

Auto Sector Retiree Health Care Trust

CCI Plan

2024 Annual Report



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Chair, asrTrust



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CEO, asrTrust

Update from the Chair and CEO

asrTrust's mission is to support the healthy aging of our members, to help you live a fulfilling retirement. We do this by delivering a valuable, comprehensive and sustainable health benefits program that considers your evolving needs and preferences to enhance your health and quality of life.

In 2024 we continued to execute on this mission by launching a newly designed website at asrTrust.com, where we invite you to provide us with your email so we can send updates and articles to support your healthy aging. Some of the articles we have shared include how to help protect yourself from benefit provider fraud, information about the link between hearing loss and dementia, and things to consider when aging at home, among other topics.

We also completed our latest actuarial valuation in 2024. A valuation helps assess the plan's long-term sustainability by comparing future expenses to current assets and whether we're at risk of running out of money or not spending enough. Ideally, the valuation should be at or slightly above 100%, meaning we have enough funds to cover future expenses, although it does fluctuate from quarter to quarter.

As of Jan 1, 2024, the valuation was 106.5% and with strong investment returns in 2024, it has increased to slightly over 110%. The plan is well positioned to weather a challenging future, and we will monitor the plan on a quarterly basis to determine if there is room for plan improvements.



Despite the strong position, we continue to focus on ensuring that the plan dollars we are spending are adding value and impact to your health, and that we are minimizing excess spending by putting a greater emphasis on benefit fraud and waste prevention strategies.

Within asrTrust, we welcomed new team members and with new talent are putting a bigger emphasis on efficient and effective operations and risk management. We implemented a business continuity plan, a new risk management process, and reviewed our third-party partner contracts, including stronger clauses to ensure that our partners' operations are managed soundly for your benefit.

Finally, we ended 2024 poised to launch a new solution for members who require the assistance of a Personal Support Worker as they age in their home. Through a partnership with GreenShield and SE Health, you now have the support of a case management nurse who will oversee your experience and make sure that you have an appropriate care plan, and that your needs are being met.

On behalf of the Board of Trustees and Staff, it is our honour and pleasure to manage asrTrust for you.



Membership

The CCI asrTrust plan was created to support a defined population of individuals. At the end of 2024, 11,980 members were actively retired and part of the asrTrust plan with an additional 8,075 spouses and dependents. As well, there were 3,760 individuals who remain actively employed at CCI and will be eligible to join the asrTrust plan upon their retirement. New retirees entering the plan are generally replacing those that are exiting the plan; therefore, the size of the population is anticipated to remain relatively flat for the next few years.

CCI asrTrust Plan size as of Dec 31	2024	Change from 2023
Number of Members	11,980	-102
Number of Participants (Members + Spouses + Dependents)	20,055	-210

Benefit Claims

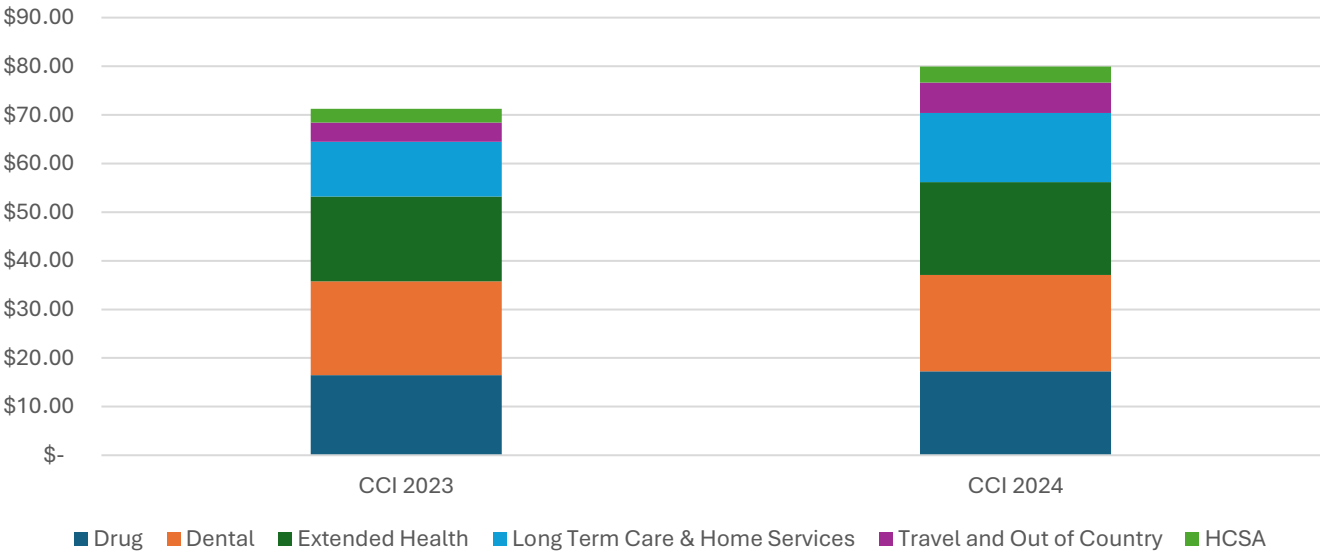
We now have three full years of experience with our enhanced plan design that was introduced Jan 1, 2022. Anecdotally, members are appreciative of the extra coverage and claiming patterns have become more predictable which is important for assessing the sustainability of the plan.

