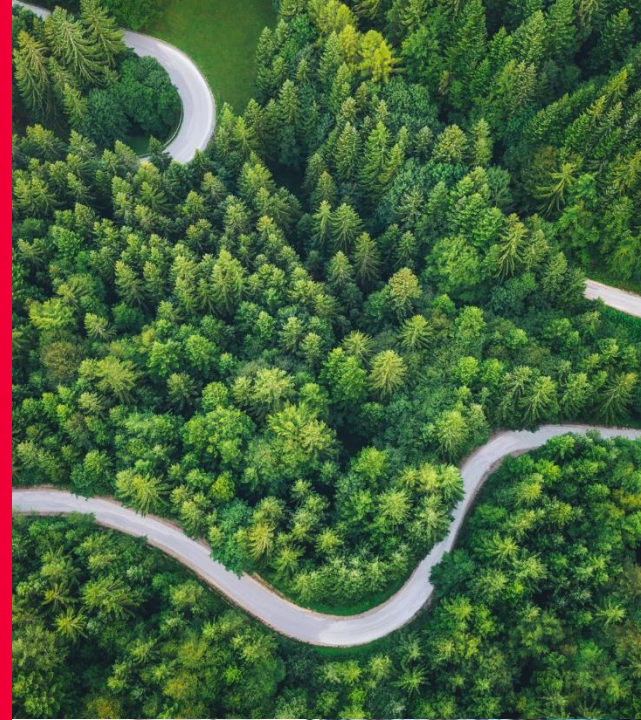


Ontario Teachers' Finance Trust

Investor Presentation

December 2024



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Unless otherwise noted, all amounts stated herein are in Canadian dollars and are approximate, and all amounts are as at December 31, 2023 unless otherwise noted.

Executive Summary

Ontario Teachers' is one of the largest public pension plans in North America

- Fully funded status for an eleventh year in a row
- History of strong performance since inception in 1990
- Highly rated plan (Moody's: Aa1, S&P: AAA, DBRS: AAA)

Strong plan sponsorship with available pension funding flexibility

- Mandatory contributions from teachers that are matched by the Province of Ontario
- Jointly sponsored defined benefit plan with robust pension funding levers

Strategic focus to meet pension requirements through stable returns

- Manage global investments to achieve positive risk adjusted returns
- Long-standing focus on climate change, corporate governance and sustainable investing

Ontario Teachers' has strong risk and governance practices

- Ontario Teachers' is established by legislation
- The board acts independently from the Sponsors to establish strategy and oversee investment program

Debt guarantee with priority of payment

- OTFT is an established global SSA issuer with outstanding benchmark bonds in USD, CAD, EUR and GBP
- OTFT's debt is fully guaranteed by Ontario Teachers'
- Creditors rank senior to pension liabilities upon wind up of the plan

- 01. About Ontario Teachers'**
02. Investment Management
03. Sustainable Investing
04. Investment Funding Strategy
05. Concluding Remarks

About Ontario Teachers'



One of the largest
defined benefit
public pension
plans in North
America



Operates as an
independent
organization from
the Province of
Ontario



Mandate to invest
pension assets to
help pay pensions
and administer
benefits



Creditors have
priority over
pension liabilities

About Ontario Teachers'



107%

Funding Ratio

9.3%

total-fund net return
since inception



80%+

assets managed
in-house

Invests in

50+

countries

340,000

working members
and pensioners

\$255.8B

in Net Assets
as at June 30, 2023



Aa1
Moody's

AAA
S&P Global

AAA
DBRS



About Ontario Teachers'

- Fully funded defined benefit plan with benefits linked to Canadian inflation. A funding valuation is required by law to be filed with the regulatory authorities every 3 years.
- Governed by Ontario legislation, plan participation is mandatory by Ontario public school teachers
- Member contributions (11% of salary on average) matched by Government of Ontario (by law) for total of 22% of salary in contributions
- As at January 1, 2024, the plan was fully funded for the eleventh straight year with a \$19.4 billion surplus and a funding ratio of 107%. The co-sponsors filed the valuation with the regulators and classified the surplus as a contingency reserve.

Our Mission

Deliver outstanding service and retirement security for our members

An Independent Organization

Plan Sponsors

Ontario Teachers' Federation



Ontario Government



Ontario Teachers'

Board Members

Management

Together

- Set contribution rate and benefit levels
- Address funding shortfalls or use of surplus
- Select the board Chair

Individually

- Appoint independent board members (5 each)

Board Members

- Articulate appetite for risk
- Oversee investment program and plan administration
- Set actuarial assumptions for funding valuation
- Inform Sponsors of plan's funded status, sustainability

Management

- Day-to-day investment management & plan administration
- Develop and implement strategy, manage risk

Independent and Robust Pension Funding Process

- The Sponsors are required to contribute each year and cannot withdraw money
- The funding valuation process is robust and independent of the Sponsors

Pension Funding Risk

Funding Management Policy

- The Sponsors have put in place a formal Funding Management Policy to guide how surplus can be spent and deficits recouped
- Available pension funding levers:
 - Contribution rate increases
 - Conditional Inflation Protection (CIP)
- Over the next 15 years, the percentage of the plan's total liability that is subject to CIP will increase from 57% to 84%.

