

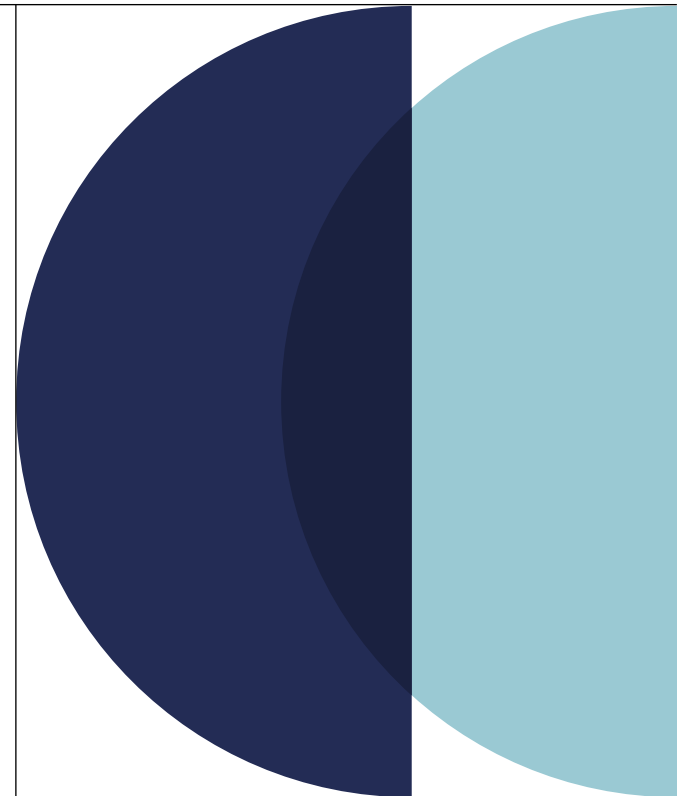


# Global Investor Presentation

**Bloomberg ticker: CADEPO**

**[cdpq.com/en/investor-relations](https://cdpq.com/en/investor-relations)**

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# Cautionary statements

This presentation (and the accompanying oral presentation, if applicable) contains forward-looking statements within the meaning of applicable securities legislation. Forward-looking statements are typically identified by words such as “projected,” “estimate,” “may,” “anticipate,” “believe,” “expect,” “plan,” “intend,” “could” or similar words suggesting future outcomes or statements regarding an outlook (and the negative form thereof). All statements other than statements of historical fact contained in these slides are forward-looking statements.

Forward-looking statements involve numerous assumptions, risks and uncertainties. A variety of factors, many of which are beyond the control of Caisse de dépôt et placement du Québec (“CDPQ”), may cause actual results to differ materially from the expectations expressed in its forward-looking statements. These factors include, but are not limited to, risks related to financial markets and economic conditions in Canada, the United States and internationally, changes in standards, laws and regulations, risks related to defaults by financial institutions, risks related to financial instruments, fluctuations in interest rate levels, increased competition for assets, fluctuations in investment returns, foreign exchange rate fluctuations, adverse changes in the credit markets, the risk of damage to CDPQ’s reputation, CDPQ’s ability to access the capital markets for debt financing, changes in the real estate and infrastructure markets in Canada, the United States and elsewhere, and risks more generally associated with the markets and CDPQ’s portfolios of investments.

CDPQ does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by or on its behalf.

No information presented in this presentation and the accompanying oral presentation as of a date more recent than December 31, 2022, has been audited and only the consolidated financial statements of CDPQ as at December 31, 2022, and for the year then ended have been audited.

The information on, or accessible through, our website or any of the other websites or links to websites referred to in this presentation, is not part of or incorporated by reference into this presentation.

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# CDPQ at a glance

**USD 321 B**  
**CAD 424 B**

Net assets  
as at June 30, 2023

**AAA**

SINCE ITS FIRST ISSUANCE  
IN 2003 (DBRS, FITCH<sup>1</sup>,  
MOODY'S AND S&P<sup>2</sup>)

**1965**

CREATION OF CDPQ

**One of  
the largest**

PUBLIC PENSION ASSET  
MANAGERS IN CANADA<sup>3</sup>

**48**

PUBLIC AND PARAPUBLIC  
DEPOSITORS, MAINLY  
PENSION FUNDS  
AND INSURANCE PLANS

**1,500+** EMPLOYEES  
**11** OFFICES WORLDWIDE

**75%**

EXPOSURE OUTSIDE  
CANADA<sup>4</sup>

## Some recent distinctions



### Fund of the year

Named by Global SWF, a global reference  
that analyzes the activities of some  
400 sovereign wealth and public  
pension funds.



### Ranked 1st

among 59 global pension funds in the  
WBA's sustainable finance rankings.



### Best Places to Work

CDPQ placed 16th among the  
world's 20 best places to work.

## Notes

All amounts or percentage in this presentation are as at June 30, 2023, unless otherwise indicated.

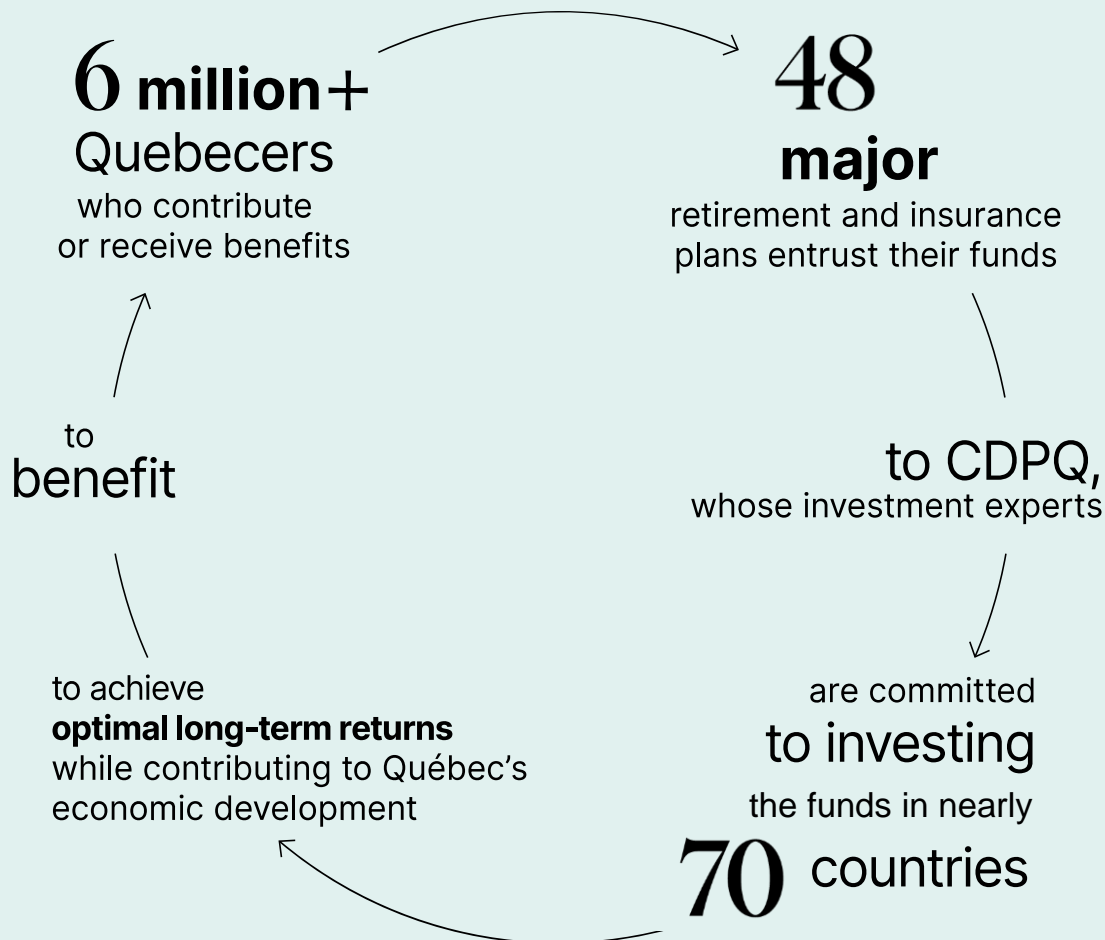
In this presentation, we use the USD/CAD exchange rate as at June 30, 2023 : 1.32325.

