



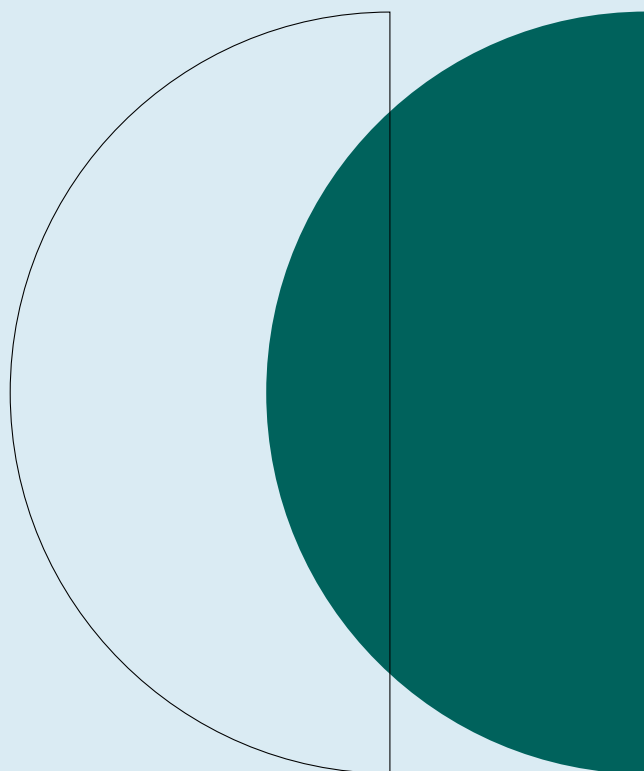
# Investing for future generations

2024 ANNUAL REPORT



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This report presents an overview of our 2024 results, our achievements and our progress in Québec and around the world.



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## Message from the Chairman of the Board



In a demanding environment, CDPQ continued to make progress toward achieving its ambitious objectives. Throughout 2024, the Board ensured that the organization had all the resources needed to carry out its mission. We have no doubt that Quebecers can count on the contribution of solid plans to their financial future.

In 2024, CDPQ delivered notable investment results for its depositors that will help maintain the sound financial position of their plans. The organization also generated value added over the longer term. This performance gives CDPQ's clients some added flexibility in a context where, in a few years' time, most of them will see outflows exceed deposits. Hence the importance of CDPQ generating optimal returns.

Once again this year, Québec remained a top priority. CDPQ's teams supported numerous Québec companies in addition to stimulating entrepreneurship and the next generation, as well as developing projects with an impact on the economy. Among them, the Board would like to highlight in particular the Plan CITÉ, presented by CDPQ Infra, the organization's infrastructure subsidiary. This master plan targets improved mobility in the Capitale-Nationale region, including by constructing a tramway network. In Greater Montréal, work on the REM also continued to advance at a good pace toward its next commissioning, scheduled for 2025.

CDPQ further diversified its portfolio, a central aspect of its strategy, by executing quality transactions in Québec and around the world. The organization's size and international reach enable it to forge partnerships with high-calibre players in order to expand its investment pool and create even more value. And that's not counting the teams at work in CDPQ's offices worldwide, a major asset that sets the organization apart from the competition and enables it to better address issues in an increasingly complex business environment.

CDPQ once again exercised strong leadership in sustainable investing, receiving various awards for its actions. The Board can attest to the importance that CDPQ gives to sustainability issues through the many initiatives the organization has undertaken. Good progress has been made toward

CDPQ's priorities, whether in terms of governance or social and environmental factors. A key milestone was reached with the achievement of the targets of its climate strategy, which was launched in 2021. One thing is certain: the Board shares CDPQ's convictions and supports its efforts to contribute to the necessary energy transition, especially since the organization has amply demonstrated that this can be done to the benefit of its depositors.

In light of these achievements, the Board has a positive view of the 2024 financial year, during which CDPQ was able to improve its depositors' financial health and position its portfolio well for continued success. On behalf of the members of the Board, I would like to thank all CDPQ employees for the commitment they demonstrate every day.

### HIGHLIGHTS OF THE BOARD'S WORK

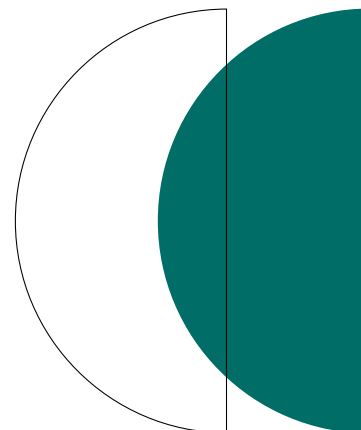
Throughout the year, the Board of Directors and its committees oversaw the implementation of CDPQ's strategic orientations, as well as sound governance and the maintenance of the highest standards in all areas. We also ensured that the activities complied with the Act respecting CDPQ, as well as the depositors' and its own investment policies.

In a context where the portfolio is approaching maturity, we have closely monitored the various projects to optimize the organization's efficiency. I am thinking in particular of the process to integrate the real estate subsidiaries, which began in spring 2024 and has continued without disrupting business continuity.

Among other highlights, I would like to mention the Board's review of the revised governance model for investment decisions, as well as its studies of several investment files. We

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Through the strategic initiatives and transformative projects implemented by the Executive Committee in recent years, CDPQ is now in an excellent position to continue along a path of significant growth. As the organization prepares to celebrate its 60th anniversary, CDPQ is, in my opinion, more relevant than ever, particularly due to its considerable impact in Québec and beyond.



kept a close eye on fluctuating market conditions and evaluated their impacts on the organization's overall risk profile. In addition, we assessed the implications of the amendments made to some laws, such as regarding access to information and the Charter of the French Language, and reviewed the new human rights policy. At the same time, we oversaw the entire reporting process, ensuring as always that the organization has sound financial governance.

Lastly, we examined the application of human resource management policies as well as the review of the succession planning program. And, of course, we monitored the performance evaluation process to ensure that it is aligned with market practices.

#### **REASSURING CONTINUITY IN THE CURRENT CONTEXT**

The work of the Board depends on its dedicated members, and they are fully invested in the institution's success. I would like to thank them for their support and the rigour they have shown in performing their duties. Thanks also to Maria S. Jelescu Dreyfus for her contributions during her years with us. We are pleased to welcome two new members since May 2024, Audrey Murray and Ghislain Parent, and to continue working with Jean-François Blais, whose mandate has been renewed.

I cannot conclude without thanking Charles Emond, who began his second mandate as President and Chief Executive Officer at the start of 2024. In the opinion of the Board, his presence at the helm of the organization is particularly reassuring as we head into a period of greater uncertainty. With his proven leadership skills, there can be no doubt that he will be able to mobilize his teams around CDPQ's ambitions to deliver the results expected by depositors and contribute to a vibrant Québec economy.

**Jean St-Gelais**  
Chairman of the Board

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# Message from the President and Chief Executive Officer



In 2024, a year filled with challenges, CDPQ delivered results that contributed to the excellent financial health of its depositors' plans and to the vitality of the Québec economy. In early 2025, however, we entered a whole new era: a world where the edges are more blurred, where tectonic plates are shaking not only the very foundations of international trade, but even of the world order itself. This context should serve as a call to action and we must use it to encourage strong mobilization.

Geopolitical hotspots, extreme polarization and a global tariff war—instability is more than ever likely to cause profound economic shocks. The market volatility of recent months also underscores an erosion of confidence triggered by uncertainty over what lies ahead.

This could add several layers of complexity to our business environment. Given that, we will retain our focus on portfolio diversification and team discipline, as both will be key to producing stable long-term returns for our depositors and to continue navigating through uneven market conditions of recent years.

Despite the turbulence, our net assets have grown by \$133 billion over five years, reaching \$473 billion at the end of 2024. Over this period, we generated \$6 billion in value added and \$17 billion over ten years. The results that CDPQ obtained over the last ten years have also helped improve the financial health of the plans of our clients: 48 depositors, each with their own investment policy and specific risk tolerance.

For 2024, the Québec Pension Plan, the pensions for more than six million Quebecers, posted a return of 11.0%. Our total portfolio generated a return of 9.4% over one year. Its performance was driven by our activities in the public equity markets, which stood out against indexes that are more concentrated than ever. Among other drivers, our private equity investments rebounded strongly and our infrastructure assets have once again delivered solid performance. The year proved to be more difficult in real estate due to our longstanding exposure to the U.S. office sector, which faces persistent challenges. Lastly, the rise in long-term rates weighed on our fixed income activities, which nevertheless present attractive prospects due to a high current yield. The financial health of our main depositors' plans therefore improved in 2024.

## SHAPING THE QUÉBEC OF TOMORROW

In Québec, all of our teams work to stimulate companies' growth and carry out promising projects for the economy and for future generations. During the year, we financed more than \$4 billion in new investments and commitments, including in crucial areas such as engineering, data centres and supply chains. Our assets in Québec have now reached \$93 billion, another step closer to our goal of \$100 billion by 2026.

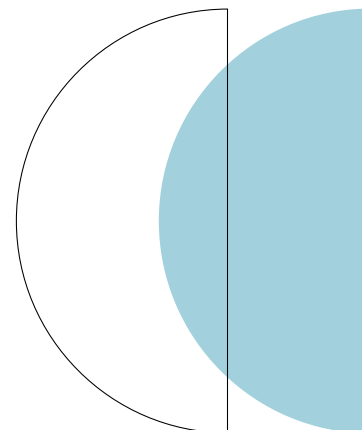
Of course, the coming months carry more uncertainty, as tariff threats could prompt companies to reconsider their investment plans in Québec. In this environment, the best strategy is to play offense. Whatever happens, we must seize this opportunity to become more competitive and capitalize on our strengths. CDPQ will be there to support companies in whatever transformation may be required, by helping them increase their productivity or diversify their markets. Together, we can drive Québec forward.

## PROGRESS ON SEVERAL FRONTS

In 2024, in highly competitive markets, our teams remained selective in securing numerous international transactions, leveraging our specialists on the ground as well as our extensive network. This includes strategic dispositions to recycle capital while crystallizing gains, as well as acquisitions in key sectors. Examples that come to mind include telecommunications in New Zealand, electricity transmission in Brazil and logistics facilities in Europe.

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I'd like to acknowledge everyone involved in building this organization over the decades, and I'd like to thank our teams, in Québec and around the world, who contribute every day to the fulfilment of our mission. Thank you also to the members of the Board of Directors and its Chairman, Jean St-Gelais, for their unfailing support, and to our depositors for their trust.



These investments are in addition to several others in low-carbon assets, including renewable energy in the U.K., Australia and Japan. Through the efforts made by all our teams, we surpassed the objectives of our climate strategy, which is among the most, if not the most, ambitious in the industry, earlier than expected. In addition, we undertook initiatives related to our priority themes, such as inclusion, taxation and governance. As a long-term investor, we remain convinced that companies that adopt sustainable practices are more likely to have a profitable and lasting business model. This is why we are staying the course with this approach, which not only allows us to mitigate the risks but also offer our depositors an additional driver of performance.

Managing responsibly also means being mindful of costs. In this respect, our teams once again demonstrated great rigour this year. Our costs are among the lowest in the industry, and we work hard to ensure it stays that way. In the spring of 2024, we integrated our real estate subsidiaries, a project that is progressing rapidly and already delivering benefits. Acting as one organization gives us more traction with our partners, in addition to allowing us to focus on our role as an investor and achieve economies of scale. At the current pace at which our assets are growing, it's essential to optimize our methods and simplify our processes to enhance efficiency and performance.

We've also launched various projects to leverage the full potential of technology, including expanding our use of artificial intelligence and improving analytical tools to better exploit data, enhance decision-making and, ultimately, generate superior performance.

## **SIXTY REASONS TO BE PROUD**

In short, we have continued to work on advancing our priorities and evolving our organization to be well positioned for what's next. I'm therefore confident as we head into 2025, which also marks CDPQ's 60th anniversary. How far we have come since this great institution was created in the mid-1960s! Its architects were right in predicting that it would become "the most important and powerful financial instrument we've ever had in Québec." Today, our reach extends far beyond our borders. We're a global investment group recognized for our performance, our role in Québec and our strong leadership in sustainable investing.

Collectively, we can be proud of CDPQ! Proud of what it has achieved and what it represents. I'm honoured to continue writing its story alongside our employees, convinced that there are no obstacles we cannot overcome or ambitions we cannot achieve.

**Charles Emond**

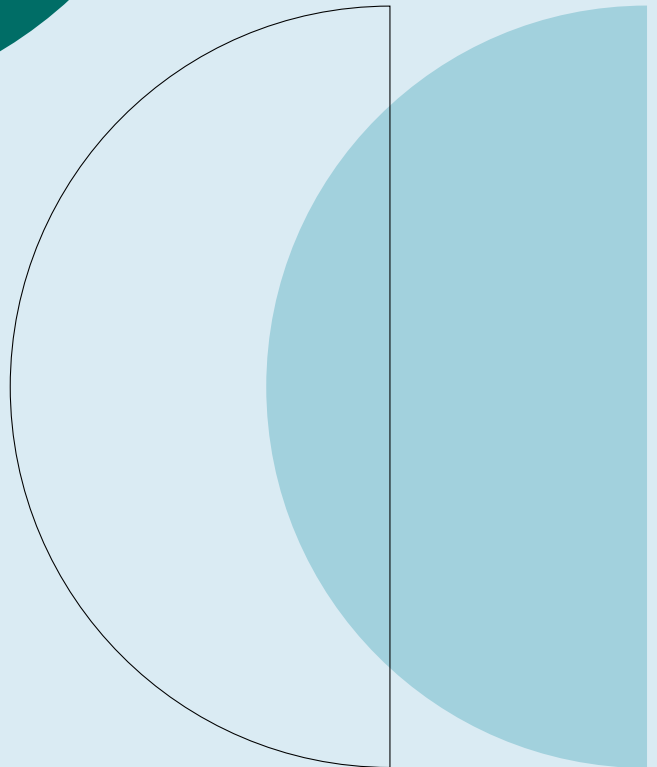
President and Chief Executive Officer







# Our Clients, the Depositors



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# Our Clients, the Depositors

Our depositors' pension and insurance plans remain in excellent financial health, attributable in part to the investment results generated by CDPQ over the last ten years, including in 2024.

## **CONSTRUCTIVE DISCUSSIONS WITH OUR CLIENTS**

With economic resilience, the beginning of the central banks' monetary easing cycle, rising long-term bond yields and a historic concentration of stock market gains, 2024 came with its fair share of challenges. The shifting economic landscape was the focus of many ongoing discussions between CDPQ and its clients, in addition to the following topics:

- Their needs
- Their appetite for risk
- The product offering
- Investment strategies

Against that backdrop, despite the contrasting performances of CDPQ's various portfolios and activities, the returns obtained by the depositors' funds, whether over one, five or ten years, are overall in line with their plans' funding assumptions. Moreover, the financial health of the majority of their funds has improved in the last ten years, including in 2024.

## **ONGOING COLLABORATION AMID UNCERTAINTY**

In the coming years, several clients' pension plans will become more mature, due in particular to the aging of participants and the growing number of retirees compared to those still in the labour market. Consequently, CDPQ's assets under management will soon continue to grow thanks solely to returns. In the near future, depositor disbursements will exceed contributions, leading to a net drawdown position.

In addition, the market environment is filled with uncertainties, most notably the impact of the trade, fiscal and immigration-related measures contemplated by the new U.S. administration, not to mention interest rate dynamics and persistent challenges in the real estate sector.

As in previous years, these evolving economic and structural factors will be central to discussions with our clients in 2025. They will also be considered when work is undertaken periodically, in conjunction with CDPQ, to adjust their long-term allocation targets to:

- Their new realities, including the advancing maturity of their plans
- Their desired risk-return profile
- The paramount importance of sound diversification

## ADAPTED OFFERING

CDPQ proposes that depositors allocate their funds to specialized portfolios containing the same type of securities, with the vast majority of these portfolios managed actively (see Table 2, page 10).

As a complement, customization options give depositors the opportunity to adjust portfolio construction and the strategic risk level based on their own needs, or to establish customized interest rate exposure.

## Strategic product evolution in 2024

### Equities

In 2024, the Equity Markets portfolio continued to evolve, thanks in part to:

- Refocusing on higher value-added management strategies
- Reallocating capital to the top-performing external managers

Combined with the optimization of the portfolio's steering activities and the evolution of the internal active management investment process, these aspects are key to generating the value added that our depositors expect.

## Depositor fund returns

CDPQ manages the funds of 48 depositors—mainly pension and insurance plans. To meet their objectives, specialized portfolios and investment strategies are offered in which depositors can select a target weight based on their risk tolerance. Clients make long-term asset allocation decisions with the support of analyses and advice provided by CDPQ.

The total portfolio's returns, which represent the weighted average of the depositors' returns, are generally in line with their needs across all horizons.

In 2024, the difference in performance between the nine largest funds was particularly significant (see Figure 1), highlighting the variation in asset allocation choices made by depositors. These choices are shaped by their individual realities, which differ depending on the:

- Type of plan and its underlying funding
- Plan's level of financial health
- Plan's maturity and particular needs

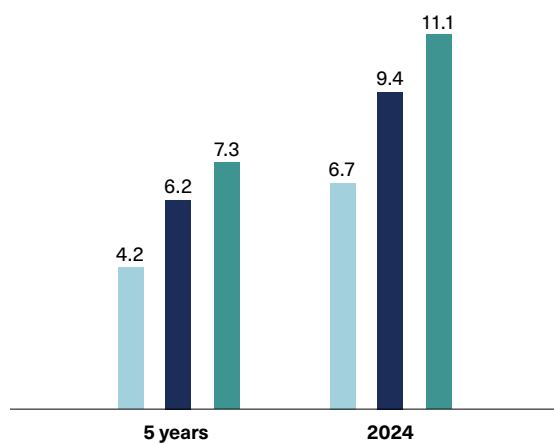
Lastly, we note that the base plan of the Québec Pension Plan, which administers the pensions of more than six million Quebecers and is the largest fund invested with CDPQ, posted a return of 7.3% over five years and 11.0% for one year.

FIGURE 1

### RETURNS ON THE NINE LARGEST DEPOSITOR FUNDS

(as a percentage)

- Lowest return
- Weighted average return on depositors' funds
- Highest return



## Our Clients, the Depositors (continued)

For the Private Equity portfolio, which reached maturity after several years of significant growth, the team continued to carry out its plan to monetize certain assets. In addition, the implementation of the strategy to institutionalize international partnerships continued in 2024, putting the portfolio in a good position to seize opportunities.

### Fixed Income

The teams in rate management focused on a new, more tactical management approach designed to boost the return and generate additional sources of value added. In particular, this approach features a process based on:

- Increasing the diversification of themes and strategies
- Expanding the investment scope
- Achieving execution agility

Within the Credit portfolio, we continued deploying in private segments, including infrastructure financing and capital solutions. In addition, maintaining security selection discipline, post-investment monitoring and sound diversification across geographic regions and professions remained

central components of the strategy. To execute it effectively, the teams continued to forge global partnerships while strengthening business development.

### Real Assets

In recent years, the real estate industry has faced a number of economic and structural issues, including:

- Pressures associated with changing work and consumption habits
- The impact of higher financing costs

Against that backdrop of persistent challenges, the teams continued to adjust the Real Estate portfolio, particularly by integrating the activities of subsidiary Ivanhoé Cambridge into CDPQ and pursuing its repositioning of recent years toward more promising sectors.

The Infrastructure portfolio can count on a number of key attributes, including protection against inflation, a significant current return and a marked diversification effect during periods of turbulence, which are all factors that reinforced its attractiveness to our depositors.

TABLE 2

### PRODUCT OFFERING (as at December 31, 2024)

	PRODUCTS	COMPOSITION
<b>EQUITIES</b>	Equity Markets <sup>1</sup>	Shares of publicly traded companies in developed countries and growth markets
	Private Equity <sup>1</sup>	Capital investments mainly transacted on a private basis and made outside organized markets
<b>FIXED INCOME</b>	Rates <sup>1</sup>	Government bonds with nominal fixed income
	Credit <sup>1</sup>	A broad universe of instruments that provide periodic income and offer exposure to a potential yield premium
	Short Term Investments <sup>1,2</sup>	Canadian Treasury Bills
<b>REAL ASSETS</b>	Real Estate <sup>1</sup>	Investments in various types of real estate assets
	Infrastructure <sup>1</sup>	Interests in infrastructure projects or assets in different sectors
<b>CUSTOMIZED ACTIVITIES</b>	Leverage product	Financial instruments used to allocate additional amounts to specialized portfolios
	Customized rate exposure product <sup>2</sup>	Financial instruments used by depositors to manage their exposure to bond yields to match liabilities or for diversification
<b>OTHER INVESTMENTS</b>	Asset Allocation <sup>1</sup>	Diversification and complementarity of activities with those of other portfolios

1. Specialized portfolio

2. Index management

# The nine largest depositor funds

Represented 96.4% of net assets as at December 31, 2024

	NET ASSETS		
<b>Retraite Québec</b> 	<b>\$125.9 B</b>	<b>Québec Pension Plan Fund – base plan</b>	<ul style="list-style-type: none"> <li>• 4.3 million contributors</li> <li>• 2.2 million beneficiaries</li> </ul>
	<b>\$15.7 B</b>	<b>Québec Pension Plan Fund – additional plan</b>	<ul style="list-style-type: none"> <li>• \$18.1 billion in benefits paid annually</li> </ul>
<b>Finances Québec</b> 	<b>\$123.2 B</b>	<b>Retirement Plans Sinking Fund</b> Fund used by the Government of Québec to capitalize the employer’s portion of retirement benefits of employees in the public and parapublic sectors	
	<b>\$18.7 B</b>	<b>Generations Fund</b> Fund used to repay Québec’s debt	
	<b>\$91.4 B</b>	<b>Government and Public Employees Retirement Plan</b>	<ul style="list-style-type: none"> <li>• 635,000 contributors</li> <li>• 341,000 retirees and 24,000 surviving spouses or orphans</li> <li>• \$7.8 billion in benefits paid annually</li> </ul>
	<b>\$33.6 B</b>	<b>Supplemental Pension Plan for Employees of the Québec Construction Industry</b>	<ul style="list-style-type: none"> <li>• 203,000 contributors</li> <li>• 104,000 retirees or surviving spouses</li> <li>• \$1.0 billion in benefits paid annually</li> </ul>
	<b>\$21.3 B</b>	<b>Commission des normes, de l’équité, de la santé et de la sécurité du travail</b> Fonds de la santé et de la sécurité du travail	<ul style="list-style-type: none"> <li>• 234,000 contributing employers</li> <li>• 4.2 million workers covered</li> <li>• \$2.8 billion in benefits paid annually</li> </ul>
<b>Société de l’assurance automobile Québec</b> 	<b>\$13.7 B</b>	<b>Société de l’assurance automobile du Québec</b> Fonds d’assurance automobile du Québec	<ul style="list-style-type: none"> <li>• 8.9 million people covered</li> <li>• Around \$1.3 billion paid to insured individuals for accidents or other related claims</li> </ul>
<b>PPMP</b>	<b>\$13.0 B</b>	<b>Pension Plan of Management Personnel</b>	<ul style="list-style-type: none"> <li>• 35,000 contributors</li> <li>• 36,000 retirees and 3,000 surviving spouses or orphans</li> <li>• \$1.8 billion in benefits paid annually</li> </ul>

TABLE 3

## CDPQ'S 48 DEPOSITORS

## Comparison of net assets

(fair value as at December 31 – in millions of dollars)

	First deposit	Depositors' net assets			
		2024		2023	
		\$	%	\$	%
<b>PENSION PLANS</b>					
Retraite Québec for the Québec Pension Plan					
Québec Pension Plan Fund – base plan	1966	125,904	26.6	111,450	25.7
Québec Pension Plan Fund – additional plan	2019	15,701	3.3	9,908	2.3
Supplemental Pension Plan for Employees of the Québec Construction Industry	1970	33,624	7.1	30,979	7.1
Government and Public Employees Retirement Plan	1973	91,419	19.3	86,592	19.9
Pension Plan of Management Personnel	1973	12,974	2.7	11,843	2.7
Pension Plan for Federal Employees Transferred to Employment with the Government of Québec	1977	287	0.1	281	0.1
Pension Plan of Elected Municipal Officers	1989	377	0.1	351	0.1
Retirement Plan for the Mayors and Councillors of Municipalities	2015	1	–	1	–
Régime complémentaire de rentes des techniciens ambulanciers/paramédics et des services préhospitaliers d'urgence	1990	901	0.2	838	0.2
Ministère des Finances, gouvernement du Québec <sup>1</sup>					
Retirement Plans Sinking Fund	1994	123,214	26.0	114,980	26.5
Superannuation Plan for the Members of the Sûreté du Québec – employers' fund	2009	1,561	0.3	1,270	0.3
Régime de retraite de l'Université du Québec	2004	254	0.1	539	0.1
Régime de retraite du personnel des CPE et des garderies privées conventionnées du Québec	2005	696	0.1	667	0.2
Régime de retraite pour certains employés de la Commission scolaire de la Capitale	2006	22	–	24	–
Pension Plan of the Non-Teaching Staff of the Commission des écoles catholiques de Montréal	2007	130	–	137	–
Superannuation Plan for the Members of the Sûreté du Québec – participants' fund	2007	1,128	0.3	977	0.2
Régime de retraite des employés de la Ville de Laval	2007	357	0.1	324	0.1
Retirement Plan for Active Members of the Centre hospitalier Côte-des-Neiges	2010	101	–	98	–
Fiducie globale Ville de Magog	2012	101	–	93	–
Fiducie globale des régimes de retraite de la Ville de Sherbrooke	2012	36	–	41	–
Régime de retraite des agents de la paix en services correctionnels	2013	863	0.2	817	0.2
Régime complémentaire de retraite des employés réguliers de la Société de transport de Sherbrooke	2013	104	–	97	–
Régime de retraite de la Corporation de l'École Polytechnique	2014	56	–	68	–
Régime de retraite de la Ville de Terrebonne	2015	117	–	110	–
Régime de retraite des cadres de la Ville de Québec	2016	381	0.1	326	0.1
Régime de retraite des employés manuels de la Ville de Québec	2016	474	0.1	388	0.1
Régime de retraite des fonctionnaires de la Ville de Québec	2016	827	0.2	710	0.2
Régime de retraite du personnel professionnel de la Ville de Québec	2016	369	0.1	313	0.1
Régime de retraite des policiers et policières de la Ville de Québec	2016	741	0.2	618	0.1
Régime de retraite des pompiers de la Ville de Québec	2016	288	0.1	243	0.1
Régime de retraite des employés du Réseau de transport de la Capitale	2016	197	0.1	189	0.1
Régime de retraite des chauffeurs d'autobus de la Société de transport de Laval	2017	193	–	177	0.1
La société des casinos du Québec	2020	71	–	85	–
Régime de retraite de HEC	2021	37	–	34	–
Fiducie globale de la Ville de Longueuil	2021	95	–	84	–
Régime de retraite des policiers de la Ville de Longueuil	2021	40	–	35	–
Fonds commun des cols bleus et pompiers de la Ville de Longueuil	2021	29	–	25	–

