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INDEPENDENT AUDITOR'S REPORT

To the Administrator of The Contributory Pension Plan for Salaried Employees of McMaster University, including McMaster Divinity College and The Contributory Pension Plan for Salaried Employees of McMaster University, including McMaster Divinity College 2000.

Opinion

We have audited the calculation of the combined average annual rate of return for The Contributory Pension Plan for Salaried Employees of McMaster University, including McMaster Divinity College and The Contributory Pension Plan for Salaried Employees of McMaster University, including McMaster Divinity College 2000 for the year ended June 30, 2025. The financial information has been prepared by management in accordance with the approved amendments to Section 2.13 of The Plan text dated July 1, 2002.

In our opinion, the combined average annual rate of return of 7.92% for The Contributory Pension Plan for Salaried Employees of McMaster University, including McMaster Divinity College and The Contributory Pension Plan for Salaried Employees of McMaster University, including McMaster Divinity College 2000, for the year ended June 30, 2025, is prepared, in all material respects, in accordance with the approved amendments to Sections 2.13 of The Plan text dated July 1, 2002.

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 Statement***" section of our auditor's report.

We are independent of The Contributory Pension Plan for Salaried Employees of McMaster University, including McMaster Divinity College and The Contributory Pension Plan for Salaried Employees of McMaster University, including McMaster Divinity College 2000 in accordance with the ethical requirements that are relevant to our audit of the Statement 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.



Responsibilities of Management for the Statement

Management of The Contributory Pension Plan for Salaried Employees of McMaster University, including McMaster Divinity College and The Contributory Pension Plan for Salaried Employees of McMaster University, including McMaster Divinity College 2000 is responsible for the preparation of the financial information in accordance with the approved amendments to Section 2.13 of The Plan text dated July 1, 2002, and for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Statement

Our objectives are to obtain reasonable assurance about whether the financial information is 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 Statement.

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 information, 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 Contributory Pension Plan for Salaried Employees of McMaster University, including McMaster Divinity College and The Contributory Pension Plan for Salaried Employees of McMaster University, including McMaster Divinity College 2000's internal control.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

December 11, 2025

McMASTER UNIVERSITY
CONTRIBUTORY PENSION PLAN FOR SALARIED EMPLOYEES
AVERAGE ANNUAL RATE OF RETURN FOR YEAR ENDING JUNE 30, 2025
(in thousands of dollars)

	Plan 2000	Original Plan	Total
	(2)	(2)	
<u>Income</u>			
Investment income	62,032	128	62,160
Net realized gain on sale of investments	105,837	219	106,056
Net realized gain(loss) on sale of units in the Master Trust Fund	19,937	33	19,970
Change in net unrealized gain/(loss) in investments	110,262	237	110,499
	298,068	617	298,685
<u>Expenses</u>			
Investment managers	6,201	13	6,214
Professional	1,458	35	1,493
Administrative	574	1	575
Trustee and custodial	154	2	156
Pension filing	68	1	69
Audit	25	9	34
	8,480	61	8,541
Net Income (Loss)	289,588	556	290,144
Net Assets Market Value June 30, 2024	2,719,036	5,569	2,724,605
Net Assets Market Value June 30, 2025	2,962,147	6,155	2,968,302

$$\begin{aligned}
 \text{2025 Rate of Return (1)} &= \frac{290,144}{\frac{1}{2}(2,968,302 + 2,724,605 + (290,144))} \\
 &= 10.74 \%
 \end{aligned}$$

Calculation of Five Year Average

	%	
2025 Rate of Return	10.74	
2024 Rate of Return	12.63	
2023 Rate of Return	12.71	
2022 Rate of Return	(13.20)	
2021 Rate of Return	16.73	
Total Return for Last Five Years	39.61	
Five Year Annual Average Return (Total Return / 5)	7.92%	=

(1) Formula as established

(2) Amounts as reported on June 30, 2025 Audited Statements