Totals (figures or percentages) may vary due to rounding.

1. Fitch began providing a rating as of February 2019.
2. Ratings are not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.
3. Based on net assets under management.
4. As at December 31, 2022.



# Our mission



CDPQ was created in **1965 by an Act** of the National Assembly of Québec to manage assets for public and parapublic depositors

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CDPQ's net assets come from **exclusive legislated mandates** for the vast majority

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CDPQ is **not responsible for its depositors' liabilities** (e.g. pension liabilities)

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CDPQ is operationally and financially **independent from the government**



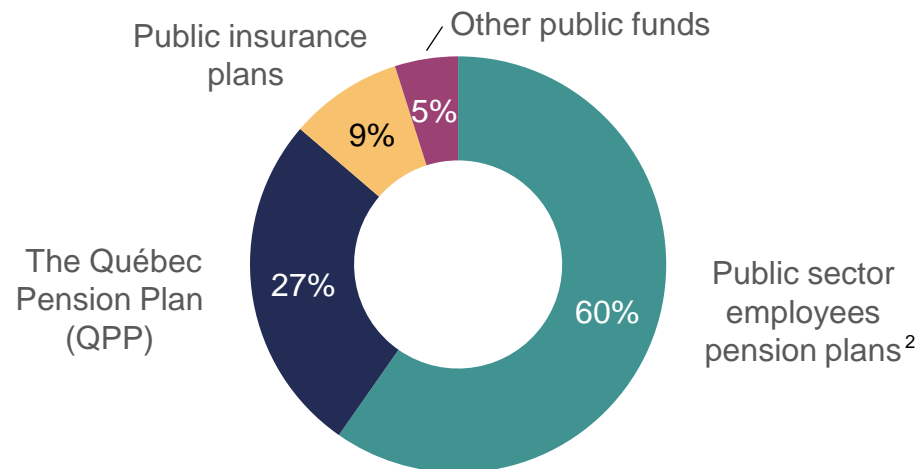
# Our depositors: an exceptionally stable base

**Exclusive legislated mandates** for more than 98%<sup>1</sup> of CDPQ's net assets

- These depositors are governed by their own laws and regulations requiring them to invest their funds with CDPQ

**48 depositors<sup>1</sup>** with a strong and stable financial profile

- Pension plans for public sector employees account for 60% of net assets<sup>2</sup> (public sector employees such as teachers, healthcare and other government employees)
- The Québec Pension Plan (QPP) (27% of net assets) is a compulsory public insurance plan designed to provide all workers in Québec with a basic retirement income



1. As at December 31, 2022. Please refer to the appendix for links to relevant legal documents, including the laws pertaining to CDPQ.

2. Includes the following plans: Retirement Plans Sinking Fund, Government and Public Employees Retirement Plan, Pension Plan of Management Personnel.



# Depositors and CDPQ's portfolio

**Providing value to our depositors to meet their long-term needs**



# Governance

## **Independence from the government, established by legislation<sup>1,2</sup>**

- The Government of Québec does not intervene in any aspect of CDPQ's investment decisions, operations or finances, nor does it guarantee CDPQ's debt.

## **Independent Board of Directors<sup>2</sup>**

- At least 2/3 of members, including the Chair, must be independent.
- Strong fiduciary duty, including appointing the CEO, establishing risk management policies, approving CDPQ's strategic plan and approving investment policies

## **Stable legislative and legal framework<sup>2</sup>**



“... governance came up again and again as perhaps the single most important factor in the success of the Canadian model of pension funds.”

**World Bank Group<sup>3</sup>**

1. “It acts with full independence in its administrative management and in the management of its investments...” *Act respecting the Caisse de dépôt et placement du Québec (chapter C-2).*

2. Please refer to the appendix for links to legal documentation, including the law and regulations pertaining to CDPQ.

3. “The Evolution of the Canadian Pension Model, Practical Lessons for Building World-class Pension Organizations.” World Bank Group. November 2017.

We invest  
constructive  
capital  
to position  
enterprises  
to succeed.







# Main pillars of our investment strategy



## **Optimal performance**

Benefit from diversified sources of return, create value through post-investment management and assess risk thoroughly

## **Québec economy**

Leverage our advantages in Québec to generate returns while helping build a dynamic, competitive and sustainable economy

## **Worldwide presence**

Increase our exposure to global markets by adopting an integrated approach across regions and partnering with the best

## **Sustainable investing**

Invest in assets that support the transition toward a low-carbon economy while affirming our leadership on ESG matters

## **Technology trends**

Create value by capitalizing on the acceleration of technology trends, including the impact that a digitizing economy has on businesses and our operations



# Sustainable investment: A fundamental performance driver

## Environment

An investment strategy to address climate change with ambitious and concrete targets in the short, medium and long term

- Lower our portfolio's carbon intensity
- Increase our low-carbon assets
- Support decarbonization of companies in the highest-emitting sectors

A net-zero  
portfolio  
by 2050

## Social

Help build stronger communities

- Fostering an inclusive workplace and our people's development
- Supporting our portfolio companies and external managers on issues involving diversity, equity and inclusion (DEI)
- Adopting tax best practices