TABLE 3

CDPQ'S 48 DEPOSITORS (continued)  
 Comparison of net assets  
 (fair value as at December 31 – in millions of dollars)

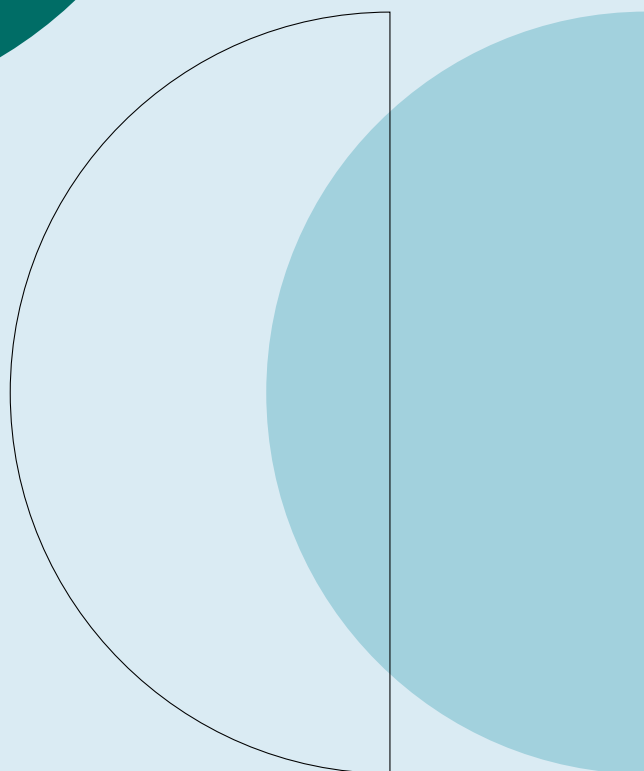
	First deposit	Depositors' net assets			
		2024		2023	
		\$	%	\$	%
<b>PENSION PLANS (continued)</b>					
Fiducie globale des régimes de retraite des employés de la Ville de Lévis	2022	32	–	26	–
Régime de retraite pour les employés de la Ville de Saint-Jean-sur-Richelieu	2022	26	–	24	–
<b>INSURANCE PLANS</b>					
Régie des marchés agricoles et alimentaires du Québec	1967	14	–	13	–
La Financière agricole du Québec	1968	879	0.2	853	0.2
Autorité des marchés financiers	1969	1,500	0.3	1,394	0.3
Commission des normes, de l'équité, de la santé et de la sécurité du travail	1973	21,348	4.5	20,289	4.7
Société de l'assurance automobile du Québec	1978	13,739	2.9	13,564	3.1
Les Producteurs de bovins du Québec	1989	7	–	7	–
Survivor's Pension Plan	1997	487	0.1	476	0.1
Conseil de gestion de l'assurance parentale	2005	796	0.2	488	0.1
Régie du bâtiment du Québec	2022	33	–	32	–
<b>OTHER DEPOSITORS</b>					
Office de la protection du consommateur	1992	170	–	157	–
Ministère des Finances, gouvernement du Québec <sup>1</sup>					
Generations Fund	2007	18,741	4.0	19,390	4.5
Accumulated Sick Leave Fund	2008	1,014	0.2	1,076	0.3
Territorial Information Fund	2011	696	0.2	611	0.1
Agence du revenu du Québec	2012	135	–	135	–
<b>TOTAL</b>		<b>473,287</b>	<b>100.0</b>	<b>434,247</b>	<b>100.0</b>

1. The Ministère des Finances entrusts CDPQ with a total of five funds.





# Management Report



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# 2024 Highlights

**\$473.3 B**

OUR NET ASSETS  
AS AT DECEMBER 31, 2024

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## Results in 2024

**9.4%**

RETURN

**\$39.6 B**

INVESTMENT RESULTS

**-\$10.1 B**

VALUE ADDED

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## Results over 5 years

**6.2%**

ANNUALIZED RETURN

**\$116.5 B**

INVESTMENT RESULTS

**\$6.0 B**

VALUE ADDED

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## Results over 10 years

**7.1%**

ANNUALIZED RETURN

**\$222.6 B**

INVESTMENT RESULTS

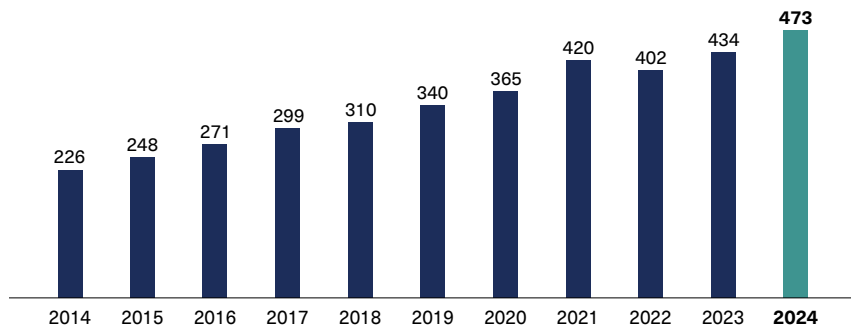
**\$17.1 B**

VALUE ADDED

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## Growth in our net assets since 2014

(in billions of dollars)



## Returns of our three main asset classes

### Equities

**22.1%**  
IN 2024

**12.2%**  
OVER 5 YEARS

**11.4%**  
OVER 10 YEARS

### Fixed Income

**1.3%**  
IN 2024

**0.2%**  
OVER 5 YEARS

**2.2%**  
OVER 10 YEARS

### Real Assets

**0.6%**  
IN 2024

**4.0%**  
OVER 5 YEARS

**6.0%**  
OVER 10 YEARS

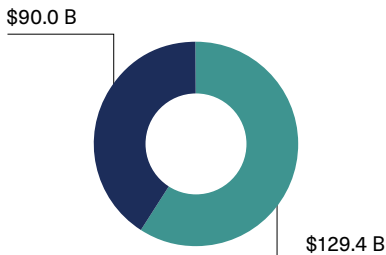
## Net assets

AS AT DECEMBER 31, 2024

### Equities

**\$219.4 B**

NET ASSETS  
BY PORTFOLIO

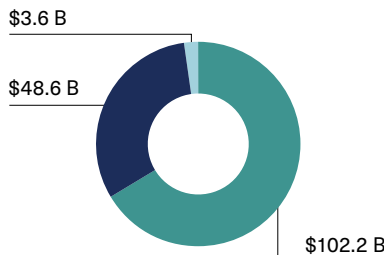


- Equity Markets
- Private Equity

### Fixed Income

**\$154.3 B**

NET ASSETS  
BY PORTFOLIO

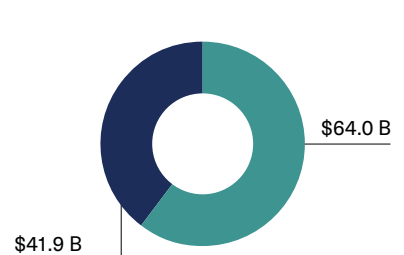


- Credit
- Rates
- Short Term Investments

### Real Assets

**\$105.9 B**

NET ASSETS  
BY PORTFOLIO



- Infrastructure
- Real Estate

# Analysis of Overall Performance

In the challenging environment of recent years, CDPQ recorded returns that, overall, were in line with the needs of its depositors and produced value added over the long term.

Net assets

**\$473.3 B**

**7.1%**

10-YEAR  
ANNUALIZED  
RETURN

**6.2%**

5-YEAR  
ANNUALIZED  
RETURN

**\$6.0 B**

VALUE ADDED  
OVER 5 YEARS

## Main asset classes: Equities / Fixed Income / Real Assets / Other Investments

All the figures in this section are detailed in Table 21 (page 42)

### FIVE-YEAR RETURN

#### Total portfolio

Investment results: **\$116.5 B**

Annualized return: **6.2%**

Over five years, the annualized weighted-average return on depositors' funds was 6.2%. Table 4 compares this performance with that obtained over ten years and for each year from 2020 to 2024.

As at December 31, 2024, CDPQ's net assets totalled \$473.3 billion, compared to \$340.1 billion as at December 31, 2019. Despite the turbulence observed during the period, \$133.2 billion was added, divided between:

- Investment results totalling \$116.5 billion
- Depositors' net contributions of \$16.7 billion

The investment results come mainly from the Equities class, with a significant contribution from its two portfolios, Equity Markets and Private Equity. The Infrastructure portfolio in the Real Assets class also made a contribution.

Over the period, the total portfolio outperformed its benchmark portfolio, which posted an annualized return of 5.9%. This performance occurred in a context where equity market index gains were very highly concentrated in recent years. In addition, interest rates and inflation rose sharply, placing pressure on asset values. Despite these headwinds, CDPQ generated \$6.0 billion in value added. We benefited from the sound diversification of our portfolio and the strategic initiatives implemented beginning in 2020, which made it possible to strengthen certain activities, particularly in equity markets.

TABLE 4

### CDPQ RETURNS

(for periods ended December 31 – as a percentage)

	Overall return <sup>1</sup>
<b>10 years</b>	<b>7.1</b>
<b>5 years</b>	<b>6.2</b>
2024	9.4
2023	7.2
2022	(5.6)
2021	13.5
2020	7.7

1. Weighted average return on depositors' funds.

### TEN-YEAR RETURN

The annualized return on the total portfolio was 7.1% over ten years, surpassing the benchmark portfolio's 6.5% return. This has enabled the portfolio to generate \$17.1 billion in value added. Investment results and depositors' net contributions amounted to \$222.6 billion and \$24.8 billion, respectively.

## 2024 RETURN

### Total portfolio

Investment results: \$39.6 B

Return: 9.4%

In 2024, the market environment was characterized by the vitality of the U.S. economy, rising long-term bond yields and the historic concentration of gains in equity market indexes, driven by technology companies. In this context, the total portfolio delivered a 9.4% one-year return, below the benchmark portfolio's 11.8%.

Over the year, net assets increased by \$39.1 billion, due to:

- Investment results of \$39.6 billion
- Net withdrawals by depositors of \$0.5 billion

For the one-year period, our performance was driven by our equity market, private equity and infrastructure activities, but was affected by persistent headwinds in real estate, particularly in the U.S. office sector. The rise in long-term bond yields also put a damper on returns, weighing in particular on fixed income activities.

It is also worth noting the significant impact that the customized rate exposure product—a tool depositors have been using increasingly in the last two years—had on the overall portfolio's performance. This product allows them to be more exposed to the interest rate factor, in particular to ensure a better match with their long-term liabilities and greater diversification of their funds. The result is more stable funding of their plans, but the return on funds is more sensitive to rate fluctuations.

With interest rates rising as they have in recent years, the use of this product limited the performance of CDPQ's total portfolio (see Table 21, page 42). Conversely, depositor plan liabilities saw a general decrease, which, combined with the return on assets, improved their financial health.

### GOOD RESULTS FOR QUEBECERS' PENSIONS

The Québec Pension Plan, administered by Retraite Québec, represents the pensions of more than six million Quebecers. Its base plan, the largest fund invested with CDPQ, posted a return of 11.0% for one year, 7.3% over five years and 8.1% over ten years. As at December 31, 2024, the plan's net assets stood at \$141.6 billion, including the additional plan, representing nearly one third of CDPQ's net assets.

## MARKET CONDITIONS

Markets have changed over the past five years due to a succession of major events, such as the pandemic, strong inflationary pressures, aggressive monetary tightening, rising geopolitical tensions and advances in artificial intelligence. It is against this backdrop that interest rates climbed sharply over the period, and stock market indexes made substantial gains.

In 2024, global economic growth remained modest, with marked geographical differences. The United States once again stood out due to an expansionary fiscal policy, a strong labour market and increased productivity. In the main developed countries, disinflation continued, and inflation gradually approached central bank targets. The central banks were therefore able to begin making cuts to their key rates, contributing to lower bond yields during the summer.

### Rising bond yields and the stock market boom

However, this trend was reversed in the run-up to and following the U.S. elections. The yield on 10-year U.S. bonds was 4.57% at the end of the year, supported by expectations of rising inflation, a strong economy and the risk that the Federal Reserve might not be able to ease monetary conditions as much as originally expected.

In Canada, growth was weaker despite considerable population growth, prompting the Bank of Canada to ease its monetary policy more quickly. Bond yield spreads with the U.S. therefore widened. In Canada, the 10-year yield stood at 3.23% at the end of the year.

Despite the uncertainties around the U.S. presidential election, geopolitical tensions and high interest rates, risky assets delivered exceptional performance in 2024. Stock markets soared, driven by U.S. technology giants. Concentration was a dominant theme, as evidenced by the record weight of the seven largest stocks in the S&P 500 index.

The high interest rate environment weighed on real assets, with a slowdown in global activity, especially in real estate, an industry that is facing several challenges. The infrastructure sector was also affected, although investors' appetite for the long-term asset class remained strong.

## Analysis of Overall Performance (continued)

### COST MANAGEMENT IN 2024

The costs incurred by CDPQ to conduct its activities include operating expenses, external management fees and transaction costs. As at December 31, 2024, the total cost for internal and external investment management stood at \$3.0 billion, representing 67 cents per \$100 of average net assets.

Operating expenses, meanwhile, amounted to \$1.0 billion, or 23 cents per \$100 of average net assets, while external management fees totalled \$1.7 billion, or 37 cents per \$100 of average net assets. All costs are detailed in Table 54, on page 110, in the Cost Management section. It should be noted that CDPQ's investment strategy leads us to complement the expertise of our teams in certain markets with that of external managers. This gives rise to base and performance fees, which are paid for their services and the returns they generate.

It should also be noted that, based on external data, CDPQ's cost ratio is among the lowest in our industry.

The costs per portfolio are presented in the sections analyzing returns by asset class on pages 23 to 41.

### GEOGRAPHIC DIVERSIFICATION

Diversification is central to CDPQ's investment strategy. It results from asset allocation decisions made by each depositor in accordance with their investment policy. The teams continuously take diversification into account in terms of risk factors as well as asset classes, sectors and geographic markets.

CDPQ is active in Canada, particularly in Québec. In this natural market, which we know in depth, we carry out a significant part of our activities and investments in accordance with our mission. CDPQ also has investments in more than 65 countries. This geographical diversification allows us to:

- Optimize the risk-return profile of our portfolio
- Seize attractive opportunities in dynamic economies

Table 5 shows the exposure of CDPQ's total portfolio to the major regions of the world in 2019 and in 2024.

TABLE 5

#### GEOGRAPHIC EXPOSURE OF THE TOTAL PORTFOLIO (as at December 31 – as a percentage)

	2024	2019
Canada	30	34
United States	38	33
Europe	15	14
Asia Pacific	10	12
Latin America	4	4
Other regions	3	3
<b>Total</b>	<b>100</b>	<b>100</b>

### CDPQ GLOBAL: FOSTERING CONCERTED INTERNATIONAL ACTION

As a global investment group, CDPQ seeks to act in a concerted manner internationally. To that end, we rely on the CDPQ Global team to optimize our positioning and take full advantage of our business relationships in various regions of the world.

In addition to our offices in Canada, CDPQ has teams in key cities on four continents. We rely on an integrated international structure built around three regional centres in New York City, London and Singapore. This presence on the ground enables CDPQ to deepen our knowledge of target markets and our understanding of their regulatory frameworks. CDPQ also seeks to leverage our global footprint to:

- Expand our business network
- Access more opportunities
- Foster connections between our Québec-based portfolio companies and other international companies to forge beneficial partnerships
- Effectively manage the risk associated with our investments in global markets

### CURRENCY EXPOSURE AND FOREIGN EXCHANGE HEDGING

As part of our international investment activities, CDPQ carries out transactions in foreign currencies. Exposure to these currencies generally has a long-term diversifying effect on the total portfolio.

The main developed country currencies are subject to strategic and dynamic hedging, initially determined for the total portfolio and then within each specialized portfolio. Exposure to the currencies of emerging markets is generally not hedged, as the cost of such hedging is often high.

CDPQ's net exposure to foreign currencies has diminished, both:

- Over the last five years, from 50% to 43% of net assets from 2019 to 2024
- Over the last year, falling 5% due to the increase in the level of hedging on certain currencies

The portfolio's exposure to foreign currencies had a positive impact on returns over five years as well as for one year. This situation is mainly due to the appreciation of the U.S. dollar against the Canadian dollar over the period. In 2024, the Canadian dollar depreciated by 9% due to the two country's diverging monetary policies as well as tariff threats. Moreover, over both periods, the impact of the euro and pound sterling was favourable on performance, while that of emerging market currencies was unfavourable.

It should be noted that CDPQ believes that, over the long term, the currencies of developed countries tend to have a neutral effect on performance, while most emerging market currencies tend to depreciate.

### TARGET BENCHMARK PORTFOLIO

CDPQ's benchmark portfolio represents the weighted average of the asset allocation decisions made by each of the depositors when their investment policies are established.

Depositors' adjustments to the composition of their respective benchmark portfolios have a direct impact on the composition of CDPQ's benchmark portfolio. Table 6 on page 22 shows the changes for one year, which reflect CDPQ's strategic orientations. Among other things, the following can be observed:

- A notable increase in the allocations to the Credit and Infrastructure portfolios
- A decrease in the allocations to the Equity Markets and Real Estate portfolios
- Increased use of the leverage product

## Analysis of Overall Performance (continued)

### TOTAL PORTFOLIO

The composition of the total portfolio reflects decisions made by:

- Our depositors, with respect to their benchmark portfolios
  - CDPQ, as part of consolidated asset allocation activities, within the upper and lower limits set for each specialized portfolio
- The two columns on the right-hand side of Table 6 show changes in the total portfolio between 2023 and 2024. We note that allocations to the:
    - Equities class rose, as a result of the higher weighting of the Equity Markets portfolio and, to a lesser extent, that of the Private Equity portfolio
    - Fixed Income class increased, mainly due to the higher weighting of the Rates portfolio
    - Real Assets class was down, reflecting the lower weighting of the Real Estate portfolio

TABLE 6

### COMPOSITION AND CHANGES IN THE BENCHMARK PORTFOLIO AND THE TOTAL PORTFOLIO (as a percentage of depositors' net assets)

	Benchmark portfolio <sup>1</sup>			Total portfolio		
	as at December 31, 2024			as at December 31, 2023	as at	as at
	Lower limit %	Benchmark portfolio %	Upper limit %	Benchmark portfolio %	December 31, 2024 %	December 31, 2023 %
<b>Equities</b>						
Equity Markets	16.5	28.0	34.0	29.4	27.5	26.4
Private Equity	11.3	17.0	21.4	16.7	19.1	18.5
<b>Subtotal</b>		45.0		46.1	46.6	44.9
<b>Fixed Income</b>						
Rates	5.2	10.0	16.5	10.0	10.3	8.1
Credit	16.2	21.8	27.4	20.4	21.7	22.3
Short Term Investments	0.2	1.2	7.8	1.2	0.8	0.8
<b>Subtotal</b>		33.0		31.6	32.8	31.2
<b>Real Assets</b>						
Real Estate	6.4	10.8	14.4	11.8	8.9	10.6
Infrastructure	8.6	13.2	16.7	11.9	13.6	13.8
<b>Subtotal</b>		24.0		23.7	22.5	24.4
<b>Other<sup>2</sup></b>						
Asset Allocation	0.0	0.0	1.0	0.0	0.1	0.9
Leverage product	-	(2.0)	-	(1.4)	(2.0)	(1.4)
<b>Total</b>		100.0		100.0	100.0	100.0

1. The benchmark portfolio and its upper and lower limits are the result of the weighted average of the depositors' respective benchmark portfolios.

2. Includes the customized rate exposure product and other customized overlay activities that are not capitalized and consequently have no cash reference weight.



# Equities

Due to the solid performance of its two portfolios, this asset class achieved high absolute returns for one and five years.

**Net assets**  
**\$219.4 B**

47% of the total portfolio

**11.4%**

10-YEAR  
ANNUALIZED  
RETURN

**12.2%**

5-YEAR  
ANNUALIZED  
RETURN

**-\$1.0 B**

VALUE ADDED  
OVER 5 YEARS

## 2 portfolios: Equity Markets / Private Equity

All the figures in this section are detailed in Table 21 (page 42)

### EQUITY MARKETS

#### Five-year return

Investment results: \$56.5 B

Annualized return: 10.5%

The Equity Markets portfolio seeks to generate sustained results over the long term, with an optimal risk-return profile. Its main management mandates are:

- Quality
- Growth
- Value
- Canada
- Growth Markets

Benefiting from rising markets during the period, the portfolio recorded an annualized return of 10.5% over five years, below the 11.1% posted by the benchmark index. The difference was mainly due to the portfolio's significant underweighting in major U.S. tech stocks in 2020. It should be noted that this has since been adjusted, enabling the portfolio to benefit from their surge in recent years.

In general, this performance reflects the dynamism of North American stock markets, to which the portfolio is highly exposed. It stems from the activities in the following mandates:

- Quality, its main driver, and Growth, which has risen strongly since the portfolio was created in 2021—two mandates that have a high share of U.S. equities
- Canada, which benefited from the strength of the local market

The returns from emerging markets have been more lacklustre due to weakness in some of these economies. However, it is worth noting that the portfolio has benefited in recent years from the reduced weighting of the Growth Markets mandate combined with greater risk-taking in developed markets.

**MARKET CONDITIONS**

Despite the market volatility since 2020, the major stock market indexes have all generated positive results (see Figure 7). The ecosystem has been dominated by large U.S. technology companies, driven by rapid advances in artificial intelligence (AI). This has led to gains—which largely stem from a handful of stocks—being highly concentrated in certain indexes.

Over five years, the S&P 500 outperformed the other major stock market indexes, closely followed by the MSCI ACWI Index. Canada’s S&P/TSX Composite Index recorded a comparable return due to the financial and energy sectors. The MSCI EAFE Index (developed markets in Europe and Asia Pacific) achieved a lower return, but higher than that

of the MSCI EM (Emerging Markets) Index, which was held back by challenges in the Chinese stock market during part of the period.

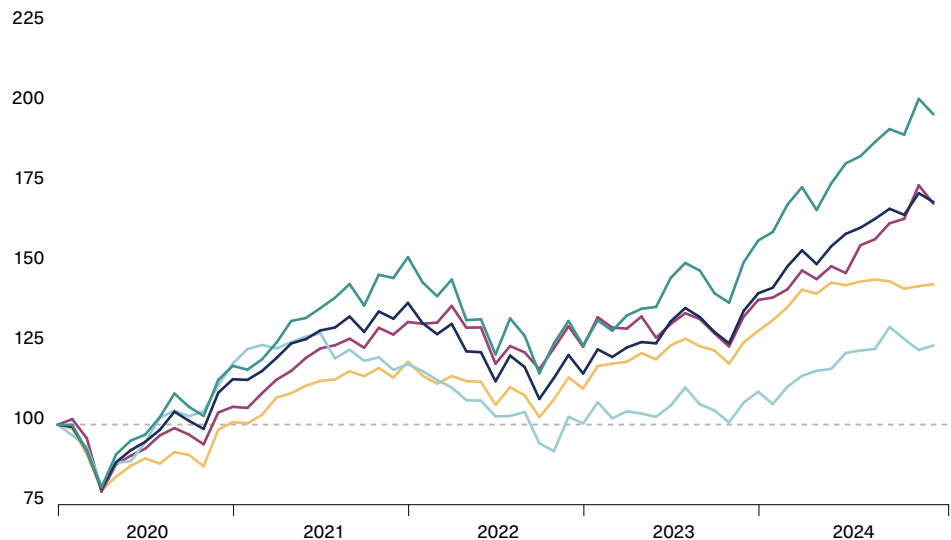
In 2024, enthusiasm for the prospects of AI once again drove stock market gains, especially the S&P 500, thereby supporting the booming MSCI ACWI. These indexes were also able to count on the strong U.S. economy and the higher profits reported by large companies. The S&P/TSX also had an excellent year, stimulated by the technology, finance and resource sectors. Lastly, it should be noted that the Chinese stock market rebound revitalized the MSCI EM, which nevertheless lagged behind the other indexes.

FIGURE 7

**EQUITY MARKETS PERFORMANCE**  
(December 31, 2019 = 100 in local currencies)

- S&P 500
- MSCI ACWI
- MSCI EM
- S&P/TSX
- MSCI EAFE

Source: Rimes



## 2024 return

Investment results: \$27.3 B

Return: 25.5%

In 2024, the portfolio delivered its best performance in 15 years and outperformed its benchmark index, which stood at 24.1%. Against a backdrop of surging stock market indexes and highly concentrated gains, it performed well while holding the course on its diversified approach.

For one year, the Equity Markets portfolio represented the main performance driver among CDPQ's major portfolios. Its return was due to both:

- The quality of execution by portfolio managers
- Increased exposure in recent years to growth and tech stocks, stimulated by advances in artificial intelligence

All the major mandates performed well. The Quality mandate was the top contributor to results, both in terms of its weighting and its portion focused on growth company stocks. The Growth mandate also made a significant contribution, leveraging the vitality of the technology sector.

