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## **2025 Annual Meeting**

**April 10, 2025**

**5:00 p.m. - 6:30 p.m.**

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### **Claire Holland: Welcome & Housekeeping (5:00-5:02 pm)**

Hello and welcome to the annual meeting for Ontario Teachers' Pension Plan. My name is Claire Holland. I'm a Senior Managing Director at Teachers' and I'm pleased to have the opportunity to welcome you today and serve as the meeting host.

We value the opportunity to spend this time with our members each year and appreciate you joining, both here in the room, as well as online. Please note that this meeting is being recorded, and the formal presentations will be posted on our website in the coming weeks. We ask that you please refrain from other recordings in consideration of the privacy of your colleagues.

For those in the room, please note that headsets are available for simultaneous translation at the registration table in the foyer. Those joining virtually can enable closed captions or switch between English and French at the bottom of your screen.

Turning to our agenda today, we have three presentations to share with you:

Charley Butler, our Chief Pension Officer, will provide an update on our funding results as well as our areas of focus in engaging with and serving you as our members.

Jo Taylor, our President and CEO, will provide an update on the plan's financial performance in 2024, other key strategic areas of progress in the year, and outlook for 2025.

Our board Chair Steve McGirr will then provide perspective on the macroeconomic climate and our progress and areas of Board focus.

Following these presentations, we will have a Q&A session. This will include questions submitted by you prior to today's meeting, questions from those in the room, and questions submitted live online via the webcast. I will return prior to the Q&A to provide further details on how that portion of the meeting will run.

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### **Claire Holland: Introduce Land Acknowledgement (5:02-5:04 pm)**

To begin the meeting, I am pleased to introduce Tyler Knowles from our Member Services team who will lead us in acknowledging the traditional territory on which we gather.

<Claire remains standing at the podium while Tyler walks to the center stage.>

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### **Tyler Knowles: Land Acknowledgement**

Good afternoon,

On behalf of Ontario Teachers' Pension Plan I'd like to respectfully acknowledge Treaty 13 and the land we're meeting on today. For thousands of years, it has been the traditional territory of many nations

including the Mississaugas of the Credit, the Anishinaabeg (Aew-Nish-Nah-Beck), the Chippewa (Chip-A-Wah), the Haudenosaunee (Hoe-De-Nah-Show-Nee) and the Wendat (When-Dat) peoples.

It's important to be grateful for the opportunity to work and live on the land, respect the treaties, and acknowledge the harms and mistakes of the past, while we move forward in partnership with Indigenous Communities in a spirit of reconciliation and collaboration.

As an Account Manager at Ontario Teachers', I have the privilege of partnering with Indigenous schools and organizations to share information about the Plan. Through education, we've built strong relationships that help enhance the services we provide to Indigenous partners.

This work has taken me to various corners of the province, where I've been honored to participate in cultural days and traditional ceremonies where I have witnessed firsthand the profound power and significance of the land.

Recently, I traveled the James Bay Winter Road north of Moosonee and saw the vital role these roads play for the coastal communities. After a 4-hour drive north, I arrived in Attawapiskat – a remote but culturally-rich community that left a lasting impression on me.

These experiences have deepened my appreciation for the land's resilience, the strength of its people and the challenges they navigate.

They've also broadened my understanding and reinforced my commitment to working alongside Indigenous schools and organizations to support their needs and provide them with outstanding service and retirement security.

Over the past two years, we've welcomed eight Indigenous communities to the Plan. We hope that being a member of the Plan will help them attract and retain qualified teachers, enrich students' education and support community growth and development.

This work involves collaboration across Ontario Teachers', with many teams and individuals contributing their expertise and dedication to support Indigenous partners.

As the late Honourable Murray Sinclair said, "Education is what got us into this mess and education is key to getting us out of it" and I'm hopeful the work I do every day can contribute to our path towards reconciliation and Indigenous inclusion.

Thank you.

<Claire remains standing at the podium while Tyler walks to the center stage.>

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#### **Claire Holland: Introduce Charley Butler (5:04 pm)**

Thank you, Tyler. I would now like to invite Charley Butler, Chief Pension Officer, to provide her remarks.

<Claire exits stage and Charley walks on stage>

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#### **Charley Butler: Remarks**

Thank you for the introduction, Claire.

