689	138,170
Retirement Compensation Arrangement			
Accrued pension obligation		1,449	1,397
Deficit		(1,172)	(1,153)
Accrued Pension Obligation and Deficit of the Retirement Compensation Arrangement		277	244
Accrued Pension Obligation and Deficit	\$	140,966	\$ 138,414

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

Condensed Interim Consolidated Statement of Changes in Net Assets Available for Benefits

(unaudited)

(in millions of Canadian dollars)			
For the six months ended June 30,		2025	2024
Changes Due to Investment Activities			
Net investment income (note 6)			
Investment income	\$	2,649	\$ 2,824
Net gain on net investment assets		867	3,224
		3,516	6,048
Income credited under contractual agreements		(92)	(131)
Investment expenses		(353)	(336)
Total Changes Due to Investment Activities		3,071	5,581
Changes Due to Pension Activities			
Contributions			
Required contributions			
From employers		1,451	1,342
From members		1,451	1,342
Other contributions		142	159
		3,044	2,843
Benefits			
Benefit payments		(3,320)	(3,136)
Transfers		(175)	(163)
		(3,495)	(3,299)
Pension administration expenses		(68)	(62)
Total Changes Due to Pension Activities		(519)	(518)
Total Increase		2,552	5,063
Net Assets Available for Benefits, Beginning of Period		138,414	128,814
Net Assets Available for Benefits, End of Period	\$	140,966	\$ 133,877

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

Condensed Interim Consolidated Statement of Changes in Pension Obligations

(unaudited)

(in millions of Canadian dollars)			
For the six months ended June 30,		2025	2024
OMERS Primary Pension Plan			
Defined Benefit Component			
Accrued pension obligation, beginning of period	\$	140,766	\$ 134,574
Interest accrued on benefits		3,975	3,829
Benefits accrued		2,384	2,138
Benefit payments and transfers		(3,384)	(3,205)
Net experience losses (gains)		700	(150)
Defined Benefit Accrued Pension Obligation, End of Period	\$	144,441	137,186
Additional Voluntary Contributions Component			
Additional Voluntary Contributions obligation, beginning of period	\$	1,723	\$ 1,611
Contributions		43	49
Withdrawals		(89)	(74)
Attributed net investment income		19	36
Additional Voluntary Contributions Obligation, End of Period	\$	1,696	1,622
Retirement Compensation Arrangement			
Accrued pension obligation, beginning of period	\$	1,397	\$ 1,314
Interest accrued on benefits		22	20
Benefits accrued		22	20
Benefit payments and transfers		(22)	(20)
Net experience losses (gains)		30	(20)
Retirement Compensation Arrangement Accrued Pension Obligation, End of Period	\$	1,449	1,314

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

Notes to the Condensed Interim Consolidated Financial Statements

Note 1

Description of the Plans Administered by OMERS Administration Corporation

OMERS Administration Corporation (AC) is a corporation without share capital, continued under the Ontario Municipal Employees Retirement System Act, 2006 (OMERS Act). AC is the administrator of the OMERS pension plans as defined in the OMERS Act and is the trustee of the pension funds. The OMERS pension plans are comprised of the OMERS Primary Pension Plan (Primary Plan), the Retirement Compensation Arrangement for the OMERS Primary Pension Plan (RCA) and the OMERS Supplemental Pension Plan for Police, Firefighters and Paramedics (collectively, the OMERS Pension Plans). As trustee of the Primary Plan's fund, AC holds legal title to the pension fund assets; the trust beneficiaries are Primary Plan members, and in certain circumstances, their spouses or dependents. AC is responsible for administering the OMERS Pension Plans in accordance, as applicable, with the Pension Benefits Act (Ontario) (PBA), the Income Tax Act (Canada) (ITA) and the OMERS Act. OMERS Sponsors Corporation is the sponsor of the OMERS Pension Plans under the OMERS Act.

The assets of any of the OMERS Pension Plans cannot be used to fund the pension obligations of any of the other OMERS Pension Plans.

OMERS Primary Pension Plan

The Primary Plan was created in 1962 by an Act of the Ontario Legislature, and is a multi-employer, jointly sponsored defined benefit pension plan whose members are mainly employees of Ontario municipalities, local boards, public utilities and non-teaching school board staff. The Primary Plan is governed by the OMERS Act, the PBA, the ITA and other applicable legislation.

The benefit provisions and other terms of the Primary Plan are set out in the Primary Plan text. The Primary Plan consists of both the defined benefit component and the Additional Voluntary Contribution (AVC) component. The Primary Plan is registered with the Financial Services Regulatory Authority of Ontario and with the Canada Revenue Agency under Registration #0345983.

The defined benefit component of the Primary Plan is designed to provide lifetime defined benefit pensions, and its funding requirements are determined on a long-term basis. The defined benefit component is funded by equal contributions from participating employers and from active members, and by net investment earnings of the Primary Plan assets.

The AVC component of the Primary Plan is a retirement savings and investment opportunity that permits members to make additional voluntary contributions on which the member earns the annual net investment return of the Primary Plan. While AVCs are part of the Primary Plan, they are separate from a member's defined benefit pension.

Retirement Compensation Arrangement for the OMERS Primary Pension Plan

The RCA provides pension benefits for Primary Plan members with contributory earnings exceeding the amount that generates the maximum pension allowed by the ITA for service after 1991. This determination is made when a benefit becomes payable (e.g. a member terminates employment, retires, or passes away). The RCA is a trust arrangement separate from the Primary Plan, is not governed by the PBA and is also not a Registered Pension Plan under the ITA. The RCA is governed by the OMERS Act, the ITA and other applicable legislation. It is partially funded on a modified pay-as-you-go basis by equal contributions from participating employers and active members and by the investment earnings of the RCA fund.