The Value and Canada mandates made equal contributions, the latter benefiting in part from growth in certain stocks such as AtkinsRéalis and Dollarama. The Growth Markets mandate also performed well due to the strength in certain Asian stock markets.

## Cost management in 2024

The costs associated with the Equity Markets portfolio amounted to \$507.1 million (see Table 8). This includes internal management costs for the portfolio, as well as external management costs. CDPQ's investment strategy calls for complementing the expertise of our teams in certain more niche markets with that of external managers. Transaction costs are also included in the total.

TABLE 8

### EXPENSES – EQUITY MARKETS<sup>1</sup> (as at December 31, 2024 – in millions of dollars)

Expense category	
<b>Operating expenses</b>	
Portfolio management and administration	157.1
<b>External management fees</b>	
Base fees	121.0
Performance fees	100.1
	<hr/>
	221.1
<b>Transaction fees</b>	
Acquisition, sale and issuance of financial instruments	128.9
<b>Total</b>	<b>507.1</b>

1. For more details on expenses, including a description of expense categories, see the Cost Management section on page 108.

## EQUITY MARKETS PORTFOLIO

### COMPOSITION

- Three style mandates consisting of the securities of listed companies traded on stock exchanges in developed markets—excluding Canada—included in the MSCI World Index:
  - Quality: securities of high-quality companies exposed to global growth
  - Growth: securities of companies with superior growth prospects
  - Value: securities that appear to be underpriced based on various measures of fundamental value
- Two geography-specific mandates:
  - Canada: securities of companies listed in Canada, a large share of which are in Québec
  - Growth Markets: securities of listed companies traded on the stock exchanges of countries in the MSCI EM (Emerging Markets) Index

### OBJECTIVES

- Generate a risk-adjusted return exceeding that of equity markets over a long-term horizon
- Construct a diversified portfolio, with a focus on the Quality style while leaving room for complementary opportunities under the Value and Growth styles
- Focus on geographic diversification
- Dynamically manage exposure and risk-taking to seize opportunities in the market cycle
- In Canada, establish structuring partnerships with Québec-based companies to support their growth, drawing on the market's proximity

**PRIVATE EQUITY**

**Five-year return**

**Investment results: \$49.8 B**  
**Annualized return: 15.4%**

Following strong growth at the beginning of the period, activity in the private equity industry has slowed in recent years due to rising interest rates and more moderate economic growth. Over five years, the Private Equity portfolio has benefited from:

- Its allocation to the financial, consumer goods and technology sectors
- An advantageous positioning in Québec

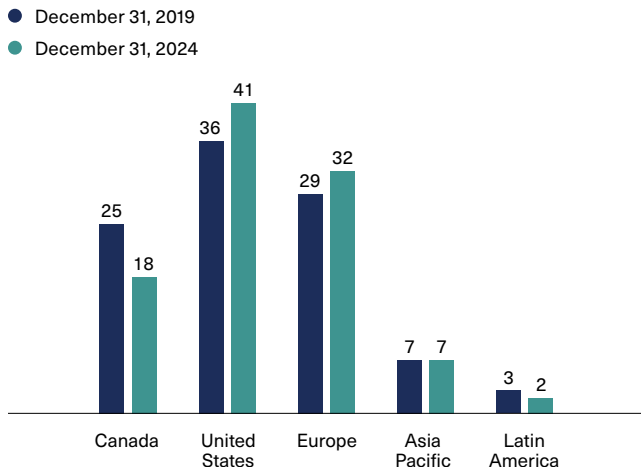
The annualized return was 15.4%, compared to 14.1% for its benchmark index.

Direct investments were driven by leveraged buyouts, particularly in North America and Europe. The portfolio also benefited from post-investment asset management, supported by a team of in-house operating partners that works with companies to implement value-creation plans.

Fund activities generated a high return over the period through good partner selection. It should be remembered that CDPQ partners with external managers to offer its depositors diversified exposure to the asset class. Selected and executed by CDPQ's teams, these activities are central to our international partnership approach. In addition to giving us access to cutting-edge expertise and sector complementarity, this approach generates a flow of co-investments that enables us to take full advantage of the contribution made by external managers.

The portfolio can also count on sound geographical diversification, as shown in Figure 9.

FIGURE 9  
**GEOGRAPHIC EXPOSURE – PRIVATE EQUITY**  
 (as a percentage)



## 2024 return

Investment results: \$13.0 B

Return: 17.2%

After being affected by the high interest rate environment in 2023, the portfolio rebounded in 2024. For one year, it produced a 17.2% return, attributable to:

- Sustained growth in the profitability of our portfolio companies, particularly in the industrials and consumer goods sectors
- The high return on public securities, combined with quality transactions and the good operational performance of assets in Québec
- Good financial health of the vast majority of private holdings in the portfolio

The benchmark index recorded a higher return, at 20.8%, stimulated by its greater exposure to public markets which were driven by large tech companies.

In 2024, the teams continued to execute our plan to monetize certain assets in a disciplined manner. They made several strategic dispositions in order to crystallize gains and recycle capital, while maintaining the weight of the Private Equity portfolio in the total portfolio. Overall, the materializations amounted to \$9.1 billion.

At the same time, the teams made co-investments with external managers, as well as several new investments in Québec and internationally, for a total amount of \$6.1 billion. Lastly, they placed particular emphasis on post-investment management to maximize value creation for our depositors.

## Key transactions

- **Magris**  
**Canada – Mining sector**  
Acquisition of a significant minority stake in this key player in the Québec mining industry, in support of its growth strategy.
- **Grant Thornton**  
**United States – Accounting and advisory services**  
A 9% stake in the U.S. entity of this accounting and tax consultancy firm, as part of a US\$200-million transaction as co-investor with the firm New Mountain Capital.
- **Aareon**  
**Europe – SaaS**  
Acquisition of this European supplier of SaaS solutions for the real estate sector, as a minority co-investor alongside TPG, in a transaction that brought the enterprise value to €3.9 billion.
- **Sedgwick**  
**United States – Insurance**  
Sale of a significant portion of CDPQ's shares in this leader in insurance claims management following the arrival of new partners, which enabled us to monetize part of our investment while remaining a minority shareholder in the company.
- **Techem**  
**Europe – Energy efficiency**  
Announcement of the sale of our stake in this German leader in residential energy efficiency, with which we have been associated since 2018.

It should be noted that in early 2025, CDPQ received a dividend of close to US\$1.3 billion on its investment in Clarios, the world's leading supplier of automotive batteries, thanks to its robust performance. We therefore received the highest dividend in our history while retaining our full stake in the capital of this portfolio company, held since 2019.

## Equities (continued)

### Cost management in 2024

The costs associated with the Private Equity portfolio amounted to \$781.7 million (see Table 10). This includes the internal management costs for the portfolio, as well as external management costs. CDPQ complements the expertise of its teams by working with external managers and forging partnerships with other investors to generate additional performance. Transaction costs are also included in the total.

TABLE 10

#### EXPENSES – PRIVATE EQUITY<sup>1</sup>

(as at December 31, 2024 – in millions of dollars)

Expense category

##### Operating expenses

Portfolio management and administration 239.3

##### External management fees

Base fees 251.2

Performance fees 248.4

499.6

##### Transaction fees

Acquisition, sale and issuance of financial instruments 42.8

**Total 781.7**

1. For more details on expenses, including a description of expense categories, see the Cost Management section on page 108.

#### PRIVATE EQUITY PORTFOLIO

##### COMPOSITION

- Direct interests, primarily in private companies, but also in investment funds
- Companies operating in all sectors of the economy, with a focus on promising and resilient areas, such as technology, financial services, insurance and business services
- Growth and quality companies with stable and predictable revenues

##### OBJECTIVES

- Generate a long-term return that exceeds that of the equity markets, while taking on greater risk
- Place particular emphasis on the quality of our partnerships
- Create long-term value, particularly through organic growth, acquisitions and operational efficiency

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# Fixed Income

In 2024, rising long-term yields slowed bond performance, which nevertheless generated value added over five years due to good results from credit activities.

Net assets

**\$154.3 B**

33% of the total portfolio

**2.2%**

10-YEAR  
ANNUALIZED  
RETURN

**0.2%**

5-YEAR  
ANNUALIZED  
RETURN

**\$4.1 B**

VALUE ADDED  
OVER 5 YEARS

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## 3 portfolios: Rates / Credit / Short Term Investments

All the figures in this section are detailed in Table 21 (page 42)

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### RATES

#### Five-year return

Investment results: **-\$1.9 B**

Annualized return: **-0.1%**

This actively managed portfolio consists of activities mainly in these mandates:

- Rate Management
- Government Debt

The historic correction of the bond market in 2022 continued to be reflected in the portfolio's results. Over five years, the portfolio recorded an annualized return of -0.1%, slightly above its benchmark index, which stood at -0.2%. Overall, rising bond yields during the period had an unfavourable impact on activities, both in Government Debt and in Rate Management.

### 2024 return

Investment results: **\$0.9 B**

Return: **1.8%**

In 2024, the portfolio delivered a slightly lower return than the index, which stood at 2.0%. Due to a favourable base rate environment, the portfolio generated a strong current yield, which offset the decline in value from rising long-term yields over one year. It should also be noted that the securities held continue to present attractive return expectations.

## Fixed Income (continued)

### Cost management in 2024

The costs associated with the Rates portfolio, totalling \$23.4 million (see Table 11), were almost exclusively related to its internal management.

TABLE 11

#### EXPENSES – RATES<sup>1</sup>

(as at December 31, 2024 – in millions of dollars)

Expense category	
<b>Operating expenses</b>	
Portfolio management and administration	21.6
<b>External management fees</b>	
Base fees	0.2
Performance fees	0.0
	<u>0.2</u>
<b>Transaction fees</b>	
Acquisition, sale and issuance of financial instruments	1.6
<b>Total</b>	<b>23.4</b>

1. For more details on expenses, including a description of expense categories, see the Cost Management section on page 108.

#### RATES PORTFOLIO

##### COMPOSITION

- Government bonds with excellent credit quality:
  - Governments of Canada and other developed countries
  - Governments of Canadian provinces

##### OBJECTIVES

- Protect the total portfolio, with low long-term risk
- Serve as the main source of CDPQ's liquidity
- Provide a diversification effect and a source of current yield
- Match assets with the long-term financial commitments of depositors



## MARKET CONDITIONS

Over five years, long-term government bond yields rose sharply, mainly from 2022 onwards, and have remained at high levels ever since. This is partly the result of tightening monetary policies, implemented to contain post-pandemic inflationary pressures.

As inflation declined in 2024, most of the major central banks were able to begin lowering their key rates. However, U.S. bond yields moved in the opposite direction, while the U.S. Federal Reserve's key interest rate cuts in 2024 fell short of expectations at the beginning of the year. The strength of the U.S. economy and uncertainties surrounding the fiscal and trade policies favoured by the country's new administration drove up long-term rates in the last quarter. As at December 31, the 10-year yield stood at 4.57%, up 69 basis points over the year.

Weak growth in the Canadian economy prompted the Bank of Canada to further reduce its key rate. As a result, the bond yield spread with the U.S. widened, with the Canadian 10-year yield standing at 3.23% at the end of 2024, up 12 basis points over the year.

It should also be noted that credit spreads narrowed in 2024, reaching historic lows.

Over five years, fixed income benchmarks posted volatile returns (see Figure 12). Riskier, high-yield U.S. corporate bonds stood out in 2024. Canadian corporate bonds also had a good year, while U.S. corporate bonds posted a more modest return, as did Québec bonds.

FIGURE 12

**BENCHMARK  
INDEX PERFORMANCE<sup>1</sup> –  
FIXED INCOME**  
(December 31, 2019 = 0  
as a percentage)

- Provincial bonds – Québec
- Corporate bonds – Canada
- Corporate bonds – United States
- High-yield corporate bonds – United States

Sources: FTSE Canada, Merrill Lynch



1. U.S. bond index performance is hedged against foreign exchange risk.

## Fixed Income (continued)

### CREDIT

#### Five-year return

Investment results: \$0.9 B

Annualized return: 0.3%

This actively managed portfolio includes a variety of investment activities aimed at improving its risk-return profile and diversifying sources of fixed income returns. Its main mandates are as follows:

- Corporate Credit
- Government Debt
- Infrastructure Financing
- Capital Solutions
- Real Estate Finance

Note that the management of Real Estate Finance activities, previously handled by Otéra Capital, became the responsibility of CDPQ after the subsidiary and its teams were integrated in spring 2024.

Rising interest rates during the period weighed on the portfolio's performance. Its annualized return, which was practically neutral over five years, was largely due to the historic correction in the bond markets in 2022. The portfolio nevertheless benefited from:

- The strong current returns on securities, reflecting the high interest rate environment of recent years
- Significant premiums on private debt

Due to the good performance of Corporate Credit and Real Estate Finance activities, the portfolio outperformed its index, which stood at -0.7%. It should be noted that, as at December 31, 2024, the portfolio's net assets were \$102.2 billion, representing two thirds of the Fixed Income asset class.

#### 2024 return

Investment results: \$0.7 B

Return: 0.8%

The portfolio posted a modest return, slightly below the benchmark index, at 1.0%. Over the year, rising interest rates also weighed on results, largely erasing the solid current yield offered by the securities. However, the portfolio benefited from:

- A context characterized by high premiums on private debt
- To a lesser extent, credit spreads that narrowed to historically low levels

These factors stimulated Corporate Credit and Real Estate Finance activities, which produced a strong current yield. We should also note the good performance of Capital Solutions, while Government Debt had a more difficult year, among other things due to rising interest rates and declining currency values in emerging markets. In addition, returns are expected to be attractive on securities in the Credit portfolio, driven by the current yield.

During the year, our teams continued to actively select attractive opportunities in the private debt market. As at December 31, 2024, gross investments amounted to \$19 billion, a significant level in a competitive market environment.

#### Key transactions

- **Complexe Santé des Ponts  
Québec – Mixed-use building**  
Senior construction loan of \$67 million for this rental project in Lévis, which will include residences and offices for a medical clinic.
- **Vantage Data Centers  
Québec and Europe – Digital infrastructure**  
A \$103-million loan to this world leader in massive scale data centres to support the expansion of its Québec City campus, QC2. This investment is in addition to CDPQ's 2024 investment in Vantage's EMEA platform serving key markets in Europe.
- **TerraPact  
United States – Strategic ground leasing**  
US\$240 million (\$335 million) in senior financing to support the North American growth of this owner and operator of a portfolio of land leases and rights of way supporting the wireless, broadband and energy sectors.
- **Maple Aircraft Company Holdings  
Europe – Aviation**  
Partnership with SMBC Aviation Capital, the second-largest aircraft leasing company, to create a global aircraft financing and leasing platform worth US\$1.5 billion and dedicated to modern, energy-efficient, next-generation aircraft.
- **Schellman  
United States – Cybersecurity and technology**  
US\$85 million in financing for the recapitalization of this company, which is specialized in audit and compliance services for cybersecurity and information technology systems, alongside partners.

## Cost management in 2024

The costs associated with the Credit portfolio amounted to \$469.6 million (see Table 13). They included the portfolio's internal and external management costs. To implement our credit investment strategy, CDPQ seeks to complement the expertise of our teams in certain markets with that of external managers, which results in base and performance fees.

TABLE 13

### EXPENSES – CREDIT<sup>1</sup>

(as at December 31, 2024 – in millions of dollars)

Expense category

#### Operating expenses

Portfolio management and administration 261.5

#### External management fees

Base fees 87.8

Performance fees 100.7

188.5

#### Transaction fees

Acquisition, sale and issuance  
of financial instruments 19.6

**Total 469.6**

1. For more details on expenses, including a description of expense categories, see the Cost Management section on page 108.

## SHORT-TERM INVESTMENTS

### Five-year return

Investment results: \$0.3 B

Annualized return: 2.6%

This indexed portfolio consists of short-term liquid investments in the Canadian money market. Its results were achieved in an environment of generally very low rates at the beginning of the period that rose sharply thereafter.

### 2024 return

Investment results: \$0.2 B

Return: 5.0%

Despite decreases in central banks' key interest rates during the year, the portfolio generated an appreciable return in 2024.

## CREDIT PORTFOLIO

### COMPOSITION

- Expanded universe of instruments with features of fixed income securities according to the mandate:
  - Corporate Credit: quality or high-yield bonds and direct or syndicated loans
  - Government Debt: a focus on sovereign and quasi-sovereign securities from growth markets
  - Real Estate Finance: term, construction, bridge and land loans, mostly senior, on buildings in various sectors, including the multi-residential, industrial, commercial and office sectors
  - Infrastructure Financing: senior and subordinated debt in industries such as transportation, renewable energy and telecommunications
  - Capital Solutions: specialty finance, asset monetization and tailored financing in the form of debt and hybrid instruments

### OBJECTIVES

- Generate a higher yield than the more traditional bond market by taking advantage of market segments featuring better performance
- Diversify sources of value
- In Real Estate Finance, reduce credit risk through a prudent underwriting approach and the quality of the underlying assets

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# Real Assets

This asset class delivered positive results over one and five years, driven by Infrastructure activities as the Real Estate portfolio was affected by challenges in its industry.

**Net assets**  
**\$105.9 B**

23% of the total portfolio

**6.0%**

10-YEAR  
ANNUALIZED  
RETURN

**4.0%**

5-YEAR  
ANNUALIZED  
RETURN

**\$1.3 B**

VALUE ADDED  
OVER 5 YEARS

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## 2 portfolios: Infrastructure / Real Estate

All the figures in this section are detailed in Table 21 (page 42)

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### INFRASTRUCTURE

#### Five-year return

Investment results: **\$22.7 B**

Annualized return: **10.0%**

The market environment for infrastructure has become more complex over the past two years due to high interest rates and persistent, if receding, inflationary pressures. Despite the slowdown in transactional activity, including in 2024, investors continue to have a strong appetite for infrastructure.

The results over five years demonstrate the quality of the portfolio's investments, which enable it to perform well year after year. The portfolio has also benefited from characteristics specific to this asset class, including an advantageous risk-return profile and effective protection against inflation.

At 10.0%, the annualized return surpassed the benchmark index, at 5.4%. The portfolio has benefited from:

- Good asset diversification
- Stable current yields

Renewable energy, ports and telecommunications were the largest contributors to performance. This was also the case in most of the regions to which the portfolio is exposed, notably in the United States.

Figures 14 and 15, on page 35, show sectoral and geographic changes from 2019 to 2024. Among other things, there was a significant increase in exposure to Canada and the Asia-Pacific region, as well as to the rail and road transportation sector and to the social infrastructure and telecommunications sector.

## 2024 return

Investment results: \$5.5 B

Return: 9.5%

For one year, the Infrastructure portfolio delivered a robust return, in line with its average over the past ten years. This was supported by:

- Excellent performance of port and energy assets
- The high current yield

With a return of 15.0%, the index was driven by the public securities included in it, particularly energy and electricity securities, with the latter rising strongly during the year, stimulated by needs related to the outlook in artificial intelligence. It is also worth noting that the companies in the portfolio continue to demonstrate good financial health.

During a year with very competitive markets, the teams executed transactions in a disciplined manner, including several additional investments in high-performing companies. They remained selective in new investments, as well as in asset dispositions, which allowed them to recycle capital and earn an attractive premium. In total, acquisitions amounted to \$3.4 billion, compared with dispositions of \$3.1 billion.

## Key transactions

### • Énergir

#### Québec – Energy

A \$575-million additional investment in Énergir, a North American energy leader, jointly with Fonds de solidarité FTQ, to support its growth and the execution of its decarbonization and climate resilience plan.

### • Verene Energia

#### Brazil – Electricity transmission

Acquisition of a strategic 124-kilometre electricity transmission asset located in the north of the country through this platform owned by CDPQ, a transaction of up to \$210 million.

### • First Hydro Company

#### United Kingdom – Renewable energy

Acquisition of a 25% stake in this company, which manages pumped electricity storage and generation facilities in the United Kingdom.

### • Connexa

#### New Zealand – Telecommunications

Investment of \$745 million (NZD 909 million) to acquire a joint controlling interest in this designer, builder and operator of the country's largest mobile tower infrastructure network.

FIGURE 14

## GEOGRAPHIC EXPOSURE – INFRASTRUCTURE (as a percentage)

- December 31, 2019
- December 31, 2024

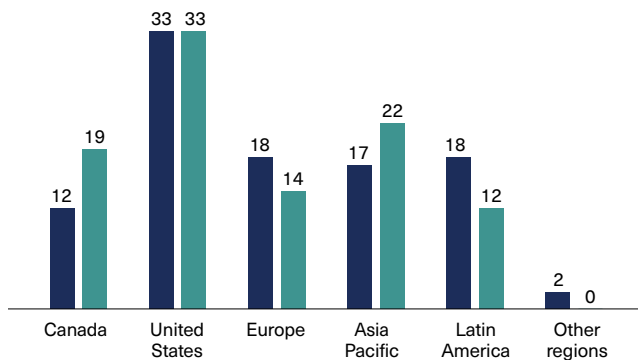
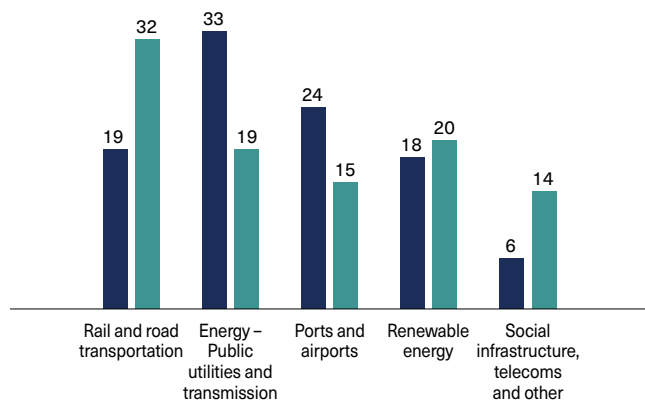


FIGURE 15

## SECTORAL EXPOSURE – INFRASTRUCTURE (as a percentage)

- December 31, 2019
- December 31, 2024



## Real Assets (continued)

### • Budapest and Heathrow Airports

#### Europe – Airports

Sale of CDPQ's entire stake in the Budapest Airport and sale of a majority of its shares in Heathrow Airport, the busiest in Europe.

#### REM: PLANNING FOR THE NETWORK'S NEXT COMMISSIONING

In 2024, CDPQ Infra took several steps toward finalizing the project. Forty-five kilometres of track were gradually completed and added to the 17-kilometre network already in operation. July 2024 marked the end of the first year of operation of the first branch of the REM connecting the South Shore to downtown Montréal.

During the year, dynamic tests were conducted on the Deux-Montagnes and Anse-à-l'Orme branches, which are scheduled for commissioning in fall 2025. Since March 2025, REM cars have also been circulating in the five-kilometre-long Mont-Royal Tunnel, where upgrading and constructing two interconnection stations required the deployment of advanced technologies.

### Cost management in 2024

The costs associated with the Infrastructure portfolio amounted to \$287.0 million and mainly include the internal management costs for the portfolio (see Table 16). It should be noted that internalizing its activities helps to keep costs low and advantageous. It should also be emphasized that CDPQ's infrastructure strategy leads us to develop partnerships for certain investments. This entails costs, presented in the performance fees, that allow us to align CDPQ's long-term objectives with those of our partners.

## INFRASTRUCTURE PORTFOLIO

### COMPOSITION

- Interests in companies that operate various types of infrastructure, including:
  - Ports, airports, rail and road transportation, wind and solar farms, energy transmission and distribution networks, passenger transportation systems, and social and telecommunications infrastructure

### OBJECTIVES

- Generate stable and predictable current returns over the long term
- Provide partial long-term capital protection against inflation
- Benefit from a better risk-return profile than that of other asset classes due to the contractual or regulated nature of several assets
- Diversify the risk of the total portfolio through a distinct risk profile

TABLE 16

### EXPENSES – INFRASTRUCTURE<sup>1</sup>

(as at December 31, 2024 – in millions of dollars)

Expense category	
<b>Operating expenses</b>	
Portfolio management and administration	189.1
<b>External management fees</b>	
Base fees	5.6
Performance fees	49.7
	<hr/>
	55.3
<b>Transaction fees<sup>2</sup></b>	
Acquisition, sale and issuance of financial instruments	42.6
<b>Total</b>	<hr/> <b>287.0</b> <hr/>

1. For more details on expenses, including a description of expense categories, see the Cost Management section on page 108.

2. Excludes a reversal of \$55.3 million that was recorded for a provision taken in 2021.

## REAL ESTATE

### Five-year return

Investment results: **-\$4.7 B**

Annualized return: **-2.2%**

The real estate sector faced significant challenges over the period, including the rise of e-commerce, the impact of the pandemic and the resulting changes in work habits. These events, combined with demanding economic conditions with high interest rates, weighed on the industry and caused structural changes in certain sectors.

Shopping centres were the first to be hit hard by the health crisis, followed by office buildings due to the rise in telecommuting. In the office sector, there has been a marked decline in the use of office space across North America, and especially in the United States, compared with 2019, as well as significant reductions in the square footage leased when leases come up for renewal.

In this context, the annualized return was -2.2% over five years, compared to the index's return of 0.7%. The negative results were due to:

- The historical concentration of the U.S. office sector in cities that were particularly affected
- Overexposure to shopping centres at the beginning of the period

The exposure to logistics, which has increased over the last five years, has been profitable and is the performance driver of direct assets. It is also worth noting that the funds performed well. Note that major changes have been made since 2020 to transform the Real Estate portfolio, including:

- A \$50-billion repositioning (acquisitions and sales) to increase the weighting of more profitable sectors, such as logistics and residential
- The outsourcing of property management (shopping centres in Canada)
- The integration of the activities of our real estate subsidiary, Ivanhoé Cambridge, into CDPQ, which began in spring 2024 (see sidebar on the next page)

Figures 17 and 18 show the geographic and sectoral allocations of the portfolio in 2019 and in 2024. In addition to greater diversification by region, there is greater exposure to the logistics and residential sectors, and reduced exposure to shopping centres and office buildings.