Good evening, everyone. I'm delighted to be here with all of you. For those of you in the room, I look forward to chatting with some of you after our presentation. To those of you online, it's great to have you with us today.

As Claire noted, today represents one of the important forums we have to engage with our members directly. Our objectives today are to help you better understand your plan, share updates on our activities through the year, and to listen and hear your thoughts and perspectives. We believe doing so helps us better serve you and helps you be empowered to make decisions about your pension and trust in the plan's stability.

Thank you to Tyler Knowles for his land acknowledgment. He's played a pivotal role over the past few years helping our Employer Experience team become better partners for Indigenous employers and members.

Before we begin, I'd like to thank you – myself and on behalf of my colleagues at Teachers' - for your dedication to shaping young minds. As a mother of a 13-year-old, I understand the impact teachers make every day. Your passion and hard work truly matter. Thank you!

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### **Charley Butler: Overview of Results**

As stewards of the plan, we're here to support our members and plan sponsors. We work hard to provide our members with the lifetime retirement income you've earned, and the peace of mind that comes with it. This pension promise endures even during times of uncertainty and change, as we are all seeing today.

Steve will provide an update about the current economic and investment landscape. But before you hear from Steve, I'd like to address a concern that some of you have raised about the tariffs. I want to reinforce that while tariffs may cause uncertainty for many of you personally – whether that be via real estate ownership, travel, or other factors -your defined benefit plan is designed to withstand economic fluctuations and provide stable, long-term retirement benefits. Unlike RRSPs or defined contribution plans, pensions under a defined benefit plan are based on a formula of service and salary, not on the fund's value on the day a person retires or on fluctuating investment returns. This means member pensions are paid each month, based on their earned entitlements.

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### **Charley Butler: Fully Funded for 12th Year in a Row**

I'm happy to report the plan remains fully funded for the 12th straight year, with a strong preliminary funding surplus of \$29.1 billion, providing a strong foundation as we plan for the years ahead. We know that for many of you, your pension is your most significant financial asset, playing a key role in your long-term financial security. Rest assured, we're focused on a single goal: to keep the plan fully funded today and into the future.

And what does this mean for you? Our assets cover all future liabilities, supporting retirement security for new, mid-career and newly retired teachers, as well as pensioners. Being 110% funded means we have one dollar and ten cents in assets for every dollar owed in pension benefits, reinforcing our financial stability. For those of you who are retired, you get inflation protection with a 2.7% increase to your pension payments in 2025. Due to the plan's strong funded status, we've been able to provide 100% inflation protection since 2018. We hope the 2025 inflation adjustment reinforces your trust in the plan.

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### **Charley Butler: Delivering Retirement Security**

Whether you're still teaching or retired, we know members value retirement security as much as we do. How do we know this? Last year, we launched our quarterly Member Sentiment Survey to better understand the diverse views of our members. We asked members for their thoughts on our service, investments and the plan overall. These insights are important because the more we understand, the better we can educate and inform you about what matters to you most. This is especially important to me as the Chief Pension Officer. I'm committed to ensuring your voice is heard and your interests are represented at the executive table. This is why we asked members to rank our mission and strategies in order of importance, to identify what currently matters to you most.

A majority of members, regardless of age group, ranked retirement security as their top priority. This illustrates how our members' priorities align with our mission – to deliver outstanding service and retirement security for our members. As you can see, investment performance came in 2nd, followed by educating members to make informed decisions and focus on driving positive environmental and social impact. Thank you to those who participated in our survey. If you haven't received one yet, we send it to a random group of members each quarter, so watch your email for a chance to participate.

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### **Charley Butler: Membership and Benefits**

Before we look at our membership, here's how much we paid in benefits last year: As the proud administrator of Canada's largest single-profession pension plan, we paid \$8.1 billion in pension benefits in 2024. Our membership base continues to grow. We're up 3,000, which means we now have 185,000 working members and 158,000 pensioners. We also welcomed over 8,300 new members to the plan. We're glad to have you with us. Over 5,000 teachers retired last year and began receiving their well-earned lifetime retirement income. You'll collect a pension, on average, for about 32 years. By the end of 2024, 48 pensions were in pay for more than 50 years. Wherever you are in your journey with the plan, we want to help you get what you need, when and how you need it.

