



Living the mission

2025 Annual Report

Public Sector Pension Investment Board

PSP
Investments

At PSP Investments,
we have a mission greater
than ourselves – to support
the retirement of people
who protect and serve
Canada. The responsibility
of fulfilling this mission
compels us to strive for
excellence in all that we do.



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All amounts in this report are in Canadian dollars unless otherwise noted. From time to time, PSP Investments makes forward-looking statements. By their nature, forward-looking statements require assumptions to be made and involve inherent risks and uncertainties. As a result, PSP Investments cannot guarantee that any forward-looking statement will materialize.

Overview

2025 financial highlights

PSP Investments is one of Canada's largest pension investors. We invest 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 pension plans of the federal Public Service, the Canadian Forces (Regular Force), the Royal Canadian Mounted Police (RCMP) and, since March 1, 2007, the Canadian Forces (Reserve Force), and to the ability of the plans to meet their financial obligations.

Our portfolio grew to

\$299.7 B

net AUM¹ in fiscal 2025

13.2%

increase over fiscal 2024

**10-year
net annualized return**

8.2%

\$155.1 B

Cumulative 10-year
net portfolio income²

\$31.9 B

Cumulative net investment
gains above the Reference
Portfolio³ over 10 years

**5-year
net annualized return**

10.6%

\$115.5 B

Cumulative 5-year
net portfolio income²

\$15.1 B

Cumulative net investment
gains above the Reference
Portfolio over 5 years

**1-year
net portfolio return**

12.6%

\$33.5 B

Net portfolio income²

\$3.9 B

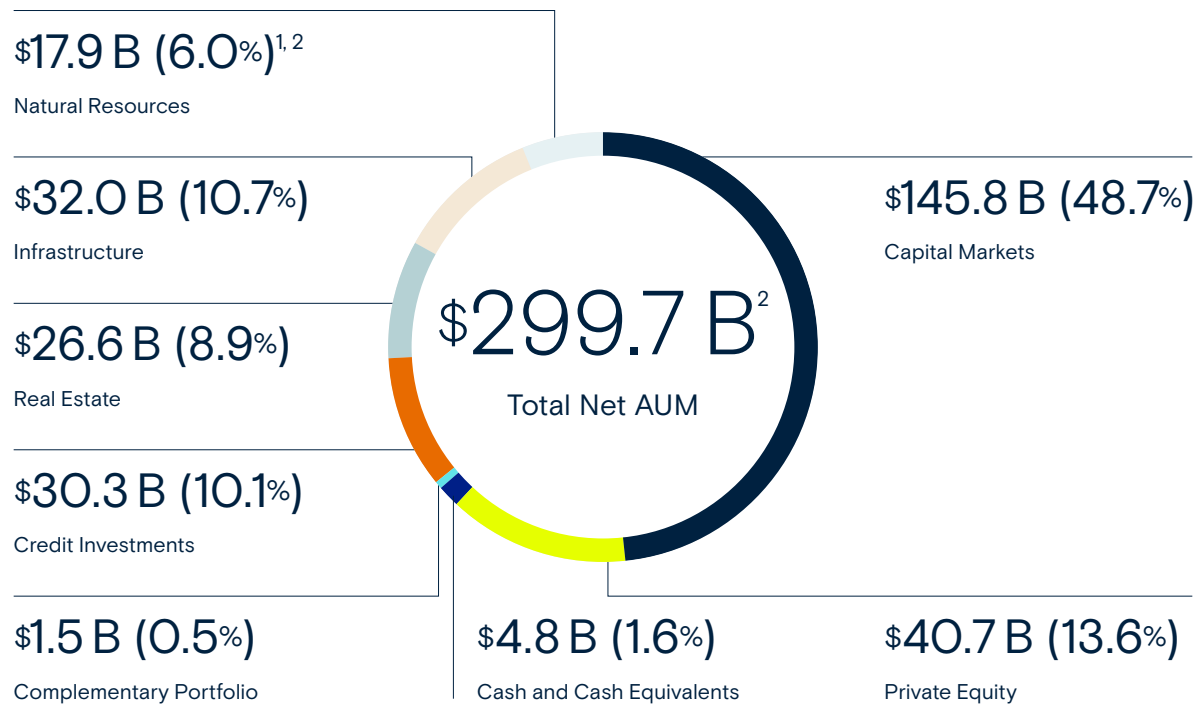
Net investment gains above
the Reference Portfolio

¹ Net AUM denotes net assets under management.

² Excludes contributions.

³ The Government of Canada gives PSP Investments a Reference Portfolio that communicates its risk tolerance.

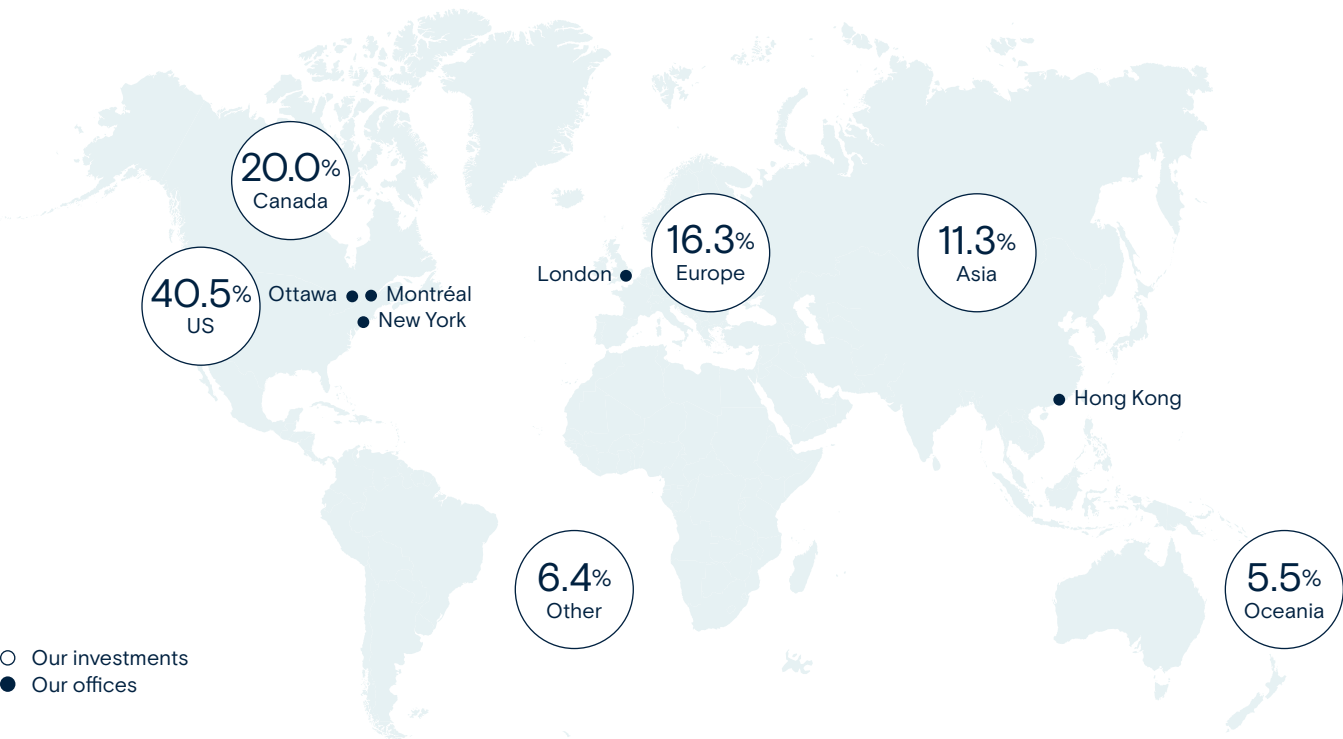
We invest globally across asset classes



¹ (%) represents percentage of total net AUM.

² Figures do not add up due to rounding.

Geographic exposure³



³ Percent of total gross fair value of investments based on exposure.

Chair message

It was my great honour to begin serving as Chair of PSP Investments' Board of Directors in June 2024. Having been a Director for the past six years, I have a profound admiration for the organization's mission and the dedication and professionalism of my fellow Board members.



I am committed to working with the Board to build on PSP Investments' legacy of good governance and strong performance in the best interests of the pension plan contributors and beneficiaries.

I am also proud to be the first francophone in the role of Chair at PSP Investments. The organization's main office is in Montréal and we aspire to be an integral part of Québec society, contributing to both its and the broader Canadian economies. President and CEO Deborah K. Orida has made concerted efforts since joining PSP Investments to support the Québec business community through meetings, industry panels and fireside chats. I applaud Deborah's commitment and have had the privilege of participating with her in some of the events.

Governing for continued success

On April 1, 2025, PSP Investments marked its 25th anniversary. Since inception, the organization has evolved into a sophisticated global investor, with net assets under management of \$299.7 billion. As of March 31, 2025, we were third largest among Canada's public pension investors.

The Board has played an important role in this success, providing strong oversight and guidance to ensure the organization manages its growth and delivers on its long-term mandate.

In fiscal 2025, our discussions focused on discharging our responsibilities for strategy, risk, and financial and human capital matters. Against a backdrop of geopolitical developments, and the transformation of the economy and evolving priorities in Canada and globally, we keenly followed and supervised how PSP Investments is adapting to the changing environment. At the enterprise level, we also engaged with senior management on the evolution of the organization's culture and efforts to attract and develop the best talent.

As PSP Investments has expanded globally, cost discipline and improving analytical capabilities through modern platforms and tools have long been focus areas for the Board. We wholeheartedly supported management in making operational excellence one of the three pillars of the corporate strategy and are closely tracking progress.

In fulfilling our role, we are always mindful of the priorities of our sponsor, the Government of Canada. Martin Glynn, my predecessor as Chair, made a point of building a relationship with our sponsor based on mutual trust and constructive dialogue. I aim to continue on the same path.

New Board members and reappointments

PSP Investments is fortunate to have a highly qualified and independent Board dedicated to overseeing the business and affairs of the organization in an exemplary manner.

On February 28, 2025, Christopher Fowler was appointed to the Board, replacing Martin Glynn, whose term had expired. Christopher's background as a former CEO of Canadian Western Bank made him an ideal candidate and his experience leading the bank through a period of growth and significant change will undoubtedly add to the quality of our Board's discussions. On behalf of the entire Board, I would like to officially welcome Christopher and express my sincere gratitude to Martin, who served on the Board with distinction beginning in 2014, including as Chair from 2018 onward. Martin's leadership was instrumental in building the strong organization we have today and he was a great help to me personally as I transitioned to my new role.

PSP Investments is fortunate to have a highly qualified and independent Board dedicated to overseeing the business and affairs of the organization in an exemplary manner.

Also in fiscal 2025, Marianne Harris and Susan Kudzman were reappointed to the Board for second terms of four years. They have both made significant contributions to the Board and the organization, particularly in the areas of governance and risk, and we are grateful for their willingness to serve. With these reappointments, we now have 10 Directors.

I extend my sincere gratitude to our Board members for their unwavering support during this year of transition and change in our organization. Additionally, I commend the External Nominating Committee, led by Marcel Larochelle, for its dedication and responsiveness in filling vacancies with highly qualified candidates and effecting reappointments in keeping with PSP Investments' mandate and needs.

Heartfelt thanks

The Board also offers heartfelt thanks and appreciation to the executive team and all employees for their hard work and commitment. They give us every reason for confidence in the organization's ability to both withstand potential economic turbulence and deliver on its long-term mandate.

Sincerely,



Maryse Bertrand
Chair of the Board

CEO message

With another year of strong performance, PSP Investments continues to live its mission of supporting the retirement of people who protect and serve Canada. For 25 years, we have had the honour of serving this important purpose, and we are proud of the results we have delivered for the beneficiaries and contributors.



A strong and growing portfolio

For the fiscal year ended March 31, 2025, our net return was 12.6%, outperforming our Reference Portfolio by 1.5%.

While annual performance is important, our long-term results are the best indicator of how we are fulfilling our role as a pension investor. I am proud to report that over the last five and 10 years, we have earned net annualized returns of 10.6% and 8.2% respectively, outperforming the Reference Portfolio and generating \$15.1 billion and \$31.9 billion of excess cumulative net investment gains over the respective periods.

Prepared for uncertainty

As we have seen, market volatility and uncertainty have increased in the wake of US tariff announcements. Our well-diversified portfolio encompasses high-quality assets and multiple investment strategies aimed at maximizing long-term returns, managing risks, and building resilience. We have ample liquidity to maintain our focus on delivering returns over the long term, and we continue to proactively incorporate potential shifts in global dynamics and economic conditions into our portfolio design process, risk management and investment decisions.

Investment highlights

In fiscal 2025, we launched our three-year corporate strategy, which focuses on excellence in the way we invest, operate, and live our mission. As part of our strategy, we are taking a more focused approach to our active investing activities, doubling down on our areas of expertise and conviction to drive greater risk-adjusted active returns. This strategy is enabled by the deep investing capabilities we have developed over the last 25 years.

For example, PSP Investments has been investing in infrastructure since 2006, and we have developed strengths in transportation, data infrastructure and energy, where we can leverage our platform approach to make value-added investments. The acquisition of three airports in Scotland and the wider United Kingdom (Aberdeen, Glasgow and Southampton) by our wholly owned subsidiary AviAlliance is a prime example of our strategy in action. Leveraging our global airports expertise, we acquired assets with significant value-creation potential and subsequently syndicated part of the investment to Blackstone.

We also announced our largest-ever Canadian transaction, a multibillion-dollar investment in 407 Express Toll Route (407 ETR), a toll highway spanning the Greater Toronto Area.

This stable, long-duration investment fits our infrastructure strategy and supports a critical road serving more than 3 million Canadians weekly.

In fiscal 2025, we also crystallized value for contributors and beneficiaries through some of our largest-ever dispositions. This included the sale of our stake in AirTrunk, a hyperscale data centre platform in the Asia Pacific region, which experienced phenomenal growth during the time of our ownership. The sale yielded exceptional returns beyond our investment base case, reflecting both the outstanding performance of the company and the high valuations within the sub-sector.

In addition, I want to commend the team at our subsidiary, Canada Growth Fund Investment Management (CGFIM¹), who have closed 12 transactions across five provinces since CGFIM's launch in the summer of 2023. As of March 2025, they had committed \$2.4 billion to projects aimed at accelerating the growth of Canada's clean economy. You can learn more about the Canada Growth Fund through its [annual report](#).

Dedicated to excellence

I can't say enough about how our people have embraced our corporate strategy and commitment to coordinated excellence. Teams across the organization have been involved in strategy-related initiatives, collaborating within and across asset classes, testing concepts, and learning new technologies and ways of working. In this coming fiscal year, we are assessing the potential for increased investment in areas where Canada's strengths and PSP Investments' expertise intersect.

We take confidence in knowing that our portfolio is built to be resilient.

This exciting work will continue over the next two years, as we work toward our bold ambition of becoming the best pension investor in the world. You can read more about it on page 13.

Evolving executive leadership

Over the past year, we have expanded our executive management team and added new capabilities, following the retirement and departure of some of our colleagues.

We've promoted three PSP Investments team members who bring strong experience and new perspectives to their roles. Alexandre Roy adds his total fund management perspective to the role of Chief Risk Officer. Patrick Charbonneau adds his deep private markets expertise to the role of Chief Investment Officer. Justin Nightingale adds his public markets perspective to our executive management team.

Two experienced leaders also joined PSP Investments – Caroline Vermette was appointed Senior Vice President and Chief Financial Officer, and Arun Bajaj, was named Senior Vice President, Chief People and Corporate Development Officer. Caroline and Arun bring deep global experience in finance, technology, and talent development to the execution of our strategy. I am excited to work with them, and the rest of our executive management team, to drive our organization forward.

Looking ahead

As we look ahead, we will continue to monitor geopolitical uncertainty, market volatility and other external factors that may impact our activities, both from a risk and an opportunities perspective. We take confidence in knowing that our portfolio is built to be resilient, our strategy is well suited to evolving circumstances, and we have strong people and capabilities to deliver on our mandate.

It has been a pleasure working with Maryse Bertrand, our Board Chair over the past 10 months and a Board member since before I joined PSP Investments. I am grateful for the support and wise counsel provided by Maryse and the full Board of Directors.

I also want to thank my PSP Investments' colleagues for their engagement and resilience throughout the year. Their dedication is inspirational, and their competence a source of strength, as we position PSP Investments to deliver on our important mandate over the next 25 years and beyond.



Deborah K. Orida

President and Chief Executive Officer

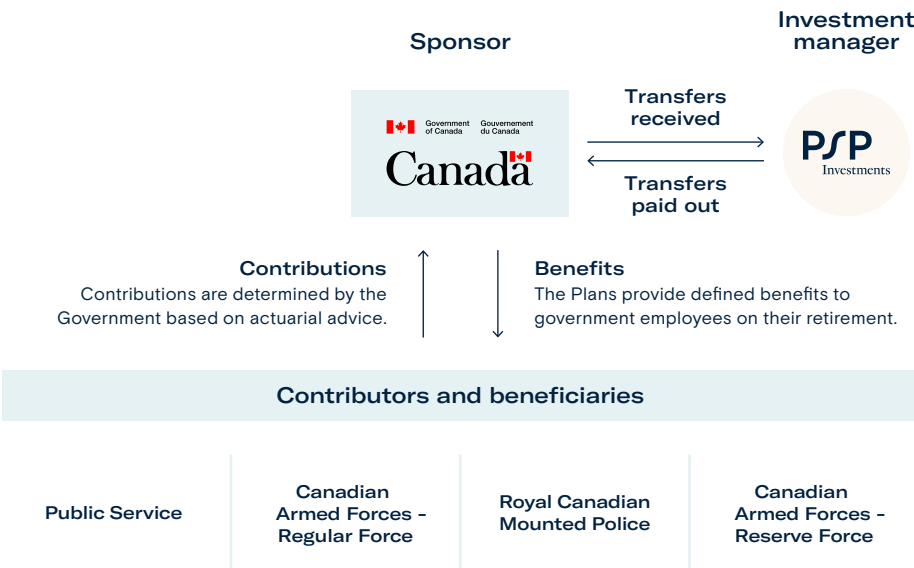
¹ The investment management services PSP Investments provides to Canada Growth Fund (CGF) are on a cost recovery basis for no profit, and investments held by CGF do not form part of our assets under management.

Our role

PSP Investments is a Crown corporation established by Parliament in 1999 through the *Public Sector Pension Investment Board Act*.

Our mandate is to: (1) manage amounts that are transferred to us in the best interests of the contributors and beneficiaries under the Acts related to the Plans;¹ and (2) 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.

This diagram shows how we support the public sector pension plans:

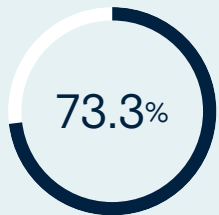


- During their working life, Canada's public service employees and members of the Armed Forces (Regular and Reserve Forces) and RCMP contribute jointly with their employers to their respective pension plans.
- The Government of Canada transfers to PSP Investments an amount equal to the total contributions less expenses and funds used to pay pension benefits for service after 2000.
- We invest and manage the money in accordance with our mandate.

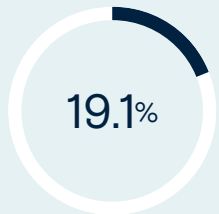
¹ Plans refers to the pension plans of the federal Public Service, the Canadian Forces (Regular Force), the Royal Canadian Mounted Police (RCMP) and, since March 1, 2007, the Canadian Forces (Reserve Force).

Our returns support the sustainability of four pension plans.

Net assets per pension plan account



\$219.4 B
Public Service



\$57.1 B
Canadian Armed Forces



\$21.6 B
RCMP

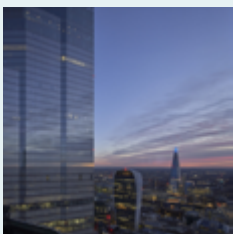


\$1.2 B
Reserve Force

Living our mission for 25 years

On April 1, 2025, we celebrated our 25th anniversary. Since inception, we have grown from a small organization investing in public markets and fixed income to become a sophisticated global investor with a talented team of international experts overseeing a diverse portfolio across multiple asset classes.

PSP



2000

Began operations
(April)

2003

Real Estate

2004

Private Equity

2006

Infrastructure

First mover in private markets



2011

Surpassed
\$50 B in AUM
Added Natural Resources
asset class



2015

Surpassed
\$100 B in AUM
and became one of Canada's
top 5 pension investors
Introduced Credit
Investments asset class
New global office – New York City



2016

New global office –
London



2018

Surpassed
\$150 B in AUM



2019

New global office –
Hong Kong



2023

Selected as investment manager
of Canada Growth Fund¹



2024

\$264.9 B in AUM
Third largest among Canada's
public pension investors



2025

\$205.0 B
cumulative
net income
since inception

¹ Canada Growth Fund is managed independently from PSP Investments.

Executive team



Deborah K. Orida
President and
Chief Executive Officer



Arun Bajaj
Senior Vice President,
Chief People and Corporate
Development Officer



Mélanie Bernier
Senior Vice President
and Chief Legal Officer



Patrick Charbonneau
Senior Vice President
and Chief Investment Officer



Oliver Duff
Senior Vice President
and Global Head of
Credit Investments



Simon Marc
Senior Vice President
and Global Head of
Private Equity Investments



Justin Nightingale
Senior Managing Director
and Head of Global Alpha



David Ouellet¹
Senior Vice President
and Chief Technology,
Data and Operations Officer



Alexandre Roy
Senior Vice President
and Chief Risk Officer



Caroline Vermette¹
Senior Vice President
and Chief Financial Officer

¹ David Ouellet assumed the role of interim Chief Financial Officer (CFO) until Caroline Vermette's appointment as CFO effective May 16, 2025.



Strategic priorities

In this section

- Our strategy
- Our people

We have set our sights on becoming the best pension investor in the world, based on our ability to deliver superior risk-adjusted returns, manage funding risk and execute with excellence.

Our strategy

Over the past 25 years, PSP Investments has established itself as a leader among Canadian and global pension investors, with sophisticated investment capabilities and unique strengths.

While proud of our progress, we know there is no room for complacency. The investment environment is becoming ever more competitive and complex, driven by ongoing market volatility, geopolitical recalibrations, rapid technological advancements, climate change and more. Successfully navigating this new regime requires constant vigilance and the pursuit of excellence in everything we do.

We launched a three-year strategy in fiscal 2025, which serves as the roadmap toward our bold ambition of becoming the best pension investor in the world. We are confident that our strategy will enable us to achieve coordinated excellence across the organization and build on our strengths as investors to deliver superior risk-adjusted returns, appropriately manage funding risk and execute in a manner that is consistent with the trust we have earned from our stakeholders.

Our competitive strengths

- One fund that gives us flexibility in executing our mandate
- Longer-term investment horizon
- Deep expertise in our areas of conviction
- Entrepreneurial spirit to ideate and implement innovative investment strategies
- Robust governance that operates at arm’s length from government

Pillars of our strategy

Invest with focus and foresight	Operate with excellence	Inspired by our mission
Focus on our strengths to deliver increased risk-adjusted active returns	Become a more agile organization through increased accountability, efficiency and coordination	Align our actions with our values
We are taking a more focused and coordinated approach to our active investing activities, capitalizing on our areas of expertise and conviction, and collaborating where our strengths intersect.	We are focused on increasing our effectiveness, and modernizing our technology and processes, to better support our investment activities.	Our mission is a source of pride and differentiation. It is the starting point for building a cohesive culture anchored by our values and committed to protecting our global reputation and maintaining the trust of our sponsor and beneficiaries.
Enabled by our people and technology		

2025 key achievements

Focusing where it matters	We took steps to focus our active investment strategies and double down on our strengths. This focused approach assists us in anticipating market evolutions and investing with foresight in a volatile environment. We also believe that it will open doors to unique and higher-quality investment opportunities.
Collaboration at its best	Teams from across our asset classes collaborated in areas where our identified strengths intersect. The infrastructure debt pilot project is an example of this work (see page 15).
Advancing our data-driven capabilities	We completed the design phase of a multi-year IT transformation project that will increase efficiency through streamlined processes, modernized technology and unified data, and serve as the foundation on which to build our advanced analytics capabilities. Our selection of a new integrated platform was an important step forward, enabling us to consolidate our public and private markets' data and operations to support total portfolio management and strategic decision-making at the highest level.
Living our values	Our corporate values – live the mission, excel together, be accountable – reinforce and guide the evolution of our culture in line with our strategy. Having recently refreshed our values, we organized a number of activities in fiscal 2025 to help embed the values in the way we work.



2026 priorities

We aim to build on our fiscal 2025 achievements by:

- Continuing to focus our active investment activities on our strengths, and explore opportunities where our expertise gives us a competitive advantage – including assessing the potential for increased investment in areas where Canada’s strengths and PSP Investments’ know-how intersect
- Laying the groundwork for the first phase of our IT transformation project in preparation for future deployment
- Improving effectiveness and efficiency across the organization
- Continuing to build relationships and trust with key stakeholders

Strategy in action

Investing with focus

Our Global Alpha group firmly believes that focus produces better results, especially in the global public equity markets in which it invests. Its active equities portfolio holds hand-picked listed equities that have strong potential to generate alpha (beat the market) over the long term. Increasingly, its investments are concentrated in specific sectors where security selection opportunities are more favourable, and where Global Alpha can best leverage its industry insights and expertise.

In fiscal 2025, Global Alpha took a big step forward in executing its strategy, shifting capital out of non-priority areas and deploying \$1.5 billion into the

industrials and materials, healthcare, consumer goods, and technology, media and telecommunications (TMT) sectors.

Infrastructure debt pilot project

A pilot project initiated by our Infrastructure and Credit Investments groups proved to be a great success, showcasing the power of cross-asset-class collaboration. By combining key partner relationships with Infrastructure's industry expertise and Credit Investments' structuring know-how, we were able to source, evaluate and execute on credit investments across the infrastructure landscape. The collaboration led

to four direct investments totalling approximately \$500 million and a healthy pipeline of new opportunities.

For example, in March 2025, we partnered with Ares Infrastructure Debt to provide debt financing for a portfolio company of EQT Infrastructure that develops and operates hyperscale data centres globally. Leveraging PSP Investments' in-house expertise in the broader data centre market, the team quickly assessed the opportunity and provided growth capital in the form of a loan. The transaction aligned with Credit Investments' strategy of utilizing existing firmwide relationships, while cultivating new partnerships within the infrastructure debt market.