## Governance

Focus on promoting a strong governance structure

- Apply sound governance principles
- Support our portfolio companies in implementing best practices
- Promote rigorous management of technology risks





# Our climate strategy: 4 vital pillars

As at December 31, 2022



**CAD 54 B**

in low-carbon assets  
by 2025<sup>1</sup>



**60%**

reduction in our portfolio's  
carbon intensity by 2030  
compared to 2017



**CAD 10 B**

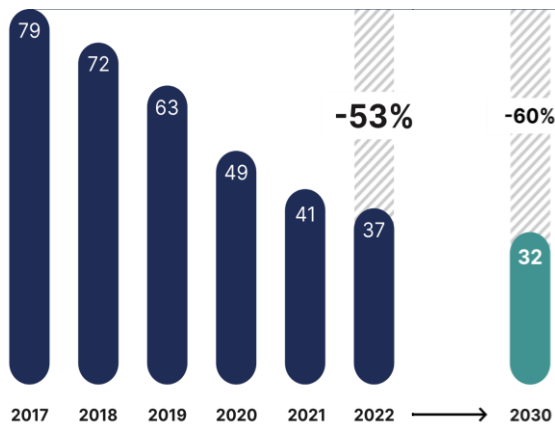
transition envelope  
to decarbonize the  
highest-emitting sectors



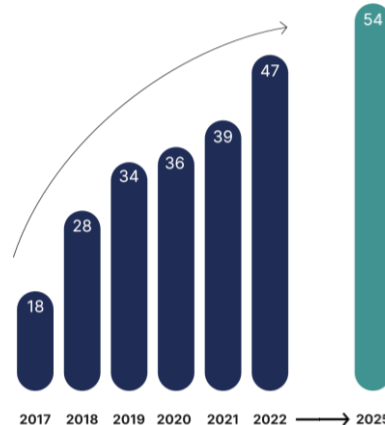
**2022**

complete our exit  
from oil production<sup>2</sup>

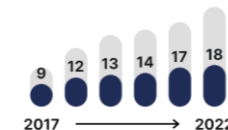
**The Portfolio's Carbon Intensity  
(in tCO<sub>2</sub>e/M\$)**



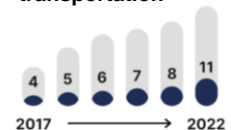
**Low-carbon assets  
(in \$B)**



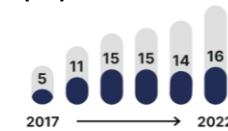
**Renewable energy**



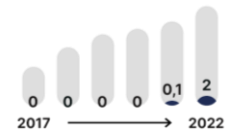
**Sustainable transportation**



**Low-carbon properties**



**Others\***



\*Includes the new sectors from CBI's taxonomy

<sup>1</sup> Investments in renewable energy, sustainable transportation, low-carbon properties and other categories according to the CBI's Climate Bond Taxonomy (Sept. 2021).

<sup>2</sup> Our exit from the sector is essentially completed. We only have a single investment left, which we will divest from in the course of 2023.



# Carbon footprint breakdown

As at December 31, 2022

## USD 35 B

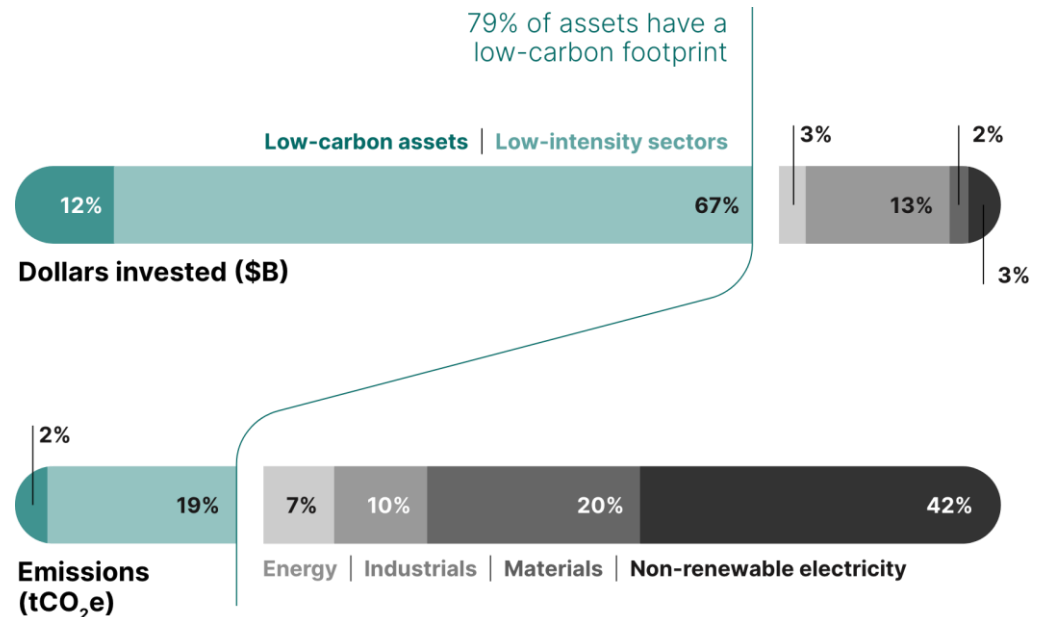
12% of the value of CDPQ's portfolio in low-carbon assets<sup>1</sup>

## +USD 221 B

including low-intensity sectors<sup>2</sup>

Our portfolio's carbon footprint stems mainly from non-renewable electricity generation activities and certain high-intensity sectors.

### Portfolio composition : Dollars and carbon footprint



1. Investments in renewable energy, sustainable transportation, low-carbon properties and other categories according to the CBI's Climate Bond Taxonomy (Sept. 2021).

2. Sectors such as finance, health care and telecommunications.



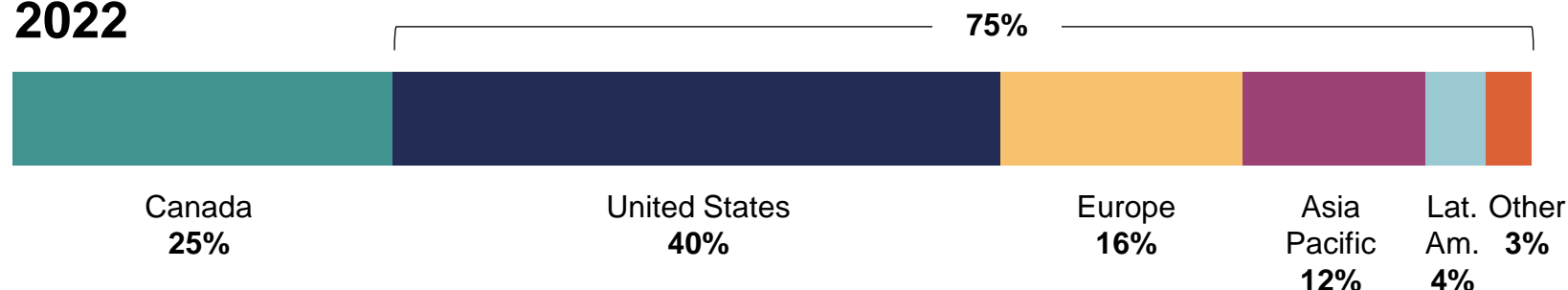
# We have substantially expanded our exposure to global markets

