2026 Annual Report

Public Sector Pension Investment Board

PSP Investments

Our mission to support the retirement of those who protect and serve Canada compels us to strive for excellence in everything we do. As the world changes and markets move, we are dedicated to building an organization that is resilient and fully equipped to fulfill its mandate.

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All amounts in this report are in Canadian dollars unless otherwise noted. From time to time, PSP makes forward-looking statements, including sustainability-related statements and disclosures. By their nature, forward-looking statements require assumptions to be made and involve inherent risks and uncertainties. As a result, PSP cannot guarantee that any forward-looking statement will materialize. Please refer to "Forward-looking statements, disclaimer and additional caution regarding sustainability-related disclosures" on page 89 of this report for a discussion of the factors, assumptions and risks relating to such statements and disclosures.

Overview

2026 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 delivered a net return in fiscal 2026 that exceeded the actuarial discount rates[1] required to meet the long-term obligations of the pension plans we support—which remain in a strong overall funding position. Because pension plan obligations extend decades into the future, our long term results are a key indicator of how well we are fulfilling our role as a pension investor.

Our portfolio grew to

$320.6 B

net AUM[2] in fiscal 2026

7.0%

increase over fiscal 2025

10-year net annualized return	5-year net annualized return	1-year net portfolio return
8.8%	8.3%	6.5%
$173.9 B	$103.5 B	$19.6 B
Cumulative 10-year net portfolio income[3]	Cumulative 5-year net portfolio income[3]	Net portfolio income[3]
$14.5 B	$8.6 B	$(15.6) B
Cumulative net investment gains above the Reference Portfolio[4] over 10 years	Cumulative net investment gains above the Reference Portfolio over 5 years	Net investment gains below the Reference Portfolio

[1] The latest statutory actuarial reports for the plans are published by the Office of the Chief Actuary and are available in OSFI's repository (www.osfi-bsif.gc.ca/en/oca/actuarial-reports).

[2] Net AUM denotes net assets under management.

[3] Excludes contributions.

[4] The Reference Portfolio is a shadow or notional portfolio of liquid asset classes that could be passively managed. The Government of Canada uses the Reference Portfolio to communicate its tolerance for pension funding risk to PSP Investments. See page 29 to learn more.

By investing across geographies, asset classes and investment products, we mitigate risk and enhance long-term returns.

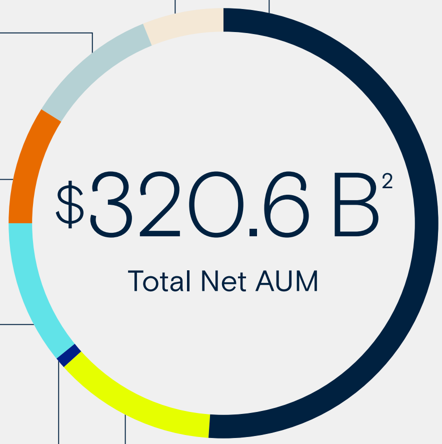
$19.7 B (6.1%)[1, 2]
Natural Resources

$32.0 B (10.0%)
Infrastructure

$27.8 B (8.7%)
Real Estate

$35.1 B (10.9%)
Credit Investments

$2.4 B (0.8%)
Cash and Cash Equivalents



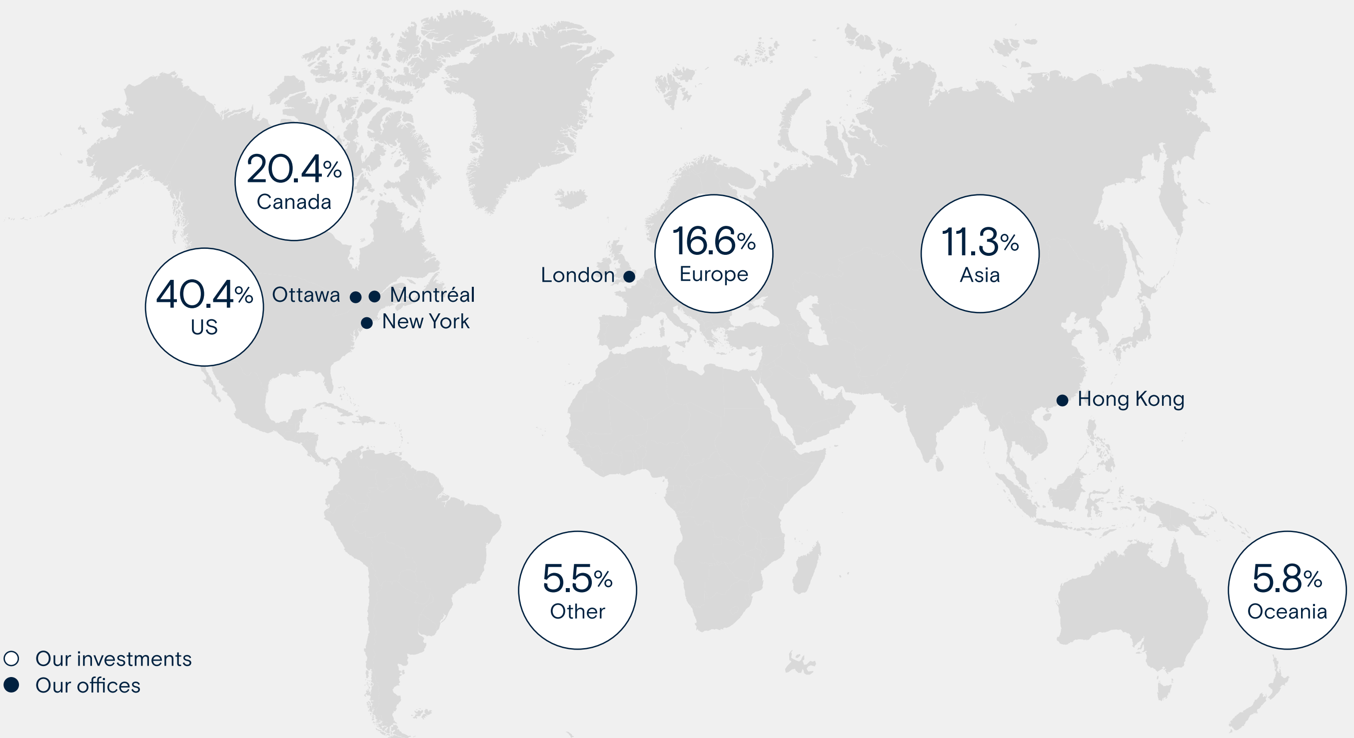
$164.6 B (51.3%)
Capital Markets

- $92.8 B
  Public Market Equities
- $71.8 B
  Fixed Income

$39.1 B (12.2%)
Private Equity

[1] (%) represents percentage of total net AUM.
[2] Figures do not add up due to rounding.

Geographic exposure[3]



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

Chair message

PSP Investments' long-term mandate is a source of enduring strength. It is the foundation of everything we do and the guiding force behind our commitment to those we serve.

A mandate built for the long term

As we entered the second year of our three-year corporate strategy, the Board's oversight work was shaped by our conviction that building enduring institutional strength is the key to delivering long-term, sustainable results. This perspective was especially important in a year marked by heightened geopolitical uncertainty and market volatility that tested assumptions investors have long taken for granted.

In this kind of environment, the Board's role is not limited to conventional oversight—it calls for a more active form of engagement. It's about ensuring that the right questions are being asked, and that we are willing to challenge our own assumptions when needed. I believe we approached this responsibility with the focus and seriousness it requires.

Over the course of the year, we engaged closely with the executive team on each of the three pillars of the corporate strategy. We saw continued discipline in how capital is deployed; meaningful progress in strengthening investment governance, technology, and resource allocation; and renewed attention to culture, people practices, and the important sense of mission that underpins PSP Investments' work. Taken together, these actions demonstrate that management is making tangible progress on executing the strategy and that PSP Investments is well positioned for the future.

Management identified rapid technology evolution as a key external force when the corporate strategy was developed several years ago. This past year, we saw the impact of that evolution—specifically AI—on where we invest, how we work, and how we prepare for the years ahead. PSP Investments remains fully committed to modernizing its technology foundation and readying the organization for a world increasingly driven by AI.

In this context, I would like to highlight the work of the Board's Special Project Oversight Committee, established in fiscal 2026 to focus on PSP Investments' multi-year technology transformation initiative. The Committee brings together directors with significant experience with large-scale technology projects, who meet regularly with project leaders in between Board meetings to ensure the initiative is managed with the rigour and accountability that its scale and strategic importance demand. Their work is a good example of the type of practical, engaged, and constructive governance we strive for, and I am grateful to the Committee members for their contributions.

We saw continued discipline in how capital is deployed; meaningful progress in strengthening investment governance, technology, and resource allocation; and renewed attention to culture.

The Board also spent time on PSP Investments' evolving approach to deepening the integration of material sustainability-related factors across the investment lifecycle. Our view is that sustainability considerations should be embedded in our investment processes to strengthen the assessment of potential material risks and opportunities. The Board will continue to ensure that integration proceeds with the measured and grounded approach our mandate requires.

Board composition and renewal

Fiscal 2026 was an important year for Board renewal. In November 2025, following an extensive robust selection process, we welcomed three new Directors: Derek Brodersen, Guy Cormier, and Patrick Cronin, each of whom brings a distinct perspective, vast experience in their prior roles, and great complementarity with the Board's existing strengths. The quality of this cohort, and the timeliness with which the process was completed, reflected exceptional hard work and collaboration by all parties involved at every step—an excellent demonstration of our nomination framework at its best. On behalf of the Board, I extend a formal welcome to all three and thank the Treasury Board of Canada Secretariat for its invaluable collaboration throughout the independent nomination process. The Board also wants to acknowledge and express our gratitude to all the members of the External Nominating Committee and its Chair.

Confidence in the path forward

The Board never loses sight of the responsibility we carry on behalf of our sponsor, the Government of Canada, to the approximately 900,000 contributors and beneficiaries whose retirement we support. This responsibility shapes every conversation we have and every decision we make or oversee.

The past year placed exceptional demands on our Board: from navigating new governance territory to overseeing a period of significant institutional progress amidst market uncertainty.

I am proud of the thoughtfulness and commitment that every Director brought to that work. I thank each and every one of them.

On behalf of the Board, I would like to recognize the extraordinary level of energy and engagement that President and CEO Deborah K. Orida and her executive team have shown in moving PSP Investments' coordinated excellence strategy forward. We have seen the team evolve and strengthen over the past year, and we enter fiscal 2027 with complete confidence in their ability to keep PSP Investments on its trajectory.

To every PSP Investments employee: thank you. Your dedication to how we invest, how we operate, and how we live the mission gives the Board every reason to believe in the organization's ability to fulfill its important mandate for the long term.

Maryse Bertrand

Maryse Bertrand, Ad.E., MSc (RM)
Chair of the Board

CEO message

In a world of increased volatility and uncertainty, PSP Investments remains steadfast in fulfilling its mission to support the retirement of people who protect and serve Canada. We are proud of the resilient portfolio and long-term returns we have delivered through cycles, ensuring the pension plans we support remain well funded and positioned for the future.

Fiscal 2026 performance

For the fiscal year ended March 31, 2026, our net return was 6.5%, a result that reflects the resilience of our portfolio in volatile markets and rigorous execution by our investment teams. PSP Investments' one year net return exceeded the actuarial discount rates required to meet the long-term pension obligations of the plans it serves, which remain in a strong overall funding position. And our track record of solid investment returns helped drive long-term value for the contributors and beneficiaries whose retirement we support.

In a 12-month period marked by significant market concentration in a handful of mega-capitalized tech companies, dramatic geopolitical disruption, and volatility in both public and private markets, our diversified portfolio performed as designed, delivering solid absolute returns while demonstrating the resilience that investing with focus and foresight is built to provide.

Resilience across market cycles

While annual performance is important, the funding of the pension plans we support and our long-term results are the best indicators of how we are fulfilling our role as a pension investor. Over the last 10 years, we have earned net annualized returns of 8.8%, outperforming the Reference Portfolio and generating $14.5 billion of excess cumulative net investment gains.

Resilience should be measured over cycles, not months or quarters. The strength of our long-term performance continues to underpin a strong overall funding position for the pension plans we support. This is a clear and important measure of whether we are delivering on our mandate. For example, the most recent actuarial determination for the federal public service pension plan confirmed it remains in a position of significant surplus at 125.5%.

Advancing our strategy

Progress across how we invest, how we operate, and how we lead continues to strengthen our organization. This fiscal year, we made deliberate choices that strengthen PSP's ability to fulfill its mandate over the long term. These are the kinds of choices that compound—together they build the institutional resilience required to ensure that as markets move, our commitment endures.

Investing with focus and foresight

In fiscal 2026, we continued to sharpen our portfolio approach: placing greater emphasis on delivery of exposures, portfolio design, and long-term risk adjusted returns. In practice, that means making strategic choices about where PSP's expertise, conviction, and capital are optimally aligned. This included acting on our conviction that inflation volatility would persist and increasing our allocation to Canadian public equities and High Inflation Correlated Infrastructure, which targets assets with defensive, predictable, and inflation-linked cash flows. For example, in fiscal 2026, we formed a strategic partnership with a Canadian corporate champion—BCE (see details on page 23)—to create a bespoke financial instrument, not available in public markets, matched to PSP's long-term liabilities.

This fiscal year, we also leveraged our strengths to respond to changing market conditions. This included the launch of our Infrastructure debt and Investment Grade private credit strategies—a new, formalised investment capability that brings together the expertise of our Infrastructure and Credit Investments teams. This collaboration demonstrates what becomes possible when deep sector expertise and structuring capability are brought together. Through this combined capability, we are able to source proprietary opportunities, structure senior, high quality investment grade debt, and deploy capital at scale, aligned with our long-term objectives.

Strengthening our exposure to assets with long duration characteristics is also about actively managing the opportunities embedded within our portfolio. One example of this active asset management and value creation potential is demonstrated by the success of our wholly owned subsidiary AviAlliance, one of the world's leading airport investors and operators. This platform continues to give us a depth of operational expertise that few infrastructure investors can match. That expertise, developed over years of owning and operating airports, informs how we evaluate and pursue infrastructure opportunities wherever they arise.

Foresight from the Canada Growth Fund

One of the most valuable things a long-term investor can have is foresight into the structural shifts that will reshape industries and asset values over the decades ahead. Through our wholly owned subsidiary, Canada Growth Fund Investment Management Inc. (CGFIM), PSP Investments serves as the independent and exclusive investment manager of the Canada Growth Fund. The assets of the Canada Growth Fund are funded through distinct capital provided by the Government of Canada and are held separately by another crown corporation; as such, they do not impact PSP's portfolio or returns. In fiscal 2026, CGFIM continued to execute on its mandate to support the evolution of Canada's economy, including landmark investments such as the Darlington New Nuclear Project, which is building on Canadian leadership in nuclear power to construct the first grid-scale Small Modular Reactor in the G7. Our involvement gives PSP's investment teams valuable insight into the emerging technologies reshaping the energy industry.
This is one example of the foresight developed by our CGFIM subsidiary that informs PSP's long-term portfolio thinking without creating direct exposure to assets outside our mandate. More information is available through the Canada Growth Fund's annual report at cgf-fcc.ca.

Operating with Excellence

Strong investment performance over the long term depends on the quality of the organization behind it. Operating with excellence is how we ensure that our institutional backbone keeps pace with our ambitions. In fiscal 2026, we made meaningful progress on that front.

We streamlined our governance and decision-making processes, clarifying accountabilities and increasing efficiency across our investment and operational activities. We deepened our risk management framework, integrating asset class level processes more fully with a portfolio-wide perspective, aligned with how exposures and funding obligations are managed in practice.

Our mission, to support the retirement of the people who protect and serve Canada, remains our most important compass.

The rapid evolution of technology, the rise of artificial intelligence in particular, is reshaping the investment landscape. We are continuing to modernize our technology foundation, embedding AI methodically across our activities, and preparing the organization for a world in which technology will increasingly influence where we invest, how we operate, and how we serve the beneficiaries. Our AI-powered research assistant described later in this report is one early example of how this is already creating tangible value for our investment teams.

Operating with excellence also means rigorous resource allocation. In fiscal 2026, we delivered on that commitment. Growth in our assets under management continued to outpace the growth in operating costs, delivering operating leverage and demonstrating that efficiency and ambition must advance together.

By managing our resources with the same selectivity we bring to our capital deployment, we continue to build the operational capacity needed to pursue our highest conviction investment opportunities as we scale. This discipline reflects the maturation of the organisation and is central to how we define accountability and efficiency—not only as practices, but as a mindset that underpins our mission and keeps the organisation fit and well positioned to continue fulfilling its long-term objectives.

Inspired by Our Mission

None of this progress would be possible without the quality and commitment of the entire PSP team. Inspired by our mission, we continued in fiscal 2026 to ensure that how we work reflects who we serve. We welcomed new senior leaders who brought fresh perspectives and strengthened our collective capabilities, while deepening the alignment and cohesion of our executive team. Culture underpins our collective performance. It is a standard that shapes how we make decisions, how we collaborate, and how we hold ourselves accountable to one another and to the people we serve.

This year, we took concrete steps to embed our corporate values—living the mission, excelling together, and being accountable—into our operating practices. Our values are now fully integrated into our performance and talent cycle. Aligning incentives, performance, and leadership expectations in service of our mandate means accountability is reinforced systematically.

Our mission, to support the retirement of the people who protect and serve Canada, remains our most important compass. It clarifies our priorities, guides our resource allocation, and reminds us of the responsibility we carry.

Looking ahead

We are investing in a complex environment.

As we enter fiscal 2027, investing with focus and foresight, operating with excellence, and ensuring that everything we do remains inspired by our mission will anchor how we navigate uncertainty and act in the best interests of those we serve. As our assets under management continue to grow, that growth is matched by the rising standards we set for ourselves.

The counsel of Board Chair Maryse Bertrand and the full Board of Directors has been instrumental to our progress, as has the partnership of our executive team.

Above all, I thank every member of the PSP Investments team. Their dedication, professionalism, and commitment to our mission, every day and in every office, is what makes everything else possible.

Deborah K. Orida
President and Chief Executive Officer

Our mandate

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

Our mandate is to manage amounts transferred to us in the best interests of contributors and beneficiaries, and to 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,[1] and to the ability of the Plans to meet their financial obligations.

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

Sponsor

Government of Canada / Gouvernement du Canada

Investment manager

PSP Investments

Transfers received

Transfers paid out

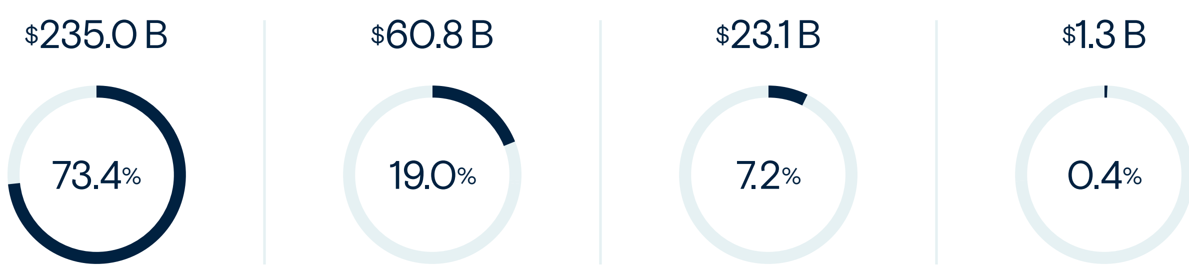
Contributions
Contributions are determined by Treasury Board based on actuarial advice.

Benefits
The Plans provide defined benefits to government employees on their retirement.

Contributors and beneficiaries

Public Service	Canadian Armed Forces – Regular Force	Royal Canadian Mounted Police	Canadian Armed Forces – Reserve Force

Net assets per pension plan account

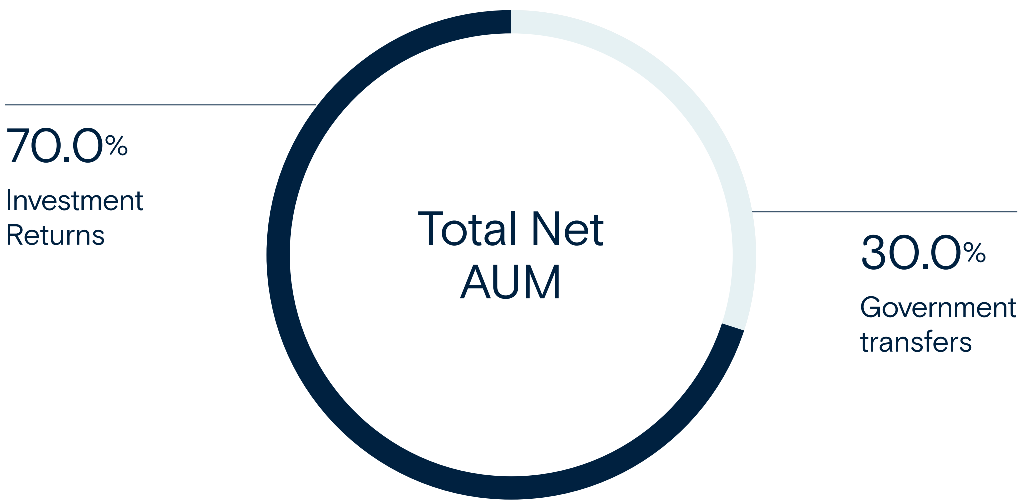


- During their working life, Canada's public service employees and members of the Armed Forces (Regular and Reserve Forces) and RCMP contribute jointly with their employers to their respective pension plans.
- The Government of Canada transfers to PSP Investments an amount equal to the total contributions 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).

Importance of long-term investment returns

Long term investment returns are the primary driver of PSP Investments' growth and, increasingly, the foundation on which the long-term funding health of the Plans depends.



At the end of fiscal 2026, fund transfers received from the Government since April 1, 2000, represented approximately 30% of net assets under management. The remaining 70% was generated by PSP Investments through investment returns earned on those funds. As the Plans mature, investment returns will account for a growing share of our total assets. This is central to our mandate: to invest these amounts in the best interest of contributors and beneficiaries, while seeking a maximum rate of return, without undue risk of loss, and with regard to the Plans' funding and financial obligations.[1]

[1] For more information, see section *The importance of investment returns in the funding of the pension plan obligations,* page 28.

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
and Real Estate Investments

Justin Nightingale
Senior Managing Director
and Head of Global Alpha

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

Alexandre Roy
Senior Vice President
and Chief Risk Officer

Caroline Vermette
Senior Vice President
and Chief Financial Officer

Our strategic priorities

Over the past 25 years, PSP Investments has developed increasingly sophisticated investment capability and operational capacity.

Our three-year corporate strategy, launched in fiscal 2025, builds on that foundation. It sets out a clear roadmap towards our ambition of being the best pension investor in the world through coordinated excellence across every dimension of how we invest, operate, and live our mission. Coordinated excellence is about ensuring that our investment activities, our operating model, and our culture reinforce one another.

Pillars of our strategy

Investing with focus and foresight	Operate with excellence	Inspired by our mission
Focus on our areas of deepest expertise and conviction to deliver greater risk-adjusted active returns. This means being selective about where we deploy capital, rigorous about how we manage exposures, and deliberate about building investment capabilities that will serve the beneficiaries over the long term.	Become a stronger, more resilient organization through increased accountability, efficiency, and coordination. This means ensuring that our governance, technology, and processes are always equal to the scale and complexity of our ambitions.	Align our actions with our values and strengthen the sense of duty that drives our work and informs our decisions. Our mission—to support the retirement of the people who protect and serve Canada—is the clearest guide we have for deciding where to direct our energy, our capital, and our talent.
2027 priorities		
Concentrate our active investment activities on areas where we have the deepest expertise, the clearest right to win, and expanding the cross-asset-class collaboration that is already delivering stronger risk-adjusted returns.	Modernize our technology and data infrastructure, deepening AI adoption with methodical rigour, and drive efficiency and simplicity across our operations.	Complete the integration of our values into the full talent cycle, launching structured career development pathways, and strengthening PSP Investment's identity as an institution that attracts and develops exceptional talent in service of an exceptional mission.
People and technology		
Our strategy is enabled by our **people** and **technology:** employees with the right capabilities and technology with the right foundations working together, reinforcing one another, and improving continuously.		

Fiscal 2027 will be the third year of our three-year strategic plan. It is the year that we move from building the foundation to accelerating the actions that compound strength, and ensuring that PSP Investments is always built for the long term.

STRATEGIC PILLAR:

Investing with focus and foresight

To fulfill our mandate, we invest for the long term, with a view to building a resilient portfolio that can support the Plans' financial obligations over decades.

PSP Investments' long horizon shapes our investment strategies and is one of our most significant advantages. Throughout the uncertainty and volatility of fiscal 2026, we kept our focus on the long term. We continued to diversify our portfolio, increased our exposure to assets that provide inflation protection, preserved Total Fund liquidity, managed our foreign currency exposures in alignment with our risk frameworks, and concentrated on areas where our expertise positions us to generate steady long-term, risk-adjusted returns.

Compounding capability: Cross-asset-class collaboration in infrastructure debt

One of the most powerful levers available to a multi-asset-class investor is the ability to combine expertise across teams. At PSP Investments, we strive to bring together people who see the same opportunity from different angles and, in doing so, see it more clearly than either could alone. We have been deliberate about identifying where our areas of deepest expertise intersect and building investment strategies that can draw on more than one capability at once.

For example, by combining our Infrastructure team's industry expertise with Credit Investments' structuring know-how, our infrastructure debt strategy has evolved from an interesting concept to a scalable business model in less than a year. Together, the teams have succeeded in sourcing, evaluating, and executing credit investments across the infrastructure landscape. Building on their experience in investment-grade infrastructure credit, Credit Investments have standardized key processes that can be applied to collaborations with other investments teams. In fiscal 2026, this internal collaboration opened doors to new opportunities. The numbers reflect the momentum: Credit Investments deployed approximately $3.2 billion in infrastructure credit across 11 investments in fiscal 2026, showing a significant increase from the prior year.

Canadian advantage: Global expertise, local conviction

Canada is a market where we have a genuine and durable competitive edge. PSP Investments has built a global platform of deep sector expertise, long-standing relationships, and operational experience that, when turned toward domestic opportunities, creates a distinctive ability to identify, evaluate, and back Canadian assets.