Our people

People and technology are key enablers of our corporate strategy. We are committed to developing, engaging and inspiring our talent to be future ready and ensuring they have the tools and technology literacy to support business goals.

Some 800 employees attended our second annual Technology and Data Week, a four-day event for learning about the latest trends and how to use PSP Investments' data and technology to greater advantage. This year's event had a strong focus on generative AI and included a panel of strategic partners who spoke about the transformative impact of AI on the investment landscape.

To accelerate the integration of advanced analytics and AI into our investment decision-making processes, our digital innovation team formally joined the Global Alpha group, where they focus exclusively on improving investment outcomes. The renamed Alpha Science team now works closely with deal teams across PSP Investments to validate or challenge investment theses through the use of cutting-edge technologies, and shares its AI and data science tools more broadly with our public and private markets investors.

PSP Gives Back

PSP Gives Back is our annual campaign to support local community needs. In fiscal 2025, 73% of our people participated, donating more than \$500,000. They also volunteered approximately 865 hours at more than 15 charities across Montréal, Ottawa, New York, London and Hong Kong.



Investment approach

In this section

- Our portfolio
- Portfolio management in action

We focus our active investment activities on areas where we have unique expertise and capabilities and believe we can generate better risk-adjusted returns.

Our portfolio

Our portfolio is built to produce strong, stable returns by accessing the most compelling investment opportunities across a diversified mix of asset classes.

To fulfill our mandate, we invest for the long term, with a view to delivering an investment portfolio that is resilient and well positioned to support pension plan obligations that run decades into the future.

More than a simple mix of stocks and bonds, our portfolio includes investments across public and private asset classes, geographies, sectors and currencies. The construction process involves deciding which asset classes to include in the portfolio and the proportion of assets to allocate to each, while managing trade-offs between various exposures, levels of portfolio leverage and liquidity, among other things.

We believe our total fund approach ensures that the investing activities of our asset classes collectively produce the best possible portfolio to fulfill our mandate and fund the pensions without exceeding the government's risk tolerance.

In fiscal 2025, we expanded Credit Investments' mandate to include an investment-grade private credit sleeve, which is expected to provide additional return while maintaining our portfolio's robustness regarding pension funding risk.

Investing in Canada's future

We aim to capitalize on our proximity advantage to find compelling investment opportunities in our home market that meet our required risk and return profile. We invest in some of Canada's largest businesses and in up-and-coming companies that are making strides in promising sectors of the future.

Our Canadian exposure represents approximately \$68.7 billion and includes significant investments in public equities, real estate, natural resources and infrastructure.

A growing Canadian success story

Our relationship with Pure Flavor dates back to 2019, when – similar to many of our Natural Resources investments – we were able to provide a solution for succession planning, while injecting capital to accelerate the growth of the next generation of farmers.

Pure Flavor was founded in 2003 in Leamington, Ontario, by brothers Jamie and Jeff Moracci and childhood friend Matt Mastronardi. It has expanded over time to become a major player in the fresh produce space, growing and marketing an extensive variety of fresh, flavourful greenhouse-grown fruits and vegetables from farms

strategically located in Canada, the US and Mexico.

Five years since our initial investment, the capital injections from PSP Investments have enabled Pure Flavor to more than quadruple the acreage it has under glass, through both organic growth and acquisitions. Sales and profitability have soared.

Pure Flavor is also pioneering the use of precise climate, irrigation, plant nutrition and lighting controls that make it possible to grow the fresh vegetables families love year-round in a sustainable, eco-friendly environment.



Transforming urban living

We achieved a major milestone at our large-scale development project in Toronto – the historic Downsview Airport (now known by its former aviation call sign YZD) – when City of Toronto officials unanimously approved a new planning regime that allows the redevelopment of the 370-acre site.

The plans envision a series of thriving neighbourhoods with 35-million square feet of mixed-use real estate, including the creation of 29,000 new housing units over the next 30 years, and anchored by a two-kilometre pedestrian artery.

Each of the seven neighbourhoods will offer a diverse mix of housing, employment opportunities and community spaces, designed to meet the needs of current and future generations.

The site will be developed in phases that will be activated prior to their development. Interim uses include a 50,000-person temporary outdoor concert venue with globally recognized concert promoter Live Nation that will host major musical acts beginning in the summer of 2025.



Connecting communities, driving economic growth

In March 2025, we announced our largest-ever investment in Canada with a multibillion-dollar deal to acquire a 7.5% stake in 407 Express Toll Route (407 ETR). This all-electronic, barrier-free toll highway spans 108 km in the Greater Toronto Area and plays a vital role in connecting communities and alleviating congestion in the region.

Our investment in the highway exemplifies our broader infrastructure strategy, which is focused on high-quality, essential global infrastructure assets in transportation, data and energy.

We are joining Canada Pension Plan Investment Board and Ferrovial, a leading, global infrastructure company from Spain, in the 407 ETR ownership group. We look forward to partnering with them to support the long-term stability and reliability of this critical road serving more than 3 million Canadians weekly.



Portfolio management in action

Our asset classes are staffed by experienced investment professionals who research, source, execute and manage investments to optimize their portfolio's performance over the long term.

Seizing the moment

With the adoption of AI and cloud computing driving explosive growth in the data centre market, our Infrastructure group took advantage of an opportunity to sell a major holding in fiscal 2025 – delivering strong returns to our portfolio, while remaining invested in digital infrastructure.

In September 2024, PSP Investments and Macquarie Asset Management (MAM) announced the sale of our respective interests (totaling 88%) in AirTrunk, a hyperscale data centre platform in the Asia-Pacific region. We had jointly owned a majority stake in the company since 2020, and in other data centre assets since 2017, well before many investors understood the emerging potential of the market.

During our ownership, AirTrunk expanded from five data centres in Australia, Singapore and Hong Kong to 11 sites, including Japan and Malaysia, and increased its contracted capacity more than eightfold. Our successful collaboration with MAM and the AirTrunk management team enabled AirTrunk to become a market-leading independent hyperscale data centre platform in the Asia-Pacific region in terms of customer experience, operations and sustainability.

For PSP Investments, the sale both delivered outstanding results for the beneficiaries and validated our strategy



of partnering with top-tier management teams and like-minded investors to support infrastructure businesses in their growth ambitions while achieving operational excellence.

Strength in the numbers

Our Credit Investments (CI) group is a significant player in the market globally, committing more than \$70 billion since inception in 2015 and growing its portfolio to approximately 140 companies. In fiscal 2025, the group achieved record transaction volumes, deploying \$13.1 billion and receiving \$10.2 billion in payments on existing investments.

According to Debtwire, CI's 2024 calendar-year performance placed PSP Investments in the top five of large-cap European direct lenders based on the number of deals completed and percentage of market share captured.



The vast majority of positions are directly originated by our own people, which enables us to limit management and performance fees to equity sponsors while retaining upside to PSP Investments.



AviAlliance takes flight

AviAlliance is our wholly owned airport investment platform, and one of the world's leading airport investors and managers. Fiscal 2025 was a busy year for the platform, with the sale of its majority stake in Budapest Airport and the acquisition of AGS Airports, the owner and operator of three airports in Scotland and the wider United Kingdom – Aberdeen, Glasgow and Southampton. With the addition of AGS Airports, AviAlliance-managed airports are collectively now the largest private markets' asset in PSP Investments' portfolio.

Budapest Airport experienced substantial growth in passenger traffic and earnings throughout our ownership of AviAlliance. Significant investments were made to expand the airport and improve passenger experience, earning it numerous industry accolades including 'Best Airport in Eastern Europe' (2024) and Best Airport in Europe for Airport Service Quality (2023) in its passenger category at the prestigious Airport Service Quality Awards. By selling its stake in Budapest Airport in June 2024, AviAlliance was able to crystallize significant value for PSP Investments.



In January 2025, we completed the acquisition of AGS Airports and later signed a minority sale to Blackstone's infrastructure strategy for individual investors. We see strong growth potential for these airports and are confident that they too will benefit from AviAlliance's operational expertise and track record.



Management's discussion of fund performance and results

Management's discussion of fund performance and results (the Management report) provides an analysis of the operations and financial position of PSP Investments for the year ended March 31, 2025 and should be read in conjunction with the Consolidated Financial Statements and accompanying notes for the years ended March 31, 2025 and 2024. The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS). In this report, we use a combination of financial measures, ratios and non-IFRS measures to assess performance. The non-IFRS measures used in this report do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other institutions. These measures should be considered as supplemental in nature and not as a substitute for the related financial information prepared in accordance with IFRS. For non-IFRS measures included in this Management report, definitions can be found throughout the document. This report takes into account material elements, if any, between March 31, 2025 and May 15, 2025, the date of approval of this report by the Board of Directors. Additional information about PSP Investments is available on the website (www.investpsp.com).

Forward-looking statements

From time to time, PSP Investments makes forward-looking statements that reflect management's assumptions, expectations, objectives, strategies and intentions as of the date of this report. These forward-looking statements are typically identified by future or conditional verbs or words such as "outlook," "believe," "estimate," "project," "expect," "plan," and similar terms and expressions.

By their nature, forward-looking statements require assumptions to be made and involve inherent risks and uncertainties. As a result, PSP Investments cannot guarantee that any forward-looking statement will materialize, and its future investment activities may vary from those outlined herein. You should not place undue importance on forward-looking statements and should not rely upon this information as of any other date.

Mandate

PSP Investments manages the amounts transferred to it by the Government of Canada (the Government) for the funding of benefits earned from April 1, 2000 (Post-2000 Liabilities) by members of the public sector pension plans of the federal Public Service, the Canadian Forces, the Royal Canadian Mounted Police and, since March 1, 2007, the Reserve Force (collectively the Plans).

In accordance with the *Public Sector Pension Investment Board Act* (the "Act"), PSP Investments' statutory mandate is to:

- a) manage amounts that are transferred to it in the best interests of the contributors and beneficiaries, and
- b) invest its 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 pension plans and the ability of those plans to meet their financial obligations.

The Government of Canada may at any time call upon the net assets of PSP Investments in order to pay benefits with respect to each Plan or to reduce any non-permitted surplus. The President of Treasury Board may form the opinion that a non-permitted surplus exists in one of the public sector pension plans following an actuarial valuation report by the Chief Actuary of Canada. A non-permitted surplus exists when assets exceed liabilities by more than a predetermined threshold.

PSP Investments expects to deliver on its mandate by creating value through its strategic asset allocation, dynamic asset allocation, and active management decisions. Strategic asset allocation entails carefully designing asset classes and allocating strategic long-term targets to each of them through the Policy Portfolio and dynamic asset allocation involves navigating the asset allocation around those strategic targets over a mid-term horizon as the economic cycle evolves. Active management activities are designed to generate additional returns, through asset selection and assist in delivering on our mandate. Those activities are described further under "Investment Framework."

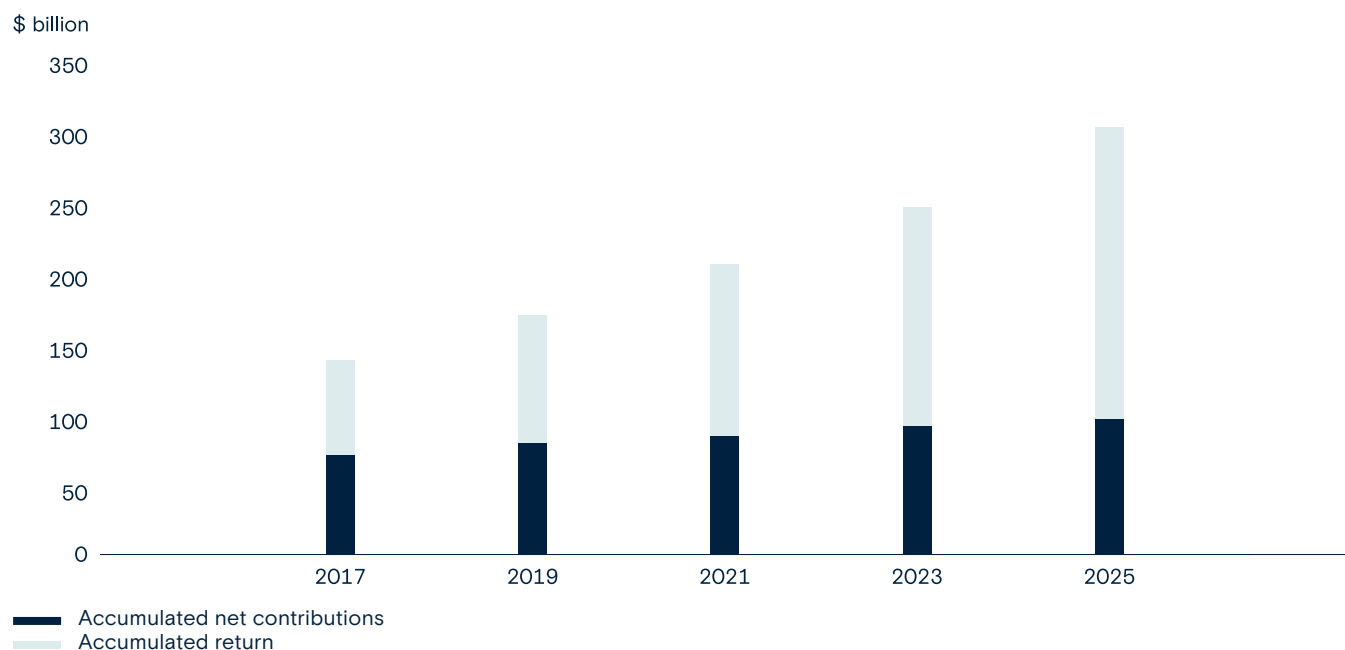
Following the federal budget announcement on March 28, 2023, that PSP Investments was selected to act as the independent and exclusive investment manager of Canada Growth Fund Inc. (CGF), a subsidiary of Canada Development Investment Corporation (CDEV), itself a Crown corporation, the Act was amended in June 2023 to allow a subsidiary of PSP Investments to act as the investment manager of CGF.

To that end, PSP Investments incorporated Canada Growth Fund Investment Management Inc. (CGFIM) as its wholly owned subsidiary in August 2023, for the purpose of providing investment management services to CGF, on a cost recovery basis for no profit. The costs associated with the establishment and operation of this subsidiary and with CGFIM's provision of investment management services to CGF are required to be reimbursed by CGF. PSP Investments does not control CGF or own the investments of CGF and consequently, CGF's assets, liabilities and results of operations are not consolidated with those of PSP Investments. This Management report does not include or provide an analysis of the results of operations and financial position of CGF which are reported separately by CGF and can be found at www.cgf-fcc.ca/en.

The importance of investment returns in the funding of the pension plan obligations

At the end of fiscal 2025, fund transfers received from the Government¹ since April 1, 2000 represented approximately 32% of net assets under management (AUM), with the remaining 68% representing investment returns earned by PSP Investments on those funds.

As the Plans mature, funds received from the Government are expected to gradually represent a decreasing percentage of PSP Investments' net assets. The proportion of assets coming from investment returns are expected to continue to grow and it is expected that the majority of our AUM growth in the upcoming years will come from investment returns rather than fund transfers. Having a robust investment framework aligned with our mandate and the Government's risk tolerance is therefore crucial for funding the Post-2000 Liabilities of the Plans.



PSP Investments' robust returns are a key factor supporting the funding of the pension funds, and as a result, the funds are in a healthy funding position. A Special Actuarial Report on the financial position of the Public Service Pension Fund as of March 31, 2024 was tabled on November 25, 2024 determining that the fund was in a non-permitted surplus, as defined under the *Public Service Superannuation Act*, of approximately \$1.9 billion. In keeping with the Act, the Government requested that PSP Investments transfer this non-permitted surplus to the Consolidated Revenue Fund. To this end, PSP Investments transferred out the required amounts during the fiscal year, which in turn reduced the net transfers received for the year.

¹ Transfers to PSP Investments from the Government consist of amounts equivalent to the proceeds of the employee and employer contributions to the Plans, less plan administrative expenses and amounts paid for benefits earned since April 1, 2000 (March 1, 2007, for the Reserve Force).

Investment framework

The chart below illustrates our investment framework.

Mandate Government's funding risk tolerance communicated on behalf of the President of the Treasury Board through a Reference Portfolio	Total Fund management Articulates our total fund approach to achieve our mandate over the long term, ensuring desired market exposures are executed efficiently: Design Protect Enhance	Active management Includes the execution of active investment strategies within risk limits
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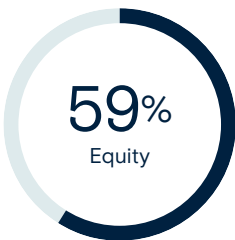
Mandate

Government's funding risk tolerance

The starting point of PSP Investments' investment framework is the Government's tolerance for pension funding risk. Unlike investment risk, which measures the impact of investment losses on the value of assets, funding risk considers the value of the assets in relation to the value of the obligations (liabilities) of the pension plans.

The Treasury Board of Canada Secretariat (TBS) communicates the Government's tolerance for funding risk to PSP Investments, on behalf of the President of the Treasury Board, through a Reference Portfolio, a simple, easily investible portfolio composed of liquid asset classes that could be passively managed. The Reference Portfolio is currently composed of 59% equities and 41% fixed income, as detailed here:

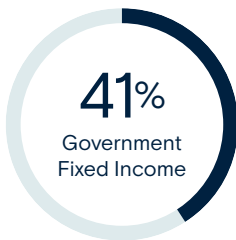
Reference Portfolio asset allocation



28%
EAFE Equity

19%
US Equity

12%
Canadian Equity



29%
Canadian Government Bonds

5%
World Government Bonds

5%
World Inflation – Linked Bonds

2%
Cash and Cash Equivalents

Total Fund management

Design of the Policy Portfolio

Building on our mandate, beginning with the risk tolerance conveyed by TBS via the Reference Portfolio, the second component of the investment framework is “design.” PSP Investments’ value proposition focuses on designing the best possible portfolio, the Policy Portfolio, to allow PSP Investments to achieve its mandate to maximize returns without undue risk of loss or funding risk over a long-term horizon.

Our objective for the Policy Portfolio is to achieve a return greater than the Reference Portfolio over a period of 10 years with a lower or equal level of pension funding risk. This is achieved by including asset classes that diversify our sources of risk and return, such as Real Estate, Private Equity, Infrastructure, Natural Resources and Credit Investments. The Policy Portfolio is built as a more diversified, resilient and liability-aware portfolio than the Reference Portfolio. It articulates PSP Investments’ long-term target asset class exposures.

The inclusion of these asset classes is expected to provide a higher return for the Policy Portfolio compared to the Reference Portfolio without increasing funding risk for three primary reasons:

- Their inclusion improves portfolio diversification and therefore reduces pension funding risk.
- Over time, the private nature of these assets is expected to result in higher returns. The Plans’ liabilities are long term in nature and liquidity requirements are predictable under normal funding conditions.¹ Since it is unlikely that PSP Investments will need to sell assets quickly and unexpectedly, we are well positioned to capture these higher returns.

- The Plans’ liabilities are sensitive to inflation. Investing in real assets that tend to offer long-term inflation protection, such as Real Estate, Infrastructure and Natural Resources, better matches the liabilities of the Plans and lowers the risk of a deficit in the pension plans.

The Policy Portfolio is the predominant factor in determining PSP Investments’ return and risk over time. As such, it is reviewed annually or more frequently, if required. Each review includes an asset-liability study to ensure the Policy Portfolio accounts for specific characteristics of both the markets and the Plans’ liabilities.

With its increased diversification and liability-aware nature, the Policy Portfolio is designed to be more resilient in downturn scenarios relative to the Reference Portfolio and therefore is expected to offer more downside protection over the long term.

Efforts continue to be focused on enhancing the integration between the long-term pension funding risk, and the shorter-term investment risk management practices. A strong link exists between the two and while the Policy Portfolio generates a lower level of funding risk compared to the Reference Portfolio, it can sustain a higher level of short-term investment risk because of its linkage with the liabilities and its long-term horizon.

The advantage from the enhanced integration between Policy Portfolio design and risk management is to ensure that daily risk monitoring is more directly linked to pension funding risk and the Government’s risk tolerance.

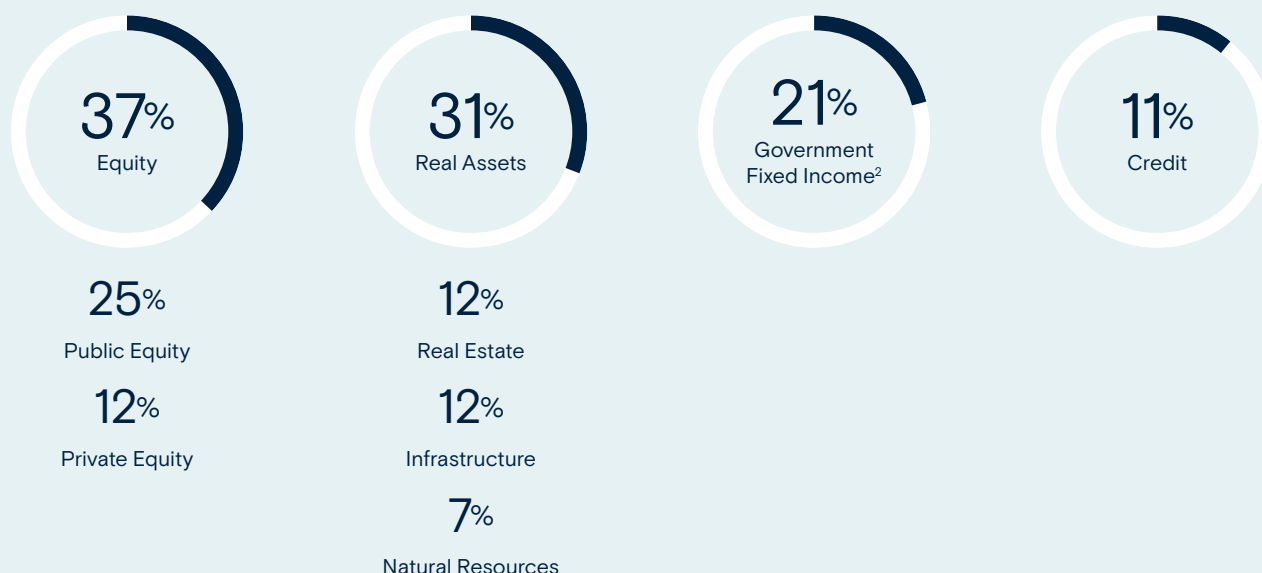
The Policy Portfolio also integrates considerations such as leverage and currency exposure. PSP Investments uses leverage to improve its returns with careful consideration to risk and liquidity, as further described in the “Management of Investment Risks” section.

PSP Investments’ Board of Directors (Board) annually reviews and approves the Statement of Investment Policies, Standards and Procedures (SIP&P), which governs the allocation of assets under the Policy Portfolio and describes our investment approach. In addition to the allocation of assets under the Policy Portfolio, the SIP&P addresses matters such as categories of investments and loans, risk management and diversification, liquidity of investments, pledging of assets, permitted borrowings and leverage, securities lending and borrowing, valuation of investments, and sustainable investment. This year’s review of our Policy Portfolio confirmed that its funding risk was no greater than the Government’s current funding risk tolerance and identified opportunities for further improvements. Consequently, a change was made to improve the risk-return profile, reallocating 2% from Government Fixed Income to Credit Investments. The shift to Credit Investments was made with a focus on lower-risk, investment-grade assets in order to preserve our strong risk profile.

¹ Contributions can increase as a result of a funding deficit or decrease as a result of a non-permitted surplus as per the *Superannuation Acts*. Such situations can impact our net cash flows.

Policy Portfolio asset allocation¹

Effective during fiscal 2025



With respect to the Currency Management Policy, some foreign currency exposures, notably the US dollar, benefit from not being systematically hedged, as they tend to appreciate versus the Canadian dollar when economic shocks occur and therefore act as a diversifier (i.e., a natural hedge against declining asset returns). The Policy Portfolio's risk-return profile is therefore improved when keeping most foreign currencies unhedged, with the added benefit of reducing long-term hedging costs and pressure on liquidity, leverage and operations. While this is true for most currencies, some are risk additive, being even more pro-cyclical than the Canadian dollar, and are therefore strategically hedged. These currencies represent a small fraction of our

exposures, and this evolution allows PSP Investments to further reduce the funding risk of our strategic asset allocation.

Protect the Policy Portfolio

The next component of the investment framework is "protect." It aims to ensure that, through the implementation of the Policy Portfolio, risk and return characteristics of PSP Investments' actual portfolio are aligned to those of the Policy Portfolio in the most optimal way.

Several mechanisms such as portfolio rebalancing (both for assets and for currencies) and risk limits are in place to ensure that the invested Total Fund portfolio's risk and return characteristics do not stray too far from the Policy Portfolio.

Notably, dynamic asset allocation (DAA) contributes to the implementation of the strategic asset allocation. In order to reach the desired exposures, it enables a smooth transition period following periods of elevated market volatility, the addition of a new asset class, operational constraints when ramping up or revising the targeted long-term weights. It seeks to improve the likelihood that the Policy Portfolio will deliver on PSP Investments' long-term value proposition using business cycle analysis. The DAA also allows PSP Investments to consider mid-term views on economic conditions to adjust and optimize the actual portfolio relative to the desired Policy Portfolio.

¹ PSP Investments recognizes that some investment opportunities may be beneficial to the Plan Accounts without falling within the asset classes in the strategic asset allocation. Investments such as those in the Complementary Portfolio have no target weight but shall not surpass 3% of the Plan Accounts' value.

² Includes Cash and Cash Equivalents.

A similar dynamic approach is used to manage currency exposures, which is called dynamic currency management (DCM). DCM seeks to contribute to the implementation of the Policy Portfolio currency exposures. It integrates operational constraints such as liquidity in the management of currencies while seeking to improve the likelihood that the Policy Portfolio will deliver on PSP Investments' long-term value proposition using business cycle analysis. While from a portfolio design perspective, keeping most foreign currencies unhedged acts on average as a diversifier over the long term (given that currencies such as the US dollar tend to appreciate versus the Canadian dollar in downturn scenarios), in a given year, currencies can deviate from their long-term expected behaviour.