Increase in five years

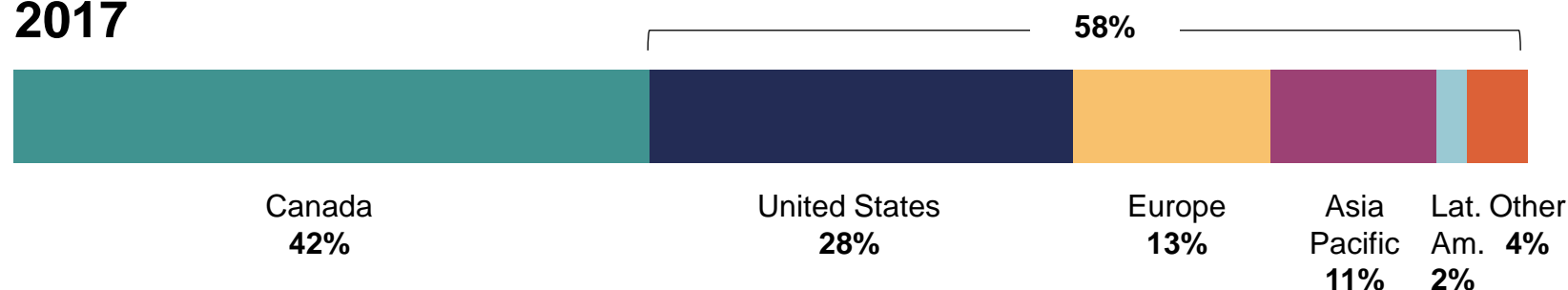
## USD \$125 B

As at December 31, 2022

### 2022



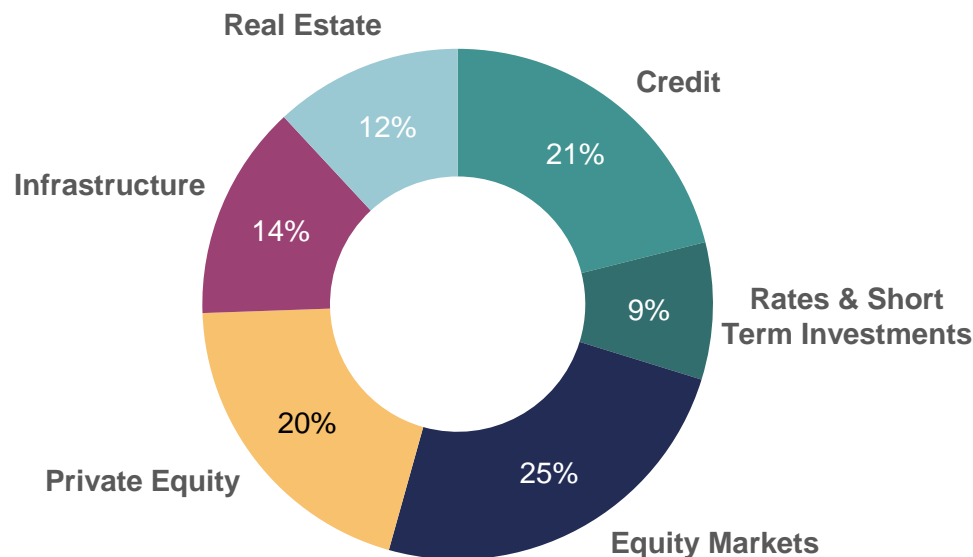
### 2017





# High diversification across markets and asset classes

DECEMBER 31, 2022

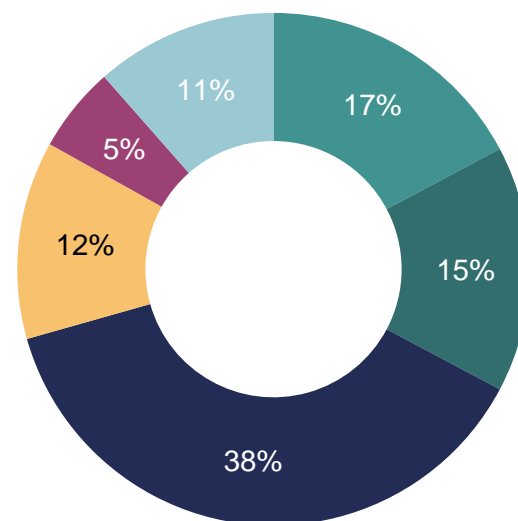


SUBSTANTIAL LIQUIDITY,  
MINIMIZING LIQUIDITY RISK  
AND PROVIDING FLEXIBILITY

**USD 42 B**

CASH AND HIGH-QUALITY LIQUID  
GOVERNMENT SECURITIES\*

DECEMBER 31, 2017



INCREASED DIVERSIFICATION  
OF OUR EXPOSURES TO  
INFRASTRUCTURE AND  
CREDIT

\* Liquidity in fixed income and treasury activities

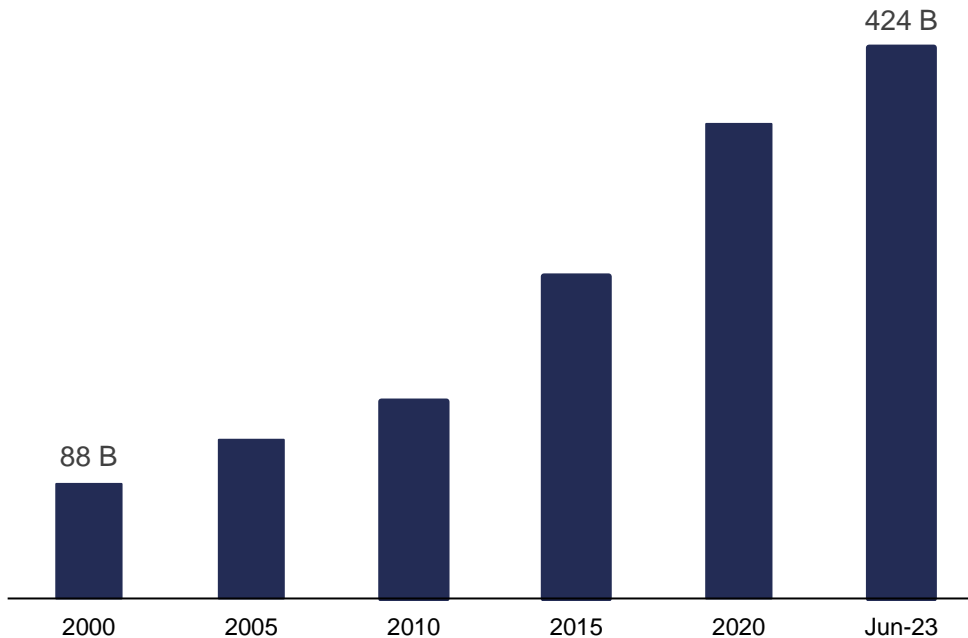


# Sustained asset growth over the long term

## Providing long-term returns to a stable depositor base

### Net assets (CAD)

As at December 31 (unless otherwise indicated)



