

Ontario Teachers' Finance Trust

Investor Presentation

June 2025



Disclaimer

The information presented herein, and all accompanying financial information, is proprietary and confidential information of Ontario Teachers' Pension Plan Board ("Ontario Teachers'") and is not for distribution beyond the information's direct recipients.

This presentation does not, and does not purport to, contain all information that may be material to an investment decision in respect of securities of Ontario Teachers' or Ontario Teachers' Finance Trust ("OTFT"). It is only a summary of certain information in respect to Ontario Teachers' and OTFT. Prior to making an investment decision, prospective investors should carefully review the offering memorandum pursuant to which any securities of Ontario Teachers' or OTFT are offered. In particular, reference should be made to any risks of any investment in such securities which are disclosed in the offering memorandum and to any applicable statutory rights of rescission or rights to damages available to purchasers of such securities in Canada if so described in such offering memorandum.

This presentation shall not constitute an offer to sell or a solicitation to buy any securities, nor shall there be any sale of any securities in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. Any offering of securities will be made pursuant to an offering memorandum. This presentation is not directed at persons located in the United States of America other than "qualified institutional buyers" as defined in Rule 144A under the Securities Act of 1933 (the "Securities Act"). Any Ontario Teachers' or OTFT securities offered in the future may not be registered under the Securities Act or the securities laws of any other jurisdiction and may not be offered or sold in the United States of America or in any other jurisdiction except in reliance on an exemption from, or in a transaction not subject to, registration requirements. Ontario Teachers' and OTFT do not intend to make a public offering of securities in the United States of America.

This presentation has not been lodged with the Australian Securities and Investments Commission. The information contained herein is intended for distribution only to financial institutions and professional investors in Australia whose ordinary business includes the buying or selling of securities in circumstances where disclosure is not required under Part 6D.2 or 7 of the Corporations Act 2001 of Australia and must not be given, and is not intended to be given, to any "retail client" within the meaning of section 761G of the Corporations Act 2001 of Australia. The information contained herein is general information only and does not constitute any form of legal, commercial or financial advice. If any financial product advice is, in fact, held to have been given by Ontario Teachers' or OTFT in relation to any securities of Ontario Teachers' or OTFT, it is general advice only. Ontario Teachers' and OTFT are not licensed to provide financial product advice in relation to such securities. No cooling-off regime applies under Australian law to investors in any securities of Ontario Teachers' or OTFT.

Although the information presented in this presentation has been obtained from sources that Ontario Teachers' believes to be reliable, Ontario Teachers' does not make any representation as to its accuracy, validity, timeliness or completeness for any purpose. The information set forth herein does not purport to be complete and Ontario Teachers' is not responsible for errors and/or omissions with respect to the information contained herein.

This presentation includes forward-looking statements. All statements other than statements of historical fact included in this presentation, including, without limitation, those regarding our prospective resources, financial position, business strategy, management plans, management objectives and future operations are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual resources, reserves, results, performance or achievements to be materially different from those expressed or implied by these forward-looking statements. Historical performance is not a guarantee of future performance. These forward-looking statements are based on numerous assumptions regarding our present and future business operations and strategies and the environment in which we expect to operate in the future.

The information in this presentation, including but not limited to forward-looking statements, applies only as of the date of this presentation and is not intended to give any assurance as to future results. Ontario Teachers' and its advisors expressly disclaim any obligation or undertaking to update or revise the information, including any financial data and forward-looking statements, and will not publicly release any revisions they may make to this presentation that may result from events or circumstances arising after the date of this presentation.

Unless otherwise noted, all amounts stated herein are in Canadian dollars and are approximate, and all amounts are as at December 31, 2024 unless otherwise noted.