Conditional Inflation Protection

- Powerful funding lever
- Effective lever for mitigating funding risks
- Promotes intergenerational equity

CIP as a Stress Resistant

	2023	2033
Hypothetical plan deficit (C\$bn)	\$23B	\$33B
Decrease in level of CIP required to eliminate the hypothetical plan deficit	27%	19%
Asset loss capable of being absorbed by fully invoked CIP (C\$ bn)	\$57B	\$116B

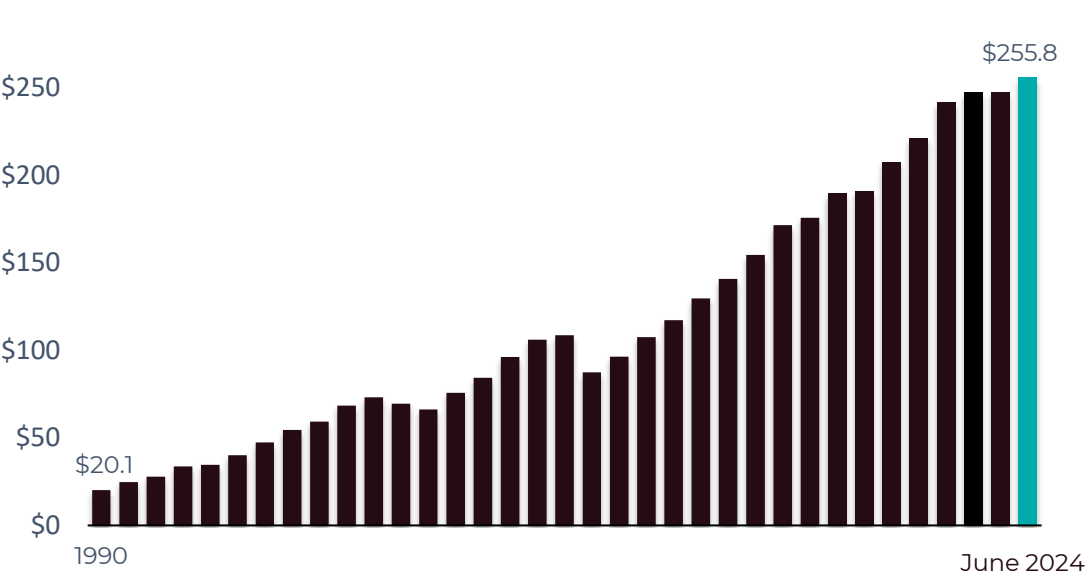
- 01. About Ontario Teachers'
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Investment Objectives

- Investment program is designed to meet the needs of the pension liabilities and help achieve stable returns over the long term
- Global investment program with holdings in **50+ countries**, diversified across asset classes and geographies

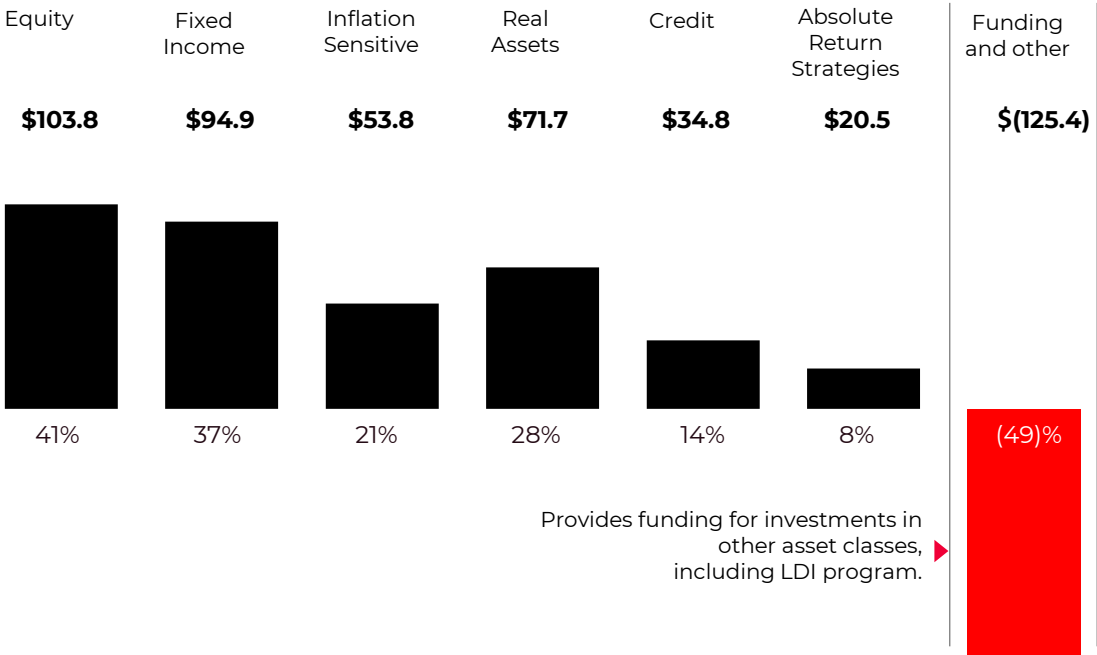
Net Assets

As at June 30, 2024 (Canadian \$ billions)



Net Investments by Asset Class

As at June 30, 2024 (Canadian \$ billions)