### OUR INVESTMENT RESULTS

**CAD 98.6 B**

5 years

**CAD 209.9 B**

10 years

### OUR ANNUALIZED RETURNS

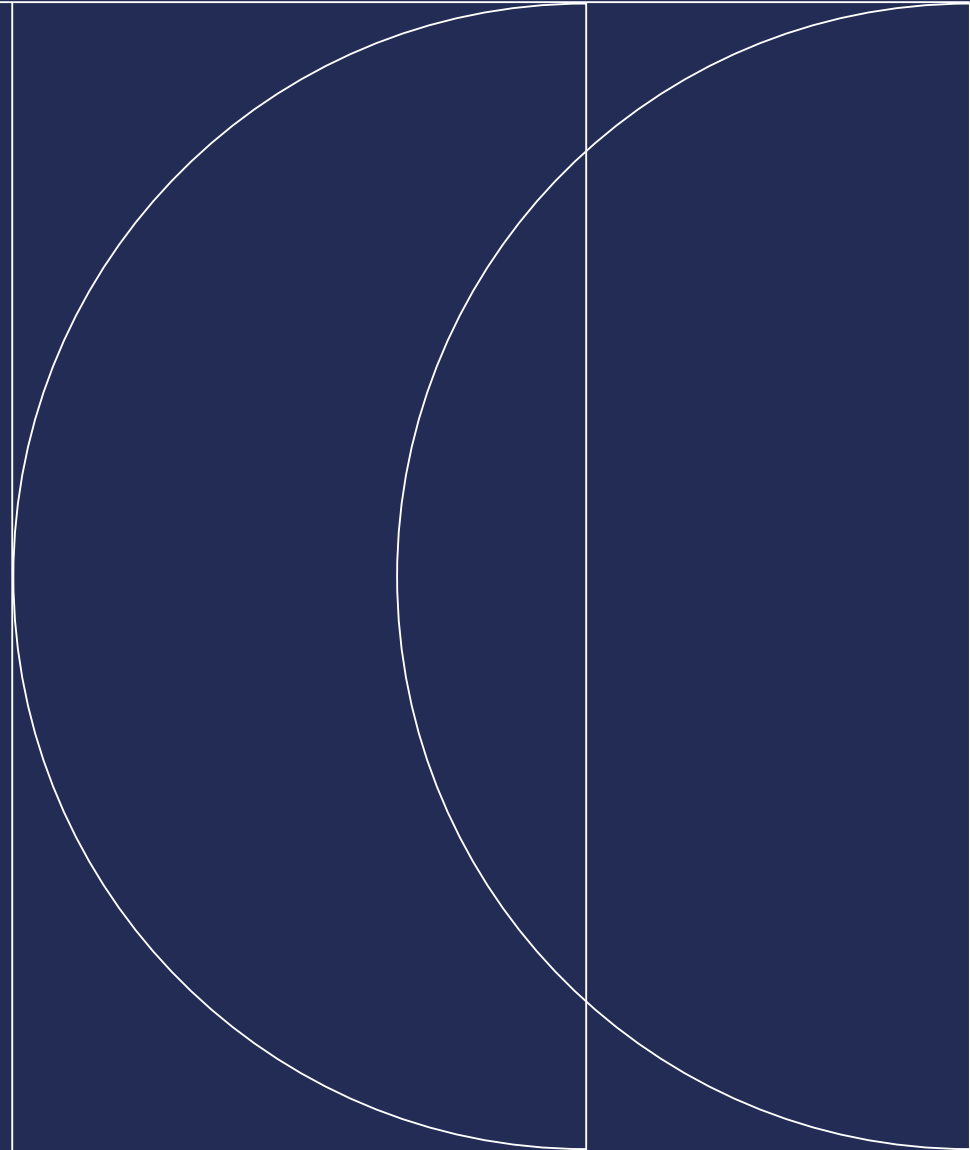
**6.0%**

5 years

**7.9%**

10 years

# Senior Debt Issuance Program







# Senior debt issuance program

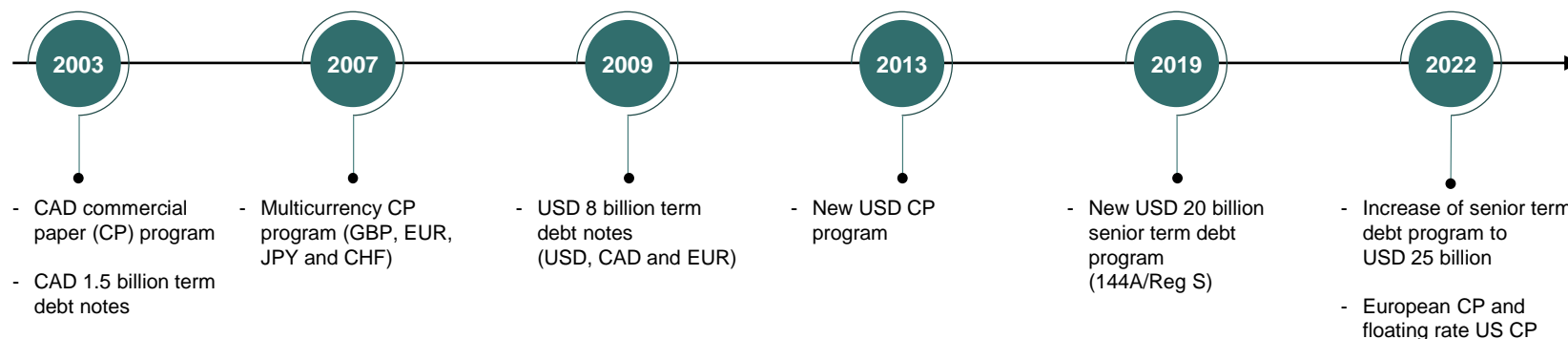
## **Why issue debt?**

- Optimizing portfolio construction
  - More flexibility in deploying our long-term strategy across asset classes
  - Increased efficiency in liquidity management
- 

