

# Annual Public Meeting

September 27, 2022

**Martin Glynn**  
*Chair of the Board*

**Deborah K. Orida**  
*President and  
Chief Executive Officer*

# Agenda

<b>Opening Remarks from the Chair of the Board</b>	<b>Martin Glynn</b> Chair of the Board
<b>Update from the President &amp; CEO</b>	<b>Deborah K. Orida</b> President & Chief Executive Officer
<b>Question &amp; Answer Session</b>	<b>Moderated by Dilhari Fernando</b> Managing Director and Head of Communications and Corporate Citizenship
<b>Closing Remarks</b>	<b>Martin Glynn &amp; Deborah K. Orida</b>

# Opening Remarks

—**Martin Glynn**, Chair of the Board

# Public Sector Pension Plans: Stakeholders

## Plan members



Contributions



Benefits

## Government of Canada

### President of the Treasury Board

Responsible for Public Service Pension Plan accounts and for the funding and overarching policy of all four plans

### Minister of Public Safety

Responsible for RCMP Pension Plan account

### Minister of National Defence

Responsible for Canadian Forces and Reserve Force pension plan accounts

### Public Services and Procurement Canada (PSPC)

Manages the day-to-day administration of the plans (determine eligibility, calculate and pay benefits, etc.)

### Office of the Chief Actuary

Performs periodic actuarial valuations for funding purposes and calculates yearly obligations

Fund



Transfers

# PSP

## Responsible for:

- Managing the funds transferred by the Government of Canada in the best interest of contributors and beneficiaries, and
- Maximizing investment returns without undue risk of loss, having regard to the funding, policies and requirements of the pension plans.

## Pension Advisory Committees

Public Service

Canadian Forces

RCMP

Composed of representatives of the employer and active and retired plan members appointed by the respective Ministers. Provides advice and assistance to their respective Ministers on matters affecting the operation of their Superannuation Acts.

# Governance Overview

## Parliament

- Establishes legislative governance framework (*PSPIB Act*)

## Government of Canada

- Funding Policy
  - Asset Liability Committee
- Communicates the Government's risk tolerance (Reference Portfolio)
- Appoints 11 non-executive directors, Pension Advisory Committee members and the Nominating Committee
- Tables the Annual Report

Arm's length relationship



## PSP

(Non-agent, parent Crown Corporation wholly owned by the Government of Canada)

### Board of Directors

- Makes key decisions, including the determination of PSP's asset mix
- Exercises oversight: supervises management and oversees risks
- Provides insights and advice to management
- Appoints the CEO

### Management & Employees

- Develop and implement PSP's investment strategy
- Manage and direct the day-to-day affairs of PSP Investments

# Board Members



**Martin Glynn**  
Chair of the Board



**Maryse Bertrand**



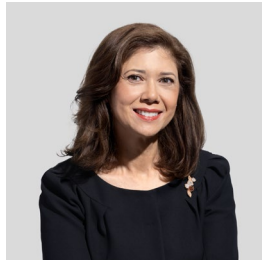
**David C. Court**



**Gregory Chrispin**



**M. Marianne Harris**



**Miranda C. Hubbs**



**Susan Kudzman**



**Katherine Lee**



**Helen Mallovy Hicks**



**Maurice Tulloch**

# Investing for a better tomorrow

Public Sector Pension Investment Board

2022 Annual Report

# 2022 Annual Report

PSP

PSP



Deborah  
K. Orida



# Update from the President & CEO

—Deborah K. Orida

# Investing for a better tomorrow

Public Sector Pension Investment Board

2022 Annual Report

# 2022 Annual Report

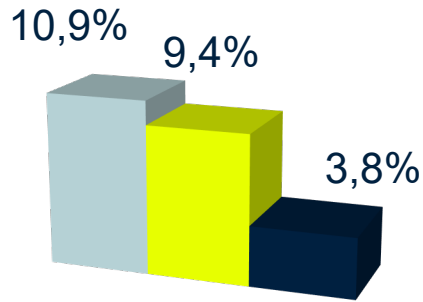
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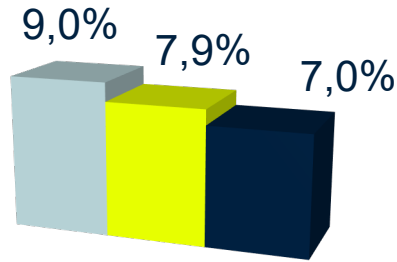
# FY22 Annual Results