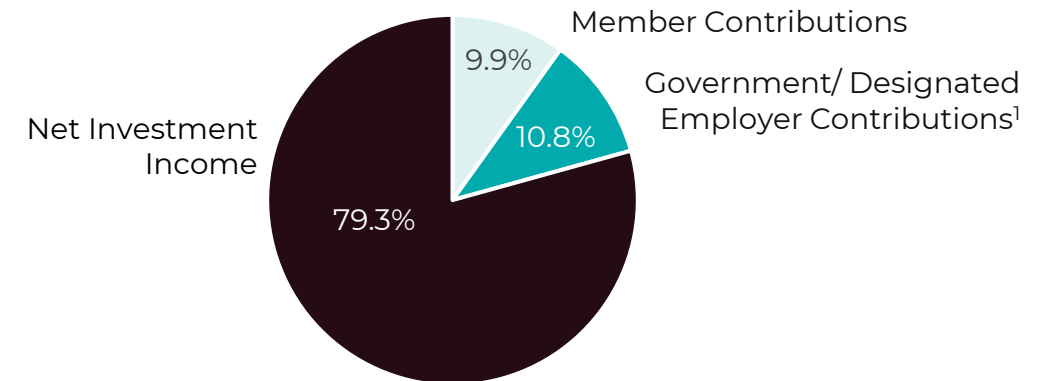
Investment Performance

- The six-month total-fund net return was **4.2%** as at June 30, 2024
- Total-fund net return in 2023 was **1.9%** resulting from strong returns across public equity and credit asset classes whereas these gains were partially offset by negative returns for the year in infrastructure and real estate.
- The plan continues to deliver strong long-term returns of **7.6%** over ten years and **9.3%** since inception in 1990 as at December 31, 2023.

As at December 31, 2023	2023	5-Year	10-Year	Since Inception
Total-Fund Net Return	1.9%	7.2%	7.6%	9.3%
Benchmark Return	8.7%	8.5%	7.5%	7.8%
Return Above (or Below) Benchmark	(6.8)%	(1.3)%	0.1%	1.5%

Numbers may not add up due to rounding.

Pension Funding Source since 1990



¹ The additional 0.9% includes original plan deficit funding and contributions related to conditional inflation protection.

Investment Management Risk

Risk Governance

- Risk Appetite defined by board coupled with Enterprise Risk Framework
- Independent risk function reporting directly to CEO and board
- Risk Management is about having a strong culture of risk awareness and accountability throughout the organization
- Comprehensive board and management level policies, limits and reporting

Risk Measurement

Risk is assessed and monitored regularly; some key risk dimensions include:

- **Market and Credit Risk** is measured and monitored daily using enterprise risk system and monitors the active and asset risk usage relative to budgets
- **Liquidity Risk** via Liquidity Coverage Ratio framework
- **Counterparty Credit Risk** is measured through internal scoring and a framework of potential future exposure

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Sustainable Investing is Simply How We Invest

Our sustainable investing principles

Actively managing sustainability related risks and opportunities is central to our investment strategy and supports plan sustainability.



INTEGRATE

We integrate ESG considerations into our investment process to manage risk and add value.



ENGAGE

We engage with companies we invest in to promote positive change and sustainable practices.



INFLUENCE

We use our influence as a global investor to create a supportive and sustainable business environment.



EVOLVE

We constantly evolve our practices and approach to keep ahead of emerging issues.

As an allocator of capital, a builder of businesses and an active, engaged investor, we believe generating sustainable returns relies on a sustainable foundation.

Progress on Our Net-zero Journey

- We are making headway on achieving net-zero greenhouse gas emissions by 2050
- Our net-zero commitment and interim targets help ensure our long-term trajectory is pointed in the right direction

Net Zero by 2050

Interim targets to reduce our portfolio carbon emissions intensity against a 2019 baseline

↓45%
by 2025

↓67%
by 2030

Achieved a

↓39%¹

reduction in our portfolio
carbon footprint intensity
since 2019

Our Climate Strategy

Our multi-faceted climate strategy is rooted in driving significant real-world impact



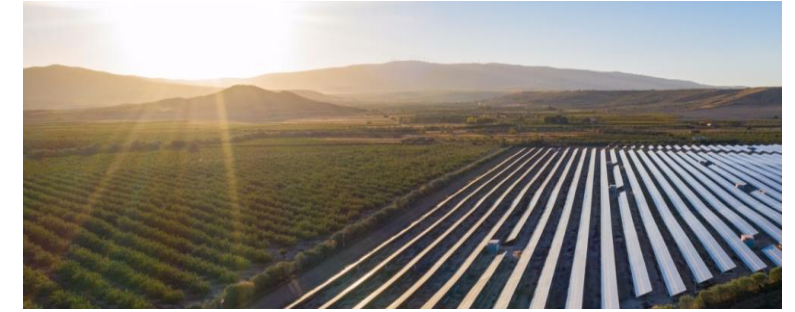
Decarbonizing our portfolio

Work with companies where we have significant ownership stakes and influence to support them on a decarbonization pathway in line with their own sustainability objectives and our net-zero ambition.



Decarbonizing high emitters

Invest to accelerate the decarbonization of high-emitting businesses.



Significantly increasing green and transition investments

Increase our capacity to deploy capital into companies that enable the net-zero transition, reduce net GHG emissions and help build a sustainable economy while also helping us generate returns.



Leveraging advocacy and partnerships

Engage on issues that help the broader economy shift toward net zero and collaborate with like-minded partners and investors.



Issuing green bonds

Issue green bonds to fund investments in eligible green assets with measurable impacts that support the transition to a sustainable future.