Note 2

Summary of Significant Accounting Policies

BASIS OF PRESENTATION

AC follows the requirements of the Chartered Professional Accountants of Canada (CPA Canada) Handbook Section 4600 – Pension Plans (Section 4600), which is the basis for Canadian accounting standards for pension plans. AC's recognition and measurement of assets, liabilities and pension obligations are consistent with the requirements of Section 4600. For accounting policies that do not relate to its investment portfolio or pension obligations, AC follows the requirements of International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

These Condensed Interim Consolidated Financial Statements (Interim Financial Statements) include the financial position, changes in net assets available for benefits and changes in pension obligations of AC and of the OMERS Pension Plans and have been prepared in accordance with CPA Canada Handbook Section 4600 and International Accounting Standard 34, Interim Financial Reporting. They do not include all the information and disclosure required in an annual set of consolidated financial statements. These Interim Financial Statements should be read in conjunction with the annual consolidated financial statements and the accompanying notes included in the OMERS 2024 Annual Report. The Interim Financial Statements follow the same accounting policies and methods used in preparation of the audited 2024 annual consolidated financial statements.

Certain comparative figures have been revised to conform to the presentation in the 2024 annual consolidated financial statements. This includes disaggregation of subtotals for Net Investment Income, Contributions, and Benefits on the Condensed Interim Consolidated Statement of Changes in Net Assets Available for Benefits, with corresponding changes reflected in the relevant notes. There is no impact to total Changes in Net Assets Available for Benefits. In addition, certain comparative figures have been reclassified in Note 3B – *Investment Fair Value Hierarchy*, Note 3C – *Derivative Financial Instruments* and Note 3D – *Investment Risk*, details of which have been included in the respective notes.

These Interim Financial Statements were approved by AC's Board of Directors on August 21, 2025.

USE OF ESTIMATES AND JUDGMENTS

Preparing these Interim Financial Statements requires AC Management (Management) to make estimates, judgments and assumptions that affect the reported values of assets and liabilities, income and expenses, accrued pension obligations and related disclosures. Actual results could differ from these estimates. Significant estimates are used primarily in the valuation of certain investments and the determination of pension obligations. In all cases, Management's estimates are sensitive to key assumptions and drivers that are subject to material change, and Management continues to monitor developments in these inputs.

ACCRUED PENSION OBLIGATION

The June 30, 2025 accrued pension obligation is determined by accumulating the December 31, 2024 accrued pension obligation with normal cost and interest and by deducting benefit payments in the period. Adjustments are made for other known experience, if considered material.

Note 3

Investments

A. Investments at Fair Value

Investments and investment-related assets and liabilities at fair value by asset class are as follows:

As at	June 30, 2025	December 31, 2024
Fixed Income		
Inflation-linked bonds	\$ 5,730	\$ 4,718
Nominal bonds and debentures	19,110	16,947
Private debt and mortgages ⁽ⁱ⁾	11,728	10,483
Total Fixed Income	36,568	32,148
Equities		
Public Equities	22,630	23,837
Private Equities	37,443	37,669
Total Equities	60,073	61,506
Real Assets		
Infrastructure investments	34,966	34,407
Real Estate investments	23,509	21,555
Total Real Assets	58,475	55,962
Short-Term Instruments		
Cash and short-term deposits	7,477	10,364
Total Investments	162,593	159,980
Investment-Related Assets		
Investment receivables	932	1,041
Securities purchased under reverse repurchase agreements	582	523
Deferred, prepaid and other assets	67	65
Derivatives	590	248
Pending trades	328	233
Total Investment-Related Assets	2,499	2,110
Investment-Related Liabilities		
Investment liabilities (note 4)	(20,365)	(18,289)
Derivatives	(220)	(1,266)
Pending trades	(499)	(489)
Total Investment-Related Liabilities	(21,084)	(20,044)
Net Investment Assets	\$ 144,008	\$ 142,046

(i) Includes royalty agreements of \$1,907 (December 31, 2024: \$1,723).

B. Investment Fair Value Hierarchy

Investment assets and liabilities are measured at fair value based on inputs from one or more levels of a fair value hierarchy as follows:

- **Level 1:** Fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities. Level 1 primarily includes publicly-listed equity investments, cash and derivative contracts traded on a public exchange.
- **Level 2:** Fair value is based on valuation methods that make use of inputs, other than quoted prices included in Level 1, that are observable by market participants either directly through quoted prices for similar but not identical assets, or indirectly through observable market information used in valuation models. Level 2 primarily includes short-term deposits, debt securities, securities purchased under reverse repurchase agreements, derivative contracts not traded on a public exchange, and investment-related liabilities, including debt, and securities sold under repurchase agreements.
- **Level 3:** Fair value is based on valuation methods whose significant inputs are based on unobservable market data. Level 3 primarily includes private market investments such as real estate, infrastructure, private equity, private debt and mortgages.