FIGURE 17

### GEOGRAPHIC EXPOSURE – REAL ESTATE (as a percentage)

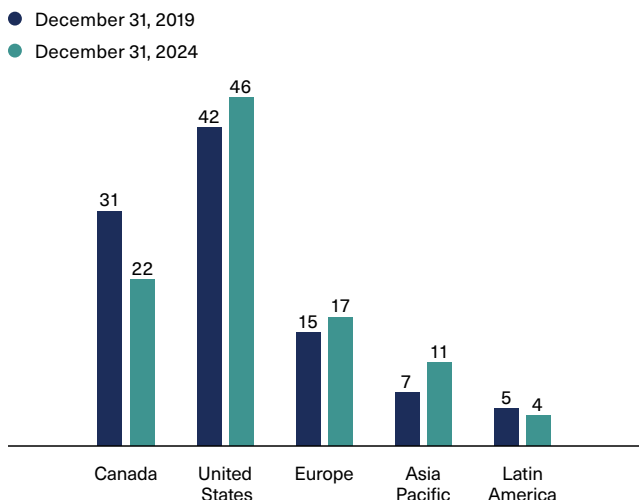
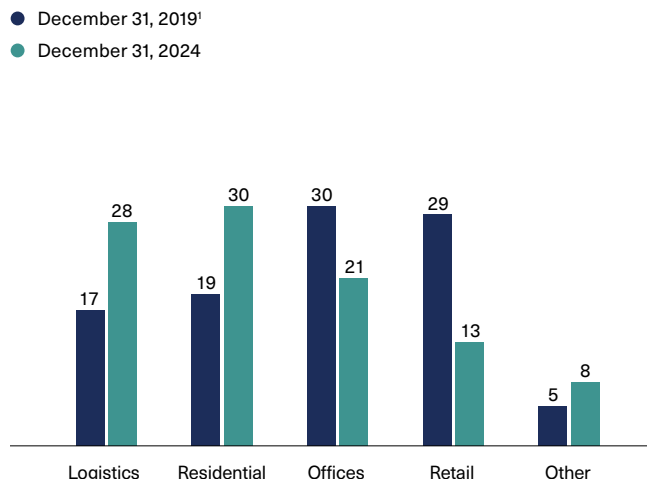


FIGURE 18

### SECTORAL EXPOSURE – REAL ESTATE (as a percentage)



1. Data have been adjusted to conform to the categories presented.

#### INTEGRATION THAT IS WELL UNDERWAY

During the year, some key milestones were reached in the integration of our real estate subsidiary, a process that is expected to take 18 to 24 months. Its teams were integrated into CDPQ and have continued to evolve the Real Estate portfolio, with the ultimate goal of transforming Ivanhoé Cambridge from an operating company into an investment-oriented model. Integration will enable focusing more on the role of investor, taking full advantage of the cross-functional expertise found throughout the organization and achieving gains in both efficiency and agility.

#### 2024 return

**Investment results: -\$5.1 B**

**Return: -10.8%**

The year 2024 was marked by special challenges for real estate, mainly due to persistent issues in the office sector. Holding more office building assets in the United States than its benchmark index, and with a strong concentration in New York City and Chicago, the two hardest-hit cities, the portfolio posted a one-year return of -10.8%.

A large portion of the counter-performance is therefore due to the portfolio's historical exposure to U.S. office buildings. This also explains the difference with the index, which stood at 1.0%, while the portfolio has twice the exposure to this market. It should be noted that all our office buildings in the United States were acquired before the pandemic.

The logistics sector, despite a global slowdown, has been resilient, as has the shopping centre sector, where teams have made strategic dispositions since 2020 and invested in well-positioned assets in the portfolio. Over the course of the year, the teams continued to be selective in their transactions, with acquisitions of \$2.1 billion and sales of \$3.5 billion.

#### Key transactions

- **Three transactions with URBZ Capital**

- **Europe – Logistics**

- Acquisition of three logistics facilities in Sweden in partnership with URBZ Capital in order to meet the needs of tenants linked to e-commerce growth as part of a last-mile logistics strategy.

- **Scape**

- **Australia – Student housing**

- Participation in the creation of a third joint venture with Scape Australia and APG Asset Management, dedicated to the development of student housing for an amount of AUD 1 billion.

- **Walker & Dunlop**

- **United States – Residential**

- Strengthening the partnership with this real estate private equity firm targeting preferred equity investments in institutional residential properties, in order to double its size to US\$500 million.

- **Wilma Shoppen, Southgate Centre and Oshawa Centre**  
**Europe and Canada – Shopping centres**

- Sales of interests in the Wilma Shoppen shopping centre in Germany and, more recently in early 2025, in Southgate Centre in Alberta and Oshawa Centre in Ontario.

In Québec, CDPQ acted as an initiator and promoter of the project to transform the 9th floor of Centre Eaton de Montréal, a heritage site in the heart of the city, which reopened after undergoing extensive restoration work.



## Cost management in 2024

The costs associated with the Real Estate portfolio totalled \$735.1 million (see Table 19). This includes the costs of internal portfolio management as well as external management. It should be noted that portfolio management costs are in line with market standards.

In addition to relying on the expertise of our teams, CDPQ partners with external managers to gain access to targeted skills and deepen our knowledge of certain markets, resulting in base and performance fees. Transaction costs are also included in the total.

TABLE 19

### EXPENSES – REAL ESTATE<sup>1</sup>

(as at December 31, 2024 – in millions of dollars)

Expense category

#### Operating expenses

Portfolio management and administration	207.9
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#### External management fees

Base fees	355.5
-----------	-------

Performance fees	58.4
------------------	------

	413.9
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#### Transaction fees

Acquisition, sale and issuance of financial instruments	113.3
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<b>Total</b>	<b>735.1</b>
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1. For more details on expenses, including a description of expense categories, see the Cost Management section on page 108.

## REAL ESTATE PORTFOLIO

### COMPOSITION

- Real estate properties, projects, companies and funds in key regions around the world
- Investments in equities and financing products in various sectors, including:
  - Logistics, residential, shopping centres, office buildings and alternative niches

### OBJECTIVES

- Diversify the risk in the total portfolio through a lower correlation between the assets held and global markets
- Provide partial protection of capital against long-term inflation because of the characteristics of leases that may include rent indexation or rent increase clauses
- Provide a source of current yield

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# Other Investments

This asset class includes activities that are complementary to other investment activities in order to contribute to the value added of the total portfolio.

**Net assets**

**\$2.3 B**

**\$2.5 B**

CONTRIBUTION TO THE TOTAL  
PORTFOLIO'S VALUE ADDED  
OVER 5 YEARS

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## 1 portfolio: Asset Allocation

All the figures in this section are detailed in Table 21 (page 42)

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### CONSOLIDATED ASSET ALLOCATION ACTIVITIES

Consolidated Asset Allocation activities contribute to CDPQ's value added by implementing strategies that help diversify the total portfolio. These activities are carried out in two ways:

- Management of the Asset Allocation specialized portfolio
- A dynamic allocation of capital to the various specialized portfolios, within the upper and lower limits set by our depositors

#### Results over five years

**Results of consolidated activities: \$2.5 B**

- **Asset Allocation portfolio: \$0.3 B**
- **Allocation to other specialized portfolios: \$2.2 B**

Consolidated Asset Allocation activities generated significant value added over five years, mainly due to the dynamic allocation of capital to the various specialized portfolios.

The active strategies of the Asset Allocation portfolio also added value, although to a lesser extent. The directional and

relative strategies benefited from market fluctuations over the period, but their contribution was offset by the negative return of portfolio construction strategies, due in part to an unfavourable positioning on rates. The external management component performed well.

#### Results in 2024

**Results of consolidated activities: \$0.2 B**

- **Asset Allocation portfolio: \$0.4 B**
- **Allocation to other specialized portfolios: -\$0.2 B**

Over one year, the consolidated activities provided positive value added generated mainly by the Asset Allocation portfolio. The active strategies in this portfolio posted positive results due to the notable performance of external management attributable to global macro funds, whose allocation is based on macroeconomic expectations in various countries. However, allocation activities to other specialized portfolios made a negative contribution to results.

## Cost management in 2024

The costs associated with the Asset Allocation portfolio amounted to \$310.3 million (see Table 20). These costs largely represent base and performance fees for external fund management. In order to expand its investment pool, CDPQ complements the expertise of our teams by joining forces with high-level fund and asset managers.

TABLE 20

### EXPENSES – ASSET ALLOCATION<sup>1</sup> (as at December 31, 2024 – in millions of dollars)

Expense category	
<b>Operating expenses</b>	
Portfolio management and administration	16.6
<b>External management fees</b>	
Base fees	96.7
Performance fees	186.1
	<hr/> 282.8
<b>Transaction fees</b>	
Acquisition, sale and issuance of financial instruments	10.9
<b>Total</b>	<hr/> <b>310.3</b>

1. For more details on expenses, including a description of expense categories, see the Cost Management section on page 108.

## CONSOLIDATED ASSET ALLOCATION ACTIVITIES

### COMPOSITION

- Asset Allocation specialized portfolio: non-capitalized investments that take positions in key financial market factors (equity, credit, rates and currencies)
- Capital allocation through CDPQ's specialized portfolios

### OBJECTIVES

- Enhance the total portfolio's value added
- Gain exposure to asset classes that diversify the total portfolio
- Contribute to management of the total portfolio

TABLE 21

**SPECIALIZED PORTFOLIO RETURNS IN RELATION TO BENCHMARK INDEXES**  
 (for periods ended December 31, 2024)

Specialized portfolios	Net assets \$B	5 years			1 year		
		Investment results \$M	Return %	Index %	Investment results \$M	Return %	Index %
<b>Equities</b>							
Quality mandate	42.2	20,684	11.6	11.5	9,454	27.2	24.9
Growth mandate <sup>1</sup>	23.7	8,106	N/A	N/A	6,999	39.1	37.9
Value mandate	22.2	7,149	8.7	10.7	3,624	19.1	14.6
Canada mandate	23.8	9,746	10.0	10.4	3,651	18.5	16.3
Growth Markets mandate	18.0	4,198	4.7	4.5	2,874	17.4	16.3
Equity Markets <sup>2</sup>	129.4	56,511	10.5	11.1	27,325	25.5	24.1
Private Equity	90.0	49,826	15.4	14.1	13,042	17.2	20.8
<b>Subtotal</b>	<b>219.4</b>	<b>106,337</b>	<b>12.2</b>	<b>12.4</b>	<b>40,367</b>	<b>22.1</b>	<b>22.7</b>
<b>Fixed Income</b>							
Rates	48.6	(1,851)	(0.1)	(0.2)	869	1.8	2.0
Credit	102.2	920	0.3	(0.7)	730	0.8	1.0
Short Term Investments	3.6	317	2.6	2.5	169	5.0	4.9
<b>Subtotal<sup>3</sup></b>	<b>154.3</b>	<b>(456)</b>	<b>0.2</b>	<b>(0.5)</b>	<b>1,768</b>	<b>1.3</b>	<b>1.4</b>
<b>Real Assets</b>							
Real Estate	41.9	(4,677)	(2.2)	0.7	(5,090)	(10.8)	1.0
Infrastructure	64.0	22,720	10.0	5.4	5,546	9.5	15.0
<b>Subtotal</b>	<b>105.9</b>	<b>18,043</b>	<b>4.0</b>	<b>3.7</b>	<b>456</b>	<b>0.6</b>	<b>9.2</b>
<b>Other Investments</b>							
Consolidated Asset Allocation activities <sup>4</sup>	2.3	2,474	N/A	N/A	193	N/A	N/A
<b>CDPQ total<sup>5</sup></b>	<b>473.3</b>	<b>116,499</b>	<b>6.2</b>	<b>5.9</b>	<b>39,646</b>	<b>9.4</b>	<b>11.8</b>
CDPQ return excluding customized rate exposure product <sup>6</sup>			6.5	6.2		10.1	12.5

1. The Growth mandate presents the results since beginning its activities on July 1, 2021.

2. The portfolio includes the activities of the Strategic mandate.

3. The five-year total includes closed specialized portfolios.

4. The consolidated Asset Allocation activities include the results of the Asset Allocation specialized portfolio of \$315 million over five years and of \$435 million for one year, as well as allocations to other specialized portfolios representing \$2.159 billion over five years and -\$242 million for one year.

5. The total includes the customized rate exposure product and other overlay activities, cash activities and terminated activities.

6. The customized rate exposure product is a complementary activity that gives depositors the opportunity to customize their exposure to interest rates, particularly to match assets with liabilities and for diversification.

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# Risk Management

In a market of contrasts, CDPQ rigorously managed its risks, paying particular attention to emerging risks and continuing to refine its analytical tools.

## A WORLD-CLASS RISK MANAGER

At CDPQ, risk management is paramount and is rooted in the very role played by the organization: to protect and grow our depositors' capital, for the benefit of over six million people. This is why CDPQ applies high standards of governance, control and monitoring, in addition to fostering a risk culture through discussion and debate. We implement rigorous practices and strong tools to identify and mitigate the risks to which CDPQ is exposed.

Risk management is taken into account in all investment activities and business processes and is based on collaboration between the Risk Management team and other CDPQ teams. Such complementary expertise allows us to draw on cross-functional perspectives to better target risks and manage them proactively. The risks associated with transactions, investment strategies and long-term portfolio construction are analyzed in depth according to variables such as:

- The global economic context
- Financial market changes
- The concentrations, including geographic and sectoral, in the total portfolio

## CHANGES IN RISK MEASUREMENT

In an increasingly complex environment, CDPQ has continued to develop its risk management approach while seeking to anticipate issues likely to influence performance. The continuously changing market environment requires investors to be highly adaptable and integrate new perspectives into their decision-making.

To meet these challenges, over the last few years CDPQ has developed expertise to deepen our understanding of emerging risks—particularly geopolitical, technological and climate—and measure their impacts on the portfolio and markets. We have also strengthened the presence of the Risk Management team in our international offices to be better anchored in the reality of these markets. These adjustments encourage even more constructive debate, allowing a plurality of analytical perspectives to emerge.

In 2024, CDPQ monitored the risks identified at the beginning of the year, several of which will continue to be monitored in 2025 (see sidebar on the next page).

**MAIN RISKS**

**Economic risks**

- The change of administration in the United States and its repercussions on monetary policy, the world order and the economic environment
- The context of a global tariff war that could trigger a recession, particularly in Canada and Europe
- Persistent inflation and high interest rates in certain markets
- The high level of concentration of certain large American technology companies in stock market indexes
- The economic situation in China and its impact on global growth
- High government debt levels, in particular in the United States
- The impact of disruptive technologies, including artificial intelligence, on companies' business models and the real economy
- The multiplication of extreme climate events, as well as risks related to the transition toward a lower-carbon economy

**Geopolitical risks**

- The presence of hotbeds of geopolitical tension around the world (Ukraine, Taiwan and the Middle East)
- The deterioration of relations between the West and China, as well as a trend toward deglobalization
- Government intervention in the business environment and increased restrictions on trade and investment

**Operational risks**

- The continued integration of the real estate subsidiaries and the resulting impacts on processes and teams
- The threat of cyberattacks on the organization or our portfolio companies resulting in the loss or disclosure of sensitive information
- Behaviour and business practices that are unethical or that do not comply with requirements and could tarnish CDPQ's reputation
- Rapid developments in the use of analytical solutions and artificial intelligence, requiring appropriate change management

### Market risk

CDPQ seeks to build a high-performance and well-diversified portfolio while targeting an optimal risk-return profile that is consistent with our risk assessment and market valuations and meets the needs of our clients.

In 2024, the environment was characterized by two opposing forces:

- An uncertain geopolitical context
- The return of an appetite for risk

The rise of artificial intelligence and the progress observed in the fight against inflation have pushed stock markets to new heights. Nevertheless, the unprecedented concentration in certain indexes and uncertainties surrounding U.S. fiscal and trade policies have heightened risk.

In this context, the absolute risk of the total portfolio (see sidebar detailing Risk Measures on the next page) remained steady at 17.1% in 2024.

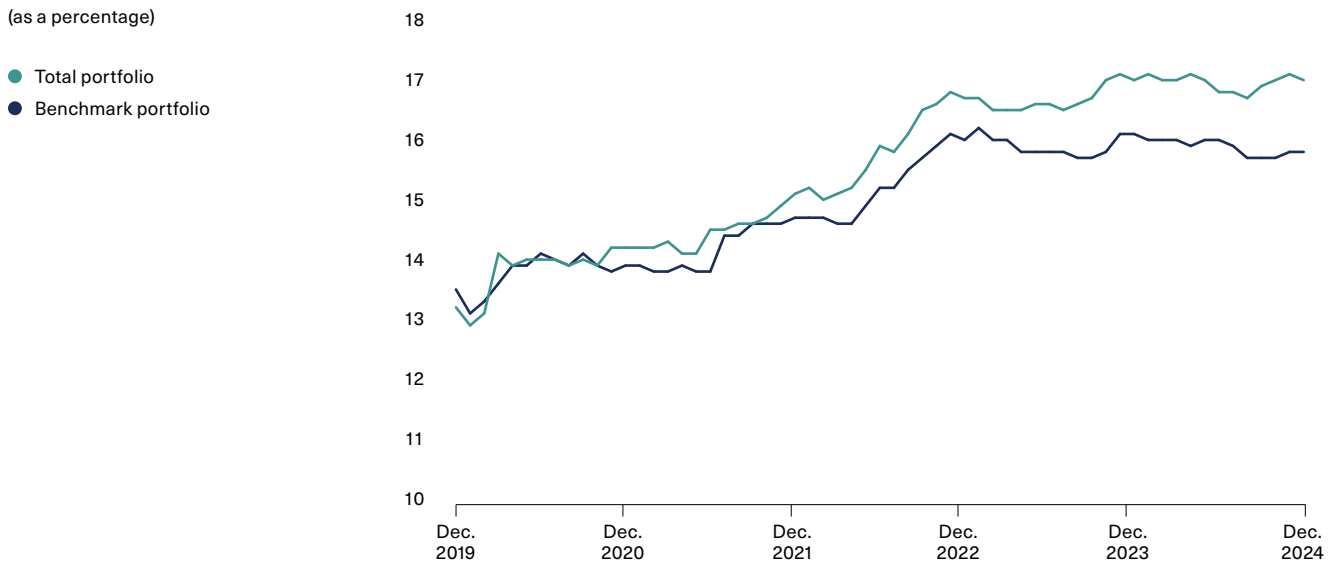
The rise in long-term bond yields in the United States continued to exert pressure on the value of fixed-income securities. In addition, it was another difficult year for the real estate industry—which is facing major challenges—resulting in increased risk. It should nevertheless be noted that action plans have been implemented to bring portfolio risk back to the expected level.

Over five years, market risk increased significantly, partly as a result of changes in our investment strategy and adjustments made to our depositors' investment policies. As shown in Figure 22, during this period:

- The absolute risk of the total portfolio rose from 13.3% to 17.1%
- The absolute risk of the benchmark portfolio rose from 13.6% to 15.9%

FIGURE 22

#### CHANGE IN ABSOLUTE RISK<sup>1</sup> (as a percentage)



1. The risk figures prior to January 2022 were adjusted to reflect the changes in the risk calculation methodology that occurred in 2020 and 2022.

**RISK MEASURES**

Market risk is the risk of financial losses arising from fluctuations in the fair value of financial instruments. It is measured using value at risk (VaR), which is a statistical estimate of the losses that CDPQ's total portfolio could suffer, according to a 95% confidence level over a one-year period of exposure.

Two risk measures are calculated and analyzed:

- The absolute risk of the total portfolio, which represents the total risk associated with the categories of financial instruments that make up the total portfolio.
- The absolute risk of the benchmark portfolio targeted by depositors, which represents the total risk of the benchmark indexes associated with the categories of financial instruments that make up the benchmark portfolio.

Among the items monitored to measure market risk, CDPQ calculates the absolute risk ratio for the total portfolio compared with the absolute risk for the benchmark portfolio. A ratio of 1 indicates that risk-taking is identical, while a ratio greater than 1 signals greater risk-taking to generate value added. An absolute risk limit, using this ratio, governs market risk for the total portfolio.

For more information, see Note 11 to the Consolidated Financial Statements on page 149.

Figure 23 presents the ratio of the total portfolio's absolute risk compared to that of the benchmark portfolio during the period. From 0.98 as at December 31, 2019, the ratio rose to 1.08 as at December 31, 2024. It should be noted that absolute risk remained well within the limits set by our investment policies.

Table 24 shows the change in market risk over the past year in the major asset classes. We note that risk has not changed much in these asset classes.

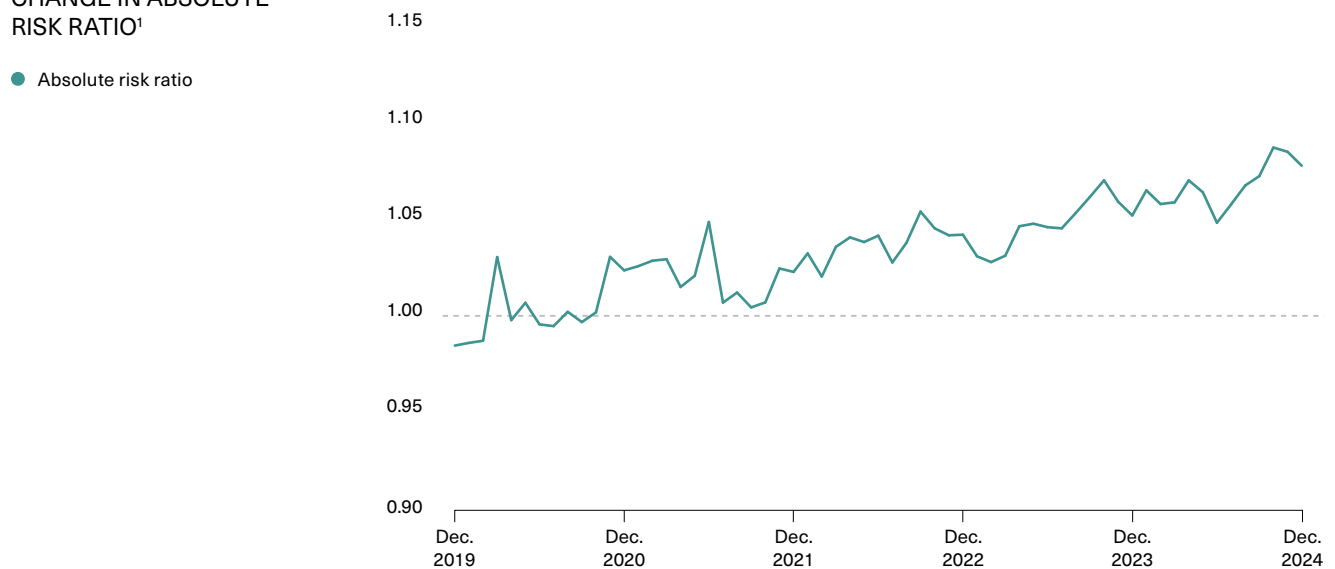
TABLE 24

**MARKET RISK – ABSOLUTE**  
(as at December 31 – as a percentage)

Asset class	2024	2023
Equities	<b>26.1</b>	25.6
Fixed Income	<b>12.4</b>	13.5
Real Assets	<b>16.9</b>	16.9
Other Investments	<b>1.4</b>	1.3

FIGURE 23

**CHANGE IN ABSOLUTE RISK RATIO<sup>1</sup>**



1. The risk figures prior to January 2022 were adjusted to reflect the changes in the risk calculation methodology that occurred in 2020 and 2022.



### Credit risk

Credit risk increased slightly in 2024, in line with the Credit portfolio strategy, which is focused on deploying in high-yield private debt. To assess this risk, the teams take into account:

- Potential capital loss risk: a quantitative measurement including the probability of default by an issuer, correlations and recovery assumptions
- Internal ratings given to each investment file: the ratings are assigned by a committee—chaired by the Risk Management team with investment team members taking part—based on fundamental analyses

The committee carefully follows changes in the ratings, including any differences with credit agency ratings, and may review them if necessary.

### Concentration risk

Overall, concentration risk rose slightly year-over-year. The contribution to market risk for CDPQ's 30 largest issuers stood at 24.1% in 2024, compared with 22.9% in 2023. Note that the high valuations, attributable to the considerable returns in infrastructure and private equity in recent years, have led to a higher concentration of certain investments.

To manage concentration risk, CDPQ emphasizes the geographic and sectoral diversification of our portfolio. Although there are concentration limits per issuer, larger positions can sometimes be taken in certain investments with attractive return prospects.

### Counterparty risk

In 2024, the counterparty risk related to derivative financial instruments, as well as repurchase and securities lending activities, was stable compared with 2023. CDPQ uses various means to mitigate this risk, including:

- Negotiation of legal agreements
- Daily exchange of collateral securities
- Establishment of exposure limits for each counterparty

### Liquidity risk

CDPQ managed liquidity carefully throughout the year, in accordance with our strategic orientations and market conditions. We kept our primary liquidity above the minimum threshold, in addition to maintaining additional flexibility to seize investment opportunities should market conditions deteriorate.

#### MINIMUM AMOUNT OF LIQUID ASSETS

CDPQ has various sources of liquid assets, which are:

- Primary liquidity: highly liquid assets that can be used immediately without loss of value
- Secondary liquidity: assets that are somewhat less liquid, but can be converted quickly if needed, in addition to being resilient

Every year, the Board of Directors approves a minimum amount of liquidity to be maintained so that CDPQ can:

- Meet our potential commitments
- Rebalance the total portfolio
- Maintain the desired flexibility in varying market conditions, including to seize investment opportunities

For more information, see Note 11 to the Consolidated Financial Statements on page 149.

### REVIEW OF OVERSIGHT AND PROCESSES

Governance and risk management are based on the 12 guidelines listed in Note 11 to the Consolidated Financial Statements on page 149. CDPQ continuously strengthens its initiatives, believing that risk management requires rigorous frameworks and processes.