Enhance the Total Fund

"Enhance" follows the "protect" component of the investment framework. This component's objective is to improve the long-term risk-reward profile of the Total Fund and is achieved through beta management and the Complementary Portfolio.

Beta management extends beyond standard benchmark replication, or passive investing. Its mission is to improve the Total Fund's risk-return profile by balancing and increasing

flexibility in the implementation of the desired equity and fixed income exposure of the Policy Portfolio. Furthermore, beta management also supports enhanced leverage and liquidity management through the consolidation of total fund activities.

In support of total fund activities, the Complementary Portfolio focuses primarily on investments that are not within the mandate of an existing asset class but have strategic benefits to the Total Fund. The mandate of the Complementary Portfolio is focused on investing in select, long-term partnerships that are focused on innovation and that deliver knowledge, insights and intelligence that can be leveraged throughout PSP Investments while providing an appropriate financial return.

Active management

Actual portfolio

The final component of the investment framework, "active management," aims to achieve a return exceeding that of the Policy Portfolio while staying within Board-approved risk limits. Active management refers to investment strategies aimed at outperforming a benchmark that reflects the desired risk and return characteristics that

were identified as part of the strategic asset allocation decision. In alignment with their target asset allocation and investment mandates, each asset class develops an investment strategy to deliver their target sector and geographic exposure. Each asset class does so by making investments independently, or with leading external managers and other like-minded investors and operators, in assets and securities expected to provide compelling risk-adjusted returns over their investment horizon. Asset classes are staffed across our global offices by experienced investment professionals who have a deep understanding of their industry and a valuable network of relationships. This, combined with the various means of support provided by PSP Investments, equips them to effectively research, source, execute and manage their portfolio to optimize its performance over the long term. The asset class investment strategies that allow them to execute on their mandate are presented in their respective results section.

Long-term value creation through sustainability-informed investments

Our approach to sustainability is institutionalized through the Sustainable Investment Policy and Corporate Governance & Proxy Voting Principles. There is no single definition of sustainability, so we draw on international and Canadian standards to inform our approach. Sustainability-related factors encompass governance, social, and environmental topics that may influence an entity's ability to create long-term value.

PSP Investments seeks to integrate material sustainability-related factors into our investment activities throughout the investment lifecycle to enhance long-term value, mitigate risks, and capture opportunities across public and private markets. We seek to leverage

sustainability-related data and metrics, acknowledging their limitations and evolving nature. To support this integration, PSP Investments strives to equip its investment professionals with the tools, training, and data needed to identify, measure, and manage sustainability-related risks and opportunities. The approach also recognizes that the financial materiality of sustainability-related factors can be dynamic, which calls for monitoring of their relevance to financial and operating performance, stakeholder expectations, and regulatory changes. Accordingly, the objective is to take a pragmatic view when applying this, considering the asset class and type of investment. Through dialogue, collaboration, and proxy voting, we aim to influence governance, risk management, and sustainability disclosure aligned with our mandate.

PSP Investments aims to prioritize, where appropriate, active engagement over exclusion or divestment, believing constructive dialogue is more effective for driving better outcomes. However, there are instances where we may refrain from investing or decide not to maintain an investment, including where there are material reputational and/or financial risks that do not align with our reputational risk considerations, and the meeting of our mandate.

Evaluating the performance of the investment approach

Evaluating the performance of the investment approach is important because it is designed and implemented to achieve the mandate objectives.

The nature of the mandate requires measuring and evaluating performance across different time horizons. While measuring long-term performance allows PSP Investments to evaluate the results of the investment decisions across market cycles, medium-term performance helps to measure the efficiency of implementing the asset classes' investment strategies. Although performance is also measured annually (as each year contributes to long-term performance), undue importance is not placed on relative performance in any given year because it may reflect temporary market conditions and short-term volatility. As a result, the 5-year and 10-year relative performance of asset classes and PSP Investments are emphasized over 1-year performance.

Management discusses five- and ten-year performance measures in alignment with the total fund long-term investment approach. These measures extend beyond the two years of historical financial information provided in the Consolidated Financial Statements. Management's discussion of fund performance and results presents specific financial results in both dollar and percentage terms. The key performance non-IFRS measures disclosed below are intended to offer readers additional information representing management's perspective on the total fund's performance and are consistent with those utilized by the business in assessing overall performance by asset class.

Measures of success at the Total Fund level

Long-term success is measured through the following performance objectives:

Achieve a return, net of expenses, greater than the return of the Reference Portfolio over a 10-year period

As mentioned previously, we have designed our investment strategy to achieve a return greater than the Reference Portfolio over a period of 10 years with a lower or equal level of pension funding risk. To align with this, we have integrated our performance relative to the Reference Portfolio as a long-term measure of success and a primary long-term performance objective. Such measurement encompasses the value added by PSP Investments' strategic decision to: i) build a more diversified portfolio – the Policy Portfolio – that includes less liquid asset classes; ii) to dynamically allocate assets over a mid-term horizon; and iii) to engage in active management strategies. It should be noted that while our investment strategy is expected to outperform the Reference Portfolio over the long term, short-term underperformance is expected in certain situations. This is the case in environments of higher public equity returns, which favour more concentrated portfolios like the Reference Portfolio.

Achieve a return, net of expenses, exceeding the Total Fund Benchmark return over 10-year and 5-year periods

Also, as mentioned previously, PSP Investments engages in active management strategies to achieve a return exceeding that of the Policy Portfolio while staying within Board-approved risk limits. To assess the value added by these active strategies, the difference between PSP Investments' net return¹ and the Total Fund Benchmark is measured. Such a difference is measured on a 10-year basis to align with the mandate and on a 5-year basis to assess the efficiency of such strategies at the asset class level.

The Total Fund Benchmark expresses the implementation of the Policy Portfolio and accounts for any accepted over/underweighting in the target weights of the Policy Portfolio. As a result, the performance of the Total Fund Benchmark is based on actual weights and is used to isolate the performance impact of the final component of the investment framework, namely, the active management strategies.

¹ These measures may not have a standardized meaning under IFRS and may not be comparable to similar measures disclosed by other institutions. These net returns are calculated using a time-weighted return methodology and are net of all expenses.

Asset class performance evaluation

The benchmarks associated with the asset classes in the Policy Portfolio are used to evaluate whether PSP Investments met the objectives set as part of the assessment of the investment approach.

The benchmarks in the table below were used to measure fiscal 2025 relative performance for each asset class set out in the SIP&P, as well as for the overall Policy Portfolio.

Asset Class	Benchmark
Equity	
Canadian Equity	S&P/TSX Composite
US Equity	S&P 500
Europe, Asia, Far East (EAFE) Equity	MSCI EAFE
Small Cap Equity	S&P 600
Emerging Markets (EM) Equity	MSCI EM
Alpha Alternatives	Customized benchmark ¹
Private Equity	Customized benchmark composed of public securities ^{2,3}
Government Fixed Income	
Cash & Cash Equivalents	FTSE Canada 91 Day T-Bill
Canadian Government Bonds	FTSE Canada Universe All Government Bond
World Government Bonds	JP Morgan Government Bond Index (GBI) Global
World Inflation-Linked Bonds	Bloomberg Barclays World Government Inflation-Linked
Emerging Market Debt	Blend of customized GBI-EM Global Diversified and JPM EMBI Global Diversified
Credit	
Credit Investments	Blend of ICE BofA High Yield Indices (United States & Europe) and Morningstar Global Leveraged Loan Index ³ for non-investment grade Blend of iBoxx BBB Corporate Bond Indices ³ for investment grade
Real Assets	
Real Estate	Customized benchmark composed of public securities ^{2,3}
Infrastructure	Customized benchmark composed of public securities ^{2,3}
Natural Resources	Customized benchmark ^{3,4}
Complementary Portfolio	Blend of Policy Portfolio benchmarks ³

¹ Customized benchmark based on HFRX index.

² The customized benchmark is determined based on a selection of public securities within the MSCI All Country World Index (ACWI) IMI, adjusted for factors, such as leverage, and aligned with the characteristic of each asset class as set in its mandate.

³ As a result of the decision to maintain most foreign currency exposure unhedged, the benchmarks for Private Equity, Credit Investments, Real Estate, Infrastructure, Natural Resources and the Complementary Portfolio are set so that they remain neutral to currency movements, meaning that the actual currency return impact on private asset classes returns is reflected in their respective benchmark.

⁴ Customized benchmark based on a select basket of commodities and adjusted for leverage and other factors aligned with the Natural Resources asset class mandate.

Analysis of Total Fund results

Net AUM¹

\$299.7 B

Net AUM (FY024)

\$264.9 B

Net Income

\$33.5 B

10-year
net annualized return²

8.2%

7.1%

10-year annualized
Total Fund Benchmark return³

6.9%

10-year annualized
Reference Portfolio return³

5-year
net annualized return²

10.6%

9.1%

5-year annualized
Total Fund Benchmark return³

9.4%

5-year annualized
Reference Portfolio return³

1-year
net portfolio return²

12.6%

17.4%

1-year Total Fund
Benchmark return³

11.1%

1-year Reference
Portfolio return³

¹ Total net AUM represents the net investments as presented in the Consolidated Financial Statements.

² These measures may not have a standardized meaning under IFRS and may not be comparable to similar measures disclosed by other institutions. These net returns are calculated using a time-weighted return methodology and are net of all expenses.

³ These measures may not have a standardized meaning under IFRS and may not be comparable to similar measures disclosed by other institutions. These annualized returns are calculated using a time-weighted return methodology.

Long-term results

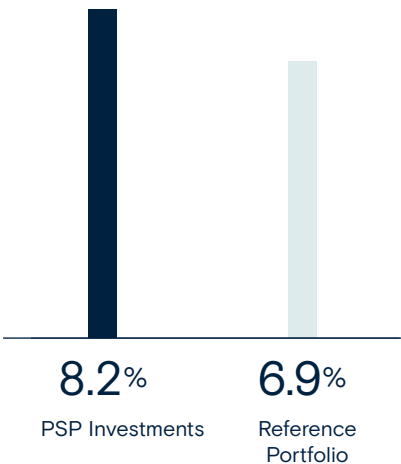
As discussed above, measures of success at the total fund level are comprised of the following three objectives and their related benchmarks against which we can evaluate the success of our long-term investment approach:

1. Actual Return compared to the Reference Portfolio return (10-year)

The Reference Portfolio reflects what an investor could achieve with a passive investment approach and is adjusted to the Government’s risk tolerance. Over the last 10 years, PSP Investments’ net return exceeded the performance of the Reference Portfolio by 1.3% per annum, or \$31.9 billion. This result was achieved without incurring more pension funding risk than the Reference Portfolio. This additional 1.3% represents the value added by PSP Investments as a result of its strategic asset and currency allocation, dynamic asset and currency management, active management decisions, and careful execution, as described in our investment framework.

Return compared to Reference Portfolio return

10-year net annualized return¹

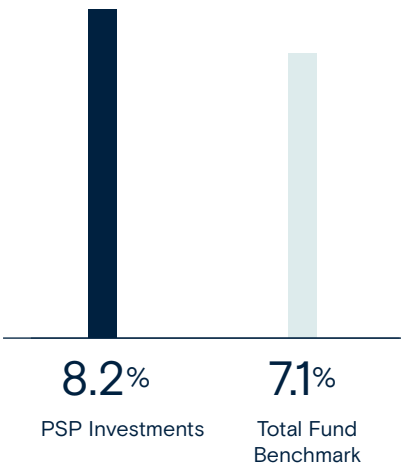


2. Actual Return compared to the Total Fund Benchmark return (10-year)

This objective is used to measure the long-term value added by PSP Investments’ active management activities resulting from structural factors such as skill and overarching strategy. Over the last 10 years, these activities generated a net annualized rate of return¹ of 8.2% compared to 7.1% for the Total Fund Benchmark, amounting to \$18.8 billion in excess net investment gains.² Over the past 10 years, the net excess return¹ over the Total Fund Benchmark is largely attributable to strong relative performances achieved in Infrastructure, Credit Investments, and Natural Resources.

Return compared to the Total Fund Benchmark return

10-year net annualized return¹



¹ These measures may not have a standardized meaning under IFRS and may not be comparable to similar measures disclosed by other institutions. These net returns are calculated using a time-weighted return methodology and are net of all expenses.

² Net investment gains in excess of the Total Fund Benchmark.

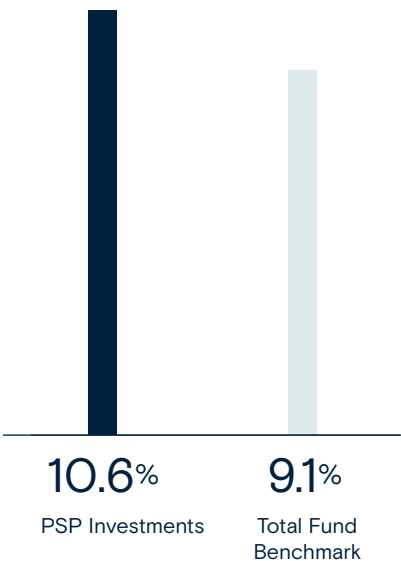
3. Actual Return compared to the Total Fund Benchmark return (5-year)

This objective is used to measure the value added by PSP Investments’ active management activities and is designed to be more responsive to the evolution of the strategy than the 10-year measure. Over the last five years, these activities generated a net annualized rate of return¹ of 10.6% compared to 9.1% for the Total Fund Benchmark, amounting to \$13.8 billion in excess net investment gains.²

PSP Investments’ outperformance when compared to the Total Fund Benchmark was driven mainly by strong excess performance in Public Market Equities and all private asset classes, with the exception of Real Estate, as further described in the analysis of our results by asset class.

Return compared to the Total Fund Benchmark return

5-year net annualized return¹



Short-term results

Geopolitical, macroeconomic and financial market context

Fiscal 2025 was marked by notable geopolitical and macroeconomic shifts, elevated trade policy risk, technological advancements, and heightened financial market volatility. Key concerns included persistent inflation, lingering post-pandemic dissatisfaction, and uncertainty over changing US policies – including the threat of wide-ranging tariffs with the capacity to disrupt global markets. National elections in over 75 countries, covering nearly half of the global population, saw a shift towards polarizing political changes, with lasting impacts on investment and operational environments.

Traditional alliances and trade networks shifted as nationalistic competition fueled investor uncertainty. Donald Trump’s return to the US presidency in November 2024 highlighted a major geopolitical shift. Under the new administration, the threat of tariffs on major trading partners, including Canada, Mexico, China, and the European Union, has strained relations and triggered escalatory retaliation measures. Political and financial sectors face ongoing uncertainty over the trajectory of the US-led global trade dispute. This also has opened space for the initiation of expanding or new trading relationships between non-US markets such as the EU, India, and China.

The US has reoriented its foreign policy, scaling back collaboration with allies while engaging with less traditional counterparts like Russia. This shift has strained relations with the EU, prompting European nations to pursue greater autonomy through coordinated defense and industrial policies to maintain competitiveness.

The divergence in economic strength between the United States and other regions persisted (so-called “US exceptionalism”), with US growth exceeding expectations again, closing calendar year 2024 at 2.8%, well above expectations 12 months earlier. In contrast, Canada’s growth remained stable at 1.5%, while the Euro Zone saw only modest improvement with growth closing at 0.9%.

¹ These measures may not have a standardized meaning under IFRS and may not be comparable to similar measures disclosed by other institutions. These net returns are calculated using a time-weighted return methodology and are net of all expenses.

² Net investment gains in excess of the Total Fund Benchmark.

Inflation continued to decline but remained above central bank targets in most developed economies. In the US, inflation proved particularly sticky, closing the fiscal year above 3%. Perceptions of high inflation, including housing affordability and its impact on purchasing power, was a key driver of the US elections outcomes. Furthermore, inflation dynamics delayed monetary easing, preventing most central banks from embarking on a more pronounced easing cycle.

The Federal Reserve delayed its first rate cut until September 2024 and has eased cautiously since, keeping the rate above neutral at 4.5% as of March 2025. The Bank of Canada, in contrast, delivered more substantial cuts, bringing its policy rate down to 2.75%, from its peak of 5.0% in July 2024. Elsewhere, central banks adjusted at varying paces, while the European Central Banks eased significantly to 2.5%, the Bank of England took a more measured approach with a smaller cut to 4.5%. Meanwhile, the Bank of Japan diverged from its peers, beginning a tightening cycle and abandoning its yield-curve control policy as inflationary pressures emerge for the first time in decades.

Rising US trade and foreign policy uncertainty has weakened Canada's outlook. The economy showed signs of improvement by the end of calendar year 2024, driven by strong consumer spending and increased private investment. However, by March 2025, the outlook had shifted considerably. If the widespread US tariffs announced in March were implemented, the effective tariff rate on Canadian exports would rise sharply — from below 2%

to approximately 17%. While these tariffs were suspended for 30 days, sector-specific measures introduced earlier, including a 25% tariff on steel and aluminum in February and their extension to the automotive sector in March, remained in effect. Such trade disruption, coupled with Canadian retaliatory measures, could trigger a recession and higher inflation in Canada in 2025, with possible spillover into fiscal 2026. Exports and business investment would be immediate casualties, but ensuing job losses amid record household debt could strain consumer spending.

The Bank of Canada faces the challenge of balancing trade-driven growth shock and supply chain disruptions with higher inflation risks. Under such scenario, it may ease the policy rate to a slightly stimulative level, but not much more. Meanwhile, fiscal stimulus to support households and businesses is expected after Canada's spring 2025 parliamentary elections, albeit on a smaller scale than during the Covid pandemic.

Despite its lower trade vulnerability compared to other more open economies, the US economy is not immune to heightened trade policy uncertainty. Business and consumer confidence have weakened, and inflation expectations are rising, forcing the Federal Reserve into a more cautious stance. Given US fiscal constraints, Germany's spending plans, rising European defense budgets, and China's AI advances, investors are questioning the sustainability of "US economic exceptionalism." This has pressured US equities and the dollar while triggering higher volatility.

Artificial intelligence ("AI") emerged as a key geopolitical and economic force in fiscal 2025. Nations leveraged AI for security, intelligence, international relations, and trade, recognizing its potential to influence global power dynamics. The US imposed export controls on advanced AI technologies, heightening global competition and disrupting supply chains. The EU's Draghi report highlighted the need for significant investment in technology to remain competitive with rivals like the US and China.

AI developments had a direct impact on stock indices, driving sharp fluctuations. A major breakthrough by Chinese-based DeepSeek in early calendar year 2025, which demonstrated comparable performance with lower-cost chips, triggered sharp declines in semiconductor and erased 17% of Nvidia market value, highlighting AI's growing influence on financial markets.

For fiscal 2025, equity markets rallied across most developed and emerging economies. Despite a sharp correction from its February 2025 peak of 6,144, the S&P 500 has returned 7% (in USD) since April 1, 2024. Japan was the only major developed market to post negative returns, as rising wages, inflation, interest rates, and weak global demand for Japanese goods weighed on the Nikkei.

Among developed economies, bond yields fell in Canada, remained flat in the US, and rose elsewhere. Despite monetary easing, higher term premiums — driven by large fiscal deficits, particularly in the US — pushed yields higher.

In currency markets, the Canadian Dollar depreciated against all other G10 currencies.¹ The U.S. dollar, Japanese yen, and European currencies were the best performer against the Canadian dollar during the year. The Canadian dollar depreciation versus the other G10 currencies during the reported period resulted from more pronounced rate cuts in Canada when compared to other central banks, low oil prices, and heightened growth worries on the Canadian economy from US trade tariffs.

Total Fund performance analysis

Despite a deteriorating geopolitical context for business and investing in the past few months, PSP Investments recorded a positive net return of 12.6% in fiscal 2025 against the backdrop of inflation slowly back under control, unexpectedly strong US growth and some monetary easing in various countries leading to strong rallies in most asset classes during the first 3 quarters of the fiscal year. The strong depreciation of the Canadian dollar and PSP Investments' large exposure to foreign markets also contributed significantly to the overall solid performance. We have seen PSP Investments' portfolio limit its losses and show much greater resilience compared to the Reference Portfolio with respect to announcements and uncertainties related to US tariffs as well as those enacted during the period leading up to March 31, 2025. This is in line with our portfolio construction approach of diversification and favoring resilience in unfavorable economic environments.

In that context, Public Market Equities earned a strong return of 15.1%, supported by all segments of the market. Similarly, fixed income also posted double digit return both in developed market 10.1% and emerging market 11.7%.

For private asset classes, Private Equity, Infrastructure and Credit Investments all strongly benefited from the favorable economic conjuncture in the first 3 quarters of the fiscal year, as well as positive currency dynamics, to record robust returns, respectively 16.6%, 17.8%, and 15.4%. Beyond Private Equity benefiting from the strong economy in the US, and Infrastructure and Credit Investment capitalizing on falling interest rates, the main common driver of their performance is the gains made on exposure to foreign currencies as the Canadian dollar sank. Due to its stable pricing tied to land values, Natural Resources did not benefit as much from the economic tailwinds and saw a more modest return of 8.6%. Our Real Estate portfolio was negatively impacted by our large exposure to the office and residential sectors which suffered large valuation losses, staying flat over the year with a return of 0.03%. PSP Investments' net return for the fiscal year underperformed its Total Fund Benchmark return of 17.4% by (4.8)%. This underperformance was driven by Infrastructure, Real Estate and Private Equity which all significantly underperformed their respective benchmark this year. This is in large part driven by the use of public securities in their benchmarks, which are designed to be representative of those asset classes over a long-term horizon, not over shorter periods such as one year. Due to the private nature

of those asset classes, they are not subject to the same short-term volatility as public market, making them less reactive to recent news-driven stock prices. Comparing annual performance to benchmarks designed for a longer investment horizon creates a mismatch that can lead to the observation of a sizable under/outperformance over shorter periods. Relative performance is more meaningfully assessed over PSP Investments' longer investment horizon, as presented under our measures of success at the total fund level on page 30.

PSP Investments' net return² of 12.6% for the fiscal year outperformed the Reference Portfolio by 1.5%. In addition to gains from foreign currency exposures, PSP Investments outperformed the Reference Portfolio due to notable gains in Private Equity and Infrastructure. Conversely, Real Estate performance was a detractor for the total fund, as it significantly underperformed and recorded low returns.

Over the long term, cumulative net investment gains above the Reference Portfolio over 5 years and 10 years were \$15.1 billion and \$31.9 billion, respectively. PSP Investments' portfolio is expected to achieve higher returns than the Reference Portfolio, since the former is more diversified and more resilient to the different factors impacting markets. As with the Total Fund Benchmark, comparisons with the Reference Portfolio are best considered over a time period that is aligned with PSP Investments' investment horizon, as presented under our measures of success at the total fund level on page 30.

¹ The G10 currencies are: U.S. dollar, Euro, British pound, Japanese yen, Australian dollar, New Zealand dollar, Swiss franc, Norwegian krone, Swedish krona, and Canadian dollar.

² These measures may not have a standardized meaning under IFRS and may not be comparable to similar measures disclosed by other institutions. These net returns are calculated using a time-weighted return methodology and are net of all expenses.

Currency exposure

In fiscal 2025, total fund currency exposures contributed +5.8% to one year net returns driven by the Canadian dollar's depreciation against most major currencies. The decline raised concerns over Canada's outlook, prompting the Bank of Canada to lower its policy rate. In the latter part of the year, the threat of US tariffs coupled with retaliation further pressured the Loonie downward.

Currency fluctuations had a significant positive impact on the net investment returns (\$15.2 billion), given that most of PSP Investments' assets are denominated in foreign currencies. In fiscal 2025, the majority of currency returns were driven by the Total Fund's four largest exposures: safe-haven currencies¹ (US dollar and Japanese yen), Euro, and Sterling pound.

As described in the investment framework, most foreign currency exposures serve as a diversifier for Canadian investors, with the greatest diversification benefit deriving from safe-haven currencies, which help mitigate portfolio losses during market turmoil.

During fiscal 2025, the US dollar and the Japanese Yen appreciated significantly to contribute to PSP Investments' positive performance. These significant safe-haven currency exposures played a key role at the Total Fund level to offset market volatility throughout the year.

The Euro and the Sterling Pound among the fund's four largest currency exposures also appreciated against the Canadian Dollar. Their strength was driven by robust economic growth and slower decline in local inflation during the first half of the fiscal year. More recently, both currencies saw further gains amid market turbulence stemming from tariff uncertainties.

Other currencies, including emerging market, remaining major currencies, and strategically hedged exposure such as the Australian dollar, had a negligible impact on total fund performance.

Complementary Portfolio performance

The Complementary Portfolio's mandate is to invest in innovation through asset classes that are uncorrelated to the Total Fund, enhancing resilience and gathering insights and intelligence.

The Complementary Portfolio ended fiscal 2025 with a return of 33.1%.

Over the past five years, it achieved a rate of return of 13.4% compared to the benchmark of 6.8%, exceeding it by 6.6%.

Currency	Currency variation vs CAD FY25 (%)	Contribution to Net Return (billions \$)
US Dollar (USD)	6.36	11.5
Euro (EUR)	6.37	1.5
British Pound (GBP)	8.27	0.9
Japanese Yen (JPY)	7.64	0.9

¹ A safe-haven currency from a Canadian Investor standpoint is a currency that retains or increases its value relative to the CAD during periods of market turbulence. The consensual safe-haven currencies are the US Dollar (USD), the Japanese Yen (JPY), and the Swiss Franc (CHF).

Analysis of results by asset class

The table below presents the annual, five-year and ten-year annualized performance of the asset classes set out in the SIP&P as well as the overall Total Fund Benchmark, which is constructed using the asset class benchmarks weighted by the actual portfolio asset class weightings.

To inform on the appropriate relative performance, the return of each asset class is compared to its respective benchmark's annualized five-year and ten-year returns, while PSP Investments' net overall returns are compared to the Total Fund Benchmark returns.