In 2024, asrTrust paid \$79.8 Million (M) of benefit claims (before taxes) to CCI members compared to \$71.1M in 2023. This represents an average of almost \$3,980 claims paid per plan participant (members, spouses and dependents), an increase of 13% over 2023.

In 2024 drug claims grew 5% while dental claims only grew a modest 3%. Long Term Care and Home Services together grew by 26% as members leveraged strategies to support aging at home. The HCSA benefit is growing in popularity and utilization as claims paid grew by 19% from 2023. 2024 saw the first \$1M travel claim in the plan history. This is a very rare occurrence and does indicate a trend, but it does show the importance of travel insurance when leaving the country. All together, growth in claims aligns with our forecasts.

Since its inception, asrTrust has now paid almost \$640 Million (M) dollars in claims to CCI members and their families.

Claims Paid before Tax (\$M)

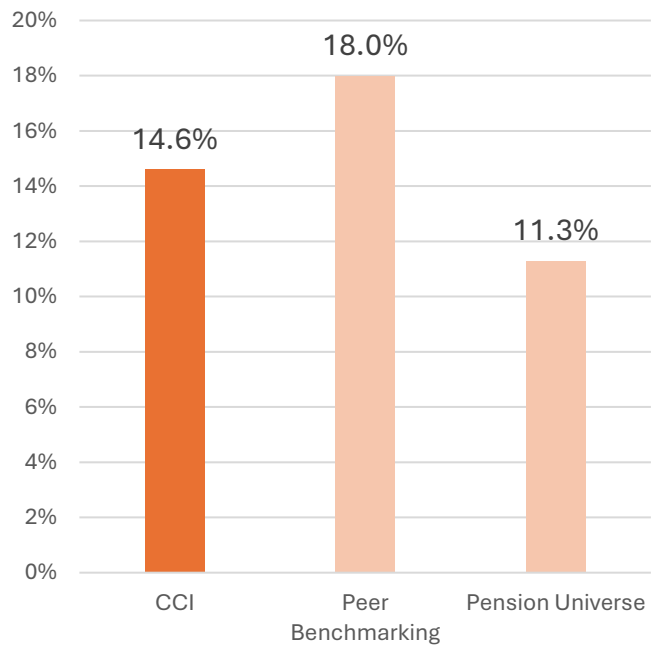




Investment Performance

2024 delivered spectacular investment returns of 14.6%. These results show the flexibility in our investment strategy, allowing us to achieve solid returns in up markets while still providing exceptional protection in down markets, like we experienced in 2022.