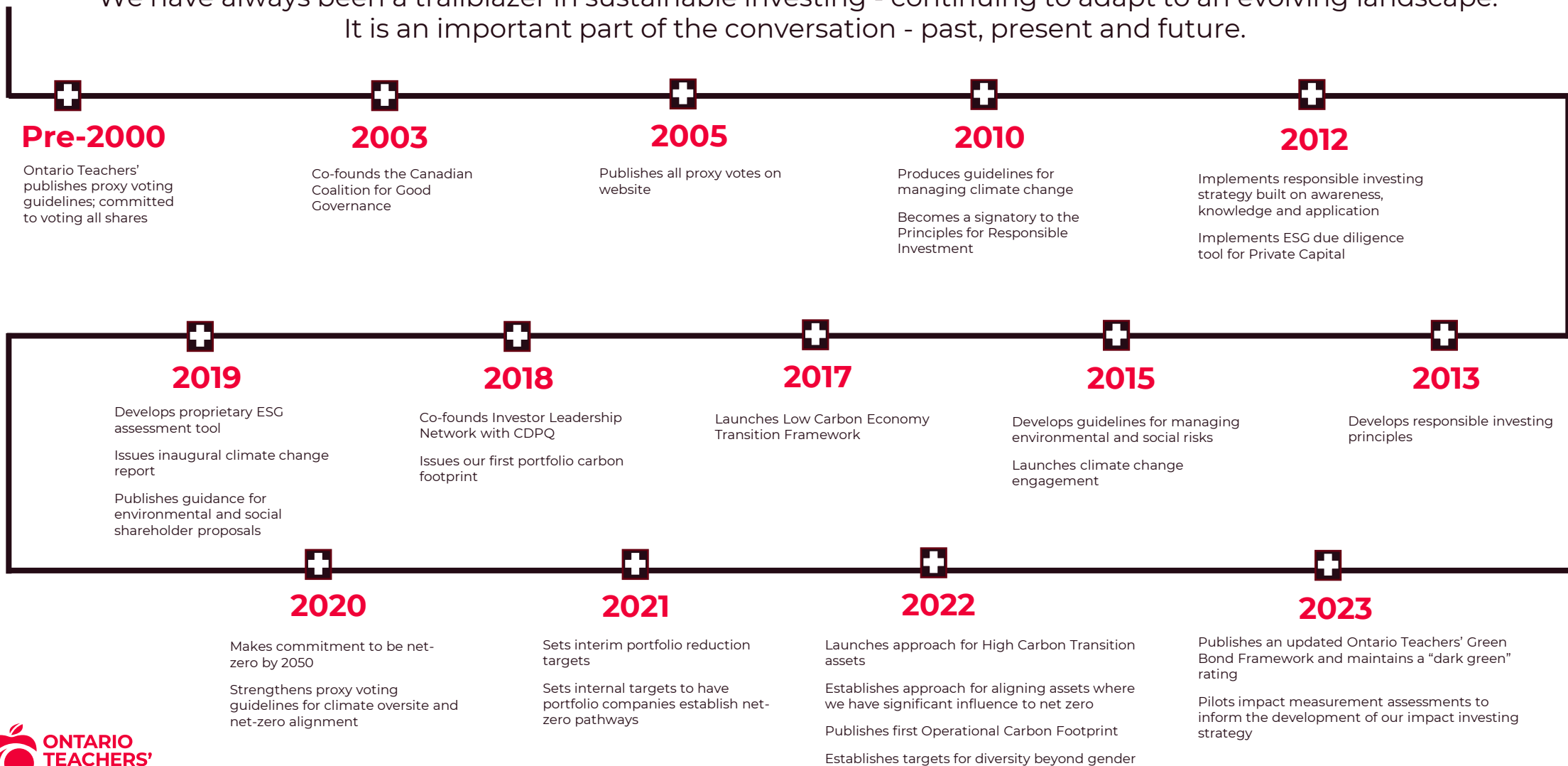


Managing climate-related risks and opportunities

Identify and assess climate-related physical and transition risks and opportunities while also considering climate change as part of our investment planning process.