Asset Class	Fiscal 2025							
	Net AUM ¹ (billion \$)	Net AUM (%)	Portfolio ² income (loss)	1-year rate of return	5-year rate of return (%)		10-year rate of return (%)	
					Portfolio	Benchmark	Portfolio	Benchmark
Equity								
Public Market Equities ³ (Includes Alpha Alternatives ⁴)	79.7	26.6	9,143	15.1	16.1	14.1	9.6	8.8
Private Equity	40.7	13.6	6,452	16.6	17.2	15.9	11.7	13.4
Government Fixed Income								
Fixed Income	66.1	22.1	6,273	10.5	2.1	1.6	3.3	3.0
Cash and Cash Equivalents	4.8	1.6	1,181 ⁵	4.8	2.9	2.5	2.2	1.8
Credit								
Credit Investments	30.3	10.1	4,037	15.4	12.1	8.6	12.0 ⁶	5.9
Real Assets								
Real Estate	26.6	8.9	(6)	0.0	1.8	5.7	4.9	5.9
Infrastructure	32.0	10.7	5,584	17.8	13.8	10.8	13.0	7.7
Natural Resources	17.9	6.0	1,360	8.6	10.0	0.1	9.1	1.7
Complementary Portfolio								
	1.5	0.5	480	33.1	13.4	6.8	14.0 ⁷	6.3
Total Portfolio⁸	299.7⁹	100.0⁹	34,504⁹	12.6	10.6	9.1	8.2	7.1

All returns are calculated based on a time-weighted rate of return methodology.

¹ Total net AUM is presented as net investments in the Consolidated Financial Statements. Net AUM by asset class represents the net investments by investment segments as presented in Note 10 of the Consolidated Financial Statements.

² This measure may not have a standardized meaning under IFRS and may not be comparable to similar measures disclosed by other institutions. Portfolio Income is net of interest expense, certain transaction costs and other expenses. Total Portfolio Income is net of interest expenses of \$1,465 million, certain transaction costs of \$88 million and other expenses of \$21 million, which when added back results in arriving to Investment income of \$36,078 million as reported in the Consolidated Statement of Net Income under IFRS.

³ The 5- and 10-year rates of return include closed equity asset classes, namely, Developed Markets Equity between July 11, 2017 and September 30, 2023 and Absolute Return Strategies, funded through leverage, prior to December 2, 2022.

⁴ Formerly reported as Capital Market Alternatives.

⁵ Includes portfolio income from liquidity, leverage, foreign currency management and rebalancing activities.

⁶ Annualized return since inception (9.3 years).

⁷ Annualized return since inception (8.2 years).

⁸ Total portfolio return is net of all expenses.

⁹ Figures do not add up due to rounding.

Capital Markets



Capital Markets are composed of alpha generating and beta management investment activities, providing a clear delineation of responsibilities and measures of success within Capital Markets.

The principal objective of alpha investment activities is to generate excess returns through the prudent allocation of risk to active strategies while the objective of beta investment activities is to protect and improve the total fund's risk-return profile by providing the desired equity and fixed income exposures in an effective and cost-efficient manner.

Both alpha and beta investment activities are deployed through Public Market Equities¹ and Fixed Income asset classes. These activities are overseen by two investment groups: Global Alpha and Beta Management.

The table below presents the net AUM across investments groups and by asset class:

(\$ billions)	Global Alpha	Beta Management	Total Net AUM
Public Market Equities	23.3 ²	56.4	79.7
Fixed Income	–	66.1	66.1
Total Net AUM	23.3 ²	122.5	145.8

¹ Excludes Cash and Cash Equivalents.

² As part of Global Alpha, Alpha Alternatives' AUM is funded through leverage and Global Alpha's return is calculated accordingly on a net AUM basis.

Global Alpha

<div><div>\$23.3 B</div><div>Net AUM</div><div></div><div>\$21.3 B</div><div>Net AUM (FY2024)¹</div></div>	<div><div>\$4.3 B</div><div>Portfolio Income</div></div>	<div><div>\$8.3 B</div><div>Cumulative Portfolio Income since Inception¹</div></div>	<div><div>23.5%</div><div>Annualized return since inception¹</div><div></div><div>21.8%</div><div>Benchmark return</div></div>
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Global Alpha’s primary objective is to generate excess return (alpha) by targeting persistent and exploitable inefficiencies within capital markets. This is achieved through the development of specialized strategies across Active Equities and Alpha Alternatives.

Excess return is pursued within a disciplined, risk-adjusted framework, primarily through security selection in diversified portfolios. Alternative investments—such as hedge funds—play a critical role in enhancing portfolio efficiency:

- They improve the risk/return profile;
- They provide diversification through exposure to strategies uncorrelated with the economy, public markets, and the total fund.

To broaden its capabilities, Global Alpha also partners with external managers who complement internal expertise.

Long-term results¹

Since June 2023, Global Alpha¹ delivered an annualized absolute return of 23.5%, which produced a solid outperformance over the benchmark. Over this period, both Active Equities and Alpha Alternatives contributed meaningfully to this outperformance. In Active Equities, rigorous security selection was the key driver of excess return. Notable contributors included U.S. small-cap equities and select EAFE investments. The Health Care sector also made notable positive contributions. In Alpha Alternatives, hedge funds consistently generated steady and positive excess returns, consistent with their role of delivering uncorrelated returns. Co-investments also played a valuable role.

Short-term results

Fiscal 2025 was marked by heightened volatility and uncertainty, driven by inflationary pressures, rapid technological change including shifts in AI-related investments, geopolitical instability, and intensifying trade tensions. Investors were challenged to navigate a complex environment, balancing emerging risks with new opportunities. Global Alpha ended the year with a rate of return of 20.5%. Despite market volatility, specific segments within Active Equities delivered strong excess returns, notably U.S. small-cap stocks. Stock selection in sectors such as Health Care and Technology, Media, and Telecommunications (TMT) was a key driver of value-add. Consistent with its mandate, Alpha Alternatives successfully navigated turbulent conditions, capitalizing on dislocation across a broad range of markets and delivering strong absolute and relative performance throughout the year.

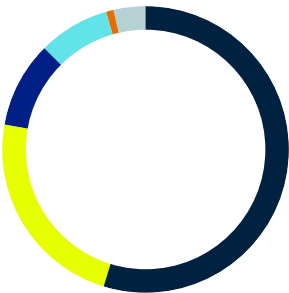
¹ Global Alpha was formalized on June 1, 2023.

Global Alpha highlights

- Since the launch of Global Alpha, the team has focused on extending its investment horizon to better leverage PSP Investments' long-term edge. This has included the development of long-term proprietary sector views and introducing behavioral finance analytics to better inform capital allocation.
- During fiscal 2025, Global Alpha adopted a targeted capital deployment approach, reallocating \$6 billion to a concentrated set of strategies in Active Equities and Alpha Alternatives, thereby aligning nearly 90% of the team's capital within focused investment areas.
- In July 2024, Global Alpha integrated the Alpha Science team into the group, leveraging their expertise in data science to enhance investment insights and decision-making processes.

Geographic diversification

As at March 31, 2025 (%)



54.8	United States
23.0	Asia
9.8	Canada
8.0	Europe
0.8	Oceania
3.6	Other

Diversification by sector

As at March 31, 2025 (%)



16.4	Technology
15.9	Financials
11.2	Industrials
10.8	Consumer Discretionary
9.7	Government
8.9	Health Care
7.2	Communications
4.7	Materials
4.2	Consumer Staples
1.9	Energy
0.8	Utilities
0.7	Real Estate
7.6	Other

Beta Management

<div><div>\$122.5 B</div><div>Net AUM</div><div></div><div>\$90.5 B</div><div>Net AUM (FY2024)¹</div></div>	<div><div>\$11.1 B</div><div>Portfolio Income</div></div>	<div><div>\$17.9 B</div><div>Cumulative Portfolio Income since Inception¹</div></div>	<div><div>10.6%</div><div>Annualized return since inception¹</div><div></div><div>10.3%</div><div>Benchmark return</div></div>
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Beta Management provides value beyond traditional passive investing by thoughtfully managing exposures to align with the Total Fund’s objectives. Beta Management, composed of Beta Equities and Fixed Income teams, enhances the Fund’s ability to manage leverage and liquidity by centralizing key facets of investment activities. Through these efforts, Beta Management strengthens the Total Fund’s overall risk-return profile by providing precise and cost-effective access to beta exposure.

Long-term results¹

Since the inception of Beta Management as a distinct group, global financial markets experienced a volatile but generally resilient environment. With the most disruptive phase of the pandemic behind us, inflationary pressures that dominated previous years began to recede, monetary policy remained restrictive across most developed markets, with the central banks holding elevated policy rates to anchor inflation expectations. Geopolitical tensions, supply chain disruptions and energy price volatility further influenced market conditions, contributing to heightened

uncertainty and shifting investor sentiment. More recently, the election of a new US administration, whose policy direction introduced uncertainty, is the latest element feeding investors’ nervousness.

Despite these headwinds, global equity markets demonstrated resilience, supported by corporate earnings. The Beta Equities team continued to efficiently replicate benchmark exposures, ensuring cost-effective access to global equity markets.

The evolving macroeconomic landscape underscores the importance of strategic beta management in delivering efficient market exposure while enhancing the Total Fund’s liquidity and leverage capabilities. Despite the group’s passive nature, the team contributed value to the Total Fund through strategic execution and efficient balance sheet management. Since the creation of the Beta Management group, the portfolio generated a positive return of 10.6%, outperforming its benchmark by 0.3%.

Short-term results

During fiscal 2025, global markets remained volatile, shaped by ongoing geopolitical tensions, inflationary concerns, and evolving monetary policies. Central banks, after having tightened monetary policy to address post-pandemic runaway inflation, have since started to ease policy in tandem with receding inflationary pressure. Yet, sovereign bond yield remained somewhat elevated, reflecting sticky inflationary pressure. For the most part, central banks have since moved to the sidelines, pausing their easing cycles, waiting for more clarity surrounding the outlook for government policy and its likely impact on growth and inflation.

The Fixed Income team managed duration exposure proactively, capturing numerous tactical opportunities in a dynamic rate environment. Two broad strategic investment themes were particularly exploited. The first was an underweight duration in Europe, given persistently low yields, especially considering the expected fiscal impact of the US-Europe geopolitical relationship. The second was an overweight position in investment-grade credit where corporate bonds benefitted

¹ Beta Management was formalized on June 1, 2023.

from a resilient economy, strong profits and generally accommodative central banks. Emerging Market Debt strategies benefitted from moderating inflation trends in select emerging markets, as well as capitalizing on opportunities in local and US currency debt instrument. Through both tactical and strategic portfolio management approach, the Fixed Income team ended with a one-year performance of 10.5%, outperforming its benchmark by 0.4%.

Global equity market continued to exhibit a high degree of return concentration, with performance driven by select sectors, particularly in technology and artificial intelligence. The Beta Equities team maintained its disciplined approach to passive replication, ensuring efficient and precise tracking of benchmark exposure while navigating market fluctuations. Although the mandate focuses on optimizing the delivery of beta exposure for the fund, the team was able to add value through enhanced replication strategies and balance sheet

optimization activities. As a result of incremental improvements throughout its rigorous process structure, Beta Equities ended with a one-year return of 12.1%, outperforming its benchmark by 0.2%.

Through prudent portfolio management and ongoing enhancements in execution strategies, Beta Management ended with a one-year performance of 11.1%, outperforming its benchmark by 0.3%.

Beta Management highlights

• Through improved external business relationships, enhanced systems, and refined governance framework and structure, Beta Management strengthened and scaled up its equity and fixed income lending activities. These efforts positioned both Beta Equities and Fixed Income to operate more efficiently and effectively, reinforcing their role in delivering cost-effective beta exposure.

- Beta Management’s core functions are to provide beta exposure, liquidity and leverage management while enhancing flexibility for active strategies across asset classes. To support this mandate, the team developed a centralized structure, enabling Global Alpha and private asset classes to deploy their strategies more efficiently. These enhancements reinforced Beta Management’s role as a key enabler of the Total Fund’s overall investment approach.
- Beta Management collaborated with other PSP Investments’ groups to optimize its FX order matching strategy and refine trade exposure breakdown. The initiative aligned with the fund’s broader efficiency strategy, minimizing exposure risk and generating direct cost savings. These enhancements reinforced Beta Management’ commitment to improving execution quality and risk management across its activities.

Geographic diversification

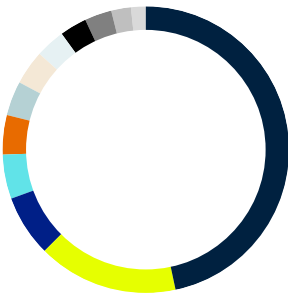
As at March 31, 2025 (%)



32.3	Canada
31.6	United States
15.3	Asia
10.1	Europe
1.0	Oceania
9.7	Other

Diversification by sector

As at March 31, 2025 (%)



46.8	Government
15.7	Financials
7.0	Technology
5.1	Industrials
4.4	Energy
4.0	Consumer Discretionary
3.7	Health Care
3.3	Materials
3.1	Communications
3.1	Consumer Staples
2.4	Utilities
1.4	Real Estate

Private Equity

\$40.7 B

Net AUM

\$40.4 B

Net AUM (FY2024)

\$6.5 B

Portfolio Income

\$27.9 B

Cumulative 5-year
Portfolio Income

17.2%

5-year
annualized return

15.9%

Benchmark return¹

Private Equity builds strategic relationships with external fund managers and investment partners, leveraging their networks and sector and geographic expertise to source long-term co-investment opportunities.

The group invests globally in companies that demonstrate a strong market position, an attractive cash flow profile, resilience through economic cycles and a top-tier management team. It can execute global transactions in varying investment sizes and sectors.

Private Equity uses its influence as a leading market player to work closely with its partners and portfolio companies to promote value-add sustainability initiatives to support the energy transition.

In fiscal 2025, Private Equity continued to pursue active portfolio management in a challenging macro environment still characterized by high financing costs and fewer exits. The group also continued its recalibration efforts focusing on portfolio optimization and value realization from select investments, successfully reducing exposure towards its target allocation.

Long-term results

Over five years, Private Equity achieved a rate of return of 17.2% compared to a benchmark return of 15.9%. Private Equity has outperformed the benchmark as a result of the rigorous asset selection process of high-quality co-investments in promising sectors alongside long-standing partnerships with top-tier fund managers. The most significant contributors were investments in the financial and healthcare sectors, which delivered earnings growth through strong operating performance and accretive acquisitions, while also benefiting from successful exits. The technology sector also significantly contributed to the outperformance over that period.

Short-term results

Private Equity achieved a one-year rate of return of 16.6% in fiscal 2025. Total portfolio income reached \$6.5 billion, driven by valuation gains, distributed income and currency gains.

The Private Equity portfolio delivered solid returns in fiscal 2025, driven by continued revenue and EBITDA² growth at portfolio companies. The performance was driven by investments in the US financials sector, more specifically the insurance subsector, which contributed substantially to the results through high performance derived from organic growth and accretive refinancings. In addition, the communications sector benefited from a sale of a scaled investment and the healthcare sector was positively impacted by the strong performance of a few listed positions.

¹ In alignment with PSP Investments' corporate policy not to hedge foreign currency exposure, the benchmark for Private Equity is set such that it remains neutral to currency movements, meaning that the actual currency return impact on the asset class is reflected in the benchmark.

² Earnings before interest, taxes, depreciation and amortization.

Private Equity highlights

- Generated over \$9.4 billion in cash distributions in fiscal 2025, driven by direct exits, refinancings and secondary sales, despite global merger and acquisitions slowdown. These asset monetization initiatives significantly contributed to the advancement of the portfolio recalibration, bringing allocation down by 1.7% this year, to 13.6%.
- Committed \$2.0 billion of capital in new direct and fund investments. Notable new investment includes the acquisition of PKF O'Connor Davies, one of the largest accounting, tax and advisory practices in the US, in partnership with Investcorp.
- The Private Equity portfolio remains well diversified across sectors and geographies. Fiscal 2025 activity increased exposure to North America whereas exposure to Europe decreased. Sector exposure remained relatively flat throughout the year.
- In the past year, we also continued to strengthen sustainability reporting by further engaging with our partners and portfolio companies. This allowed us to improve Scope 1 and 2 emissions reporting to nearly 65% of the portfolio.

Geographic diversification

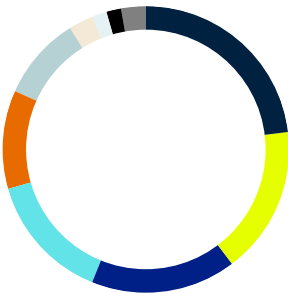
As at March 31, 2025 (%)



65.5	United States
18.2	Europe
12.9	Asia
1.9	Canada
0.9	Oceania
0.6	Other

Diversification by sector

As at March 31, 2025 (%)



23.2	Financials
16.6	Technology
16.5	Healthcare
14.3	Industrials
11.1	Communications
9.6	Consumer Discretionary
2.6	Materials
1.9	Consumer Staples
1.5	Energy
2.7	Other

Credit Investments

\$30.3 B

Net AUM

\$26.2 B

Net AUM (FY2024)

\$4.0 B

Portfolio Income

\$13.2 B

Cumulative 5-year
Portfolio Income

12.1%

5-year
annualized return

8.6%

Benchmark return¹

Credit Investments focuses on non-investment grade credit investments in North America and Europe across private and public markets, as well as rescue financing opportunities.

The group has recently formalized a new strategy within its mandate that will target private investment-grade credit investments aimed at enhancing returns while preserving the total fund's risk profile. The new strategy is part of a 2% reallocation from Government Fixed Income to Credit Investments as described in the Total Fund management section.

From offices in New York, London and Montréal, our global team invests across the debt capital structure in the form of loans, bonds and preferred equity. The group balances credit quality, structure, fixed-floating, risk-return profile, liquidity, asset mix and portfolio diversification, among other considerations. Ultimately, this has resulted in both strong capital preservation and an attractive yearly cash yield.

The group has a flexible mandate and during fiscal 2025, Credit Investments continued its strategy of partnering with top-tier private equity firms. Since inception, the team has collaborated with over 60 top North American and European private equity sponsors, committing to over \$70 billion of investments.

Long-term results

Over five years, Credit Investments achieved a rate of return of 12.1% compared to a benchmark return of 8.6%. Credit Investments has outperformed the benchmark as a result of strong credit selection, higher interest spreads versus the benchmark and fee income. Credit Investments has strong differentiated capabilities due to team expertise in technology, industrials, financials, and healthcare. All four sectors have generated

significant accretive returns due to the outperformance of the portfolio as compared to the relevant sector benchmarks.

Short-term results

Credit Investments achieved a one-year rate of return of 15.4% in fiscal 2025. Total portfolio income of \$4.0 billion largely consists of interest income driven by the portfolio's average coupon, currency gains due to significant underlying US dollar exposure, and fee income. The portfolio also experienced some valuation losses mainly as a result of company specific challenges on a limited number of portfolio companies, which were partially offset by broad based valuation gains on other credit facilities. Spreads also notably tightened due to banks re-entering the leveraged market at the outset of the year, creating competition with private credit.

¹ In alignment with PSP Investments' corporate policy not to hedge foreign currency exposure, the benchmark for Credit Investments is set such that it remains neutral to currency movements, meaning that the actual currency return impact on the asset class is reflected in the benchmark.

Credit Investments highlights

- Credit Investments was reallocated 2% of total PSP Investments' AUM to be used for its new strategy within its mandate. As part of the updated mandate, the group deployed \$0.4 billion across two investment grade credit investments during the current fiscal year.
- Despite a volatile macro environment marked by tariff disputes, revised economic growth projections and geopolitical uncertainty, the Credit Investments portfolio remained resilient, even as these factors drove down deal-making activities in fiscal 2025.

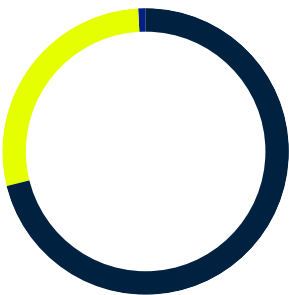
In addition, the group continued its focus on the private credit market, which offers, on average, a wider spread than the syndicated leveraged loan market.

- Deployed a total of \$13.1 billion, with a focus on the most senior part of the capital structure. Opportunities were driven by substantial volumes being refinanced in the private credit markets as pricing tightened across the board. Other key business metrics, such as sector and geography, stayed relatively flat in fiscal 2025. Credit Investments also deployed \$0.5 billion in Infrastructure Debt which was a new sub-strategy integrated this year.

- The Credit Investments portfolio experienced record divestitures amounting to \$10.2 billion in fiscal 2025. With only a modest rise in merger & acquisition activity and limited supply during the fiscal year, the portfolio consistently experienced higher churn than originally expected due to elevated rates and muted deal activity, resulting in unprecedented repricing and refinancing transactions as demand outpaced supply. Institutional demand for credit has remained exceptionally strong due to the attractive return characteristics of the asset class.

Geographic diversification

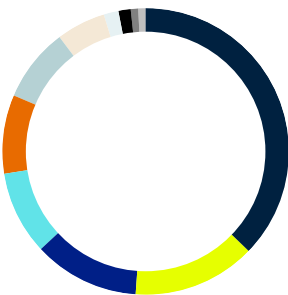
As at March 31, 2025 (%)



71.3	United States
27.9	Europe
0.8	Canada

Diversification by sector

As at March 31, 2025 (%)



37.5	Technology
13.7	Industrials
12.0	Financials
9.4	Communications
8.9	Healthcare
8.3	Consumer Discretionary
5.5	Materials
1.7	Energy
1.4	Consumer Staples
1.0	Real Estate
0.6	Utilities

Real Estate

\$26.6 B

Net AUM

\$27.2 B

Net AUM (FY2024)

\$(0.01) B

Portfolio Loss

\$2.4 B

Cumulative 5-year
Portfolio Income

1.8%

5-year
annualized return

5.7%

Benchmark return¹

Real Estate focuses on building a world-class portfolio of assets in major international cities, based on global themes such as management of long-term climate risks and opportunities, rapid technology evolution, lifestyle, urbanization and demographics.

The group is focused on owning assets directly with first-class partners that have local expertise and share its approach to creating value and generating returns.

Real Estate also invests with select funds in specific markets or strategies where direct ownership is more challenging.

Real Estate contributes to a strong portfolio, enhanced by long-term risk assessment from environmental factors. Through its development projects, it increases energy efficiency resulting in a higher return on investment while simultaneously reducing greenhouse gas (GHG) emissions.

In fiscal 2025, Real Estate continued to focus on active portfolio management, and on leveraging market and sector expertise to source new investment opportunities. Real Estate continued to prioritize sustainability, proactively engaging with existing partners to improve emissions reporting and identify projects for transition plans.

Long-term results

Over five years, Real Estate achieved a rate of return of 1.8% compared to a benchmark return of 5.7%. The five-year absolute performance remains positive despite another challenging year.

Although negative, portfolio valuation has bottomed out in most sectors, indicating that the readjustment of values due to the previous interest rate environment is mostly complete. This ultimately positions our portfolio for a potential market rebound should conditions remain stable.

Although the performance of traditional office and senior housing remained unfavorable, they have begun to show signs of improvement and stabilization. The underperformance over the long-term of these sectors has been offset by the strong performance of global

logistics and alternative residential sectors, such as student housing and manufactured housing.

Short-term results

Total Real Estate portfolio loss of \$0.01 billion was driven primarily by valuation losses, somewhat offset by currency movements. This resulted in a one-year rate of return of 0.03% in fiscal 2025.

As the capital markets are stabilizing, and interest rates are decreasing, the environment for Real Estate is improving, though uncertainty in the current geopolitical environment persists. In a mixed-year, sectors seeing positive performance due to improved fundamentals include industrial, US retail, and the residential sub-sectors of senior housing and student housing.

¹ In alignment with PSP Investments' corporate policy not to hedge foreign currency exposure, the benchmark for Real Estate is set such that it remains neutral to currency movements, meaning that the actual currency return impact on the asset class is reflected in the benchmark.

On the other hand, the portfolio was negatively impacted by the office sector, which continued to struggle globally, with studios suffering from demand normalization for content production alongside other idiosyncratic factors and life sciences also being negatively affected by oversupply.

Real Estate highlights

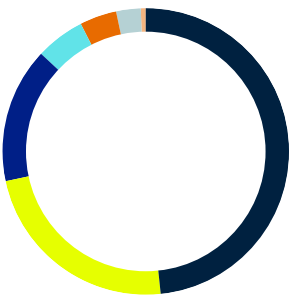
The Real Estate group continues to prune the portfolio and build strategic partnerships as transaction activity begins to pick up in the capital markets. The group also maintained an astute

focus on business plan executions, making focused asset management decisions. Notable transactions in fiscal 2025 included:

- Pruning of our industrial portfolio; disposition of several non-strategic assets and acquisition of new high-quality properties in the United States.
- Forging high-caliber partnerships and developing innovative strategies in areas of strong conviction.
- The lease-up of core office assets in major markets with prime office spaces performing well in leasing.
- A major milestone was achieved at our large-scale development in Toronto, the Downsview Airport (now known by its former aviation call-sign “YZD”), with City of Toronto officials unanimously approving a new planning regime that allows the re-development of the 370-acre site to proceed. Efforts are underway to construct a 50,000-person temporary outdoor concert venue with globally recognized concert promoter Live Nation that will host major musical acts beginning this summer.

Geographic diversification

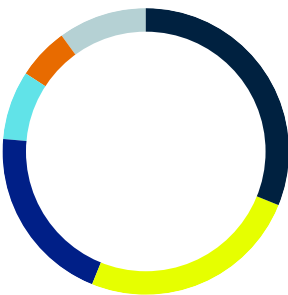
As at March 31, 2025 (%)



48.6	United States
23.1	Europe
15.4	Canada
5.4	Oceania
4.3	Asia
2.7	Central & South America
0.5	Other

Diversification by sector

As at March 31, 2025 (%)



31.2	Residential
25.0	Industrials
20.2	Office
7.8	Retail
6.0	Senior Housing
9.8	Other

Infrastructure

\$32.0 B

Net AUM

\$34.5 B

Net AUM (FY2024)

\$5.6 B

Portfolio Income

\$18.0 B

Cumulative 5-year
Portfolio Income

13.8%

5-year
annualized return

10.8%

Benchmark return¹

Infrastructure invests globally on a long-term basis mostly in the transportation, communications, energy and utilities sectors.

To complement its existing focus on providing PSP Investments with inflation protection, the group has a dedicated strategy focused on North American assets providing inflation pass-through – High Inflation Correlated Infrastructure (HICI).

The group has a flexible investment strategy incorporating platforms, consortium direct investment partnerships with like-minded investors, as well as funds, secondaries and co-investments.

Infrastructure supports innovative technologies by providing the capital and expertise necessary to build new assets and to adapt existing ones to create, store, transport and deliver renewable energy.