(a) Net investment assets are categorized into the fair value hierarchy as follows:

As at June 30,					2025
	Level 1	Level 2	Level 3	Total	
Fixed Income	\$ —	\$ 24,840	\$ 11,728	\$ 36,568	
Public Equities	22,630	—	—	22,630	
Private Equities	—	35	37,408	37,443	
Infrastructure	—	—	34,966	34,966	
Real Estate	—	—	23,509	23,509	
Short-Term Instruments	5,137	2,340	—	7,477	
Investment-Related Assets	97	2,402	—	2,499	
Investment-Related Liabilities	(450)	(20,634)	—	(21,084)	
Net Investment Assets	\$ 27,414	\$ 8,983	\$ 107,611	\$ 144,008	

As at December 31,					2024
	Level 1	Level 2	Level 3	Total	
Fixed Income	\$ —	\$ 21,665	\$ 10,483	\$ 32,148	
Public Equities	23,837	—	—	23,837	
Private Equities	—	—	37,669	37,669	
Infrastructure	—	—	34,407	34,407	
Real Estate	—	—	21,555	21,555	
Short-Term Instruments	5,770	4,594	—	10,364	
Investment-Related Assets	20	2,090	—	2,110	
Investment-Related Liabilities	(516)	(19,528)	—	(20,044)	
Net Investment Assets	\$ 29,111	\$ 8,821	\$ 104,114	\$ 142,046	

(b) The following table presents the changes in Level 3 investments for the period ended June 30, 2025:

	Fair Value Dec 31, 2024	Included in Net Investment Income	Transfers In ⁽ⁱ⁾	Transfers Out	Purchases	Sales and Return of Capital	Fair Value June 30, 2025	Change in Unrealized Gains (Losses) from Investments Held at the End of the Period ⁽ⁱⁱⁱ⁾
Fixed Income	\$ 10,483	\$ 96	\$ 164	\$ —	\$ 3,181	\$ (2,196)	\$ 11,728	\$ (462)
Private Equities	37,669	(313)	—	—	1,118	(1,066)	37,408	(1,157)
Infrastructure	34,407	1,378	—	—	1,109	(1,928)	34,966	373
Real Estate	21,555	365	1,021	—	1,424	(856)	23,509	95
Total	\$ 104,114	\$ 1,526	\$ 1,185	\$ —	\$ 6,832	\$ (6,046)	\$ 107,611	\$ (1,151)

The following table presents the changes in Level 3 investments for the period ended June 30, 2024:

	Fair Value Dec 31, 2023	Included in Net Investment Income	Transfers In	Transfers Out	Purchases	Sales and Return of Capital ⁽ⁱⁱⁱ⁾	Fair Value June 30, 2024	Change in Unrealized Gains (Losses) from Investments Held at the End of the Period ⁽ⁱⁱⁱ⁾
Fixed Income	\$ 11,520	\$ 879	\$ —	\$ —	\$ 2,694	\$ (4,167)	\$ 10,926	\$ 172
Public Equities	372	30	—	—	4	(19)	387	26
Private Equities	32,672	1,859	—	—	1,330	(1,906)	33,955	1,392
Infrastructure	30,937	1,498	—	—	1,890	(1,327)	32,998	570
Real Estate	22,586	(428)	—	—	912	(980)	22,090	(768)
Total	\$ 98,087	\$ 3,838	\$ —	\$ —	\$ 6,830	\$ (8,399)	\$ 100,356	\$ 1,392

(i) Transfers into Fixed Income include investments that have been collateralized with Level 3 credit facilities. Transfers into Real Estate include public equities that were privatized.

(ii) Separately identifies change in unrealized gains (losses) that are 'Included in Net Investment Income'.

(iii) The 2024 previously reported amounts were revised to reclassify a credit facility with a fair value of \$1,200 from Private Equities to Fixed Income with no impact to Total balances.

(c) Fair Value Assumptions and Sensitivity

Level 3 investment assets and liabilities are valued using models whose significant inputs are based on unobservable market data. The significant valuation input for infrastructure investments and private debt, the latter which is included in fixed income, is the discount rate. Significant valuation inputs for real estate investments are the discount rate and the terminal capitalization rate. The discount rate is composed of two elements: a risk-free rate and a risk premium. The risk-free rate is the return that would be expected from a secure, liquid, virtually risk-free investment, such as a high quality government bond. The risk premium is estimated from, where observable, implied values of similar publicly-traded investments or sales of similar investments or assets. If such information is not available, the risk premium is estimated at a level that compensates for the incremental amount of risk associated with a particular investment. The selected discount rates and terminal capitalization rates are chosen to be consistent with the risk inherent in the stream of cash flows to which they are applied.

The significant valuation input for private equity investments is earnings before interest, taxes, depreciation and amortization (EBITDA) multiples. All else being equal, higher multiples equate to higher fair values, and vice versa.

The following table presents the sensitivity of Level 3 investment valuations to reasonably possible alternative assumptions for asset categories where such reasonably possible alternative assumptions would change the fair value significantly. These sensitivities are hypothetical and should be used with caution. The impact to the valuation from such changes to the significant input has been calculated independently of the impact of changes in other key variables. In actual experience, a change in one significant input may result in changes to a number of underlying assumptions which could amplify or reduce the impact on the valuation.

As at				June 30, 2025	December 31, 2024
	Significant Inputs	Range of Inputs	Change in Significant Inputs	Change in Net Investment Assets	Change in Net Investment Assets
Fixed Income	Discount rate	3.8% - 27.3% (2024: 3.8% - 28.8%)	+/-50bps \$	-/+ 193	\$ -/+ 134
Private Equities	EBITDA Multiple	7.5X - 19.0X (2024: 7.5X - 19.5X)	+/- 0.50x	+/- 1,150	+/- 1,150
Infrastructure	Discount rate	7.5% - 17.1% (2024: 7.5% - 15.8%)	+/- 25 bps	-/+ 1,805	-/+ 1,875
Real Estate	Discount rate	5.8% - 11.0% (2024: 5.8% - 11.5%)	+/- 25 bps	-/+ 656	-/+ 649
Real Estate	Terminal capitalization rate	4.1% - 9.0% (2024: 4.2% - 9.0%)	+/- 25 bps	-/+ 922	-/+ 886

The above sensitivity analysis excludes fund investments totaling \$13,128 (December 31, 2024: \$10,931) for which AC has limited access to the underlying investment information. For those investments, fair values are equal to the values provided by the fund's general partner, unless there is a specific and objectively verifiable reason to vary from the value provided.