Executive Summary

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

- Fully funded status for a 12th year in a row
- History of strong performance since inception in 1990
- Highly rated plan (S&P: AAA, Moody's: Aa1, 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'



110%

Funding Ratio

9.3%

total-fund net return
since inception



Global investor

80%+

assets managed
in-house

343,000

working members
and pensioners

\$266.3B

in net assets
as at December 31, 2024



AAA

S&P Global

Aa1

Moody's

AAA

DBRS



About Ontario Teachers'

- Governed by Ontario legislation, plan participation is mandatory by Ontario public school teachers
- Fully funded defined benefit plan with benefits linked to Canadian inflation.
- Member contributions (11% of salary on average) matched by Government of Ontario (by law) for total of 22% of salary in contributions
- A funding valuation is required by law to be filed with the regulatory authorities every 3 years.
- As at January 1, 2025, the plan was fully funded for the twelfth straight year with a preliminary surplus of \$29.1 billion and a funding ratio of 110%.

Our Mission

Deliver outstanding service and retirement security for our members

An Independent Organization

Plan Sponsors

Ontario Government



Ontario Teachers' Federation



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

- Sponsors are required to contribute each year and cannot withdraw money
- Robust funding valuation process that is 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 59% to 85%.

Conditional Inflation Protection

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

CIP as a Stress Resistant

	2024	2034
Hypothetical plan deficit (C\$bn)	\$23B	\$33B
Decrease in level of CIP required to eliminate the hypothetical plan deficit	27%	18%
Asset loss capable of being absorbed by fully invoked CIP (C\$ bn)	\$59B	\$121B

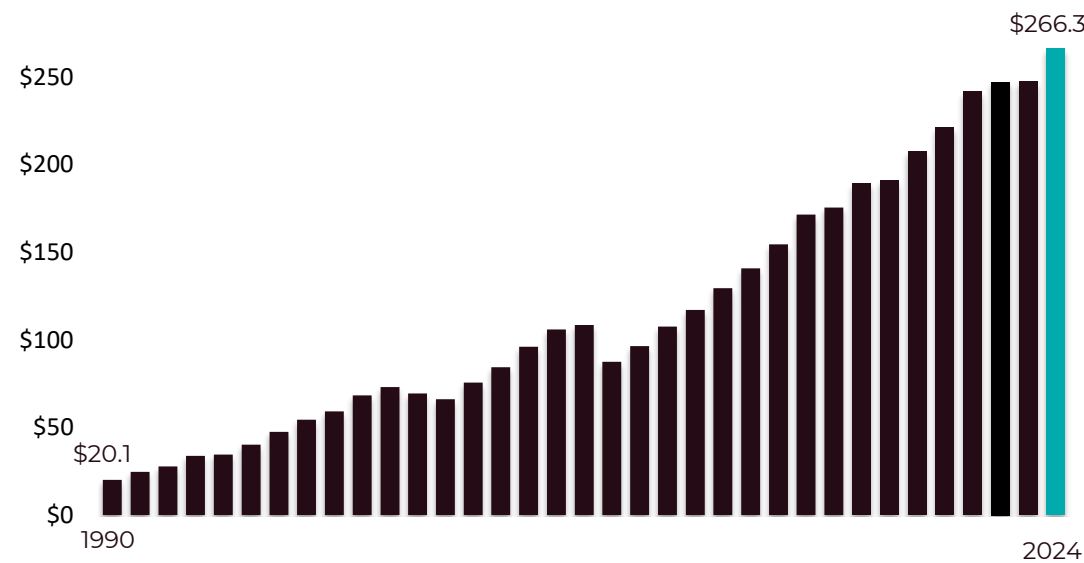
- 01. About Ontario Teachers'
- 02. Investment Management**
- 03. Sustainable Investing
- 04. Investment Funding Strategy
- 05. Concluding Remarks

Investment Objectives

- Investment program is designed to meet the needs of the pension liabilities and help achieve stable returns over the long term
- Diversification through portfolio construction spreads risk across time horizons, asset classes, geographies, and sectors