In fiscal 2025, Infrastructure achieved a record level of activity totaling \$17.1 billion in new commitments and divestitures. The group significantly increased exposure to assets with strong inflation protection, while continuing to support existing platforms and portfolio companies by providing them capital to fund growth and acquisitions. It also prioritized portfolio optimization and monetization initiatives, achieving record asset sales.

Long-term results

Over five years, Infrastructure achieved a rate of return of 13.8% compared to a benchmark return of 10.8%. Infrastructure has outperformed the benchmark as a result of top-tier asset selection, value creation and successful exits. Notably, the portfolio has benefited from high inflation linkage, downside protection and the operational expertise of its infrastructure platforms.

The top performing sectors include communications and industrials, more specifically, investments in data centers and transportation subsectors, which exhibited strong operating performance and favorable market conditions.

Short-term results

Infrastructure achieved a one-year rate of return of 17.8% in fiscal 2025. Total portfolio income reached \$5.6 billion, driven by distributed income, valuation gains and currency gains.

The portfolio continued to demonstrate strong performance driven by organic growth and successful exits. The transportation and data center subsectors largely contributed to the results, benefiting mostly from a asset sales and strong investor demand. On the other hand, the renewable energy subsector suffered from a challenging macro environment backdrop and market conditions.

¹ In alignment with PSP Investments' corporate policy not to hedge foreign currency exposure, the benchmark for Infrastructure is set such that it remains neutral to currency movements, meaning that the actual currency return impact on the asset class is reflected in the benchmark.

Infrastructure highlights

- Invested \$3.1 billion of capital in fiscal 2025 across new direct investments, funds, and follow-on investments in existing portfolio companies. Notable new investment includes the acquisition of AGS Airports, the operator of Aberdeen, Glasgow and Southampton airports in the UK, a deal managed through our AviAlliance platform, one of the world's leading private airport investors and operators.
- Committed \$5.2 billion of capital to increase exposure to assets providing strong inflation protection for the HICI portfolio. This includes two large acquisitions of minority stakes in:
 - the 407 Express Toll Route in Canada alongside a consortium of co-shareholders including CPPIB; and
 - two Midwest electric power transmission companies owned by American Electric Power, in partnership with KKR.
- Generated a record of \$9.9 billion in divestitures driven by direct exits including hyperscale data centers such as AirTrunk and Vantage Data Centers, and Budapest Airport, held through AviAlliance. This is part of a continuous effort to optimize our portfolio by selectively recycling assets and capturing value.
- Supported the development of transition plans to a lower-carbon economy which are now in place for over 75% of the direct investment portfolio.

Geographic diversification

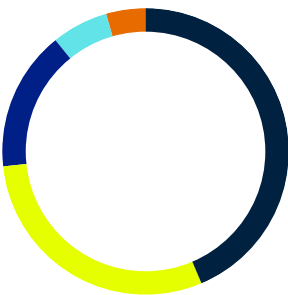
As at March 31, 2025 (%)



38.0	Europe
22.6	United States
15.4	Asia
10.3	Central & South America
7.8	Oceania
5.8	Canada
0.1	Other

Diversification by sector

As at March 31, 2025 (%)



43.7	Industrials
29.9	Utilities
15.8	Communications
6.3	Energy
4.3	Other

Natural Resources



Natural Resources focuses mainly on real assets in agriculture and timber in investment-friendly jurisdictions around the world. Leveraging its expertise in commodity-based businesses, the group’s mandate has expanded to include critical minerals.

The group partners with best-in-class local operators who share its long-term investment philosophy and commitment to sustainability. It targets opportunities well poised to benefit from positive secular trends driving attractive long-term supply-demand fundamentals. Investments are typically underpinned by a high component of land, water and biological assets, providing strong downside protection, inflation hedging and uncorrelated returns. The group also invests in strategic, complementary post-farmgate opportunities to enhance margins and reduce cash flow volatility.

In fiscal 2025, Natural Resources focused on supporting the sustainable growth and optimization of existing platforms while seeking value creation opportunities.

Long-term results

Over five years, Natural Resources generated \$5.7 billion in portfolio income and achieved a rate of return of 10.0% compared to a benchmark return of 0.1%. The positive results are reflective of the group’s long-term investment horizon and strong operating performance with like-minded, best-in-class local-operating partners. The portfolio also benefits from significant downside protection and inflation linkage given its high weighting to land, water and biological assets.

Short-term results

Natural Resources achieved a one-year rate of return of 8.6% in fiscal 2025. Total portfolio income of \$1.4 billion was primarily driven by valuation gains, distributable income and currency gains partially offset by financing costs. The portfolio demonstrated strong diversification benefits and resilience, delivering capital appreciation and distributions despite an uncertain geopolitical environment. A significant portion of value appreciation was attributed to sustained demand for agricultural land, the successful execution of value creation initiatives, and the acquisition of undervalued assets.

¹ In alignment with PSP Investments’ corporate policy not to hedge foreign currency exposure, the benchmark for Natural Resources is set such that it remains neutral to currency movements, meaning that the actual currency return impact on the asset class is reflected in the benchmark.

Natural Resources highlights

- Continued to scale and grow existing agriculture and timber platforms with the investment of \$2.1 billion in new acquisitions and developments.
- Expanded its geographic and end-market diversification across its

timberland portfolio with the acquisition of 91,000 acres of forests in the US South.

- Established a new animal protein buy-and-lease platform with the acquisition of 27 high quality poultry properties.

- Enhanced its risk management and safety practices across the portfolio through the implementation of whole-of-person safety framework.
- Actively supported the development and execution of climate transition plans and achievement of sustainability certifications across its portfolio.

Geographic diversification

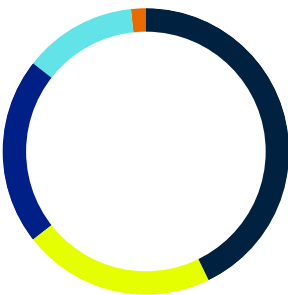
As at March 31, 2025 (%)



43.4	Oceania
26.1	United States
15.5	Central & South America
9.3	Canada
5.7	Europe

Diversification by sector

As at March 31, 2025 (%)



43.0	Permanent Crops
21.6	Timber
21.0	Row Crops
12.8	Animal Protein
1.6	Other

Managing costs

Our Approach

PSP Investments' mandate includes requiring us to maximize returns, net of costs, over the long term, without undue risk of loss.

As further described under the "Investment Framework" section, the Policy Portfolio is designed to achieve our mandate, and managing costs is integral to fulfilling this mandate.

Inherent to the design and implementation of the Policy Portfolio is making long-term strategic investment choices such as our active management approach, the proportion of investments managed internally versus our use of external managers as well as the overall asset mix. These choices enhance the risk-return profile for the total fund by providing higher returns over the long term for the Policy Portfolio compared to the Reference Portfolio without increasing funding risk.

These choices also shape PSP Investments' cost profile.

Each category of cost is described below alongside the value it adds to PSP Investments.

We manage and assess costs in the context of such strategic investment choices alongside the returns they generate and risks they reduce over the long term. Total fund returns are reported net of all costs.

As further described in the "Analysis of Total Fund Results" section, one of our key measures of success is the value, net of all costs, added by PSP Investments compared to the Reference Portfolio over a 10-year period. Such net value represents the outcome of our strategic investment choices.

To this end, the cumulative investment gains, net of all costs, achieved over the Reference Portfolio over a 10-year period amounted to \$31.9 billion.

Cost governance framework

PSP Investments holds itself to a high standard of governance in making decisions impacting costs. The cornerstone of PSP Investments' cost governance framework is the annual capital and financial planning process, where key cost decisions are challenged.

The governance framework takes into consideration PSP Investments' three-year strategic plan, ensuring that key cost decisions are evaluated through the lens of our strategic pillars. This approach reflects the organization's priorities and the desired evolution of our investment strategies, allowing us to operate with excellence. Please see page 13.

Senior management is accountable for the annual capital and financial planning with oversight by the Audit Committee of the Board of Directors as well as periodic reviews of progress of actual results against the plan.

Categories of costs

Our total cost structure is composed of the following main categories:

Category of costs		Composition	How it adds value to PSP Investments
Operating costs	Salaries & employee benefits	All components related to employee compensation, including base pay, incentive and benefits contributions.	Highly qualified people are key to our core investment activities. Active management as well as our asset mix being more weighted in private markets' asset classes have a significant impact on our workforce and, in turn, our operating costs. These also provide an enhanced risk-return profile for the total fund that surpasses their incremental costs.
	Other general and administrative costs	Technology costs, professional services, premises, and other general costs.	Technology and professional services are necessary for ensuring the efficient operations of the fund and supporting its core activities.
Investment costs	Management fees	Fees due to external investment managers paid based on committed or asset value of invested capital with respect to public and private asset classes.	External managers add complementary expertise to source and manage investments in targeted sectors and geographies and thereby enhance the risk-return profile for the total fund.
	Performance fees	Fees due to external investment managers paid based on performance exceeding predetermined thresholds, as a form of profit sharing, with respect to public and private asset classes.	
	Transaction costs	Professional fees for legal, tax, trading commissions and other charges related to deployments and dispositions of ongoing investment activities with respect to public and private asset classes.	Legal, tax and other diligence activities support our investment transactions.
Financing costs	Interest costs	Interest costs are incurred on borrowing funds as described in our Global Debt Program (see page 66).	Borrowing allows us to invest additional funds earning returns well in excess of the cost of borrowing.

Costs by type

The following table presents operating, investment and financing costs for our fiscal years 2025 and 2024. We present in this table costs incurred by PSP Investments and reported by our Consolidated financial statements prepared in accordance with IFRS. In line with evolving market practices of enhanced transparency, we are also presenting additional fees embedded within investment structures such as funds and other investment vehicles we hold. Such fees are embedded in the fair value of our investments and included in investment income as reported in our Consolidated financial statements as required by IFRS. We consider this additional information useful to a more fulsome understanding of our overall cost structure.

(\$ millions)	Fiscal 2025				Fiscal 2024	
	Costs incurred by PSP Investments per Consolidated Financial Statements	Fees embedded within investment structures ¹	Total costs	Total costs ex-CGF mandate ³	Total costs	Total costs ex-CGF mandate ³
Salaries & employee benefits	534		534		467	
Other general and administrative costs	297		297		274	
Total operating costs²	831		831	790	741	712
Management fees	21	723	744		720	
Transaction costs	206		206		159	
Performance fees	56	611	667		606 ¹	
Total investment costs	283	1,334	1,617	1,609	1,485	1,484
Financing costs	1,465		1,465		1,345	
Other	21		21		193	
Total costs	2,600	1,334	3,934	3,885	3,764	3,734

¹ Fees embedded within investment structures is a non-IFRS measure as it presents expenses incurred by such structures rather than being incurred directly by PSP Investments. There is no comparable IFRS measure as these expenses form a component of the fair value of our investments. Fiscal 2024 costs have been restated to be presented on a comparable basis.

² This measure may not have a standardized meaning under IFRS and may not be comparable to similar measures disclosed by other institutions. Operating costs exclude other income (net) of \$11 million (March 31, 2024 – other income (net) of \$10 million).

³ Costs associated with the provision of investment management services to CGF are incurred on a cost recovery basis for no profit as further outlined on page 23.

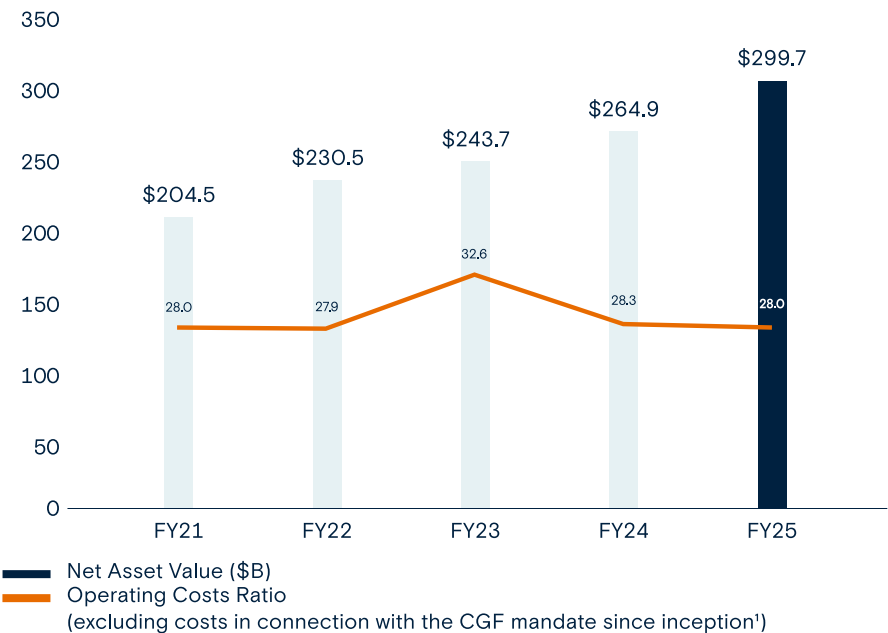
Operating costs

Operating costs are incurred to support the general infrastructure and provide the necessary services for the total fund's ongoing operations. Active management as well as our asset mix being more weighted in private markets' asset classes requires a larger workforce, resulting in higher operating costs. These costs are strategically managed to uphold a proficient investment

management organization, with increased discipline over time and are allocated to ensure the success of strategic initiatives.

The operating costs ratio in fiscal 2025 was 29.4 basis points (bps), a slight improvement from the prior year which was 29.5 bps, showcasing PSP Investments' continued commitment to disciplined cost management. Excluding the CGF mandate¹ the cost ratio was 28.0 bps in fiscal 2025 compared to 28.3 bps in fiscal 2024.

PSP Investments' operating costs amounted to \$831 million (\$790 million excluding the CGF mandate¹) in fiscal 2025, compared to \$741 million (\$712 million excluding the CGF mandate¹) in fiscal 2024. Excluding the impact of foreign exchange, the year-over-year growth was 8%, driven by the strengthening of our talent pool through organizational enhancements and higher performance driven compensation.



¹ Costs associated with the provision of investment management services to CGF are incurred on a cost recovery basis for no profit as further outlined on page 23.

Investment costs

Investment costs encompass the costs associated with entering, managing, maintaining, and exiting investments. These costs include management fees, transaction costs and performance fees, all of which are vital for executing investment strategies and achieving superior returns. Effective management of investment costs is essential for optimizing the risk-return profile and ensuring that investments align with the established mandate. It is worth noting that management fees and performance fees are subject to fluctuations due to market volatility as well as the valuation of underlying assets.

Management fees are paid to external investment managers for their specialized expertise in managing investments within targeted sectors and geographies. For fiscal 2025, management fees were \$744 million, compared to \$720 million in fiscal 2024. The increase was primarily due to catch-up fees in the Real Estate portfolio from previous fiscal years and Real Estate's lower base in fiscal 2024 due to reversals. This was partially offset by successful divestitures in Private Equity.

Transaction costs fluctuate annually based on the volume, scale, and intricacy of the investment activities. Transaction costs in fiscal 2025 were \$206 million (or \$198 million ex-CGF mandate¹), an increase compared to fiscal 2024's cost of \$159 million, mainly driven by Capital Markets higher trade volume due to rebalancing and market volatility.

Performance fees are incurred when the return on investments exceeds predetermined thresholds, ensuring that PSP Investments' strategies are aligned with superior market performance. Performance fees for fiscal 2025 at \$667 million remained positive, driven by the consistent outperformance of asset classes relative to their hurdle rates. The year-over-year increase of \$61 million is primarily attributed to the improved performance of the Real Estate portfolio, resulting in less performance fees recovery than the previous year.

Financing costs

PSP Investments utilizes leverage to expand its investment portfolio and enhance performance. The financing costs associated with this leverage are considered a necessary cost of doing business and are integrated into the fund's overall return calculations.

Financing costs in fiscal 2025 were \$1,465 million compared to \$1,345 million in prior year. The increase is mainly the result of additional issuances under the Debt Capital Market Program.

Total costs

Total costs (excluding the CGF mandate¹) increased by \$151 million year-over-year. The increase was lower than the growth in net asset value, underscoring our operating leverage.

¹ Costs associated with the provision of investment management services to CGF are incurred on a cost recovery basis for no profit as further outlined on page 23.

Enterprise risk management

To achieve the mandate and deliver on the commitment to stakeholders, PSP Investments must take calculated risks and manage them appropriately. A disciplined, integrated approach to risk management is followed, and a strong, shared risk culture, in which all employees are active participants in risk identification, evaluation, management, monitoring and reporting, is strived for and maintained.

Risk governance

Effective risk management starts with risk governance. The Board of Directors (Board) provides insight on risks, and its Investment and Risk Committee (IRC) reviews, evaluates and approves the guiding principles, limits and policies that govern the overall approach with respect to PSP Investments' risk management. The IRC ensures that management has put in place an effective enterprise risk management approach and processes, and reviews and approves the Risk Appetite Statement (RAS) and supporting risk management and related policies. The Board and its committees are regularly apprised of material risks and how management is responding to them.

Specific risk-related responsibilities are divided among Board committees and outlined in their respective [Terms of Reference](#).

Risk Management is headed by the Senior Vice President and Chief Risk Officer who reports to the President and CEO.

Enterprise risk management framework

An enterprise risk management framework outlines the foundational components that contribute to the effective identification and management of enterprise risks, supporting prudent risk-taking while striking the appropriate balance between risk and reward to achieve our strategic objectives.

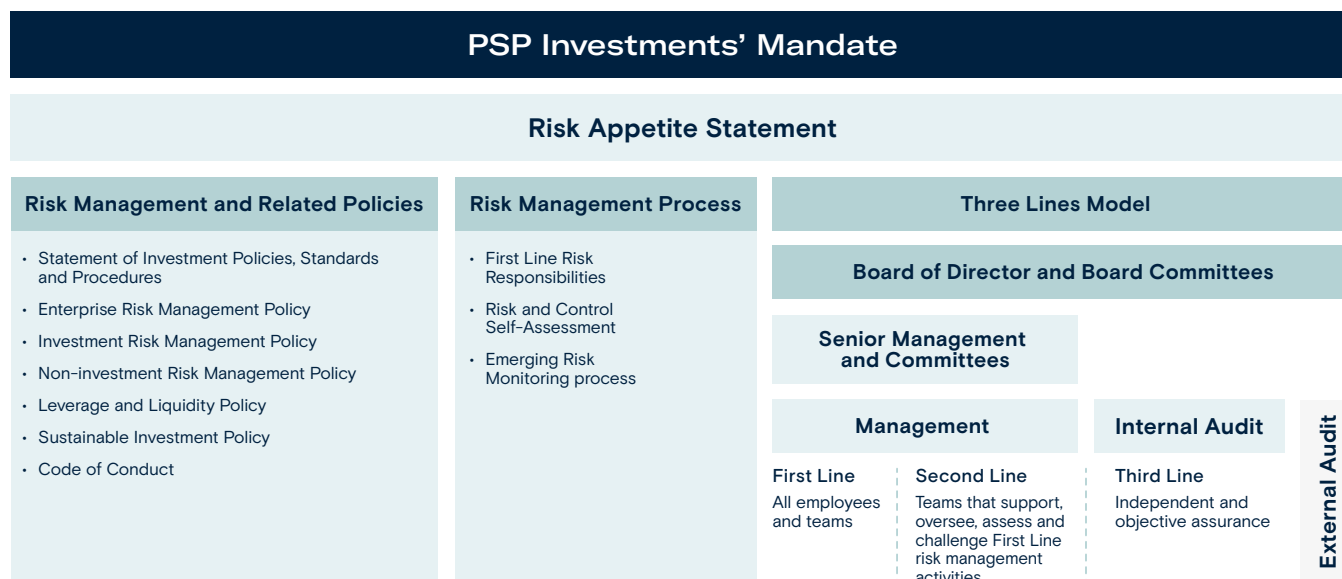
The risk management framework is anchored by PSP Investments' Three Lines approach to managing risk to ensure accountability, alignment, collaboration and coordination throughout all levels of the organization. A defined committee structure, policies and procedures ensure clear roles and responsibilities for all employees. This includes the oversight of direct or indirect risk of loss, including the risk of loss resulting from inadequate or failed internal processes, people and systems, or external events. All material non-investment losses or incidents are reported at the Board level.

Risk Appetite Statement

The Risk Appetite Statement (RAS) articulates the amount of risk that PSP Investments is willing to take in pursuit of its mandate. The RAS provides statements to guide discussions on risks and their relation to the achievement of investment and strategic objectives. Reviewed annually, the RAS is summarized in PSP Investments' Risk Appetite Overview and is made available to all employees to promote transparency and a shared risk culture.

Risk management and related policies

PSP Investments acknowledges that it must take risks to achieve its statutory mandate and takes a proactive approach to manage the full spectrum of risks on an enterprise-wide basis. Key policies outline the guiding principles governing PSP Investments' overall philosophy, culture and approach with respect to risk management. These key policies are listed below along with the risk categories they aim to mitigate.



Enterprise risk categories and highlighted related key policies include:



Risk management process

We conduct an annual, enterprise-wide risk and control self-assessment exercise to identify and evaluate key risks, and to assess the adequacy and effectiveness of mitigation activities. The exercise is a core component of the risk management framework and contributes to the ongoing refinement of the risk program. The Board and senior management participate and provide a top-down complementary perspective, through an annual risk-identification process.

Risks inherent to PSP Investments are identified through this exercise and are periodically monitored throughout the year. External risks are also monitored regularly and the most impactful ones are integrated into the monitoring process as appropriate. This results in a comprehensive identification of our most significant risks that takes into account the internal and external risk environments. The organization's top risks also inform the corporate business planning process and help ensure that risks are factored into PSP Investments' corporate strategy.

In addition, an emerging risk monitoring process is used to identify, assess and monitor new and evolving risks that have the potential to impact our objectives. This process complements and supports existing risk processes by centralizing and coordinating our efforts to manage emerging risks, when needed. For instance, US trade policies represent an emerging risk being monitored through this process.

Three Lines model

PSP Investments uses the Three Lines model as a means to promote a shared risk culture, and to identify structures and processes that best assist the achievement of objectives and facilitate strong governance and risk management. We operate with the belief that risk is the responsibility of every employee. Managers promote a risk-aware culture by communicating this responsibility effectively and communicate updates to risk policies, procedures, and other related guidance. PSP Investments supports transparency of risk information and reporting to management and the IRC of the Board includes the results of our annual risk and control self-assessment and other reports that incorporate the use of risk indicators to ensure alignment with our risk appetite. All employees are responsible for risks arising from activities, processes, and systems and are empowered to manage and report risks, and to escalate issues if necessary.

Management of non-investment risks

PSP Investments recognizes that non-investment risk management is an integral component of its Enterprise Risk Management Framework and both manages its daily operations in accordance with its Risk Appetite Statement and monitors the following key non-investment risks.

Strategic or business risk is defined as a business initiative failure or misalignment with broader strategy or incorrect/suboptimal strategic planning and related reputational impact.

PSP Investments is committed to the successful implementation of its strategic plan through the identification of corporate priorities and execution of strategic initiatives supporting them. The organization monitors and seeks to understand the impact and repercussions from political or social changes, and other developments, when possible.

The organization closely monitors and manages its reputation in the media and marketplace, and relationship with stakeholders, to ensure ongoing alignment with the corporate objectives.

Technology risk is the risk associated with the transformation potential, operation or availability of a system affecting the level of performance necessary to meet our expectations and technical requirements.

PSP Investments believes that data-driven decision-making is critical to its ability to meet strategic objectives and deliver its mandate, and it minimizes the risk of poor data quality through proactive governance and management. Additionally, to maintain its ability to

perform daily activities, PSP Investments seeks to avoid or minimize, within reason, the prolonged loss or unavailability of key systems, applications, and/or critical networks that significantly delay business activities.

The organization acknowledges the transformative potential of artificial intelligence; however, it recognizes the risks associated with reliance on these systems, potential biases, and transparency, privacy and security concerns which PSP Investments continuously monitors and assesses through proactive governance.

Information security risk is the risk of loss of confidentiality, integrity, or availability of information, data, or systems.

PSP Investments recognizes that information cyber security risk represents an evolving and increasingly complex and challenging component of its business operations and decisions. It believes the right level of cyber risk tolerance drives the allocation of an appropriate balance of resources to protect contributors and beneficiaries' interests, while enabling the organization to advance and prosper in the digital economy.

People risk arises from ineffective talent management, employee engagement and wellness, conduct and behaviour.

PSP Investments provides ongoing training and awareness on expected behaviours as it relates to compliance with the Code of Conduct, related policies and employee handbook.

The organization continuously monitors the effectiveness of its talent value proposition to ensure PSP Investments can attract, develop, reward and retain talent, taking into account its business and strategic objectives, the voice of its employees, and external labour market factors.

Legal, contractual or regulatory risk includes legal or regulatory action against PSP Investments due to legal or contractual disputes or non-compliance with any existing, new, or amended applicable laws or regulations.

PSP Investments ensures that its activities are conducted in accordance with the *Public Sector Pension Investment Board Act* and Regulations and the Statement of Investment Policies and Procedures. The organization does not tolerate instances of non-compliance with applicable laws, regulations and contractual obligations, and works accordingly to comply with them, including regular monitoring of new and amended applicable laws and regulations.

Financial crime and fraud risk refers to when a person or persons acts dishonestly or deceitfully for advantage or gain.

PSP Investments seeks to minimize its exposure to intentional fraudulent activity and corruption and does not tolerate any intentional fraudulent activities from its employees and consultants.

Reporting and taxation risk represents the non-compliance with requirements or inaccurate statements related to financial and non-financial reporting and taxes.

PSP Investments maintains and enforces strong accounting, financial management, and reporting practices and controls, which ensure accurate reporting of financial and non-financial information. The organization complies with tax regulation requirements while maintaining awareness of tax trends and their potential impact on its investment activities.

Operational risk refers to the failure of or inadequate internal operational processes, unavailability, theft or damage to non-digital assets and physical security, health and safety of premises and individuals.

PSP Investments actively manages the execution of its investment and supporting business transactions, and the selection of external business partners and service vendors, while managing the inherent risk of failure or inadequate operational processes that arise during the normal course of business. Additionally, to ensure continuity of operations and safety in the workplace, the organization works to reduce the likelihood of interruptions or impediments of operational activities due to damage to the workplace, physical assets, or threats of physical safety to employees.