In fiscal 2026, we took concrete steps to ensure a coordinated, cross-asset-class approach that enhances market intelligence and aligns efforts around the most relevant opportunities. This included identifying which asset classes are a natural fit for investing in Canada, mapping our relationships across the country, engaging with Canadian banks to deepen investment discussions, and leveraging our Global Alpha Canada active equities strategy.[1] This fiscal year, we invested over $10 billion in Canada, primarily driven by increased direct private investments and a higher allocation to Canadian equities.

Investment-grade credit mandate: Leaning into strength to unlock opportunities

Since its inception in 2015, our Credit Investments group has established itself as an active participant in the global market. While traditionally focused on non-investment-grade credit investments, we added an investment-grade private credit sleeve in fiscal 2025, upon spotting an opening for experienced, globally active investors like PSP Investments. We saw it as a way to enhance returns while preserving our Total Fund's risk profile.

Deployment in the investment-grade mandate surpassed initial expectations, reaching $3 billion across nine investments in fiscal 2026. This fast pace is expected to continue in the coming year. Its close partner relationships and collaboration with our Infrastructure group have strengthened Credit Investments' investment pipeline and ability to execute on attractive co-investment opportunities.

[1] For more information on Global Alpha's Canadian Champions Strategy, see *Global Alpha highlights* within the Management's discussion of fund performance and results section, page 51.

The potential impact of AI on investment markets

PSP Investments seeks both to understand the disruptive risks that AI poses to existing business models and to identify investment opportunities arising from new technologies and data-driven capabilities.[1] Artificial intelligence represents a significant long-term structural force shaping the investment environment: one with the potential to lift productivity, support economic growth, and generate new sources of demand, particularly in areas such as power and related infrastructure.

At the same time, the accelerating pace of technological change introduces heightened uncertainty and execution risk across markets. AI is actively redistributing value within the value chains, compressing some valuation multiples while concentrating returns among a narrower set of winners. Managing these dynamics requires disciplined portfolio design, scenario analysis, and selective exposure, with a continued emphasis on resilience and diversification.

Our follow-on investment in Cohere in late summer 2025 is illustrative of our external investment strategy around AI. What sets Cohere apart is its focus on sovereign and customized AI, supporting customers in deploying specialized foundational models and agents in secure, private environments. Its solutions are designed to improve both customer-facing services and internal productivity while ensuring the highest level of data security. Cohere serves some of the largest organizations globally, including several large Canadian enterprises—an investment that reflects our approach of gaining exposure to major technology shifts while remaining disciplined on risk.

Recognition on the world stage

IPE Real Assets – Natural Capital

In its annual assessment of natural capital investments, IPE Real Assets[2] ranked PSP Investments as the single largest investor (by assets) in timber, agriculture, and related opportunities among a diverse group of the world's biggest institutional investors. With close to 9% of our total assets invested in timber, agriculture and related activities, we represented a significant share of the €79.9 billion invested by the top 50 institutional investors globally. IPE Real Assets noted that leading players in the sector are distinguished by capital deployed and disciplined investment strategies, experienced operating partners and a long-term approach to value creation—areas where we have built a strong global reputation.

Infrastructure Investor Awards

PSP Investments was named Institutional Investor of the Year in North America at the 2025 Infrastructure Investor Awards, a distinction that reflects the strength of our global Infrastructure platform and the talent driving it. We also won Global Deal of the Year and Asia-Pacific Deal of the Year for the successful sale of our stake in hyperscale data-centre operator AirTrunk to a Blackstone-led consortium. AirTrunk was a landmark transaction that showcased our ability to scale essential infrastructure in partnership with top-tier operators while delivering outstanding results for the beneficiaries.

[1] For more information on PSP Investments' approach to artificial intelligence and its potential impact, see *Technology and AI: Productivity promise vs. asset price fragility,* page 45.

[2] IPE Real Assets is a leading global source of market intelligence for institutional investors in real assets, including real estate, infrastructure and natural capital. Published in London, it forms part of the Investment & Pensions Europe (IPE) group, a long-established publisher serving pension funds and institutional asset owners worldwide. See *Natural Capital*, IPE Real Assets, January/February 2026.

Focus on sustainability

As a long-term investor, PSP Investments integrates sustainability[1] considerations—including climate related risks and opportunities—throughout our investment process. Our approach is applied proportionally, with the depth and focus calibrated to the materiality of the issue, asset class characteristics, investment structures, and time horizons.

We seek to engage with portfolio companies and external partners, where appropriate, to communicate our expectations for sustainable business practices. We aim to encourage sustainability disclosure aligned with international frameworks and standards to support informed investment decision-making and strengthen risk management.

Through active ownership, including dialogue, collaboration, and proxy voting, we may seek to influence governance, risk management, and sustainability disclosure practices. Our main focus is on creating long-term value, prioritizing active engagement with portfolio companies rather than excluding or divesting from them.

In fiscal 2026, our inaugural Climate Strategy Roadmap – 2022 (2022-2026 Climate Strategy), together with its related targets and the Green Asset Taxonomy came to an end. Launched in fiscal 2022, the 2022-2026 Climate Strategy established foundational capabilities and improved consistency in how climate-related risks and opportunities are managed across the organization. Over this period, climate-related factors were progressively integrated throughout the investment lifecycle, supported by enhanced tools, data, methodologies, and collaboration across the organization.

Under the 2022-2026 Climate Strategy, we established six targets. By the end of fiscal 2026, three were fully achieved and meaningful progress was made toward the remaining three. Notably, we met our two targets to increase exposure to green and transition assets,[2] reflecting multiple factors, including coordinated efforts across the organization to acquire green assets and to engage portfolio companies on the development and implementation of climate transition plans. We also achieved our sustainable financing target by directing at least 10% of our long-term debt financing towards green bonds.

We made progress on our targets for carbon-intensive assets,[2] the percentage of our portfolio covered by mature, science-based transition plans, and greenhouse gas data availability; however, these targets were not fully achieved within the strategy period. The pace of progress reflects the ambition of these targets and the complexity of implementation, as discussed in the Climate-Related Financial Disclosures section of this report.

The implementation of our 2022 – 2026 Climate Strategy reinforced several important lessons that will inform our approach going forward. Among our key learnings:

- Climate approaches are best built bottom-up through collaboration and operationally tested before defining portfolio-level exposures.
- Understanding the climate-risk exposure of an asset requires investment-relevant analysis (when material to the investment thesis) rather than portfolio carbon exposure.
- Emphasis should be placed on both physical and transition climate risks.
- Climate transition plans should be grounded in value-creating business plans, not solely in standalone targets.

From		To
Top-down strategy development and target-setting	>	Bottom-up, collaboratively developed, operationally tested approach
Investment decisions influenced by portfolio carbon exposure	>	Investment decisions anchored first and foremost in asset-level analysis complemented by carbon metrics
Primarily focused on transition risks	>	Focused on both physical and transition risks
Target-driven approach to transition plans	>	Value-creation approach to adaptation and transition plans

[1] PSP Investments' approach to sustainability is set out in the Statement of Investment Policies, Standards and Procedures (SIP&P), the Sustainable Investment Policy and Corporate Governance & Proxy Voting Principles. This section may contain forward-looking statements and disclosures, including sustainability-related statements and disclosures. See page 89 of this report for a discussion of the factors, assumptions and risks relating to such statements and disclosures.

[2] As defined under the Green Asset Taxonomy.

Building on both the areas of progress achieved and the lessons learned though implementation, we are carrying forward certain aspects of our 2022-2026 Climate Strategy into fiscal 2027 and beyond, including some of the climate governance, risk management, and engagement practices.

Fiscal 2027 marks an evolution in PSP Investments' approach to sustainability. Our primary emphasis on measurement and reporting, including in areas where outcomes were not always within our direct control, will shift toward deeper institutional integration, anchored in actions within our scope and mandate.

We are also transitioning to a more embedded model for managing sustainability risks and opportunities, including those related to climate, striving to progressively increase ownership and accountability for sustainability within asset classes and corporate functions. As part of this transition, we are introducing a new climate risk framework to guide how climate-related risks and opportunities are identified, assessed, and managed across the investment lifecycle. This framework is being piloted across our asset classes' investment processes and portfolios in fiscal 2027.

Additional information on PSP Investments' 2022-2026 Climate Strategy results and approach to managing climate-related risks and opportunities is provided in the Climate-Related Financial Disclosures section of this report.

STRATEGIC PILLAR:

Operate with excellence

Operating with excellence means having the operational structure in place to support the scale and breadth of a world-class pension investor.

Better data, better decisions

Modernizing our technology foundation is a strategic priority for PSP Investments. A critical part of our structural backbone evolution is our multi-year IT transformation initiative designed to replace legacy systems with a single unified platform for financial and investment data. The goal is to support stronger governance, improve data quality, and better-informed decision-making across the organization. It will also position PSP to manage and use data effectively in a world increasingly shaped by AI and continued technological change.

In fiscal 2026, we reinforced our commitment to this initiative by strengthening the governance and execution framework that underpins it. The result is a project that is better positioned to deliver on its long-term objective.

Governance and risk management accountability framework

At PSP Investments, governance and risk management frameworks are deliberately designed to support the scale, complexity, and long-term orientation of a world-class pension investor.

In fiscal 2026, we restructured our senior management committees, including establishing the Portfolio Investment Committee, to strengthen accountability and streamline decision-making. This created an improved link between individual investment opportunities and overall portfolio design, supporting more focused and consistent capital allocation.

Our approach to risk management has always been grounded in the discipline and rigour that our mandate demands. In fiscal 2026, we strengthened that foundation by progressively shifting from asset-class-level processes toward a more integrated, portfolio-wide perspective.

This evolution is methodical by design: building on existing capabilities, improving the connections between how individual asset classes manage risk and how we think about exposures at the Total Fund level, and ensuring that risk management informs investment decisions from the outset. Each step forward ensures that PSP Investments' risk management framework remains fully commensurate with our scale, our ambitions, and our mandate.[1]

[1] For more information, see *Managing sustainability-related risks and opportunities in investment activities*, page 32.

Our AI technology: Building the foundation to scale

Our approach to artificial intelligence has been deliberate, focused on building internal capabilities while carefully assessing risks.[1]

Our focus has been on structured deployment across our organization. We have rolled out a number of strategic generative AI tools and functionalities to our employees, embedding them into technology initiatives such as cloud platforms, data infrastructure, and productivity workflows while ensuring commensurate governance and appropriate responsible use protocols are in place.

In parallel, we have continued to invest in strengthening our data and technology capabilities across the organization, enabling these tools to be adopted at scale and to generate sustained impact over time. As we see it, building genuine capability in data and technology is as much an investment in our people as it is in our systems.

In fiscal 2026, PSP Investments' annual Technology and Data Week brought together some 900 of our employees for five days of workshops, demonstrations, and speaker sessions designed to deepen practical fluency in the technologies shaping our industry and our operations. The program placed particular emphasis on AI: exploring how it is influencing the investment landscape, how PSP is deploying it responsibly by applying appropriate governance and controls, and how our teams can use it to improve the quality and speed of their work.

AI-in action

From internal tools to powered research assistant

Our Alpha Science team developed an AI-powered research assistant agent that helps investment professionals process information by integrating PSP Investments' insights with relevant public data, continuously updating and organizing it into a single searchable environment while maintaining strict standards for accuracy and reliability.

By enabling the rapid synthesis of information, the application is enabling faster discovery with high-quality answers and broader access to premium content across asset classes and geographies. The objective is smarter outcomes—uncovering insights that might otherwise remain hidden—all while keeping everything grounded in trusted sources.

Strengthening cyber defense

As AI raises the speed and sophistication of cyber threats, protecting our systems and data requires defenses that can keep pace.

In fiscal 2026, our Cybersecurity team deployed a new AI agent that works alongside our security analysts, helping them detect and respond to potential threats faster. It is part of a broader effort to evolve our defenses—and the way we govern AI—as adoption expands across the organization.

[1] For more information on PSP Investments' approach to artificial intelligence and its potential impact on non-investment risk, see the *Management of enterprise risks*, page 36.

STRATEGIC PILLAR:

Inspired by our mission

We are committed to aligning our actions with our values and strengthening the sense of duty that drives our work and informs our decisions.

Having refreshed our corporate values (Live the Mission, Excel Together, Be Accountable) in the prior year, fiscal 2026 focused on two complementary priorities: embedding our values in how we work every day and strengthening the foundational people practices that enable performance across the organization.

We integrated our values into our performance and talent cycle, with every employee—including our Executive Committee—setting a personal values-based objective as part of their annual goals.

Organization-wide values sessions were also introduced, engaging more than 900 employees across all offices. Led by senior leaders, these sessions brought our values to life through practical case studies grounded in day-to-day decisions, reinforcing a shared understanding of how they guide our actions.

Our talent practices were also strengthened by ensuring increased alignment between individual and leadership objectives with our strategic priorities and reinforcing effective feedback delivery.

A strategic workforce planning approach was developed to ensure we have the right people in the right place at the right time, supporting our organization's continuous evolution more efficiently and effectively. We also strengthened our succession planning and expanded development opportunities to ensure a strong pipeline of diverse talent while enhancing our leadership team's effectiveness.

At the same time, we redesigned our employee listening approach, introducing a new survey methodology that generates actionable, business-centric insights and is directly integrated with group business planning. This enhances our ability to inform decision-making, assess organizational effectiveness, and measure how our values are experienced across the organization.

Together, these efforts reflect an evolution toward a more efficient model—one that equips our teams with the clarity, autonomy, and support needed to perform at their best, reinforces a talent-first approach, and ensures our people practices are fully aligned to translate our values into action and support the delivery of our strategy.

Investment management in action

AviAlliance: Airport infrastructure, actively developed

Airport investments combine long-duration, contracted cash flows with structurally growing passenger demand. With appropriate regulatory oversight and governance frameworks in place, private ownership of airports can deliver better service quality, greater amenities, and broader economic benefits for the regions they serve.

Through our wholly owned subsidiary AviAlliance, one of the world's leading airport investors and operators, PSP Investments has developed significant operational and sector expertise that few pension investors can match. Established in 1997 and acquired by PSP Investments in 2013, AviAlliance holds interests in airports that, together, handled about 95 million passengers in 2025. These assets represent the largest private holding in PSP Investments' portfolio.

AviAlliance combines long-term capital with direct operating capability, including terminal modernization, master planning, route development, and engagement with national and local governments, airport authorities, and surrounding communities. This experience, developed over years of owning and operating airports across Europe and the Americas, informs how we assess opportunities, manage risk, and develop long-term value across our infrastructure portfolio.

AviAlliance's track record reflects the characteristics of long-term, well-aligned ownership. At Luis Muñoz Marín International Airport in San Juan, AviAlliance has led sustained investment and modernization under a long-term public-private partnership, improving service quality at an asset previously constrained by limited capital availability. AviAlliance has worked with public-sector partners in Europe to expand route networks, modernize terminals, and support the role of airports as regional gateways.

At AGS Airports (Aberdeen, Glasgow, and Southhampton), AviAlliance is applying the same approach, serving domestic and international networks, with a focus on responsible development, expanding routes, improving connectivity, and enhancing passenger experience. This approach is being applied consistently across the portfolio, emphasizing long-term capital deployment, operational discipline, and the durability of essential infrastructure.

Citrosuco: Patient capital in the global food supply chain

The global orange juice market is shaped by long lead times, climate sensitivity, and the sustained capital investment required to bring new orchards into full production—dynamics that can create durable advantages for well-capitalized, long-term companies.

These are characteristics that suit long-term investors like PSP Investments particularly well. Our long investment horizon allows us to commit capital to investments that require time to deliver their full potential—and to remain a stable, supportive partner through market cycles, enabling our portfolio companies to deliver strategic projects that unlock long-term value.

In fiscal 2026, our Natural Resources group entered the orange juice industry with a landmark investment in Citrosuco, one of the world's largest fully integrated orange-juice producers. In doing so, we joined Citrosuco's long-time existing shareholders, Grupo Fischer and Votorantim, who remain invested in the company.

Citrosuco's vertical integration across the full production chain, from orchard to processing and distribution, gives it a material competitive advantage and resilience that is rare in agricultural commodities.

Our investment will support one of the largest irrigation and orchard expansion programs in Citrosuco's history, improving the company's resilience, strengthening long-term supply security, and accelerating diversification initiatives, including value-added ingredients through Evera: the company's growing ingredients division. The transaction epitomizes our Natural Resources group's approach to investing: backing world-class operators in structurally compelling markets, alongside partners, with long-term capital that enables them to create value over economic cycles.

Citrosuco's leadership in sustainable agriculture, from water and energy efficiency to carbon and regenerative land initiatives, is both a reflection of its long-term management philosophy and a genuine source of competitive advantage as sustainable and resilient supply chains gain primacy in an evolving world.

Network FiberCo: Expanding high-speed connectivity, delivering long-term returns

In fiscal 2026, PSP Investments and BCE Inc. formed Network FiberCo, a strategic joint venture designed to accelerate the expansion of BCE-owned Ziply Fiber's network across underserved markets in the United States. We hold a 51% interest in the joint venture, bringing our global infrastructure expertise to a platform targeting up to 8 million fibre passings. We have agreed to a potential commitment of more than US$1.5 billion to be deployed as the joint venture executes on its build plan.

The investment reflects our conviction that high-quality digital infrastructure (with long-duration and inflation-protection attributes) is among the most compelling asset types available to long-term pension investors. Ziply serves as the operating partner and exclusive service provider, combining BCE's operational scale and local expertise in a structure designed to manage execution risk while delivering stable, downside-protected, inflation-linked returns over the long term. For the communities being connected, this investment will provide greater access to reliable, high-speed connectivity.

Nuveen Real Estate: Building strategic partnerships

Grocery-anchored, open-air retail centres occupy a distinctive place in the real estate landscape. Serving essential everyday needs and supported by long-term demographic trends, they generate durable income streams with defensive, inflation-resilient return characteristics well suited to a long-term pension investor.

In fiscal 2026, PSP Investments formed a strategic long-term partnership with Nuveen Real Estate to pursue opportunities to acquire open-air, necessity-based retail properties across the United States. Nuveen brings local market knowledge, long-standing retailer relationships, and fully integrated acquisition, leasing and asset management capabilities. PSP Investments contributes patient capital and a long investment horizon, anchored by the expectation that this segment of the real estate market will continue to generate reliable, defensive returns across economic cycles.

The partnership reflects our approach to real estate investing: working alongside operators who share our long-term perspective and provide access to high-quality assets and local expertise

that is genuinely difficult to replicate. For the communities served, it means retail destinations that remain accessible and dependable over the long term.

Ceva Animal Health: Putting patient capital to work

Patient capital is a competitive advantage when investing in private market assets which, due to their less liquid nature, require capital that can remain committed for a longer period. Given our long horizon, PSP Investments can compound value by making investments in the businesses we believe in.

Our follow-on investment in Ceva Animal Health in May 2025, after an initial investment in 2020, is a compelling example. Since its founding in 1999, Ceva has grown its revenue fourteenfold. Operating directly in 47 countries, the company is a global leader in animal health, particularly in vaccination.

Driven by innovation and deeply committed to preventive medicine, Ceva invests roughly 10% of its annual revenues in research and development and has ambitious goals such as leading in poultry vaccines, and developing treatments for emerging diseases, by 2030.

Ceva is supported by a core group of investors (including the management team and long-term financial investors such as PSP Investments, Temasek, Archimed, Tethys, and the Mérieux family) whose stable and committed shareholder capital creates the foundation for the company to pursue its mission at scale. We are proud to play a role in building a global champion in animal health.

PSP

In this section

Management's discussion of fund performance and results

Management's discussion of fund performance and results provides an analysis of the operations and financial position of PSP Investments for the year ended March 31, 2026, and should be read in conjunction with the Consolidated Financial Statements and accompanying notes for the years ended March 31, 2026 and 2025. The Consolidated Financial Statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB). In this report, we use a combination of financial measures, ratio, 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, 2026 and May 15, 2026, 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/en/).

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 words such as "anticipate", "believe", "estimate", "expect", "outlook", "plan", "project", "intend", "may" and other similar terms and expressions or future or conditional verbs such as "will", "should", "would", and "could" or other similar words or expressions.

This report also includes sustainability-related forward-looking statements and disclosures. Sustainability-related forward-looking statements are inherently predictive and speculative and carry an additional degree of risk and uncertainty, as the processes, methodologies and issues involved are complex and the sustainability data, models and methodologies used are often relatively new and rapidly evolving.

By their nature, forward-looking statements require assumptions to be made and involve inherent risks and uncertainty because they relate to events or depend on circumstances that will occur in the future. A variety of factors, many of which are beyond the control of PSP Investments, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. As a result, PSP Investments cannot guarantee that any forward-looking statement will in fact occur and no representation is made that any statement will materialize, and its future investment activities may vary from those outlined herein. Past performance cannot be relied on as a guide to future performance. PSP Investments expressly disclaims any obligation or undertaking to release any update of, or revisions to, any forward-looking statements in this report. You should not place undue reliance on such forward-looking statements and should not rely upon this information as of any other date.

Please refer to "Forward-looking statements, disclaimer and additional caution regarding sustainability-related disclosures" on page 89 of this report for a discussion of the factors, assumptions and risks relating to such statements and disclosures.

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 (PSPIB 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.

PSP Investments expects to deliver on its mandate by creating value through its asset allocation and active management decisions. Asset allocation entails carefully designing asset classes and allocating targets to each of them through the Policy Portfolio. Active management activities are designed to generate additional returns through asset selection and assist in delivering on our mandate. Those activities are described further in the Investment Framework section.

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 PSPIB 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.

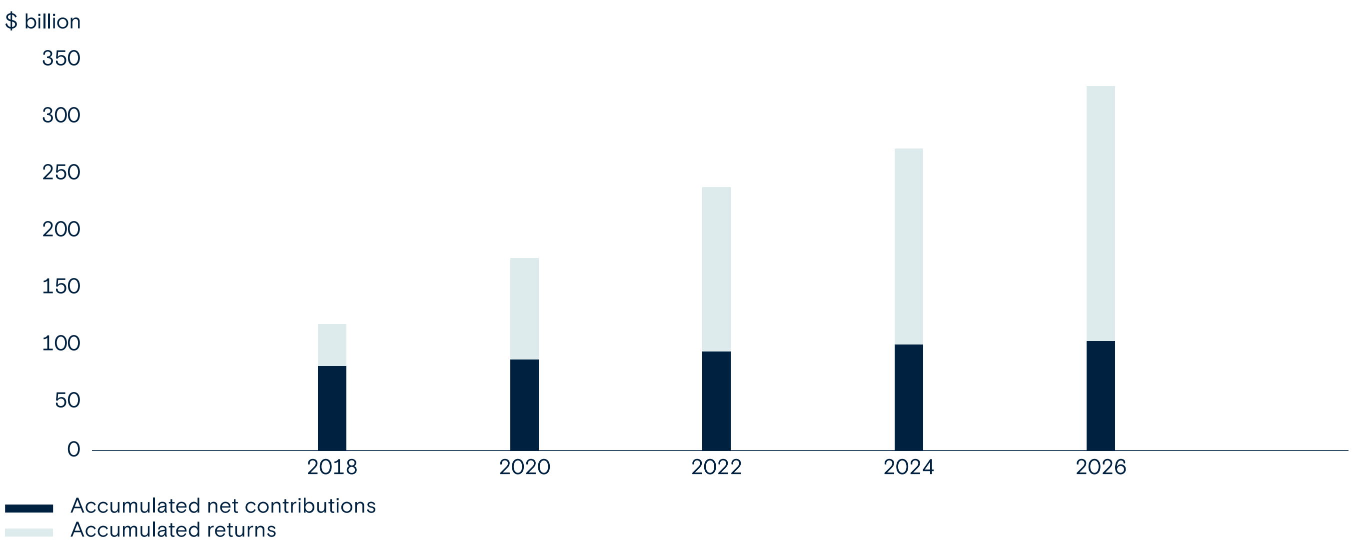
This Management report does not include or provide an analysis of the results of operations and financial position of CGF, which are reported separately by CGF and can be found at www.cgf-fcc.ca/en.

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

At the end of fiscal 2026, fund transfers received from the Government[1] since April 1, 2000, represented approximately 30% of net assets under management (AUM), with the remaining 70% representing investment returns earned by PSP Investments on those funds.

As the Plans mature, funds received from the Government are expected to represent a decreasing percentage of our net assets. The proportion of assets coming from investment returns are expected to continue to grow and it is expected that the majority of AUM growth in future 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.

The Government of Canada may call upon the net assets under management of PSP Investments allocated to a particular Plan account in order to pay benefits with respect to such 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 of a particular public sector pension fund by more than a predetermined threshold, as stated by the respective superannuation act of such Plan.



PSP Investments' returns are an important factor supporting the funding of the pension plans, and as a result, the plans remain in a strong overall funding position. Following the tabling of the special actuarial report on the finance position of the Public Service Pension Fund, the President of the Treasury Board concluded that the fund had a non-permitted surplus, as defined under the *Public Service Superannuation Act*, of $0.9 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, we 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

Active management

Includes the execution of active investment strategies within risk limits

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.

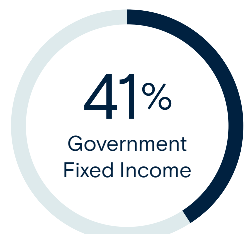
The Treasury Board of Canada Secretariat (TBS) communicates the Government's tolerance for funding risk to PSP Investments, on behalf of the President of the Treasury Board, through a Reference Portfolio, a simple, easily investible portfolio composed of liquid asset classes that could be passively managed.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

Reference Portfolio asset allocation

28%
EAFE[1] Equity

18%
U.S. Equity

13%
Canadian Equity



28%
Canadian Government Bonds

7%
World Government Bonds

5%
World Inflation – Linked Bonds

1%
Cash and Cash Equivalents

[1] EAFE Equity includes developed market equities in Europe, Asia and the Far East.

Total Fund management

Building on our mandate and the risk tolerance conveyed by TBS via the Reference Portfolio, the second component of the investment framework is Total Fund management. Total Fund management is the articulation of PSP Investments' total fund approach to achieving our mandate over the long term and ensuring desired market exposures are executed efficiently. It is built around two key elements: Design and Protect.[1]

Design of the Policy Portfolio

PSP Investments' value proposition focuses on designing the best possible portfolio, the Policy Portfolio, to enable us to achieve our mandate to maximize returns, without undue risk of loss, having regard to the funding of the Plans over a long-term horizon.