2024 Investment Performance



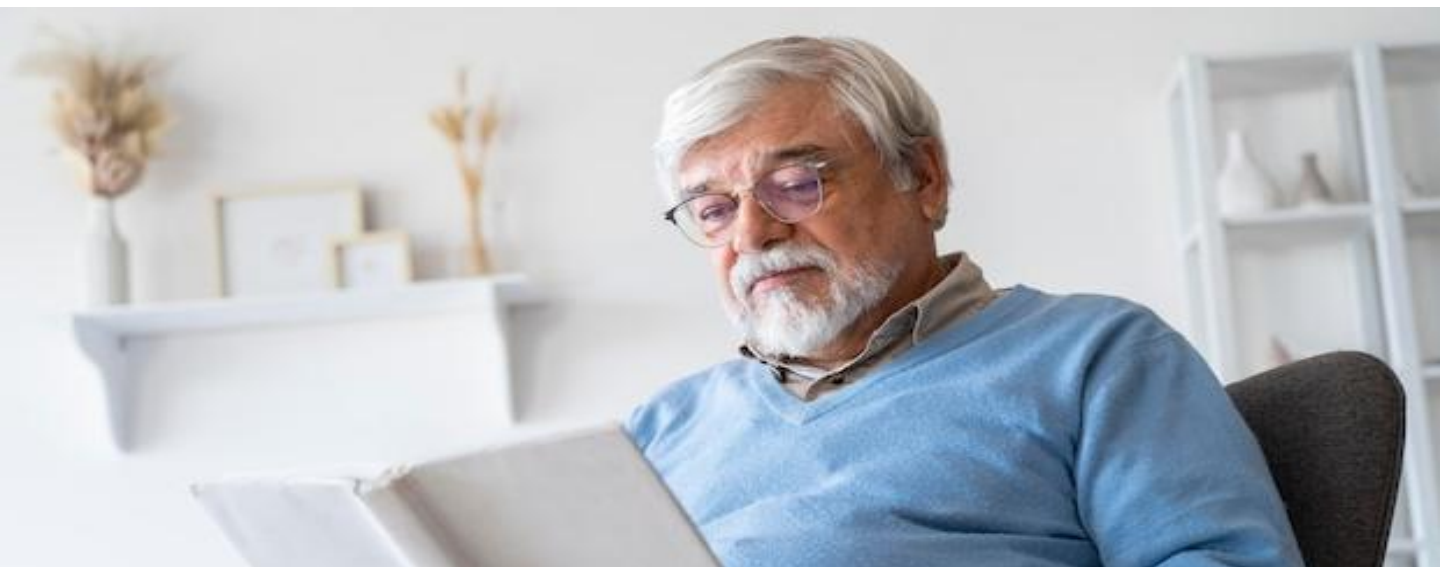
With two consecutive years of strong returns, our 4-year rolling net rate of return has increased to 7.6% as of Dec 31 2024, which is above the threshold of what is required to maintain the plan benefits, and is helping to offset the growth in claims.

Financials

CCI investments delivered strong revenue in 2024 that more than offset the growth in benefit claims. Professional and administrative costs continue to be in line with expected inflationary growth; however, overall expenses remained close to flat in 2024 due to prudent financial management.

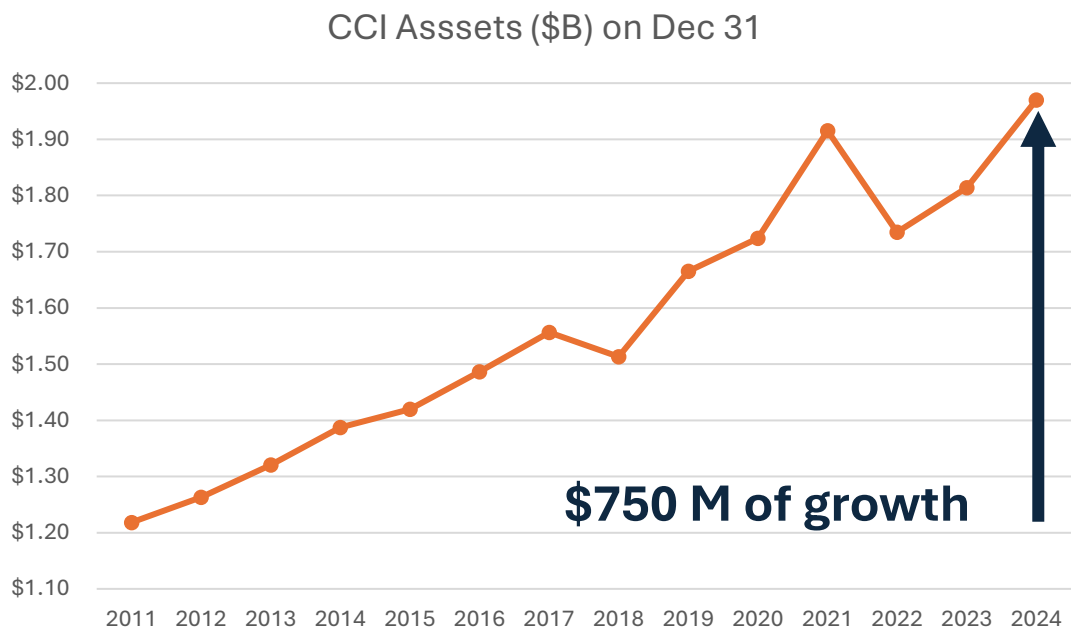
	2023	2024
Starting assets	\$1,734,680,000	\$1,809,800,000
Realized investment gains (losses)	\$71,900,000	\$84,690,000
Unrealized gains (losses)	\$96,800,000	\$174,420,000
Total Investment Performance	\$168,700,000	\$259,110,000
Claims & Health administration fees	\$81,310,000	\$90,980,000
Investment management fees	\$6,460,000	\$6,940,000
Professional & Operational Fees	\$1,060,000	\$1,070,000
Total Expenses	\$88,830,000	\$98,990,000
Year End Assets	\$1,809,800,000	\$1,969,920,000

Rounded to the nearest \$10,000



Financials

In 2024 our plan assets available to pay benefits grew by \$156M. Since inception, we have increased our assets by \$750M and paid almost \$640M in claims (before tax) back to members and their families.