# FY22 Total Fund Performance

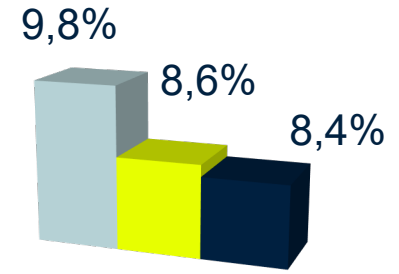
1 YEAR



5 YEARS\*



10 YEARS\*



\$26.0B

FY22 AUM\*\* increase

\*Annualized

\*\*Net AUM denotes assets under management

Net portfolio return

Total Fund Benchmark return

Reference Portfolio return

# Asset Class Overview

**PSP**  
Investments

C\$ **230.5** Billion  
Net AUM\*\*

## Capital Markets\*

C\$ **99.9**  
Billion  
Net AUM

**3.0 %**  
1-year rate of return

**7.4 %**  
5-year annualized return

## Private Equity

C\$ **35.4**  
Billion  
Net AUM

**27.6 %**  
1-year rate of return

**17.6 %**  
5-year annualized return

## Credit Investments

C\$ **21.9**  
Billion  
Net AUM

**7.5 %**  
1-year rate of return

**7.9 %**  
5-year annualized return

## Real Estate

C\$ **31.1**  
Billion  
Net AUM

**24.8 %**  
1-year rate of return

**8.7 %**  
5-year annualized return

## Infrastructure

C\$ **23.5**  
Billion  
Net AUM

**13.9 %**  
1-year rate of return

**10.4 %**  
5-year annualized return

## Natural Resources

C\$ **11.6**  
Billion  
Net AUM

**15.9 %**  
1-year rate of return

**8.5 %**  
5-year annualized return

# PSP Forward | Our Corporate Strategy

*Be an insightful global investor and valued partner that is selective across markets and focused on the long-term.*

**Global Fund First**



**Insight Driven**



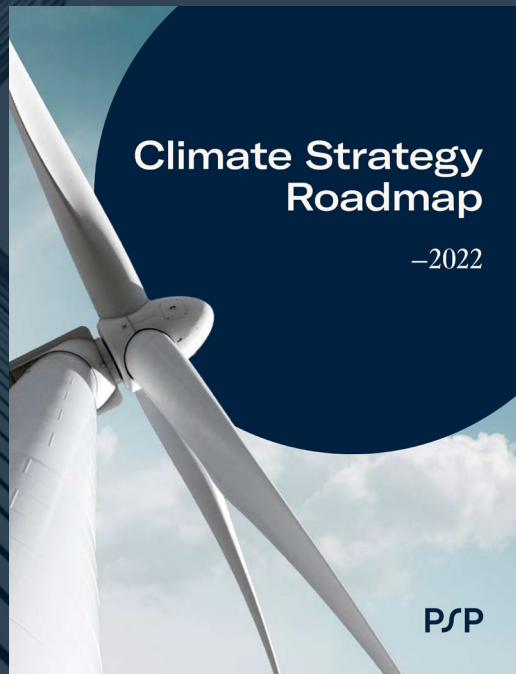
**High-Performing Team**



## FY23 Priorities

- **High-performing team**
- **Sustainable investing**
- **Global fund support model**

# Investing Responsibly





# PSP's Climate Strategy



# PSP has made a new climate change commitment to guide its efforts

**Increase investments that will lead to a reduction in our portfolio emissions intensity over time**

**Increase investments in enablers of climate mitigation and adaptation**

**Increase investments in assets with transition plans**

**Reduce proportion of carbon-intensive investments without a transition plan**

We are committed to using our **capital** and **influence** to support the transition to global net-zero by 2050.

**Engage with our portfolio companies to develop mature transition plans**

**Encourage disclosure practices aligned with TCFD**

# A roadmap to execute our climate strategy

By executing on our climate strategy, we anticipate reducing our portfolio GHG emissions intensity by 20-25% by 2026 relative to a 2021 baseline\*.

## Climate Investing & Sustainable Finance

Increase investment in **green & transition assets**

Reduce proportion of **carbon-intensive investments** without a transition plan

Issue debt in the **sustainable financing** market

## Climate Integration

Integrate **climate risks & opportunities** into investment decision-making & asset management practices

Conduct **climate scenario analysis & stress-testing**

## Reporting & Disclosure

Improve **robustness of reporting & advocate for TCFD-aligned disclosures**

Develop & operationalize the **green asset taxonomy**

Increase **portfolio GHG coverage**

## Leadership & Collaboration

Participate in **investor-led initiatives** on climate change related matters

## Engagement & Proxy Voting

**Engage with portfolio companies** to develop mature transition plans

**Further develop** & continue to implement proxy voting principles and guidelines.

# Question and Answer Session

*Moderated by Dilhari Fernando,  
Managing Director and Head of Communications and Corporate Citizenship*

# Closing Remarks

- Martin Glynn
- Deborah K. Orida

**Thank you**