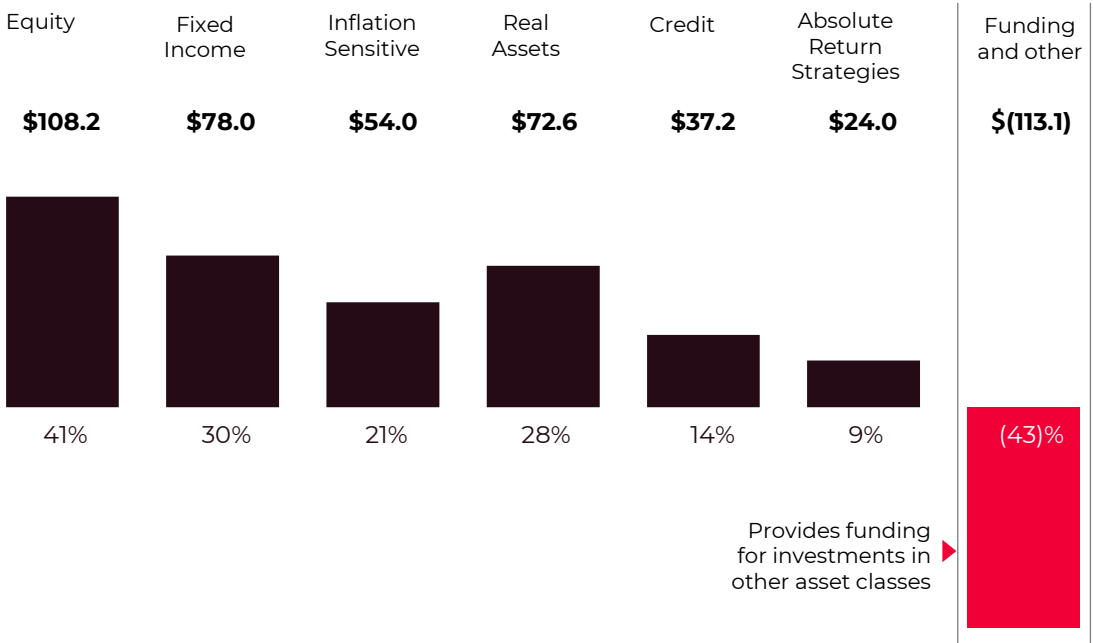
Net Assets

As at December 31, 2024 (Canadian \$ billions)



Net Investments by Asset Class

As at December 31, 2024 (Canadian \$ billions)



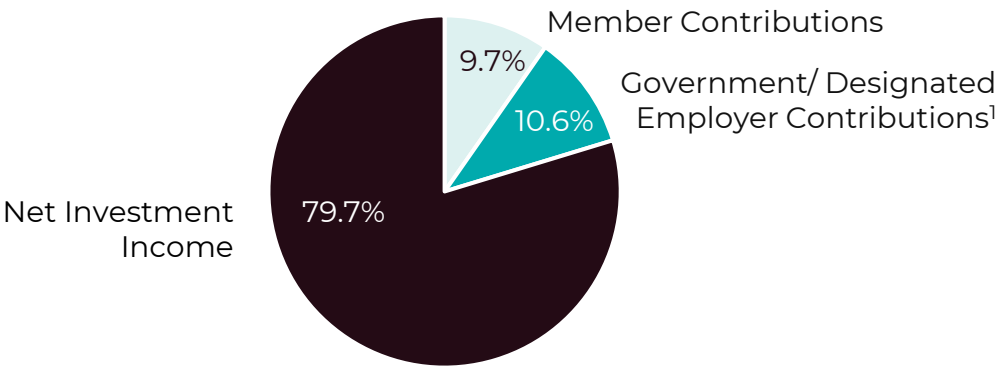
Investment Performance

- Total-fund net return in 2024 was **9.4%** resulting from strong returns across public equity, inflation sensitive and credit asset classes.
- The plan continues to deliver strong long-term returns of **7.4%** over ten years and **9.3%** since inception in 1990 as at December 31, 2024.

As at December 31, 2024	2024	5-Year	10-Year	Since Inception
Total-Fund Net Return	9.4%	6.9%	7.4%	9.3%
Benchmark Return	12.9%	8.6%	7.7%	7.9%
Return Above (or Below) Benchmark	(3.5)%	(1.7)%	(0.4)%	1.3%

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

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

Sustainable Investing

We believe that sustainable investing can support the creation of long-term, sustainable value creation or value protection and contributes to higher risk-adjusted returns to help pay pensions

Our climate strategy aims to invest in areas that benefit from and help to accelerate the broad transition to a low-carbon future



Decarbonizing our portfolio companies

In 2021, we set a target to align the portfolio companies in which we have significant stakes (minority or control) with a credible plan for net-zero emissions by 2050, known as our Paris Aligned Reduction Target (PART) program.



