

PSP

Investor Presentation

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WE ARE PSP

We Are PSP

100% owned by the Canadian Government, acts related to the Plans*.

We invest our assets with a view to achieving a maximum rate of return, without undue risk of loss, having regard to the funding, policies and requirements of the Plans** and the ability of the Plans to meet their financial obligations.

Our Strength

One of Canada's largest pension investors with **C\$264.9B in net assets under management (AUM)**, managing a diverse global portfolio across **100+ sectors and industries**.

As at March 31, 2024

Our Edge

Operationally independent Crown entity, **AAA rated** based on strong sponsorship, financial pillars and corporate governance – we invest to help meet the pension plan obligations.

*The Plans refer to the pension plans of the Federal Public Service, the Canadian Armed Forces, the Royal Canadian Mounted Police and the Reserve Force.

**From April 1st, 2000, for the Federal Public Service, the Canadian Armed Forces, the Royal Canadian Mounted Police, and from March 1st, 2007, for the Reserve Force.

PSP at a Glance

Investment Board

100% owned by the Government of Canada and operationally independent; pension liability belongs to the Government

Purpose

Managing net contributions of 4 federal pension plans** of over 900,000 contributors and beneficiaries

Exclusive Mandate

Includes achieving a maximum rate of return, without undue risk of loss, having regard to the funding, policies and requirements of the Plans* and the ability of the Plans to meet their financial obligations.

Diversified Portfolio

C\$264.9B in net assets under management (AUM) actively managed by various asset classes

Global Outreach

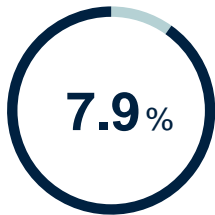
5 offices on 3 continents managing a diversified global portfolio in 100+ sectors and industries