Management of investment risks

To manage the risks inherent to the investment decision-making process, the Investment Risk Management (IRM) Policy outlines a framework detailing how investment activities should comply with PSP Investments' risk philosophy and align with the tolerance and limits of its risk appetite.

To effectively manage investing-related risks, such as funding, market, credit, counterparty, leverage and liquidity risks, the IRM Policy, in conjunction with the SIP&P and the Leverage and Liquidity Policy, are established and adhered to so as to monitor and manage PSP Investments' ability to fulfill its mandate. Below is a description of closely monitored elements that relate to key investment risks along with how these are managed.

For further details on Investment Risk Management, please refer to Note 7 of the Consolidated Financial Statements.

Funding risk represents the risk that impacts the Government (as the sponsor of the Plans) and the relation of assets to the value of the obligations of the Plans. For further details, please refer to the "Total Portfolio Management" section under Investment Framework.

Market risk represents the risk of an adverse financial outcome related to assets or liabilities due to changes in the factors that drive the market value of financial assets and financial liabilities.

PSP Investments actively seeks out market opportunities and given its long-term investment horizon the organization is mindful of short-term volatility in the pursuit of long-term opportunities to generate enhanced returns.

The market risk appetite, which is mainly expressed through an active VaR, is set to be consistent with the Policy Portfolio objective. The goal is to ensure the alignment of all PSP Investments' value-added activities with the desired Policy Portfolio risk profile in terms of market risk. Boundaries are defined so that the likelihood of meeting the objective is increased without jeopardizing the value proposition.

Additionally, a set of complementary risk measures has been specifically designed in order to provide greater visibility and guidance during adverse market environments where traditional VaR measures are less reactive. Furthermore, PSP Investments systematically performs stress test scenarios that are proactively selected based on their relevance from a macroeconomic and geopolitical standpoint.

Credit and counterparty risk encompasses the risk of non-performance of an obligor on whom PSP Investments relies to fulfill contractual or financial obligations.

PSP Investments has limited tolerance for credit risk and seeks to restrain its exposure while monitoring any sudden deterioration. As for counterparty risk, the organization has a low tolerance and manages counterparties accordingly.

Through various metrics that are part of the counterparty risk framework, PSP Investments seeks to capture broader types of exposure, including derivatives, securities lending and settlement risk. These include metrics that seek to quantify, at a given confidence level, the loss that could occur if the counterparty were to default on specific activities. In turn, limits and guidelines are set and are tailored to the credit quality of the counterparty as well as other indicators of financial health.

Counterparty exposure and predefined limits or other indicators are regularly monitored to assess the quality of approved counterparties. Counterparty risk related to the use of derivatives and securities lending and borrowing transactions remained largely stable compared to the prior year.

Liquidity risk refers to the risk that PSP Investments will not be able to meet its financial obligations on a timely basis or that it will incur incremental costs when liquidating financial assets to do so.

PSP Investments holds sufficient liquidity to meet its financial obligations, stay on course with its strategic capital deployment and maintain its target asset mix while protecting its credit rating.

PSP Investments adopts a total fund approach by actively managing liquidity through a centralized platform, namely, the Corporate Liquidity Fund (CLF). The CLF is managed to provide efficient funding to asset classes and maintain sufficient levels of liquidity in times of market stress. The primary objectives of the CLF are safety of capital, liquidity and collateral eligibility. The CLF is comprised primarily of highly rated government or government-related fixed income securities to meet its collateral requirements. PSP Investments also adopts a total fund approach for its collateral management as other eligible securities are held in other portfolios in the form of publicly traded equities and fixed income securities. In addition to fund transfers referred to in the "Capital Management" section below, PSP Investments receives recurring cash flows from its private investments, adding to its sources of liquidity.

PSP Investments maintains a sizable pool of liquid assets and the CLF has access to diversified sources of liquidities, including its capital debt program as described below (see the "Capital management" section for further details), cash collateral received in the normal course of business through certain investment transactions, cash and cash equivalents (as part of the Policy Portfolio) and an unutilized revolver capacity.

The CLF is subject to risk limits based on the Liquidity Coverage Ratio framework which is the industry best practice in liquidity management. Such limits include several metrics that take into consideration credit rating, portfolio duration, maturity, collateral eligibility, nature of the investment as well as concentration. In addition to such limits, sensitivity analyses, stress testing and scenario analyses are performed in order to ensure that sufficient liquidity is in place for operational needs such as debt repayment and collateral calls in times of market stress.

Leverage risk refers to the risk of using leverage in a way that adversely affects PSP Investments. Please see the "Capital management" section below for further details.

Concentration risk arises from unwarranted exposure due to a lack of diversification or concentrated exposure in individual investments, counterparties, geographic regions, sectors, strategy and/or external managers.

A lack of diversification or concentrated exposure could adversely affect the value of our investments and our overall investment performance. PSP Investments believes in the benefits of diversification and its alignment with other corresponding risk appetites. The areas monitored and subject to limits, guidelines and thresholds include the size of individual investments, the counterparty, geographic region, sector, strategy and concentrations in managers and partners.

Sustainability-related risk covers the risk that corporate behaviour in respect of environmental, social and governance issues will adversely impact the financial performance of companies or our reputation. For further details please see the "Long-term value creation through sustainability-informed investments" section under Investment Framework.

Capital management

The capital structure of PSP Investments consists of fund transfers as well as leverage.

Fund transfers

As described in our mandate, PSP Investments receives fund transfers from the Government and invests these in the best interests of the beneficiaries and contributors under their respective Acts. The funds received are invested 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 those Plans to meet their financial obligations. The funds are invested in accordance with the investment risk management policies established as an element within the enterprise risk management framework.

Leverage

PSP Investments believes in the prudent use of leverage to enhance returns and manage liquidity, while protecting its credit rating issued by recognized credit rating agencies.

PSP Investments adopts a holistic approach in managing leverage with the primary objective to ensure efficient leverage allocation at the total fund level. Sources of leverage are allocated to asset classes according to total fund risk limits, asset classes' respective business plans and budgets.

Global Debt Program and Green Bond Framework

As part of its leverage, PSP Investments maintains a Global Debt Program consisting of short-term promissory notes and medium-term debt issuances. During fiscal 2025, PSP Investments issued the Canadian dollar equivalent of \$5.1 billion under its Global Medium-Term Note (GMTN) program, including an inaugural long bond for a total of \$1.0 billion with a maturity date of December 2055. Additionally, PSP Investments issued the Canadian dollar equivalent of \$2.0 billion under its Australian Medium-Term Note (AMTN) program established at the end of 2023. The issuances under these two medium-term debt programs during fiscal 2025 total \$7.1 billion in Canadian dollar equivalent. These are complemented by short-term programs, consisting of Canadian, US and Euro commercial paper programs. The outstanding amount for these short-term programs represents \$10.2 billion for fiscal 2025, an increase of \$3.4 billion compared to last year. These diverse debt programs enable PSP Investments to access a broad spectrum of investors and issue in multiple currencies, primarily targeting the Canadian dollar, U.S. dollar, Euro, British pound and Australian dollar. The capital raised under these capital debt programs is primarily used to finance private market investments.

The Green Bond program now totals \$2.9 billion in Canadian dollar equivalent, following our third Green Bond issued in fiscal 2025, under our AMTN program. After two Green Bond issuances in the domestic market over the last two years, PSP Investments issued, in September 2024, a first offshore Green Bond, an Australian dollar benchmark 7-year transaction. The proceeds of these Green Bond issuances are earmarked for investments to finance Eligible Green Assets in accordance with our Green Bond Framework. The Green Bond program complements the overall debt strategy, enabling PSP Investments to access a broader spectrum of investors. In fiscal 2025, PSP Investments published its third annual Green Bond Impact Report, which discloses climate performance and allocation reporting for its two Green Bond issuances. The Green Bond Impact Report is part of PSP Investments' commitment to provide impact reporting on an annual basis, in alignment with the terms set out in its Green Bond Framework.

Guarantees, indemnities and commitments

Guarantees and indemnities

In the normal course of business, PSP Investments provides indemnifications to its directors, its officers, its employees and to certain PSP Investments representatives who are asked to serve on boards of directors or investment advisory boards of entities in which PSP Investments or its investment entity subsidiaries have made an investment or have a financial interest. In certain cases, indemnification is also provided to third parties and as a result, PSP Investments may be required to indemnify such third parties in connection with the performance of their contractual obligations. To date, PSP Investments has not received any material claims nor made any material payments for such indemnities.

In certain investment transactions, PSP Investments and its investment entity subsidiaries also provide guarantees or issue letters of credit to third parties. These agreements ensure that investment entity subsidiaries and certain investees are supported in the event of a default based on the terms of the respective loan or other agreements. As at March 31, 2025, the maximum amount of obligations that could be assumed by PSP Investments and its investment entity subsidiaries in relation to such guarantees was \$3,023 million, compared to \$2,717 million in the prior year, while it was \$165 million, compared to \$1 million in the prior year for letters of credit issued.

For further details on guarantees and indemnities, please refer to Note 16 of the Consolidated Financial Statements.

Commitments

PSP Investments and its investment entity subsidiaries have committed to enter into investment transactions, which will be funded over the next several years in accordance with agreed terms and conditions. As at March 31, 2025, these commitments amounted to \$36,965 million, compared to \$29,905 million in the prior year. The increase compared to last year was due to new signed commitments, primarily in Private Equity, Infrastructure and Credit Investments, partially offset by deployments and asset sales.

For further details on commitments, please refer to Note 17 of the Consolidated Financial Statements.

Significant accounting judgments, estimates and assumptions

Key accounting estimates

PSP Investments measures and evaluates the performance of its investments on a fair value basis. Fair value is the price that would be received to sell an asset or paid to transfer a liability in a transaction between market participants at the measurement date. It is a market-based measurement and incorporates factors that market participants would consider when involved in such transactions.

Process for fair value determination

The valuation process is monitored and governed by an internal valuation committee (VC). This committee is responsible for overseeing all aspects of fair value determination. This includes valuation methodologies and procedures for each type of investment and ensuring they are complied with. Valuation methodologies established are based on widely recognized practices that are consistent with professional appraisal standards. Such standards include, among others, the International Private Equity and Venture Capital Valuation Guidelines, the Canadian Uniform Standards of Professional Appraisal Practice and the Uniform Standards of Professional Appraisal Practice in the United States of America.

The fair value of investments in Private Markets, is determined quarterly and adjusted to reflect the impact of any significant market or investment-specific events or circumstances. For each investment, the relevant valuation methodology is applied consistently over time as appropriate in the prevailing circumstances. The appropriateness of significant changes in valuation methodologies is reviewed by the VC.

In cases where the services of third-party appraisers are used, management ensures their independence and that valuation methods used are consistent with professional appraisal standards outlined above. In validating the work performed by appraisers, management ensures that the assumptions used correspond to financial information and forecasts of the underlying investment.

With respect to certain fund investments, the annual fair value is generally determined based on most recent audited financial statements received from the fund's general partner.

In certain cases, fair value is obtained from information provided by the fund's administrators and is reviewed by management to ensure reasonableness and adherence to acceptable industry valuation methods. Where necessary, the impact of restrictions on the sale or redemption of such investments is taken into consideration in determining fair value.

To reflect the impact, where applicable, of significant market movements or other events occurring up to the end of the reporting period, adjustments to Private Markets and fund investments are made as appropriate. Such adjustments are based on a number of factors, including public market trading comparables, investment-specific characteristics as well as market conditions and uncertainties at that time.

While the impact of trade tariffs on the broader global economy continues to remain uncertain, the determination of fair value for investments classified as level 3 reflected, where applicable, the effect of tariffs that were imposed on or before March 31, 2025. Although trade tariffs announced or imposed after this reporting date were not reflected in such valuations, related uncertainties present at March 31, 2025, and their impact on the fair value of investments were taken into consideration as applicable.



Governance

PSP Investments is committed to upholding high standards of corporate governance and ethical conduct.

Why it matters

We believe that good governance strengthens our decision-making, processes and controls, and is essential for fulfilling our statutory mandate.

Our Board of Directors sets the tone for a culture of integrity, accountability and compliance. The Governance Committee of the Board is specifically charged with monitoring

governance matters and ensuring that PSP Investments meets robust standards, in keeping with evolving regulatory requirements and stakeholder expectations.

In this section, we discuss key governance activities undertaken in fiscal 2025 and provide an overview of our governance framework and practices as at March 31, 2025.

Highlights of our corporate governance framework and practices

- Separation of Chair from the President & CEO
- Succession planning for the President & CEO and key executives
- Independence of all Board members
- Gender balance on the Board with women representing more than 50% of Directors and chairing the Board and three Board committees
- Annual review of the Board’s diversity, skills, and competencies matrix and communication of desired skill sets to the external nominating committee
- Director succession planning
- Annual strategy session
- Annual Board evaluation process
- Ongoing Director education program
- Onboarding program for new Directors
- *In camera* sessions at all regular Board and committee meetings
- Regular review of Terms of Reference for the Board, all committees and Chairs
- Procedures for the identification and management of real, potential or perceived conflicts of interest
- Anonymous reporting framework for suspected wrongdoings and compliance culture
- Annual review of risk appetite, risk policies and risk limits and framework

Governance framework

PSP Investments is a Crown corporation that operates at arm’s length from the Government of Canada. Our governance framework is outlined in the *Public Sector Pension Investment Board Act* (the “Act”) and includes our statutory mandate, the responsibilities of our Board and our reporting obligations to the Government and to pension plan contributors and beneficiaries.

Board responsibilities

In accordance with the Act, the Board of Directors manages or supervises the management of the business and affairs of PSP Investments. In discharging their duties, Directors are required to act honestly and in good faith with a view to the best interests of PSP Investments, and to exercise the care, diligence and skill that a reasonable person would exercise in comparable circumstances. The Board performs three vital functions:

Role	Description
Decision-making	The Board maintains decision authority over certain matters, including powers that cannot be delegated under the Act. The Board exercises these powers upon recommendation by senior management, where appropriate.
Oversight	The Board monitors performance and provides direction and guidance with respect to the management of the business and affairs of PSP Investments.
Insight	The Board provides insight on various matters, including strategy, stakeholder relations, human resources and risk.

The Board’s specific responsibilities include:

- Determining the organization’s strategic direction in collaboration with senior management
- Selecting and appointing the President & CEO and annually reviewing his or her performance
- Reviewing and approving the SIP&P for each pension fund on an annual basis
- Ensuring that all material risks, including reputational risks, are properly managed, monitored and reported
- Approving benchmarks for measuring investment performance and for incentive compensation purposes
- Approving PSP Investments’ core values and monitoring culture
- Establishing and monitoring compliance with PSP Investments’ Code of Conduct
- Approving human resources and compensation policies related to attracting, developing, rewarding and retaining PSP Investments’ talent
- Establishing appropriate performance evaluation processes for Board members, the President & CEO, and other members of senior management
- Approving quarterly and annual financial statements for each pension fund account and for PSP Investments as a whole
- Establishing Terms of Reference for the Board, the Board committees and Chairs

Board committees

The Board fulfills its obligations directly and through four standing committees:

Investment and Risk Committee – Oversees PSP Investments' investment and risk management functions. Specific responsibilities include:

- Approving investments and divestments not delegated to the President & CEO
- Approving the engagement of external managers empowered with discretionary investment authority
- Ensuring the quality, adequacy and timeliness of risk-related information provided by the management team
- Reviewing PSP Investments' investment performance on a quarterly basis
- Monitoring the application of PSP Investments' investment policies, standards and procedures

Audit Committee – Reviews financial reporting, the adequacy and effectiveness of internal control systems and oversees the internal audit function. Specific responsibilities include:

- Reviewing and recommending to the Board for approval the consolidated financial statements of PSP Investments and the financial statements for each pension fund account
- Making a recommendation with respect to the appointment of external auditors
- Overseeing the internal audit function and ensuring that internal audits are conducted with respect to the governance, risk management and control processes for PSP Investments
- Reviewing and recommending to the Board for approval an annual operating and capital budget and receiving periodic reports from management on significant expenses
- Overseeing PSP Investments' technology and digital strategy, including major projects and related risks

Governance Committee – Monitors the effectiveness of the Board, reviews related governance policies, and oversees communication, sustainable investment and compliance matters. Specific responsibilities include:

- Developing Terms of Reference for the Board, the Board committees and Chairs
- Recommending to the Board for approval timely changes in the role, size, composition and structure of Board committees
- Reviewing and reporting to the Board Chair on succession planning for Board and committee Chairs
- Overseeing the Board evaluation process
- Recommending for Board approval a Code of Conduct and monitoring compliance with the Code
- Monitoring PSP Investments' approach to sustainable investing
- Reviewing PSP Investments' communication and stakeholder relations strategies and receiving reporting on such activities

Human Resources and Compensation Committee – Ensures policies and procedures are in place to manage the human resources function efficiently and effectively, and to offer all employees fair and competitive compensation aligned with performance and risk targets. Specific responsibilities include:

- Recommending for Board approval the compensation for the President & CEO and officers
- Recommending for Board approval the establishment, termination or any material amendments to incentive, benefit or pension plans
- Ensuring that President & CEO and officer succession planning is conducted appropriately
- Recommending for Board approval human resources policies
- Monitoring PSP Investments' diversity and inclusion programs

The responsibilities of the Board and its committees are more fully described in their respective Terms of Reference.

Learn more
[Terms of Reference](#)

Reporting obligations

PSP Investments reports to the ministers responsible for the four pension plans through its quarterly financial statements and annual report. The annual report must also be made available to pension plan contributors and is tabled in each House of Parliament by the President of the Treasury Board.

PSP Investments is required to meet once a year with the advisory committees for the pension plans. We are also required to hold an annual public meeting. The most recent meetings were held on October 16, 2024.

Pursuant to the *Financial Administration Act*, PSP Investments must undergo a yearly external audit. The Auditor General of Canada and Deloitte LLP serve as our joint external auditors and are also responsible for conducting special examinations at least once every 10 years. A special examination was performed in fiscal 2021. No significant deficiencies in the corporate management practices or management of investments and operations of PSP Investments were found during the audit. The report concluded that PSP Investments generally maintained reasonable systems and practices for accomplishing its mandate.

Ethics and compliance

PSP Investments firmly believes in the importance of exemplary and ethical behaviour.

We have in place a Code of Conduct for Directors, Employees and Consultants (Code of Conduct) that provides a practical framework to help individuals better understand PSP Investments' principles, values and expected practices and behaviours.

The Code of Conduct includes principles related to behaving respectfully and appropriately, obeying the letter and spirit of the law, protecting PSP Investments' assets and information, and managing conflicts of interest. Rules are in place for handling situations and behaviours that could lead to a real, potential or perceived conflict of interest. Directors, employees and consultants must disclose any personal or business interests that may lead to a real, potential or perceived conflict of interest and ensure they take appropriate action to avoid, reduce or manage such situations and behaviours in connection with their duties and responsibilities at PSP Investments.

In all instances, Directors must refrain from voting on a resolution or other decision and refrain from participation in discussion or debate in any circumstances where there is a conflict of interest.

In addition, the reporting of any suspected wrongdoing is strongly encouraged. Incidents can be reported without fear of retaliation through various means, including an anonymous reporting tool. Each year, Directors, employees and consultants must confirm in writing that they have complied with the Code of Conduct. The Code of Conduct and compliance processes are continuously reviewed and enhanced through risk-based assessments of our activities and the environments we operate in.

Learn more

[Code of Conduct for Directors, Employees and Consultants](#)

Sustainable investment

Our Sustainable Investment Policy guides our approach to long-term value creation through sustainability-informed investments.

This Policy communicates how we aspire to integrate material sustainability-related risks and opportunities throughout the investment lifecycle to enhance long-term value and portfolio adaptation. The Board fully supports PSP Investments' approach to long-term value creation through sustainability-informed investments, and sustainability-related topics are regularly presented and discussed at Board and committee meetings.

More information about PSP Investments' sustainable investment activities can be found on page 29 of this report or on our [website](#).

Cyber security

Given the increased presence of cyber risks across all industries and the possible impacts of cyber events, the Investment and Risk Committee is responsible for overseeing PSP Investments' cyber security program and the known risks faced by the organization.

In fiscal 2025, PSP Investments proactively managed cyber risks and strategically enhanced its cyber security posture by refining its strategy and roadmap to address its evolving threat environment and risks. The Investment and Risk Committee received expert insights on the intensifying cyber threat landscape, attributed among other things to worsening

geopolitical tensions, the proliferation and adoption of emerging technologies, and the growing threat of disinformation and misinformation. This enabled Committee members to effectively fulfill their oversight role in cyber security and understand the potential impact of cyber risks on the organization.

Board procedures and effectiveness

PSP Investments’ Board plays an active role in decision-making, in management oversight and in providing strategic input.

Some of the Board’s authority is delegated to senior management. For example, the Board has delegated to the President & CEO the authority to manage and direct the day-to-day affairs of PSP Investments. It also delegates certain powers and responsibilities to its Board committees.

There is frequent discussion at the Board and Board committee levels between Directors and senior management. Board members and senior management hold an annual strategy session for in-depth discussions on investment and risk-related topics. This past year’s session included a site visit of the Downsview airport real estate development project, a discussion on measures of success for the new strategic plan and a review of the macroeconomic outlook.

All regular Board and Board committee meetings include *in camera* sessions with no members of senior management present. The Board has separate *in camera* meetings with the President & CEO. The Audit Committee has private meetings with the internal and external auditors, and with the Chief Financial Officer, while the Investment and Risk Committee meets privately with the Chief Risk Officer. The Governance Committee also meets privately at least once a year with the Chief Compliance Officer.

The Board and Board committees may consult with external advisors. During fiscal 2025, the Human Resources and Compensation Committee and the Governance Committee sought the services of an external consultant.

The Governance Committee oversees the formal process for evaluating the performance of the Board Chair, the Chairs of Board committees, individual Directors and the Board as a whole. All Directors, as well as the President & CEO and select senior management members, participate in the evaluation process. The Governance Committee Chair and the Board Chair present the evaluation results to the Board. The ensuing discussions focus on achievements, expectations, concerns and opportunities for improvement. Any measures deemed necessary are subsequently implemented.

At the management level, the Board conducts the evaluation of the President & CEO and oversees the evaluation and development of senior management. It also ensures that compensation programs are aligned with PSP Investments’ objectives and strategic plan so as to provide balanced performance-based compensation that rewards prudent risk-taking. The Board is also fully committed to developing PSP Investments’ talent to ensure the emergence of the next generation of leaders.

Fiscal 2025 key activities

The key activities of the Board in fiscal 2025 included the following:

1. Corporate strategic plan measures of success

A framework was developed to track progress towards PSP Investments’ goal of becoming the best pension investor globally by fiscal 2030.

2. Changes to officers

The Board supported the President & CEO in implementing organizational changes that included the appointments of new members of the leadership team in the roles of Chief Investment Officer, Chief Risk Officer, Chief People and Corporate Development Officer and Chief Financial Officer.

3. Board transition

Maryse Bertrand was appointed Chairperson of PSP Investments following Martin Glynn’s decision to step down as Board Chair and to not seek an additional term as a Director. Christopher Fowler was successfully onboarded as a new Director. The process to fill the other vacancies on the Board is ongoing.

The key activities of each of the Board committees in fiscal 2025 are described below:

Board committees	Key activities
Investment and Risk Committee	<p>Reviewed and approved new investment managers and investment opportunities</p> <p>Approved changes to the Risk Appetite Statement and Board risk limits framework</p> <p>Reviewed PSP Investments' top investment and non-investment risks and how these risks are being addressed</p> <p>Received updates on asset class strategies and portfolio composition</p> <p>Received presentations on climate-focused investments and climate transition assets</p> <p>Reviewed PSP Investments' information security roadmap</p>
Audit Committee	<p>Reviewed PSP Investments' valuation reports for private market assets</p> <p>Oversaw the design phase of a multi-year IT transformation project</p> <p>Conducted a comprehensive review of external auditors</p> <p>Reviewed climate-related reporting and disclosure standards</p>
Governance Committee	<p>Reviewed the diversity, skills and competencies matrix to identify desired needs for the Board</p> <p>Received updates on the recruitment of new Directors and on the renewal of terms of existing Directors</p> <p>Recommended for Board approval changes to By-Law no. 2 regarding Director remuneration</p> <p>Received updates on new legislation impacting PSP Investments</p> <p>Recommended for Board approval a new Privacy Policy</p>
Human Resources and Compensation Committee	<p>Reviewed succession plans for the President & CEO and senior officers</p> <p>Recommended for Board approval the appointment of new officers and their related compensation</p> <p>Received updates on the evolution of PSP Investments' people strategy and culture evolution</p>

Board succession planning

PSP Investments' Act provides for a Board of 13 Directors, including the Chairperson. The Board is currently composed of 10 independent, professional Directors, with three positions currently vacant. Board succession planning continued to be a key focus area of the Governance Committee and the Board in fiscal 2025. Directors are appointed by the Governor in Council on the recommendation of the President of the Treasury Board for terms of up to four years. When their term expires, they may be reappointed for an additional term or continue in office until a successor is appointed.

Candidates are selected from a list of qualified Canadian residents proposed by an external nominating committee pursuant to the Act. The nominating committee operates separately from the President of the Treasury Board and the Treasury Board of Canada Secretariat.

The appointment process is designed to ensure that the Board has a full contingent of high-calibre Directors with proven financial ability and relevant work experience. The Governance Committee and Board regularly review and update desirable and actual competencies, experiences and diversity requirements. These requirements are

communicated to the nominating committee and taken into consideration when establishing a list of candidates.

In addition, all Directors are screened to ensure they have the following personal attributes: integrity, leadership/ability to influence, ability to think strategically, personal communication skills and business acumen.

The Board maintains and regularly reviews a skills matrix to monitor the skills and experience necessary for the Board to supervise PSP Investments' business and affairs and to identify any gaps in the Board's collective skill set. Directors are asked to identify their top five competencies, recognizing that they may have experience in other areas as well. The matrix is reviewed by both the Governance Committee and Board.

Christopher Fowler was appointed to the Board of Directors on February 28, 2025 and replaced Martin Glynn whose term had expired. Marianne Harris was reappointed in December 2024 and Susan Kudzman in January 2025, both for additional terms of four years.