Issuing green bonds

We issue green bonds to fund investments in eligible green assets with measurable impacts that support the transition to a sustainable future. We define eligible green assets as investments in businesses that align with our Green Investment Principles and the International Capital Market Association (ICMA) Green Bond Principles.



Increasing green investments

To increase our capacity to deploy capital into companies that enable the net-zero transition, we aim to increase our green investments to reduce GHG emissions¹. This helps us take advantage of attractive investment opportunities while at the same time reducing GHG emissions.

Achieved a

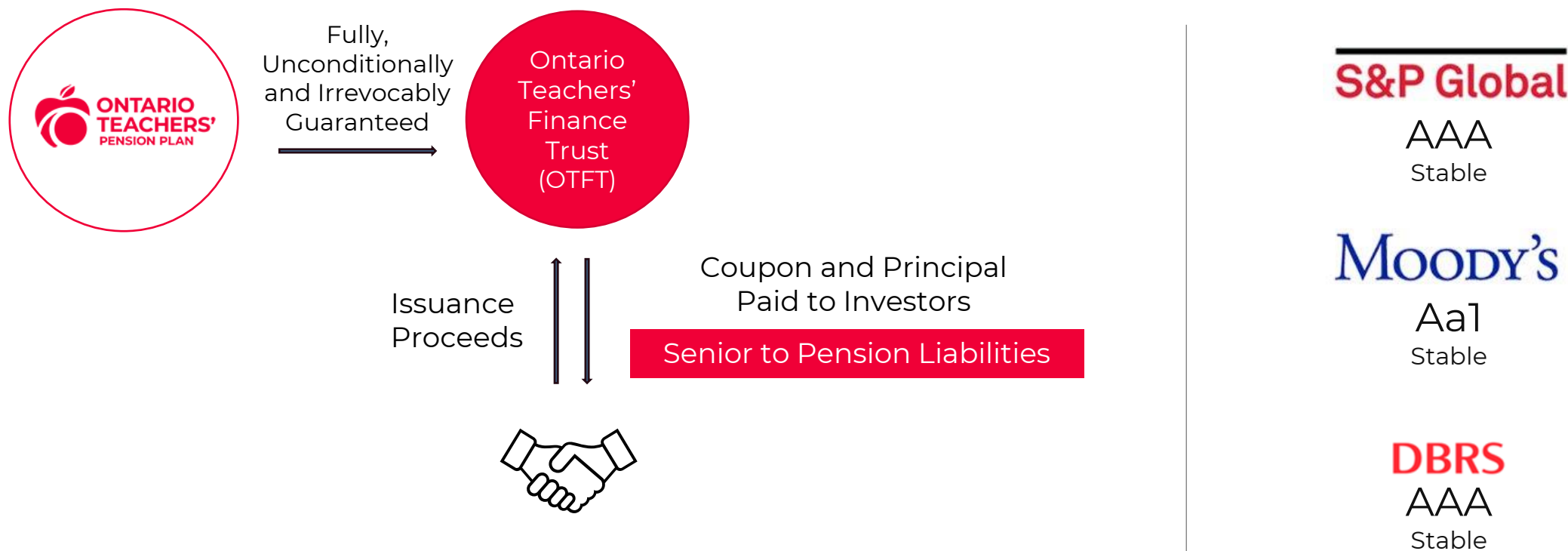
49%

reduction in our portfolio carbon emissions intensity since 2019, **reaching our target² a full year early**, as part of our goal to achieve net zero by 2050.