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### **Charley Butler: Service Excellence**

To provide excellent service while keeping costs down, which ultimately contributes to financial performance, we continue to invest in a digital-first service model. More than ever, members are choosing to self-serve online. 77% of you now have an online account so most of you have quick and secure access to your pension information, any time. For those of you who haven't registered yet, visit our website to sign up. While our digital-first service model is the standard, we know digital channels can't fully address all member needs. That's why our highly trained Pension Benefits Specialists are dedicated to providing assisted service to those who need it the most – members with complex needs and complex situations. We're here to transform pension complexity into clarity, any way you reach for our service.

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### **Charley Butler: High-Quality Service**

Our commitment to service excellence was rewarded by you once again. We received a strong Quality Service Index score – our primary performance measure of member experience, service and communications. Last year, 93% of you were satisfied with our service, and 44% of you gave us a perfect score. We thank you and we're proud to receive strong scores year over year.

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### **Charley Butler: Your Pension is Secure**

Before I pass it to Jo and Steve, I'd like to close by saying: Our mission remains the same: to deliver outstanding service and retirement security for our members. Based on our Member Sentiment Survey, we know some of you, especially working members who may not be as familiar with the plan's value, aren't feeling as financially secure these days due to the cost of living and low savings. On the other hand, many retired members cited their pension and inflation adjustment as the reasons for their financial security. Despite the challenges ahead, my time on the executive team has strengthened my confidence in our teams' ability to deliver long-term growth and service excellence, even in uncertain times. We remain committed to working diligently to provide you with the lifetime retirement income you've earned and the peace of mind that comes with it.

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### **Charley Butler: Visit Our Website**

As always, we're here to help you navigate your plan, so please visit our website for more information. Tonight, you can chat with the Member Services team. Look for our red lanyards and feel free to introduce yourself. Some of my colleagues across the organization are also here and they'd love to connect with you so please take the time to chat with them as well. If you have questions about your benefits, visit the Members' Lounge in the Round Room near the elevators to meet with our Pension Benefits Specialists. Thank you again for your continued trust and confidence in us. I'd like to invite our President and CEO Jo Taylor to deliver remarks. As Jo is making his way on stage, we will play for you a short video about the investments we're making in digital infrastructure. Thank you.

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### **[Digital Infrastructure VIDEO RUNS 90 seconds]**

<Charley exits stage and Jo walks on stage while Digital Infrastructure video plays>

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### **Jo Taylor: Remarks**

Thank you, Charley. It is my pleasure to be here with all of you. I want to first say thank you for your dedication to the teaching profession. This work is really appreciated by all of us.

Today I will:

- Review our 2024 financial performance and other areas of progress in advancing our strategy.
- Cover the key investments highlights of 2024.
- Talk about some key people changes in the organization, and
- A look ahead to the rest of 2025 and beyond.

Before I get into our performance results, I want to take a moment to address the current geopolitical climate, especially in relation to our investment activities in Canada and the United States. Steve will speak more on this in a few moments, but I know this is a topic on the minds of most Canadians. At Teachers', our focus is to identify the best risk-adjusted investment opportunities globally to deliver on our pension mandate. That said, I would reaffirm that we remain interested in increasing our investment exposure to Canada, so long as the right opportunities arise. Canada is our home market, which helps mitigate currency risks. Currently, around 35% of our portfolio, or approximately \$110 billion, is invested in Canada. With respect to U.S., it remains an important market for us where we have nearly \$100 billion invested and where we have made the strongest returns over the last 30 years. We will need to monitor government policies to determine any related shifts that we need to make to our

approach. Having said, the U.S. remains a key market for us and other investors. Teachers' is well-positioned to navigate complexity, including the significant political challenges that we are facing today.

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### **Jo Taylor: Performance Results**

Now turning to our results for last year. I am pleased with the performance of the plan last year. Despite an uncertain investment environment, we were able to create further value in the portfolio and generate a 9.4% return after costs. This was a significant improvement on our results in 2023 and aligns more with our long-term performance. So, what drove that performance? Venture growth had strong returns of 26%. Commodities, particularly gold, was one of top-performing asset classes, returning 25%. Our public equities returned 23% to the fund. Infrastructure and credit asset classes also performed well. We reached 266.3 billion dollars in net assets. Despite this there is room for further improvement as we underperformed our benchmarks in the year by 3.5%.