C. Derivative Financial Instruments

The following table summarizes AC's use of derivatives. Notional values represent the contractual amounts to which a rate or price is applied for computing the cash flows to be exchanged. These notional values are used to determine the gains (losses) and fair values of the derivative contracts; they are not recorded as assets or liabilities in the Condensed Interim Consolidated Statement of Financial Position. Notional values do not necessarily represent the amount of potential market risk or credit risk arising from derivatives.

As at	June 30, 2025				December 31, 2024		
		Fair Value			Fair Value		
	Notional Value	Assets	Liabilities	Notional Value	Assets	Liabilities	
Fixed Income							
Interest Rate Contracts							
Swaps	\$ 3,302	\$ —	\$ —	\$ 2,316	\$ —	\$ —	
Futures	10,285	21	(2)	6,357	4	(8)	
Total Interest Rate Contracts		21	(2)		4	(8)	
Credit Contracts							
Swaps	6,233	20	(13)	7,358	17	(7)	
Swaptions							
- written	—	—	—	144	—	—	
- purchased	—	—	—	144	1	—	
Total Credit Contracts		20	(13)		18	(7)	
Total Fixed Income		41	(15)		22	(15)	
Equities							
Equity Contracts							
Swaps	5,304	80	(109)	3,835	49	(71)	
Futures	689	1	—	712	1	(1)	
Options ⁽ⁱ⁾							
- written	1,633	—	(14)	1,979	—	(17)	
- purchased	4,375	174	—	5,384	111	—	
Total Equity Contracts		255	(123)		161	(89)	
Commodity Contracts							
Swaps	79	1	—	83	—	—	
Futures	2,479	5	(11)	2,437	15	(9)	
Total Commodity Contracts		6	(11)		15	(9)	
Total Equities		261	(134)		176	(98)	
Foreign Exchange Contracts							
Forwards	40,838	271	(71)	39,883	43	(1,152)	
Options							
- written	44	—	—	631	—	(1)	
- purchased	472	17	—	1,070	7	—	
Total Foreign Exchange Contracts		288	(71)		50	(1,153)	
Total	\$	590	\$ (220)	\$	248	\$ (1,266)	

(i) The 2024 previously reported notional values totaling \$3,405 were reclassified from Options written to Options purchased.

D. Investment Risk

AC's primary long-term investment risk is that the value of its assets and the capacity of those assets to generate investment income is insufficient to meet pension obligations. AC's future pension obligations are the basis for establishing its long-term investment objectives, combined with an assessment of associated risks.

AC manages market, credit and liquidity risk as follows:

a) Market Risk

Market risk is the risk that the fair value of an investment is impacted by changes in market variables such as foreign exchange rates, interest rates, equity prices, commodity prices, credit spreads and other variables.

(i) Foreign Exchange Rates

AC pays pensions in Canadian dollars and manages a highly diversified portfolio of long-term investments, many of which are denominated in foreign currencies. AC centrally manages the strategy for foreign currency and assumes certain foreign exchange risks, measuring and considering them in the context of overall portfolio objectives, alongside other investment related risks discussed elsewhere.

Net investment assets by currency exposure, after the impact of currency hedging, are as follows:

As at	June 30, 2025		December 31, 2024	
Currency	Net Exposure	% of Total	Net Exposure	% of Total
United States Dollar	\$ 50,402	35 %	\$ 46,005	33 %
Euro	10,466	7	10,619	7
British Pound Sterling	3,709	3	6,230	4
Australian Dollar	3,557	2	4,286	3
Swedish Krona	2,563	2	2,315	2
Indian Rupee	1,806	1	1,769	1
Hong Kong Dollar	1,107	1	1,599	1
All Other	2,302	1	2,406	1
Total Foreign Currency Exposure	75,912	52	75,229	52
Canadian Dollar	68,096	48	66,817	48
Total	\$ 144,008	100 %	\$ 142,046	100 %

Foreign Currency Sensitivity

After giving effect to the impact of foreign currency hedges and holding constant all other variables and underlying values, a five per cent increase or decrease in the value of the Canadian dollar against all foreign currencies to which AC is exposed, would result in an approximate \$3,794 (December 31, 2024: \$3,761) decrease or increase in AC's net investment assets as shown below:

As at	June 30, 2025		December 31, 2024	
Currency	Change in Unrealized Loss/Gain		Change in Unrealized Loss/Gain	
United States Dollar	\$ -/+	2,520	\$ -/+	2,300
Euro	-/+	523	-/+	531
British Pound Sterling	-/+	185	-/+	312
Australian Dollar	-/+	178	-/+	214
Swedish Krona	-/+	128	-/+	116
Indian Rupee	-/+	90	-/+	88
Hong Kong Dollar	-/+	55	-/+	80
All Other	-/+	115	-/+	120
Total	\$ -/+	3,794	\$ -/+	3,761

(ii) Interest Rate Risk

AC's primary exposure to interest rate changes in its investment assets relates to capital deployed in fixed income products, which include bonds and debentures, private debt and mortgages, as well as a variety of indirectly managed interest-bearing investments in private portfolios and interest rate swaps. AC's exposure to interest rate changes in its investment liabilities relates primarily to term notes. Investments with fixed rates of interest will decrease in market value while liabilities with fixed rates of interest will increase in market value as interest rates rise, and vice versa.

Sensitivity to changes in interest rates

AC's exposure to a 50 basis point increase (decrease) in interest rates on instruments directly impacted by interest rate changes, with all other variables held constant, would result in an approximate decrease (increase) in the value of directly managed fixed income investments and interest rate swaps, net of term note liabilities, of \$523 (December 31, 2024: \$495). This would be recognized as a change in unrealized loss (gain) within Net Investment Income.