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

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 and manage total fund liquidity

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\$28.5 billion
Credit Ratings (S&P, Moody's, DBRS)	AAA, Aa1, AAA
Issuance Currency	USD, CAD, EUR, GBP

¹ Market Value as at December 31, 2024

Commercial Paper Program Highlights

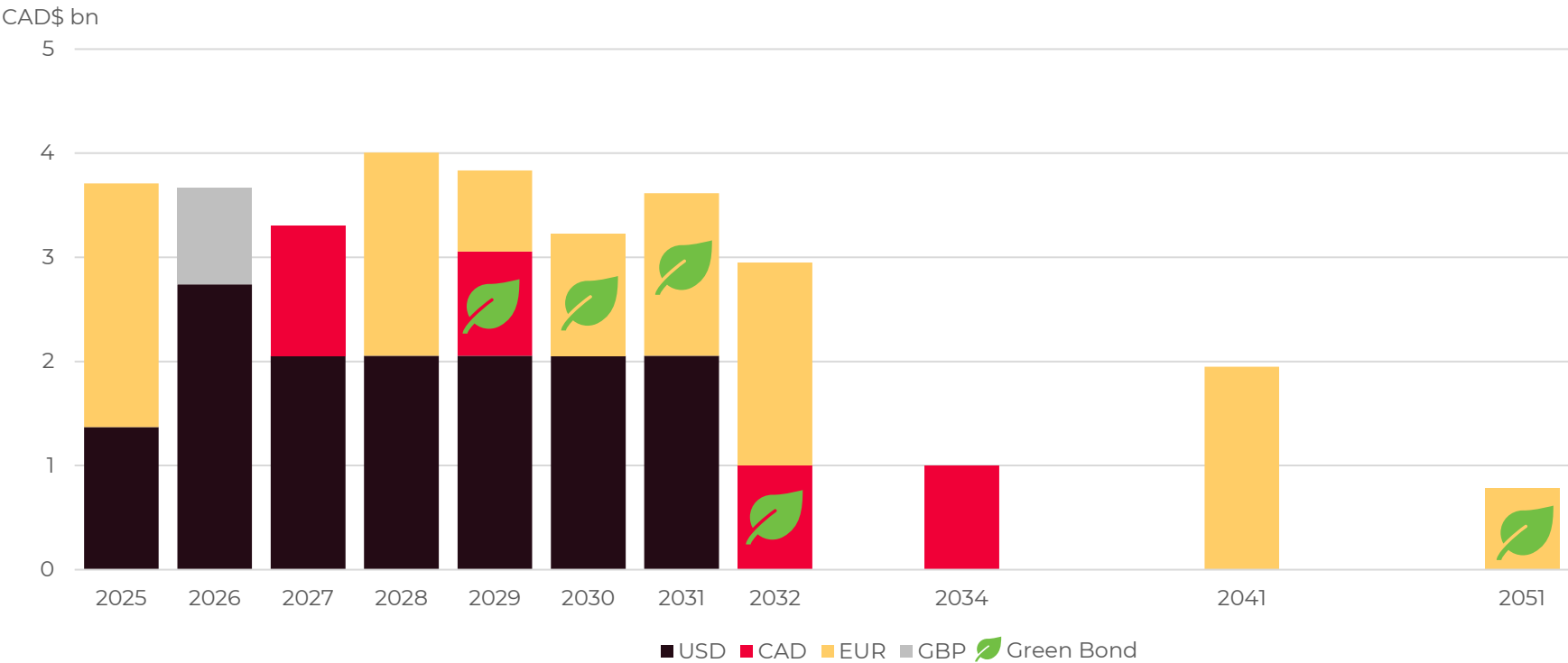
Outstanding ¹	C\$2.8 billion
Credit Ratings (S&P, Moody's, DBRS)	A-1+/P-1/R-1 (High)
Issuance Currency	USD, CAD

¹ Market Value as at December 31, 2024

OTFT Term Debt Issuances

- OTFT is an established global SSA issuer with outstanding issuances in USD, CAD, EUR & GBP
- Frequent issuer of benchmark sized notes since program inception in 2017
- Green Bond issuer since 2020, with a refreshed Green Bond Framework in 2023 that is rated Dark Green by S&P Global

Outstanding OTFT Issuances by Maturity (CAD\$ equivalent notional)