GOVERNANCE

The Board is satisfied that it collectively brings an appropriate balance of diversity, experience and competencies to effectively discharge its responsibilities, as summarized in the matrix below:

Diversity, Skills and Competencies Matrix	Maryse Bertrand	Gregory Crispin	David C. Court	Christopher Fowler	M. Marianne Harris	Miranda C. Hubbs	Susan Kudzman	Katherine Lee	Helen Mallovy Hicks	Maurice Tulloch
Appointment Date	09-18	03-22	10-18	02-25	12-20	08-17	12-20	06-18	03-22	03-22
Current Term Expiry Date	12-26	03-26	12-26	02-29	12-28	03-26	01-29	12-26	03-26	03-26
Terms	2	1	2	1	2	2	2	2	1	1
Geography	QC	QC	ON	AB	ON	ON	QC	ON	ON	ON
Leadership										
Chair of the Board	X									
Chair of a Committee		X			X	X		X		
Diversity										
Age ¹	>65	60 to 65	>65	60 to 65	>65	<60	60 to 65	60 to 65	60 to 65	<60
Gender	F	M	M	M	F	F	F	F	F	M
Other Diversity ²		X						X		
Experience										
CEO/C-Suite or Equivalent Position	X	X	X	X	X	X	X	X	X	X
Other Directorships	X	X	X		X	X	X	X	X	X
International/Operational Experience	X		X		X	X		X	X	X
Competencies (Top 5)										
Private Markets		X	X				X	X	X	
Public Markets		X			X	X				X
Risk Management	X	X	X	X	X		X	X	X	X
Sustainability ³	X	X		X		X				X
Finance/Accounting				X	X	X	X	X	X	X
Human Resources	X	X		X	X		X		X	X
Governance	X		X	X	X	X	X	X	X	
Cyber Security/Technology and Data			X			X		X		
Government/Public Policy/Communications	X		X							

¹ As of March 31, 2025.

² Includes voluntary self-declared diversity such as Indigenous, visible minority, ethnic or cultural group, 2SLGBTQIA+ and person with disabilities.

³ Includes climate. Director received internal training on climate change-related topics and/or training from an external provider.

Director education and onboarding

The Governance Committee's Director education program supports ongoing professional development. Through this program, Directors are allocated an education and training budget to be used primarily for taking courses, attending conferences and procuring reading material to strengthen their understanding of investment management and other relevant areas. Directors report annually on their individual development plans.

On occasion, internal and outside speakers are invited to make presentations that contribute to the individual and collective expertise of Board members. During fiscal 2025, external speakers included experts on macroeconomics, climate reporting, real estate market conditions and investment analytics.

An onboarding program is also in place for new Directors. The onboarding program is intended to acquaint newly appointed Directors with the strategy, operations and culture of PSP Investments and its Board. In addition to providing new Board members with access to information about PSP Investments and its activities, a series of meetings with the Chairs and members of management covering the different aspects of PSP Investments and its business is organized.

Director remuneration

The Board reviews remuneration and considers changes based on recommendations prepared by the Governance Committee.

In fiscal 2025, a compensation review was conducted with the assistance of a compensation consultant to ensure continued compliance with the objectives of the Act, which provides that "a director is entitled to receive from PSP Investments the remuneration that may be fixed by the by-laws, which remuneration shall be fixed having regard to the remuneration received by persons having similar responsibilities and engaged in similar activities".

Compensation increases were approved by the Board of Directors, effective April 1, 2025. In approving these compensation increases, the Board considered the following factors, among others:

- The required skillset to serve on PSP Investments' Board which is comparable to those of the largest and most sophisticated Canadian companies
- The competitive market for Director recruitment

- PSP Investments' compensation positioning relative to peers
- The public interest element associated with PSP Investments' Board

The following table reflects the Directors' compensation for fiscal 2025 and the changes effective in fiscal 2026.

Board committees	Fiscal 2025 \$	Fiscal 2026 \$
Annual retainer for the Board Chair ¹	237,000	275,000
Annual retainer for each Director other than the Board Chair	75,000	100,000
Annual retainer for each Board committee Chair	20,000	20,000
Annual retainer for each Special Committee member	12,000	12,000
Attendance fee for each Board and committee meeting ²	1,500	1,500
Travel fees for attending a Board meeting in person, if his or her primary or secondary residence is outside Québec or Ontario	1,500	1,500

¹ With the exception of a Special Committee, the Board Chair is not entitled to receive any additional retainer or fee for attendance at any meetings of the Board of Directors or any committee of the Board of Directors.

² A single meeting fee will be paid to a Director who attends concurrent meetings of the Board and a committee.

Total fiscal 2025 remuneration for Directors was \$1,364,000.

Directors are not entitled to additional remuneration in the form of retirement benefits or short-term or long-term incentives. The tables on the following page provide details.

Meeting attendance

	Board of Directors		Investment and Risk Committee		Audit Committee		Governance Committee		Human Resources and Compensation Committee	
	Regular	Special	Regular	Special	Regular	Special	Regular	Special	Regular	Special
Number of meetings fiscal 2025 ¹	8	6	5	1	4		4		5	4
Maryse Bertrand ²	8/8	6/6	5/5	1/1			1/1		2/2	
Gregory Chrispin	8/8	6/6	5/5	1/1			3/3		5/5	4/4
David C. Court	8/8	6/6	5/5	1/1	4/4		4/4			
Christopher Fowler ³										
Martin Glynn ⁴	8/8	6/6	5/5	1/1	3/3					
M. Marianne Harris	8/8	4/6	5/5	1/1	1/1		4/4		3/3	3/4
Miranda C. Hubbs	8/8	5/6	5/5	1/1			2/3		4/5	3/4
Susan Kudzman	8/8	6/6	5/5	1/1			4/4		5/5	4/4
Katherine Lee	8/8	6/6	5/5	1/1	4/4		3/4			
Helen Mallovy Hicks	8/8	5/6	5/5	1/1	4/4				3/3	3/4
Maurice Tulloch	8/8	6/6	5/5	1/1	4/4				3/3	3/4

¹ Three committee meetings were held concurrently with a Board of Directors meeting.

² Ms. Bertrand is an ex-officio member of the Audit Committee, Governance Committee and Human Resources and Compensation Committee since her appointment as Board Chair on June 20, 2024.

³ Mr. Fowler was appointed to the Board of Directors on February 28, 2025 in replacement of Mr. Glynn. No meetings were held during the period commencing on his appointment and ending at the end of the fiscal year.

⁴ Mr. Glynn was an ex-officio member of the Audit Committee, Governance Committee and Human Resources and Compensation Committee until his resignation as Board Chair on June 19, 2024. He ceased to be a Director on February 27, 2025.

PSP Investments' Board of Directors met 14 times. Board committees met a total of 23 times.

Directors' compensation

	Annual Retainer \$	Chair of a Committee / Annual Retainer \$	Boards/Committees Meeting Fees ¹ \$	Travel Fees \$	Total \$
Maryse Bertrand ²	201,395	4,396	10,500	0	216,291
Gregory Chrispin ³	75,000	15,604	43,500	0	134,104
David C. Court	75,000		39,000	0	114,000
Christopher Fowler	6,667		0	0	6,667
Martin Glynn	103,938		27,000	9,000	139,938
M. Marianne Harris	75,000	20,000	39,000	0	134,000
Miranda C. Hubbs	75,000	20,000	39,000	0	134,000
Susan Kudzman	75,000		45,000	0	120,000
Katherine Lee	75,000	20,000	39,000	0	134,000
Helen Mallovy Hicks	75,000		40,500	0	115,500
Maurice Tulloch	75,000		40,500	0	115,500

¹ A single meeting fee is awarded for Board and committee meetings held concurrently.

² Ms. Bertrand was appointed Board Chair in replacement of Mr. Glynn on June 20, 2024.

³ Mr. Chrispin became the Chair of the Human Resources and Compensation Committee on June 20, 2024 in replacement of Ms. Bertrand.



Report of the Human Resources and Compensation Committee

Discussion & Analysis

Why compensation matters

Report of the Human Resources and Compensation Committee

PSP Investments’ success depends on the collective strength and performance of its people. That’s why we ensure that our human resources policies and programs connect to what matters to our employees and drive behaviours that support the delivery of our mandate.

Compensation principles

To fulfill our mandate, we strive to attract, develop, reward and retain top talent. With compensation as a cornerstone, our talent value proposition is focused on helping us effectively and successfully compete for highly skilled professionals with knowledge and capabilities that we can leverage for personal growth and development, as well as the overall success of PSP Investments.

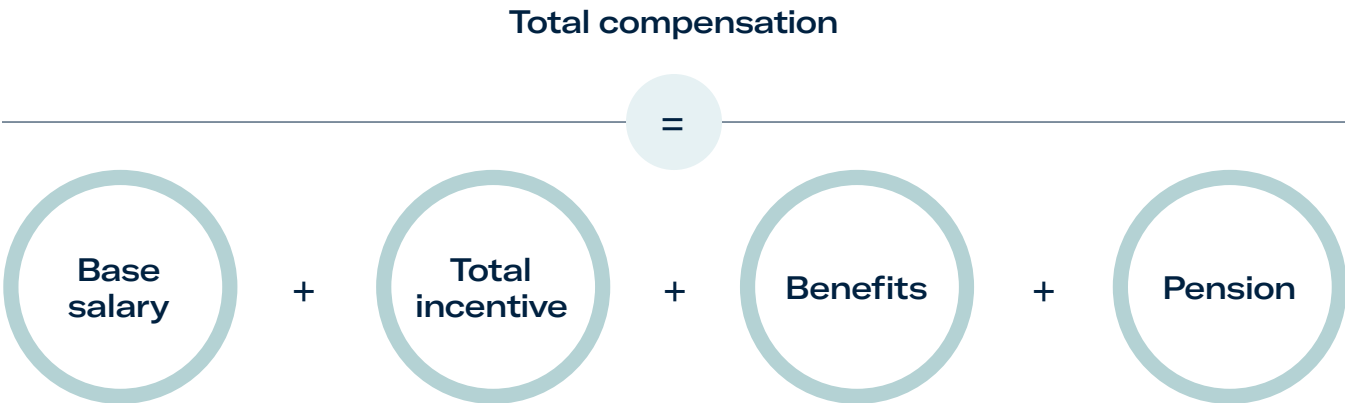
The following principles underpin PSP Investments’ Compensation Plan:

- Ensure global alignment to sustain PSP Investments’ compensation philosophy, while remaining sensitive to local market practices

- Provide robust structure in defining job levels, base salaries and incentive targets, ensuring that external competitiveness and internal equity is effectively managed
- Reflect industry best practices

In addition, to implement a pay-for-performance approach, the Board established a Compensation Policy that is designed to maintain total compensation at market competitive levels, and to ensure that the Compensation Plan is aligned with PSP Investments’ strategic plan and integrated with business performance measurement. The Compensation Policy provides balanced performance-based compensation and is designed to reward prudent risk-taking over the long term.

The Board of Directors ensures that PSP Investments’ executive compensation and incentives are consistent with the Compensation Policy. Hugessen Consulting (Hugessen), an independent compensation consulting firm, was retained in fiscal 2025 to provide insights on incentive plan design and calculations, as well as market compensation trends. Hugessen reports solely to the Human Resources and Compensation Committee (HRCC).



Total compensation is primarily composed of base salary, a total incentive component, benefits and a pension plan. The Total Incentive Plan, which includes annual and, at designated position levels, deferred compensation elements, is further described in the Compensation discussion and analysis section.

Compensation discussion and analysis

The compensation discussion and analysis summarizes the foundational principles of our compensation and incentive plans, reviews the elements of our compensation framework and provides details on performance results and remuneration paid to Named Executive Officers (NEOs), including:

- **Deborah K. Orida** – President and Chief Executive Officer (CEO)
- **Oliver Duff** – Senior Vice President and Global Head of Credit Investments
- **Simon Marc** – Senior Vice President and Global Head of Private Equity Investments
- **Alexandre Roy** – Senior Vice President and Chief Risk Officer
- **Patrick Charbonneau** – Senior Vice President and Chief Investment Officer

Former officers

- **Patrick Samson** – former Senior Vice President and Global Head of Real Assets Investments
- **Eduard van Gelderen** – former Senior Vice President and Chief Investment Officer

Compensation framework

PSP Investments' compensation framework is designed to attract and retain top talent, reward performance and reinforce strategic initiatives and priorities. Specifically, the framework is designed to:

Promote enterprise-wide collaboration

- All permanent employees participate in the Total Incentive Plan.
- Total fund investment performance is a component of incentive compensation at all levels.

Be competitive to attract and retain the right people

- Compensation and incentive structures are aligned with relevant markets for talent, based on level, business group and geographic location.
- Target total direct compensation (i.e., base salaries and target incentives) is competitive, with flexibility to pay above or below market levels based on the principles of pay for performance.

Enable individual differentiation

- Recognize individual and group performance to ensure behaviours are aligned with PSP Investments' mandate and values.
- Discretion is permitted within established guidelines. The President and CEO ensures that compensation aligns with PSP Investments' goals and performance, while managers assess their employees' individual performance against their objectives.

Mitigate short-term risk-taking

- Total fund performance is measured over seven- and 10-year retrospective periods.
- Deferred fund units (DFU) for designated position levels continue to vest over a subsequent three-year period.
- Performance deferred fund units (PDFU) for senior leaders extend the "at risk" period for incentives for three years after the grant date.

Align pay with performance

- Establish alignment with key measures of success, including the long-term rate of return objective.
- Include both relative and absolute total fund performance as part of the incentive framework.
- For senior management, ensure a significant portion of total compensation is deferred and at risk, or subject to performance conditions.

Adapt to changing circumstances

- Enable the President and CEO, HRCC and Board of Directors to ensure pay for performance outcomes are adapted to PSP Investments' changing environment and unique conditions.

Pay level benchmarking process

Given the diversity in skills, capabilities and competencies PSP Investments requires to fulfill its mandate, executive and non-executive compensation levels, programs and practices are evaluated by comparing them with those of peer organizations and vary by employee business group and geographic location. Peers include pension funds, investment management organizations, banks and insurance companies, as well as other relevant employers in the location being benchmarked. For target levels of investment performance, we align target total direct compensation to the competitive market rates of our peers. We have the option to pay above this level for exceptional performance or below for less-than-expected performance.

Risk management

Our Total Incentive Plan reflects our responsibility to our sponsor and to the pension plan contributors and beneficiaries. The Plan is aligned with PSP Investments' long-term investment mandate and strategy and takes into consideration the target return and risk appetite.

Key risk mitigating features include:

Significant at-risk pay

- For executives and senior position levels, a significant portion of pay comes in the form of deferred compensation which is adjusted upward or downward based on the total fund return over the vesting period, making it subject to risk.

Long-term horizon

- Investment performance is measured over seven- and 10-year periods and aligned with PSP Investments' long-term total fund return objectives.
- Once granted, deferred fund units (DFU) continue to vest over a subsequent three-year period, while performance deferred fund units (PDFU) extend the at-risk period for incentives by three years after the grant date.

Cap on maximum payouts

- The total fund investment performance and business group objective measures in the total incentive formula, as well as the final total incentive multiplier, are subject to an absolute maximum.

Robust benchmark investment return targets

- Benchmarks and value-added objectives, which are used to calculate performance within the Total Incentive Plan, reflect an appropriate balance of risk and return and are aligned with the Board of Directors' approved investment strategy and risk limits.

HRCC discretion to govern pay

- The HRCC uses its discretion to adjudicate annual and long-term performance compared to pre-defined targets and expectations, as necessary.
- It also has the ultimate discretion to adjust pay levels upward or downward to ensure they are aligned with PSP Investments' performance and are reasonable from an overall cost perspective.

Total compensation

Our people

As an investment organization, PSP Investments operates a business that relies on its human capital and the decisions made by its employees. Accordingly, being able to attract, retain and develop top talent is mission critical and we aim to create an environment where everyone feels valued, respected, and empowered to contribute their best. Our headcount stands at 1,087 with a gender distribution of 46% female and 54% male.

Annual base salary

Base salaries are reviewed annually and adjusted as necessary based on a variety of factors, including competitiveness with the market, importance of the role to the organization, scarcity of talent, experience and scope of responsibilities.

Total Incentive Plan

The Total Incentive Plan is aligned with PSP Investments’ strategy and reflects

our priorities. The Total Incentive Plan creates alignment of incentives and behaviours that drive our unique culture and foster collaboration across the firm.

The Total Incentive Plan generates a total incentive grant that includes annual and, at designated position levels, deferred cash amounts.

The total incentive grant is based on performance, weighted 60% on the total fund investment performance and 40% on the business group objectives for all employees. Individual performance is used as a differentiator, and individual performance scores are determined upon a review of annual individual objectives relative to predetermined goals.

PSP Investments’ overall performance scores are determined at the end of each fiscal year. They reflect the achievement of each component and, based on informed judgment, are subject to discretion by the President and CEO, and the HRCC, as applicable.

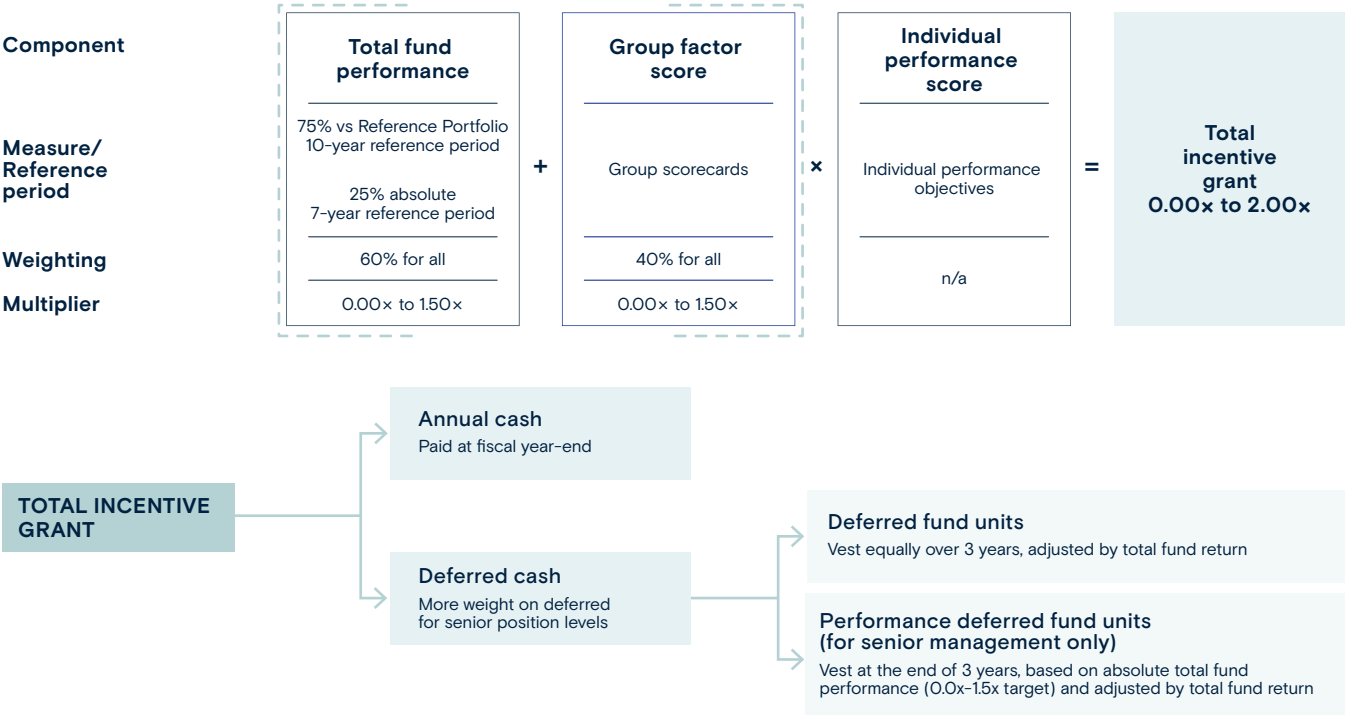
All employees participate in the same incentive plan and each employee has a target incentive opportunity based on their position level. Employees can earn up to a maximum of two times their target incentive.

Once the total incentive grant for each employee has been determined, the value is split between an annual cash payout for all position levels and a deferred amount for senior position levels.

The value of deferred cash fluctuates with the annual rate of return of the total fund and is paid out on a one-third per year basis over three years. For senior management, a portion of deferred cash is subject to additional performance conditions and paid out at the end of three fiscal years, based on achievement of the absolute total fund return objective.

The incentive amounts and the payment thereof are subject to restrictions and conditions as per the Total Incentive Plan provisions.

Below is an illustration of the framework of the Total Incentive Plan:



Restricted Fund Units

Restricted Fund Units (RFU) may be awarded, on a selective basis. They vest and are paid in three equal annual instalments.

The ultimate value paid to participants is adjusted to reflect the total fund return over the vesting period.

Other benefits

Group benefits

Based on their respective locations, employees have access to comprehensive benefits, including health and dental care, disability, critical illness, life insurance and accidental death and dismemberment coverage. They also have access to paid time off, virtual health care services, an employee-assistance program and a variety of other programs.

Retirement savings

Defined Benefit (DB) Pension Plan – The plan was closed to new entrants as of January 1, 2014. Since January 1, 2017, Canada-based eligible employees contribute 7.25% of base salary. The benefit is calculated on the basis of 2% of the average of the employee’s three best consecutive years of salary.

Defined Contribution (DC) Pension Plan – Canada-based eligible employees hired on or after January 1, 2014 are automatically enrolled in the DC Pension Plan, to which they may contribute between 5% and 7% of their base salary. Their contributions are fully matched by PSP Investments.

Canadian employees may contribute up to the maximum contribution allowable under the *Canadian Income Tax Act* (ITA).

Supplemental Employee Retirement Plans (the SERPs) – The SERPs have been established for Canada-based eligible employees enrolled in either the DB Pension Plan or the DC Pension Plan, as unfunded arrangements, to provide benefits in excess of the DB Pension Plan or the DC Pension Plan, where such benefits are limited under the Canadian ITA.

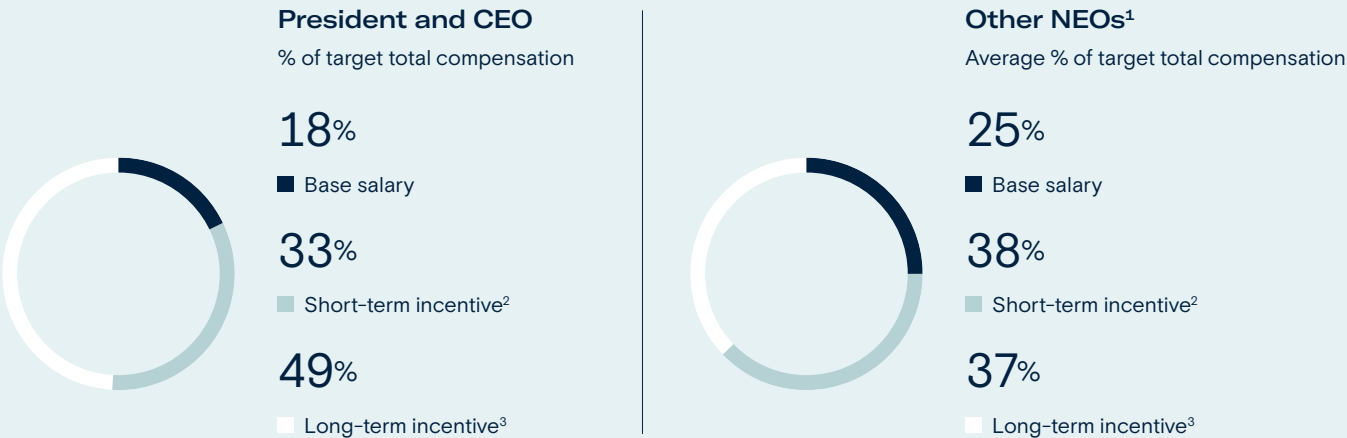
Employees based outside of Canada are eligible to participate in defined contribution pension plans that are established based on local regulations and are aligned with market practices.

Perquisites

Based on their respective locations, executives may be provided with a perquisites allowance and may be eligible for an annual preventive health assessment.

Pay mix

Based on the compensation framework, the target pay mix for the President and CEO and other NEOs is weighted significantly toward variable compensation, as outlined in the table below.



¹ Includes only active NEOs.
² Annual cash paid out in the current year.
³ Deferred awards split between deferred fund units and performance-based deferred fund units.

Fiscal 2025 results – Performance outcomes and compensation decisions (ending March 31, 2025)

Our compensation program includes two key investment performance elements:

1. The absolute total fund net performance measured against the return objective over a rolling seven-year period.

PSP Investments’ absolute total fund net performance is measured against its actuarial discount rate, which represents the required rate of return necessary to fund the future pension obligations of the plan members as determined by the Chief Actuary of Canada.

This objective is used to measure PSP Investments’ success in delivering on its key mission of providing funds to pay for the plan members pension over the long term.

As of March 31, 2025, PSP Investments has generated a 7-year net return on investment of 8.4% per annum, which is higher than the long-term return objective.

2. The net relative performance of the total fund against the Reference Portfolio over a rolling 10-year period.

Long-term value creation is a function of the ability to deliver investment returns above a defined benchmark, the Reference Portfolio, which reflects what an investor could achieve with a passive investment approach adjusted for risk tolerance provided by the Government of Canada.

As of March 31, 2025, the annualized 10-year net relative investment performance for the total fund against the Reference Portfolio was 1.3%.

Compensation decisions made in fiscal 2025

On an annual basis, Board members and the President and CEO agree on the key financial and non-financial objectives that will be used to measure the President and CEO’s individual performance. At the end of each fiscal year, Board members evaluate the President and CEO’s performance relative to these objectives and assign an overall performance rating. When determining the President and CEO’s

total direct compensation, the Board considers both the President and CEO’s individual performance and PSP Investments’ organizational performance.

In fiscal 2025, the President and CEO’s personal objectives, as well as those of her executive leadership team, were aligned with PSP Investments’ strategic plan. This year, the executive team initiated its implementation and deployment, focusing primarily on investing with foresight and striving for operational efficiency and effectiveness.