#### **Influence of the Risk Management function on investment**

The Risk Management team seeks to contribute to strategic decisions throughout the investment cycle and day-to-day activities, overseeing risk processes. It exercises influence through:

- An active presence and value-added involvement on various committees, including:
  - Investment-Risk (Co-chair)
  - Strategy and Execution
  - Operational Risk (Chair)
  - Investment, research and currencies committees
- An essential role in analyzing and preparing the annual global strategy to identify the risks stemming from execution priorities and measure the impact of new initiatives on portfolio risk
- Oversight ensuring sound diversification and compliance with the strategic plans of the specialized portfolios
- Business unit risk managers on each investment team
- An independent assessment of portfolio risk for reporting purposes

#### **Review of investment policies**

During the year, CDPQ continued to adjust its strategy to be well positioned in a challenging environment. We revised the policies for certain portfolios after carrying out various risk analyses, in addition to developing frameworks adapted to the new orientations.

Among the changes made, we note:

- Equity Markets: An increase in the target allocation to Canada, offset by a decrease in the allocation to growth markets
- Credit: Clarification of the universe of eligible investments with regard to certain types of asset-backed debt and their monitoring
- Private Equity: Adjustment to reflect greater use of external management, pursuant to the strategy

#### **Reputation risk assessment process**

As a global investment group, CDPQ is exposed to reputation risk stemming from our investments, independent of their size. This is why we continuously strengthen our reputational risk management process, taking into account the perspectives of the investment teams and several other groups.

#### **Operational risk mitigation**

CDPQ faces operational risks related to its current activities and the transformations required to adapt to our business environment. The organization has evolved considerably in recent years, as can be seen in our mature portfolio, increased global presence, larger stakes in certain investments and increasingly complex professions and the integration of its real estate subsidiaries.

The Operational Risk Committee identifies and prioritizes these types of risks and determines ways to mitigate them. It relies on an evolving map to assess the repercussions and probabilities. Among the measures deployed by CDPQ in 2024, we note:

- The implementation of governance to monitor the operational risks arising from integrating our real estate subsidiaries, which has continued without an impact on business continuity
- The evolution of data governance frameworks, following a review of best practices in this area
- The formalization and clarification of our management and governance mechanisms for investment exclusions, such as those related to economic sanctions or the organization's sustainability convictions
- Improvements to the due diligence process, including assessments of reputational risk and training for the teams concerned to raise their awareness on this issue

The purpose of these measures is to strengthen CDPQ's operational resilience against a constantly changing business environment.

### **Technology risks**

Technology risks have increased due to the growing number of cyberattacks worldwide, their sophistication and the rise of disruptive technologies. These risks can affect CDPQ's operations and those of its portfolio companies. Various processes have been implemented to mitigate them, including:

- Performing transactional, themed and sectoral analyses to better understand and anticipate technological risks
- Establishing a monitoring system for major technological trends and emerging risks
- Post-investment monitoring, including periodic reviews of the total portfolio and targeted interventions, thereby helping improve the digital and cybersecurity posture of our portfolio companies
- An advisory service offering to support companies in the event of incidents, by providing contacts at prequalified security firms, resources on cybersecurity insurance, training and incident simulation workshops

Developments in technology risk are closely monitored in order to support the investment teams and play an advisory role with the companies, both for prevention and in response to incidents.

### **CYBERSECURITY**

Cybersecurity is a priority for CDPQ. We rely on recognized frameworks and rigorous security measures. These are continuously controlled and tested by our teams and independent third parties. Several lines of defence, both internal and external, are in place to ensure their effectiveness.

In 2024, CDPQ continued to invest in cybersecurity in order to reinforce its capabilities and controls in several key areas. Priority initiatives included:

- Integrating Ivanhoé Cambridge's technological environment into centralized security operations to standardize risk management practices
- Ongoing modernization of technologies to protect our technology environment and detect incidents to better counter cyberattacks
- Updating and refining training and awareness tools to prevent incidents caused by risky behaviour by our personnel, including when confronted with sophisticated phishing techniques that use artificial intelligence
- Digitizing key processes related to access management in order to make them more effective at protecting sensitive environments and information

It should be noted that the management of cybersecurity risks also applies to the service providers that host CDPQ's data. To become authorized providers, they must implement several strict requirements that meet CDPQ's security standards and be able to show that the measures taken are effective.

## ASSESSING SUSTAINABILITY RISK

CDPQ produces analyses to prevent the risks associated with sustainability criteria, both for new transactions and for assets already in the portfolio. These analyses are focused on the more material aspects, giving due consideration to the business sectors of companies we hold and the organization's sustainable investing priorities.

Developed in-house, our ESG rating methodology is based on a grid by the Sustainability Accounting Standards Board and is aligned with the standards of the International Sustainability Standards Board. Among other things, this methodology makes it possible to:

- Improve the way in which we take account of material issues by establishing sectoral risk levels
- Rate all issuers in a harmonized way across the various asset classes

In addition, as part of our operational due diligence process, CDPQ examines the sustainability criteria integration practices of the external managers we work with and monitors how they change over time. The rating methodology, in the form of an evaluation grid, is continuously improved. The purpose is to gauge their maturity according to various criteria, including the fight against climate change, openness and inclusion. New tools have also been created to optimize knowledge transfer to the investment teams.

### Environment

To measure climate risk, CDPQ calculates the carbon intensity of assets, in addition to assessing various types of physical climate risk over different time horizons. It should be noted that physical climate risk is considered for each new investment in real estate and infrastructure. The teams also look at climate change and transition risks, and assess them using qualitative and quantitative analyses. Lastly, CDPQ takes biodiversity into account in its analyses, when it is material and based on the nature of the project.

### Social

CDPQ pays particular attention to portfolio companies' openness and inclusion practices, as well as to their tax planning strategies. Social issues such as human rights, working conditions, supply chain management and community relations are also taken into account, according to their materiality in the analyses. Note that in 2024, CDPQ adopted a human rights policy that formalizes our commitment to this issue and provides a framework for due diligence efforts in this regard.

### Governance

CDPQ strongly believes in the importance of portfolio company governance, including Board composition, the compensation of senior management, ethics and business conduct, disclosure, as well as technology risk management and cybersecurity.

The progress made by CDPQ on sustainable investing priorities and climate targets is presented in our Sustainable Investing Report, which can be found at [www.cdpq.com](http://www.cdpq.com).

## IMPROVED RISK MANAGEMENT METHODOLOGIES AND TOOLS

During the year, CDPQ continued to refine our methodologies and quantitative analysis tools in order to:

- Develop risk assessment methods adapted to portfolio assets and to the market environment
- Better support the investment teams with effective risk management tools

### Risk measurement and stress testing

In addition to value at risk (VaR), CDPQ measures market risk using stress tests, several of which were carried out in 2024 to assess the portfolio's ability to cope with emerging risk scenarios. It should be noted that methodological improvements were also made to the scope of our investments in equity markets and real estate, to take better account of market conditions.

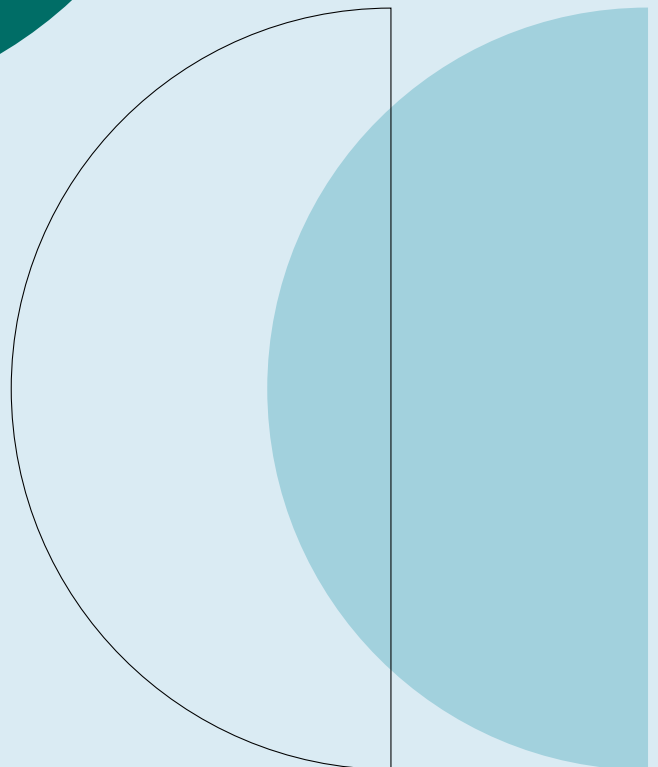
### Overall risk profile

During the year, the teams regularly updated the overall risk profile, which provides an overview of the degree and trend of different types of risks, including strategic, reputational, financial and operational risks. This monitoring document also enables us to:

- Identify the main current and potential issues and communicate them to the Investment and Risk Management Committee
- Determine the actions taken, or to be taken, to mitigate them



CDPQ  
in Québec



# Constructive capital to shape the Québec of tomorrow

We work to ensure the financial future of millions of people and to energize the entrepreneurial fabric and the entire community. All our teams are mobilized to support companies and projects that generate optimal returns for our depositors and contribute to Québec's economic development.

## Total assets in Québec

**\$93 B**

IN 2024, A \$6-BILLION INCREASE IN ONE YEAR

**\$100 B**

OUR AMBITION FOR 2026

**\$4.8 B**

FUNDS ENTRUSTED TO EXTERNAL QUÉBEC MANAGERS, WITH AN AMBITION OF \$8 BILLION BY 2028

## Key transactions in each of our priority areas

### Sustainable growth

We propel companies' growth ambitions and support the next generation while promoting increased sustainability for our economy and for the development of buildings and infrastructure.



**\$29 B**

TOTAL ASSETS IN QUÉBEC ALIGNED WITH THE PARIS AGREEMENT

**12**

NUMBER OF QUÉBEC PORTFOLIO COMPANIES WE SUPPORTED WITH INCORPORATING SUSTAINABILITY FACTORS IN 2024

#### QSL International

An equity stake in QSL International, which plays a key role in the maritime logistics sector and has obtained Green Alliance certification for all its port terminals, to accelerate the company's growth plan, which includes investments in new projects, particularly in Québec.

#### MKB

A \$35-million commitment to the Partners Fund III launched by MKB, a venture capital firm that invests in pioneering energy transition companies.

See General Note 14, page 192, for the definition of assets aligned with the Paris Agreement.

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## Global reach

We help create homegrown champions operating in North America and around the world to generate economic benefits for Québec.



44

NUMBER OF ACQUISITIONS  
OUTSIDE QUÉBEC BY OUR  
PORTFOLIO COMPANIES  
IN 2024

17

NUMBER OF QUÉBEC PORTFOLIO  
COMPANIES RANKED IN THE TOP THREE  
IN THEIR INDUSTRY, 8 OF WHICH ARE  
NEW IN THE LAST FIVE YEARS

### National Bank of Canada

A \$500-million investment to support the National Bank's acquisition of Canadian Western Bank, an Alberta-based financial institution, positioning CDPQ as the second-largest shareholder.

### WSP

A \$158-million investment in this global professional services firm to support its acquisition of POWER Engineers, a U.S. leader in the energy industry.

## Technological change

We back the growth of innovative companies and accelerate the digital transformation of companies in more traditional industries.



\$11 B

ASSETS IN QUÉBEC  
RELATED TO PROMISING  
TECHNOLOGY SECTORS AND  
THE NEW ECONOMY

\$2 B

VENTURE CAPITAL  
ASSETS IN QUÉBEC

### Nuvei

Support for Nuvei, one of the world's leading payment technology providers, through its privatization process, boosting its valuation to over USD 6 billion.

### Levio

A \$125-million investment in this consulting firm specializing in large-scale digital transformations, to accelerate its North American expansion plan.

For a complete picture of the transactions carried out by CDPQ in 2024, visit [www.cdpq.com](http://www.cdpq.com).

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# Capital, expertise and networks

We offer companies flexible financing solutions while leveraging our teams' broad expertise and our ability to forge links across our vast network. We provide personalized support as well as initiatives tailored to their realities.

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## Program to address tariff threats

In early 2025, CDPQ launched a program designed to encourage Québec companies to develop projects aimed at boosting their productivity or to strategically pivot toward new markets. This program is structured around CDPQ's three pillars of action for Québec: capital, expertise and networks.

## Providing Québec's mid-market companies with the means to achieve their ambitions

### Ambition ME

This financing and support offering aims to propel successful and high-potential mid-market companies into the next stage of their growth.

#### Norda Stelo

Financial backing for this renowned engineering firm with operations in over 50 countries, for its acquisition of InnovExplo, creating a new player in the field of critical minerals, which are essential to the energy transition.

#### Plastrec

An additional investment in this plastic transformation and recycling company, a CDPQ partner since 2005, enabling it to conclude an orderly succession process and pursue its growth projects.

# 12

NUMBER OF MID-MARKET QUÉBEC PORTFOLIO COMPANIES THAT HAVE BECOME LARGE COMPANIES OVER THE PAST FIVE YEARS

Visit [www.cdpq.com](http://www.cdpq.com) to learn more about CDPQ's programs.





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## Focusing on training and support to stimulate success

### Les Cheffes de file

This initiative seeks to accelerate the growth of companies owned by women with annual revenues of \$5 to \$50 million. The group includes close to 140 participants from various Québec regions wishing to benefit from a strong community of ambitious female entrepreneurs.

In 2024, CDPQ supported three cohorts of female entrepreneurs exploring three themes: financial strategy, strategic planning and expansion into new markets. The third cohort's activities concluded with a trade mission to New York.

"Les Cheffes de file is an initiative that gave me the space to reflect and step away from my day-to-day reality to spend time with other women business leaders facing similar challenges."

**Myriam Belzile-Maguire**, President and Designer, Maguire

"The Cheffes de file meetings shed new light on the realities we face and nurture our ambitions."

**Nick Jolicoeur**, President, Partner, Executive Producer, Groupe Cinélande

### Repères numériques

Geared toward Québec SMEs, this training program is designed to support the transformation of their corporate culture to seize opportunities associated with high-tech innovations.

62

COMPANIES FROM 13 QUÉBEC REGIONS THAT HAVE PARTICIPATED SINCE THE PROGRAM'S 2021 LAUNCH

21

NUMBER OF CHEFFES DE FILE MEMBERS WHO PARTICIPATED IN THE COHORTS, INCLUDING 6 WHO ATTENDED THE TRADE MISSION IN NEW YORK

Visit Les Cheffes de file web page at [www.cdpq.com](http://www.cdpq.com) to watch inspiring discussions between ambitious women entrepreneurs.



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# Concrete action for local businesses and communities

Contributing to Québec's economic development means expanding access to capital and creating networking opportunities for local businesses. It also means carrying out projects that generate major benefits and transform the daily lives of thousands of people.

## Building a community and creating value for companies

### Espace CDPQ

As Canada's largest dedicated venture capital community, Espace CDPQ pools networks, expertise and resources for the benefit of Québec-based businesses. Its 25 partner, resident and visiting funds all share a common goal: boosting access to investment capital for innovative, high-potential SMEs.

**\$22 B**

TOTAL ASSETS UNDER MANAGEMENT BY THE COMMUNITY OF FUNDS, INCLUDING CDPQ'S VENTURE CAPITAL TEAM

In 2024, Espace CDPQ's partner funds were involved in nearly 40% of the venture capital transactions carried out in Québec.

**18**

NUMBER OF TRANSACTIONS IN QUÉBEC-BASED COMPANIES OUT OF THE 22 TRANSACTIONS CARRIED OUT DURING THE YEAR BY CDPQ'S PARTNER FUNDS

"We see Espace CDPQ as a pivotal place for start-ups to grow, and a central community for expanding the venture capital industry in Québec and Canada."

**Althea Wishloff**, General Partner at Raven Indigenous Capital Partners, a new fund that joined Espace CDPQ in 2024 dedicated to Indigenous entrepreneurship and economic revitalization.

Visit [www.espacecdpq.com](http://www.espacecdpq.com) for more information on Espace CDPQ



# Building sustainable transportation infrastructure

## CDPQ Infra

CDPQ Infra plans and develops major infrastructure projects focused on community needs. Thanks to its business model and world-class specialized teams, this CDPQ subsidiary merges financial capacity and high-level technical expertise to execute these projects successfully, benefiting the economy and society as a whole.

### REM

CDPQ Infra is principal contractor for the REM, a structuring light-rail network for the Greater Montréal region that marked a number of milestones in its progress in 2024.

## 45 KM

PROGRESSIVELY COMPLETED TRACK WORK TO BE ADDED TO THE 17 KM NETWORK ALREADY IN OPERATION, ALONG WITH THE LAUNCH OF DYNAMIC TESTING ON THE DEUX-MONTAGNES AND ANSE-À-L'ORME BRANCHES

## 45,000

PEAK OF 45,000 RIDES PER DAY IN FALL 2024 ON THE MAIN LINE CONNECTING BROSSARD AND DOWNTOWN MONTRÉAL SINCE JULY 2023

### Plan CITÉ

In 2024, following the analysis of 1,000 documents and meetings with over 170 stakeholders, CDPQ Infra presented the Plan CITÉ, a master plan designed to improve mobility in the Communauté métropolitaine de Québec. The Government of Québec mandated CDPQ Infra to oversee the planning of TramCité, the tramway component of Plan CITÉ's Phase 1.

## 19 KM

MODERN TRAMWAY NETWORK WHOSE CONFIRMED FIRST PHASE WILL TOTAL 19 KM AND 29 STATIONS CONNECTING THE DISTRICTS OF LE GENDRE, SAINTE-FOY, UNIVERSITÉ LAVAL, PARLIAMENT HILL, SAINT-ROCH AND CHARLESBOURG

## 73,000

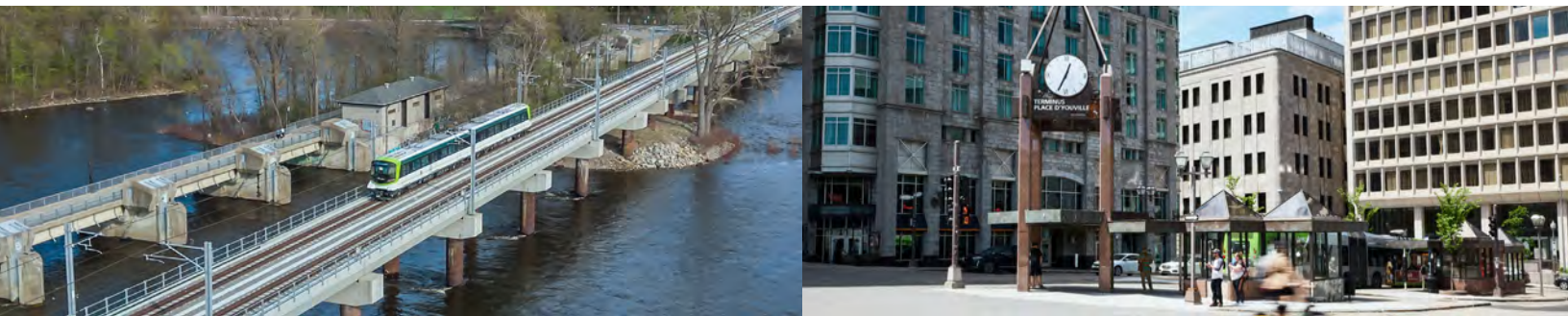
FORECASTED NUMBER OF TRIPS PER DAY IN 2041 BY USERS OF THIS HIGH-FREQUENCY NETWORK, DOUBLING THE PUBLIC TRANSIT OFFERING IN THE QUÉBEC CITY REGION'S BUSIEST AREAS

## Québec City-Toronto high-speed train

CDPQ Infra took part in the international tender process as leader of the Cadence team for the proposed Québec City-Toronto high-speed train project.

In early 2025, Cadence was selected by the Government of Canada as the private-sector partner of Alto, the federal Crown corporation overseeing this initiative.

Visit [www.cdpqinfra.com](http://www.cdpqinfra.com) for more information on CDPQ Infra.



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# Investments in Québec

In 2024, CDPQ's assets in Québec totalled \$93 billion, in line with our ambition of \$100 billion by 2026 announced two years ago. The teams carried out \$4.3 billion in new investments and commitments across all asset classes.

## OVERVIEW BY INVESTMENT ACTIVITY

CDPQ's public and private investments in Québec are focused on the areas of activity included in the total portfolio. Table 26 on page 59 details the assets related to each of these activities as at December 31, 2024.

Table 25 presents CDPQ's 20 largest investments in Québec in the Equity Markets, Private Equity and Infrastructure portfolios.

## EQUITIES

CDPQ invests in both listed and unlisted Québec companies through its Equity Markets and Private Equity portfolios. As at December 31, 2024, our Québec Equities assets totalled \$37.9 billion (see Table 26, page 59).

## Equity Markets

The Equity Markets portfolio primarily consists of securities issued by listed Québec companies, accounting for:

- 87% of the Canada mandate's total assets, compared to 24% in the S&P/TSX, the Canadian benchmark index

This portfolio's assets in Québec stood at \$22.7 billion in 2024.

## Private Equity

The Private Equity portfolio includes:

- Direct investments in private as well as publicly traded companies in connection with initial public offerings and major transactions
- Small cap investments
- Investment fund activities

This portfolio's assets in Québec stood at \$15.2 billion in 2024.

TABLE 25

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### TOP 20 INVESTMENTS IN QUÉBEC – EQUITY MARKETS, PRIVATE EQUITY AND INFRASTRUCTURE (as at December 31, 2024)

---

- |                            |                           |
|----------------------------|---------------------------|
| • Alimentation Couche-Tard | • Hopper                  |
| • AtkinsRéalis             | • iA Financial Group      |
| • Bank of Montreal         | • kdc/one                 |
| • BCE                      | • National Bank of Canada |
| • CAE                      | • Nuvei                   |
| • CDPQ Infra (REM)         | • Plusgrade               |
| • CGI                      | • Previan                 |
| • CN                       | • TFI International       |
| • Cogeco Communications    | • Trencap (Énergir)       |
| • Dollarama                | • WSP                     |
-

## INVESTMENT FUNDS AND EXTERNAL MANAGEMENT

In recent years, CDPQ has invested in various Québec-based venture capital and leveraged buyout funds. In 2024, in addition to its commitment to the energy transition-focused MKB Partners Fund III, we supported Teralys Capital, which enhanced the vitality of its fundraising efforts. Among other highlights, CDPQ made a \$30-million commitment to the BDG & Partners Appalaches III Fund during its first financing round.

Through its partnerships with specialized funds, CDPQ extends the scope of its investments and gains access to a pool of promising companies, from which potential direct investment candidates often emerge. This strategy was evident in various transactions in recent years, such as those involving Hopper, Lightspeed and AlayaCare.

### Ongoing support for the local asset management industry

In late 2023, CDPQ announced plans to more than double the amount entrusted to external Québec managers, which is set to reach \$8 billion by 2028, thereby promoting the growth of Québec's asset management industry. As at December 31, 2024, these amounts totalled \$4.8 billion.

## Fixed income

Since its inception, CDPQ has played an essential financing role in Québec. As at December 31, 2024, assets in Québec private and public-sector fixed income securities totalled \$39.8 billion (see Table 26).

## Private sector

CDPQ devotes a significant portion of its financing activities to the private sector, which amounted to \$21.9 billion in 2024.

This support for private companies, which are major growth drivers, allows us to generate returns for our depositors while contributing to the vitality of the Québec economy.

### Corporate securities

In 2024, CDPQ supported numerous private and publicly traded companies. Assets in the form of Québec corporate securities totalled \$17.0 billion in 2024.

It should be noted that the Fixed Income teams work closely with the Private Equity teams to create financial arrangements tailored to companies' needs, occasionally including an equity financing component.

### Real Estate Finance

CDPQ offers innovative commercial real estate financing solutions. In 2024, our Real Estate Finance assets in Québec totalled \$4.9 billion and represented:

- 152 buildings in 12 regions
- 18 new loans and refinancings

TABLE 26

## ASSETS IN QUÉBEC

(as at December 31 – in billions of dollars)

	2024	2023
<b>Equities</b>		
Equity Markets	22.7	19.9
Private Equity	15.2	14.5
<b>Subtotal</b>	<b>37.9</b>	34.4
<b>Fixed Income</b>		
Private sector <sup>1</sup>	21.9	21.4
Public sector <sup>2</sup>	17.9	17.9
<b>Subtotal</b>	<b>39.8</b>	39.3
<b>Real Assets</b>		
Real Estate	5.3	5.3
Infrastructure	10.5	8.5
<b>Subtotal</b>	<b>15.8</b>	13.8
<b>Total</b>	<b>93.5</b>	87.5

1. Includes corporate securities and Real Estate Finance activities.

2. Includes securities of the Government of Québec, Hydro-Québec and other Crown and para-governmental corporations.

## Investments in Québec (continued)

### Public sector

CDPQ has always been a major holder of Québec public-sector bonds issued by a variety of entities:

- Government of Québec
- Crown corporations
- Municipalities
- Para-governmental corporations

In 2024, CDPQ's public sector assets totalled \$17.9 billion.

### REAL ASSETS

As at December 31, 2024, CDPQ's real assets in Québec totalled \$15.8 billion, split between Infrastructure and Real Estate activities (see Table 26, page 59).

#### Infrastructure

In 2024, CDPQ's infrastructure assets in Québec stood at \$10.5 billion. Investments included:

- Direct stakes in listed and unlisted companies
- Investment in the CDPQ Infra subsidiary

### Real Estate

CDPQ real estate assets in Québec totalled \$5.3 billion in 2024. The portfolio of 75 properties included:

- 60 logistics buildings
- 6 office buildings
- 4 shopping centres
- 3 hotels (approximately 1,710 rooms)
- 2 residential buildings (approximately 415 units)

Table 27 shows CDPQ's top 10 properties in Québec.