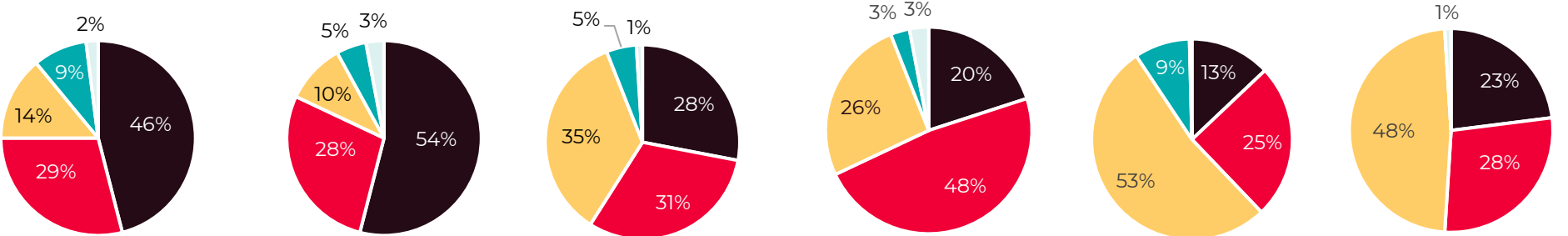


OTFT Outstanding Term Debt – USD

	US\$1.5 billion	US\$1.5 billion	US\$2.0 billion	US\$1.5 billion	USD\$1.5 billion	USD\$1.5 billion
Coupon and Maturity	1.25% due 27Sep30	2% due 16Apr31	0.875% due 21Sep26	3.000% due 13Apr27	4.25% due 25Apr28	4.625% due 10Apr29
Rating	Aa1/AA+/AAA	Aa1/AA+/AAA	Aa1/AA+/AAA	Aa1/AA+/AAA	Aa1/AA+/AAA	Aa1/AA+/AAA
Issue Date	September 2020	April 2021	September 2021	April 2022	April 2023	April 2024
Issue Spread	MS+62bps	MS+40bps	MS+10bps	MS+55bps	MS+78bps	MS+61bps
Bookrunners	Barclays, JP Morgan, RBC, TD	BMO, HSBC, JP Morgan, RBC	BAML, CIBC, Citi, RBC	BMO, Citi, JP Morgan, RBC	BAML, Citi, National Bank of Canada, RBC	BNP, JP Morgan, National Bank of Canada, TD