Our objective for the Policy Portfolio is therefore 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 are expected to 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 our 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.[2] 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.

Including these asset classes also necessitated a change in how currencies are positioned. When assessing the potential benefits of their inclusion in the Policy Portfolio, careful attention was given to many factors, including the impact on our geographical diversification and currency mix. Most of these asset classes' markets are predominantly U.S. dollar (USD) denominated, resulting in a structurally higher USD exposure as an intentional feature of the portfolio design, supporting long-term return generation, and diversification.

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 strengthening the integration between the long-term pension funding risk and day-to-day investment management risk within a unified risk framework. Because the Policy Portfolio is designed in relation to pension liabilities and a long-term investment horizon, it generates lower funding risk than the Reference Portfolio while allowing for higher levels of short-term investment volatility. Enhancing integration between Policy Portfolio design and risk management helps ensure that daily risk monitoring and analytics remain aligned with the Government's risk tolerance and our funding objectives.

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.

[1] In fiscal 2026, the former "Enhance" element of our Total Fund management approach was incorporated into active management, and the Complementary Portfolio was no longer treated as a separate portfolio. Alternative Risk was moved to Alpha Alternatives within Global Alpha, and Knowledge-Driven was moved to Private Equity.

[2] 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 allocation

Effective during fiscal 2026

27%
Public Equity

12%
Private Equity

10%
Real Estate

13%
Infrastructure

7%
Natural Resources

PSP Investments' Board of Directors (Board) annually reviews and approves the Statement of Investment Policies, Standards and Procedures (SIP&P[2]), 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. The fiscal 2026 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 improvement. Consequently, changes were made to improve the risk-return profile and the inflation protection of the Total Fund: Real Estate, which is more growth oriented, saw its allocation reduced by 2%, funding an increase in Canadian Public Equities by the same amount, and the Government Fixed Income allocation was reduced by 1%, enabling us to increase Infrastructure's allocation with a focus on defensive assets with high inflation protection.

Given that we are a Canadian investor with a global footprint, structural currency exposures arise from the translation of foreign-currency assets back into Canadian dollars. This is a reflection of our strategic asset allocation and geographic diversification, rather than a deliberate directional currency positioning. Our approach to currency management is to avoid exposures that would unintentionally increase the risk of our Total Fund portfolio. As a result, we remain unhedged against most foreign currencies. This stance reflects our long-term investment horizon and the view that the Canadian dollar itself exhibits pro-cyclical behaviour—it tends to depreciate during periods of global market stress. Unhedged foreign currency exposure can provide a natural counter-cyclical buffer that partially offsets portfolio losses in adverse market environments. Notably, this applies to our U.S. dollar exposure. The U.S. dollar tends to appreciate versus the Canadian dollar when economic shocks occur and therefore acts as a diversifier (a natural hedge against declining asset returns).

[1] Includes Cash and Cash Equivalents.

[2] PSP's SIP&P is the public document that explains the principles, rules, and framework guiding how PSP Investments manages and invests pension funds responsibly over the long term.

An exception is made for a select group of currencies that are themselves strongly pro-cyclical in nature. These currencies share a common characteristic with the Canadian dollar: they tend to depreciate sharply during global risk-off episodes. Holding unhedged exposure to this group of currencies would therefore compound (rather than mitigate) the portfolio's sensitivity to market downturns. The Total Fund hedges these exposures back to Canadian dollars using foreign exchange forward contracts, avoiding this double pro-cyclical effect.

With our policy of keeping most foreign currencies unhedged—hedging only a small fraction of pro-cyclical currencies—the risk-return profile of our Policy Portfolio is improved. An additional benefit of adopting this stance on hedging is that it reduces long-term hedging costs and pressure on liquidity, leverage, and operations.

Protect the Policy Portfolio

The next element of Total Fund management within 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 align with the Policy Portfolio. Those mechanisms allow us to adjust the Total Fund exposures in response to market movements, transition periods following changes to our Policy Portfolio, and the addition of new asset classes, and to account for operational constraints. Such mechanisms seek to improve the likelihood to deliver on our long-term value proposition.

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 operating within the Risk Appetite Statement (RAS) approved by the Investment and Risk Committee of the Board. 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.

Managing sustainability-related risks and opportunities in investment activities

Our approach to sustainability is set out in the SIP&P,[1] the Sustainable Investment Policy, and the Corporate Governance & Proxy Voting Principles.

There is no single definition of sustain-ability, so we draw on international and Canadian standards to inform our approach. Sustainability-related risks and opportunities encompass governance, social, and environmental topics that may influence an entity's ability to create value over the short, medium, and long term.

[1] For more information, refer to the *Statement of Investment Policies, Standards and Procedures for Assets Managed by PSP Investments*.

As a long-term investor, PSP Investments aims to integrate material sustainability-related factors, including climate-related risks and opportunities, across our investment lifecycle activities in a manner proportionate to their materiality, and aligned with the characteristics of each asset class, investment structure, and time horizon. We seek to leverage sustainability-related data and metrics to identify, assess, and manage sustainability-related risks and opportunities, while acknowledging their limitations and evolving nature. To support this integration, we continue to advance a more holistic approach to sustainability, underpinned by shared accountability and alignment across the organization. We strive to strengthen our investment decision-making by equipping investment professionals with the tools, training, and data required to proactively identify, measure, and manage sustainability-related risks and opportunities. Our approach also recognizes that the financial materiality of sustainability-related factors may evolve, depending on a portfolio entity's business model, operating context, time horizon, or changing financial, regulatory, and stakeholder conditions, particularly when they could reasonably be expected to affect future cash flows, access to capital, or cost of capital over the short, medium, and long term.

PSP Investments encourages alignment from its external partners and portfolio companies to align with our sustainable investment practices, including encouraging disclosure aligned with international frameworks and standards, including IFRS Sustainability Disclosure Standards, to support informed investment decision-making and strengthen risk management.

Through dialogue, collaboration, and proxy voting,[1] we aim to influence governance, risk management, and sustainability-related disclosure aligned with our mandate. In fiscal 2026, we voted at over 4,700 shareholders' meetings across more than 50 countries and engaged either directly or through our external partners, where appropriate, on sustainability-related issues. Proxy voting is a component of our asset ownership approach, enabling us to communicate our expectations to boards and management, including on governance practices and material sustainability-related factors. Our voting decisions are guided by our Corporate Governance Principles and Proxy Voting Guidelines, which seek to reflect a pragmatic, principles-based approach that considers company-specific circumstances, market maturity, and local legal and regulatory frameworks.

PSP Investments aims to prioritize, where appropriate, active engagement over exclusion or divestment. However, in certain circumstances, we may refrain from investing in, or decide not to maintain investments in, specific entities, sectors, or jurisdictions where material sustainability-related risks could reasonably be expected to affect our ability to maintain or enhance long term value creation, or where such investment would not meet our mandate.

We participate in domestic and international forums to help shape evolving sustainability-related regulations, standards, and market practices, with the objective of supporting decision useful disclosures which assist with making informed investment decisions and contributing to long-term value creation.

Launched in fiscal 2022, our inaugural Climate Strategy Roadmap – 2022 ("2022-2026 Climate Strategy") established foundational capabilities and improved consistency how climate-related risks and opportunities are managed across the organization. In fiscal 2026, our 2022-2026 Climate Strategy came to an end. Building on lessons learned during this period, we are carrying forward the strategy's climate governance, climate-risk management and engagement activities in fiscal 2027 and beyond by transitioning to a more embedded approach to climate management and a new climate risk framework.

Additional information on PSP Investments' approach to managing climate-related risks and opportunities in our investment activities is provided in the Climate-Related Financial Disclosures section of this report.

[1] For more information, refer to our *Corporate Governance and Proxy Voting Principles*.

Risk management

Enterprise risk management and investment decision-making

Delivering on PSP Investments' mandate requires the disciplined allocation of risk in support of long-term investment objectives. Our investment approach is grounded in a risk management framework that integrates risk tolerance, governance, and measurement to support informed and consistent decision-making across the organization.

The Risk Appetite Statement (RAS) documents PSP Investments' appetite across all enterprise risks and articulates the amount of risk it is willing to take in pursuit of its mandate. The RAS includes statements to guide discussions on risks and their relation to the achievement of investment and strategic objectives. This document underwent a comprehensive review during the year to ensure continued alignment with the organization's risk profile and the evolving internal and external environments. The review included a top down calibration of risk appetite to promote alignment and a unified view across the organization.

All employees actively participate in identifying, evaluating, managing, monitoring, and reporting risk. Risk considerations are embedded into strategic, investment, and operational processes, and supported by measurement and monitoring enabling forward looking assessments of exposures and resilience under a range of conditions.

Effective risk governance is further supported by the Board, which provides insight on risks, and the Board's Investment and Risk Committee (IRC), which reviews, evaluates, and approves the guiding principles, limits, and policies that govern the overall risk management approach. The IRC ensures that management has put in place an effective enterprise risk management approach and processes, and reviews and approves the RAS and supporting risk management-related policies. 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

To operationalize the alignment of the RAS to the investment process, PSP Investments' enterprise risk management framework (see below Figure 1) 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.

Three lines model

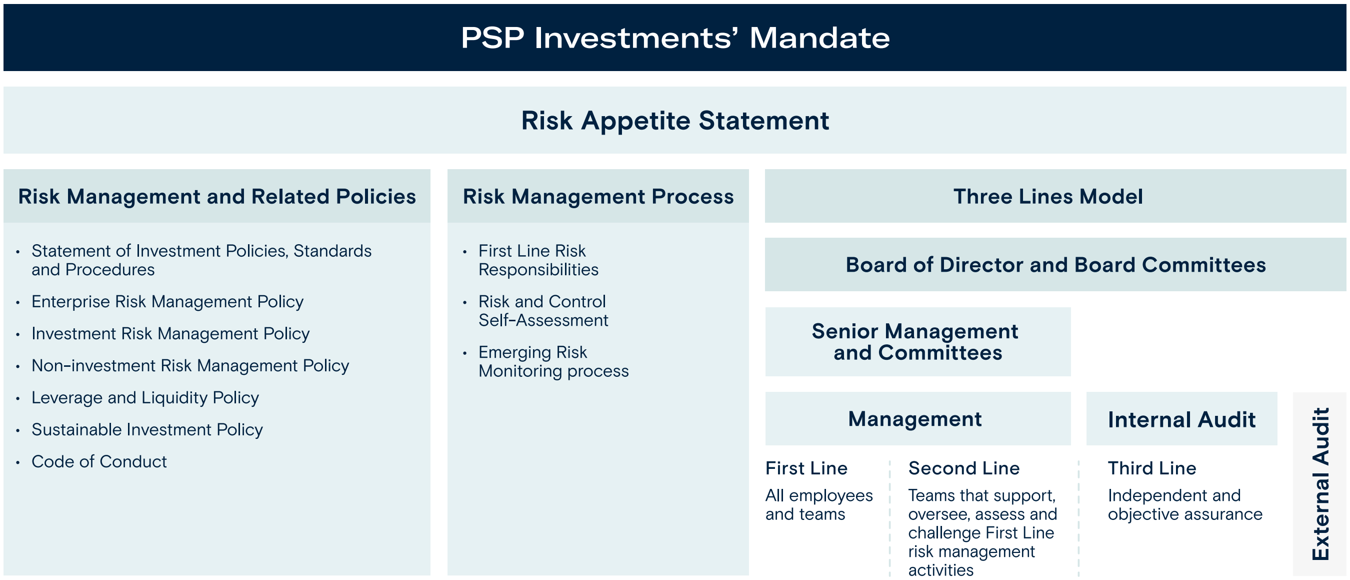
Our enterprise risk management framework is anchored by our "three lines" approach to managing risk to ensure accountability, alignment, collaboration, and coordination throughout all levels of the organization. A defined committee structure, policies, and procedures ensure clear roles and responsibilities for all employees.

We use the three lines model 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 support transparency of risk information, and our reporting to management and to the Board's IRC includes the results of ongoing risk assessments and other reports that incorporate the use of risk indicators to ensure alignment with our risk appetite.

Risk management and related policies

We take a proactive approach to manage the full spectrum of risks on an enterprise-wide basis. Key policies outline the guiding principles governing our overall risk management philosophy, culture, and approach. These key policies are listed below along with the risk categories they aim to mitigate.

Figure 1: Enterprise risk management framework



Risk management process

We conduct enterprise-wide and event-driven risk assessment exercises to identify and evaluate key risks and to assess whether mitigation measures are adequate and effective. These exercises are core components of the risk management framework and contribute to the ongoing refinement of the risk program.

Risks inherent to PSP Investments are identified through these activities and are monitored periodically throughout the year. External risks are also monitored regularly and the most impactful ones are integrated into recurring assessment processes where appropriate. This results in a comprehensive identification of our most significant risks that takes into account the internal and external risk environments. The identification of the organization's risks also informs the corporate business planning process.

In addition, ongoing risk monitoring processes are used to identify, assess, and monitor emerging and evolving risks that have the potential to impact our objectives, and to enable us to respond to and manage new or high-velocity risks, when needed. For instance, the increase in geopolitical tensions represents an emerging risk being monitored through these processes.

Management of enterprise risks

Enterprise risks in our daily operations are managed in accordance with the RAS through our enterprise risk management framework. Enterprise risk categories include investment risks, horizontal risks, and corporate risks, which are overseen on an integrated basis across the organization. Investment risks are managed in line with a comprehensive suite of Board-approved policies that govern the management of investment activities and related risks. Horizontal and corporate risks are monitored and managed as an integral component of our enterprise risk management framework and their related specific policies.

These risk categories are defined below, together with our approach to managing them, to facilitate a consistent and universal understanding across the organization.

Investment risks

Investment risks refer to the risks of loss inherent in achieving investment objectives.

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 (liabilities) of the Plans.

To fulfill our mandate from the Government of Canada, we maximize returns without undue risk of loss, having regard to the funding of the Plans. For further details, please refer to Total Fund Management in the Investment Framework section.

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

We actively seek out market opportunities and—given our long-term investment horizon—we are mindful of short-term volatility in the pursuit of long-term opportunities to generate enhanced returns.

Consistent with our investment framework, our market risk appetite is primarily quantified through absolute Value at Risk (VaR) and relative active VaR, calibrated relative to the Reference Portfolio.

Additionally, a set of complementary risk measures has been specifically designed to provide greater visibility and guidance during adverse market environments—where traditional VaR measures are less reactive. We also systematically perform 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.

To support our long-term portfolio objectives, we take on credit risk, relying on recognized credit rating agencies for public issuers, and applying internally developed credit ratings for private issuers using a comparable underwriting framework focused on mitigating the risk of permanent capital loss. We manage counterparty risk prudently through our counterparty selection, limits, and ongoing monitoring practices.

In addition, various metrics are used 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.

Liquidity risk refers to the risk that PSP Investments will not be able to meet its financial obligations on a timely basis or will incur extra costs in liquidating some assets.

We seek to minimize the potential impact of liquidity risk on portfolio performance through prudent and effective balance sheet management—by holding sufficient liquidity to meet our financial obligations and staying on course with our strategic capital deployment while protecting our credit rating.

Liquidity risk management is informed by industry best practices and metrics, including a liquidity coverage ratio-based approach. We align the quality and readiness of liquidity with the probability of occurrence of the requirement, such as for operational funding, potential collateral calls, or a resilience buffer for periods of market stress.

Sensitivity analyses, stress testing, and scenario analyses are also conducted to ensure that sufficient liquidity is available to meet obligations such as debt servicing and collateral calls.

Leverage risk refers to the risk of using leverage in a way that adversely affects PSP Investments.

We employ leverage to support our investment activities, subject to maintaining our credit rating and ensuring that liquidity and market risks are not unduly impacted.

The Policy Portfolio design serves as a reference point for leverage, consistent with our risk appetite. Additional leverage is used to support portfolio management subject to established limits and governance. Please see the Capital Management section 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 partnerships.

A lack of diversification or concentrated exposure could adversely affect the value of our investments and our overall investment performance. We believe in the benefits of diversification and its alignment with other corresponding risk appetites. We manage concentration risk by selecting multiple asset classes during the Policy Portfolio design phase. The concentration risk from all the investment decisions is also managed in absolute terms and relative to the Policy Portfolio. The areas monitored (subject to approvals and guidelines) include the size of individual investments, counterparties, geographic region, sector, strategy, and partnerships.

Horizontal risks

Horizontal risks refer to risks that cut across both investment and corporate activities, and that may amplify or compound other risks.

Reputational risk refers to the risk that negative publicity or stakeholder sentiment regarding PSP Investments' conduct, business practices, or associations, whether true or not, could undermine stakeholder confidence and trust, disrupt operations, or necessitate defensive actions.

We recognize and manage reputational risk related to our internal operations, employee conduct, and governance practices, as well as those arising directly or indirectly from our investment activities.

Geopolitical risk refers to the risk that political, security, geo-economic, or social instability developments in key countries or regions could impair PSP Investments' market access, asset values, operations, investment activities, or ability to deliver on our long-term strategy.

We monitor, assess the impact, and take necessary actions when warranted, to manage repercussions from political or social changes, developments, or activities, when possible.

Artificial Intelligence (AI) risk refers to the risk related to the adoption of AI in the organization, and its impact on key investment sectors.

We recognize both the transformative potential and inherent risks of AI technologies, and only develop and use AI solutions that align with our established governance framework and principles of responsible use.

This premise of transformative potential also applies to our portfolio companies and key investment sectors to ensure business models are well positioned to maintain long-term value.

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

Information security (cyber) risk represents an evolving, increasingly complex, and challenging component of our business operations and decision-making. Choosing an acceptable 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.

We also recognize that cyber risk extends to our portfolio companies, particularly in sectors with a higher inherent risk profile. Accordingly, a robust understanding and awareness of these risks is emphasized to support portfolio company preparedness and resilience.

Sustainability-related risk, as defined in the Sustainable Investment Policy, includes but is not limited to governance, social and environmental risks that may maintain or enhance our portfolio's ability to create value over the short, medium, and long term.

For further details, refer to Managing Sustainability-Related Risks and Opportunities in Investment Activities in the Investment Framework section.

Corporate risks

Corporate risks are defined as risks that may impact PSP Investments' ability to execute our mandate, operate effectively, maintain resilience, and preserve stakeholder trust.

Strategy execution risk is defined as a strategic initiative failure or misalignment with broader strategy.

We are committed to the successful execution of our strategic plan through the identification of corporate priorities and strategic initiatives supporting them. Revisions may be warranted and executed due to new or unforeseen circumstances.

Technology risk is the risk associated with the operation or availability of systems that may impact the level of performance required to meet stakeholder expectations and technical requirements.

We recognize the benefits of data in enabling insight and informed decision-making, but also acknowledge the risks associated with its use. We believe that data-driven decision-making is critical to our ability to meet strategic objectives and deliver on our mandate. Proactive governance and management minimizes the risk of poor data quality.

To maintain our ability to perform daily activities, we seek to avoid or minimize (within reason) the prolonged loss or unavailability of key systems, applications, and critical networks that could significantly delay business activity.

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

People are critical to organizational performance and resilience and, as a result, the effectiveness of our talent value proposition is continuously monitored to ensure we can attract, develop, reward, and retain talent. This analysis takes into account business and strategic objectives, the voice of employees, and external labour market factors.

Empowering employees drives performance and innovation; however, employee conduct and behaviour are also risks that can damage culture and reputation. Ongoing awareness training is provided to all employees on expected behaviours as they relate to compliance with our Code of Conduct, related internal policies and procedures, and employee and consultant handbooks.

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.

We ensure that our activities are conducted in accordance with the *Public Sector Pension Investment Board Act*, its regulations, and the SIP&P.[1] We do not tolerate instances of non-compliance with applicable laws, regulations, and contractual obligations, and we work accordingly to comply with them, including regularly monitoring new and amended laws and regulations.

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

We seek to minimize our exposure to intentional fraudulent activity and corruption and do not tolerate any intentional fraudulent activities from our employees and consultants.

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

We maintain and enforce strong accounting, financial management, and reporting practices and controls, which ensure accurate reporting of financial and non-financial information. We also comply with tax regulation requirements while maintaining awareness of tax trends and their potential impact on our investment activities.

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

We actively manage the execution of our investment and supporting business transactions, 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 the loss of, or damage to, the workplace, physical assets, or threats of physical safety to employees.

Model risk represents the risk that flaws in model design, implementation, or use adversely impact PSP Investments (e.g., financially, operationally, strategically, or reputationally).

We leverage models to support critical and efficient decision-making and recognize that deficiencies in their design, implementation, or use can lead to adverse outcomes. As such, we require adherence to our model governance framework to ensure integrity and relevance.

Third party risk represents the risk that external service providers fail to meet obligations or introduce operational, compliance, or reputational issues that may adversely impact PSP Investments.

Third parties can be valuable resources, but their services must be balanced with potential risks to operational resilience, data security, and service delivery. All external engagements are subject to due diligence, active monitoring, and periodic review across the vendor lifecycle.

[1] PSP's SIP&P is the public document that explains the principles, rules, and framework guiding how PSP Investments manages and invests pension funds responsibly over the long term.

Evaluating the performance of the investment approach

Evaluating the performance of the investment approach is important to ensure that its design and implementation support achievement of the mandate objectives.

The nature of our mandate requires measuring and evaluating performance across different time horizons. While measuring long-term performance allows us to evaluate the results of the investment decisions across market cycles, medium-term performance metrics help assess how efficiently asset-class investment strategies are being implemented. 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 five-year and ten-year relative performance of asset classes and PSP Investments are emphasized over one-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

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, we measure the difference between PSP Investments' net return[1] and the Total Fund Benchmark.

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 2026 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]

[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, and Natural Resources 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.

In fiscal 2026, activities of the former Complementary Portfolio were reallocated to Alpha Alternatives and Private Equity following an organizational realignment to better align specialized investment expertise and accountability. See the Total Fund Management, Capital Markets, and Private Equity sections to learn more.

Analysis of Total Fund results

Net AUM[1]	Net AUM (FY2025)	Net income
$320.6 B	$299.7 B	$19.6 B

10-year net annualized return[2]	5-year net annualized return[2]	1-year net rate of return[2]
8.8%	8.3%	6.5%
8.4% 10-year annualized Total Fund Benchmark return[3]	8.5% 5-year annualized Total Fund Benchmark return[3]	13.1% 1-year annualized Total Fund Benchmark return[3]
8.2% 10-year annualized Reference Portfolio return[3]	7.6% 5-year annualized Reference Portfolio return[3]	11.7% 1-year annualized Reference Portfolio return[3]

[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 these objectives and their related benchmarks against which we can evaluate the success of our long-term investment approach:

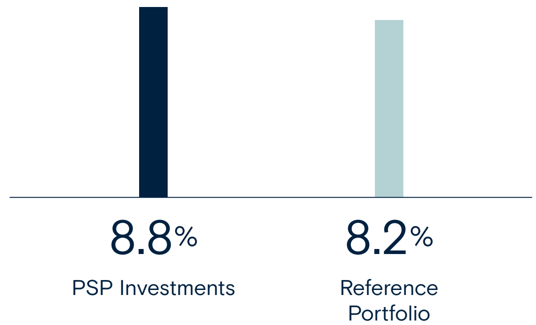
1. Actual return compared to the Reference Portfolio return (10-year)

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 0.6% per annum. This result was achieved without incurring more pension funding risk than the Reference Portfolio. This additional 0.6% represents the value added by PSP Investments as a result of its asset allocation, currency management, active management decisions, and careful execution, as described in the Investment Framework section.

Return compared to the Reference Portfolio return

10-year net annualized return[1]



2. Actual return compared to the Total Fund Benchmark return (10-year and 5-year)

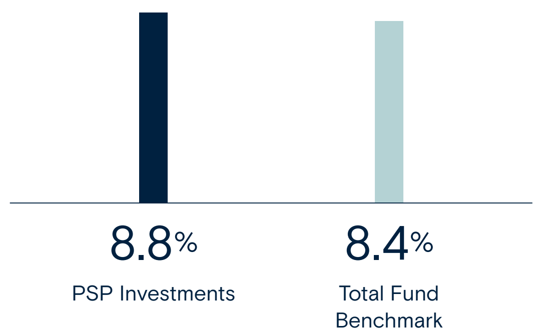
This objective is used to measure the value added by PSP Investments' active management activities, reflecting structural factors such as skill and overarching strategy. The 10-year horizon captures long-term value creation, while the five-year horizon provides a more recent view of performance under the current strategy.

Over the last 10 years, these activities generated a net annualized rate of return[1] of 8.8% compared to 8.4% for the Total Fund Benchmark. Over the last five years, they generated a net annualized rate of return[1] of 8.3% compared to 8.5% for the Total Fund Benchmark.

Across both periods, results at the Total Fund level were supported by outperformance in Credit Investments, Infrastructure, and Natural Resources (and, over the five-year period, Emerging Market Debt), while Real Estate and Private Equity faced more challenging environments that weighed on relative performance. The net excess return generated over 10 years reflects the cumulative contribution of active management through varied market conditions, whereas the five-year result reflects the impact of the more difficult recent environment in certain private market asset classes.

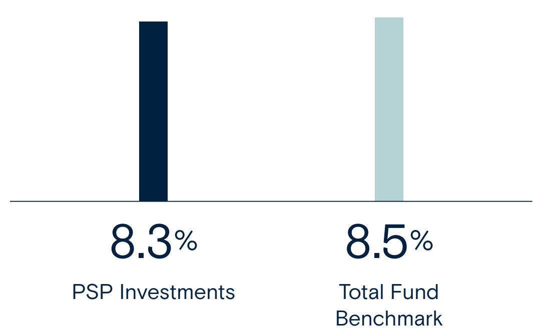
Return compared to the Total Fund Benchmark return

10-year net annualized return[1]



Return compared to the Total Fund Benchmark return

5-year net annualized return[1]



[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.

Market context

Geopolitics: From tail risk to baseline consideration

Fiscal 2026 underscored that the impact of geopolitics on the investment environment is no longer confined to tail risk considerations but is material to our structural framing. Differences across countries, sectors, and business models widened as investors priced in a more fractured world order. Meanwhile, the global economy transitioned into a late-cycle global environment: one shaped by easing but sticky inflation and diverging monetary policies.