FY24 Results

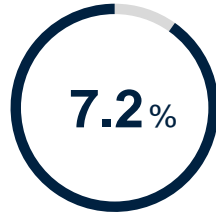
As at March 31, 2024



10-YEAR
NET ANNUALIZED
RETURN



5-YEAR
NET ANNUALIZED
RETURN



1-YEAR
NET PORTFOLIO
RETURN

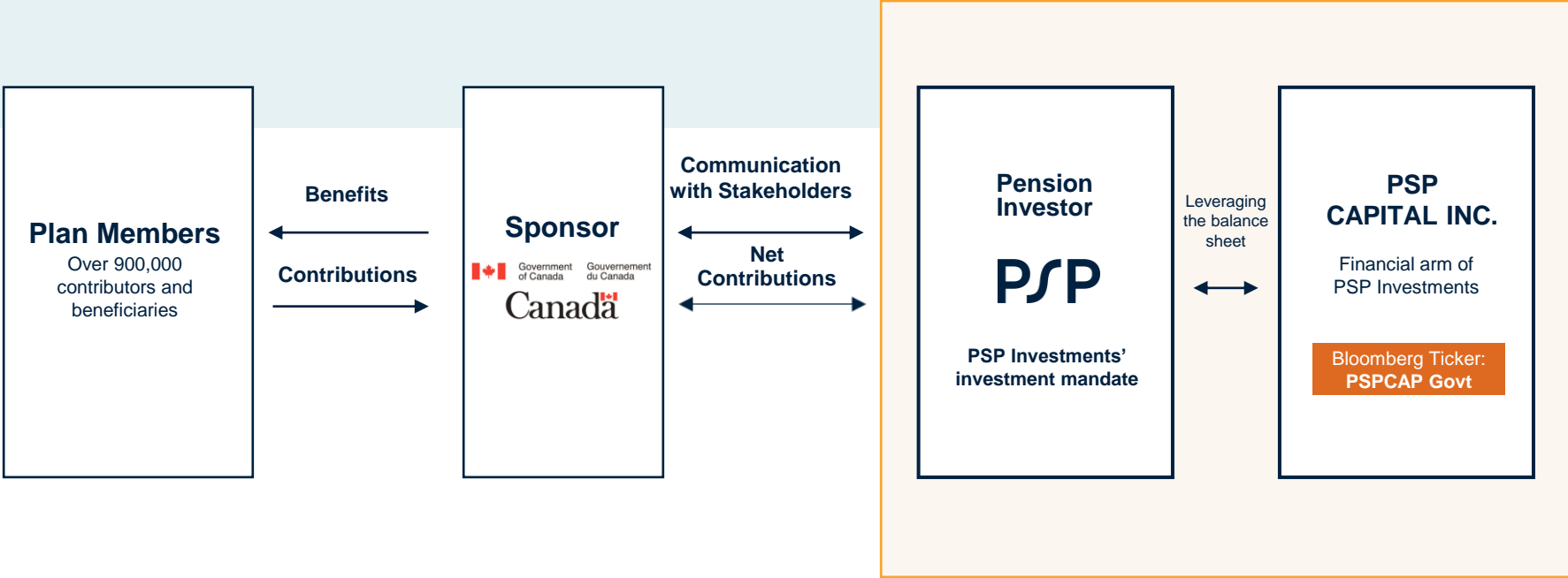


986 employees
C\$264.9B

*The Plans refer to the pension plans of the Federal Public Service, the Canadian Armed Forces, the Royal Canadian Mounted Police and the Reserve Force.

**From April 1st, 2000, for the Federal Public Service, the Canadian Armed Forces, the Royal Canadian Mounted Police, and from March 1st, 2007, for the Reserve Force.

Our Investment Mandate



Credit Considerations

The Office of the Chief Actuary of Canada is required to conduct actuarial reviews of the pension Plans. Based on these actuarial reviews, there are federal laws in place to ensure PSPIB maintains solvency and holds sufficient assets to provide the accrued pension benefits to Plan members.

Solvency

Article 52 of the Public Sector Pension Investment Board Act, which establishes the Public Sector Pension Investment Board, ensures the solvency of PSPIB:

“ No Act relating to the insolvency or winding-up of any corporation applies to the Board and **in no case shall the affairs of the Board be wound up unless Parliament so provides.** ”

– PSPIB Act, art. 52

Sufficient Funds

Article 44 (6) of the Superannuation Act, which establishes the Public Service Pension Fund, **ensures the government guarantees sufficient funds to pay out benefits:**

“ Following the laying before Parliament of any actuarial valuation report ... that relates to the state of the Superannuation Account and the Public Service Superannuation Investment Fund, **there shall be credited to the Account ...the amount that in the opinion of the Minister will,** at the end of the fifteenth fiscal year following the tabling of that report or at the end of the shorter period that the Minister may determine, together with the amount that the Minister estimates will be to the credit of the Account and the Public Service Superannuation Investment Fund at that time, **meet the cost of the benefits payable ... in respect of pensionable service** that is to the credit of contributors before April 1, 2000. ”

– Superannuation Act, art. 44 (6)

Our Investment Approach

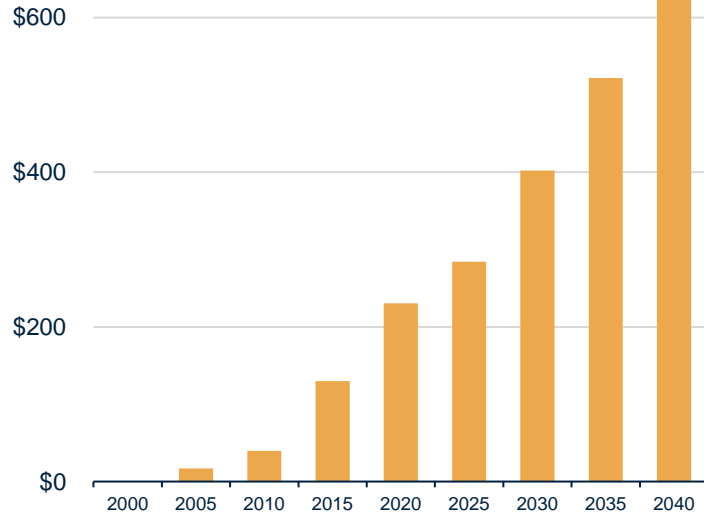
C\$ **264.9** Billion
Net AUM

ASSET MIX*		C\$ Billion Net AUM	% Net AUM	
EQUITY 36.3%	Public Market Equities	55.6	21.0] + Leverage via PSP Capital
	Private Equity	40.4	15.3	
REAL ASSETS 29.0%	Real Estate	27.2	10.3	
	Infrastructure	34.5	13.0	
	Natural Resources	15.2	5.7	
GOVERNMENT FIXED INCOME 23.9%	Fixed Income	56.2	21.2	
	Cash and Cash Equivalents	7.1	2.7	
CREDIT 9.9%	Credit Investments	26.2	9.9	

As at March 31, 2024 | *The remaining amount represents the Complementary Portfolio.