(iii) Price Risk

Price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices (other than those arising from foreign currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument, its issuer or factors affecting similar financial instruments traded in the market.

AC's investment in publicly-traded equities is achieved through both physical holdings and derivative exposures. A ten per cent increase (decrease) in the aggregate value of these public equities would result in an approximate increase (decrease) in public equity exposures and an unrealized gain (loss) of \$2,781 (December 31, 2024: \$2,909).

AC's investments in private equity, infrastructure, real estate, private debt and mortgages are also subject to price risk. Values are impacted by a number of variables as described in Note 3B (c) *Fair Value Assumptions and Sensitivity*.

AC is also subject to price risk through changes in credit spreads on certain of its fixed income investments and term note liabilities. A 50 basis point increase (decrease) in the credit spreads of those applicable interest bearing instruments would result in an approximate net decrease (increase) in the value of fixed income investments and term note liabilities, and a net unrealized loss (gain) of \$339 (December 31, 2024: \$364).

b) Credit Risk

Credit risk is defined as the financial loss that results from the failure of a counterparty to honour its contractual obligations. AC is subject to credit risk primarily in connection with issuers or guarantors of securities, debtors, structured securities, derivatives, repurchase agreements and securities lending arrangements. Credit risk for uncleared over-the-counter (OTC) derivatives is mitigated through the exchange or posting of margin. Credit risk for cleared OTC derivative contracts and futures contracts is typically limited, as the counterparty is an exchange or central clearing counterparty which is designed for reducing counterparty risk and improving financial system stability. For these trades, initial margin is posted and margin receivables and payables are settled daily.

To manage counterparty credit risk, AC:

- requires collateral from its counterparties in certain circumstances, as outlined in contractual arrangements;
- limits how much exposure it has with individual counterparties;

- regularly performs financial analyses of its counterparties, which includes reference to credit rating agencies and other relevant external sources. AC only trades OTC derivatives with high quality counterparties;
- estimates ratings for credit investments using an internal rating process if no rating is available from selected reputable credit rating agencies; and
- enters into enforceable master netting agreements.

(i) Credit Quality

The credit ratings for fixed income and short-term instruments are set out in the table below:

As at June 30,						2025
	Sovereign Governments		Provincial Governments		Corporate	Total % of Total
AAA	\$	6,872	\$	—	\$ 144	7,016 16 %
AA		5,879		159	7,722	13,760 31
A		—		54	2,168	2,222 5
BBB		—		—	7,124	7,124 16
Below BBB		—		—	9,260	9,260 21
Unrated		—		—	4,663	4,663 11
Total	\$	12,751	\$	213	\$ 31,081	44,045 100 %

As at December 31,						2024
	Sovereign Governments		Provincial Governments		Corporate ⁽ⁱ⁾	Total % of Total
AAA	\$	12,347	\$	—	\$ 53	12,400 29 %
AA		1,898		4	8,727	10,629 25
A		—		—	1,708	1,708 4
BBB		—		—	6,322	6,322 15
Below BBB		—		—	7,114	7,114 17
Unrated		—		—	4,339	4,339 10
Total	\$	14,245	\$	4	\$ 28,263	42,512 100 %

(i) The 2024 previously reported credit facilities amounts totaling \$1,618 were reclassified from Unrated to Below BBB with no change to Total balances.

Unrated securities in the table above relate to private real estate debt and mortgages with a weighted average loan-to-value ratio at the time of issuance of no greater than 75%, and agreements that entitle AC to receive royalties on sales of established pharmaceutical products.

(ii) Margin and Collateral

AC is a counterparty to financial instruments that are subject to margin arrangements. AC pledges and receives collateral consisting of securities and cash in the ordinary course of managing net investments. Securities pledged as collateral continue to be recognized as AC's assets if AC retains substantially all the risks and rewards of ownership. Cash collateral pledged is always derecognized. AC has enforceable contractual rights to realize upon collateral and to set-off against amounts owing under financial contracts following a counterparty default or other termination right. Additional collateral is exchanged if the value of the collateral falls below a predetermined level, based on the value of the underlying transaction(s) or interest, and the value of the collateral posted. Specifically:

- In the case of OTC derivatives, variation margin collateral is collected from and provided to counterparties according to the Credit Support Annex (CSA), which forms part of International Swaps and Derivatives Association (ISDA) Master Agreements. Initial margin collateral is pledged to and provided by counterparties, as required by ISDA initial margin credit support or collateral transfer documentation (IM CSA). Initial margin collateral is held by third party custodians in segregated accounts.
- In the case of prime brokerage and securities borrowing, collateral is exchanged to the full extent of the liability with the counterparty, with a borrower required to pledge marketable securities or cash of

higher value than the securities borrowed as collateral. AC does not recognize any securities borrowed as its investment assets because the risks and rewards of the securities remain with the lender.

AC enters into securities repurchase and reverse repurchase transactions under Global Master Repurchase Agreements (GMRA). Securities repurchase transactions represent the sale of securities to counterparties with a simultaneous agreement to buy them back at a predetermined price in the future. AC does not derecognize such securities from its financial assets because the associated risks and rewards remain with AC. Securities reverse repurchase transactions (from AC's perspective) represent the purchase of securities from counterparties with a simultaneous agreement to sell them back at a predetermined price in the future. AC does not recognize such securities as financial assets because the associated risks and rewards remain with the counterparties. Collateral is exchanged between the counterparties based on the current value of the securities purchased (sold) under the agreements.

AC is permitted to sell or repledge collateral in the absence of default, with the exception of initial margin on OTC derivatives. The equivalent cash or securities must be returned to the counterparty should the counterparty demand a return of collateral. The fair value of collateral sold or repledged is \$nil (December 31, 2024: \$nil).