#### A LARGE NETWORK OF SUPPLIERS THROUGHOUT QUÉBEC

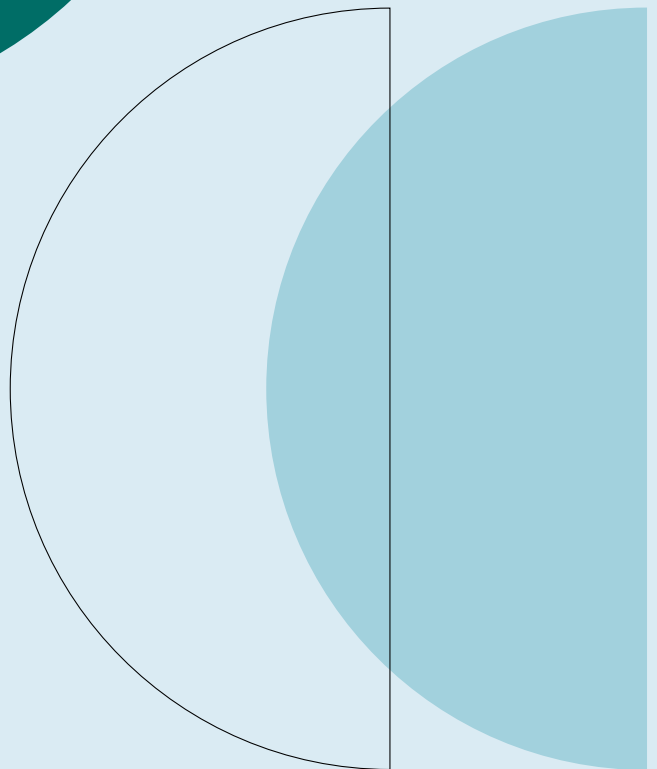
To carry out their activities, CDPQ and its subsidiaries rely on the services of some 1,500 Québec-based suppliers. In 2024, expenditures in Québec by CDPQ and its subsidiaries, including CDPQ Infra, totalled more than \$2 billion. Pursuant to its Policy on Contracts for the Acquisition or Leasing of Goods and Services, CDPQ favours Québec suppliers, provided they meet its cost and quality criteria.

TABLE 27

#### TOP TEN PROPERTIES IN QUÉBEC – REAL ESTATE (as at December 31, 2024)

- Centre Eaton de Montréal, Montréal
- Édifice Jacques-Parizeau, Montréal
- Fairmont Le Château Frontenac, Québec City
- Fairmont The Queen Elizabeth, Montréal
- Galeries d'Anjou, Montréal
- Haleco, Montréal
- Le 1500, Montréal
- Place Montréal Trust, Montréal
- Place Ste-Foy, Québec City
- Place Ville Marie (PVM), Montréal

# Governance



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# Governance

At CDPQ, we firmly believe that our actions must be guided by sound governance and rigorous ethical principles. We are always mindful of the fact that we work on behalf of our clients, the depositors, and that they represent millions of Quebecers.

## **SOLID GOVERNANCE**

As a global investment group rooted in Québec, we apply governance best practices across all our activities, wherever we do business, in keeping with our core values of integrity and responsibility.

Our governance commitment is also evident in the requirements governing our portfolio companies, as the adoption of best practices is a regular topic of discussion with them.

In addition, we have a robust legal framework in place, forming the basis of our independence and our governance structures.

## **SEPARATE DECISION-MAKING BODIES**

CDPQ's activities are governed by its Board of Directors and its Executive Committee. These decision-making bodies are made up of experienced, international-calibre managers with wide-ranging expertise. All managers are expected to act with professionalism, accountability and rigour in implementing the strategies and action plans needed to carry out our mission: to generate optimal returns for our depositors while contributing to Québec's economic development.

Since late April 2024, the activities of our real estate subsidiaries, Ivanhoé Cambridge and Otéra Capital, as well as their governance structures, have been integrated into CDPQ. Note that as part of this integration, CDPQ acquired all minority shareholder interests in the share capital of both subsidiaries, thereby becoming the sole shareholder. Launched in late January 2024, the integration process is expected to continue for 18 to 24 months.

It should be noted that the governance of CDPQ Infra, CDPQ's infrastructure subsidiary, is overseen by a separate Board of Directors and a separate Executive Committee. In addition, Espace CDPQ, a subsidiary encompassing various private venture capital funds, has its own Board of Directors.



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## Composition of the Board of Directors

The Board must comprise 9 to 15 members. At least two thirds of them, including the Chairman, must qualify as independent members under the Act respecting CDPQ. The Chairman is appointed for a mandate not to exceed five years, while Board members are appointed for terms of no more than four years. These mandates may be renewed twice, either consecutively or non-consecutively. The Board members continue to serve until they are replaced or their mandates are renewed. The President and Chief Executive Officer is also a Board member by virtue of office. He is appointed by the Board, with the Government of Québec's approval. His mandate is at most five years and can be renewed.

As at December 31, 2024, 11 of the 14 Board members, or more than 78%, were independent.



**Jean St-Gelais**  
Chairman  
CDPQ  
Independent member

Committees: Governance and Ethics, Human Resources  
Member since May 12, 2021  
Chairman since October 25, 2021  
Current mandate expires on: October 24, 2026  
Other Boards of Directors: La Capitale Foundation,  
Beneva Group and its subsidiaries

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**Jean-François Blais**  
Corporate Director  
Independent member

Committees: Audit, Investment and Risk Management (Chair)  
Member since May 20, 2020  
Current mandate expires on: May 21, 2028  
Other Boards of Directors: Desjardins Financial Security,  
Loto-Québec

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**Ivana Bonnet-Zivcevic**  
Corporate Director  
Independent member

Committees: Governance and Ethics, Human Resources  
Member since December 6, 2017  
Current mandate expires on: January 25, 2026  
Other Board of Directors: illimity Bank

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**Florence Brun-Jolicoeur**  
Senior Consultant,  
Strategy  
Aviso  
Independent member

Committee: Audit  
Member since October 9, 2023  
Current mandate expires on: October 8, 2027

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## Composition of the Board of Directors (continued)



**Alain Côté**  
Corporate Director  
Independent member

Committees: Audit (Chair), Investment and Risk Management  
Member since August 28, 2019  
Current mandate expires on: October 3, 2027  
Other Boards of Directors: Aéroports de Montréal, Chamber of Commerce of Metropolitan Montreal Foundation, Goodfellow

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**René Dufresne**  
President and  
Chief Executive Officer  
Retraite Québec

Member since June 13, 2022  
Current mandate expires on: June 12, 2026  
Other Board of Directors: Retraite Québec

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**Charles Emond**  
President and  
Chief Executive Officer  
CDPQ

Member since February 1, 2020  
Current mandate expires on: February 6, 2029  
Other Board of Directors: Orchestre symphonique de Montréal

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**Olga Farman**  
President and Chief  
Executive Officer  
Port de Québec  
Independent member

Committee: Governance and Ethics (Chair)  
Member since June 13, 2022  
Current mandate expires on: June 12, 2026  
Other Boards of Directors: Fondation du Musée de la civilisation, Beneva Group and its insurance subsidiaries

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**Nelson Gentiletti**  
Corporate Director  
Independent member

Committees: Governance and Ethics, Investment and Risk Management  
Member since June 13, 2022  
Current mandate expires on: June 12, 2026  
Other Boards of Directors: Cascades, Groupe Grandio, Transcontinental

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**Lynn Jeannot**  
Corporate Director  
Independent member

Committee: Human Resources (Chair)  
Member since December 17, 2019  
Current mandate expires on: December 16, 2027

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**Wendy Murdock**  
Corporate Director  
Independent member

Committee: Investment and Risk Management  
Member since March 27, 2016  
Current mandate expires on: October 3, 2027  
Other Boards of Directors: Iron Mountain,  
USAA Federal Savings Bank

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**Audrey Murray**  
President and  
Chief Executive Officer  
Commission de la construction  
du Québec

Member since May 22, 2024  
Current mandate expires on: May 21, 2028  
Other Boards of Directors: Commission de la  
construction du Québec, La Compagnie Jean-Duceppe,  
Tourisme Montréal

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**Ghislain Parent**  
Corporate Director  
Independent member

Committee: Human Resources  
Member since May 22, 2024  
Current mandate expires on: May 21, 2028  
Other Board of Directors: Institut de recherches  
cliniques de Montréal

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**Marc Tremblay**  
Corporate Director  
Independent member

Committees: Audit, Human Resources  
Member since October 9, 2023  
Current mandate expires on: October 8, 2027  
Other Boards of Directors: CHUM Foundation,  
Groupe SIRCO, Société des alcools du Québec

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To consult the biographies of the Board members, please visit [www.cdpq.com](http://www.cdpq.com).

# Organizational structure

CDPQ's Board of Directors consists of the Chairman, the President and Chief Executive Officer, senior executives of CDPQ's depositor organizations, and independent members.

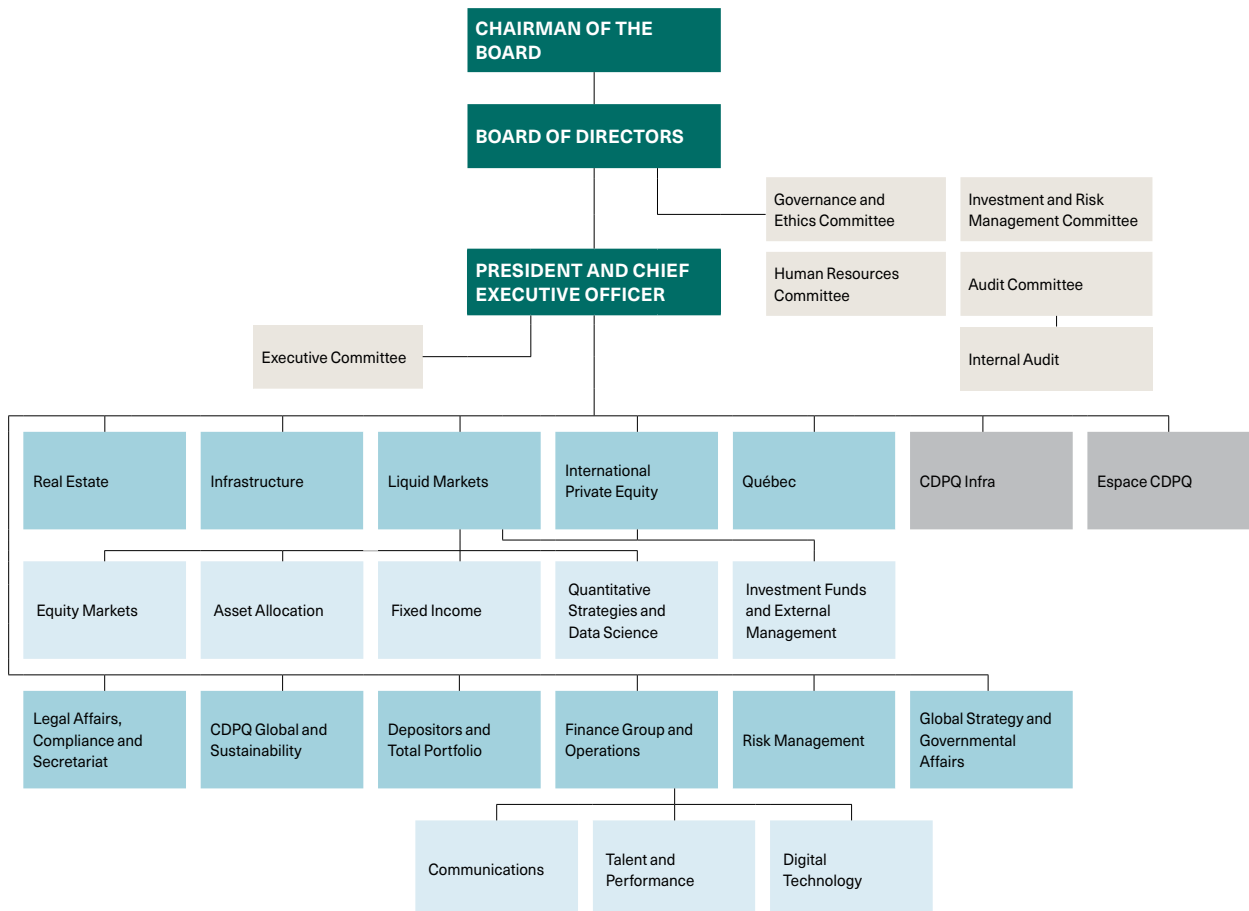
The Executive Committee includes the President and Chief Executive Officer, together with senior officers from CDPQ's business units (see Figure 28). As at December 31, 2024, CDPQ employed 2,198 people, up from December 31, 2023 due to the integration of the Ivanhoé Cambridge and Otéra Capital real estate subsidiaries. Of that number, 1,905 employees worked in Québec.

To capitalize on attractive investment opportunities and to ensure healthy portfolio diversification, CDPQ has additional teams in place in Canada and around the world. At the end of 2024, 293 employees were based in offices in key international cities, including Toronto, London, New York City and Singapore.

It should be noted that CDPQ has an infrastructure subsidiary, CDPQ Infra, as well as Espace CDPQ, a subsidiary that groups together various private venture capital funds.

FIGURE 28

ORGANIZATIONAL STRUCTURE  
(as at December 31, 2024)



## **CDPQ INFRA**

CDPQ Infra acts as the principal contractor for major public infrastructure projects, including the REM in Greater Montréal. Wholly owned by CDPQ, this infrastructure subsidiary has a separate Board of Directors and a separate Executive Committee. As at December 31, 2024, CDPQ Infra had 137 employees.

For more information, visit [www.cdpqinfra.com](http://www.cdpqinfra.com).

## **ESPACE CDPQ**

Espace CDPQ is Canada's largest dedicated venture capital community. This subsidiary, which encompasses various private venture capital funds, is wholly owned by CDPQ. It has its own Board of Directors and had 14 employees at the end of 2024.

For more information, visit [www.espacecdpq.com](http://www.espacecdpq.com).

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## Executive Committee<sup>1,2</sup>



**Pierre Beaulieu**  
Executive Vice-President,  
Digital Technology



**Marc-André Blanchard**  
Executive Vice-President  
and Head of CDPQ Global  
and Global Head of Sustainability



**Sarah-Émilie Bouchard**  
Executive Vice-President,  
Global Strategy and  
Governmental Affairs



**Vincent Delisle**  
Executive Vice-President  
and Head of Liquid Markets



**Charles Emond**  
President and  
Chief Executive Officer



**Rana Ghorayeb**  
Executive Vice-President  
and Head of Real Estate



**Ève Giard**  
Executive Vice-President,  
Talent and Performance



**Emmanuel Jaclot**  
Executive Vice-President  
and Head of Infrastructure



**Michel Lalande**  
Executive Vice-President,  
Legal Affairs, Compliance  
and Secretariat



**David Latour**  
Executive Vice-President  
and Chief Risk Officer



**Martin Longchamps**  
Executive Vice-President  
and Head of Private Equity  
and Private Credit<sup>3</sup>



**Maarika Paul**  
Executive Vice-President  
and Chief Financial  
and Operations Officer



**Kim Thomassin**  
Executive Vice-President  
and Head of Québec



**Philippe Tremblay**  
Executive Vice-President,  
Depositors and Total Portfolio

To consult the biographies of the Executive Committee members, please visit [www.cdpq.com](http://www.cdpq.com).

1. Composition in April 2025.
2. Marc Cormier left his position in January 2025.
3. Martin Longchamps' title was changed in March 2025 to reflect his new responsibilities.

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# Report of the Board of Directors and Board Committees

## MANDATE OF THE BOARD

The mandate of the Board includes ensuring that CDPQ takes the necessary measures to attain the objectives stated in its mission, and that the organization is managed in compliance with the provisions of its incorporating act and regulations. Supported by its committees, the Board carries out its duties diligently, ensuring that CDPQ meets the highest standards of corporate governance.

For a complete description of the Board's mandate, consult the Governance section at [www.cdpq.com](http://www.cdpq.com).

## GOVERNANCE

The Board fulfills its governance role through various measures, including:

- Operating rules concerning governance of the Board and its committees
- Competency and experience profiles for Board appointments
- Compliance with the requirements under the Act respecting CDPQ, including those on independence and diversity
- Orientation and continuing education program for Board members
- Process for evaluating the functioning of the Board and its committees
- Committee activity reports presented at each Board meeting
- Oversight of the management practices of certain CDPQ subsidiaries
- Private meetings between members of the Board, and with the President and Chief Executive Officer and some members of management

## RULES ON ETHICS

The Board carries out its duties with integrity, objectivity and transparency, in the interests of CDPQ and its clients and in a manner that inspires trust. It is committed to promoting CDPQ's organizational values and the principles of responsible management and sound governance.

Like CDPQ's personnel, the members of the Board are subject to a Code of Ethics that reflects the highest standards of ethical conduct, including maintaining the confidentiality of information, managing conflicts of interest and personal transactions.

For a complete description of the ethics rules that apply to Board members, consult the Governance section at [www.cdpq.com](http://www.cdpq.com).

## MAIN RESPONSIBILITIES

The Board's responsibilities, in collaboration with its committees, include the following:

- Approve the teams' strategic orientations, annual budgets and execution priorities and examine management's reports on the oversight and evolution of these priorities
- Approve the Consolidated Financial Statements, Annual Report and Sustainable Investing Report
- Examine the returns of the investment business units and approve news releases on financial results
- Approve measures to assess CDPQ's effectiveness and performance
- Approve risk management framework policies and monitor their application
- Approve transaction plans in accordance with the oversight policies, taking into account, among other things, the impact of each one on the level and concentration of risk in the specialized portfolio in question and in the total portfolio
- Recommend to the Government of Québec, in collaboration with the Governance and Ethics Committee, the appointment of members and the renewal of their mandates
- Appoint the Board members of certain CDPQ subsidiaries
- Review the committee composition
- Approve competency and experience profiles for Board appointments



- Approve the rules on ethics applicable to members of the Board and employees of CDPQ and some of its subsidiaries
- Approve the governance rules of CDPQ and some of its subsidiaries
- Approve human resources policies
- Approve the total compensation conditions of the President and Chief Executive Officer
- Approve, on the recommendation of the President and Chief Executive Officer, the appointments and compensation of members of management under his direct authority and the compensation of the President and Chief Executive Officer of CDPQ Infra
- Approve all major changes to the organizational structure
- Approve the compensation standards and scales as well as other employment conditions of CDPQ managers and employees
- Approve other policies recommended to it by the committees, including on governance and ethics, internal control, risk management and human resources management

## BOARD COMMITTEES

The Board carries out its duties directly or through the following committees:

- Audit
- Governance and Ethics
- Investment and Risk Management
- Human Resources

For a complete description of the mandates of the Board's committees, consult the Governance section at [www.cdpq.com](http://www.cdpq.com).

For more information on the responsibilities that the committees have discharged, consult their activity reports on pages 75 to 78.

## APPOINTMENTS

During the year, the Government of Québec, after having consulted the Board, appointed Audrey Murray, President and CEO of the Commission de la construction du Québec, as a non-independent member, and Ghislain Parent, Corporate Director, as an independent member. It also confirmed the renewal of the mandate of Jean-François Blais, Corporate Director.

In addition, with the approval of the Government of Québec, the Board appointed Charles Emond as President and Chief Executive Officer of CDPQ for a five-year term ending February 6, 2029. Mr. Emond has held this position since February 1, 2020.

## Report of the Board of Directors and Board Committees (continued)

### DIVERSITY

The Board believes that the diversity of outlooks generated by different genders, experiences, generations and ethno-cultural origins improves the quality of decisions and fosters a capacity for innovation, creativity, commitment and performance. In that regard, the Board ensures that its composition, both in terms of diversity of profiles and the complementarity of competencies and experience among its members, enables it to effectively perform its role. The Board also annually reviews the list of the various types of competencies required of members and of the Board as a whole. With respect to gender diversity, the number of women on the Board must represent at least 40% of the total number of members under the Act respecting CDPQ. As at December 31, 2024, 42% of the members of the Board were women.

Board and Executive Committee members also keep a close eye on the advancement of women within the organization, as well as on their representation in our portfolio companies and investment partners.

Table 29 summarizes the various profiles of Board members. It also sets out the members' age ranges, number of years on the Board, place of residence and their many areas of expertise and experience.

### OFFICIAL LANGUAGE

All the members of the Board are fluent in French. Meetings of the Board and its committees are conducted in French, which is also the official language of documents, meeting minutes and presentations tabled at these meetings.

TABLE 29

#### DIVERSITY ON THE BOARD OF DIRECTORS

Member name <sup>1</sup>	Age			Mandate Years on the Board as at December 31, 2024	Place of residence			Diversity		Top 5 specialties or expertise								
	≤ 45 <sup>2</sup>	46 to 65	≥ 66		Québec	United States	France	Male/female	Other <sup>3</sup>	Investment	Sustainability/ESG	Depositors	Strategy	Risk Management	Economic and political issues	Finance/accounting/audit	Talent and compensation	Technology
Jean-François Blais		•		4	•			M		•			•				•	
Ivana Bonnet-Zivcevic			•	7			•	F	•	•	•		•				•	
Florence Brun-Jolicoeur	•			1	•			F		•	•		•				•	
Alain Côté			•	5	•			M		•	•		•				•	
René Dufresne		•		2	•			M				•	•				•	
Olga Farman		•		2	•			F	•	•	•		•				•	
Nelson Gentiletti		•		2	•			M	•	•	•		•				•	
Lynn Jeannot		•		5	•			F		•	•		•				•	
Wendy Murdock			•	8		•		F		•			•				•	
Audrey Murray		•		<1	•			F		•	•		•				•	
Ghislain Parent		•		<1	•			M		•	•		•				•	
Jean St-Gelais			•	3	•			M			•		•				•	
Marc Tremblay		•		1	•			M					•				•	

1. Charles Emond, as President and Chief Executive Officer, is a Board member by virtue of office. He has held his position since February 1, 2020, and lives in Québec.

2. The Board has a member who was aged 35 or under at the time of her appointment, as set out in the Act respecting CDPQ.

3. These directors voluntarily reported to belonging to one of the diversity groups representing the various components of Québec society.

## ORIENTATION AND CONTINUING EDUCATION PROGRAM

The Board recognizes the importance of providing its members with the training and support necessary to carry out their roles in accordance with the provisions of the Act respecting CDPQ, the mandates of the Board and its committees, and in line with best practices. CDPQ deploys an orientation process as soon as a new member is appointed to facilitate the director's integration and to allow them to become familiar with the role, the requirements of the related duties and the strategic orientations of the organization. This process includes:

- A manual for members of the Board of Directors, which contains information on the laws and regulations applicable to CDPQ, the mandates of the Board and its committees,

the operating rules, the Code of Ethics for Directors, their expertise and experience profiles, the meeting schedule and the evaluation process

- Meetings with the Chairman of the Board, the committee chairs and members of senior management
- Training on risk management, depositors, financial aspects and human resources

At Board and committee meetings and training sessions, members attend presentations given by various CDPQ teams and, from time to time, by outside persons on topics relevant to their activities and strategic orientations. CDPQ also encourages them to participate in training sessions offered by various external organizations and distributes recommended publications to them.

TABLE 30

### COMPENSATION PAID TO INDEPENDENT MEMBERS UNDER ORDER-IN-COUNCIL<sup>1</sup>

(in dollars)

Member name	Annual compensation paid (A)	Compensation as Committee Chair (B)	Attendance fees paid (C)	Total compensation for the financial year (D=A+B+C)
Jean-François Blais <sup>2</sup>	19,947	6,235	31,756	57,938
Ivana Bonnet-Zivcevic <sup>2</sup>	19,947	3,778	21,482	45,207
Florence Brun-Jolicoeur <sup>2</sup>	19,947	-	17,746	37,693
Alain Côté <sup>3</sup>	19,947	6,235	35,492	61,674
René Dufresne <sup>4</sup>	-	-	-	-
Olga Farman <sup>2</sup>	19,947	2,457	17,746	40,150
Nelson Gentiletti	19,947	-	26,152	46,099
Lynn Jeannot	19,947	2,457	18,680	41,084
Maria S. Jelescu Dreyfus <sup>5</sup>	7,562	-	9,340	16,902
Wendy Murdock	19,947	3,778	25,218	48,943
Audrey Murray <sup>6</sup>	-	-	-	-
Ghislain Parent <sup>7</sup>	12,165	-	9,340	21,505
Jean St-Gelais	195,000	-	-	195,000
Marc Tremblay	19,947	-	19,614	39,561
<b>Total</b>	<b>394,250</b>	<b>24,940</b>	<b>232,566</b>	<b>651,756</b>

1. In accordance with the terms of the Order-in-Council, the compensation of independent members is composed of annual compensation (\$19,947), annual compensation for chairing a committee (\$6,235) and attendance fees per Board or Committee meeting (\$934). The attendance fee for each special Board or Committee meeting of short duration, held by teleconference, is half of the attendance fee allowed for a regular meeting. The compensation of the Chairman of the Board of Directors is set by the government at \$195,000.

2. These members received attendance fees for attending a committee meeting as a guest or observer.

3. This member received attendance fees for attending Audit Committee meetings of Ivanhoé Cambridge and Otéra Capital, and Audit and Risk Management Committee meetings of CDPQ Infra.

4. This member did not receive compensation because he is not independent.

5. This member stepped down from the Board on May 17, 2024. Her compensation is prorated to the number of days in the position.

6. This member was appointed to the Board on May 22, 2024. She did not receive compensation because she is not independent.

7. This member was appointed to the Board on May 22, 2024. His compensation is prorated to the number of days in the position.

## Report of the Board of Directors and Board Committees (continued)

In 2024, members received training on various subjects, including:

- The economic and geopolitical environment
- Cybersecurity risk management
- Real estate
- Generative artificial intelligence and data management for public investors
- Challenges and opportunities in the energy sectors
- Sustainable investing and ESG criteria
- International sustainability reporting standards
- Human resources

### COMPENSATION OF DIRECTORS AND THE CHAIR OF THE BOARD OF DIRECTORS

The compensation of directors and the Chair of the Board of Directors is determined by an Order-in-Council of the Government of Québec. Their compensation for 2024 is provided in Table 30 on page 73. Board members are also

entitled to be reimbursed for their travel and living expenses. The Chair of the Board is also entitled to be reimbursed for representation expenses related to the duties of his position, to a maximum of \$15,000 per year.