## **Our program**

- Multicurrency senior debt program (144A/Reg S) launched in 2019
- Regular benchmark issuance in targeted markets (USD, EUR and CAD)
  - Increase and diversify investor base globally
  - Build and maintain our presence in various tenors
  - Reduce cost of funds and increase flexibility of access to funds
- Debt issued by CDP Financial, fully and unconditionally guaranteed by CDPQ

# AAA ratings<sup>1</sup> since our first issuance in 2003<sup>2</sup>



**AAA/R-1 (high)**

**FitchRatings**

**AAA/F1+**

**MOODY'S**

**Aaa/P-1**

**STANDARD  
& POOR'S**

**AAA/A-1 (high)**

## Highest ratings supported by

1. Low leverage, substantial liquidity and high-quality diversified assets
2. Creditors' priority of claim over depositors' participation deposits
3. Strong governance, stable legal and legislative framework

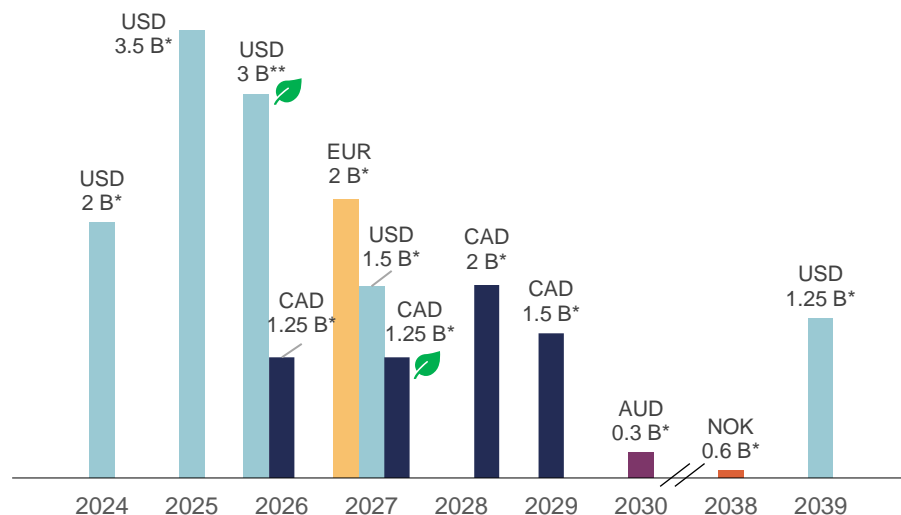
1. Ratings are not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

2. Fitch began providing a rating as of February 2019.



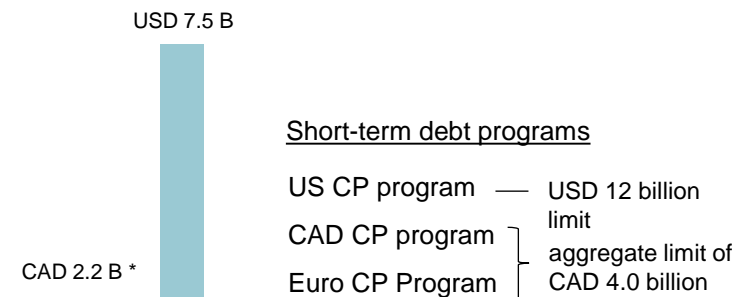
# Outstanding senior debt

## Term notes: USD 17.5 B



\* Face value in local currency. \*\* Including the Green bond of USD 1B.

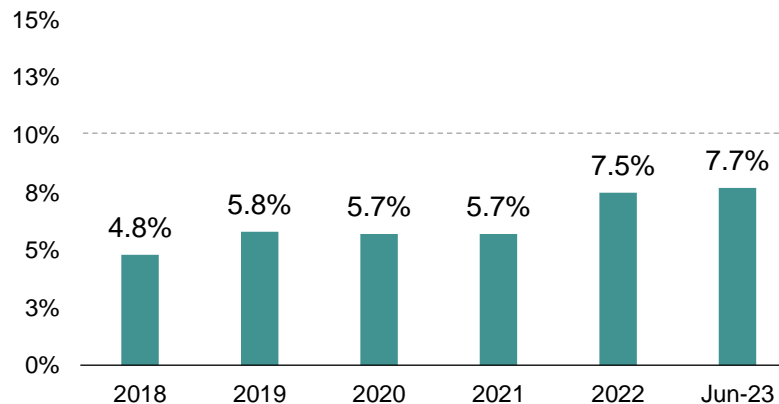
## Short-term notes: USD 9.2 B



\* Including 1.3 B (CAD equiv.) of Euro CP.

## Total senior debt: USD 26.6 B

Consistently low senior debt ratio



10%

Board-set limit<sup>1</sup>

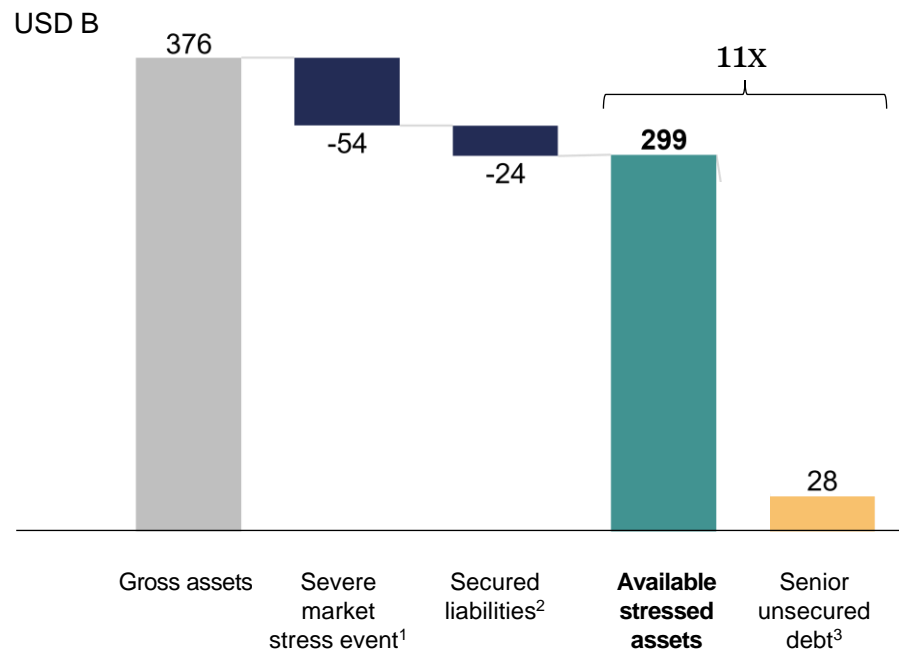
1. Senior debt/(net assets + senior debt), at fair value.