The fair value of collateral pledged and received, as well as securities purchased under reverse repurchase agreements and securities sold under repurchase agreements is as follows:

As at	June 30, 2025	December 31, 2024
Derivative-related		
Collateral received	\$ 330	\$ 25
Collateral pledged	1,196	1,994
Securities borrowing		
Collateral pledged	1,390	1,586
Securities under reverse repurchase and repurchase agreements		
Gross amounts of securities purchased under reverse repurchase agreements	582	523
Collateral held	584	523
Gross amounts of securities sold under repurchase agreements	3,150	2,247
Collateral pledged	3,237	2,266

(iii) Right of Netting and Offset

AC is a counterparty to financial instruments that are subject to netting and offset arrangements. AC enters into enforceable master netting agreements, such as ISDA Master Agreements, GMRA and securities lending agreements. Under these agreements, following a counterparty's event of default or other early termination event, AC is entitled to liquidate transactions under each of the above derivative, repurchase and securities lending arrangements and to net amounts payable under all transactions under that agreement, provided that in the case of bankruptcy or insolvency of the counterparty, AC's actions are subject to applicable bank recovery and resolution regulations and bankruptcy stays. Master netting agreements might include contractual rights of set-off, enforceable following the occurrence of an event of default or other termination event, that might allow, in certain circumstances, AC or its counterparty to set-off amounts owing under one agreement against amounts owed under another agreement, on a counterparty by counterparty basis. In the Condensed Interim Consolidated Statement of Financial Position, financial instruments are not offset, as a party's rights of offset across agreements are conditional.

Certain financial transactions, such as derivative transactions, involve a legally enforceable right to offset the recognized amounts and to settle payments on a net basis, or to realize upon an asset and settle a liability simultaneously. Financial assets and liabilities that are offset are reported as a net amount in the Interim Financial Statements.

AC may not be permitted to net and set-off upon the default of a clearer in respect of exchange traded derivatives and cleared OTC derivatives. In the Condensed Interim Consolidated Statement of Financial Position, financial instruments are not offset where the rights of offset are conditional.

In the following table, the Net amount presents the effect of the amounts that do not qualify for offsetting but which are subject to conditional netting arrangements or similar arrangements, including ISDA Master Agreements, GMRA, security lending agreements and any related rights to financial collateral:

As at June 30,							2025
	Gross amounts of recognized Financial Instruments	Less: Amounts offset in Interim Financial Statements	Net amounts presented in Interim Financial Statements	Related amounts not set off in the Condensed Interim Consolidated Statement of Financial Position		Net amount	
				Amounts subject to netting arrangements	Financial collateral (received) pledged		
Financial Assets							
Derivative assets	\$ 590	\$ —	\$ 590	\$ (150)	\$ (179)	\$ 261	
Securities purchased under reverse repurchase agreements	582	—	582	(582)	—	—	
Total Financial Assets	\$ 1,172	\$ —	\$ 1,172	\$ (732)	\$ (179)	\$ 261	
Financial Liabilities							
Derivative liabilities	\$ (220)	\$ —	\$ (220)	\$ 150	\$ 28	\$ (42)	
Securities sold short	(947)	—	(947)	—	947	—	
Securities sold under repurchase agreements	(3,150)	—	(3,150)	582	2,568	—	
Total Financial Liabilities	\$ (4,317)	\$ —	\$ (4,317)	\$ 732	\$ 3,543	\$ (42)	
As at December 31,							2024
	Gross amounts of recognized Financial Instruments	Less: Amounts offset in Interim Financial Statements	Net amounts presented in Interim Financial Statements	Related amounts not set off in the Condensed Interim Consolidated Statement of Financial Position		Net amount	
				Amounts subject to netting arrangements	Financial collateral (received) pledged		
Financial Assets							
Derivative assets	\$ 248	\$ —	\$ 248	\$ (110)	\$ (1)	\$ 137	
Securities purchased under reverse repurchase agreements	523	—	523	—	(523)	—	
Total Financial Assets	\$ 771	\$ —	\$ 771	\$ (110)	\$ (524)	\$ 137	
Financial Liabilities							
Derivative liabilities	\$ (1,266)	\$ —	\$ (1,266)	\$ 110	\$ 1,120	\$ (36)	
Securities sold short	(1,078)	—	(1,078)	—	1,078	—	
Securities sold under repurchase agreements	(2,247)	—	(2,247)	—	2,247	—	
Total Financial Liabilities	\$ (4,591)	\$ —	\$ (4,591)	\$ 110	\$ 4,445	\$ (36)	

c) Liquidity Risk

Liquidity risk is the risk that AC will encounter difficulty in meeting cash flow obligations as they come due. AC may use repurchase agreements, derivative contracts, securities lending and securities borrowing arrangements to gain exposure to equities, fixed income, credit, commodities and currency. Using these instruments increases AC's collateral requirements and liquidity risk.

AC has developed forward-looking liquidity risk and cash flow models and implemented metrics that facilitate monitoring of liquidity across multiple time horizons. AC evaluates 30-day liquidity requirements daily by monitoring a Board-approved liquidity coverage ratio, as well as 1-month and 3-month liquidity coverage ratios monitored by the Financial Services Regulatory Authority of Ontario. Liquidity monitoring also includes scenario-based liquidity crisis simulation. A diverse set of funding sources are maintained to meet AC's liquidity needs, including a portfolio of highly marketable assets that could be sold or funded on a secured basis to generate liquidity, as well as undrawn capacity of the revolving credit facility held by OMERS Finance Trust (OFT), which issues debt unconditionally and irrevocably guaranteed by AC.