Plan Sustainability

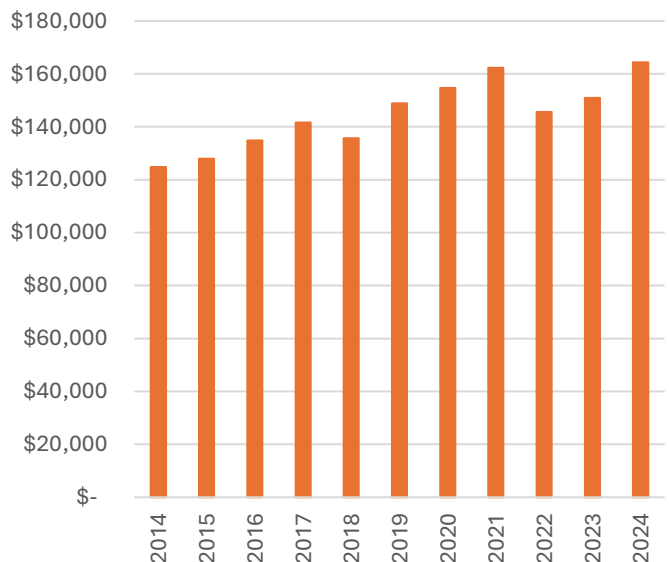
In 2024, Eckler, our actuarial partner, conducted a plan valuation to determine if we have enough money to maintain the current benefit plan for the lifetime of our members.

This is assessed by calculating a funding ratio. At 100%, we have exactly the right amount of money to maintain our current benefits without running out of money or being left with extra money in the Trust.

Our funding ratio as of Jan 1, 2024 was a healthy 106.5%. We monitor this ratio quarterly, and with strong returns in 2024, it increased slightly. Given the uncertainty and volatility of the environment in the first half of 2025, the plan is well positioned to weather a challenging market. We continue to assess opportunities to minimize waste and maximize the impact of the benefit dollars we are spending.

Assets / CCI Member

(Values as of Dec 31)



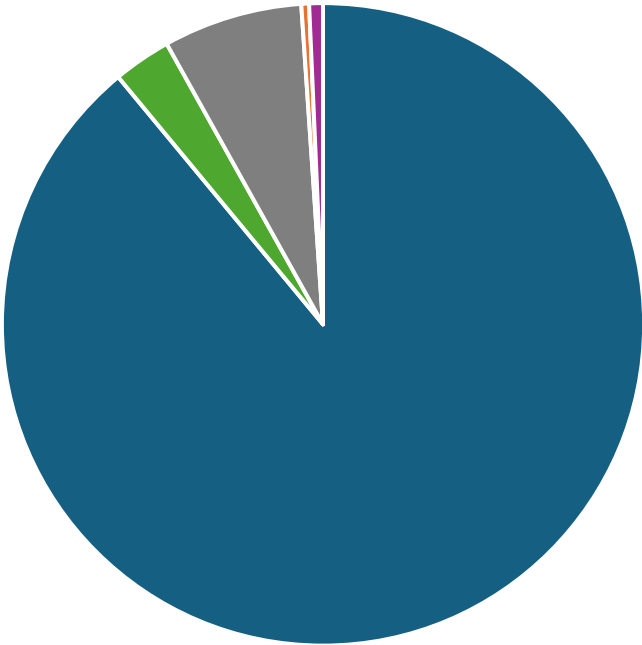


Value for Members

asrTrust wants to ensure we are putting as many dollars as possible back into your pockets, to pay for benefits that will support your healthy aging throughout your retirement.

Here is a breakdown of how we spent every \$100 in 2024:

\$89.00	paid Your Claims
\$2.91	paid GreenShield fees
\$7.01	paid Investment fees
\$0.39	paid Professional fees
\$0.69	paid asrTrust Operations



■ Your Claims ■ GreenShield Fees ■ Investment Fees ■ Professional Fees ■ asrTrust Operations



asr TRUST
RETIREE HEALTH CARE