Evolution of Sustainable Investing at OТПP

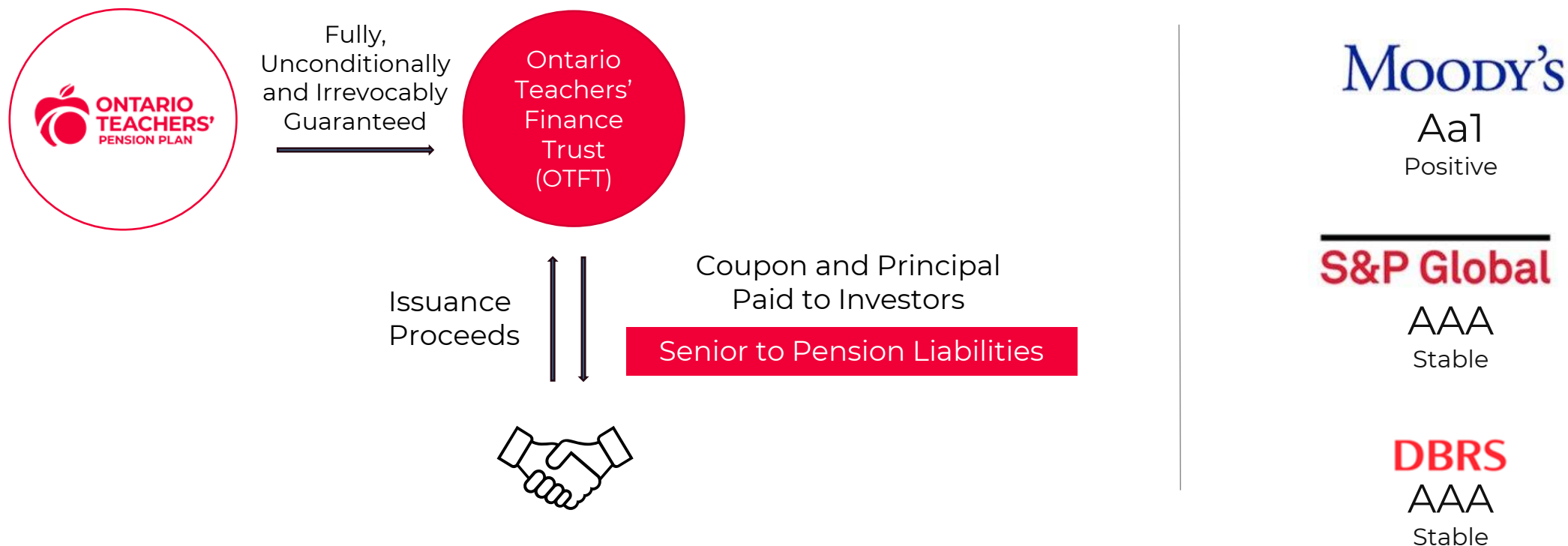
We have always been a trailblazer in sustainable investing - continuing to adapt to an evolving landscape. It is an important part of the conversation - past, present and future.



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Ontario Teachers' Finance Trust (OTFT)

Debt issued by OTFT is fully, unconditionally and irrevocably guaranteed by Ontario Teachers'



Creditor Priority – Schedule 1 to the Teachers' Pension Act (Ontario)

Section 118a - "If the pension plan is wound up within the meaning of the *Pension Benefits Act*, the assets of the pension fund shall first be used to pay or satisfy properly incurred liabilities to creditors, following which the remaining assets of the pension fund shall be used to pay or satisfy the accrued benefit entitlements of members..."

Investment Funding Strategy

Leverage is used to achieve desired overall risk-return profile for the investment program, manage total fund liquidity and mitigate pension liability risk

A strategic focus on funding serves to:

- Manage the maturity profile
- Diversify across funding sources
- Reduce the overall cost of funding
- Manage the overall currency exposure

Term Debt Program Highlights

Outstanding ¹	C\$29.4 billion
Credit Ratings (Moody's, S&P, DBRS)	Aa1, AAA, AAA
Issuance Currency	USD, CAD, EUR, GBP

¹ Market Value as at June 30, 2024

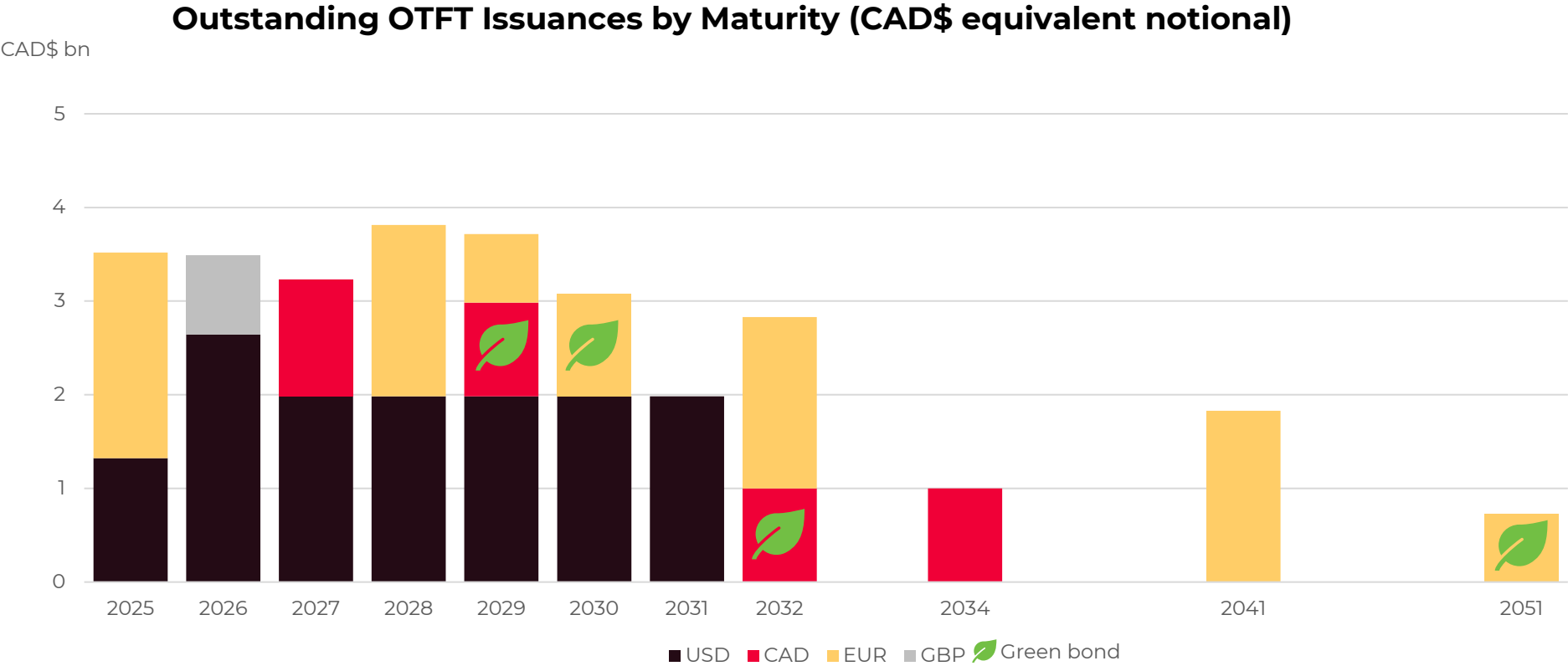
Commercial Paper Program Highlights

Outstanding ¹	C\$2.7 billion
Credit Ratings (Moody's, S&P, DBRS)	P-1/A-1+/R-1 (High)
Issuance Currency	USD, CAD