Projected Assets

In Billion C\$



Current net AUM of*

264.9 Billion C\$

Projected to grow above **

600.0 Billion C\$ By 2040

Current Debt Outstanding*

28.3 Billion C\$

Projected to grow above**

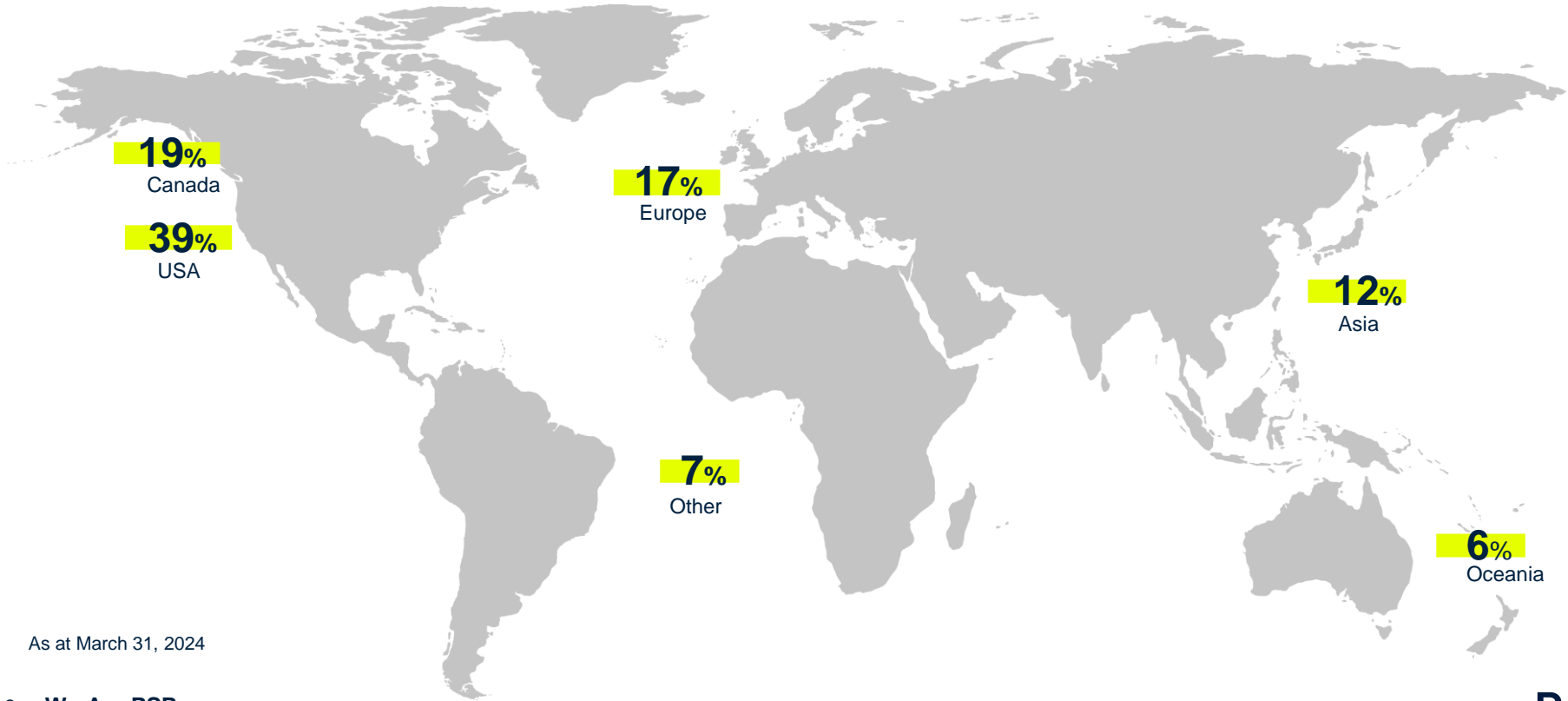
60.0 Billion C\$ By 2040

* As at March 31, 2024

** Based on PSP projection

Geographic Diversification

DEVELOPED MARKETS 81.9%
EMERGING MARKETS 18.1%

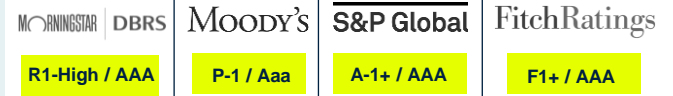


As at March 31, 2024

A hand is shown drawing a line graph on a transparent surface. The graph features a solid line that starts at the origin and trends upwards, ending in an arrowhead. A dashed line also trends upwards but with more volatility. The background shows a grid with numerical values on the y-axis (8000, 6000, 4000, 2000, 0, -2000) and a blurred office setting. The overall color palette is light blue and green.

**WE ARE A
DEBT ISSUER**

Credit Ratings



ON A STAND-ALONE BASIS

- ✓ Strong corporate governance
- ✓ Conservative approach to leverage
- ✓ Focus on liquidity

FROM THE SPONSORSHIP

- ✓ Likelihood of support
- ✓ Bond holders rank senior to the amounts due to pension plans



Positive net contributions

Strong corporate governance and liquidity management

Low leverage and no pension liability

Independent Board of Directors

100% owned by the Government of Canada

Exclusive Pension Investor for federal pension plans

Debt Issuance Benefits

Benefits for PSP

- Debt issuance is used to increase Total Fund market exposure
- Efficient financing by issuing at the Total Fund level
- Long-term assets being financed by long-term funding
- Leverage allows us to enhance returns and fulfill our mandate

**AAA
Rating**