Trade policy: The primary macro driver

The fiscal year began in April 2025 with the announcement of sweeping U.S. tariff measures, which moved markets immediately. The deeper impact, however, was structural, including disrupted investment plans, redirected trade flows, and prolonged uncertainty as trading partners weighed potential retaliation. Effective tariff rates across major economies rose to levels not seen in decades.

Trade measures also were a visible expression of a wider divergence in economic policy. Across advanced economies, governments pursued divergent approaches to industrial policy, technology regulation, and strategic autonomy—particularly in defence and technology. This shift increased the probability of policy-driven market segmentation as well as rising compliance and localization costs for globally integrated businesses.

Canada's trade relationships, including the bilateral relationship with the U.S., also experienced periods of disruption. The Canadian government responded by accelerating investment in defence, infrastructure, and advanced manufacturing as part of a broader pivot toward domestic economic resilience and trade diversification.

Alongside these policy-driven pressures, physical disruption to global trade routes escalated. Attacks on commercial shipping in the Red Sea escalated in the first half of the year, while the initiation of a conflict with Iran beginning in late February 2026 led to a near-complete disruption of traffic through the Strait of Hormuz: a chokepoint through which roughly one-fifth of global seaborne oil and liquefied natural gas typically transits. Resulting pressures on energy, agricultural inputs, shipping, and insurance costs transmitted rapidly across asset classes and geographies.

By March 2026, these dynamics had elevated a chokepoint risk into material macroeconomic and market considerations globally. In Europe, the continuation of the conflict in Ukraine—and the addition of the Iran conflict—sustained elevated energy and security-related costs and contributed to a structural increase in defence spending across the continent. These shifts could potentially impact infrastructure, industrials, and innovation-focused sectors. In the Indo-Pacific, recurring maritime confrontations and intensifying strategic competition reinforced the centrality of regional security to global supply chains, with Taiwan remaining a key source of uncertainty for markets.

This environment has resulted in a more complex and evolving global landscape: where assumptions around coordination on maritime security, energy access, and crisis response are tested. For PSP Investments, this reinforces the importance of incorporating geopolitical considerations into portfolio design and construction, asset allocation strategies, capital deployment decisions, and ongoing asset management.

Technology and AI: Productivity promise vs. asset price fragility

The global artificial intelligence investment boom emerged as a major theme in fiscal 2026. Firms increased spending on AI infrastructure, software, and automation in pursuit of productivity gains. While enthusiasm around AI supported CAPEX and sentiment, it also introduced fragility as the market became more sensitive to assumptions of the disruptive impact of widespread AI adoption. Policymakers increasingly viewed AI as a double-edged sword: a potential positive supply shock over time, but also a source of asset price imbalances and added complexity for monetary policy given a large range of estimates surrounding AI-related productivity increases. Advanced technology competition also continued to harden during the year, as artificial intelligence remained central to the U.S.-China rivalry.

Macro backdrop: Late-cycle, disinflation moderating

In the U.S., real GDP growth slowed less than expected to 2.2% in the 2025 calendar year. Economic weakness was concentrated in the second half of the year, as government spending, business investment, and export growth slowed. Canada's growth moderated to 1.7%, as the economy absorbed U.S. trade tariffs and low oil prices for most of the year before the onset of the Iran conflict at the end of fiscal 2026. Emerging market economies fared relatively better, with average real growth of approximately 4.2%.

Inflation continued to moderate across regions. U.S. headline inflation eased during fiscal 2026, though core inflation remained sticky, particularly in services. The Federal Reserve adopted a cautiously accommodative stance, particularly as the U.S.-Israel-Iran conflict in the fourth quarter of fiscal 2026 introduced new inflationary pressures, lowering its benchmark rate by 0.75% (to 3.5% - 3.75%) while emphasizing upside risks to inflation. In Canada, inflation eased toward the Bank of Canada's 2% target, allowing the policy rate to be lowered to 2.25%. Major emerging market central banks also cut rates as inflation pressures receded during the first part of the year. However, some monetary policy paths became more asynchronous, with the European Central Bank pausing easing while the Bank of Japan raised rates above zero as Japanese inflation breached the 2% mark.

Global financial markets

Activity in global financial markets reflected the late cycle dynamics described above for a good portion of the year, but lost momentum as the U.S.-Israel-Iran conflict increased volatility in markets towards the end of fiscal 2026. The rise in oil prices was most notable, up from $70 on average between April to February, to over $100 by March 31. In equities, returns were mostly positive across developed and emerging markets throughout fiscal 2026 but faced downside pressure later into the year, amid the Middle East conflict. Equity market leadership shifted throughout the year, with different regions, countries, and sectors taking turns leading performance: U.S. equities were supported by resilient earnings but remained sensitive to AI monetization narratives; Canadian equities benefited from financials and materials exposure (gold and silver reached new highs); and European equities were aided by valuation gaps and improving sentiment. In bond markets, yields declined unevenly. The U.S. dollar depreciated by about 4% against major developed market currencies, including the Canadian dollar. Meanwhile, on the back of rising investor concerns about overexposure to U.S. assets, emerging markets recorded an increase of capital inflows, helping stage a strong performance in fiscal 2026.

Total Fund performance analysis

As a long-term pension fund investor, PSP Investments assesses performance primarily over 5-year and 10-year periods, interpreting annual results in the context of market conditions, portfolio positioning, risk relative to mandate, and contribution to long-term value creation. Our annualized rate of return[1] was 8.3% over the past 5 years and 8.8% over the past 10 years. PSP Investments recorded a net return of 6.5% in fiscal 2026. Results were driven by resilient economic activity amid trade disruptions, strong AI-related capital investment, and rising precious metals and energy prices, offset by weaker performance in several private asset classes. Our one-year performance exceeded the actuarial discount rates[2] required by the Plans to meet their long-term pension obligations, as established by the Chief Actuary of Canada.

Actual return compared to the Reference Portfolio

Over the long term, PSP Investments outperformed the Reference Portfolio, which is provided to us by the Treasury Board Secretariat on behalf of the Government of Canada. Cumulative net investment gains above the Reference Portfolio over both the five-year and ten-year periods totalled $8.6 billion and $14.5 billion, respectively. PSP Investments' portfolio is designed to achieve higher and more stable returns than the Reference Portfolio over the long term, reflecting its greater diversification and resilience across a broad range of market environments.

On a one-year basis, PSP Investments' net return of 6.5% underperformed the Reference Portfolio by 5.2%. Contributing factors included lower exposure to public equity markets (which performed exceptionally well during the year), losses from foreign currency exposures, and headwinds across private markets—particularly real estate. These factors were partially offset by our portfolio diversification in emerging markets, where both equity and bond markets delivered strong returns, and through the portfolio's dedicated exposure to High Inflation Correlated Infrastructure, which delivered strong performance during the year.

Actual return compared to the Total Fund Benchmark

On a ten-year basis, PSP Investments continued to outperform the Total Fund Benchmark. On a five-year basis, our track record of outperformance was impacted by the fiscal 2026 results.

In fiscal 2026, PSP Investments underperformed its Total Fund Benchmark by 6.6%, with the benchmark returning 13.1%. Private asset classes were the primary driver of this variance. For private asset classes, the Total Fund benchmarks primarily rely on public market indices as proxies. Due to the private nature of these asset classes, they are not subject to the same short-term volatility as public markets. While these benchmarks are intended to be representative over long-term horizons, they can diverge considerably from private market performance over shorter periods.

In fiscal 2026, the Total Fund Benchmark return was driven by two concentrated drivers. First, the broad rally in AI-related technology stocks accounted for a substantive share of public equity returns. As an illustration, the Information Technology sector accounted for 33% of the S&P 500 index and delivered 55% of the performance of the index. Second, in the latter part of the year, geopolitical tensions related to the conflict in Iran contributed to a significant rise in energy equities. For example, the energy components of the U.S. and Canadian indices posted returns exceeding 30% and 50%, respectively.

In addition to strong public equities returns in fiscal 2026, on an absolute basis, Real Estate, Private Equity, and Credit Investments underperformed the longer-term expectations for their respective asset classes. Several sector-specific factors contributed:

- Challenging conditions persisted in North American residential real estate, resulting from immigration policy-driven demographic changes and supply imbalances.
- Across Private Equity and Credit Investments, performance was impacted by capital invested in 2021 – 2022 at higher valuation and leverage levels, reflecting the peak of the post-pandemic market cycle.
- Credit Investments' portfolio exposure to the software sector faced headwinds in the latter part of the year as AI-driven market enthusiasm gave way to a more measured reassessment of mid- to long-term earnings prospects, resulting in losses within the subsector.

[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] The latest statutory actuarial reports for the plans are published by the Office of the Chief Actuary and are available in OSFI's repository (www.osfi-bsif.gc.ca/en/oca/actuarial-reports): Public Service of Canada, as at March 31, 2023 (published November 26, 2024); Canadian Forces Regular and Reserve Force, as at March 31, 2022, (published September 29, 2023); and RCMP, as at March 31, 2024 (published November 21, 2025).

In Public Markets, Equities (including Alpha Alternatives) delivered a robust absolute return of 20.6%, supported by favourable performance across all regions. Emerging Markets Equity (+25.4%) and Canadian Equity (+33.0%) were notable contributors. Developed market fixed income generated flat returns while strong performance in emerging market debt (+10.0%) supported overall fixed income returns that outperformed the benchmark.

Diversification serves as a stabilization mechanism over time. Over the long term, PSP Investments' value proposition is demonstrated through a consistent track record of delivering returns above both the Reference Portfolio and the Plans' actuarial discount rates, while generating more stable outcomes than the Reference Portfolio across market cycles—an important consideration for pension investors. One-year performance provides meaningful insights to refine the investment strategy and support this long-term track record.

Currency exposure

PSP Investment's portfolio is constructed through a disciplined Policy Portfolio framework that includes allocations to illiquid asset classes not included in the Reference Portfolio. Most of these asset classes markets are predominantly U.S. dollar (USD) denominated, resulting in a structurally higher USD exposure as an intentional feature of the portfolio design, supporting long-term return generation and diversification.

As described in the Investment Framework section, foreign currency exposures serve as a diversifier for Canadian investors like PSP Investments. The primary benefit of such diversification is exposure to safe-haven currencies, which are expected to retain or increase in value during times of market turbulence. These currencies usually appreciate in down markets and depreciate in up markets, contributing to smoothing portfolio returns.

In fiscal 2026, currencies subtracted 2.2% (-$6.1 billion) mostly driven by a sustained weakness in the USD. Fiscal 2026 performance represents a partial reversal of the currency gains recorded in fiscal 2025 of 5.8% ($15.2 billion). This weakness began with the April 2 announcement of broad U.S. tariffs and the associated trade policy uncertainty. It persisted into the second half of the year as the Bank of Canada paused its easing cycle, while the Federal Reserve implemented three rate cuts. The trend was partially reversed in March as the U.S.-Israel-Iran conflict induced a flow back to the safe-haven USD. Conversely the Euro appreciated, supported by the European Central Bank's resolve to contain inflation and the relative resilience of the Eurozone economy. Other currencies had a negligible impact on Total Fund performance.

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 appropriately assess 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.

	Fiscal 2026							
					5-year rate of return (%)		10-year rate of return (%)	
Asset Class	Net AUM[1] (billion $)	Net AUM (%)	Portfolio[2] income (loss) (millions $)	1-year rate of return (%)	Portfolio	Benchmark	Portfolio	Benchmark
Equity								
Public Market Equities[3] (Includes Alpha Alternatives[4])	92.8	28.9	16,176	20.6	11.4	10.7	12.3	11.4
Private Equity	39.1	12.2	2,084	5.3	12.7	13.7	12.0	14.4
Government Fixed Income								
Fixed Income	71.8	22.4	1,546	2.3	3.0	2.6	3.2	2.9
Cash and Cash Equivalents	2.4	0.8	(1,751)[5]	2.8	3.2	3.0	2.4	2.0
Credit								
Credit Investments	35.1	10.9	966	3.1	10.5	7.5	11.1	6.3
Real Assets								
Real Estate	27.8	8.7	(2,082)	(7.3)	(0.5)	10.3	2.8	6.9
Infrastructure	32.0	10.0	3,160	10.1	15.0	14.4	12.7	9.2
Natural Resources	19.7	6.1	466	2.4	8.3	2.0	8.7	2.8
Total Portfolio[6]	320.6[7]	100.0[7]	20,549[7]	6.5	8.3	8.5	8.8	8.4

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 $1,490 million, investment-related transaction costs of $61 million and other related expenses of $154 million, which when added back results in investment income of $22,254 million as reported in the Consolidated Statement of Net Income under IFRS.

3 The 5-year 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 liquidity, leverage, foreign currency management, and rebalancing activities.

6 Total portfolio return is net of all expenses and includes the performance of former Complementary Portfolio investments prior to October 1, 2025.

7 Figures do not add up due to rounding.

Capital Markets

$164.6 B Net AUM $145.8 B Net AUM (FY2025)	$17.7 B Portfolio Income	$46.2 B Cumulative 5-year net Portfolio Income	7.6% 5-year annualized return 7.0% Benchmark return

Capital Markets is managed through two distinct investment groups: Global Alpha and Beta Management. Together, they provide the Total Fund with exposure to Capital Markets (Public Market Equities and Fixed Income[1]) through a complementary approach.

This model enables Global Alpha to target specific market segments with higher alpha potential. Global Alpha is responsible for generating excess returns through the prudent allocation of risk to active strategies.

Beta Management ensures a broad and efficient baseline market exposure is maintained. Beta Management is responsible for delivering efficient, cost-effective market exposure across equity and fixed income. Beta Management also manages the Total Fund's balance sheet, leverage, and liquidity requirements.

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	30.0[2]	62.8	**92.8**
Fixed Income	–	71.8	**71.8**
Total Net AUM	**30.0[2]**	**134.6**	**164.6**

[1] Excludes Cash and Cash Equivalents.

[2] As part of Global Alpha, Alpha Alternatives AUM is funded through corporate leverage.

Global Alpha

$30.0 B Net AUM $23.3 B Net AUM (FY2025)	$3.4 B Portfolio Income	$11.7 B Cumulative Portfolio Income since inception[1]	19.9% Annualized return since inception[1] 20.0% Benchmark return

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 by improving the risk-return profile and providing diversification through exposure to strategies less correlated 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 results

Since June 2023, Global Alpha[1] has delivered an annualized absolute return of 19.9%, slightly underperforming its benchmark. Over this period, Alpha Alternatives generated strong excess returns, while Active Equities detracted from overall performance. Within Active Equities, disciplined security selection drove outperformance in select EAFE investments. These gains were offset by weaker outcomes in other segments. Alpha Alternatives produced consistent, stable returns in line with its objective of delivering low correlated performance. Several strategies outperformed the benchmark, with particularly strong contributions from Global Macro and Quantitative strategies.

Short-term results

Fiscal 2026 delivered strong global equity returns despite elevated political uncertainty, tariff concerns, and economic disruption. The year marked a notable shift in market leadership, with EAFE, Canada, and emerging markets materially outperforming U.S. equities, even as the U.S. retained its structural advantage in technology. Rapid advances in AI further reshaped the investment landscape, requiring investors to balance new opportunities against longer-term risks to incumbent business models.

Global Alpha ended the year with a 13.4% rate of return, underperforming its benchmark. Active Equities produced strong absolute returns across Developed and Emerging Markets, driven by technology and AI-related themes, as well as select Industrials and Financials. However, on a relative basis, the return of several portfolios lagged that of their benchmarks, largely as a function of the strong performance of lower quality companies where we are typically under exposed. Alpha Alternatives delivered robust relative performance, effectively capitalizing on market dislocations. The strategy produced consistent, low-correlated alpha in a volatile and rapidly evolving environment, demonstrating disciplined mandate execution and reaffirming its role as a diversifying source of returns. Insurance-related exposures were the primary positive contributors. Global Macro was also a strong contributor to excess returns, benefiting from long global equity exposures, active rate positioning amid a steepening and volatile yield curve, and commodity strategies.

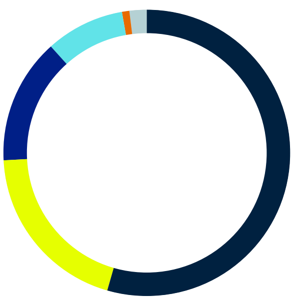
[1] Global Alpha was formalized on June 1, 2023.

Global Alpha highlights

- Launched the Canada Champions Strategy, an internally managed active equity strategy targeting high-quality Canadian compounders. The strategy leverages PSP Investments' scale, deep local expertise, and long-term capital base to activate part of our passive exposure and generate disciplined, risk-efficient alpha with minimal incremental cost.
- Expanded Japan-focused equity capabilities through new strategic external partnerships, enhancing exposure to a structurally improving and increasingly efficient Japanese market while strengthening engagement capabilities and facilitating knowledge transfer to internal strategies.
- Accelerated the integration of AI across our investment processes, deploying PSP Investments' proprietary AI research platform to enhance research workflows, automate thesis development, and enable deeper data-driven insights across Public and Private Markets.

Geographic diversification

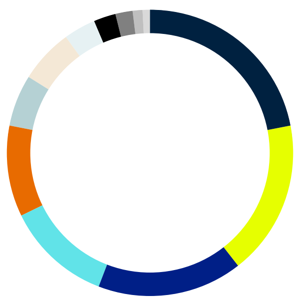
As at March 31, 2026 (%)



	54.6	United States
	19.7	Asia
	14.2	Europe
	8.9	Canada
	0.8	Oceania
	1.8	Other

Diversification by sector

As at March 31, 2026 (%)



	22.0	Government
	17.5	Financials
	16.5	Technology
	12.0	Industrials
	10.2	Consumer Discretionary
	5.9	Healthcare
	5.9	Communications
	3.7	Materials
	2.6	Consumer Staples
	2.0	Energy
	0.9	Real Estate
	0.8	Utilities

Beta Management

$134.6 B Net AUM $122.5 B Net AUM (FY2025)	$14.4 B Portfolio Income	$32.2 B Cumulative Portfolio Income since inception[1]	11.1% Annualized return since inception[1] 10.8% Benchmark return

Beta Management supports the Total Fund by providing flexible, cost-effective access to equity and fixed income beta exposures that align with the Total Fund's objective. Comprised of Beta Equities and Fixed Income teams, Beta Management extends beyond traditional passive investing by managing exposures and balance sheet activities to support leverage and liquidity management at the Total Fund level. Through the centralization of these activities, Beta Management enhances implementation efficiency and contributes to strengthening the Total Fund's overall risk-return profile.

Long-term results

Beta Management has generated a positive absolute return of 11.1% since its inception as a group within PSP Investments in 2023.[1] This performance was achieved during a period in which global financing markets were characterized by elevated macroeconomic uncertainty, shifts in central bank policy, geopolitical fragmentation, and rising fiscal sustainability concerns. These conditions contributed to heightened volatility across rates, currencies, and risk assets, reinforcing the importance of diversification, balance sheet flexibility, and efficient implementation across the Total Fund.

Short-term results

In fiscal 2026, the Fixed Income portfolio's results primarily reflected benchmark relative implementation choices made during a period of rising global bond yields, resilient economic conditions, and a temporary pause in central bank easing. The portfolio maintained a duration profile modestly below the benchmark for most of the year. In emerging markets, domestic interest rates declined as inflation moderated and central banks eased policy, generating gains in local currency debt; emerging market currencies also appreciated against the U.S. dollar amid continued diversification away from dollar assets. The Fixed Income team achieved a one-year performance of 2.3%.

In equities, the Beta Equities team applied a disciplined passive replication approach, delivering efficient benchmark exposure through the tariff-related volatility throughout most of the 2025 calendar year. The team ended the fiscal year with an absolute return of 24.1%.

Through prudent portfolio management and ongoing enhancements in execution strategies, Beta Management—including both the Beta Equities and Fixed Income teams—ended with a one-year performance of 12.0%.

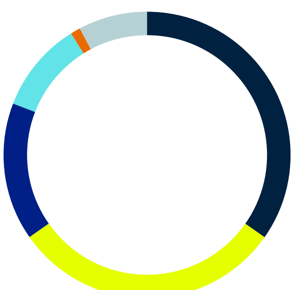
[1] Beta Management was formalized on June 1, 2023.

Beta Management highlights

- In fiscal 2026, management focused on simplifying processes and strengthening coordination. Given the close interactions between liquidity, leverage, and investment execution, the Treasury group's integration into the CIO group is expected to enhance effective and efficient management of liquidities and reinforce operational discipline in the future.
- By focusing on areas where the team has unique expertise and capabilities within its beta equities and fixed income activities, Beta Management expanded its balance sheet optimization initiative, including reinvestment transactions within cross-asset products, generating investment income.

Geographic diversification

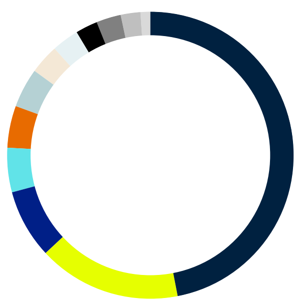
As at March 31, 2026 (%)



34.8	Canada
30.7	United States
15.4	Asia
10.3	Europe
1.2	Oceania
7.6	Other

Diversification by sector

As at March 31, 2026 (%)



47.1	Government
16.0	Financials
7.9	Technology
5.1	Industrials
4.7	Energy
4.3	Materials
3.4	Consumer Discretionary
3.0	Healthcare
2.6	Communications
2.6	Consumer Staples
2.3	Utilities
1.0	Real Estate

Private Equity

$39.1 B Net AUM $40.7 B Net AUM (FY2025)	$2.1 B Portfolio Income	$22.8 B Cumulative 5-year net Portfolio Income	12.7% 5-year annualized return 13.7% Benchmark return[1]

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

The group invests in companies with strong market positions, attractive cash flow profiles, cycle resilience, and top-tier management teams. It executes transactions across a broad range of sizes, sectors, and geographies.

In fiscal 2026, Private Equity pursued active portfolio management amid a volatile macro environment marked by uncertainty related to tariffs, geopolitical events, and AI. Several monetization initiatives were completed, helping to align the portfolio with its long-term target allocation of 12%.

Long-term results

Over a five-year period, Private Equity achieved a rate of return of 12.7% compared to a benchmark return of 13.7%. Performance was adversely impacted by a combination of asset-specific challenges, notably in the consumer sectors. However, ongoing strength in the financial sector helped counter these setbacks, as earnings growth, accretive acquisitions, and successful exits led to solid returns. With a net Portfolio Income totaling $22.8 billion over five years, Private Equity continues to benefit from rigorous asset selection of high-quality co-investments alongside long-standing partners.

Short-term results

Private Equity achieved a one-year rate of return of 5.3% in fiscal 2026. Total portfolio income reached $2.1 billion, driven by distributed income and net valuation gains, partially offset by currency losses.

Despite disappointing short-term results for Private Equity in fiscal 2026, both direct and fund investments achieved gains, particularly in the U.S. financials sector (more specifically the insurance subsector), which continued to contribute substantially to results through organic growth and successful exits. The communications and healthcare sectors also contributed positively to fiscal 2026 results, while other sectors have suffered from market headwinds.

[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.

Private Equity highlights

- Generated $8.6 billion in cash distributions in fiscal 2026: driven by direct exits, refinancings, and secondary sales. Over the past five years, cumulative cash distributions have reached $38.0 billion. One notable transaction this fiscal year is the sale of Convex, a leading specialty property and casualty insurance and reinsurance company, which was entered into in fiscal 2020 alongside Onex.
- Invested $3.2 billion of capital across new direct, fund, and follow-on investments in existing portfolio companies. Notable transactions included the acquisition of Integrated Specialty Coverages (a tech-enabled insurance platform) alongside Onex; the acquisition of Lighthouse Learning Group (a leading Indian education services provider) alongside KKR; and a follow-on investment in Cohere, a Canada-based leading AI company, to support its global expansion.

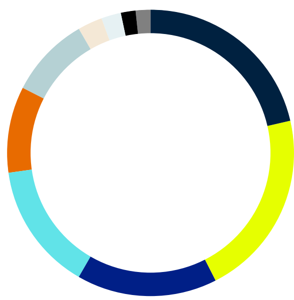
Geographic diversification

As at March 31, 2026 (%)

	62.8	United States
	16.5	Europe
	14.0	Asia
	4.9	Canada
	1.1	Oceania
	0.7	Other

Diversification by sector

As at March 31, 2026 (%)



	21.5	Financials
	21.0	Technology
	15.9	Healthcare
	14.5	Industrials
	9.8	Consumer Discretionary
	9.0	Communications
	2.9	Materials
	2.2	Consumer Staples
	1.6	Energy
	1.6	Other

Credit Investments

$35.1 B
Net AUM

$30.3 B
Net AUM (FY2025)

$1.0 B
Portfolio Income

$12.8 B
Cumulative 5-year net Portfolio Income

10.5%
5-year annualized return

7.5%
Benchmark return[1]

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

From offices in New York, London, and Montreal, 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 versus floating rates, risk-return profile, liquidity, asset mix, and overall portfolio diversification, among other considerations. Ultimately, this has resulted in both strong capital preservation and an attractive yearly cash yield.

Credit Investments has a flexible mandate and, during fiscal 2026, it continued its strategy of partnering with top-tier private equity firms. Since inception, the group has collaborated with over 70 top North American and European private equity sponsors, committing to over $90 billion of investments.

An investment-grade mandate was established for Credit Investments in November 2024, with a target allocation of 2% of AUM. Under this new mandate, the group formalized a strategy focused on private investment-grade credit investments that seeks to enhance returns while preserving the Total Fund's risk profile. The group continues to build the investment grade portfolio towards the 2% target allocation.

Long-term results

Over five years, Credit Investments achieved a rate of return of 10.5% compared to a benchmark return of 7.5%. Credit Investments has outperformed the benchmark due to credit selection, higher interest spreads versus the benchmark, and fee income. The group has strong differentiated capabilities with expertise in technology, industrials, financials, and healthcare. All four of these 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 3.1% in fiscal 2026. The total portfolio income of $1.0 billion largely consisted of interest income driven by the portfolio's average coupon and fee income, partially offset by currency losses. The portfolio experienced meaningful net valuation losses largely attributable to heightened market volatility and a broad sell-off in the technology sector, along with idiosyncratic challenges affecting a limited number of portfolio companies.