¹ Market Value as at June 30, 2024

OTFT Term Debt Issuances

- OTFT is an established global SSA issuer with outstanding issuances in USD, CAD, EUR & GBP
- At least one USD benchmark issuance per calendar year since program inception in 2017
- Regular Green Bond issuer since 2020, with a refreshed Green Bond Framework in 2023 that is rated Dark Green by S&P Global



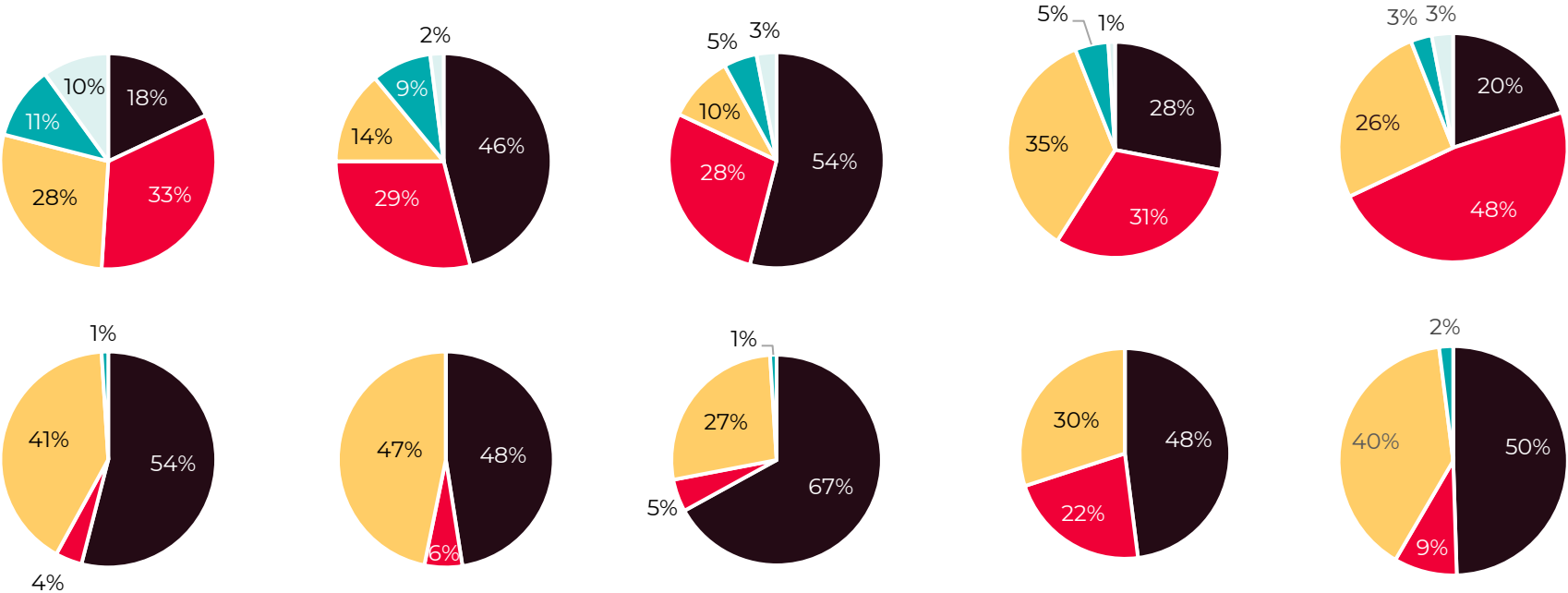
OTFT Outstanding Term Debt – USD

	US\$1 billion	US\$1.5 billion	US\$1.5 billion	US\$2.0 billion	US\$1.5 billion
Coupon and Maturity	1.375% due 15Apr25	1.25% due 27Sep30	2% due 16Apr31	0.875% due 21Sep26	3.000% due 13Apr27
Rating	Aa1/AA+/AAA	Aa1/AA+/AAA	Aa1/AA+/AAA	Aa1/AA+/AAA	Aa1/AA+/AAA
Issue Date	April 2020	September 2020	April 2021	September 2021	April 2022
Issue Spread	MS+80bps	MS+62bps	MS+40bps	MS+10bps	MS+55bps
Bookrunners	BAML, Citi, HSBC, Scotiabank	Barclays, JP Morgan, RBC, TD	BMO, HSBC, JP Morgan, RBC	BAML, CIBC, Citi, RBC	BMO, Citi, JP Morgan, RBC

- Investor Type Breakdown

 - Asset Managers
 - Banks & Bank Treasuries
 - Central Banks & Official Institutions
 - Corporate, Insurance, Pension
 - Other (Brokers, Dealers, Hedge Funds)
- Geographical Breakdown

