

Funding at a Glance

Credit Strengths Highlights

- Ontario Teachers' and OTFT term debt rated Aa1 / AA+ / AAA
- OTFT term debt is fully, unconditionally and irrevocably guaranteed by Teachers'
- Strong governance and risk management frameworks
- Well diversified global portfolio
- Strong liquidity coverage ratio
- Financial liabilities are senior to pension liabilities

Resource Protection

- The plan is a jointly sponsored defined benefit plan subject to the Teachers' Pension Act and Ontario's Pension Benefits Act
- The plan is sponsored by the Government of Ontario and Ontario Teachers' Federation
- Any changes to Ontario Teachers' role as exclusive pension manager would need to be approved through a legislative process
- Prudent discount rate used to value pension liabilities
- Strong funding levers to address a funding shortfall

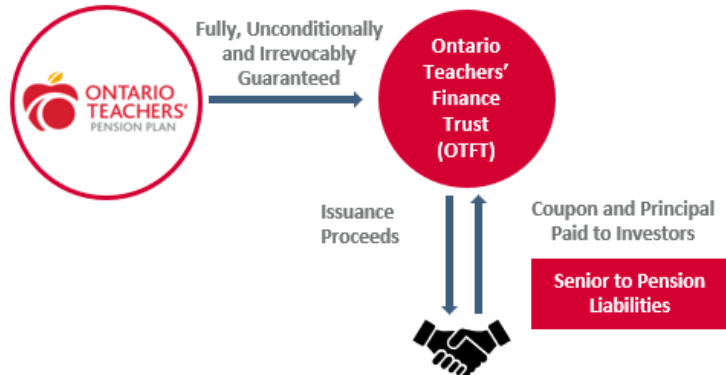
Ontario Teachers' Creditor Priority

"If the pension plan is wound up within the meaning of the Pension Benefits Act, the assets of the pension fund shall first be used to pay or satisfy properly incurred liabilities to creditors, following which the remaining assets of the pension fund shall be used to pay or satisfy the accrued benefit entitlements of members..." Ontario Teachers' Pension Plan, Schedule 1 to the Teachers' Pension Act, s118a.

Funding Valuation

On the strength of our financial results, we ended 2020 fully funded for an eighth straight year and our funding ratio equaled 103% as at January 1, 2021. Co-sponsors of the plan also filed the funding valuation with the regulatory authorities.

Ontario Teachers' Guarantee



Investment Independence & Sponsor Relationship

- Investments made without political direction
- Government of Ontario required to match teacher contributions
- Governance of Ontario Teachers' is fully independent from the Sponsors

OTFT Commercial Paper

- CAD & USD program with authorized size of C\$10 billion
- P-1/A-1+/R-1 (high) short-term ratings
- Laddered maturity profile from overnight to over 1 year

OTFT Outstanding Term Debt

- 🇺🇸 5-year US\$1.75 bn @2 $\frac{1}{8}$ maturing Sep-22
- 🇺🇸 5-year US\$1.75 bn @1 $\frac{5}{8}$ maturing Sep-24
- 🇺🇸 5-year US\$1.00 bn @1 $\frac{3}{8}$ maturing Apr-25
- 🇪🇺 5-year EU€1.50 bn @0.05 maturing May-25
- 🇺🇸 3-year US\$1.50 bn @ $\frac{3}{8}$ maturing Sep-23
- 🇺🇸 10-year US\$1.5 bn @1 $\frac{1}{4}$ maturing Sep30
- 🇨🇦 7-year CA\$1.25 bn @1.10 maturing Oct-27
- 🇪🇺 10-year Green EU€0.75 bn @0.05 maturing Nov-30
- 🇺🇸 10-year US\$1.50 bn @2 maturing Apr-31
- 🇪🇺 7-year EU€1.25 bn @0.10 maturing May-28
- 🇪🇺 20-year EU€1.25 bn @0.90 maturing May-41
- 🇺🇸 5-year US\$2.00 bn @ $\frac{7}{8}$ maturing Sep-26
- 🇬🇧 5-year GB£0.50bn @1 $\frac{1}{8}$ maturing May-26
- 🇪🇺 30-year Green EU€0.50 bn @0.95 maturing Nov-51

Performance*

\$227.7bn

Net assets
at June 30, 2021

3.8%

Total-fund net return
of the first 6 months
at June 30, 2021

9.6%

Annualized total-fund net
return since inception
as at June 30, 2021

1.7%

Earned above benchmark
since inception

79%

Pension funding sources
from investment returns