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### **Jo Taylor: Key Transactions in 2024**

Let's turn to some of the key transactions from the year. Very much like 2023, 2024 was a slow year for transactions. Our teams continued to manage the portfolio well and made new investments in different sectors and regions. You saw a few examples of this in the video a few moments ago. In 2024, we introduced CDPQ as an investment partner in Connexa, which is New Zealand's largest mobile tower network. We led a funding round for Instagrid, a European manufacturer of high-performance portable batteries. We teamed up with Nordic Capital to acquire Max Matthiessen, a top financial service advisor in Scandinavia. We successfully sold Shearer's Foods, a leading snack manufacturer in North America. These transactions were all designed to generate strong returns to pay pensions for our members.

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### **Jo Taylor: Progress on Our Climate Commitments**

Moving on to our progress on our climate commitments. Five years ago, we committed to becoming net zero in our investment activities by 2050. We also set some intermediate targets to help keep us on track. I am proud to report that we met our 2025 interim reduction target one year ahead of schedule. We achieved a 49% reduction in carbon emissions intensity, against our 2019 baseline. This surpasses our 2025 target of 45%. This milestone reflects the hard work of our investment teams and portfolio companies in creating value while managing our carbon footprint. Our portfolio in green assets remains above \$30 billion. Our investment in Instagrid is a good example of this. We see this as a great investment that will create long-term value for the fund while having the potential to help reduce emissions. At the same time, we are focused on helping our portfolio companies implement credible decarbonization plans. The pace of change will vary across industries and regions. Some sectors and geographies will need traditional fuels as power sources until lower-emission alternatives are more available and cost effective. As we work towards our goal of net zero by 2050, we will focus on investing in areas that help transition to a low-carbon future. I know some of you have expressed concerns about our investments in oil and gas. For a large Canadian investor, our holdings in energy and energy-related infrastructure are relatively modest. These holdings account for approximately 3-4% of fund assets and provide diversification as well as some inflation cover to the plan. Beyond climate, we remain focused on supporting a diverse and inclusive working environment — both within our organization and throughout our portfolio. We have made meaningful progress here as well, and we will continue to prioritize this work in the years ahead.

## **Jo Taylor: Organizational Enhancements**

In early 2024, we made leadership changes early to adapt to the challenges in today's operating environment. This new structure has been successful. We announced a dual CIO model with Gillian Brown and Stephen McLennan leading different components of our investment business. This model has provided focus and accountability across investment teams globally, especially during times of volatility in our markets. We also appointed Jonathan Hausman to a newly created role of Chief Strategy Officer, where he is driving a coordinated enterprise-wide approach to advancing our strategic priorities. We brought our real estate investing team in-house in early 2024. That team had an active first year, shaping a revised real estate strategy that looks to build a more geographically balanced portfolio over time. In August, Mabel Wong was appointed as our Chief Financial Officer. Mabel is responsible for our finance operations globally. We also created the Portfolio Solutions Group, led by Kevin Kerr. This new team is focusing on enhancing our private asset performance and creating value within our portfolio.

In 2024, we moved our Toronto-based team to an office downtown. The space is owned and operated by our real estate subsidiary Cadillac Fairview. It promotes flexibility, it is more energy efficient than our prior location and is better situated in the downtown financial district. And today we confirmed the appointment of a Chief Technology Officer, Terry Hickey who will join Teachers' in May. Terry will focus on further developing the technology capabilities of the Plan and helping our portfolio companies harness technology to their advantage.

2025 is the plan's 35<sup>th</sup> year and although much has changed over that time, we remain focused on ensuring the plan is fully funded so our members can enjoy a happy retirement. Even though we expect international markets to stay turbulent in the short term, I am confident that we are taking the right approach to proactively find opportunities that will deliver long-term value to the plan and our members.

Now, I will invite Steve McGirr, Chair of the Board, to the stage. As Steve makes his way to the stage, we will share another short video with you. As context, we created a venture studio called Koru in 2019 to work closely with our portfolio companies on innovation. This was to help them stay resilient as our world evolves. Koru helps our companies test and build new products and thrive in a changing market. With that, let's play the video. Thank you.

## **Steve McGirr: Intro & Welcome**

Thank you, Jo. Good evening, everyone. Thank you for joining us, whether you're here in the room here or joining us virtually. My name is Steve McGirr. I'm honoured to be with you as the Chair of Ontario Teachers' Pension Plan. Before I begin my remarks on 2024, I would like to take a moment to thank you for your continued commitment to the teaching profession.