### MEMBER ATTENDANCE AT MEETINGS

In accordance with the Act respecting CDPQ, the Board held six regular meetings in 2024, including one meeting that spanned two sessions. The Audit Committee and the Investment and Risk Management Committee held seven regular meetings, compared with six meetings for the Governance and Ethics Committee, and five for the Human Resources Committee.

The Board and its committees also held special meetings when certain matters required immediate attention.

Members justify their absences from meetings of the Board or a committee to the Secretariat.

Table 31 presents the number of meetings attended by each of the members in 2024 compared to the number of meetings of the committee(s) of which that person is a member.

TABLE 31

### MEMBER ATTENDANCE AT BOARD AND COMMITTEE MEETINGS IN 2024

Member name	Board of Directors		Audit Committee	Governance and Ethics Committee	Investment and Risk Management Committee		Human Resources Committee	
	7 reg. <sup>1</sup>	8 spec.	7 reg.	6 reg.	7 reg.	6 spec.	5 reg.	1 spec.
Jean-François Blais	7	8	7	–	7	6	–	–
Ivana Bonnet-Zivcevic	7	7	–	2/2	–	–	5	1
Florence Brun-Jolicoeur	7	6	2/2	–	–	–	–	–
Alain Côté	7	8	7	–	7	6	–	–
René Dufresne	6	4	–	–	–	–	–	–
Charles Emond	7	8	–	–	–	–	–	–
Olga Farman	7	5/7	–	6	–	–	–	–
Nelson Gentiletti	7	8	–	2/2	7	6	–	–
Lynn Jeannot	7	8	–	–	–	–	5	1
Maria S. Jelescu Dreyfus <sup>2</sup>	2/2	4/4	–	–	3/3	1/1	–	–
Wendy Murdock	7	7/7	5/5	4/4	3/3	1/1	–	–
Audrey Murray <sup>3</sup>	4/5	3/4	–	–	–	–	–	–
Ghislain Parent <sup>3</sup>	5/5	3/4	–	–	–	–	2/2	–
Jean St-Gelais <sup>4</sup>	7	8	–	6	–	–	5	1
Marc Tremblay	7	7/7	2/2	–	–	–	5	1

1. The Board held six meetings in 2024, including one meeting that spanned two sessions.

2. This member stepped down from the Board on May 17, 2024.

3. These members were appointed to the Board on May 22, 2024.

4. Jean St-Gelais, as Chairman of the Board, can attend any Board Committee meetings.

## Audit Committee

### Mandate

The Committee sees that the financial statements accurately reflect CDPQ's financial position. It plays an essential role in the sound financial governance of the organization, particularly in the oversight of the internal audit and co-auditors function, as well as financial reporting and communication.

### Number of meetings

- 7 regular meetings

### Composition (as at December 31, 2024)

- Chair: Alain Côté
- Members: Jean-François Blais, Florence Brun-Jolicoeur and Marc Tremblay

This committee consists of specialists with accounting, finance or audit expertise. All members have the experience and knowledge required to read and understand the financial statements and fulfill the role.

The Chairman of the Board attends the Committee's meetings.

### Main activities during the year

- Examined the consolidated financial statements with the Finance Group and Operations Executive Vice-President group and the co-auditors
- Reviewed the processes used to prepare the financial statements, investment valuations, performance calculations, as well as treasury items and financing
- Examined reports on the financial certification process
- Examined the report on CDPQ's compliance with Global Investment Performance Standards (GIPS)
- Held discussions with the co-auditors on their audit plan for the financial statements and their internal quality control procedures, as well as their reports following the interim review as at June 30 and the audit as at December 31
- Examined the press releases announcing financial results
- Examined preparatory work on the Annual Report, including the review of the Management Report and the Financial Report
- Examined the quarterly results, operating expenses and budget monitoring
- Reviewed and monitored application of the Policy – Independence of External Auditors and approved their fees
- Examined new accounting, internal audit and sustainability standards
- Approved the semi-annual internal audit plan and reviewed the plans of some CDPQ subsidiaries
- Examined the Internal Audit Charter and Internal Audit activity reports arising from the internal audit plan
- Reviewed the evaluation of the external auditors
- Monitored implementation of the action plan resulting from the audit carried out by the Auditor General of Québec on the compliance of investment activities and other financial transactions
- Examined the plan to ensure optimal use of resources, and monitored and analyzed the effects of all the activities under the plan
- Reviewed reports on compliance with the Act respecting CDPQ, depositors' investment policies and the specialized portfolios' investment policies
- Reviewed reports on legal proceedings involving CDPQ and some of its subsidiaries
- Monitored major projects (development of financial disclosure systems, implementation of a governance, risk and compliance tool, cost disclosure practices and the impact of integrating the real estate subsidiaries Ivanhoé Cambridge and Otéra Capital on the structure of the Finance Group and Operations Executive Vice-President group)
- Examined and monitored the operational resilience strategy to ensure business continuity
- Reviewed CDPQ's cybersecurity program, insurance coverage, international tax management activities and delegation of banking powers
- Monitored the Financial Security Program
- Reviewed policies (on investment valuations, the Treasury fund and tax management)
- Reviewed the mandates of the Committee and its Chair
- Evaluated the Head of Internal Audit
- Held private meetings with the Executive Vice-President and Chief Financial and Operations Officer, the co-auditors and the Head of Internal Audit, without the presence of members of management
- Reviewed the activities of the Audit Committees of some CDPQ subsidiaries, with attendance by the Chair of the Committee at meetings of the Audit Committees of these subsidiaries

### Use of external experts

The Committee did not use the services of external experts in 2024.

## Governance and Ethics Committee

<p><b>Mandate</b></p> <p>The Committee ensures that CDPQ adheres to the highest standards of governance and ethics. The committee is also responsible for monitoring the structure, the composition and the operations of the Board and its committees to ensure their effectiveness.</p>	<p><b>Composition (as at December 31, 2024)</b></p> <ul style="list-style-type: none"> <li>• Chair: Olga Farman</li> <li>• Members: Ivana Bonnet-Zivcevic, Nelson Gentiletti and Jean St-Gelais</li> </ul> <hr/> <p><b>Number of meetings</b></p> <ul style="list-style-type: none"> <li>• 6 regular meetings</li> </ul>
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### Main activities during the year

- Made recommendations on appointments and renewals of mandates to the Boards of CDPQ and some of its subsidiaries
- Reviewed the reporting on the nominee directors program
- Reviewed the composition of the Board and its committees to ensure that the requirements of the Act respecting CDPQ are met and that these bodies can fully assume their responsibilities
- Reviewed the rules on the operations of the Boards of Directors of CDPQ and some of its subsidiaries
- Reviewed the mandates of the Board, its committees and their Chairs
- Evaluated the functioning of the Board, its committees and members
- Reviewed the competency and experience profiles for Board appointments
- Reviewed the reporting on training activities attended by Board members and developed the 2024 training plan
- Examined the rules on ethics applicable to members of the Board and employees of CDPQ and some of its subsidiaries, and reviewed reports on application of the rules
- Reviewed the governance rules regarding CDPQ and one of its subsidiaries
- Examined, in collaboration with the Investment and Risk Management Committee, preliminary work on a review of the governance model for investment-related decisions
- Reviewed the report on philanthropic and institutional sponsorship activities
- Examined activity reports and other reports related to sustainable investing (the Sustainable Investing Report, the Sustainable Development Report included in the Annual Report, and the report pertaining to the Fighting Against Forced Labour and Child Labour in Supply Chains Act)
- Monitored climate transition and scope 3 emissions risks
- Assessed the impact of some laws and their amendments (Charter of the French Language, access to information, ESG disclosure, personal information protection and forced labour)
- Reviewed the projects and initiatives of the Legal Affairs, Compliance and Secretariat Executive Vice-President group as part of the integration of the real estate subsidiaries Ivanhoé Cambridge and Otéra Capital
- Reviewed policies (on human rights, the exercise of voting rights of public companies, harassment, violence and other types of misconduct, fraud and corruption prevention and detection, as well as transactions involving the securities of companies with ties to CDPQ directors)
- Reviewed compliance reports on transactions involving securities of companies that have ties with Board members
- Implemented and maintained structures and procedures to allow the Board to act independently of management, including ensuring that discussions are held, at each regular meeting, without the presence of members of management

### Use of external experts

The Committee did not use the services of external experts in 2024.

## Investment and Risk Management Committee

### Mandate

The Committee ensures compliance with CDPQ's risk identification and management process. In this role, it reviews risk management orientations and policies and studies investments recommended to the Committee, in accordance with the oversight policies.

### Composition (as at December 31, 2024)

- Chair: Jean-François Blais
- Members: Alain Côté, Nelson Gentiletti and Wendy Murdock

The Chairman of the Board attends the Committee's meetings.

### Number of meetings

- 7 regular meetings
- 6 special meetings

### Main activities during the year

- Reviewed the market risk limits for specialized portfolios and the total portfolio, as well as the proposed changes to the benchmark indexes and the performance objectives for the specialized portfolios and major mandates
- Reviewed investment policies (the Credit, Infrastructure, Equity Markets, Private Equity, Rates and Short Term Investment portfolios, as well as consolidated asset allocation activities) and risk management policies (currency management and integrated risk management)
- Reviewed the minimum liquidity amount
- Monitored leverage and financing capacity
- Examined the monitoring framework and the report on the use of derivative financial instruments
- Periodically examined the overall risk profile
- Studied and monitored the investment proposals under the authority of the Committee, which included taking into account:
  - Governance
  - The analysis presented by the team responsible for the transaction
  - The analysis of the project risks and, more specifically, its impact on the degree and concentration of risk in the relevant specialized portfolio and the total portfolio
  - Compliance of the investment with risk management policies and guidelines
- Monitored market conditions, management of liquid markets and the market events plan
- Examined the specialized portfolio reviews, including monitoring the strategy, portfolio characteristics and key issues, as well as post-trade analyses
- Examined the governance framework for the management of controlled companies
- Examined, in collaboration with the Governance and Ethics Committee, the preliminary work on a review of the governance model for investment-related decisions
- Reviewed compliance reports on adherence to the Act respecting CDPQ, depositors' investment policies, specialized portfolios' investment policies and CDPQ's obligations to depositors
- Reviewed the risk map, particularly in the context of the integration of the real estate subsidiaries Ivanhoé Cambridge and Otéra Capital
- Monitored the impact of the integration of these two subsidiaries on the structure of the Risk Management team
- Reviewed the mandates of the Committee and its Chair
- Evaluated the Executive Vice-President and Chief Risk Officer
- Held regular discussions with the Executive Vice-President and Chief Risk Officer without the presence of other members of management

### Use of external experts

The Committee did not use the services of external experts in 2024.

## Human Resources Committee

<p><b>Mandate</b></p> <p>The Committee reviews human resources management orientations and strategies and ensures that they are aligned with CDPQ's strategy and mission. In particular, it discusses performance evaluation, succession planning, compensation and CDPQ's general practices and policies concerning integrated human resources management.</p>	<p><b>Composition (as at December 31, 2024)</b></p> <ul style="list-style-type: none"> <li>• Chair: Lynn Jeannot</li> <li>• Members: Ivana Bonnet-Zivcevic, Ghislain Parent, Jean St-Gelais and Marc Tremblay</li> </ul> <hr/> <p><b>Number of meetings</b></p> <ul style="list-style-type: none"> <li>• 5 regular meetings</li> <li>• 1 special meeting</li> </ul>
<p><b>Main activities during the year</b></p> <ul style="list-style-type: none"> <li>• Examined the objectives, performance evaluation and total compensation conditions for the President and Chief Executive Officer</li> <li>• Examined the performance evaluation and total compensation conditions for the members of CDPQ's senior management and the President and Chief Executive Officer of CDPQ Infra</li> <li>• Examined the compensation approach at controlled companies</li> <li>• Examined the appointments of two executives reporting to the President and Chief Executive Officer</li> <li>• Reviewed the succession planning program and the senior management succession and development plan</li> <li>• Reviewed the compensation and performance management programs and their application</li> <li>• Monitored senior management's commitment to diversity and inclusion</li> </ul> <ul style="list-style-type: none"> <li>• Reviewed the report and followed up on priority talent management targets by reviewing key indicators, including attraction of talent, employee turnover and engagement rates, diversity and health</li> <li>• Reviewed the reporting on supplementary pension plans</li> <li>• Examined the Committee's report on total compensation included in the Annual Report</li> <li>• Monitored work related to integrating the real estate subsidiaries Ivanhoé Cambridge and Otéra Capital, including a review of the results of surveys aimed at measuring staff engagement and gathering feedback, and reviewed initiatives to follow up on the results</li> <li>• Reviewed the Policy Against Harassment, Violence and Other Types of Misconduct</li> <li>• Reviewed the mandates of the Committee and its Chair</li> <li>• Held private discussions with the President and Chief Executive Officer, without the presence of other members of management</li> </ul>	
<p><b>Use of external experts</b></p> <p>In implementing the compensation program, the Committee used the services of Hugessen Consulting, an independent consulting firm recognized for its expertise in the compensation of pension fund personnel.</p> <p>The Committee took Hugessen Consulting's recommendations into account in its decision-making, and also drew on information other than the firm's recommendations.</p>	



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# Report of the Human Resources Committee on Total Compensation

## COMMITTEE'S WORK ON COMPENSATION

In 2024, with the support of advisor Hugessen Consulting, the committee ensured that the compensation policy made it possible to achieve its strategic objectives:

- Pay for long-term performance
- Offer competitive compensation
- Link the interests of management with those of depositors

The Committee reviewed how CDPQ's Compensation Policy was applied. It analyzed the variable compensation proposals and ensured that they were aligned with the Compensation Policy and market practices. Accordingly, the Committee analyzed the amount to be awarded under the variable compensation program and recommended it to the Board for approval.

Moreover, the Committee received an update on market trends with regard to salary reviews. It discussed the salary conditions of CDPQ's employees and recommended them to the Board for approval.

## FRAMEWORK

CDPQ's Compensation Policy was adopted in accordance with the regulation governing the internal management of CDPQ (the Internal By-law). The Internal By-law:

- Defines the maximum levels of total employee compensation and the reference markets.
- States that the data reflecting the reference-market profile must be compiled by a recognized independent firm through an annual survey that must be conducted and analyzed according to a methodology and rules accepted in the field.

## Reference markets and compensation levels<sup>1</sup>

For the position of President and Chief Executive Officer, the reference market sample consists of the seven largest Canadian pension funds, as listed in Table 35 on page 86. For this position, total compensation must be between the median and third quartile (75th percentile) of the reference market, depending on whether CDPQ's performance has been average or superior.

For investment-related positions, the Canadian institutional investment market serves as the reference. A representative sample must include institutions, insurance companies, trust companies, pension funds, investment advisors, brokerage firms and fund managers or their counterparts in similar industries.

The current sample comprises the 33 organizations listed in Table 37 on page 87. For these positions, total compensation must fall below the upper decile (90th percentile) of the reference market. For executive vice-presidents in investment roles, a reduced sample of that described above is used. It groups together 18 firms whose assets under management are more representative. The list is provided in Table 36 on page 86.

For non-investment positions, the Québec market serves as the reference, and must include public-sector jobs. It therefore includes a representative sample of large public- and private-sector Québec firms and financial sector companies. The current sample comprises the 56 organizations listed in Table 38 on page 87. For these positions, total compensation must be below that of the third quartile (75th percentile) of the reference market.

The reference markets for positions located outside Canada were established according to principles similar to those listed previously.

1. For compensation purposes, the first quartile ranges from the 1st to the 25th percentile, the second quartile from the 26th to the 50th percentile, the third quartile from the 51st to the 75th percentile and the fourth quartile from the 76th to the 100th percentile.

#### USE OF EXTERNAL EXPERTS

In 2024, CDPQ retained the services of Willis Towers Watson for benchmarking its reference markets and engaged AON – McLagan’s services for positions outside Canada.

The results of this exercise showed that compensation, salary scales and potential variable compensation were generally aligned with the market, regardless of location.

### STRATEGIC OBJECTIVES OF THE COMPENSATION POLICY

CDPQ must rely on highly skilled employees to fulfill its mission, which is to receive moneys on deposit as provided by the Act respecting CDPQ and manage them with a view to achieving an optimal return on capital within the framework of depositors’ investment policies, while at the same time contributing to Québec’s economic development.

The total Compensation Policy therefore has the following three objectives:

1. **Pay for performance:** variable compensation aligned with the returns delivered to depositors. This goal is structured around the three following themes:
  - Long-term focus, to reward consistent, optimal performance over several years.
  - Good risk-return balance, to encourage measured risk-taking conducive to sustainable, long-term returns for depositors, while taking into account their risk tolerance.
  - Overall evaluation, to strike a balance between employees’ individual and collective contributions to the organization’s success and achievement of its mission, with respect to:
    - Financial results related to the performance of specialized portfolios and CDPQ’s total portfolio measured over five years.
    - Attainment of CDPQ’s business objectives, including by contributing to Québec’s economic development and sustainable investing.

2. **Offer competitive compensation:** to attract, motivate and retain talent with experience and expertise who will enable CDPQ to achieve its strategic objectives, within the guidelines in the Internal By-law, as described above.
3. **Link the interests of members of management and depositors:** to orient their individual and team efforts toward CDPQ’s long-term success.

CDPQ’s Compensation Policy complies with the Principles for Sound Compensation Practices issued by the Financial Stability Board and endorsed by the G20 nations: effective compensation governance; alignment of compensation with long-term, measured risk-taking; and regular review of compensation practices.

#### Components of total compensation

CDPQ’s employees receive total compensation based on the following components:

1. Base salary
2. Variable compensation
3. Pension plan
4. Benefits

##### 1. Base salary

Annual base salaries are established based on the salary conditions prevailing in reference markets, pursuant to the terms of the Internal By-law.

Each year, the Human Resources Committee submits the payroll budget increase to the Board for approval. In 2024, the committee approved the following recommendations made by CDPQ’s management:

- Maintain 2024 salary scales close to the median of the reference markets, as measured by recognized external firms.
- Grant a budget for salary increases that is close to the median of the market increase forecasts.

## 2. Variable compensation

In the financial sector, and particularly in the investment industry, variable compensation is an essential component of total compensation because it aligns financial incentives with depositors' performance objectives.

At CDPQ, variable compensation serves to recognize the sustained, long-term performance achieved by reaching individual and collective goals, and contributing to the fulfillment of strategic orientations. It is an important part of employee total compensation and has a direct influence on the positioning of total compensation in comparison with the reference market.

The amount of variable compensation is never guaranteed and always depends on the results of a global evaluation of the three components shown in Figure 32. This result considers:

- Individual performance
- Team performance
- Financial results related to the performance of asset class portfolios and CDPQ performance measured over five years

The five-year period makes it possible to put even more emphasis on seeking sustained performance and is aligned with the long-term investment strategy.

For all portfolios, the objective is to outperform their benchmark index. The three less-liquid portfolios, namely Real Estate, Infrastructure and Private Equity, as well as the Equity Markets portfolio, each also have an absolute-return target.

In addition to the quantitative indicators, other indicators are used as metrics for team performance in delivering the business plan, and contributing to the organization's strategic and cross-functional priorities. These indicators include execution of the Québec strategy.

### *Deferred variable compensation*

The deferred variable compensation component is designed to better align the interests of employees with the most influence on CDPQ's financial and organizational performance with depositors' interests over the long term. It requires these employees to defer a portion of their variable compensation for a period of three years. The value of the deferred compensation can increase or decrease based on CDPQ's performance, including its overall absolute average return during this period and the performance associated with the sustainable investing strategy.

FIGURE 32

### VARIABLE COMPENSATION COMPONENTS



Report of the Human Resources Committee on Total Compensation (continued)

At the end of each three-year period, the deferred amount, increased or decreased in accordance with CDPQ's performance, including the average return for that period, will be paid to each participant. Note that the amounts awarded under deferred variable compensation are only payable if certain conditions are met. Figure 33 illustrates the deferred variable compensation mechanism.

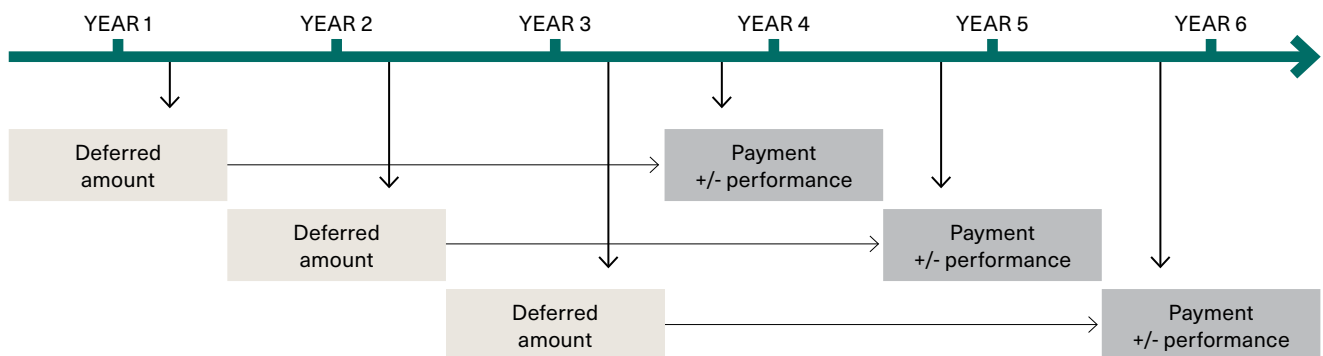
Senior executives have three years to defer at least the equivalent of their base salary.

The deferred variable compensation component also offers eligible employees the opportunity to defer some of their variable compensation in an optional co-investment account over three years. The value of the deferred variable compensation paid will vary upward or downward along with CDPQ's average absolute overall return during that period.

For International Private Equity personnel in international offices who hold eligible positions, a portion of their variable compensation was made up of long-term performance units until 2023. As of 2024, the performance unit program was replaced by the deferred variable compensation program applicable in the rest of the organization. The performance units awarded before 2024 will retain their acquisition and payment schedule. Their value will vary based on the absolute return of the designated portfolio over a five-year period, with minimum and maximum thresholds. When the performance over five years is below the minimum threshold, no amounts are payable.

FIGURE 33

DEFERRED VARIABLE COMPENSATION



## RESULTS SINCE 2020

In recent years, CDPQ has invested in many companies and projects to generate returns for its depositors and contribute to Québec's economic development. The Human Resources Committee presents the teams' key achievements to provide context on the basis for variable compensation awarded:

- In a challenging environment, net assets have increased \$133 billion over five years to \$473 billion. CDPQ has generated returns that are aligned with its depositors' needs, and investment results of \$117 billion, which contribute to the excellent financial health of their plans.
- Over a five-year period, the overall portfolio's performance stands at 6.2%, above the benchmark portfolio's 5.9%, resulting in \$6 billion in value added (for a detailed analysis of returns, see the Management Report section).
- Total assets in Québec reached \$93 billion in 2024, on the way to achieving the ambition of \$100 billion in 2026. All teams worked hard to contribute fully to CDPQ's dual mandate (for a complete snapshot of achievements, see the CDPQ in Québec section).
- Since 2020, CDPQ's portfolio has expanded with high-quality investments in all asset classes, in Québec and elsewhere in the world. CDPQ has also continued to leverage its CDPQ Global team, notably to expand its international business network and build ties between Québec companies and other portfolio companies.
- As demonstrated by the awards received, CDPQ once again showed strong leadership in sustainable investing. A number of initiatives to advance its climate strategy were rolled out, allowing the organization to exceed the targets set in 2021.
- Finally, over the last year, CDPQ took several key steps toward integrating its real estate subsidiaries, an initiative launched in early 2024. This transformational project, which is already yielding synergies between processes, resources and systems, will continue in 2025.

## *Variable compensation as at December 31, 2024*

As at December 31, 2024, total variable compensation earned stood at \$197.0 million, while deferred variable compensation, under which the amounts awarded are only payable if certain conditions are met, totalled \$67.5 million for all CDPQ employees at its Québec offices and around the world. Moreover, average variable compensation per person increased approximately 2.4% from 2023, mainly because of the change in the eligible population, due among other things to the integration of the real estate subsidiaries.

Taking into account both paid and deferred variable compensation, CDPQ personnel's total compensation in 2024 was within the framework established by the Internal By-law, considering the portfolio's performance over five years and the added value produced.

More specifically, CDPQ engaged the services of Willis Towers Watson to confirm that employee total compensation is around the median of the reference market for the position held. Each year, this firm also conducts a study of the total compensation of senior executives. This confirms that their total compensation, including variable compensation awarded, respects the terms of the Internal By-law.

### THE OPINION PRESENTED BY HUGESSEN CONSULTING TO CDPQ'S BOARD OF DIRECTORS STATED:

"We reviewed CDPQ's returns and benchmark indexes for 2024, as well as the factors that contributed to its return, and we are satisfied with them. The value-added calculations, the 2024 return multiples, the 2020–2024 average return multiples and the 2024 variable compensation multiples are consistent with CDPQ's compensation program. The calculation of variable compensation was performed in compliance with the compensation program approved by CDPQ's Board. In our opinion, the total amount of variable compensation determined under the program in 2024 is reasonable in the prevailing market conditions and given CDPQ's performance in 2020, 2021, 2022, 2023 and 2024."

## Report of the Human Resources Committee on Total Compensation (continued)

### 3. Pension plan

Depending on their positions, employees based in Canada may be eligible to participate in the following defined benefit pension plans:

- Government and Public Employees Retirement Plan (RREGOP)
- Pension Plan of Management Personnel (PPMP)
- Supplemental pension plan (RAR)

In addition, members of senior management participate in the Supplemental Pension Plan for Designated Officers (SPPDO). Under this plan, they are entitled, as of normal retirement age, to receive a total annual pension equal to 2% of their eligible earnings for each year of membership.

Some senior executives may receive a higher percentage of annual pension depending on the circumstances of their promotion or hiring.