- Exposure to Canadian Federal SSA issuer
- Positive spread vs. Government of Canada agencies
- Frequent, predictable issuances
- Improved secondary liquidity
- Increasingly diversified and international investor base

Benefits for Investors

Government of Canada & Related Issuers

			 CANADA HOUSING TRUST	 CPP INVESTMENT BOARD	
Issuer	Government of Canada	Export Development Canada	Canada Housing Trust	CPPIB Capital	PSP Capital
Ownership	100% Owned by the Government of Canada	100% Owned by the Government of Canada	100% Owned by the Government of Canada	100% Owned by the Government of Canada	100% Owned by the Government of Canada
Legal Status	Sovereign	Agent of the Crown	Agent of the Crown	Non-Agent Crown	Non-Agent Crown
Support	Sovereign Risk	Irrevocable, full faith and credit obligation of the sovereign	Irrevocable, full faith and credit obligation of the sovereign	No sovereign risk; transfers from CPPIB are not permitted unless asset values exceed liabilities	No sovereign risk; the government of Canada is required to ensure that the Plans maintain sufficient assets to provide the accrued pension benefits to plan members
Credit Rating <small>(Moody's/S&P/DBRS/ Fitch Ratings)</small>	Aaa / AAA / AAA / AA+	Aaa / AAA / AAA / N/A	Aaa / AAA / AAA / N/A	Aaa / AAA / AAA / N/A	Aaa / AAA / AAA / AAA

FY24 Issuance Recap

6 PSP Capital Transactions in FY24 (Total: ~C\$4.93B)

June

10yr benchmark
in CAD

\$1.25B PSPCAP

4.15%

June 01, 2033

July

20yr private
placement
in EUR

€75M PSPCAP

3.679%

July 17, 2043

August

7yr benchmark
in CAD

\$1B PSPCAP

4.40%

December 02, 2030
Green Bond

September

Reopening of 10yr
benchmark
in CAD

\$500M PSPCAP

4.15%

June 01, 2033
(For total of \$1.75B)