As at June 30, 2025, AC maintained \$17,421 of liquid assets comprised of \$7,477 cash and short-term deposits, \$5,730 inflation-linked bonds, \$6,980 Canadian and United States government securities, all net of \$2,766 pledged collateral (December 31, 2024: \$18,221 of liquid assets comprised of \$10,364 cash and short-term deposits, \$4,718 inflation-linked bonds, \$7,226 Canadian and United States government securities, all net of \$4,087 pledged collateral).

(i) Terms to Maturity

The term to maturity of AC's derivative and investment liabilities is as follows:

As at	June 30, 2025				December 31, 2024			
	Within 1 Year	1 to 5 Years	Over 5 Years	Total	Within 1 Year	1 to 5 Years	Over 5 Years	Total
Debt (undiscounted principal and interest (re)payments)	\$ 3,250	\$ 8,505	\$ 7,077	\$ 18,832	\$ 3,273	\$ 8,421	\$ 5,600	\$ 17,294
Securities sold short ⁽ⁱ⁾	947	—	—	947	1,078	—	—	1,078
Securities sold under repurchase agreements	3,150	—	—	3,150	2,247	—	—	2,247
Payables and other liabilities	836	—	—	836	850	—	—	850
Derivative liabilities ⁽ⁱⁱ⁾	220	—	—	220	1,266	—	—	1,266
Total	\$ 8,403	\$ 8,505	\$ 7,077	\$ 23,985	\$ 8,714	\$ 8,421	\$ 5,600	\$ 22,735

(i) The 2024 previously reported balances of \$542 within 1 to 5 years and \$33 over 5 years were reclassified to within 1 year.

(ii) Related notional value of \$17,956 (December 31, 2024: \$46,317).

Since December 31, 2024, there have been no significant changes in composition or maturity for Amounts payable under contractual agreements of \$3,629 (December 31, 2024: \$4,078) and Other liabilities of \$216 (December 31, 2024: \$272).

(ii) Commercial paper

OFT, whose beneficiaries are subsidiaries of AC, is authorized to issue up to an equivalent of \$5,000 (December 31, 2024: \$5,000) in commercial paper, which is unconditionally and irrevocably guaranteed by AC. As directed by the OMERS Investment Risk Policy, total debt with recourse to AC cannot exceed 10 per cent of total Net Investment Assets (gross of total Debt) at the time the new recourse debt is incurred. Commercial paper of \$1,033 was issued as at June 30, 2025 (December 31, 2024: \$1,179).

Commercial paper generally has short-term maturities, and the requirement to repay this debt at maturity increases liquidity risk. OFT manages this risk by maintaining a high credit rating and a \$4,600 (December 31, 2024: \$4,600) revolving credit facility with a syndicate of well-capitalized banks to backstop the commercial paper program and to use for other general corporate purposes. The revolving credit facility matures on November 13, 2027 and was undrawn on as at June 30, 2025 and December 31, 2024.

Note 4

Investment Liabilities

AC's investment liabilities at fair value are as follows:

As at	June 30, 2025	December 31, 2024
Debt	\$ 15,432	\$ 14,114
Securities sold short	947	1,078
Securities sold under repurchase agreements	3,150	2,247
Payables and other liabilities	836	850
Total	\$ 20,365	\$ 18,289

Total Debt with recourse to AC is comprised of the following:

As at	June 30, 2025			December 31, 2024		
	Fair Value	Cost	Weighted Average Interest Rate	Fair Value	Cost	Weighted Average Interest Rate
Credit facility	\$ 198	\$ 198	4.97 %	\$ 209	\$ 209	5.14 %
Secured debt	164	—	5.83	153	—	6.45
Commercial paper ⁽ⁱ⁾	1,033	1,033	4.44	1,179	1,179	4.60
Term notes	14,037	13,771	3.51	12,573	12,350	3.10
Total	\$ 15,432	\$ 15,002	3.62 %	\$ 14,114	\$ 13,738	3.29 %

(i) As at June 30, 2025, commercial paper outstanding has maturities from July 7, 2025 to September 18, 2025 (December 31, 2024: January 6, 2025 to March 17, 2025) with interest rates ranging from 3.87% to 5.45% (December 31, 2024: 3.00% to 4.85%).

OFT is authorized to issue term notes, which are unconditionally and irrevocably guaranteed by AC. The details of outstanding term notes are shown in the table below:

As at	June 30, 2025			December 31, 2024
Maturity	Original Term	Currency	Coupon	Principal Amount ⁽ⁱ⁾
May 13, 2025	5 years	EUR	0.450%	—
March 26, 2026	5 years	USD	1.100%	1,000
April 21, 2027	7 years	CAD	1.550%	1,250
April 20, 2028	5 years	USD	4.000%	1,000
January 25, 2029	5 years	EUR	3.125%	750
May 14, 2029	10 years	CAD	2.600%	1,000
October 16, 2029	5 years	AUD	4.500%	750
March 20, 2030	5 years	USD	4.375%	1,000
March 26, 2031	7 years	USD	4.750%	1,000
April 19, 2032	10 years	USD	3.500%	600
November 15, 2033	10 years	USD	5.500%	1,000
January 28, 2035	10 years	EUR	3.250%	1,000
April 19, 2052	30 years	USD	4.000%	500

(i) Principal amount is stated in its respective denominated currency.

Note 5

Primary Plan Accrued Pension Obligation and Deficit

The actuarial assumptions used in the actuarial valuation of the Primary Plan as at June 30, 2025 are unchanged from the assumptions used in the valuation as at December 31, 2024.