## **Steve McGirr: Results**

As Charley and Jo have shared, the plan's portfolio demonstrated strength and resilience in 2024. Our positive results are a testament to a number of things:

- The prudence of our investment strategy.
- The hard work of our teams.

- The plan's robust risk culture; and
- Sound governance practices.

Your plan is healthy, stable and secure. As Charley reinforced, I'm also very proud to reiterate that the plan maintains its fully funded status for the 12th consecutive year.

### **Steve McGirr: About the plan**

What exactly does this mean for you, the plan members? The strong funding surplus guarantees stable contributions and benefits for you in the coming years. The plan is a mature one, meaning it pays out much more in pension payments than it receives in contributions. That makes it essential for us to generate steady returns year in, year out. The plan starts out the year knowing we have a very large payroll to fund. So, returns are key to keeping the fund healthy. As of the end of 2024, the plan had over 266 billion dollars in net assets. 20% of this 266 billion dollars was made up of the contributions we receive from members, sponsors and employers. 80% - or more than \$200 billion - comes from investment returns made by the plan for over 35 years. Last year alone 8.1 billion dollars was paid out to retired teachers and their beneficiaries. This shows how crucial it is for the plan to keep generating strong returns. The stability of the plan relies on it. Our future pensioners depend on the decisions we make today. So, when our teams make investment decisions they think long term. We strive for stable returns at the lowest possible risk. Returns help ensure future stability of the plan.

### **Steve McGirr: Macro environment and key shifts for investors**

Based on the questions you've submitted, it's clear that the current geopolitical situation is a top concern for many of you. We constantly monitor how larger geopolitical shifts affect our investments and the plan more broadly. The relationship between Canada and the U.S. is increasingly strained. Tariffs imposed on Canada will have wide ranging impacts, as will any counter-tariffs the Canadian government introduces. The plan is actively assessing exposure to these tariffs and broader economic shifts to understand any impact they may have on our portfolio and individual portfolio companies. Unfortunately, we don't expect this period of uncertainty to subside anytime soon. We are prepared to navigate ongoing volatility with a proactive approach. As 2025 continues, the global economy will remain unpredictable. We are seeing this around many themes, including: Tightening monetary policies. Economic disparity. Unpredictable trade restrictions; and Ongoing geopolitical risks. To name a few.

We acknowledge the challenges ahead and anticipate that 2025 may bring its share of uncertainty and change. As the stewards of your plan, we will continue to take the long-term view. We will position ourselves for success to support a secure retirement for you.

### **Steve McGirr: An engaged and active board**

Staying on top of the macro environment is a top priority for the board. At the same time, we strive to maintain the highest standards of governance and integrity.

### **Steve McGirr: Board Update - departures**

I would like now to make a few comments on board renewal. Patti Croft retired from the board at the end of 2024, after serving her maximum term. Patti made many positive contributions to the board and for the plan. I thank her for commitment to the plan and its members. Tim Hodgson resigned from the board in March 2025, because of his decision to run as a candidate in the current federal election. Tim was an engaging and impactful board member since joining in 2023, and I have no doubt he will make a similar impact in his public pursuits. Naturally, we want to have a full board with 11 members in place, so are working with the OTF as they think through their next appointee.

### **Steve McGirr: Board Update – new board member**

The board welcomed Jaqui Parchment, who joined in January 2025. Jaqui brings more than 35 years of business leadership experience. She has served on a range of boards. Jaqui has held senior positions in pension and investment roles. Your board is up on the screen, and many are here in the room this evening. I will ask the attending board members to please stand (*wait for applause*). The board will be at the reception following this session. They look forward to speaking with you. I would also like to express my gratitude towards our sponsors – the Province of Ontario and Ontario Teachers' Federation. Our sponsors share our commitment to board renewal and board member independence. Both the province and the OTF have supported being at the forefront of good governance. This serves our plan's members, now and in the future.

### **Steve McGirr: Conclusion**

Before I pass over to Claire to begin the Q&A, I want to reiterate that your pension is safe and secure. I believe we have the right governance and leadership to steer the plan through continued uncertainty in 2025. Thank you again for your continued faith in us. I will pass it to Claire now. Thank you.

*<Claire comes back to stage; Steve remains on stage, finds chairs on stage for Q&A;>*

Thank you, Charley, Jo and Steve for your presentations. We will now shift to the Q&A portion of the meeting.