February

5yr benchmark
in AUD

\$1.5B AUD PSPCAP

4.60%

February 06, 2029
Inaugural Kangaroo
Issuance

February

Reopening of 10yr
benchmark
in CAD

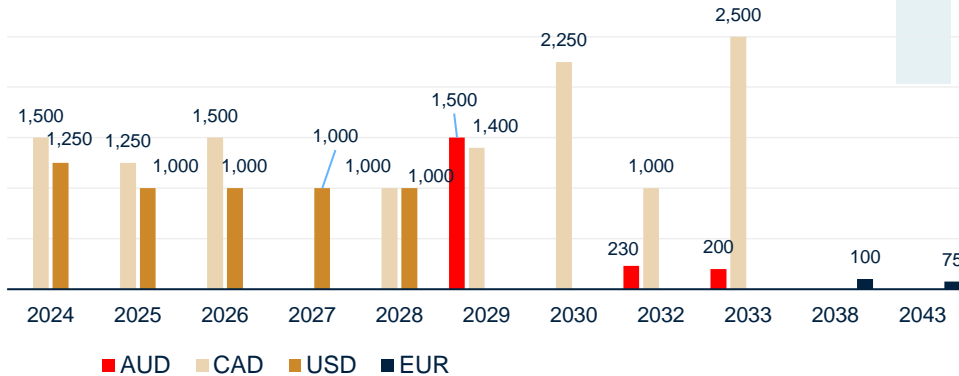
\$750M PSPCAP

4.15%

June 01, 2033
(For total of \$2.5B)

PSP Capital Debt Programs

MTN Maturity Profile (\$M)



*Notional value in local currency

DEBT OUTSTANDING – as at March 31, 2024

TOTAL OF C\$28.34B (CAD EQUIVALENT)

Term Debt (M)	Short-Term Debt (M)
CAD \$12,400	GBP £307
USD \$5,250	USD \$4,066
EUR €175	EUR €490
AUD \$1,930	AUD \$150

- PSP Capital debt **is fully and unconditionally guaranteed** by PSP Investments
- **Most** of the issuance is in the **3yr to 10yr** maturity range
- **C\$20B** program limit for the GMTN and **A\$6B** program limit for the AMTN

Short-Term Programs

Canadian Promissory Note
US Commercial Paper
Euro Commercial Paper

Global Medium Term Notes Program (GMTN)

– 144A & RegS –

Listed on the Irish Stock Exchange PLC trading on the Global Exchange Market Euronext Dublin (GEM)

Australian Medium Term Notes Program (AMTN)

Green Bond Program

°CICERO

SHADING:
MEDIUM GREEN

GOVERNANCE SCORE:
EXCELLENT

Growing Debt Programs

We aim to be a **frequent issuer** in global markets

Targeted markets: CAD \$ | US \$ | EUR € | AUD \$ | GBP £



Estimated program size:

Approximately C\$7B for FY25

The amount of yearly issuance may fluctuate based on the evolution of AUM



We mainly focus on **benchmark-size** transactions to promote **secondary market liquidity**



A **private placement program** complements our benchmark transactions and diversifies our funding



Green Bond program in place

In FY25, issuance focus will be on continued currency diversification. We added several tools over the recent years to help achieve this goal:

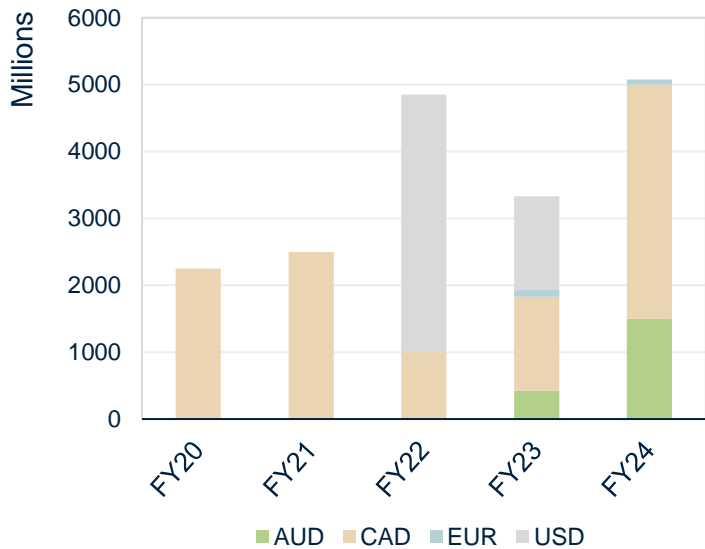
Euro commercial paper program to access short-term funding in currencies such as AUD, EUR, GBP and USD.