In a manner similar to that used to calculate total direct compensation for the President and CEO, NEOs are subject to annual individual performance goals. At fiscal year-end, their performance is evaluated in relation to their goal achievement. The President and CEO’s evaluation of individual goals and other performance measures informs recommendations regarding total direct compensation for NEOs. These compensation recommendations are then presented to the HRCC and the Board for approval.

Executive compensation

The following tables summarize the compensation for the highest paid NEOs, defined and ranked by grant value in fiscal 2025, noting that deferred cash grants may continue to vary with total fund return for up to three more years. The total compensation payout value received in fiscal 2025, including the values payable from prior years' deferred grants, is also summarized and includes cash received from former plans, new plans and any transitional arrangements.

Comprehensive fiscal 2025 total compensation

	Fiscal year	Currency	Base salary ¹	Annual cash payout	Deferred cash grant	Sub-total compensation (grant value)	Restricted fund unit/ Special cash grants	Pension and SERP Plans	Total compensation (grant value)	Other compensation ²	Deferred cash + RFU payout	Total compensation (payout value)
Notes			(A)	(B)	(C)	(A+B+C)	(D)	(E)	(A+B+C+D+E)	(F)	(G)	(A+B+F+G)
Deborah K. Orida³ President and Chief Executive Officer	2025	CAD	602,308	2,028,149	3,042,224	5,672,881	0	51,205	5,723,886	48,838	2,472,194	5,151,489
	2024	CAD	600,000	1,800,000	2,700,000	5,100,000	2,000,000	52,225	7,152,225	551,003	1,745,245	4,696,248
	2023	CAD	350,769	1,030,869	1,546,303	2,927,941	4,000,000	24,909	6,952,850	1,676,358	869,790	3,927,786
Oliver Duff⁴ Senior Vice President and Global Head of Credit Investments	2025	GBP	460,000	1,181,050	1,181,050	2,822,100	0	10,000	2,832,100	46,302	1,100,746	2,788,098
	2024	GBP	460,000	1,196,000	1,196,000	2,852,000	0	10,000	2,862,000	50,938	991,482	2,698,420
	2023	GBP	428,481	1,226,764	911,668	2,566,913	250,000	4,000	2,820,913	53,475	1,034,542	2,743,262
Simon Marc⁴ Senior Vice President and Global Head of Private Equity Investments	2025	GBP	462,500	1,176,776	1,176,776	2,816,052	0	10,000	2,826,052	45,468	1,124,059	2,808,803
	2024	GBP	460,000	1,121,250	1,121,250	2,702,500	0	10,000	2,712,500	48,798	1,031,026	2,661,074
	2023	GBP	430,801	1,066,090	795,623	2,292,514	450,000	4,000	2,746,514	51,488	1,059,845	2,608,224
Alexandre Roy⁵ Senior Vice President and Chief Risk Officer	2025	CAD	384,009	958,647	713,370	2,056,025	250,000	760,800	3,066,825	31,591	555,363	1,929,609
	2024	CAD	335,800	838,010	558,674	1,732,484	0	50,600	1,783,084	32,692	277,713	1,484,215
	2023	CAD	327,254	506,944	337,963	1,172,161	0	195,500	1,367,661	29,964	249,343	1,113,505
Patrick Charbonneau^{6,7,8} Senior Vice President and Chief Investment Officer	2025	CAD	406,269	1,024,321	1,024,320	2,454,910	250,000	150,300	2,855,210	35,644	1,723,353	3,189,587
	2024	CAD	267,692	786,301	524,201	1,578,194	300,000	261,500	2,139,694	139,073	200,505	1,393,571
		GBP	133,333	391,645	261,097	786,075	0	0	786,075	0	656,160	1,181,138
	2023	GBP	390,000	1,073,976	715,984	2,179,960	149,710	195,000	2,524,670	28,504	738,339	2,230,819
Former Officers												
Patrick Samson⁹ Senior Vice President and Global Head of Real Assets Investments	2025	CAD	327,462	573,058	0	900,520	0	77,400	977,920	1,834,351	724,602	3,459,473
	2024	CAD	430,000	1,109,938	1,109,938	2,649,875	0	64,000	2,713,875	38,272	923,177	2,501,386
	2023	CAD	421,615	1,084,193	1,084,192	2,590,000	300,000	505,800	3,395,800	36,341	1,037,020	2,579,169
Eduard van Gelderen¹⁰ Senior Vice President and Chief Investment Officer	2025	CAD	238,615	387,750	0	626,365	0	17,551	643,916	1,904,302	581,787	3,112,454
	2024	CAD	470,000	1,126,531	1,126,531	2,723,063	0	33,998	2,757,061	35,730	1,368,239	3,000,500
	2023	CAD	438,481	1,020,692	1,020,692	2,479,865	300,000	30,498	2,810,363	35,448	1,460,660	2,955,281

General comments

¹ For Ms. Orida, Mr. Charbonneau and Mr. Roy, the amounts for 2025 and 2023 represent base salary earned which included 26.1 pay periods versus the standard 26 pay periods. For Mr. Duff and Mr. Marc, represents base salary earned which included 12 pay periods.

² "Other compensation" includes the perquisites allowance, the cost of the annual health-and-lifestyle assessment, the amounts reimbursed from the flexible spending accounts, the employer-paid premiums for group benefits coverage, as well as other special cash or amounts in accordance with contractual arrangements, where applicable.

Individual comments

³ Ms. Orida was hired on September 1, 2022. As agreed upon appointment, and per her employment contract, she is entitled to special awards comprising of \$4,000,000 in RFU grants, representing a make-whole award (granted \$2,500,000 in fiscal 2023 and \$1,500,000 in fiscal 2024), and \$2,000,000 of sign-on cash award (payable \$1,500,000 in fiscal 2023 and \$500,000 in fiscal 2024). The RFU grants and cash awards are subject to forfeiture in certain circumstances. The special cash awards are included as part of "Other compensation".

⁴ "Other compensation" includes the employer pension contributions paid as cash-in-lieu (in excess of annual pension allowance).

⁵ Mr. Roy was appointed as Senior Vice President and Chief Risk Officer on January 1, 2025. As agreed upon appointment, and per his employment contract, he is entitled to a special award of \$250,000 in RFU grants in fiscal 2025. RFU grants are used because they are performance-based in that they are tied to the fund performance over the vesting period. They are also subject to forfeiture in certain circumstances.

⁶ Mr. Charbonneau was appointed as Senior Vice President and Chief Investment Officer on February 3, 2025. Prior to that nomination, Mr. Charbonneau was appointed as President and Chief Executive Officer, Canada Growth Fund Investment Management on April 1, 2024. As agreed upon appointment on April 1, 2024, and per his employment contract, he was entitled to a special award of \$250,000 in RFU grants in fiscal 2025. RFU grants are used because they are performance-based in that they are tied to the fund performance over the vesting period. They are also subject to forfeiture in certain circumstances.

⁷ Mr. Charbonneau's grants issued prior to August 1, 2023, were denominated in GBP during his tenure at PSP's London office. For fiscal 2025, his deferred cash and RFU payout includes a total of £676,973 for grants awarded in GBP over the past three fiscal years, converted to CAD for illustration purposes.

⁸ Mr. Charbonneau received a \$100,000 relocation allowance as part of his repatriation to Montréal in fiscal 2024, which has been included as part of "Other compensation".

⁹ Mr. Samson was employed by PSP Investments as Senior Vice President and Global Head of Real Assets Investments until January 1, 2025. For fiscal 2025, base salary was earned until January 1, 2025. Amounts granted and paid in accordance with post-employment policies and incentive plan provisions are shown as part of "Annual cash payout" and "Other compensation".

¹⁰ Mr. van Gelderen was employed by PSP Investments as Senior Vice President and Chief Investment Officer until October 1, 2024. For fiscal 2025, base salary was earned until October 1, 2024. Amounts granted and paid in accordance with post-employment policies and incentive plan provisions are shown as part of "Annual cash payout" and "Other compensation".

Deferred incentive cash grants cumulative value¹

The total cumulative value of all deferred incentive cash granted but not yet vested or paid to PSP Investments' NEOs (as at March 31, 2025) is shown in the following table.

	Award type	Currency	Total outstanding grants	Estimated future payouts ²		
				Fiscal 2026	Fiscal 2027	Fiscal 2028
Deborah K. Orida President and Chief Executive Officer	DFU	CAD	2,678,830	1,214,755	957,037	507,037
	PDFU		3,644,264	773,152	1,350,000	1,521,112
	RFU		500,000	500,000	0	0
	Total		6,823,094	2,487,907	2,307,037	2,028,149
Oliver Duff Senior Vice President and Global Head of Credit Investments	DFU	GBP	1,400,874	689,254	475,410	236,210
	PDFU		1,220,959	270,139	478,400	472,420
	RFU		0	0	0	0
	Total		2,621,833	959,393	953,810	708,630
Simon Marc Senior Vice President and Global Head of Private Equity Investments	DFU	GBP	1,340,738	645,777	459,605	235,355
	PDFU		1,156,320	237,110	448,500	470,710
	RFU		0	0	0	0
	Total		2,497,058	882,887	908,105	706,066
Alexandre Roy Senior Vice President and Chief Risk Officer	DFU	CAD	865,432	391,360	306,871	167,202
	PDFU		435,925	84,491	139,669	211,765
	RFU		166,666	83,333	83,333	0
	Total		1,468,023	559,184	529,873	378,967
Patrick Charbonneau³ Senior Vice President and Chief Investment Officer	DFU	CAD	876,693	335,914	335,915	204,864
	PDFU		540,778	0	131,050	409,728
	RFU		266,667	183,333	83,334	0
	Total		1,684,139	519,247	550,299	614,592
	DFU	GBP	309,545	244,270	65,275	0
	PDFU		244,270	178,996	65,274	0
	RFU		0	0	0	0
	Total		553,815	423,266	130,549	0

¹ Includes only active NEOs.

² Actual payouts will be adjusted upward or downward to reflect PSP Investments' total fund rate of return over the performance vesting periods (no total fund return has been included in the table above and no PDFU multiplier has been applied - i.e., assumes target performance).

³ Mr. Charbonneau's grants prior to August 1, 2023, were issued in GBP during his tenure at PSP's London office. Following his return to Canada, all new compensation has been granted in CAD.

Retirement benefits

Defined contribution pension plan (Canada) and Group Personal Pension Scheme (United Kingdom)¹

	Currency	Plan type	Accumulated value at beginning of year	Compensatory increase ²	Non-compensatory increase ³	Accumulated value at year-end
Deborah K. Orida	CAD	Defined Contribution	142,203	51,205	52,500	245,908
Oliver Duff⁴	GBP	Group Personal Pension Scheme	65,256	10,000	3,122	78,378
Simon Marc⁴	GBP	Group Personal Pension Scheme	58,866	10,000	2,722	71,588

¹ Includes only active NEOs.

² Represents employer contributions. For Canadian-based NEOs, refers to contributions under both the DC Pension Plan and the DC Supplemental Employee Retirement Plan.

³ Represents employee contributions, regular investment earnings on employer and employee contributions and benefit payments. For Canadian-based NEOs, refers to contributions, investment earnings and benefit payments under both the DC Pension Plan and the DC Supplemental Employee Retirement Plan.

⁴ Employer contributions were capped at £10,000 and no employee contributions were made to the Scheme to ensure the annual pension allowance would not be breached. Any excess employer contributions the NEO would have been entitled to are paid as cash-in-lieu at the end of the fiscal year. This allowance is included as part of "Other compensation" in the *Comprehensive fiscal 2025 total compensation table*.

Defined benefit pension plan (Canada)¹

	Currency	Number of years of credited service ²	Annual benefit		Accrued obligation at beginning of year ^{3, 6}	Compensatory increase ⁷	Non-compensatory increase ⁸	Accrued obligation at year-end ^{3, 9}
			At year-end ^{3, 4}	At age 65 ^{3, 5}				
Alexandre Roy	CAD	17.6	117,600	214,800	1,650,200	760,800	48,100	2,459,100
Patrick Charbonneau	CAD	18.9	140,400	274,100	1,840,800	150,300	43,900	2,035,000

¹ Includes only active NEOs.

² Number of credited years of service used for both the DB Employee Pension Plan and the DB Supplemental Employee Retirement Plan as at March 31, 2025.

³ Sum of benefits accrued under the DB Employee Pension Plan and the DB Supplemental Employee Retirement Plan.

⁴ For the purpose of calculating the annual benefits accrued at year end, the payment is assumed to start at the earliest unreduced retirement age (age 62).

⁵ For the purpose of calculating the annual benefits payable at age 65, the final average earnings are calculated as at March 31, 2025.

⁶ Accrued obligation using a discount rate of 4.64%. The obligations are calculated as at March 31, 2024, using the assumptions and methods that were used for the accounting disclosures as at December 31, 2023.

⁷ Includes employer service cost at the beginning of the year, the impact arising from pensionable earnings experience and the impact of amendments to the pension plans, if any.

⁸ Includes employee contributions and benefit payments, if any, made in the year, changes in assumptions, non-pay-related experience and the interest cost for the year.

⁹ Accrued obligation using a discount rate of 4.79%. The obligations are calculated as at March 31, 2025, using the assumptions and methods that were used for the accounting disclosures as at December 31, 2024.

Post-employment policies

The table below shows the potential severance payments that would be made upon termination (without cause) to PSP Investments' highest-paid NEOs, excluding any amounts that would become payable as per applicable incentive plan provisions.

	Currency	Years of service ¹	Months of severance	Total severance ^{2,3}
Deborah K. Orida	CAD	2.6	24.0	3,420,000
Oliver Duff	GBP	8.6	18.0	1,811,250
Simon Marc	GBP	9.6	18.0	1,938,750
Alexandre Roy	CAD	17.6	18.0	1,575,938
Patrick Charbonneau	CAD	18.9	18.0	1,723,125

¹ Assumes a notional termination as at March 31, 2025.

² The President and Chief Executive Officer's severance pay is set at 24 months of base salary at the time of departure plus the annual cash portion of her target incentive and the equivalent of 24 months of perquisites.

³ For Senior Vice Presidents, severance pay is set at 12 months of base salary at the time of departure plus the annual cash portion of the target incentive and the equivalent of 12 months of perquisites. One month of severance is added for each completed year of service, up to a total maximum of 18 months.

Severance pay also includes continuous group insurance coverage of 24 months for the President and Chief Executive Officer and up to 18 months for Senior Vice Presidents.

In the event of a voluntary departure, no severance amounts are payable to the President and Chief Executive Officer or to the NEOs.

Maryse Bertrand

CHAIR OF THE BOARD
since June 20, 2024



Director since
September 7, 2018

End of term
December 15, 2026

Committee membership
Investment and Risk Committee
and ex officio member of the Audit,
Governance and Human Resources
and Compensation Committees

Location
Westmount,
Québec, Canada

Maryse Bertrand is the Chair of the Board of Governors of McGill University. As a corporate director, her governance career spans decades of service as a past or present member of the boards of several public and private corporations including Metro Inc., National Bank of Canada, the Caisse de dépôt et placement du Québec and Canam Group Inc. She was Chair of the board of directors of the Institute of Corporate Directors (Québec Chapter) and is currently on its national board. From 2016 to 2017, she was Strategic Advisor and Counsel at Borden Ladner Gervais LLP, and prior to that she was Vice President, Real Estate Services, Legal Services and General Counsel at CBC/Radio-Canada, where she also chaired the National Crisis Management Committee and the board of directors of ARTV, a specialty channel. Prior to 2009, she was a partner at Davies Ward Phillips & Vineberg LLP, where she specialized in mergers and acquisitions and corporate finance and served on the firm's national management committee. She was named Advocatus Emeritus in 2007 by the Québec Bar in recognition of her exceptional contributions to the legal profession. Ms. Bertrand has a law degree (with high distinction) from McGill University and an M.Sc. in Risk Management from New York University, Stern School of Business.

Gregory Chrispin

CORPORATE DIRECTOR



Director since
March 4, 2022

End of term
March 3, 2026

Committee membership
Human Resources and
Compensation (Chair),
Governance and Investment
and Risk Committees

Location
Boucherville,
Québec, Canada

Gregory Chrispin previously held the position of Executive Vice President, Wealth Management and Life and Health Insurance at the Desjardins Group. Prior to that, he was President and Managing Director of the Canadian subsidiary of State Street Global Advisors. Mr. Chrispin currently serves on the boards of Addenda Capital, a privately owned institutional investment management firm, of GreenShield Insurance Holdings, a subsidiary that is part of the not-for-profit health benefit payor and health services provider known as Green Shield, and of Power Sustainable Capital Inc., a multi-platform alternative asset manager investing in sustainable strategies. He also serves on the board of directors of the Institute of Corporate Directors (Québec Chapter). He remains active in the investment industry and the community, serving on different committees with several organizations. Mr. Chrispin holds a BA in Mathematics (Actuarial Science) from Université de Montréal, and is a Chartered Financial Analyst (CFA) and an Institute Certified Director of the Institute of Corporate Directors.

David C. Court

CORPORATE DIRECTOR



Director since October 30, 2018	End of term December 15, 2026
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Committee membership Audit, Governance and Investment and Risk Committees	Location Toronto, Ontario, Canada
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David C. Court is a Director Emeritus at McKinsey & Company. Mr. Court was previously McKinsey’s Global Director of Technology, Digitization and Communications, led McKinsey’s global practice in harnessing digital data and advanced analytics from 2011 to 2015, and was a member of the firm’s board of directors and its global operating committee. Mr. Court is a director of Brookfield Business Partners and National Geographic’s International Council of Advisors. He also chairs the board of trustees at Queen’s University and the advisory board of Georgian Partners, a venture capital firm specializing in analytics and artificial intelligence. Mr. Court holds a B.Comm. from Queen’s University and an MBA from Harvard Business School, where he was a Baker Scholar. Mr. Court is a recipient of the King Charles III Coronation Medal.

Christopher Fowler

CORPORATE DIRECTOR



Director since February 28, 2025	End of term February 27, 2029
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Committee membership Audit and Investment and Risk Committees	Location Edmonton, Alberta, Canada
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Christopher Fowler recently retired as Chief Executive Officer, President & Board Member at Canadian Western Bank (“CWB”). He previously served as CWB’s Chief Operating Officer, where he was responsible for banking operations, credit risk management, and led the development and execution of the CWB Financial Group strategic plan and vision. He first joined CWB’s business lending team in 1991 and has extensive experience in the financial services industry. He holds BA and MA degrees in Economics from the University of British Columbia.

M. Marianne Harris

CORPORATE DIRECTOR



Director since December 18, 2020	End of term December 17, 2028
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Committee membership Governance (Chair), Human Resources and Compensation and Investment and Risk Committees	Location Toronto, Ontario, Canada
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M. Marianne Harris is a member of the board of directors of Sun Life Financial Inc., Loblaw Companies Limited, George Weston Limited and President’s Choice Bank. She was previously a member of the board of directors of Hydro One Limited and Agrium Inc., and Chair of the Investment Industry Regulatory Organization of Canada (IIROC). She has over three decades of investment banking, leadership and management experience in Canada and the United States, acquired primarily at Merrill Lynch and RBC Capital Markets. Ms. Harris has an MBA from the Schulich School of Business, a Juris Doctor from Osgoode Hall and a B.Sc. (Honours) from Queen’s University.

Miranda C. Hubbs

CORPORATE DIRECTOR



Director since August 15, 2017	End of term March 3, 2026
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Committee membership Investment and Risk (Chair), and Human Resources and Compensation and Governance Committees	Location Toronto, Ontario, Canada
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Miranda C. Hubbs is a corporate director and the former Executive Vice President and Managing Director of McLean Budden Ltd., one of Canada’s largest institutional asset managers. She serves as a director of Nutrien Limited, Imperial Oil Limited and the Canadian Investment Regulatory Organization, and is Chair of the Canadian Red Cross. She is a member of the Institute of Corporate Directors Climate Strategy Advisory Board and the Global Risk Institute Sustainable Finance Advisory Committee. She is also on the Council of the Toronto Biennial of Art. Ms. Hubbs is a CFA charter holder, a SASB FSA credential holder, and has earned the CERT certificate in Cybersecurity Oversight from the Software Engineering Institute at Carnegie Mellon University. She holds a B.Sc. (Biology) from Western University and an MBA from the Schulich School of Business at York University. During her investment career, she was recognized by Brendan Wood International as one of the Top 50 Portfolio Managers in Canada and a TopGun Investment Mind in Oil and Gas (Canada). Ms Hubbs is a recipient of the King Charles III Coronation Medal.

Susan Kudzman

CORPORATE DIRECTOR



Director since December 18, 2020	End of term January 23, 2029
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Committee membership Human Resources and Compensation, Governance and Investment and Risk Committees	Location Montréal, Québec, Canada
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Susan Kudzman has been Executive Vice President, Chief Risk Officer and Corporate Affairs at Laurentian Bank of Canada as well as Executive Vice President and Chief Risk Officer at Caisse de dépôt et placement du Québec. Ms. Kudzman is Chair of the Board of Transat A. T. Inc. and serves on the boards of Medavie Inc. and nesto, Inc. She is the former Chair of the Board of Yellow Pages Limited. She is involved in many community and philanthropic activities. Ms. Kudzman holds a BA in Actuarial Science and the titles of Fellow of the Canadian Institute of Actuaries (FCIA), Fellow of the Society of Actuaries (FSA) and Chartered Enterprise Risk Analyst (CERA).

Katherine Lee

CORPORATE DIRECTOR



Director since June 25, 2018	End of term December 15, 2026
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Committee membership Audit (Chair), Governance and Investment and Risk Committees	Location Toronto, Ontario, Canada
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Katherine Lee is currently a corporate director of BCE Inc. and Colliers International Group. She was the President and CEO of GE Capital Canada. Prior to this role, Ms. Lee served as CEO of GE Capital Real Estate in Canada from 2002 to 2010, building it to a full debt and equity operating company. Ms. Lee joined GE in 1994, where she held a number of positions, including Director, Mergers & Acquisitions for GE Capital's pension fund advisory services based in San Francisco, and Managing Director of GE Capital Real Estate Korea based in Seoul and Tokyo. She is active in the community, championing women's networks and Asia-Pacific forums. Ms. Lee earned a B.Comm. degree from the University of Toronto. She holds Chartered Professional Accountant (CPA) and Chartered Accountant (CA) designations.

Helen Mallovy Hicks

CORPORATE DIRECTOR



Director since
March 4, 2022

End of term
March 3, 2026

Committee membership
Audit, Investment and Risk
and Human Resources
and Compensation Committees

Location
Toronto,
Ontario, Canada

Helen Mallovy Hicks is a member of the board of directors of Northland Power Inc. and Chair of the Audit Committee of Sun Life Financial Inc. In the not-for-profit sector, she serves on the board of directors of the Princess Margaret Cancer Foundation, where she chairs the Audit and Risk Committee. Ms. Mallovy Hicks is a former member of the Canadian Partnership Board of PricewaterhouseCoopers, the board of trustees of the Toronto Symphony Foundation, the board of directors of the Toronto Symphony Orchestra and the board of the Canadian Partnership Against Cancer, an independent organization funded by the federal government to accelerate action on cancer control for all Canadians. She is a former partner of PwC Canada, with global transaction and advisory experience and executive roles up to PwC Global Valuation Business Line Leader (2016 to 2021). She holds a B.Comm. from the University of Toronto, and obtained her CPA and CA designations in 1985 and her Chartered Business Valuator designation in 1991. She was subsequently named a Fellow of the Chartered Professional Accountants of Canada and a Fellow of the Canadian Institute of Chartered Business Valuators.

Maurice Tulloch

CORPORATE DIRECTOR



Director since
March 4, 2022

End of term
March 3, 2026

Committee membership
Audit, Investment and Risk
and Human Resources
and Compensation Committees

Location
Toronto,
Ontario, Canada

Maurice Tulloch serves as a member of the board of directors of Porch Group. Until his retirement in 2020, he held progressively senior positions, including Group CEO, at Aviva, a leading multinational insurance company. He joined the board of Aviva in 2017, while serving as CEO for Aviva's international businesses. Additionally, he held many senior executive leadership roles, including that of CEO, Aviva Canada, and Chairman, General Insurance. Mr. Tulloch has served on several external boards, including as Chair of the Property and Casualty Insurance Compensation Corporation, and Chair of ClimateWise. He has an MBA from Heriot-Watt University and has been a Chartered Professional Accountant and Certified Management Accountant since 1998.

Consolidated 10-year financial review

(\$ million)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Changes in net assets										
Net income (loss) ¹	33,538	17,756	10,182	22,472	31,581	(1,042)	11,110	13,511	15,179	807
Net fund transfers	1,279	3,480	2,860	3,502	3,036	2,871	3,749	3,921	3,622	3,987
Increase (decrease) in net assets	34,817	21,236	13,042	25,974	34,617	1,829	14,859	17,432	18,801	4,794
Net investment assets under management										
Equity										
Public Market Equities ²	79,697	55,637	53,440	59,142	60,201	48,368	51,035	51,813	55,227	47,511
Private Equity	40,709	40,392	37,238	35,375	31,748	24,038	23,539	19,382	15,868	12,520
Government Fixed Income³	70,991	63,312	51,013	46,446	42,965	33,388	34,389	27,782	24,044	24,603
Credit	30,286	26,222	26,113	21,892	14,474	13,295	10,475	8,857	4,418	640
Real Assets										
Real Estate	26,648	27,229	32,038	31,089	26,817	23,817	23,538	23,245	20,551	20,356
Infrastructure	31,984	34,518	29,362	23,506	18,389	18,302	16,818	14,972	11,149	8,701
Natural Resources	17,939	15,196	12,277	11,615	9,712	7,645	6,759	4,833	3,711	2,470
Complementary Portfolio	1,461	2,351	2,173	1,427	185	945	1,426	2,201	656	-
Net investments	299,715	264,857	243,654	230,492	204,491	169,798	167,979	153,085	135,624	116,801
Performance (%)										
Annual rate of return (net of expenses)	12.6	7.2	4.4	10.9	18.4	(0.6)	7.1	9.8	12.8	0.7
Benchmark	17.4	6.4	(2.8)	9.4	16.5	(1.6)	7.2	8.7	11.9	0.3

¹ Reported as comprehensive income (loss) prior to fiscal 2021.

² Includes amounts related to Alpha Alternatives, funded through leverage, as of December 2, 2022 and Absolute Return Strategies, funded through leverage, until December 2, 2022.

³ Includes Cash & Cash Equivalents.

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