[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

- Fiscal 2026 represented the first full year of execution under the Investment Grade mandate, during which the asset class deployed $3.0 billion across nine investment grade credit investments as Credit Investments scaled the new mandate.
- Deployed an additional $9.6 billion in high-yield credit investments with a focus on the most senior part of the capital structure. Opportunities were primarily driven by borrower-led refinancing activity in private credit markets in the first half of fiscal 2026 with more muted activity in the second half of the year.
- Total deployment for the asset class amounted to $12.6 billion in the fiscal year. Total deployment amount is inclusive of $3.2 billion deployed in Infrastructure Debt, a new sub-strategy commenced in fiscal 2025. The strategy encompasses strongly rated investments with stable, long-duration cash flows supported by essential assets, enhancing its attractiveness in more volatile market conditions. Key business metrics, such as sector and geography exposures, stayed relatively flat in fiscal 2026.
- The Credit Investments portfolio experienced modest divestitures totaling $6.3 billion in fiscal 2026. This was driven by dampened deal-making activity amid a volatile macro environment in the latter half of fiscal 2026 as market conditions deteriorated—driven by renewed tariff uncertainty, geopolitical risks, and negative market sentiment in the technology sector.

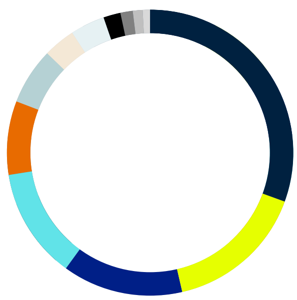
Geographic diversification

As at March 31, 2026 (%)

66.7	United States
30.9	Europe
2.0	Canada
0.4	Oceania

Diversification by sector

As at March 31, 2026 (%)



30.8	Technology
15.7	Communications
13.6	Financials
12.4	Industrials
8.5	Healthcare
6.3	Consumer Discretionary
3.8	Energy
3.7	Materials
2.0	Consumer Staples
1.3	Real Estate
1.3	Utilities
0.6	Other

Real Estate

$27.8 B Net AUM $26.6 B Net AUM (FY2025)	$(2.1) B Portfolio Loss	$(0.7) B Cumulative 5-year net Portfolio Income	-0.5% 5-year annualized return 10.3% Benchmark return[1]

Real Estate focuses on acquiring, developing, and actively managing a global portfolio of high-quality assets in major markets positioned to benefit from secular trends including demographics, urbanization, and technology-driven demand shifts.

The group invests through direct ownership, joint ventures with experienced operating partners, and selectively through funds and co-investments managed by global strategic partners.

Real Estate contributes to a resilient portfolio through diversified income and inflation protection, with an ongoing focus on asset quality and energy efficiency through capital expenditure and building upgrades.

In fiscal 2026, Real Estate continued to prioritize active portfolio management and asset sales, while pursuing new investment opportunities by drawing on market and sector expertise.

Long-term results

Over five years, Real Estate achieved a rate of return of -0.5% compared to a benchmark return of 10.3%.

Five-year performance continues to reflect headwinds in exposure to alternative Office sub-sectors, including Life Science and Studios, as well as the adverse impact of the interest rate cycle on Residential Real Estate. Other sectors such as Senior Housing, Retail and prime Office have begun to show signs of stabilization and improvement. The underperformance of these sectors over the long term has been partially offset by the strong performance of global Industrial and alternative Residential sectors, such as Student Housing.

Short-term results

The total Real Estate portfolio loss of $2.1 billion in fiscal 2026 was driven primarily by net valuation losses, corporate leverage impact, and currency movements, partially offset by distributed income. This resulted in a disappointing one-year rate of return of -7.3%.

While declining interest rates and a gradual recovery in real estate fundraising have supported increased transaction volumes, economic uncertainty continues to weigh on valuations.

Fiscal 2026 performance was notably affected by alternative Office sub-sectors; Studios faced reduced content production demand alongside other idiosyncratic headwinds, while Life Sciences were affected by persistent oversupply.

[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.

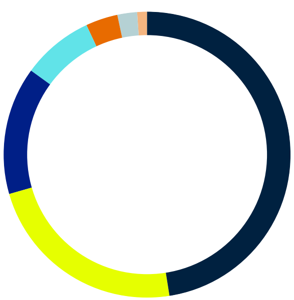
Positive performance was recorded across Industrial, Retail, prime Office, and the Senior Housing sub-sectors across the US, Canada, Europe and Asia. Multifamily and Single Family Residential posted valuation gains in select markets, though U.S. sub-sectors remain affected by general oversupply and Canadian Residential faced demand headwinds from changes to national immigration policy and near-term supply pressure.

Real Estate highlights

- Maintained a disciplined focus on leasing, refinancing, and asset management to preserve and enhance portfolio value, executing targeted dispositions to reposition the portfolio ahead of market recovery while advancing emerging opportunities with key partners.
- Actively rotated the Industrial and Retail portfolios through divestment of non-strategic assets and acquisition of high-quality properties across multiple geographies, while successfully leasing up prime office assets in Montreal, Toronto, London, Paris, and Sydney.
- Continued the development and operation of high-quality rental housing in undersupplied markets, complemented by new investment in credit-backed strategies in U.S. Residential.
- Executed significant divestments in emerging markets to reduce exposure and recycle capital into higher-conviction opportunities.

Geographic diversification

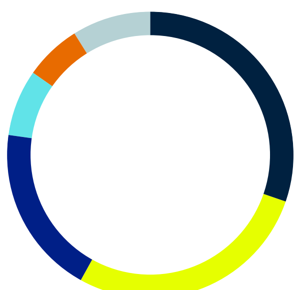
As at March 31, 2026 (%)



47.6	United States
23.0	Europe
14.5	Canada
8.0	Oceania
3.6	Asia
2.3	Central & South America
1.0	Other

Diversification by sector

As at March 31, 2026 (%)



30.4	Residential
27.7	Industrials
19.2	Office
7.6	Senior Housing
6.4	Retail
8.7	Other

Infrastructure

$32.0 B Net AUM $32.0 B Net AUM (FY2025)	$3.2 B Portfolio Income	$20.4 B Cumulative 5-year net Portfolio Income	15.0% 5-year annualized return 14.4% Benchmark return[1]

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

Investments in infrastructure provide PSP Investments with inflation protection. The group has a flexible investment strategy incorporating platforms, direct investment partnerships with like-minded investors, as well as funds, secondaries, and co-investments.

In fiscal 2026, Infrastructure significantly increased exposure to Canada within High Inflation Correlated Infrastructure, a dedicated strategy focused on North American assets that provide inflation pass-through. The group also continued to support existing platforms and portfolio companies by providing capital to fund growth and acquisitions. Portfolio optimization and monetization initiatives continued to be priorities, resulting in significant asset sales.

Long-term results

Over a five-year period, Infrastructure has achieved a rate of return of 15.0% compared to a benchmark return of 14.4%. Infrastructure has outperformed the benchmark because of top-tier asset selection, high inflation linkage, and operational expertise within its infrastructure platforms. The top performing sectors were industrials and communications (more specifically investments in the transportation subsector and data centres), which benefited from strong operating performance, favourable market conditions, and successful exits.

Short-term results

Infrastructure achieved a one-year rate of return of 10.1% in fiscal 2026. Total portfolio income reached $3.2 billion, driven by distributed income and net valuation gains, partially offset by currency losses.

The portfolio demonstrated strong diversification benefits and resilience, delivering distributions and capital appreciation. Strong organic growth in the transportation subsector—notably airports and toll roads—was a major contributor to these results. Conversely, the challenging macro environment and market conditions continued to negatively impact the renewable energy subsector.

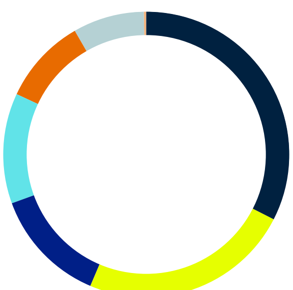
[1] In alignment with PSP Investments' corporate policy not to hedge foreign currency exposure, the benchmark for Infrastructure is set such that it remains neutral to currency movements, meaning that the actual currency return impact on the asset class is reflected in the benchmark.

Infrastructure highlights

- Invested $5.9 billion across new direct investments, funds, and follow-on investments in existing portfolio companies in fiscal 2026. Notable new investments included the acquisition of an interest in the 407 Express Toll Route in Canada and the acquisition (in partnership with KKR) of a minority stake in two Midwest electric power transmission companies owned by American Electric Power.
- Generated $3.8 billion in divestitures driven by direct exits. Significant transactions included the sale of Havfram (an international offshore wind infrastructure company) acquired in fiscal 2023 alongside Sandbrook Capital, and the sale of a minority stake in AGS Airports (a platform of high-quality freehold airports in the U.K.) to Blackstone. These divestitures were part of a continuous effort to optimize our portfolio by selectively recycling assets and capturing value.
- Established a new joint venture with BCE Inc., Canada's largest communications company, to create Network FiberCo, a long-term strategic partnership to accelerate the development of fibre infrastructure in underserved markets in the U.S. through Ziply Fiber, a leading fibre Internet provider in the U.S. Pacific Northwest region.
- The portfolio remains well diversified across sectors and geographies. Exposure to Canada and the industrials sector increased significantly in fiscal 2026 due to investment activity, while the exposure to Europe decreased substantially following the completion of divestitures.

Geographic diversification

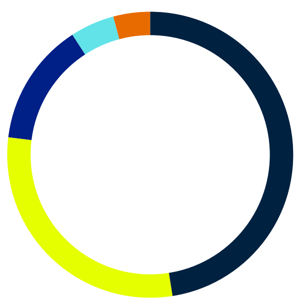
As at March 31, 2026 (%)



32.6	Europe
24.0	United States
13.0	Canada
12.6	Asia
9.6	Central & South America
8.1	Oceania
0.1	Other

Diversification by sector

As at March 31, 2026 (%)



47.7	Industrials
29.5	Utilities
13.9	Communications
5.0	Energy
3.9	Other

Natural Resources

$19.7 B Net AUM $17.9 B Net AUM (FY2025)	$0.5 B Portfolio Income	$5.3 B Cumulative 5-year net Portfolio Income	8.3% 5-year annualized return 2.0% Benchmark return[1]

Natural Resources has built a global portfolio that focuses primarily on agriculture and timber across investment-friendly jurisdictions. Applying its expertise in commodity-based businesses, the group has integrated critical minerals into its strategy—strengthening portfolio diversification and enhancing return potential.

The group partners with proven local operators who are in alignment with PSP Investments' long term investment philosophy and commitment to sustainability. Natural Resources targets opportunities positioned to benefit from attractive long-term secular trends, including favourable supply and demand fundamentals. Investments are predominantly backed by land, water, biological, and mineral assets that provide strong downside protection, inflation hedging, and uncorrelated returns. To enhance portfolio resilience and diversification, the group also invests in strategic, complementary post-resource-gate opportunities that build on the strengths of primary production.

Sustainability is an important part of the group's long-term investment strategy. Natural Resources aims to maintain high environmental and social standards, while supporting the transition to a lower carbon economy through responsible stewardship, active governance, and thoughtful capital allocation.

Long-term results

Over five years, Natural Resources generated $5.3 billion in portfolio income and achieved a rate of return of 8.3% compared to a benchmark return of 2.0%. 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, biological, and mineral assets.

Short-term results

Natural Resources achieved a one-year rate of return of 2.4% in fiscal 2026. Total portfolio income of $0.5 billion was primarily driven by distributable income, net valuation gains, and currency gains, partially offset by interest expenses.

The portfolio demonstrated diversification benefits and resilience, generating capital appreciation and distributions despite ongoing geopolitical uncertainty. Capital appreciation was driven primarily by sustained demand for agricultural land, complemented by the disciplined acquisition of attractively valued assets.

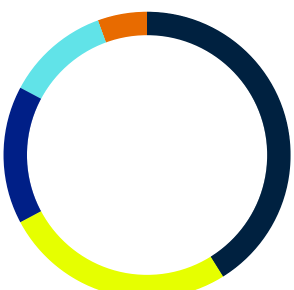
[1] In alignment with PSP Investments' corporate policy not to hedge foreign currency exposure, the benchmark for Natural Resources is set such that it remains neutral to currency movements, meaning that the actual currency return impact on the asset class is reflected in the benchmark.

Natural Resources highlights

- Deployed over $1.1 billion in agriculture and timber, growing to 4.1 million hectares of land.
- Advanced its Critical Minerals strategy through a cornerstone commitment to a critical minerals-focused metals and mining fund.
- Expanded its footprint in Latin America by establishing a buy-and-lease row-crop venture with one of Brazil's largest grain and fibre producers.
- Continued to support climate and sustainability governance by broadening Scope 1-3 emissions reporting, reinforcing whole-of-person safety, and contractor assurance.

Geographic diversification

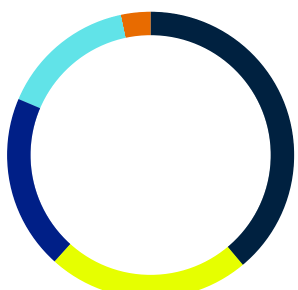
As at March 31, 2026 (%)



41.3	Oceania
26.0	United States
15.7	Central & South America
11.5	Canada
5.5	Europe

Diversification by sector

As at March 31, 2026 (%)



38.9	Permanent Crops
23.0	Row Crops
19.6	Timber
15.2	Animal Protein
3.3	Other

Managing costs

Our approach

PSP Investments' mandate is to invest the funds entrusted to it with the goal to achieve maximum rate of return, net of costs, over the long term, without undue risk of loss, and in the best interests of contributors and beneficiaries.

As further described in under the Investment Framework section above, the Policy Portfolio is designed to achieve PSP Investments' 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 the 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 strategic investment choices also influence our cost profile. Effective cost management is integral to fulfilling the mandate. Costs are managed and evaluated in the context of strategic investment decisions, alongside the returns they generate and the risks they mitigate over the long term. In practice, this means disciplined resource allocation, rigorous prioritization, and continued improvements in operating efficiency, while preserving the capabilities needed to deliver on the mandate and execute strategic initiatives. The progress made under this approach is reflected in the operating cost ratio for fiscal 2026, as discussed in the Operating costs section below.

Total Fund returns are reported net of all costs. As discussed in the "Analysis of Total Fund Results" section, a key measure of success is the value created by PSP Investments, net of all costs, relative to the Reference Portfolio over a 10-year period. This net value reflects the outcomes of strategic investment decisions.

To this end, the cumulative investment gains, net of all costs, in excess of the Reference Portfolio over a 10-year period amounted to $14.5 billion.

Cost governance framework

We hold ourselves to a high standard of governance in making decisions impacting costs. The cornerstone of our cost governance framework is the annual capital and financial planning process, where key cost decisions are challenged.

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

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

Cost categories

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

Cost category		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 and an asset mix more heavily weighted in private markets' asset classes have a significant impact on PSP Investments' workforce and, in turn, its operating costs. They 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 of 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 borrowed funds as described in our Global Debt Program (see page 69).	Borrowing allows us to invest additional funds earning returns well in excess of the cost of borrowing.
Tax expenses	Tax	Tax expenses are current and deferred income taxes attributable to investments directly held by PSP Investments.	To diversify our investment across different geographies that are subject to different types of taxation.

Costs by type

The following table presents operating, investment, and financing costs, tax expenses, and other costs for our 2026 and 2025 fiscal years. It includes costs incurred by PSP Investments and reported in the Consolidated Financial Statements prepared in accordance with IFRS. In line with evolving market practices of enhanced transparency, we also show additional fees embedded within investment structures, such as funds and other investment vehicles held. These fees are embedded in the fair value of the investments and included in investment income as reported in the Consolidated Financial Statements as required by IFRS.

	Fiscal 2026				Fiscal 2025	
($ millions)	Costs incurred by PSP Investments per Consolidated Financial Statements	Fees embedded within investment structures[1]	Total costs	Total costs ex-CGF mandate[2]	Total costs	Total costs ex-CGF mandate[2]
Salaries & employee benefits	508	–	508	–	534	–
Other general and administrative costs	295	–	295	–	297	–
Total operating costs[3]	**803**	**–**	**803**	**766**	**831**	**790**
Management fees	26	714	740	–	744	–
Transaction costs[4]	191	–	191	–	179	–
Performance fees	67	552	619	–	667	–
Total investment costs	**284**	**1,266**	**1,550**	**1,533**	**1,590**	**1,582**
Financing costs	1,490	–	1,490	–	1,465	–
Tax Expenses[4]	79	–	79	–	2	–
Other (net)	74	–	74	–	46	–
Total costs	**2,730**	**1,266**	**3,996**	**3,942**	**3,934**	**3,885**

[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 2025 costs have been restated to be presented on a comparable basis.

[2] 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 27.

[3] 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 $23 million (March 31, 2025 – other income (net) of $11 million).

[4] During the year ended March 31, 2026, PSP Investments updated its presentation of investment-related expenses to include current and deferred tax expenses as a separate line item. Comparative figures were reclassified to conform to the current year's presentation. For the year ended March 31, 2025, $27 million and $(25) million are reclassified from Transaction costs and Other (net) to Tax expenses.

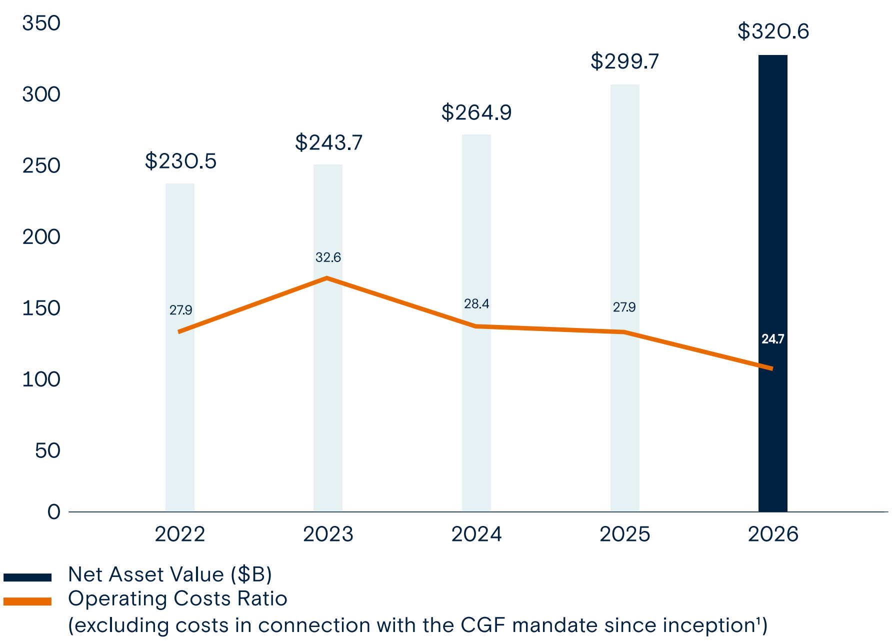
Operating costs

Operating costs are incurred to support the core capabilities and provide the necessary services for the Total Fund's ongoing operations. Active management and an asset mix more heavily weighted in private markets' asset classes requires a larger workforce, resulting in higher operating costs.

These costs are managed strategically through continued cost discipline, continuous efficiency improvements, and rigorous prioritizations. Operating expenses play a critical role in sustaining a capable and effective investment management organization and in supporting the successful execution of strategic initiatives over the long term.

Excluding the CGF mandate,[1] the operating cost ratio improved to 24.7 basis points (bps) in fiscal 2026, from 27.9 bps in the prior year. This result reflects the continuing impact of a multi-year effort to improve operating efficiency, building on cost-discipline actions taken in prior years. This work continues under the operational excellence pillar of our three-year corporate strategy.

PSP Investments' operating costs amounted to $766 million, excluding the CGF mandate,[1] in fiscal 2026, compared to $790 million in fiscal 2025. Fiscal 2026 was a pivotal year for PSP Investments as there was an increased focus on deliberate cost-containment actions, including workforce and organizational adjustments, contributing to a year-over-year decrease of -3%.



[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 27.

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 in targeted sectors and geographies. For fiscal 2026, management fees were $740 million, compared to $744 million in fiscal 2025. The decrease was primarily due to savings in Private Equity, reflecting lower fee-paying asset exposure resulting from recent portfolio streamlining and asset sales, which have reduced the overall cost base.

Transaction costs fluctuate annually based on the volume, scale, and intricacy of the investment activities. In fiscal 2026, transaction costs, excluding the CGF mandate,[1] totaled $174 million, representing a $24 million decrease compared to fiscal 2025 costs of $198 million. The year-over-year decline primarily reflects higher transaction costs in fiscal 2025 resulting from non-recurring Capital Markets capital-gain taxes, which did not recur in the current fiscal year.

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 2026 totaled $619 million, reflecting positive results across all asset classes and consistent outperformance relative to their respective hurdle rates. The year-over-year decrease of $48 million is mainly attributable to the Infrastructure portfolio and reflects effective portfolio management, as performance fees were elevated in fiscal 2025 following significant value realizations that did not recur at the same level in fiscal 2026.

The overall decrease is partially offset by the Real Estate portfolio, particularly within the Senior Housing sector, as well as diversified funds.

Financing costs

PSP Investments utilizes leverage to expand our 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 Total Fund's overall return calculations.

Financing costs in fiscal 2026 were $1,490 million compared to $1,465 million in the prior year.

Total costs

Total costs (excluding the CGF mandate[1]) increased by $57 million year-over-year (+1.5%), while net asset value grew $21 billion (+7.0%) in the same period, underscoring operating leverage as the institution scales.

The following table presents investment costs for our 2025 and 2026 fiscal years by asset class.

($ millions)	Fiscal 2026	Fiscal 2025
Capital Markets	544	464
Private Equity	354	412
Credit Investments	100	99
Real Estate	266	156
Infrastructure	164	319
Natural Resources	74	61
Other[A]	31	71
Total costs	1,533	1,582

[A] Other includes the total costs of Complementary Portfolio investments prior to October 1, 2025.

[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 27.

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, which it invests in the best interests of the beneficiaries and contributors under their respective legislative 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

We believe in the prudent use of leverage to enhance returns and manage liquidity, while protecting our credit ratings as issued by recognized credit rating agencies. We employ a holistic approach in managing leverage with the primary objective of ensuring efficient leverage allocation at the Total Fund level.

Global Debt Program and Green Bond Framework

As part of our leverage, we maintain a Global Debt Program consisting of short-term programs and term debt issuances. In fiscal 2026, we issued the Canadian dollar equivalent of $5.7 billion under our Global Medium-Term Note (GMTN) program, including an inaugural five-year GBP bond for a total of $1.1 billion and a seven-year EUR bond for a total of $2.0 billion. We also issued the Canadian dollar equivalent of $1.4 billion under our Australian Medium-Term Note (AMTN) program. The issuances under these two medium-term debt programs in fiscal 2026 totaled $7.1 billion in Canadian dollar equivalent, for a total term debt outstanding amount of $30.4 billion as of March 31, 2026. These are complemented by short-term programs, consisting of Canadian, U.S. and Euro commercial paper programs. The outstanding amount under these short-term programs was $8.0 billion for fiscal 2026, a decrease of $2.3 billion compared to the prior year. Overall, these diverse debt programs totaled $38.4 billion as of March 31, 2026, compared to $34.7 billion as of March 31, 2025, enabling us 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 used to optimize the risk-return profile of the Policy Portfolio.

The Green Bond program now totals $3.9 billion in Canadian dollar equivalent, following the issuance of our fourth Green Bond in fiscal 2026—a $1.0 billion, domestic seven-year floating rate bond. This issuance was conducted under our updated Green Bond Framework, dated October 2025, which aligns with evolving market standards. 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 us to access a broad spectrum of investors. We published our 2025 Green Bond Impact Report in September 2025, reporting on climate performance and allocation for Green Bond issuances in accordance with the terms set out in our Green Bond Framework. In an effort to align all sustainability and climate related disclosures, the 2026 Green Bond Impact Report is published concurrently with this report.

Guarantees, indemnities and commitments

Guarantees and indemnities

In the normal course of business, PSP Investments provides indemnification to its directors, officers, employees, and to certain PSP Investments representatives asked to serve as directors or officers of entities in which we, or our investment entity subsidiaries, have made an investment or have a financial interest. As a result, but subject to the *Public Sector Pension Investment Board Act*, we may be required to indemnify these representatives for costs incurred, such as claims, actions, or litigation in connection with the exercise of their duties, unless the liability of such a representative relates to a failure to act honestly and in good faith. To date, we have not received any material claims or made any material payment for such indemnities.

In certain cases, PSP Investments also provides indemnification to third parties in the normal course of business. As a result, we may be required to indemnify such third parties in connection with the performance of their contractual obligations. To date, we have not received any material claims nor made any material payments for such indemnities.

PSP Investments unconditionally and irrevocably guarantees all credit facilities, as well as short-term promissory notes and medium-term notes, issued by PSP Capital Inc. (as described in Note 8 of the Consolidated Financial Statements).

In certain investment transactions, PSP Investments and our 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, 2026, the maximum amount of obligations that could be assumed by PSP Investments and our investment entity subsidiaries in relation to such guarantees was $2,043 million, compared to $3,023 million in the prior year, while it was $177 million, compared to $165 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 our 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, 2026, these commitments amounted to $32,780 million, compared to $36,965 million in the prior year. The decrease was driven by lower commitments in fiscal 2026 in Private Equity and Infrastructure, partially offset by higher commitments in Natural Resources. The year-over-year variation primarily reflects the timing of commitment signings and the corresponding deployment of capital.

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 our 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. 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 classified as Level 3 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 internal valuation committee.

In cases where the services of third-party appraisers are used, management ensures their independence and that valuation methods used are consistent with the 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 fund investments classified as Level 3, the annual fair value is generally determined based on most recent audited financial statements received from the fund's general partner. For interim reporting periods, 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.

Globally, international military conflicts and trade-tariffs tensions remain uncertain and contribute to volatility in financial markets, exerting pressure on the broader economic environment. The determination of fair value for investments classified as level 3 reflected, where applicable, the effect of market volatility and price sensitivities brought on by the escalation of recent international military conflicts as well as of tariffs that were imposed on or before March 31, 2026. Although any military progress announcements and trade tariffs announced or imposed after the reporting date were not reflected in such valuations, related macroeconomic uncertainties and volatility present at March 31, 2026, and their impact on the fair value of investments were taken into consideration as applicable.