 - Americas
 - Asia
 - Europe
 - MEA



OTFT Outstanding Term Debt – USD and CAD

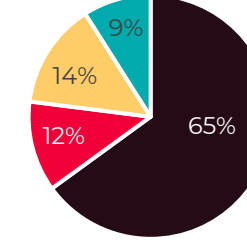
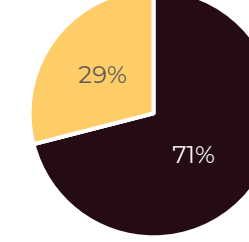
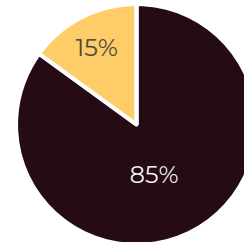
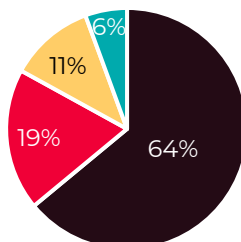
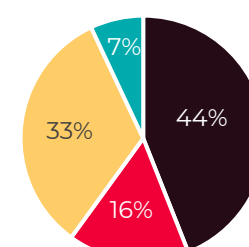
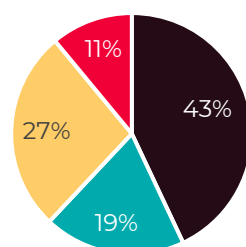
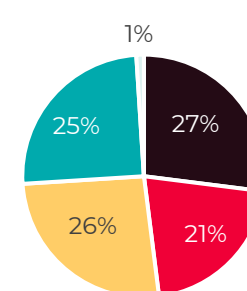
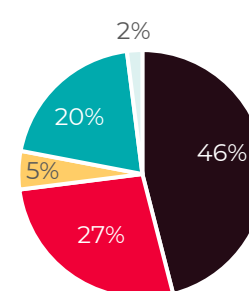
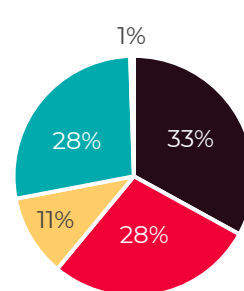
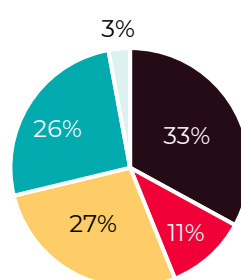
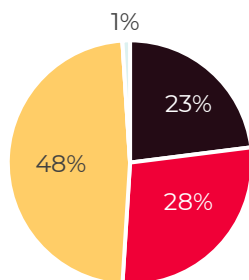
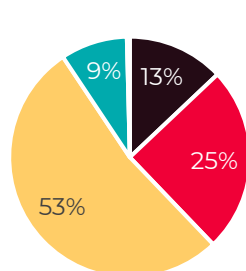
	USD\$1.5 billion	USD\$1.5 billion	CAD\$1.25 billion	CAD\$1.0 billion Green Bond	CAD\$1.0 billion Green Bond	CAD\$1.0 billion
Coupon and Maturity	4.25% due 25Apr28	4.625% due 10Apr29	1.1% due 19Oct27	4.450% due 02Jun32	4.15% due 01Nov29	4.30% due 02Jun34
Rating	Aa1/AA+/AAA	Aa1/AA+/AAA	Aa1/AA+/AAA	Aa1/AA+/AAA	Aa1/AA+/AAA	Aa1/AA+/AAA
Issue Date	April 2023	April 2024	October 2020	November 2022	February 2023	June 2024
Issue Spread	MS+78bps	MS+61bps	GoC+75bps	GoC+100bps	GoC+80bps	GoC+81.5bps
Bookrunners	BAML, Citi, National Bank of Canada, RBC	BNP, JP Morgan, National Bank of Canada, TD	BMO, CIBC, RBC, Scotiabank, TD	BMO, CIBC, National, RBC, TD	BMO, CIBC, Desjardins, RBC, TD	BMO, CIBC, RBC, Scotiabank, TD

Investor Type Breakdown

- Asset Managers
- Banks & Bank Treasuries
- Central Banks & Official Institutions
- Corporate, Insurance, Pension
- Other (Brokers, Dealers, Hedge Funds)