Kangaroo program for benchmark size A\$ transactions

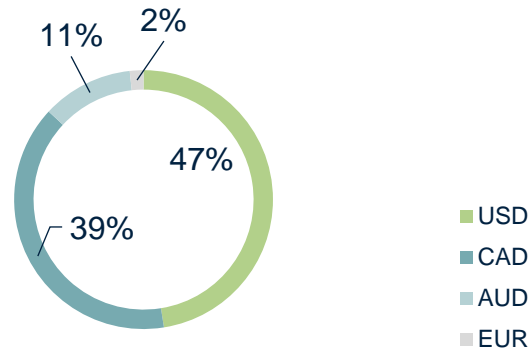
Private placements (AUD, EUR, GBP focused)

Issuance Details

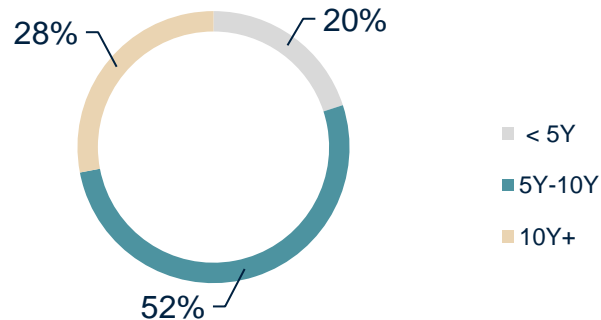
Issuance by Fiscal Year



Issuance by Currency Since FY22*



Issuance by Tenor Since FY22*



*Since GMTN issuance in June 2021

Deal Spotlight

FY24 Highlights



Inaugural Kangaroo AUD Transaction

2029 Benchmark AUD Bond

- AUD \$1.5 billion, 4.60% February 2029, issued February 6, 2024
- Well-oversubscribed with a final order book over A\$2.5 billion with 44 orders
- Diversified order book, with strong participation from CB/OI (43%), Asset managers / Insurance / Pension Funds (34%), followed by Banks (21%).
- Well diversified orderbook geographically, spread across Australia (33%), Asia (31%), EMEA (28%), and Americas (8%).
- **Largest debut SSA Kangaroo issuance** since the first trade in 1991



Second Green Bond Transaction

2030 Green Bond

- C\$1.0 billion, 4.40% December 2030, issued August 31, 2023
- Final order book in excess of C\$1.65 billion with 45 accounts, including 2 new investors
- Orders were anchored by Banks (42%), Asset Managers (36%) and Pensions (11%), which accounted for 89% of final allocations
- Demand was concentrated amongst North American accounts and was bolstered by investors with Green Bond mandates

Prioritizing Investor Relations

We have an increasingly diversified investor base



Our **first issuance** in 2008 had **27 investors**, all from Canada



Since then, we have been **committed to strengthening** our relationships with investors



As at March 31, 2024, **379 investors** have participated in our term debt transactions

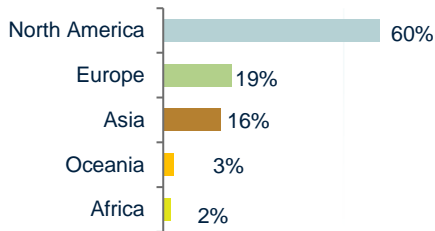
Since FY22

Among the **224 investors** who participated in PSP Capital Inc. Term debt offerings **last 3 fiscal years**:

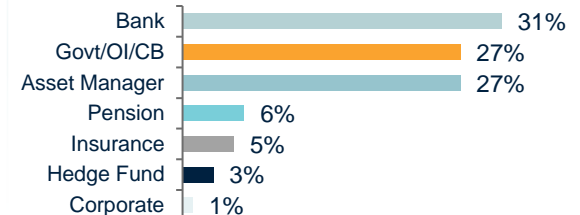
136 were **new** investors

Last 3 fiscal years - 224 Investors

By Region



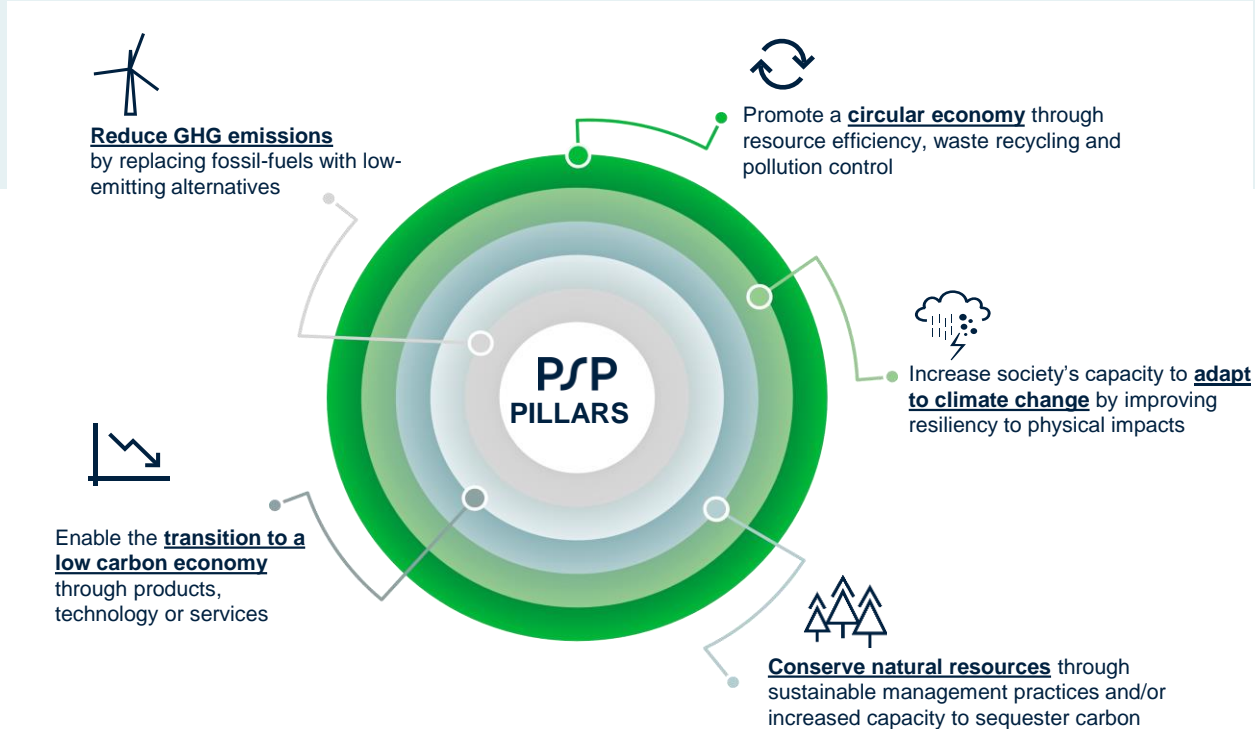
By Type



SUSTAINABLE FINANCING

Green Bond Program

PSP has established **five high-level pillars** to guide the development of its Green Bond approach, which describe the real-world outcomes that we seek to achieve through our Green Bond program.



Green Bond Framework

Issuing Green Bonds allows us to support sustainable business practices that **contribute to positive environmental outcomes and foster ESG considerations** in PSP Investments' long-term investment decisions.

Green Bond program in place since FY22, with 2 Green Bond transactions to date

Progress reported annually, through our Green Bond Impact Report

°CICERO



SHADING:
MEDIUM GREEN

GOVERNANCE SCORE:
EXCELLENT

Net proceeds are allocated to assets supporting the transition to a low-carbon economy, with the intent to **positively contribute to the long-term goals of the Paris Agreement, and sector-specific emissions reductions trajectories**, as outlined in the International Energy Agency's Net-Zero Scenario, guidance from the Science-Based Targets Initiative, the Investor Leadership Network sector decarbonization pathways, or other credible modeling sources.



See our [Green Bond Framework](#), [Green Bond Impact Report](#) and [CICERO Shades of Green Second-Party Opinion on PSP Investments](#)

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