The change in the actuarial value adjustment is as follows:

For the six months ended June 30,	2025	2024
Actuarial smoothing rate interest on beginning actuarial value adjustment ⁽ⁱ⁾	\$ (56)	\$ (129)
Current period returns (below) above the actuarial smoothing rate not recognized in the period ⁽ⁱ⁾	(1,934)	528
Prior years' returns (above) below the prior years' actuarial smoothing rates recognized in the period	(425)	898
Change in actuarial value adjustment	(2,415)	1,297
Actuarial value adjustment, beginning of period	(1,406)	(3,369)
Actuarial value adjustment, end of period	\$ (3,821)	\$ (2,072)

(i) The actuarial smoothing rate is 8.18% (2024: 7.83%).

The actuarial value adjustment is constrained such that the resulting actuarial value of net assets is no more than 15% different from the fair value of net assets. As at June 30, 2025 and December 31, 2024 this constraint had no impact on the actuarial value adjustment.

Note 6

Net Investment Income

The OMERS Pension Plans' net investment income by asset class is as follows:

For the six months ended June 30,	2025						2024
	Investment Income	Net Gain on Net Investment Assets	Net Investment Income	Investment Income	Net Gain on Net Investment Assets	Net Investment Income	
Fixed Income							
Inflation-linked bonds	\$ 34	\$ (71)	\$ (37)	\$ 18	\$ 159	\$ 177	
Nominal bonds and debentures	380	(210)	170	279	85	364	
Private debt and mortgages ⁽ⁱ⁾	400	(305)	95	460	383	843	
Total Fixed Income	814	(586)	228	757	627	1,384	
Equities							
Public Equities	190	147	337	176	1,691	1,867	
Private Equities	783	(1,156)	(373)	554	1,235	1,789	
Total Equities	973	(1,009)	(36)	730	2,926	3,656	
Real Assets							
Infrastructure investments	717	576	1,293	914	590	1,504	
Real Estate investments	254	34	288	304	(794)	(490)	
Total Real Assets	971	610	1,581	1,218	(204)	1,014	
Short-Term Instruments							
Cash and short-term deposits	155	8	163	351	59	410	
Derivatives	—	1,919	1,919	—	112	112	
Investment liabilities	(264)	(75)	(339)	(232)	(296)	(528)	
Net Investment Income	\$ 2,649	\$ 867	\$ 3,516	\$ 2,824	\$ 3,224	\$ 6,048	

(i) Includes net investment income from royalty agreements of \$65 (2024: \$157).

Note 7

Segment Information

AC's reporting segments are the asset classes defined in the Primary Plan's Statement of Investment Policies & Procedures (SIP&P). Management uses the SIP&P asset classes to assess AC's investment diversification, risk management and performance.

A. Investments at Fair Value by Segment

As at	June 30, 2025	December 31, 2024
Fixed Income		
Government Bonds	\$ 12,507	\$ 11,313
Public Credit	13,932	10,979
Private Credit	18,737	16,925
	45,176	39,217
Equities		
Public Equities	22,478	23,405
Private Equities	27,074	27,513
	49,552	50,918
Real Assets		
Infrastructure	31,918	31,542
Real Estate	21,148	18,656
	53,066	50,198
Cash and Funding	(5,412)	(214)
Total Investments	\$ 142,382	\$ 140,119
Reconciliation to Investments by asset class (note 3A)		
OMERS Return Agreements ⁽ⁱ⁾	1,601	2,085
RCA Net Investment Assets	157	147
Other	(132)	(305)
Net Investment Assets (note 3A)	\$ 144,008	\$ 142,046

B. Net Investment Income by Segment

For the six months ended June 30,	2025	2024
Fixed Income		
Government Bonds	\$ 303	\$ (10)
Public Credit	288	281
Private Credit	479	1,137
	1,070	1,408
Equities		
Public Equities	769	2,630
Private Equities	(350)	957
	419	3,587
Real Assets		
Infrastructure	1,131	1,182
Real Estate	220	(606)
	1,351	576
Cash and Funding	281	74
	3,121	5,645
Less: Administered Funds ⁽ⁱⁱ⁾	44	80
Total Primary Plan	\$ 3,077	\$ 5,565
Add: RCA	8	16
Other	(14)	—
Total Changes Due to Investment Activities	\$ 3,071	\$ 5,581

(i) Contractual return agreements that provide eligible clients with access to the performance of all or parts of the investment return of the Primary Plan.

(ii) Funds invested by AC on behalf of certain parties under contractual agreements.

Note 8

Guarantees, Commitments and Contingencies

AC enters into guarantees, commitments and contingencies in the normal course of business.

Guarantees are provided to third parties with respect to certain investments. The maximum amount payable under guarantees, standby letters of credit and contingent amounts payable provided as part of investment transactions was \$1.6 billion as at June 30, 2025 (December 31, 2024: \$1.7 billion).

As at June 30, 2025, future financial commitments relating to the acquisition, development and refurbishment of investments include \$2.6 billion (December 31, 2024: \$2.3 billion) which is expected to be due within one year and \$8.9 billion (December 31, 2024: \$9.1 billion) which is expected to be due after one year. Future financial commitments relating to funds managed by third parties and private debt investments are \$6.3 billion (December 31, 2024: \$4.3 billion) and are payable on demand, subject to the terms and conditions of each agreement.

AC indemnifies its directors, officers, certain employees, its business units and certain others in connection with proceedings against them to the extent that these individuals are not covered under another arrangement. In addition, AC may in certain circumstances in the course of investment activities agree to indemnify a counterparty. Under the terms of such arrangements, AC may be required to compensate these parties for costs incurred as a result of various contingencies such as changes in laws and regulations or legal claims. The contingent nature of the liabilities in such agreements and the range of indemnification prevent AC from making a reasonable estimate of the maximum amount that would be required to pay such indemnifications.

As at June 30, 2025, AC was involved in certain litigation and claims. The outcome of such litigation and claims is inherently difficult to predict; however, in the opinion of Management, any liability that may arise from such contingencies would not have a material adverse effect on the Interim Financial Statements.