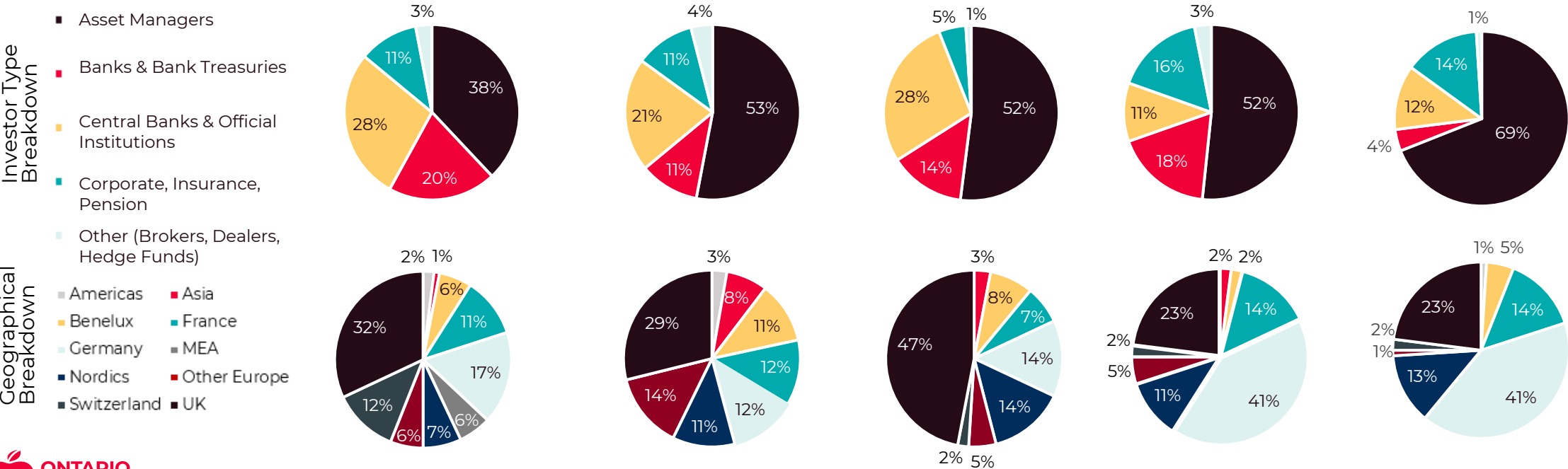
Geographical Breakdown

- Americas
- Asia
- Europe
- MEA



OTFT Outstanding Term Debt – EUR

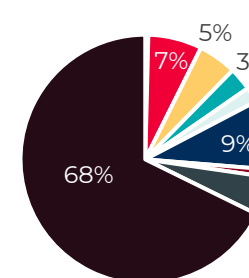
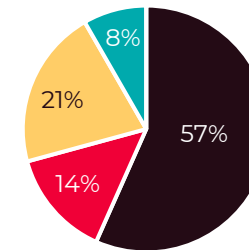
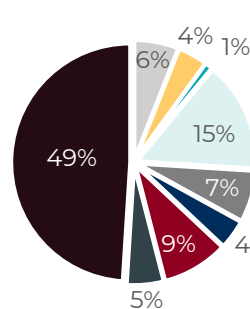
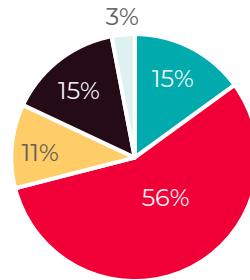
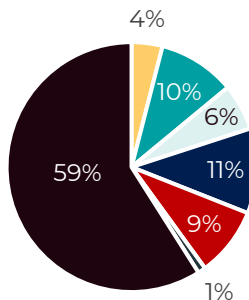
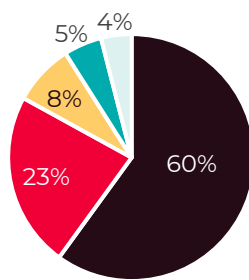
	EU€1.5 billion	EU€750 million Green Bond	EU€1.25 billion	EU€1.25 billion	EU€500 million Green Bond
Coupon and Maturity	0.5% due 06May25	0.05% due 25Nov30	0.1% due 19May28	0.9% due 20May41	0.95% due 24Nov51
Rating	Aa1/AA+/AAA	Aa1/AA+/AAA	Aa1/AA+/AAA	Aa1/AA+/AAA	Aa1/AA+/AAA
Issue Date	May 2020	November 2020	May 2021		November 2021
Issue Spread	MS+78bps	MS+34bps	MS+18bps	MS+38bps	MS+65bps
Bookrunners	BAML, Barclays, BNP, JP Morgan	BNP, Citi, Credit Agricole, HSBC	BAML, Barclays, GS, JP Morgan		BNP, HSBC, JP Morgan, TD



OTFT Outstanding Term Debt – EUR and GBP

	EU€1.25 billion	EU€500 million	GB£500 million
Coupon and Maturity	1.85% due 03May32	3.30% due 05Oct29	1.125 due 15May26
Rating	Aa1/AA+/AAA	Aa1/AA+/AAA	Aa1/AA+/AAA
Issue Date	April 2022	October 2022	October 2021
Issue Spread	MS+32bps	MS+32bps	Gilt+43bps
Bookrunners	BAML, Barclays, BNP, TD	BNP, Credit Agricole, JP Morgan, TD	Barclays, HSBC, RBC, TD

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- Asset Managers
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- Geographical Breakdown**
- Americas
 - Benelux
 - Germany
 - Nordics
 - Switzerland
 - Asia
 - France
 - MEA
 - Other Europe
 - UK



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Concluding Remarks

Ontario Teachers' is one of the largest public pension plans in North America

- Solid positioning relative to pension liabilities - funding ratio of 107% as at January 1, 2024; fully funded for an eleventh year in a row
- Robust pension funding levers, including a flexible inflation protection mechanism
- Strong long-term performance (10-year and since inception annualized total-fund net return of 7.6% and 9.3% respectively¹)
- Highly rated plan (Moody's: Aa1/Positive, S&P: AAA/Stable, DBRS: AAA/Stable)

Independence from the Province of Ontario

- Funding valuation and investment process cannot be influenced by the Sponsors

Strong Risk/Governance Culture

- Independent sophisticated board with extensive industry experience
- Embedded risk culture throughout the organization

Responsible Investor

- Have set industry-leading targets and practices for sustainable investing and climate change

OTFT Debt Fully, Unconditionally and Irrevocably Guaranteed

- Financial liabilities take priority to pension liabilities

Thank you

Contact:

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www.otpp.com