# A sizeable safety cushion for creditors

## An illustration:

### Available assets to cover debt after a stress event<sup>1</sup>:



## 11X

Asset coverage of unsecured debt after a severe market stress event<sup>1</sup>

A large diversified pool of high-quality assets including

## USD 42 B

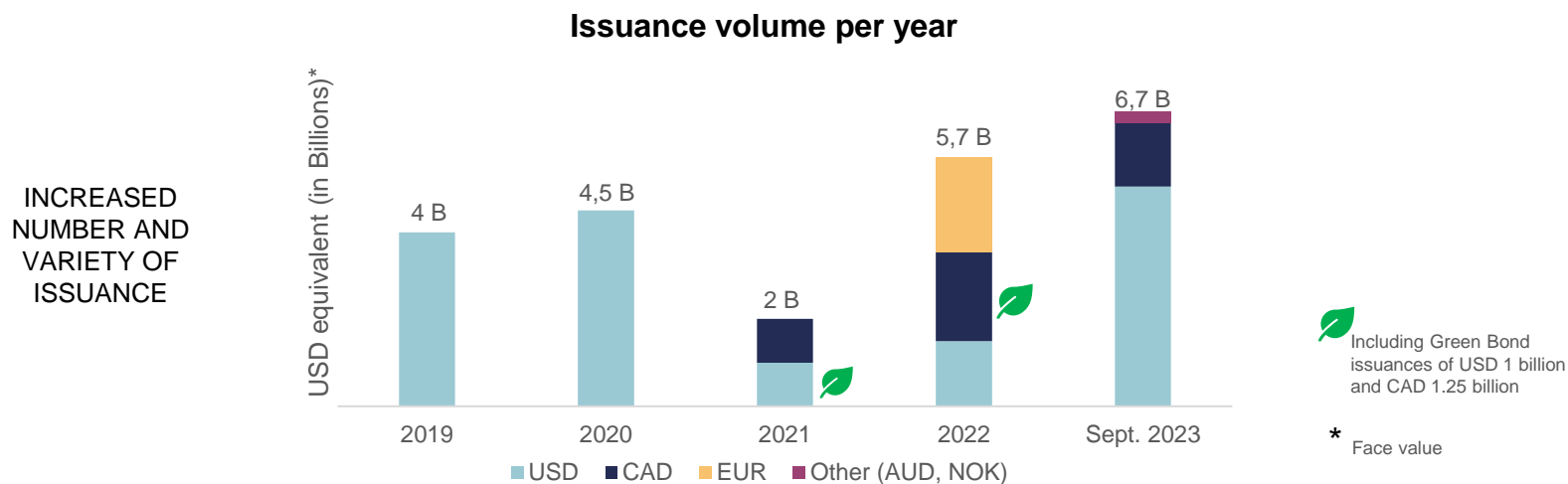
Unencumbered assets and liquid government securities<sup>4</sup>

1. Illustrative market stress scenario reflecting the portfolio's loss over one year that could be exceeded in 5% of cases. Based on a historical value at risk using observations from 2006 to today.
2. Including securities sold under repurchase agreements (USD 20.3 billion), securities sold short (USD 2.4 billion) and liabilities related to derivatives (USD 1.0 billion).
3. Face value.
4. Including cash, short-term notes and bonds issued or guaranteed by the Government of Canada or by Canadian provincial governments.