PSP

In this section

Climate-Related Financial Disclosures

Forward-looking statements

This section of the report contains forward-looking statements and disclosures, including sustainability-related statements and disclosures. Please refer to "Forward-looking statements, disclaimer and additional caution regarding sustainability-related disclosures" on page 89 of this report for a discussion of the factors, assumptions and risks relating to such statements and disclosures.

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.

Introduction

At PSP Investments, we believe that climate change is a long-term systemic risk that could have a material impact on investment risks and returns, over time and across different sectors, geographies, and asset classes. Our view is informed by scientific evidence from the Intergovernmental Panel on Climate Change (IPCC) and considers both physical and transition risks.

We aim to proactively integrate climate-related risks and opportunities into our investment strategy, portfolio construction, risk management, investment decisions, and asset management activities to promote disciplined decision-making and long-term value creation. Our approach focuses on climate-related risks and opportunities as financial considerations. It includes engagement with portfolio companies and external fund managers, where appropriate, to support the assessment and management of material climate-related factors.

In 2022, we introduced our inaugural 2022 Climate Strategy Roadmap ("2022-2026 Climate Strategy"). The 2022-2026 Climate Strategy marked the first step in the evolution of our approach to climate and articulated our objective to proactively manage climate-related risks and opportunities, strengthen disclosure, and support a disciplined, long-term transition, consistent with our mandate and expertise.

Under the strategy, we set six targets across different areas and achieved three of the six by the time the strategy concluded in fiscal 2026. Our performance underscored the importance of developing climate approaches through broad organizational collaboration, complementing climate metrics with deeper asset-level analysis and engagement, focusing on both physical and transition risks and of a value-creation approach to adaptation and transition plans.

Building on our successes and lessons learned, we are carrying forward into fiscal 2027 and beyond certain aspects of our strategy, including some of the climate governance, risk management and engagement practices from the 2022-2026 Climate Strategy. We are also transitioning to a more embedded model for managing climate-related risks and opportunities, and we are piloting a new climate risk framework intended to guide how climate-related risks and opportunities are identified, assessed, and managed across the investment lifecycle.

Our Climate-Related Financial Disclosures (CFD) are informed by CSDS 1 and CSDS 2[1] on financial disclosures related to climate-related risks and opportunities and cover the following topics:

- Progress made and lessons learned while pursuing the 2022-2026 Climate Strategy;
- Our evolving approach from fiscal 2027 onward; and
- PSP Investments' governance, strategy, risk management, and metrics and targets around climate-related risks and opportunities in fiscal 2026.

Fiscal 2026 key achievements

We continued to enhance our climate capabilities in fiscal 2026. Key achievements included the following:

- Evolved our sustainability operating model with the aim of further embedding ownership and responsibility for climate risks and opportunities in asset classes and corporate functions.
- Led by our internal experts, cross-department working groups advanced our climate monitoring practices. Outcomes included onboarding new physical climate risk monitoring tools and engaging with portfolio companies and partners to develop transition and adaptation plans and inform our transition plan assessment practices.
- Rolled out dashboards to better support asset classes in their sustainability engagement activities and progress tracking.
- Updated our Green Bond Framework.

[1] General Requirements for Disclosure of Sustainability-related Financial Information ("CSDS 1") and Climate-related Disclosures ("CSDS 2").

Closing of our 2022-2026 Climate Strategy

Fiscal 2026 marked the conclusion of our 2022-2026 Climate Strategy and its associated targets. The strategy established foundational capabilities and improved consistency in the assessment of climate-related risks and opportunities across the organization.

Progress under this strategy was monitored and reported annually to senior management and the Board of Directors since its implementation at the beginning of fiscal 2023. Learnings from the 2022-2026 Climate Strategy, summarised below, will inform the evolution of our approach going forward.

Climate integration: Under the 2022-2026 Climate Strategy, we advanced the integration of climate-related risks and opportunities throughout the investment lifecycle. This included incorporating climate transition and physical risks into due diligence processes, embedding climate in enterprise-wide risk assessment and enhancing top-down climate scenario analysis to inform portfolio-level insights. We also strengthened our tools, data and methodologies, and our collaboration supporting this work across the organization. These efforts enabled a more consistent integration of climate-related factors into investment decision-making and further embedded climate-related risk ownership within investment teams.

Climate investing and sustainable finance: As part of the 2022-2026 Climate Strategy, we set targets related to climate investing—including targets for green assets, transition assets, carbon intensive assets, and portfolio coverage by mature science-based transition plans—as well as for sustainable financing.

We achieved our targets related to increasing exposure to green and transition assets, reflecting coordinated efforts across the organization to acquire green assets and to engage with our portfolio entities to develop and implement transition plans. We also achieved our sustainable financing target of steering at least 10% of our long-term debt financing toward green bonds by fiscal 2026.

Our progress against the carbon-intensive asset target was influenced by several factors, including methodological enhancements introduced in fiscal 2022 that improved the identification and classification of carbon-intensive investments without a corresponding baseline adjustment. As a result, at the end of fiscal 2026, results did not achieve the target, driven primarily by changes in measurement rather than portfolio composition.

Similarly, by fiscal 2026, not all assets representing 50% of our carbon footprint had mature, science-based transition plans in place. This reflects the practical and structural challenges of advancing standardized, science-based decarbonization commitments across diverse geographies, sectors, and asset types, particularly where regulatory frameworks, data availability, and transition readiness evolve at different speeds. These insights continue to inform how we prioritize stewardship, deepen engagement, and support portfolio companies' transition readiness.

Engagement and proxy voting: The 2022-2026 Climate Strategy supported the evolution of our engagement approach, moving from baseline disclosure requests towards more in-depth analysis to inform engagement discussions with portfolio entities and external fund managers. This enabled more tailored dialogue on transition readiness and resilience, which we believe supports long-term value creation. The strategy also helped strengthen our risk management approach and deepened our understanding that outcomes may vary depending on company-specific contexts, including factors such as sectoral pathways, regulatory environments, technology availability, capital requirements, and differing starting points in emissions intensity and data maturity.

Reporting and disclosure: Our disclosure approach is intended to provide transparency into how climate-related risks and opportunities are identified, assessed, managed, and overseen across the organization. Our disclosures are informed by CSDS 1 and CSDS 2, which are aligned with the IFRS Sustainability Disclosure Standards. We also engage with industry initiatives, partners and portfolio entities to support more consistent and comparable climate-related disclosures aligned with international frameworks and standards, including those aligned with the IFRS Sustainability Disclosure Standards.

As part of our 2022-2026 Climate Strategy, PSP Investments set a target to increase greenhouse gas (GHG) data availability to 80% of our in-scope portfolio under our Green Asset Taxonomy by fiscal 2026. By the end of the strategy period, data coverage for in-scope GHG emissions had improved to approximately 67%, up from 56% in fiscal 2021, reflecting a meaningful step change in the maturity of our data collection processes and the quality of underlying information.

While we did not fully achieve the target, progress was shaped by factors largely outside PSP Investments' direct control, including the pace of voluntary GHG reporting adoption across private asset classes, varying levels of reporting maturity across sectors and geographies, and growth in in-scope assets under management, which expanded the denominator over the strategy period.

PSP Investments remains committed to continuing to expand the availability and quality of climate-relevant information across its investment portfolio, in line with evolving market practices and disclosure expectations, as part of our integrated approach to climate management and investment decision-making.

Leadership and collaboration: PSP Investments engages with industry initiatives and standard setting organizations, including the Principles for Responsible Investment (PRI), the Canadian Sustainability Standards Board (CSSB), EDCI and the Global Real Estate Sustainability Benchmark (GRESB) to help develop consistent and comparable climate-related data and disclosures.

Since the launch of our 2022-2026 Climate Strategy, we have reduced our weighted average carbon intensity (WACI) by approximately 20% relative to our 2021 baseline. While portfolio-level emissions intensity remains a useful lens to monitor progress, our experience has reinforced that it is an imperfect measure of climate risk for a global investment portfolio spanning sectors and geographies at different stages of the transition—particularly where higher-emitting activities are essential to the energy transition and require long-term capital to support decarbonization.

Evolving our approach

The implementation of our 2022-2026 Climate Strategy reinforced several important lessons that will inform our approach going forward, including the areas of climate governance, risk management and engagement practices.

Fiscal 2027 is serving as a transition year where the objective is to move us to a more embedded approach to climate management, designed to better reflect investment realities, support portfolio resilience, and integrate climate-related factors within our broader investment, risk management, and governance frameworks. Specifically, we aim to continue and enhance how we:

- Assess climate-related physical and transition risks and opportunities (as informed by sector-specific guidance, including SASB standards) as part of investment due diligence and integrate such risks into asset management and exit decisions, to account for their potential impact on long-term risk and return.
- Incorporate climate-related factors into portfolio construction and risk management, including through top-down scenario analysis to assess the resiliency of our policy portfolio.
- Engage, where appropriate and financially relevant, with portfolio companies to support the assessment and management of climate-related risks and opportunities, taking into account the nature of the investment, degree of influence, and investment horizon.
- Monitor relevant climate-related metrics, including portfolio financed emissions and carbon footprint, to support risk assessment and transparency.
- Assess the credibility of value-creating transition and adaptation plans.

We are transitioning from an approach centered on our Green Asset Taxonomy to a more embedded climate risk framework. The new climate risk framework guides how climate-related risks and opportunities are identified, assessed, and managed across the investment lifecycle through a two-stage approach: an initial rule-based screening to identify higher-risk investments, followed by in-depth analysis to confirm financial materiality.

We are piloting the framework across our asset classes' investment processes and portfolios throughout fiscal 2027, supported by internal experts. The information we gather will help us to continuously refine, evolve, and improve our approach. PSP Investments' senior management is monitoring the framework pilot. As of April 1, 2026, our former Green Asset Taxonomy is no longer in use.

Refining our sustainability-related policies and frameworks is a continuous process consistent with our long-term mandate. As part of our transition to a more embedded model, we are progressively expanding climate-related ownership and accountability across asset classes and corporate functions. Together, these efforts are designed to support PSP Investments in managing climate-related risks and opportunities as an integrated part of our investment activities, contributing to long-term value creation.

Our evolving approach

From		To
Top-down strategy development and target-setting	>	Bottom-up, collaboratively developed, operationally tested approach
Investment decisions influenced by portfolio carbon exposure	>	Investment decisions anchored first and foremost in asset-level analysis complemented by carbon metrics
Primarily focused on transition risks	>	Focused on both physical and transition risks
Target-driven approach to transition plans	>	Value-creation approach to adaptation and transition plans

Governance

In this section, we provide an overview of our governance framework and practices around climate change as at March 31, 2026. For further information on PSP Investments' governance framework and practices, including on sustainability-related topics, refer to our website and the "Risk management" section of this report.

Board's oversight

The Board has overall responsibility for PSP Investments' 2022-2026 Climate Strategy, which was integrated into the Board approved strategic plan, the corporate business plan, our Sustainable Investment Policy and Statement of Investment Policies, Standards and Procedures, as well as our Corporate Governance and Proxy Voting Principles.

Together, these plans and policies have articulated our approach to integrating material sustainability-related factors, including climate-related risks and opportunities, throughout the investment lifecycle to support long term value creation and portfolio resilience.

As part of its overall risk oversight and management responsibilities, the Board oversees the manner in which material risks, including climate-related considerations, are appropriately identified, assessed, managed, monitored, and reported. This responsibility is delegated to the Board's Investment and Risk Committee.

The Board's Audit Committee approves sustainability-related financial information reporting, while the Board's Governance Committee recommends approval of sustainability and climate-related disclosures to the Board. The Governance Committee is also responsible for monitoring PSP Investments' implementation of sustainable investment activities, including those relating to climate change risks and opportunities.

To effectively discharge its responsibilities, the Board collectively brings an appropriate level of experience and competencies, with six directors identifying sustainability (including climate) among their top five areas of expertise.

Management's responsibilities

At PSP Investments, climate-related risks and opportunities are subject to the same governance framework as other investment criteria. Investment approval memoranda from asset class investment teams to investment committees discuss material climate-related risks and opportunities, along with associated risk mitigation measures, where applicable. Management is responsible for monitoring and disclosing progress against the 2022-2026 Climate Strategy's objectives through a senior management committee. As PSP Investments' approach to managing climate-related risks and opportunities evolves, management continues to hold accountability for oversight and implementation of our approach, with governance and key decisions appropriately escalated to a senior management committee.

Strategy

Climate-related risks and opportunities

In alignment with our mandate, PSP Investments strives to manage material climate-related risks and opportunities through its investment strategy, risk management and active ownership practices. Climate-related risks are expected to materialize over different time horizons and intensify. We have identified physical and transition risks and opportunities that could affect key financial drivers, including credit, market, and liquidity risks. These risks could materially impact the value of our investments in the following timeframes:

Short term (pre-2030): We recognize that immediate acute physical risks, such as more frequent extreme weather events, may adversely impact financial performance and require adaptation and resilience measures. Evolving policy and technology landscapes may also reshape the investment opportunity set and may present risk-adjusted opportunities across the carbon intensity spectrum.

Medium term (2030-2040): We believe that several assets will face acute and chronic physical risks, intensifying economic costs associated with frequent and impactful extreme weather events, and that carbon-intensive assets may face increasingly strict regulatory requirements. The ability to adapt swiftly to regulatory changes and stakeholder expectations will be important as we aim to capitalize on potential investment opportunities, emphasizing the need for agile investment strategies that can both manage risks and make the most of market potential.

Long term (2040 and beyond): Climate scenarios developed in collaboration with an external consultant highlight the contrast between a failed climate transition scenario, and an orderly net-zero transition scenario. However, both would impact long-term risk-adjusted returns through heightened chronic physical risks.

For more details on our sustainable investment approach, refer to the "Investment framework" section of this report.

Impacts of climate-related risks and opportunities on our businesses, strategy, and financial planning

We continue to assess and manage the climate-related risks and opportunities within our investment strategy amid evolving macroeconomic, geopolitical, regulatory and market conditions. PSP Investments focuses on building foundational capabilities and improving consistency in the assessment of climate-related risks and opportunities across the organization. These efforts support portfolio adaptation and resilience and may contribute to value preservation and long-term value creation.

We continue to seek to leverage external consultants and data platforms to help inform our evaluation of the physical impacts of climate change on our real assets, and other relevant portfolio assets where applicable, and to consider their impacts throughout our investment decision-making and asset management activities.

The investment recommendation memoranda presented to a senior management committee and to the Board's Investment and Risk Committee discuss these material climate-related risks and opportunities, along with associated risk mitigation measures, where applicable.

Climate resilience of our strategy

We seek to integrate climate-related risks and opportunities into our portfolio construction and risk management to enhance portfolio resilience and support our overall portfolio strategy. The resilience of our policy portfolio is assessed through top-down analysis of various climate scenarios, and we compare outcomes to the reference portfolio provided annually by the Treasury Board of Canada Secretariat.[1] Our scenario analysis indicates that PSP Investments' active management approach, dynamic portfolio construction and climate-aware investment decisions have resulted in better positioning of the policy portfolio from a risk and return perspective compared to the reference portfolio provided to PSP Investments, under all climate scenarios considered, ranging from a 1.5°C net-zero transition scenario to a high-warming scenario.

For more information on our investment-level decision-making strategy, refer to the bottom-up risk assessment process below and to the "Investment framework" section of this report.

[1] For more information, refer to the Statement of Investment Policies, Standards and Procedures for Assets Managed by PSP Investments.

Risk Management

In this section, we provide an overview of our risk management around climate change as at March 31, 2026. Our risk management processes and policies are discussed in more detail in the "Investment framework" and "Risk management" sections of this report.

Our risk identification and monitoring processes are used to identify, assess and monitor new and evolving risks that have the potential to impact our objectives. Sustainability-related risks and opportunities, including climate, represent one of our horizontal risks. Our Risk Appetite Statement and supporting risk management related policies are reviewed and approved annually by the Board and its committee; together, they inform our approach toward these risks. For more information on our fund-level scenario analysis, refer to the "Strategy" section.

At the investment level, and in alignment with our mandate, where applicable, our due diligence process incorporates an assessment of material climate-related physical and transition risks, as well as climate-related opportunities, relevant to an asset or company's sensitivity to climate-related risks. Our internally managed investments are analyzed where appropriate for long-term climate-related risks affecting enterprise value,[1] factoring in industry and geography. Our due diligence process also seeks to evaluate transition plans, emissions reporting and exposure to climate-related physical risk under different climate scenarios, where applicable.

For externally managed investments, our investment framework aims to integrate financially material climate-related risks and opportunities, alongside other sustainability-related risks and opportunities, and we strive to survey, where relevant, the climate change approaches in the investment activities of new general partners and external managers. We seek to collaborate with external consultants and industry experts to align our investment assessments with market practices. We aim to enhance our understanding of climate-related risks and to explore potential correlation with financial performance, including potential downside risks. We also actively seek insights to capitalize on the low-carbon economy's influence on innovation and growth, which presents valuable prospects for long-term investment strategies.

As an active owner, when material and appropriate, PSP Investments may aim to influence climate actions within our portfolio companies by encouraging assessment of material climate-related risks and opportunities across their value chains, supporting the development of robust mitigation plans and strategies and encouraging alignment with the IFRS S2 Climate-related Disclosure Standard, or similar standards, for transparency and risk management purposes.

Our engagement is tailored to the type of investment, level of exposure, and time horizon, across public or private asset classes.[2] Through direct dialogue, collaboration, and proxy voting, we seek to influence governance, risk management, and sustainability disclosure aligned with our long-term mandate.

[1] Here and throughout the report, enterprise value is defined as the sum of the market capitalization of ordinary shares at fiscal year-end, the market capitalization of preferred shares at fiscal year-end, and the book values of total debt and minorities' interests. No deductions of cash or cash equivalents are made to avoid the possibility of negative enterprise values.

[2] For the purposes of this report, Public asset classes and Private asset classes refer to portfolio-wide aggregations of asset classes, consistent with PSP Investments' investment structure, and do not reflect the scope of climate-related metrics. Public asset classes include investments from Public Market Equities and Government Fixed Income. Private asset classes include Infrastructure, Private Equity, Credit Investments, Natural Resources and other private asset classes, which may hold both privately held and publicly listed securities, either directly or through underlying investments' fund structures.

Metrics and Targets

We use key climate-related metrics to monitor, manage and disclose our portfolio exposure to climate-related risks.

Those metrics include financed emissions,[1] portfolio carbon footprint,[1] weighted average carbon intensity (WACI) and PSP Investments' Green Asset Taxonomy. Refer to subsection "Additional information on climate-related metrics", to subsection "Additional information on the application of PCAF Standards" and to "Forward-looking statements, disclaimer and additional caution regarding sustainability-related disclosures" section for additional information on these metrics.

Results[2]

Our climate-related metrics calculation applies to 76% of our investment portfolio[3] as of March 31, 2026 (74% as of March 31, 2025).

	2026	2025
Financed emissions (kilotonnes of CO_2e)		
Public asset classes	**4,225**	3,703
Private asset classes	**4,435**	4,777
Total – Financed emissions (kilotonnes of CO_2e)	**8,660**	8,480
Adjusted AUM in-scope ($ million)		
Public asset classes	**109,020**	87,242
Private asset classes	**178,749**	173,310
Total	**287,769**	260,552
Total Carbon footprint (tonnes of CO_2e/$ million)	**30**	33
WACI (tonnes of CO_2e /$ million)		
Public asset classes	**114**	109
Private asset classes	**80**	116
Total – WACI (tonnes of CO_2e/$ million)	**93**	114

During fiscal 2026, adjusted AUM in-scope increased by 10%, while financed emissions slightly increased by 2%, resulting in a 9% decrease in our portfolio carbon footprint. WACI decreased by approximately 18%, partly explained by the disposal of certain higher-emissions assets.

Since the launch of our 2022-2026 Climate Strategy, PSP Investments has reduced WACI by approximately 20% relative to the 2021 baseline. The decrease was influenced by several factors, including a higher level of adjusted AUM in-scope, changes in portfolio composition, greater reliance on reported GHG data rather than proxies, and fluctuations in adjusted AUM in-scope driven partially by macroeconomic conditions.

[1] These metrics are informed by the Partnership for Carbon Accounting Financials (PCAF) Standards.
[2] Differences may arise due to rounding.
[3] Based on our adjusted AUM.

Green Asset Taxonomy

PSP Investments' inaugural 2022-2026 Climate Strategy was underpinned by PSP Investments' Green Asset Taxonomy, an internal classification system. The Green Asset Taxonomy has guided our climate measurement and management approach by enabling us to monitor exposure to green, transition, and carbon-intensive assets, as defined in the methodology of the Green Asset Taxonomy.

As part of the 2022-2026 Climate Strategy, we set targets in 2022 to support the alignment of our investment approach with the global transition to net-zero, as illustrated in Figure 1 below.

In fiscal 2026, we reached $78.9B green assets thereby exceeding our $70B target. This represents an increase of 4% compared to fiscal 2025 and was driven by multiple factors including an increase in PSP Investments' adjusted AUM in-scope, improved data coverage, and reductions in GHG emissions intensity by portfolio companies.

We also reached $15.3B transition assets, surpassing our $7.5B target. This represents an increase of 47% compared to fiscal 2025, driven mainly by data coverage improvement and increase in PSP Investments' adjusted AUM in-scope.

Our carbon-intensive assets decreased by 22% in fiscal 2026, reflecting data coverage improvement and change in portfolio composition. As of March 31, 2026, our Carbon-Intensive Assets are valued at $4.9B compared to the $3.9B target. Our progress against the carbon intensive asset target was influenced by several factors, including methodological enhancements introduced in fiscal 2022 that improved the identification and classification of carbon intensive investments without a corresponding baseline adjustment. As a result, at the end of fiscal 2026, results were below the original target, driven primarily by changes in measurement rather than portfolio composition.

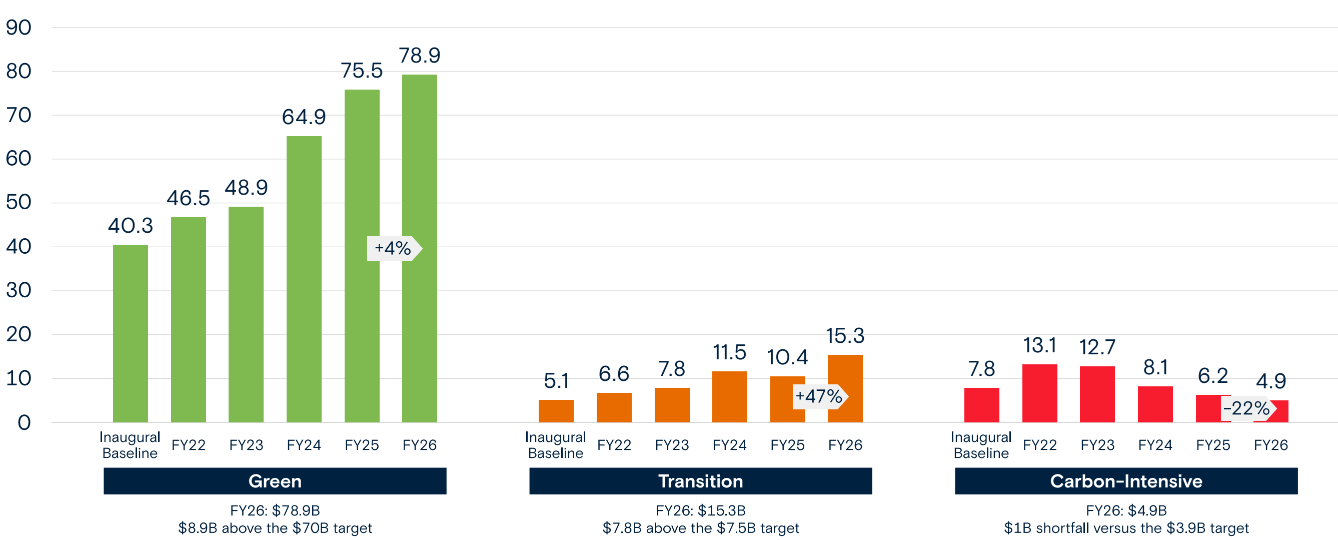
In fiscal 2026, we continued our data collection exercise across our investments in private asset classes, for both direct and fund positions.

Approximately 67% of the adjusted AUM in-scope is directly reported by portfolio companies compared to a target of 80% (66% in fiscal 2025). While we did not fully achieve the target, progress was shaped by factors largely outside PSP Investments' direct control, including the pace of voluntary GHG reporting adoption across private asset classes, varying levels of reporting maturity across sectors and geographies, and growth in in scope assets under management, which expanded the denominator over the strategy period.

Also, the target to ensure that assets representing 50% of our carbon footprint would have mature, science-based transition plans by 2026 was not fully achieved. This reflects the practical and structural challenges of advancing standardized, science-based decarbonization commitments across diverse geographies, sectors, and asset types, particularly where regulatory frameworks, data availability, and transition readiness evolve at different speeds.

Our fiscal 2026 targets have now ended.

Figure 1: Our Green Asset Taxonomy results in CAD$ billion for fiscal 2026



We apply the same calculation scope as the climate-related metrics, except for assets under development, which are excluded from the climate-related metrics but are included under the Green Asset Taxonomy.

Green Bond Framework

Since 2022, PSP Investments' Green Bond program, governed by its Green Bond Framework (originally published in fiscal 2022, and updated in fiscal 2024 and fiscal 2026), aims to enable capital raising and investment for new and existing projects that promote the development of environmental and climate benefits in order to support sustainable development. Net proceeds from issuance of Green Bonds are allocated to eligible assets that support or enable the transition to a low-carbon economy. The Green Bond Framework was updated in October 2025, informed by evolving market practices. Further information about these changes can be found in the Green Bond Framework.

In fiscal 2026, we issued a $1B green bond, increasing sustainable bond financing at PSP Capital Inc., a wholly-owned subsidiary of PSP Investments, to 10.3% of total debt outstanding as at March 31, 2026, thereby achieving our 10% target. This target has now ended. Refer to our Green Bond Framework for more details.

Additional information on climate-related metrics

PSP Investments acknowledges the complexity and rapid evolution of sustainability and climate disclosure requirements and methodologies. We aim to continuously update our approach based on best practices and evolving frameworks. External factors like market conditions and regulatory changes, as well as internal factors such as investment decisions and climate strategy evolution, can affect our climate-related metrics. Estimates used in calculations are based on the best available information at the time of reporting, following PSP Investments' climate-related metrics calculation methodology, and may be modified due to future events. When material modifications to our methodology and estimates occur, when deemed appropriate, comparative data are revised to conform with the modifications.