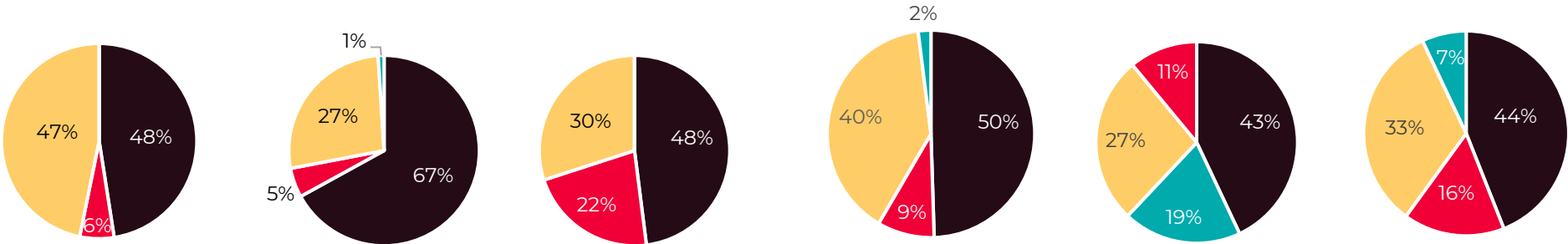
Investor Type Breakdown

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



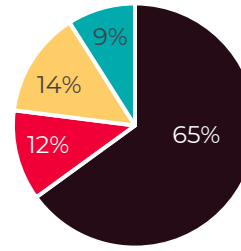
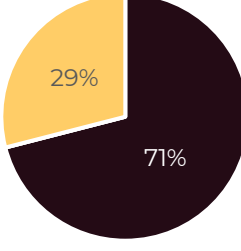
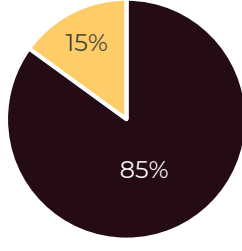
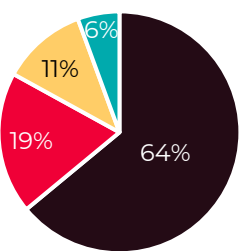
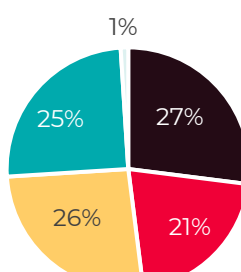
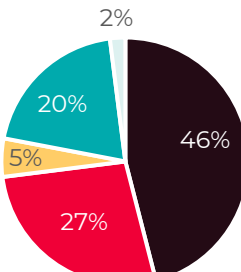
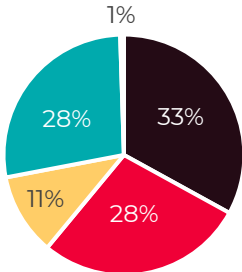
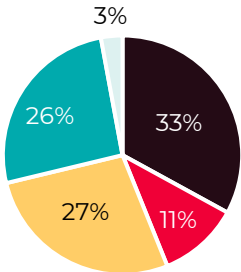
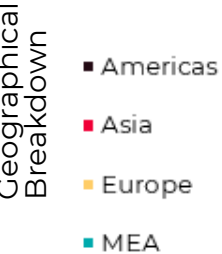
Geographical Breakdown

- Americas
- Asia
- Europe
- MEA



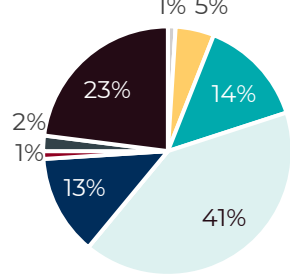
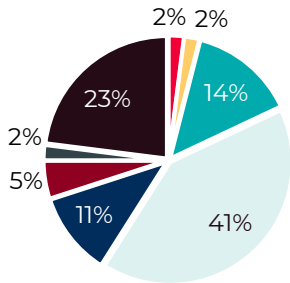
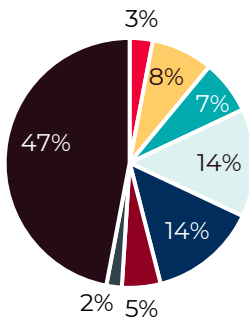
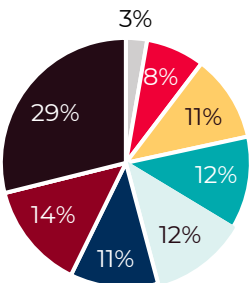
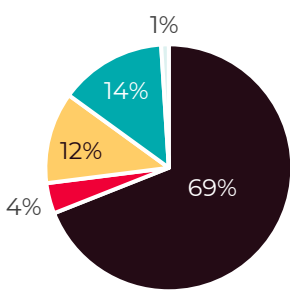
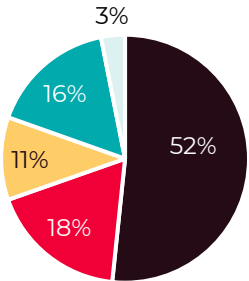
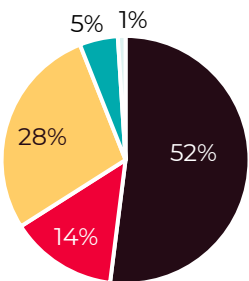
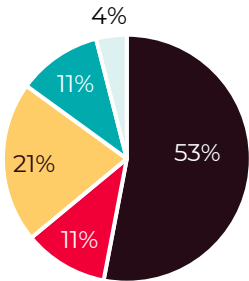
OTFT Outstanding Term Debt – CAD

	CAD\$1.25 billion	CAD\$1.0 billion Green Bond	CAD\$1.0 billion Green Bond	CAD\$1.0 billion
Coupon and Maturity	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
Issue Date	October 2020	November 2022	February 2023	June 2024
Issue Spread	GoC+75bps	GoC+100bps	GoC+80bps	GoC+81.5bps
Bookrunners	BMO, CIBC, RBC, Scotiabank, TD	BMO, CIBC, National, RBC, TD	BMO, CIBC, Desjardins, RBC, TD	BMO, CIBC, RBC, Scotiabank, TD