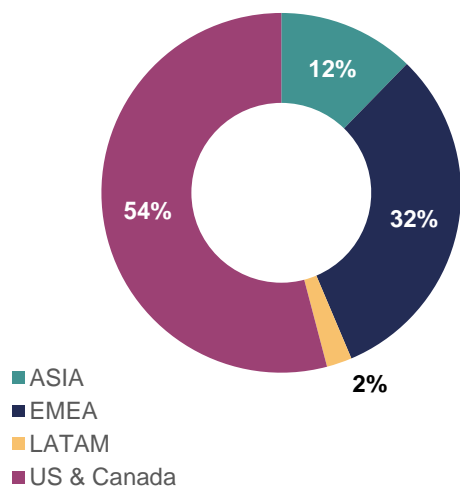


# Since our program launch in 2019

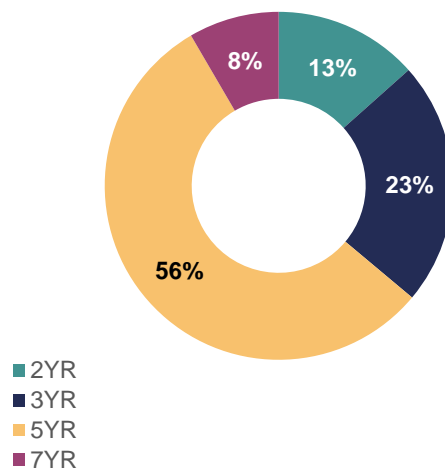
## As at September 30



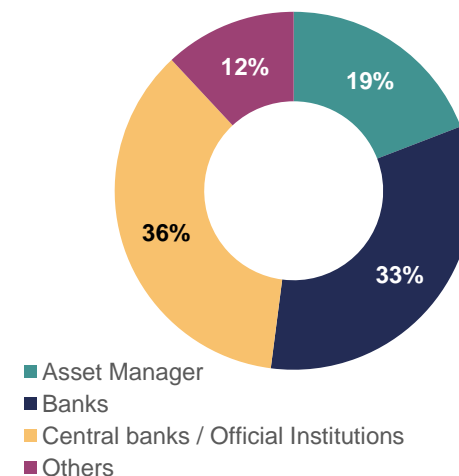
### By geography



### By tenor



### By investor type

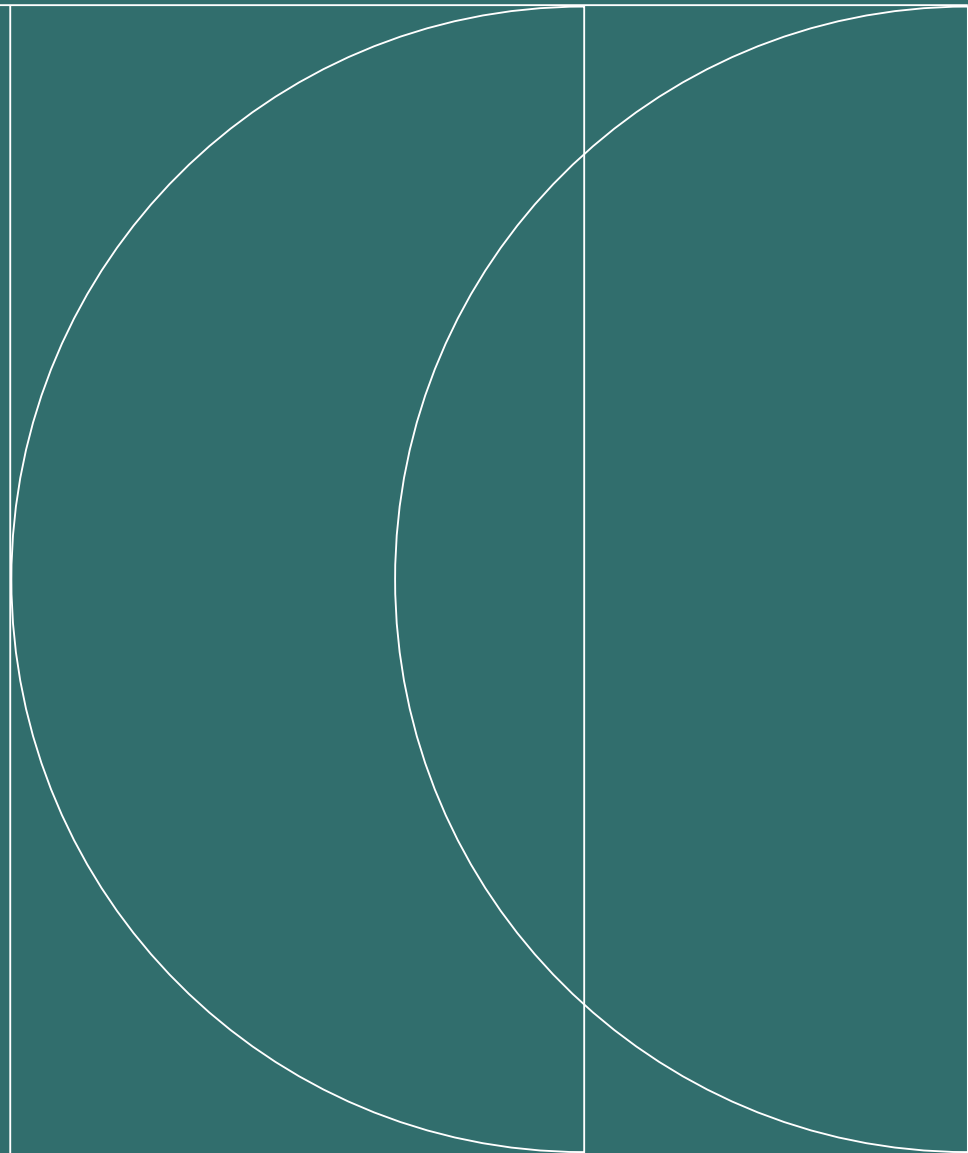


# Providing value to investors as a high-quality AAA issuer

 Government of Canada  Aaa/AAA/AA+ *    Sovereign	 Export Development Canada  Aaa/AAA/- *    Agency	 CPPIB Capital  Aaa/AAA/- *    Asset manager	 CDP Financial  Aaa/AAA/AAA *    Asset manager	 KfW Bankengruppe  Aaa/AAA/AAA *    German Agency	 Bank Nederlandse Gemeenten N.V.  Aaa/AAA - *    Dutch Agency	 Kommunalbanken AS  Aaa/AAA/- *    Norwegian Agency
Government of Canada	Canada's export credit agency, offering trade financing, insurance, and risk management to Canadian companies in support of international competitiveness	Canadian Federal Crown Corporation whose mandate is to invest the net contributions of Canada's mandatory national pension plan (except those in the Province of Québec)	Public pension asset manager serving public and parapublic depositors (mainly pension funds and insurance plans) in the Province of Québec	Development agency of the Federal Republic of Germany to promote activities relating to economic and social development, as well as environment preservation	Promotional lender to local and public sector institutions (municipalities, housing associations, healthcare institutions)	State agency with a public policy mandate to provide low cost finance to the local government sector (local and regional governments or inter-municipal companies)
Sovereign risk	Explicit guarantee from sovereign	No explicit guarantee from sovereign	No explicit guarantee from sovereign	Explicit guarantee from sovereign	No explicit guarantee from sovereign	No explicit guarantee from sovereign

\* Moody's/S&amp;P/Fitch.

# Appendices



# Main depositors as at December 31, 2022

## Finances

Québec 

**Retirement Plans  
Sinking Fund**  
USD 79.3 billion

- Fund used by the Government of Québec to capitalize the employer's portion of retirement benefits of employees in the public and parapublic sectors

**CNESST**

**Québec's occupational  
health and safety plan**  
USD 14.2 billion

- 226,000 contributing employers
- 4.0 million workers covered
- CAD 2.6 billion in benefits paid annually

## Retraite

Québec 

**Québec Pension Plan**  
USD 78.8 billion

- 4.2 million contributors
- 2.2 million beneficiaries
- CAD 16 billion in benefits paid annually

## Finances

Québec 

**Generations Fund**  
USD 13.1 Billion

- Fund used to repay Québec's debt

**RREGOP**

**Government and Public  
Employees Retirement Plan**  
USD 61.4 billion

- 613,000 contributors
- 319,000 retirees and 22,000 surviving spouses and orphans
- CAD 7.3 billion in retirement benefits paid annually

**Société de l'assurance  
automobile**

Québec 

**Québec's public  
automobile  
insurance plan**  
USD 9.9 billion

- 5.7 million driver's licence holders
- 7.0 million registered vehicles
- CAD 1.1 billion paid in compensation annually



**Supplemental Pension  
Plan for Employees of  
the Québec Construction  
Industry**  
USD 21.0 billion

- 190,000 contributors
- 101,000 retirees or surviving spouses
- CAD 1.0 billion in benefits paid annually

**PPMP**

**Pension Plan  
of Management  
Personnel**  
USD 8.0 billion

- 31,000 contributors
- 35,000 retirees and 3,000 surviving spouses and orphans
- CAD 1.6 billion in benefits paid annually





# Key links

## **Investor relations**

<https://www.cdpq.com/en/investor-relations>

## **Our depositors**

<https://www.cdpq.com/en/about-us/clients>

## **Investments and Performance**

### Total Portfolio

<https://www.cdpq.com/en/investments/total-portfolio>

### Annual reports

<https://www.cdpq.com/en/performance/annual-reports>

### Risk management

<https://www.cdpq.com/en/investments/risk-management>

### Sustainable investing

<https://www.cdpq.com/en/approach/sustainable-investing>

## **Governance**

### Laws, regulations and policies

<https://www.cdpq.com/en/about-us/governance/law>

### Board of Directors

<https://www.cdpq.com/en/about-us/governance/board-directors>

### Executive Committee

<https://www.cdpq.com/en/about-us/governance/executive-committee>

## **Note**

The information on, or accessible through, our website or any of the other websites or links to websites referred to in this presentation, is not part of or incorporated by reference into this presentation.