Our climate-related metrics

We have converged on the following climate-related metrics to monitor, manage and disclose our portfolio exposure to climate-related risks:

- **Financed emissions:** To monitor the GHG emissions associated with our portfolio.
- **Portfolio carbon footprint:** To monitor the GHG emissions associated with our portfolio by million dollars invested, to allow for comparison.
- **WACI:** To understand and disclose our portfolio GHG emissions intensity.

The methodology used by PSP Investments to calculate the financed emissions and portfolio carbon footprint is informed by the PCAF Standard, which is built on the Greenhouse Gas Protocol's Technical Guidance for Calculating Scope 3 Emissions, Category 15 (Investments). We apply an operational control consolidation approach to our organizational boundary.

Methodology

Metric	Financed Emissions and carbon footprint – PCAF informed		WACI
Description	**Financed emissions:** Total GHG emissions for a portfolio based on proportional share of the total enterprise value. **Carbon footprint:** Financed emissions normalized by the Adjusted net assets under management ("AUM") in-scope.		Portfolio's exposure to carbon-intensive companies
Formula	**Attribution factor**	$\frac{\text{Value of Holdings}_i}{\text{Total Equity}_i + \text{Debt}_i}$	$\sum_{i}^{n} \frac{\text{Value of Holdings}_i}{\text{Adjusted AUM in} - \text{scope}} * \frac{\text{GHG emissions}_i}{\text{Revenues}_i}$
	Financed emissions	$\sum_{i}^{n} \text{Att. factor}_i * \text{GHG emissions}_i$	
	Carbon footprint	$\frac{\text{Financed emissions}}{\text{Adjusted AUM in} - \text{scope}}$	

Formula definitions:

- **"i"** represents each portfolio company in the calculation
- **"n"** represents the upper limit of summation
- **"Value of Holdings"** represents the economic exposure and reflects the investment's fair value, except for derivatives for which it represents their notional value.
- **"Total Equity + Debt"** represents the addition of the most recent available equity at fair value and the most recent available current and long-term debt of the portfolio companies, as per their statement of financial position, except for the following:
  - Public asset classes: Enterprise Value Including Cash (EVIC) instead of total equity and debt, as recommended by PCAF.
  - Private asset classes: When total debt is not available, we use net debt.
  - Real Estate: Equity ownership value as the attribution factor for assessing our share of emissions, whereas PCAF recommends the use of property value at origination.
- **"Adjusted AUM in-scope"** represents the aggregate Value of Holdings for in-scope investments. Refer to the "Scope" section below for additional information on adjusted AUM in-scope.
- **"GHG emissions"** represents to the extent possible the Scope 1 and 2 emissions of our portfolio companies for the most recent full year datasets as of March 31, 2026. Scope 2 emissions include a mix of location-based and market-based. In addition, because of different reporting timelines and delays in data availability, companies may provide GHG emissions one to two years prior the most recent fiscal year-end of PSP Investments.
- **"Revenues"** represents the income of the portfolio company's operations for the same period as the GHG emissions.

Scope

Public asset classes

- **In-scope:** Shares in long-only public equity strategies including those held via external managers or funds (including exchange traded funds), exposure to underlying stocks through certain derivative swaps, and listed corporate fixed income.
- **Out-of-scope:** Shares in long-short public equity strategies, unlisted corporate and government bonds, cash and money market instruments, corporate leverage and other derivatives not in-scope.

Private asset classes

- **In-scope:** Direct and fund investments in all private asset classes.
- **Out-of-scope:** Assets under development in direct and co-ownership private investments, balances associated with working capital, cash, corporate leverage, and funds of funds.

Sources of estimates and uncertainties

Judgements, estimates and assumptions have been used in the preparation of this report to quantify climate-related metrics. PSP Investments uses information from primary sources whenever possible; however, due to the limitations arising from the limited availability of the portfolio companies' data, we sometimes estimate them by using indirect sources.

These judgements and assumptions mainly refer to:

- **GHG emissions:** We use GHG emissions data from third parties, either directly reported from portfolio companies or from proprietary data sources. Portfolio company GHG data are generally not reviewed or verified by a third party. This presents an important limitation with respect to our degree of confidence regarding the integrity of portfolio company disclosures, particularly given that portfolio companies may use different methodologies to calculate and report their GHG emissions.

  In situations where reported data is not available or is incomplete, our estimates rely primarily on emissions factors per unit of revenue or asset for the sector. When partial emissions are available (for example, where only Scope 1 or Scope 2 emissions are reported by the Company) and deemed reliable, the total emissions are estimated using a combination of actual data and specific estimates calculated in accordance with our internally defined methodology.

  Data availability, quality, and reliability vary significantly by sector, sub-sector, and emissions scope. There might be instances where specific analysis may indicate that the emissions communicated by a company are not reliable. In such cases, we continue to rely on estimates based on physical activity data or proxies using revenue/EVIC data. We continue to engage with our portfolio companies to enhance data quality and refine our methodologies in the future.
- **Green Asset Taxonomy classification:** We also rely on GHG data to classify assets against PSP Investments' Green Asset Taxonomy; therefore, it is subject to the same data limitations as our GHG emissions. This presents an important limitation with respect to our degree of confidence regarding the integrity of portfolio company disclosures.

Additional information on the application of the PCAF Standard

Our calculation of climate-related metrics is informed by the PCAF Standard and additional information on its application is as follows:

1. Scope of calculations:

- **Measurement basis:** Climate-related metrics in this section are calculated using Value of Holdings, rather than Net Asset Value (NAV), which is used elsewhere in this report. Accordingly, climate-related metrics are not expected to reconcile with NAV-based portfolio figures reported elsewhere in this report.[1]
- **Treatment of funds:** The PCAF Standard does not provide explicit guidance on methods to calculate financed emissions for unlisted private investment funds. Since our exposure to fund investments is material, we include the underlying investments.
- **Treatment of derivatives:** The PCAF Standard does not provide guidance on methods to calculate financed emissions from derivatives. Since we have material exposure to certain swaps for which we have GHG emissions information at the underlying investment level, we include these investments.
- **Sovereign bonds:** The PCAF Standard includes guidance on methods to calculate financed emissions from sovereign bonds. Our methodology does not currently include sovereign bonds as part of climate-related metrics.
- **Scope 3 emissions:** Since our portfolio companies' Scope 3 emissions are either unavailable or not sufficiently reliable, they are not included in our calculations for now, despite their inclusion being recommended by the PCAF Standard.[2]

2. Attribution factors:

- **Availability of data:** In situations in which the debt information of portfolio companies was not available, an equity-only approach is used. This may overestimate PSP Investments' attribution factor. More specifically, our financed emissions for fiscal 2026 are calculated based on a total enterprise value approach for 77% of our investments and an equity-only approach for 23% of our investments.

Data quality assessment

PSP Investments employs data quality terminology for GHG emissions used to calculate the financed emissions, informed by the PCAF Standard, as described in the table below. The data quality scores are weighted by investment size. To assess quality improvement over time, PSP Investments calculated data quality scoring per asset class. For fiscal 2026, approximately 67% of our adjusted AUM in-scope is directly reported by portfolio companies (64% for fiscal 2025), obtaining a data quality score of 2 or below.

Investment weighted data quality

Infrastructure	1.8
Government Fixed Income	2.0
Natural Resources	2.4
Public Markets Equities	2.5
Private Equity	3.2
Real Estate	3.6
Credit Investments	3.9
Total Fund	**2.8**

Score 1	Verified emissions reported by the company
Score 2	Unverified emissions reported by the company
Score 3	Emissions estimated using company-specific factors, including physical activity data and/or partial emissions reported (for example, only Scope 1 or Scope 2 emissions are available)
Score 4	Estimated using emissions factors per unit of revenue for the sector
Score 5	Estimated using emissions factors per unit of asset for the sector. We use the median of GHG intensity on EVIC

[1] This disclosure provides additional detail on the methodology applied in prior periods and does not represent a change in approach.

[2] For real estate investments, we include Scope 3 emissions in our PCAF-informed metric following the whole building approach.

Methodological enhancements to our Green Asset Taxonomy

Since the publication of our methodology in our Whitepaper, we have improved the scope of our Green Asset Taxonomy by including listed corporate bonds, and by enhancing the requirements for green assets in public and private asset classes. Specifically:

- **Publicly listed real estate companies (REITs):** These investments accounted for a significant portion of Capital Market dark green assets. In the initial assessment, REITs were considered eligible for the dark green category if they could demonstrate less than 80 tonnes of CO_2e per $ million revenues. To align with our Green Bond Framework, we included a supplemental criterion from an external source to verify REIT positions against Green Buildings data set to confirm whether most of their revenues stem from "green building" activities. Our enhancement makes accessing our Green Asset Taxonomy category more difficult for REITs, but better aligns with how we classify assets in PSP Investments' private markets Real Estate portfolio.
- **Assets under development:** In our Real Estate portfolio, we have identified several properties that are in the construction phase and have not yet reported GHG data. Given that many of these positions are targeting green building certifications, we have mapped them as light green if their certification aligns with our Green Bond Framework. We expect them to disclose GHG emissions once they become operational.
- **Dark green assets:** In addition to aligning with our Green Bond Framework criteria, all dark green assets must have reported GHG data. Moreover, all dark green assets must achieve 80 tonnes of CO_2e per $ million revenues or less to maintain their classification.
- **Commercial real estate:** To best utilize available market information regarding transition pathways, we have required all dark green assets in real estate to demonstrate Green Bond Framework alignment through both certification and GHG performance against the Carbon Risk Real Estate Monitor (CRREM) 1.5°C sub-sector decarbonization pathways.

Forward-looking statements, disclaimer and additional caution regarding sustainability-related disclosures

For purposes of the forward-looking statements and the related disclaimers and cautionary statements in this report, “PSP Investments” includes PSP Investments and its directors, officers and employees, advisors, agents, subsidiaries and affiliates.

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 words such as “anticipate”, “believe”, “estimate”, “expect”, “outlook”, “plan”, “project”, intend”, “may” and other similar terms and expressions or future or conditional verbs such as “will”, “should”, “would” and “could” or other similar words or expressions.

This report also includes sustainability-related forward-looking statements, which are inherently predictive and speculative and carry an additional degree of risk and uncertainty, as the processes, methodologies and issues involved are complex and the sustainability data, models and methodologies used are often relatively new and rapidly evolving.

By their nature, forward-looking statements require assumptions to be made and involve inherent risks and uncertainty because they relate to events or depend on circumstances that will occur in the future. A variety of factors, many of which are beyond the control of PSP Investments, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. As a result, PSP Investments cannot guarantee that any forward-looking statement will in fact occur and no representation is made that any statement will materialize, and its future investment activities may vary from those outlined herein. Past performance cannot be relied on as a guide to future performance. PSP Investments expressly disclaims any obligation or undertaking to release any update of, or revisions to, any forward-looking statements in this report. You should not place undue reliance on such forward-looking statements and should not rely upon this information as of any other date.

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The information in this report is given as of the date of this report and is subject to updating, completion, revision, verification and amendment, and such information may change materially. PSP Investments expressly disclaims any responsibility and is under no obligation to update or keep current the information contained in this report, to correct any inaccuracies which may become apparent, or to inform any person of the result of any revision to the statements made herein except to the extent they would be required to do so under applicable law or regulation, and any opinions expressed in this report are subject to change without notice.

In preparing the sustainability-related information contained in this report, PSP Investments has made a number of key judgements, estimations and assumptions. The processes, methodologies and issues involved are complex. The sustainability data, models and methodologies used are often relatively new, are rapidly evolving and are not of the same standard as those available in the context of financial and other information, nor are they subject to the same or equivalent disclosure standards, historical reference points, benchmarks or globally accepted accounting principles. It is not possible to rely on historical data as a strong indicator of future trajectories in the case of climate change and its evolution. Outputs of models, processed data and methodologies are also likely to be affected by underlying data quality, which can be hard to assess and we expect industry guidance, standards, market practice and regulations in this field to continue to evolve. There are also challenges in relation to the ability to access data on a timely basis and the lack of consistency and comparability between data that is available.

This means the sustainability-related forward-looking statements, information and targets discussed in this report carry an additional degree of inherent risk and uncertainty. Sustainability-related forward-looking statements are inherently predictive and speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to the following:

- changes in the sustainability regulatory framework in which PSP Investments operates, including government approaches and regulatory treatment in relation to sustainability disclosures and reporting requirements;
- the impact of legal or other proceedings against PSP Investments or others in the industry;
- climate change projection risk including, for example, the evolution of climate change and its impacts, changes in the scientific assessment of climate change impacts, transition pathways and future risk exposure and limitations of climate scenario forecasts;
- amendments to or new sustainability reporting standards, models or methodologies used to assess and set sustainability-related targets, which could result in revisions to reported data and lack of reconcilability or comparability;

- changes to and challenges with sustainability data availability, quality, accuracy, verifiability, and data gaps, could cause fluctuations year-on-year and/or differences between the quality of data obtained, which could result in revisions to reported data going forward, meaning that such data may not be reconcilable or comparable year-on-year;
- climate scenarios and the models that analyze them have limitations that are sensitive to key assumptions and parameters, which are themselves subject to some uncertainty;
- global actions may not be effective in managing relevant sustainability-related risks, including in particular, climate, nature-related and human rights risks; and
- evolving expectations in relation to sustainability matters mean that what is considered appropriate, complete or market standard in terms of sustainability disclosure may change.

In light of uncertainty as to the nature of future policy and market response to climate change and other sustainability-related issues, including between regions, and the effectiveness of any such responses, and as market practice and data quality and availability develop, PSP Investments may have to update the models and/or methodologies it uses, or alter its approach to sustainability analysis and may be required to amend, update and recalculate its sustainability disclosures and assessments in the future (including its sustainability ambitions, goals, commitments and/or targets) or its evaluation of its progress towards its sustainability ambitions, goals, commitments and/or targets. Revision to sustainability data may mean it is not reconcilable or comparable year-on-year.

The information in this report may include non-financial metrics, estimates or other information that are subject to significant uncertainties, which may include the methodology, collection and verification of data, various estimates and assumptions, and underlying data that is obtained from third parties.

This report may contain graphics, infographics, text boxes and credentials which aim to give a high-level overview of certain elements of this report and improve the accessibility of the report for readers. These graphics, infographics, text boxes and credentials are designed to be read within the context of the report as a whole.

All subsequent written or oral forward-looking statements relating to the contents of this report attributable to any member of PSP Investments or any persons acting on its behalf are expressly qualified in their entirety by the factors referred to above.

Independent Practitioner's Limited Assurance Report

To the Board of Directors of Public Sector Pension Plan Investment Board

We have undertaken a limited assurance engagement of the accompanying select performance metrics of the Public Sector Pension Plan Investment Board ("PSP Investments") for the year ended March 31, 2026 (collectively referred to as the "Select Performance Metrics"), as presented in Appendix A.

Management's Responsibility

Management is responsible for the preparation of the Select Performance Metrics in accordance with the applicable criteria defined in Appendix B (the "applicable criteria"). Management is also responsible for selecting the applicable criteria used and for such internal control as management determines necessary to enable the preparation of the Select Performance Metrics that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Select Performance Metrics based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the Canadian Standard on Assurance Engagements (CSAE) 3000, *Attestation Engagements Other than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the Select Performance Metrics are free from material misstatement.

A limited assurance engagement involves performing procedures (primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical and other procedures) and evaluating the evidence obtained. The procedures also include assessing the suitability in the circumstances of PSP Investments' use of the applicable criteria as the basis for the preparation of the Select Performance Metrics. The procedures are selected based on our professional judgment which includes identifying areas where the risks of material misstatement of the Select Performance Metrics are likely to arise, whether due to fraud or error.

Our engagement included the following procedures, among others:

- Making inquiries of relevant management and staff responsible for the preparation and reporting of the Select Performance Metrics;
- Obtaining an understanding of the underlying data that is used as an input into the calculation of the Select Performance Metrics;
- Obtaining an understanding of the process used to prepare and report the Select Performance Metrics; and
- Agreeing, testing, and recalculating the underlying data related to the Select Performance Metrics on a sample basis.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with the Canadian Standards on Assurance Engagements. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Select Performance Metrics have been prepared, in all material respects, in accordance with the applicable criteria.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements,* which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Significant Inherent Limitations

Data used in the Select Performance Metrics are subject to inherent limitations of accuracy given the nature and the methods used for determining such data. The selection of different acceptable measurement techniques can result in materially different outcomes. The precision of different measurement techniques may also vary.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Select Performance Metrics of PSP Investments for the year ended March 31, 2026 are not prepared, in all material respects, in accordance with the applicable criteria.

Specific Purpose of Applicable Criteria

The Select Performance Metrics have been prepared in accordance with the applicable criteria to assist PSP Investments in reporting the Select Performance Metrics to the Board of Directors. As a result, the Select Performance Metrics may not be suitable for another purpose.

Deloitte LLP[1]

[1] CPA auditor, public accountancy permit No. A125494

Montreal, Quebec
May 25th, 2026

Appendix A

PSP Investments
Select Performance Metrics
For the year ended March 31, 2026

Select Performance Metrics	Unit of measurement	Year ended March 31, 2026
Total Financed emissions	Kilotonnes of carbon dioxide equivalent (kilotonnes of CO_2e)	8,660
Total Carbon footprint	Tonnes of carbon dioxide equivalent per million dollars invested (tonnes of CO_2e/$ million)	30
Total Weighted Average Carbon intensity (WACI)	Tonnes of carbon dioxide equivalent per million dollars revenue (tonnes of CO_2e/$ million)	93

Appendix B

PSP Investments
Applicable Criteria
For the year ended March 31, 2026

Select Performance Metrics	Definitions
Total Financed emissions	**Description:** Total Greenhouse Gas ("GHG") emissions of PSP Investments' portfolio based on its proportional share of the total enterprise value, calculated using the following formula: $$= \sum_{i}^{n} \text{Att. factor}_i * \text{GHG emissions}_i$$ The **attribution factor** is calculated using the following formula: $$= \frac{\text{Value of Holdings}_i}{\text{Total Equity}_i + \text{Debt}_i}$$
Total Carbon footprint	**Description:** Financed emissions normalized by the adjusted net assets under management ("AUM") in-scope, calculated using the following formula: $$= \frac{\text{Financed emissions}}{\text{Adjusted AUM in} - \text{scope}}$$
Total Weighted Average Carbon Intensity (WACI)	**Description:** Weighted Average Carbon Intensity of the portfolio, calculated using the following formula: $$= \sum_{i}^{n} \frac{\text{Value of Holdings}_i}{\text{Adjusted AUM in} - \text{scope}} * \frac{\text{GHG emissions}_i}{\text{Revenues}_i}$$

Select Performance Metrics	Definitions
All Select Performance Metrics	The methodology used by PSP Investments to calculate the portfolio carbon footprint and financed emissions is informed by the Partnership for Carbon Accounting Financials (PCAF) Standard, which is built on the Greenhouse Gas Protocol's Technical Guidance for Calculating Scope 3 Emissions, Category 15 (Investments). PSP Investments applies the operational control consolidation approach to determine the organizational boundaries. **Formula definitions:** "i" represents each portfolio company in the calculation "n" represents the upper limit of the summation "Value of Holdings" represents the economic exposure and reflects the investment's fair value, except for derivatives for which it represents their notional value. "Total Equity + Debt" represents the addition of the most recent available equity at fair value and the most recent available current and long-term debt of the portfolio companies, as per their statement of financial position, except for the following: – Public asset classes: Enterprise Value Including Cash (EVIC) instead of total equity and debt, as recommended by PCAF. – Private asset classes: When total debt is not available, net debt is used. – Real Estate: Equity ownership percentage value as the attribution factor for assessing PSP Investments' share of emissions, whereas PCAF recommends the use of property value at origination. "Adjusted AUM in-scope" represents the aggregate Value of Holdings for in-scope investments. Refer to the title Scope below for additional information on Adjusted AUM in-scope. "GHG emissions" represents to the extent possible the Scope 1 and 2 emissions of PSP Investments' portfolio companies for the most recent full year datasets as of March 31, 2026. Scope 2 emissions include a mix of location-based and market-based. In addition, because of different reporting timelines and delays in data availability, companies may provide GHG emissions one to two years prior to the most recent fiscal year-end of PSP Investments. "Revenues" represents income of the portfolio company's operations for the same period as the GHG emissions. **Scope** *Public asset classes* • In-scope: Shares in long-only public equity strategies including those held via external managers or funds (including exchange traded funds), exposure to underlying stocks through certain derivative swaps, and listed corporate fixed income. • Out-of-scope: Shares in long-short public equity strategies, unlisted corporate and government bonds, cash and money market instruments, corporate leverage and other derivatives not in-scope. *Private asset classes* • In-scope: Direct and fund investments in all private market asset classes. • Out-of-scope: Assets under development in direct and co-ownership private investments, balances associated with working capital, cash, corporate leverage, and funds of funds.

Governance

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 2026 and provide an overview of our governance framework and practices as at March 31, 2026.

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 "PSPIB 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.

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
- Annual review of the Board's diversity, skills, and competencies matrix and communication of desired skill sets to the external nominating committee
- Director and Chair succession planning
- Open and transparent process for the appointment of directors
- Annual strategy session
- Committee activity reports presented at each Board meeting
- Annual Board evaluation process
- Ongoing director education program
- Onboarding program for new directors
- *In camera* sessions at all regular Board and standing 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 and related policies

Board responsibilities

In accordance with the PSPIB 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 PSPIB 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 a Statement of Investment Policies, Standards and Procedures (SIP&P) 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 and one special committee.

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
- Approving a risk appetite statement and 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 budget and receiving periodic reports from management on significant expenses
- Overseeing PSP Investments' technology and digital strategy

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 standing committees are more fully described in their respective Terms of Reference.

Special Project Oversight Committee – Provides oversight on a multi-year technology transformation initiative.

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 15 and 17, 2025.

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. Oversight of ethics and compliance is supported by senior management and the Board, which receive regular updates on compliance risks, key incidents, and program effectiveness.

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. Guidelines 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.

Employees and consultants are required to complete periodic training on our Code of Conduct and applicable regulatory requirements, reinforcing our commitment to integrity and compliance.

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. All reported concerns are reviewed and, where appropriate, investigated in a timely and confidential manner, with appropriate corrective actions taken. 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

Board procedures and effectiveness

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

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 review of the pillars of PSP Investments' strategy and a strategic discussion on risk management. Board and senior management also visited the 1er Bataillon Royal 22e Regiment in Valcartier.

All regular Board and Board standing 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 2026, the Human Resources and Compensation 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 continues to focus on succession planning for the President and CEO and executive team in addition to supporting management in the development of PSP Investments' talent to ensure the emergence of the next generation of leaders.

Fiscal 2026 key activities

The key activities of the Board in fiscal 2026 included the following:

1. Risk management
Supporting management in enhancing the current risk management framework, including enterprise risks and non-investment risks, and evolving the risk management reporting.

2. People and culture
Continuing to monitor and support the development of the executive team and the implementation of initiatives to further support the Board and executive team relationship and organizational culture.

3. Technology
Providing adequate oversight and Board support for the multi-year information technology transformation project.

4. Board succession and committee membership
Reviewing the committee membership and Board composition and managing Director onboarding and Chair succession.

The key activities of each of the Board's standing committees in fiscal 2026 are described below:

Board committees	Key activities
Investment and Risk Committee	Reviewed and approved new investment managers and investment opportunities Approved a new Risk Appetite Statement Received updates on asset class strategies and portfolio composition Reviewed tail risk scenarios and their potential impact on the portfolio Reviewed PSP Investments' information security roadmap
Audit Committee	Reviewed PSP Investments' valuation reports for private market assets Recommended for Board approval PSP Investments' fiscal 2027 budget and reviewed PSP Investments' multi-year projections Reviewed PSP Investments' plan for integrated reporting Approved the appointment of a new Chief Internal Auditor
Governance Committee	Reviewed the diversity, skills and competencies matrix to identify desired needs for the Board Recommended for Board approval the establishment of the Special Project Oversight Committee Reviewed PSP Investments' privacy program Reviewed PSP Investments' Director Conflicts of Interest Guidelines Recommended proposed amendments to PSP Investments' Delegation of Investment Authorities
Human Resources and Compensation Committee	Reviewed succession plans for the President & CEO and senior officers Received updates on PSP Investments' people strategy Recommended for Board approval President & CEO and officer compensation

Board succession planning

The PSPIB Act provides for a Board of 13 directors, including the Chairperson. There are currently no vacant positions. 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 PSPIB Act. The nominating committee operates separately from PSP Investments. For two of the 13 directors, in preparing a list of qualified candidates, the PSPIB Act provides that the nominating committee shall consult the portion of the National Joint Council of the Public Service that represents employees and shall have regard to any factors for consideration provided by that portion of the National Joint Council.

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 considerations. 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.

Three new directors joined the Board in fiscal 2026 for terms of four years: Derek Brodersen, Guy Cormier and Patrick Cronin.

2026 Board highlights

0	63	4.3	46%	93%
vacancies on the board	average age	years average tenure	of board members identify as women	attendance across all committee and board meetings

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:

Board Diversity, Skills and Competencies Matrix	**Maryse Bertrand**	**Derek Brodersen**	**Gregory Chrispin**	**Guy Cormier**	**David C. Court**	**Patrick Cronin**	**Christopher Fowler**	**M. Marianne Harris**	**Miranda C. Hubbs**	**Susan Kudzman**	**Katherine Lee**	**Helen Mallovy Hicks**	**Maurice Tulloch**
Appointment Date	09-18	11-25	03-22	11-25	10-18	11-25	02-25	12-20	08-17	12-20	06-18	03-22	03-22
Current Term Expiry Date	12-26	11-29	03-26[1]	11-29	12-26	11-29	02-29	12-28	03-26[1]	01-29	12-26	03-26[1]	03-26[1]
Terms	2	1	1	1	2	1	1	2	2	2	2	1	1
Geography	QC	AB	QC	QC	ON	ON	AB	ON	ON	QC	ON	ON	ON
Leadership													
Chair of the Board	X												
Chair of a Committee			X		X			X	X		X		
Diversity													
Age[2]	> 65	60 to 65	60 to 65	< 60	> 65	< 60	> 65	> 65	< 60	60 to 65	60 to 65	60 to 65	< 60
Gender	F	M	M	M	M	M	M	F	F	F	F	F	M
Other Diversity[3]			X								X		
Experience													
CEO/C-Suite or Equivalent Position	X	X	X	X	X	X	X	X	X	X	X	X	X
Other Directorships	X	X	X	X	X	X		X	X	X	X	X	X
International/ Operational Experience	X				X	X		X	X		X	X	X
Competencies (Top 5)													
Private Markets		X	X		X	X				X	X	X	
Public Markets		X	X			X		X	X				X
Risk Management	X	X	X	X	X	X	X	X		X	X	X	X
Sustainability[4]	X		X	X			X		X				X
Finance/Accounting		X		X		X	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	X	X	
Cybersecurity/ Technology & Data Oversight					X		X		X		X		X
Government/Public Policy/ Communications	X				X								

1 Pursuant to the PSPIB Act, a director is eligible for reappointment for one or more additional terms of office. If no person is appointed to take office as a director on the expiry of the term of incumbent director, the incumbent director continues until a successor is appointed.