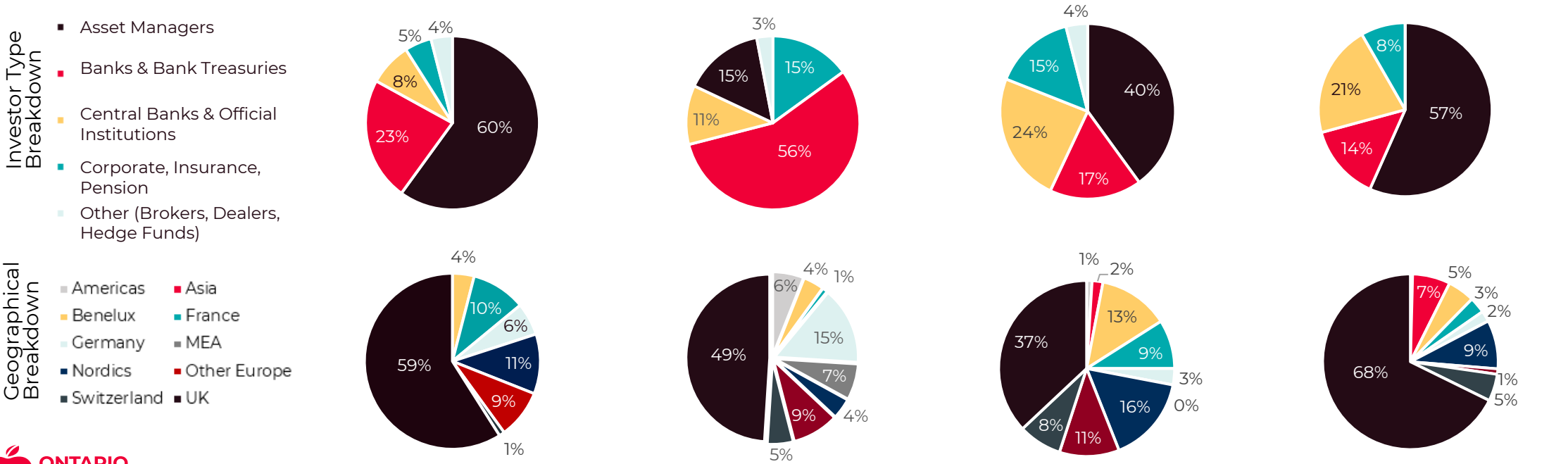
OTFT Outstanding Term Debt – EUR

	EU€750 million Green Bond	EU€1.25 billion	EU€1.25 billion	EU€500 million Green Bond
Coupon and Maturity	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
Issue Date	November 2020	May 2021		November 2021
Issue Spread	MS+34bps	MS+18bps	MS+38bps	MS+65bps
Bookrunners	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	EU€1 billion Green Bond	GB£500 million
Coupon and Maturity	1.85% due 03May32	3.30% due 05Oct29	2.85% due 04Dec31	1.125 due 15May26
Rating	Aa1/AA+/AAA	Aa1/AA+/AAA	Aa1/AAA/AAA	Aa1/AA+/AAA
Issue Date	April 2022	October 2022	May 2025	October 2021
Issue Spread	MS+32bps	MS+32bps	MS+57bps	Gilt+43bps
Bookrunners	BAML, Barclays, BNP, TD	BNP, Credit Agricole, JP Morgan, TD	Barclays, Deutsche, JP, TD	Barclays, HSBC, RBC, TD



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

Concluding Remarks

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

- Solid positioning relative to pension liabilities - funding ratio of 110% as at January 1, 2025; fully funded for the 12th 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 7.4% and 9.3% respectively¹)
- Highly rated plan (S&P: AAA/Stable, Moody's: Aa1/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:

For more information, please send an email to:

InvestorRelations@otpp.com

www.otpp.com