2 As of March 31, 2026.

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

4 Includes climate.

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 education.

On occasion, internal and outside speakers are invited to make presentations that contribute to the individual and collective expertise of Board members. During fiscal 2026, external speakers included experts on markets and risk management, geopolitics and artificial intelligence.

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.

The last compensation review was conducted in FY2025 with the assistance of a compensation consultant to ensure continued compliance with the objectives of the PSPIB 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".

The following table reflects the directors' compensation for fiscal 2026.

Board committees	**Fiscal 2026 $**
Annual retainer for the Board Chair[1]	275,000
Annual retainer for each director other than the Board Chair	100,000
Annual retainer for each Board committee Chair	20,000
Annual retainer for each Special Committee member	12,000
Attendance fee for each Board and committee meeting[2]	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] 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 2026 remuneration for directors was $1,739,104. The tables on the following page provide further details on meeting attendance and director compensation.

Meeting attendance

	Board of Directors		Investment and Risk Committee		Audit Committee		Governance Committee		Human Resources and Compensation Committee		Special Project Oversight Committee[1]	
	Regular	Special	Regular	Special[2]	Regular	Special	Regular	Special	Regular	Special	Regular	Special
Number of meetings Fiscal Year 2026[3]	7	2	4	2	4		4	1	5		10	
Maryse Bertrand[4]	7/7	2/2	4/4	1/2								
Derek Brodersen[5]	1/1	1/1	1/1		1/1							
Gregory Chrispin	7/7	2/2	4/4	2/2			4/4	1/1	5/5			
Guy Cormier[6]	1/2	1/1	1/2						1/1			
David C. Court	5/7	1/2	4/4	2/2	4/4		4/4	1/1			10/10	
Patrick Cronin[7]	1/1	1/1	1/1		1/1							
Christopher Fowler	4/7	2/2	4/4	2/2	4/4						10/10	
M. Marianne Harris	7/7	2/2	3/4	1/2			4/4	1/1	5/5			
Miranda C. Hubbs	6/7	2/2	4/4	1/2			4/4	1/1	5/5			
Susan Kudzman	7/7	2/2	4/4	2/2			4/4	1/1	5/5			
Katherine Lee	7/7	2/2	4/4	1/2	4/4		4/4	1/1				
Helen M. Mallovy-Hicks	6/7	1/2	4/4	2/2	4/4				5/5			
Maurice Tulloch	7/7	2/2	4/4	1/2	4/4				5/5		8/10	

[1] The Special Project Oversight Committee was established as of May 14, 2025.
[2] Certain directors recused from attending a single topic meeting due to a previously disclosed potential or perceived conflict of interest.
[3] One committee meeting was held concurrently with a Board of Directors meeting.
[4] Ms. Bertrand is an ex-officio member of the Audit Committee, Governance Committee and Human Resources and Compensation Committee.
[5] Mr. Brodersen was appointed to the Board of Directors on November 27, 2025.
[6] Mr. Cormier was appointed to the Board of Directors on November 13, 2025. His appointment was announced on November 18, 2025 and therefore he did not attend the November 14 and 15, 2025 meetings.
[7] Mr. Cronin was appointed to the Board of Directors on November 27, 2025.

PSP Investments' Board of Directors met 9 times. Board committees met a total of 30 times.

Directors' compensation

	Annual Retainer $	Chair of a Committee / Annual Retainer $	Boards/Committees Meeting Fees[1] $	Travel Fees $	Total[2] $
Maryse Bertrand	275,000		0	0	275,000
Derek Brodersen	34,239		6,000	1,500	41,739
Gregory Chrispin	100,000	20,000	36,000	0	156,000
Guy Cormier	38,043		6,000	0	44,043
David C. Court[3]	100,000	17,582	45,000	0	162,582
Patrick Cronin	34,239		6,000	0	40,239
Christopher Fowler	100,000		39,000	6,000	145,000
M. Marianne Harris	100,000	20,000	33,000	0	153,000
Miranda C. Hubbs	100,000	20,000	33,000	0	153,000
Susan Kudzman	100,000		36,000	0	136,000
Katherine Lee	100,000	20,000	33,000	0	153,000
Helen M. Mallovy-Hicks	100,000		33,000	0	133,000
Maurice Tulloch	100,000		46,500	0	146,500

[1] A single meeting fee is awarded for Board and committee meetings held concurrently.
[2] Directors are not entitled to additional remuneration in the form of retirement benefits or short-term or long-term incentives.
[3] David C. Court became the Chair of the Special Project Oversight Committee as of May 14, 2025.

Directors' biographies

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 was a director on its national board from 2022 to 2025. 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.

Derek Brodersen

CORPORATE DIRECTOR

Director since
November 27, 2025

End of term
November 26, 2029

Committee membership
Audit and Investment and Risk Committees

Location
Edmonton, Alberta, Canada

Derek Brodersen is currently Chair of the board of Crescero Natural Capital Inc., a member of the board of Quantum Advisors Private Limited and a member of the Investment Committee of the Municipal Pension Plan of British Columbia. From 2008 to 2021, he served as Chief Investment Officer at the Alberta Teachers' Retirement Fund Board. Mr. Brodersen has also chaired the Investment Committee of the board of the University of Alberta and served on the boards of the Pacific Pension and Investment Institute and the Canadian Coalition for Good Governance. Mr. Brodersen has an MBA from the Schulich School of Business and a BCom degree from the University of Manitoba. He is a Chartered Financial Analyst charter holder and has an ICD.D designation from the Institute of Corporate Directors.

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
Magog, 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). Mr. Chrispin holds a BA in Mathematics (Actuarial Science) from Université de Montréal, and is a Chartered Financial Analyst (CFA) and has an ICD.D designation from the Institute of Corporate Directors.

Guy Cormier

CORPORATE DIRECTOR

Director since
November 13, 2025

End of term
November 12, 2029

Committee membership
Human Resources and Compensation and Investment and Risk Committees

Location
Montréal, Québec, Canada

Guy Cormier served as President and Chief Executive Officer of Desjardins Group, the largest cooperative financial group in North America, from 2016 to 2025. He held several key positions during his career of more than 30 years with the cooperative. Mr. Cormier has MBA and BBA degrees from HEC Montréal, where he taught finance for eight years and currently serves on the board. Mr. Cormier is a recipient of France's Legion of Honor and has been awarded an honorary doctorate from Concordia University's John Molson School of Business. He is also Honorary Lieutenant-Colonel of the 4th Battalion, Royal 22nd Regiment.

David C. Court

CORPORATE DIRECTOR

Director since
October 30, 2018

End of term
December 15, 2026

Committee membership
Audit, Governance and Investment and Risk Committees

Location
Toronto, Ontario, Canada

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.

Patrick Cronin

CORPORATE DIRECTOR

Director since
November 27, 2025

Committee membership
Audit and Investment
and Risk Committees

End of term
November 26, 2029

Location
Toronto,
Ontario, Canada

Patrick Cronin is a seasoned financial executive with over 30 years of experience in banking and financial services across Canada, the U.S., and international markets. He most recently served as Special Advisor to the CEO at BMO Financial Group until his retirement in May 2024. Prior to this role, he was the Chief Risk Officer at BMO, where he oversaw enterprise-wide risk and supported strategic initiatives. He also held senior leadership roles at BMO Capital Markets, including CEO & Group Head, President & COO, and Head of Trading Products. He is a member of the board of directors of Sun Life Financial Inc. and currently serves on the Campaign Cabinet of SickKids Foundation. Mr. Cronin holds an MBA from Ivey Business School at Western University and a BA in Economics & History from the University of Toronto.

Christopher Fowler

CORPORATE DIRECTOR

Director since
February 28, 2025

Committee membership
Audit and Investment
and Risk Committees

End of term
February 27, 2029

Location
Edmonton,
Alberta, Canada

Christopher Fowler retired as Chief Executive Officer, President & Board Member at Canadian Western Bank ("CWB") in April 2025. 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

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

Location
Toronto, Ontario, Canada

M. Marianne Harris is a member of the board of directors of Loblaw Companies Limited, George Weston Limited and President's Choice Bank. She was previously a member of the board of directors of Sun Life Financial Inc., 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

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

Location
Toronto, Ontario, Canada

Miranda C. Hubbs is an independent director with extensive institutional investment and capital markets experience. She currently serves on the boards of Nutrien Ltd., Imperial Oil, and is Chair of the Canadian Investment Regulatory Organization (CIRO). She is also Chair of the Board of the Canadian Red Cross. Previously, Ms Hubbs was Executive Vice-President and Managing Director of McLean Budden Ltd., one of Canada's leading investment management firms prior to its sale to Sun Life. During her investment career, she was recognized by Brendan Wood International TopGun Awards as one of the Top 50 Portfolio Managers in Canada and one of the TopGun Investment Minds in Oil and Gas (Canada). Ms. Hubbs holds a BSc from Western University, an MBA from the Schulich School of Business, and is a CFA charterholder. She holds the FSA (Fundamentals of Sustainability Accounting) credential, the CERT Certificate in Cybersecurity Oversight and is a graduate of the NYU-Nasdaq Center for Board Excellence Cyberscholar Program. In 2025, she was awarded the King Charles III Coronation Medal.

Susan Kudzman

CORPORATE DIRECTOR

Director since
December 18, 2020

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

End of term
January 23, 2029

Location
Montréal, Québec, Canada

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 Medavie Inc. and serves on the board of nesto Inc. She is the former Chair of the Board of Transat A. T. Inc. and 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

Committee membership
Audit (Chair), Governance and Investment and Risk Committees

End of term
December 15, 2026

Location
Toronto, Ontario, Canada

Katherine Lee is a corporate director of BCE Inc. and Colliers International Group. She previously served as President and CEO of GE Capital Canada, a leading diversified financial services business. Prior to that role, she served as CEO of GE Capital Real Estate Canada from 2002 to 2010, which she built into a full-scale debt and equity operating company. Over her more than 20-year career at GE Capital, Ms. Lee held senior roles spanning corporate recovery, mergers and acquisitions, and real estate finance across North America and Asia, including Director, Mergers and Acquisitions for GE Capital's pension fund advisory services in San Francisco, and Managing Director of GE Capital Real Estate Korea, based in Seoul and Tokyo. She began her career at Clarkson Gordon (now Ernst & Young) in auditing and corporate recovery. Ms. Lee is an active champion of young students, women's leadership networks, and Asia-Pacific business forums. She received the Horatio Alger Award in 2025. She holds a Bachelor of Commerce from the University of Toronto and holds Chartered Professional Accountant (CPA) and Chartered Accountant (CA) designations.

Helen Mallovy Hicks

CORPORATE DIRECTOR

Director since
March 4, 2022

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

End of term
March 3, 2026

Location
Toronto, Ontario, Canada

Helen Mallovy Hicks is a member of the board of directors of Northland Power Inc. and Sun Life Financial Inc. She is also 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 and is a member of the Lottery 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

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

End of term
March 3, 2026

Location
Toronto, Ontario, Canada

Maurice Tulloch is a corporate director of Porch Group. He also serves as the Chair of the Audit Committee of Porch Group. He previously served as Group Chief Executive Officer of Aviva, one of the world's leading multinational insurance companies. 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, Chair of ClimateWise, and Chair of the Association of British Insurers General Insurance Council. He also served as a non-executive director of Pool Re, was a founding member of the Insurance Development Forum, and a board member of the Geneva Association. He holds a BA in Economics from the University of Waterloo and an MBA from Heriot-Watt University and has been a Chartered Professional Accountant and Certified Management Accountant since 1998.

Report of the Human Resources and Compensation Committee

Why compensation matters

Report of the Human Resources and Compensation Committee

Discussion & analysis

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 internal equity (fair compensation based on performance, role and responsibilities) and external competitiveness are effectively managed
- Reflect industry best practices and seek alignment with obligations to stakeholders

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 2026 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

=

Base salary + Total incentive + Benefits + Pension

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)
- **Simon Marc** – Senior Vice President and Global Head of Private Equity and Real Estate Investments
- **Oliver Duff** – Senior Vice President and Global Head of Credit Investments
- **Alexandre Roy** – Senior Vice President and Chief Risk Officer
- **Patrick Charbonneau** – 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 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 behaviors 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 Compensation Policy reflects our responsibility to our sponsor and to the pension plan contributors and beneficiaries. Incentives are 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 is at risk through incentive compensation tied to Total Fund performance, with both an annual component and a deferred component that is adjusted upward or downward based on Total Fund returns over the vesting period.

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 performance and Group Factor Score in the total incentive formula, as well as the Total Incentive Score, are subject to an overall absolute maximum of 200%.

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 may use 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 permanent headcount stands at 978 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 compensation elements.

The total incentive grant is based on performance, weighted 60% on the Total Fund performance and 40% on the Group Factor Score 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.

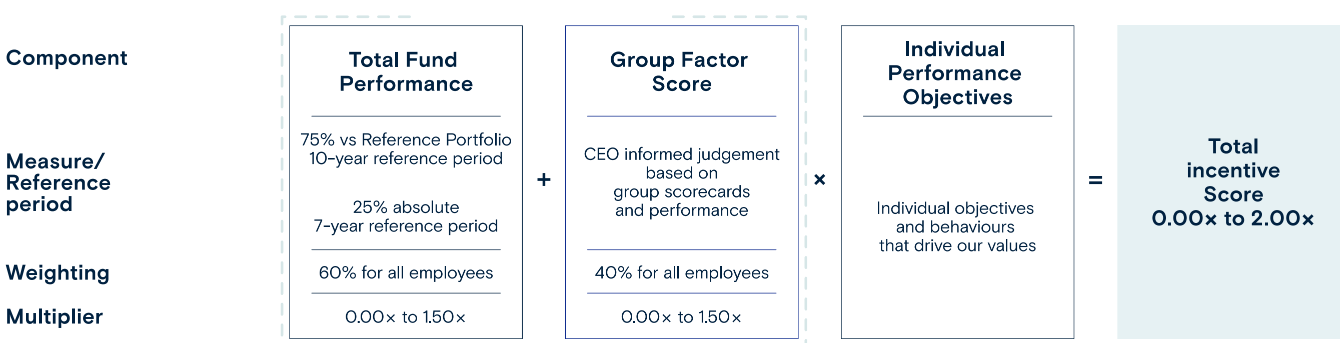
All employees participate in the same incentive plan and each employee has a target incentive opportunity based on their position level. Employees can earn up to a maximum of two times their target incentive.

Once the total incentive score for each employee has been determined, the total incentive award is split between an annual cash payout for all position levels and a deferred amount for designated 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:



*Weighted based on group and position level

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 final value paid to participants is adjusted to reflect the Total Fund returns 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.

President and CEO

% of target total compensation

17% Base salary

33% Short-term incentive[1]

50% Long-term incentive[2]

Other NEOs

Average % of target total compensation

24% Base salary

38% Short-term incentive[1]

38% Long-term incentive[2]

[1] Annual cash paid out in the current year.

[2] Deferred awards split between deferred fund units and performance-based deferred fund units.

Fiscal 2026 results – Performance outcomes and compensation decisions (ending March 31, 2026)

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, 2026, PSP Investments has generated a 7-year net return on investment of 8.3% 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, 2026, the annualized 10-year net relative investment performance for the Total Fund against the Reference Portfolio was 0.6%.

Compensation decisions made in fiscal 2026

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 2026, the President and CEO's personal objectives, as well as those of her executive leadership team, were aligned with PSP Investments' strategic plan. During the year, the executive team focused on advancing each pillar of our corporate strategy: investing with greater focus and foresight to deliver superior risk-adjusted returns, operating with excellence to raise our execution standard and build a more efficient organization, and ensuring that everything we do remains inspired by our mission.

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 2026, noting that deferred cash grants may continue to vary with Total Fund returns for up to three more years. The total compensation payout value received in fiscal 2026, including the values payable from prior years' deferred grants, is also summarized and includes cash received from current plans and any transitional arrangements.

Comprehensive fiscal 2026 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. Orida[3] President and Chief Executive Officer	**2026**	**CAD**	**627,404**	**2,088,884**	**3,133,326**	**5,849,614**	**0**	**53,247**	**5,902,861**	**53,681**	**3,337,813**	**6,107,782**
	2025	CAD	602,308	2,028,149	3,042,224	5,672,681	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
Simon Marc[4] Senior Vice President and Global Head of Private Equity and Real Estate Investments	**2026**	**GBP**	**470,000**	**1,167,556**	**1,167,556**	**2,805,112**	**0**	**10,000**	**2,815,112**	**46,308**	**1,152,732**	**2,836,596**
	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
Oliver Duff[4] Senior Vice President and Global Head of Credit Investments	**2026**	**GBP**	**465,834**	**1,095,567**	**1,095,567**	**2,656,968**	**0**	**10,000**	**2,666,968**	**46,209**	**1,261,990**	**2,869,600**
	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
Alexandre Roy[5] Senior Vice President and Chief Risk Officer	**2026**	**CAD**	**486,865**	**925,171**	**925,171**	**2,337,207**	**450,000**	**15,700**	**2,802,907**	**39,477**	**854,342**	**2,305,855**
	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
Patrick Charbonneau[6,7,8] Senior Vice President and Chief Investment Officer	**2026**	**CAD**	**431,654**	**1,105,186**	**1,105,186**	**2,642,026**	**0**	**5,700**	**2,647,726**	**41,201**	**1,718,419**	**3,296,460**
	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
	2024	GBP	133,333	391,645	261,097	786,075	0	0	786,075	0	656,160	1,181,138

General comments

[1] For Ms Orida, Mr. Roy and Mr. Charbonneau, represents base salary earned which included 26.1 pay periods for 2026 and 2025 versus the standard 26 pay periods for 2024. For Mr. Marc & Mr. Duff, 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 million 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 two special awards of $250,000 each in RFU grants in fiscal 2025 and fiscal 2026. He was also awarded an additional special award of $200,000 in RFU grants in fiscal 2026. 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. His deferred cash and RFU payout includes £676,973 for fiscal 2025 and £605,625 for fiscal 2026, 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".

Deferred incentive cash grants cumulative value

The total cumulative value of all deferred incentive cash granted but not yet vested or paid to PSP Investments' NEOs (as at March 31, 2026) is shown in the following table.

	Award type	Currency	Total outstanding grants	Estimated future payouts[1]		
				Fiscal 2027	Fiscal 2028	Fiscal 2029
Deborah K. Orida President and Chief Executive Officer	DFU	CAD	3,030,738	1,479,258	1,029,259	522,221
	PDFU		4,437,775	1,350,000	1,521,112	1,566,663
	RFU		0	0	0	0
	Total		**7,468,513**	**2,829,258**	**2,550,371**	**2,088,884**
Simon Marc Senior Vice President and Global Head of Private Equity and Real Estate Investments	DFU	GBP	1,395,493	693,116	468,866	233,511
	PDFU		1,386,232	448,500	470,710	467,022
	RFU		0	0	0	0
	Total		**2,781,725**	**1,141,616**	**939,576**	**700,533**
Oliver Duff Senior Vice President and Global Head of Credit Investments	DFU	GPB	1,368,960	694,523	455,323	219,114
	PDFU		1,389,047	478,400	472,420	438,227
	RFU		0	0	0	0
	Total		**2,758,007**	**1,172,923**	**927,743**	**657,341**
Alexandre Roy Senior Vice President and Chief Risk Officer	DFU	CAD	1,029,174	491,905	352,235	185,034
	PDFU		721,502	139,669	211,765	370,068
	RFU		383,332	233,333	149,999	0
	Total		**2,134,008**	**864,907**	**713,999**	**555,102**
Patrick Charbonneau[2] Senior Vice President and Chief Investment Officer	DFU	CAD	1,203,891	556,952	425,901	221,038
	PDFU		982,852	131,050	409,728	442,074
	RFU		83,334	83,334	0	0
	Total		**2,270,077**	**771,336**	**835,629**	**663,112**
	DFU	GBP	65,275	65,275	0	0
	PDFU		65,274	65,274	0	0
	RFU		0	0	0	0
	Total		**130,549**	**130,549**	**0**	**0**

[1] 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).

[2] 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 Montréal, all new compensation granted has been in CAD.

Retirement benefits

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

	Currency	Plan type	Accumulated value at beginning of year	Compensatory increase[1]	Non-compensatory increase[2]	Accumulated value at year-end
Deborah K. Orida	CAD	Defined Contribution	245,908	53,247	62,861	362,016
Simon Marc[3]	GBP	Group Personal Pension Scheme	71,588	10,000	9,033	90,621
Oliver Duff[3]	GBP	Group Personal Pension Scheme	78,378	10,000	9,487	97,865

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

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

[3] 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 to which the NEO would otherwise have been entitled are paid as a cash-in-lieu amount at the end of the fiscal year. This amount is reported under "Other compensation" in the *Comprehensive fiscal year 2026 total compensation* table.

Defined benefit pension plan (Canada)

	Currency	Number of years of credited service[1]	Annual benefit		Accrued obligation at beginning of year[2,5]	Compen-satory increase[6]	Non-compen-satory increase[7]	Accrued obligation at year-end[2,8]
			At year-end[2,3]	At age 65[2,4]				
Alexandre Roy	CAD	18.6	144,800	250,100	2,459,100	15,700	-18,400	2,456,400
Patrick Charbonneau	CAD	19.9	160,800	298,100	2,035,000	5,700	-35,100	2,005,600

[1] 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, 2026.

[2] Sum of benefits accrued under the DB Employee Pension Plan and the DB Supplemental Employee Retirement Plan.

[3] 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).

[4] For the purpose of calculating the annual benefits payable at age 65, the final average earnings are calculated as at March 31, 2026.

[5] 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.

[6] 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.

[7] 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.

[8] Accrued obligation using a discount rate of 5.10%. The obligations are calculated as at March 31, 2026, using the assumptions and methods that were used for the accounting disclosures as at December 31, 2025.

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	3.6	24.0	3,685,000
Simon Marc	GBP	10.6	18.0	1,938,750
Oliver Duff	GBP	9.6	18.0	1,938,750
Alexandre Roy	CAD	18.6	18.0	1,575,938
Patrick Charbonneau	CAD	19.9	18.0	1,723,125

[1] Assumes a notional termination as at March 31, 2026.

[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.

Consolidated 10-year financial review

($ million)	**2026**	2025	2024	2023	2022	2021	2020	2019	2018	2017
Changes in net assets										
Net income (loss)[1]	**19,601**	33,538	17,756	10,182	22,472	31,581	(1,042)	11,110	13,511	15,179
Net fund transfers	**1,235**	1,279	3,480	2,860	3,502	3,036	2,871	3,749	3,921	3,622
Increase (decrease) in net assets	**20,836**	34,817	21,236	13,042	25,974	34,617	1,829	14,859	17,432	18,801
Net investment assets under management										
Equity										
Public Market Equities[2]	**92,781**	79,699	55,637	53,440	59,142	60,201	48,368	51,035	51,813	55,227
Private Equity[3]	**39,063**	40,709	40,392	37,238	35,375	31,748	24,038	23,539	19,382	15,868
Government Fixed Income[4]	**74,222**	70,991	63,312	51,013	46,446	42,965	33,388	34,389	27,782	24,044
Credit	**35,067**	30,286	26,222	26,113	21,892	14,474	13,295	10,475	8,857	4,418
Real Assets										
Real Estate	**27,767**	26,648	27,229	32,038	31,089	26,817	23,817	23,538	23,245	20,551
Infrastructure	**31,952**	31,984	34,518	29,362	23,506	18,389	18,302	16,818	14,972	11,149
Natural Resources	**19,702**	17,939	15,196	12,277	11,615	9,712	7,645	6,759	4,833	3,711
Net investments[5]	**320,554**	299,717	264,857	243,654	230,492	204,491	169,798	167,979	153,085	135,624
Performance (%)										
Annual rate of return (net of expenses)	**6.5**	12.6	7.2	4.4	10.9	18.4	(0.6)	7.1	9.8	12.8
Benchmark	**13.1**	17.4	6.4	(2.8)	9.4	16.5	(1.6)	7.2	8.7	11.9

[1] Reported as comprehensive income (loss) prior to fiscal year 2021.
[2] Includes amounts related to Alpha Alternatives, funded through leverage, as of December 2, 2022 and Absolute Return Strategies, funded through leverage.
[3] Includes amounts related to former Complementary Portfolio from which remaining investments were transferred to Private Equity for the year ending March 31, 2026.
[4] Includes Cash & Cash Equivalents.
[5] Net investments include assets of the former Complementary Portfolio to the fiscal year ending prior to March 31, 2026.

Business offices

MONTRÉAL

(main business office)
1250 René-Lévesque Boulevard West
Suite 1400
Montréal, Québec
Canada H3B 5E9

Phone: +1.514.937.2772

LONDON

10 Bressenden Place, 8th floor
London, United Kingdom
SW1E 5DH

Phone: +44 20 37 39 51 00

NEW YORK

450 Lexington Avenue, Suite 3750
New York, New York
USA 10017

Phone: +1.212.317.8879

HONG KONG

Suite 603-606, 6/F
One International Finance Centre
1 Harbour View Street
Central, Hong Kong

Phone: +852 91616063

Head office

OTTAWA

135 Laurier Avenue West
Spaces Laurier
Ottawa, Ontario
Canada K1P 5J2

Phone: +1.613.782.3095

info@investpsp.ca

investpsp.com

PSP Investments