### 4. Benefits

Employees enjoy a range of competitive benefits such as group insurance, including medical, dental and life insurance. Moreover, depending on the position held, some employees have specific benefits in the form of allowances and annual health assessments.

## **REVIEW OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER'S PERFORMANCE AND TOTAL COMPENSATION**

### **Performance review**

At the start of the year, the Committee made a recommendation to the Board of Directors on a series of objectives for the President and Chief Executive Officer. The President and Chief Executive Officer was responsible for the execution of key business priorities in the four following areas:

1. **Performance:** Focus on the organization's competitive advantages to generate optimal performance based on the level of risk expected by depositors.
2. **Québec:** Maintain strong engagement across the organization in executing CDPQ's mandate in Québec and continue to support the growth of Québec companies through its capital, expertise and networks.

3. **Organization and culture:** Integrate the Ivanhoé Cambridge and Otéra Capital real estate subsidiaries, notably to focus on its role as an investor, maximize partnerships and optimize the organization's efficiency, while maintaining robust mobilization in all teams, and ensuring that it attracts, retains and develops talent.

4. **Stakeholders:** Continue to enhance collaboration with depositors, develop and maintain the organization's strategic relationships and partnerships around the world and promote the organization and its leadership in sustainable investing.

### **Review of total compensation**

The compensation and other employment conditions of the President and Chief Executive Officer are based on parameters set by the government after consultation with the Board of Directors. Charles Emond's annual base salary was maintained at \$550,000 in 2024.

The President and Chief Executive Officer's annual variable compensation was determined on the basis of the three components shown in Figure 34 on page 85.

He is required to defer a minimum of 50% of his variable compensation, and like all members of senior management, deferred variable compensation amounts will be payable after a three-year period. This amount will increase or decrease based on CDPQ's performance, including CDPQ's absolute return over the period and the performance of the sustainable investing strategy. Like other employees covered by the deferred variable compensation component, the amounts awarded under the deferred variable compensation component are only payable if certain conditions are met.

This year, the component linked to CDPQ's overall average absolute return corresponds to the return over the five-year period from 2020 to 2024. The annualized return for five years is 6.2%, generating \$6 billion in value added in relation to the benchmark portfolio.

As for the component based on the organization's objectives, under Mr. Emond's leadership, CDPQ has:

- Produced a return of 9.4% over one year, contributing to the improvement of depositors' financial health in a market characterized by an increase in long-term bond yields and historic concentration of stock indexes driven by tech companies.

- Maintained a good level of activity in Québec, where its assets now stand at \$93 billion, on the way to achieving its ambition of \$100 billion in Québec assets by 2026, by leveraging its capital, the expertise of its teams and its global network to promote the growth of portfolio companies. Moreover, assets entrusted to external Québec managers stood at \$4.8 billion in 2024, in line with its goal of reaching \$8 billion by 2028.
- Advanced, through effective leadership during complex situations that arose, structuring projects such as the REM, with major progress on the Anse-à-l'Orme and Deux-Montagnes branches, and signed an agreement to plan the first phase of the integrated Québec mobility plan (Plan CITÉ).
- Showed strong leadership in sustainable investing with its new investments in low-carbon and energy transition assets, and a sustained decrease in the portfolio's carbon intensity, as well as by its presence at major world forums and international recognition received.

In conclusion, under Mr. Emond's leadership, CDPQ has generated long-term returns that overall are in line with depositors' needs under demanding market conditions. He led transformational projects for CDPQ, in particular integrating its real estate subsidiaries, while maintaining a high level of team engagement. He also mobilized the entire organization around CDPQ's ambitions in Québec, with direct support to companies for creating value, and a good level of investment activity.

In this context, the Committee and the Board believe that Mr. Emond has delivered excellent performance that has largely exceeded the objectives set for him.

The Board of Directors awarded him \$4,320,000 in variable compensation, of which \$2,160,000 has been deferred and will be payable in 2027, increased or decreased based on CDPQ's performance over the three-year period of 2025 to 2027.

The other employment conditions to which Mr. Emond was entitled are aligned with CDPQ's policies and comply with the parameters set out in the Internal By-law. He received \$40,000 in annual perquisites and was a member of CDPQ's Employee Group Insurance Plan.

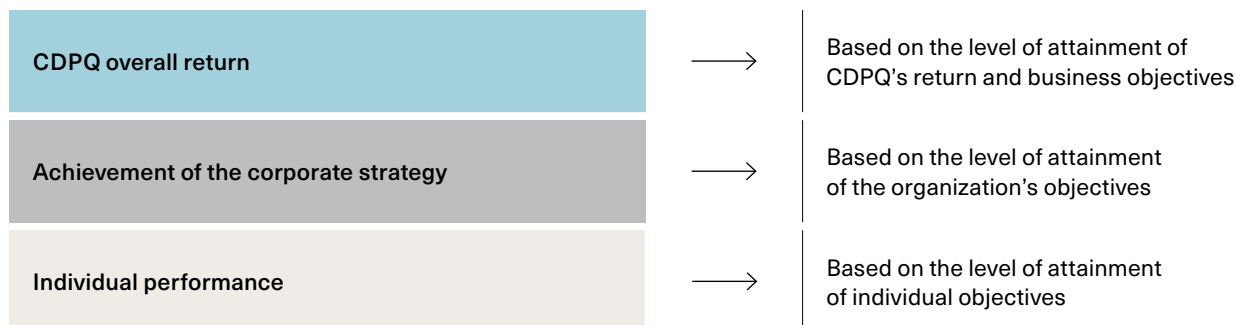
Mr. Emond is a member of the basic pension plan under the Pension Plan of Management Personnel (PPMP). In 2024, contributions to the mandatory basic plan represented an annual cost to CDPQ of \$22,869. Like the other members of senior management, he has participated in the Supplemental Pension Plan for Designated Officers (SPPDO) since being hired.

In the event that his employment contract is terminated without just and sufficient cause, Mr. Emond will be entitled to severance pay representing 18 months of base salary and target variable compensation, as well as a prorated amount of his variable compensation for the current year and for the previous year, if such variable compensation has not been paid.

No severance will be paid upon the expiration of the contract, if he resigns or if the contract is terminated with just and sufficient cause.

FIGURE 34

VARIABLE COMPENSATION COMPONENTS OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER



**COMPENSATION OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER AND THE MOST HIGHLY COMPENSATED EXECUTIVES FOR 2024**

CDPQ’s Board of Directors recognizes the importance of qualified leadership and firmly believes that the policies and programs it has endorsed make it possible to:

- Offer competitive compensation in a market where competition for talent is intense and where CDPQ must compete globally to generate the expected returns.
- Achieve the strategic objectives that enable CDPQ to fulfill its mission.

Below, CDPQ discloses the compensation of its President and CEO and the five most highly compensated executives who have or had management responsibilities at CDPQ in 2024 (see Table 39, page 88).

CDPQ also discloses the compensation of the five most highly compensated executives, including the presidents and CEOs of all subsidiaries in which CDPQ has a stake of 90% or more (the designated subsidiaries) (see Table 44, page 93).

**Designated subsidiaries’ total compensation**

The designated subsidiaries’ compensation policies are based on the same broad principles as CDPQ’s and pursue the same strategic objectives.

Drawing on its Internal By-law, CDPQ has established standards to ensure that the total compensation of subsidiary employees is aligned with the best practices in this area. These standards define the governance framework for subsidiary total compensation while giving their Boards some discretion to adapt it to their own business environment.

TABLE 35

**REFERENCE MARKET – PRESIDENT AND CHIEF EXECUTIVE OFFICER**

• Alberta Investment Management Corporation (AIMCo)	• Healthcare of Ontario Pension Plan (HOOPP)	• Public Sector Pension Investment Board (PSP Investments)
• British Columbia Investment Management Corporation (BCI)	• Ontario Municipal Employees Retirement System (OMERS)	
• Canada Pension Plan Investment Board (CPP Investments)	• Ontario Teachers’ Pension Plan (OTPP)	

TABLE 36

**MARKET REFERENCE – INVESTMENT EXECUTIVE VICE-PRESIDENT POSITIONS**

• Addenda Capital	• Fiera Capital Corporation	• Ontario Municipal Employees Retirement System (OMERS)
• Alberta Investment Management Corporation (AIMCo)	• Healthcare of Ontario Pension Plan (HOOPP)	• Ontario Teachers’ Pension Plan (OTPP)
• British Columbia Investment Management Corporation (BCI)	• Hydro-Québec Pension Plan	• OPSEU Pension Plan Trust Fund (OPPTF)
• Canada Pension Plan Investment Board (CPP Investments)	• Intact Investment Management	• Public Sector Pension Investment Board (PSP Investments)
• Connor, Clark & Lunn Financial Group	• Investment Management Corporation of Ontario (IMCO)	• Sun Life Financial
• Desjardins Group	• Mawer Investment Management	• WISE Trust



TABLE 37

## REFERENCE MARKET – INVESTMENT POSITIONS

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• Addenda Capital	• CN Investment Division	• Ontario Municipal Employees Retirement System (OMERS)
• Alberta Investment Management Corporation (AIMCo)	• Connor, Clark & Lunn Financial Group	• Ontario Teachers' Pension Plan (OTPP)
• ATB Financial	• CSS Pension Plan	• OPSEU Pension Plan Trust Fund (OPPTF)
• Bell Canada	• Definity Insurance Company	• Public Sector Pension Investment Board (PSP Investments)
• Beneva	• Desjardins Group	• Saskatchewan Healthcare Employees' Pension Plan (SHEPP)
• British Columbia Investment Management Corporation (BCI)	• Empire Life	• Société de transport de Montréal
• Canada Pension Plan Investment Board (CPP Investments)	• FÉRIQUE Fund Management	• TELUS Corporation
• Canadian Medical Protective Association (CMPA)	• Fonds de solidarité FTQ	• TTC Pension Plan
• Canadian Western Bank (CWB)	• Healthcare of Ontario Pension Plan (HOOPP)	• University Pension Plan (UPP)
• CBC Pension Plan	• Intact Investment Management	• Vestcor
• Civil Service Superannuation Board (CSSB)	• Investment Management Corporation of Ontario (IMCO)	
	• Nicola Wealth	

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TABLE 38

REFERENCE MARKET – NON-INVESTMENT POSITIONS<sup>1</sup>


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• AbbVie Canada	• CN Investment Division	• Molson Coors
• Air Canada	• Cogeco Communications	• National Bank of Canada
• Alcoa	• Desjardins Group	• Northbridge Financial Corporation
• Alimentation Couche-Tard	• Dollarama	• Pfizer Canada
• Bell Canada	• Énergir	• Pomerleau
• Beneva	• Fiera Capital Corporation	• Power Corporation of Canada
• Bombardier Aerospace	• Fonds de solidarité FTQ	• Public Sector Pension Investment Board (PSP Investments)
• Boralex	• GE Aerospace	• RGA Canada
• Broadridge Financial Solutions	• GE HealthCare Technologies	• Rona
• Brookfield Asset Management	• GE Vernova	• SAQ
• BRP	• Gildan	• TELUS Corporation
• Business Development Bank of Canada	• Holt Renfrew	• TFI International
• Cadillac Fairview	• Hydro-Québec	• TMX Group
• CAE	• iA Financial Group	• UAP
• Canadian Imperial Bank of Commerce (CIBC)	• Innergex	• Videotron
• Cascades	• Intact Financial Corporation	• WSP
• CGI	• Intact Investment Management	• Yellow Pages
• Cineplex Inc.	• Loto-Québec	
• CN	• Manulife Financial	
	• Mastercard Canada	

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1. Only the non-investment positions of the investment sector organizations listed in this table were considered for the reference market.

## Report of the Human Resources Committee on Total Compensation (continued)

TABLE 39

### SUMMARY OF THE COMPENSATION FOR 2022–2024 OF THE PRESIDENT AND CEO OF CDPQ AND THE FIVE MOST HIGHLY COMPENSATED EXECUTIVES WHO HAVE OR HAD MANAGEMENT RESPONSIBILITIES AT CDPQ

This table summarizes total compensation as awarded. Specifically, it sets out the variable compensation awarded for the year, divided between amounts paid and deferred. Total compensation awarded provides a better understanding of its alignment with CDPQ's performance.

Name and main position	Fiscal year	Base compensation paid <sup>1</sup> A	Variable compensation paid for the year B	Deferred variable compensation for the year <sup>2</sup> C	Variable compensation awarded for the year D=B+C	Pension plan contributions made by CDPQ E	Other benefits paid or granted <sup>3</sup> F	Total compensation awarded for the year G=A+D+E+F
Charles Emond President and Chief Executive Officer	2024	\$ 550,000	\$2,160,000	\$2,160,000	\$4,320,000	\$ 22,869	\$ 54,603	\$4,947,472
	2023	\$ 550,000	\$1,747,800	\$2,136,200	\$3,884,000	\$ 22,215	\$ 51,670	\$4,507,885
	2022	\$ 550,000	\$1,611,450	\$1,969,550	\$3,581,000	\$ 21,016	\$ 53,138	\$4,205,154
Vincent Delisle Executive Vice-President and Head of Liquid Markets	2024	\$ 479,712	\$1,015,625	\$ 859,375	\$1,875,000	\$ 22,869	\$ 44,390	\$2,421,971
	2023	\$ 465,000	\$ 787,500	\$ 962,500	\$1,750,000	\$ 22,215	\$ 41,370	\$2,278,585
	2022	\$ 464,712	\$ 675,000	\$ 825,000	\$1,500,000	\$ 21,016	\$ 40,788	\$2,026,516
Emmanuel Jaclot Executive Vice-President and Head of Infrastructure	2024	\$ 500,000	\$ 95,171	\$1,661,829	\$1,757,000	\$ 22,869	\$ 44,676	\$2,324,545
	2023	\$ 502,997	N/A	\$2,400,000	\$2,400,000	\$ 22,215	\$ 40,919	\$2,966,131
	2022	€ 425,000	€ 149,000	€1,341,000	€1,490,000	€ 13,618	€ 7,940	€1,936,558
Martin Longchamps <sup>4</sup> Executive Vice-President and Head of Private Equity	2024	\$ 464,712	\$ 938,708	\$ 794,292	\$1,733,000	\$ 22,869	\$ 43,825	\$2,264,406
	2023	\$ 450,000	\$ 587,250	\$ 717,750	\$1,305,000	\$ 22,215	\$ 42,426	\$1,819,641
	2022	\$ 51,923	N/A	\$ 215,000	\$ 215,000	\$ 2,425	\$ 5,081	\$ 274,429
Kim Thomassin Executive Vice-President and Head of Québec	2024	\$ 449,519	\$ 863,417	\$ 730,583	\$1,594,000	\$ 22,869	\$ 41,207	\$2,107,595
	2023	\$ 425,000	\$ 600,750	\$ 734,250	\$1,335,000	\$ 22,215	\$ 39,068	\$1,821,283
	2022	\$ 424,808	\$ 250,000	\$1,000,000	\$1,250,000	\$ 21,016	\$ 38,635	\$1,734,459
Rana Ghorayeb Executive Vice-President and Head of Real Estate	2024	\$ 449,038	\$ 796,792	\$ 674,208	\$1,471,000	\$ 22,869	\$ 42,704	\$1,985,611
	2023	\$ 400,000	\$ 607,500	\$ 742,500	\$1,350,000	\$ 22,215	\$ 37,228	\$1,809,443
	2022	\$ 399,519	\$ 562,500	\$ 687,500	\$1,250,000	\$ 21,016	\$ 59,657	\$1,730,192

1. Base compensation paid corresponds to the base salary actually paid based on the number of pay periods in the year, which may vary from year to year.
2. As mentioned on page 81 of this Annual Report, under the variable compensation program, members of senior management must defer a portion of their awarded variable compensation. Deferred variable compensation also includes all voluntarily deferred portions.
3. Amounts indicated include employer contributions to group insurance premiums, perquisites and health assessments.
4. For Mr. Longchamps, in addition to the total compensation for 2024, there was a compensatory amount of \$850,000 that he chose to co-invest. This amount is therefore increased by CDPQ's 2023 return.

TABLE 40

**SUMMARY OF THE DEFERRED VARIABLE COMPENSATION PAID IN 2024  
FOR THE INDIVIDUALS LISTED IN TABLE 39**

Name and main position	Previous fiscal year	Deferred variable compensation <sup>1</sup>	Cumulative return at the time of payment	Deferred previous variable compensation disbursed in 2024 <sup>2</sup>
Charles Emond President and Chief Executive Officer	2021	\$2,090,000	\$ 113,844	\$2,203,844
Vincent Delisle Executive Vice-President and Head of Liquid Markets	2021	\$ 907,500	\$ 49,432	\$ 956,932
Emmanuel Jaclot Executive Vice-President and Head of Infrastructure	2021	\$1,325,000	\$ 72,174	\$1,397,174
Martin Longchamps <sup>3</sup> Executive Vice-President and Head of Private Equity	2021	N/A	N/A	N/A
Kim Thomassin Executive Vice-President and Head of Québec	2021	\$ 978,800	\$ 53,316	\$1,032,116
Rana Ghorayeb Executive Vice-President and Head of Real Estate	2021	\$ 406,350	\$ 22,134	\$ 428,484

1. The amounts appearing in the table refer to the portion of variable compensation awarded in 2021 and deferred over a three-year period that was paid in 2024. As required by the Income Tax Act, these amounts must be disbursed after three years, at the latest.

2. Disbursed previous deferred variable compensation includes the return earned during the three-year period. This return corresponds to CDPQ's average absolute total return expressed as a percentage, as published by CDPQ, and compounded over a three-year period.

3. This executive began participating in the variable compensation program in 2022.

## Report of the Human Resources Committee on Total Compensation (continued)

TABLE 41

### 2024 PENSION SUMMARY OF THE INDIVIDUALS LISTED IN TABLE 39

This table details the values recognized for financial statement purposes for the executives who participate in a defined benefit pension plan.<sup>1</sup>

Name and main position	Years of credited service <sup>2</sup>	Annual benefits payable <sup>3</sup>			Supplemental plan		
		At year-end	At age 65	Accrued obligation at start of year <sup>4</sup>	Change due to compensatory items <sup>5</sup>	Change due to non-compensatory items <sup>6</sup>	Accrued obligation at year-end <sup>4</sup>
<b>Charles Emond</b> President and Chief Executive Officer	5.9	\$ 70,600	\$ 275,500	\$ 589,500	\$167,300	\$ 35,300	\$ 792,100
<b>Vincent Delisle</b> Executive Vice-President and Head of Liquid Markets	4.4	\$ 42,300	\$ 138,300	\$ 322,500	\$ 92,700	\$ 16,400	\$ 431,600
<b>Emmanuel Jaclot</b> Executive Vice-President and Head of Infrastructure	5.4	\$ 70,200	\$ 311,700	\$ 418,200	\$ 71,400	\$ 20,600	\$ 510,200
<b>Martin Longchamps</b> Executive Vice-President and Head of Private Equity	2.1	\$ 19,800	\$ 150,000	\$ 97,300	\$ 85,400	\$ 8,700	\$ 191,400
<b>Kim Thomassin</b> Executive Vice-President and Head of Québec	7.9	\$ 106,900	\$ 268,900	\$ 999,600	\$182,200	\$ 51,500	\$1,233,300
<b>Rana Ghorayeb</b> Executive Vice-President and Head of Real Estate	12.3	\$ 111,000	\$ 234,700	\$ 782,200	\$202,200	\$ 39,500	\$1,023,900

1. The table above presents the changes in value of the pension plan benefits in compliance with accounting rules. These values are presented for information purposes.
2. This is the number of years of credited service in the basic plan.
3. Annual benefits equal the amount of pension payable under the basic plan and the supplemental plan at year-end or at age 65.
4. The obligations do not include those of the basic plan because employer and employee contributions are remitted to Retraite Québec, which assumes the liability for the benefits. CDPQ's contribution was \$22,869 per person in 2024, as indicated in the compensation summary (Table 39, column E).
5. The change due to compensatory items includes the annual cost of pension benefits, base salary changes in relation to the salary increase assumption used or plan changes.
6. The change due to non-compensatory items includes amounts attributable to the interest accrued on the obligation at the beginning of the year, actuarial gains and losses associated with non-compensatory items and changes in actuarial assumptions.

TABLE 42

**SUMMARY OF SEVERANCE PAY IN THE EVENT OF NON-VOLUNTARY TERMINATION  
FOR THE INDIVIDUALS LISTED IN TABLE 39**

Name and main position	Theoretical amount payable <sup>1</sup>
<b>Charles Emond<sup>2</sup></b> President and Chief Executive Officer	<b>\$3,713,000</b>
<b>Vincent Delisle</b> Executive Vice-President and Head of Liquid Markets	<b>\$1,349,000</b>
<b>Emmanuel Jaclot</b> Executive Vice-President and Head of Infrastructure	<b>\$1,550,000</b>
<b>Martin Longchamps</b> Executive Vice-President and Head of Private Equity	<b>\$1,104,000</b>
<b>Kim Thomassin</b> Executive Vice-President and Head of Québec	<b>\$1,058,000</b>
<b>Rana Ghorayeb</b> Executive Vice-President and Head of Real Estate	<b>\$1,058,000</b>

1. In the event of dismissal without just and sufficient cause, the severance paid to members of management is equal to one month of base salary and annual target variable compensation per year of completed service for a minimum of 12 months subject to a maximum of 16 months or as stipulated by the terms of their employment or termination contract.
2. In the event of dismissal without just and sufficient cause, this executive's employment contract provides for severance pay equal to 18 months of his annual base salary and target variable compensation.

## Report of the Human Resources Committee on Total Compensation (continued)

TABLE 43

### REFERENCE MARKETS AND CDPQ TOTAL COMPENSATION FOR 2024 FOR THE INDIVIDUALS LISTED IN TABLE 39<sup>1</sup>

Main position	Maximum total compensation based on reference market <sup>2</sup>	Total compensation awarded in 2024 <sup>3</sup>
President and Chief Executive Officer	\$6,250,000	\$4,947,472
Executive Vice-President and Head of Liquid Markets	\$4,561,275	\$2,421,971
Executive Vice-President and Head of Infrastructure	\$3,854,500	\$2,324,545
Executive Vice-President and Head of Private Equity	\$3,934,300	\$2,264,406
Executive Vice-President and Head of Québec	\$3,934,300	\$2,107,595
Executive Vice-President and Head of Real Estate	\$3,905,400	\$1,985,611

1. Willis Towers Watson, Compensation of the President and Chief Executive Officer Study and Global Market Compensation Study, CDPQ, 2024.

2. As stipulated in the Internal Bylaw, potential total compensation at the 75th percentile of the respective reference markets was used for the President and Chief Executive Officer and the 90th percentile of the reference market was used for investment positions.

3. These amounts reflect the total compensation awarded in 2024 (Table 39, column G). This compensation was awarded for a five-year annualized return (2020 to 2024).

TABLE 44

**SUMMARY OF THE COMPENSATION OF THE FIVE MOST HIGHLY PAID EXECUTIVES,  
INCLUDING THE PRESIDENT AND CEO, OF THE SUBSIDIARIES  
CDPQ HOLDS AT OVER 90% FOR 2024**

This table summarizes total compensation as awarded. Specifically, it sets out the variable compensation awarded for the year, divided between amounts paid and deferred. Total compensation awarded provides a better understanding of its alignment with CDPQ's performance.

Name and main position	Base compensation paid A	Variable compensation paid for the year B	Deferred variable compensation for the year <sup>1</sup> C	Variable compensation awarded for the year D=B+C	Pension plan contributions made by the subsidiary E	Other benefits paid or granted <sup>2</sup> F	Total compensation awarded for the year G=A+D+E+F
Jean-Marc Arbaud President and Chief Executive Officer, CDPQ Infra	\$ 450,000	\$ 503,750	\$ 271,250	\$ 775,000	\$ 16,245	\$ 9,988	\$1,251,233
Daniel Farina General Manager, CDPQ Infra	\$ 389,712	\$ 370,500	\$ 199,500	\$ 570,000	\$ 16,245	\$ 22,396	\$ 998,353
Sophie Lussier Executive Vice-President and Head of Corporate Services, Organizational Performance and Secretariat, CDPQ Infra	\$ 340,000	\$ 292,500	\$ 157,500	\$ 450,000	\$ 22,869	\$ 45,123	\$ 857,992
Julien Hurel Vice-President, REM Project, CDPQ Infra	\$ 322,946	\$ 229,450	\$ 123,550	\$ 353,000	\$ 16,245	\$ 23,347	\$ 715,538
Élise Proulx <sup>3</sup> Vice-President, Social Infrastructure, CDPQ Infra	\$ 316,732	\$ 301,283	N/A	\$ 301,283	\$ 36,537	\$ 21,827	\$ 676,379

1. The variable compensation program requires the senior executives of certain subsidiaries to defer a portion of their annual variable compensation awarded or to take part in a long-term variable compensation program.
2. Amounts indicated include employer contributions to group insurance premiums, perquisites and health assessments, among other things.
3. This executive's compensation includes compensation for the period worked at Ivanhoé Cambridge and for her employment at CDPQ Infra, which she joined in the context of the integration of the real estate subsidiaries into CDPQ.

## Report of the Human Resources Committee on Total Compensation (continued)

TABLE 45

### SUMMARY OF DEFERRED VARIABLE COMPENSATION PAID IN 2024, INCLUDING THE LONG-TERM VARIABLE COMPENSATION PROGRAM FOR THE INDIVIDUALS LISTED IN TABLE 44

Name and main position	Previous fiscal year	Deferred variable compensation <sup>1</sup>	Cumulative return at the time of payment	Deferred previous variable compensation disbursed in 2024 <sup>2</sup>
Jean-Marc Arbaud President and Chief Executive Officer, CDPQ Infra	2021	\$455,000	\$ 24,784	\$479,784
Daniel Farina General Manager, CDPQ Infra	2021	\$108,780	\$ 5,925	\$114,705
Sophie Lussier Executive Vice-President and Head of Corporate Services, Organizational Performance and Secretariat, CDPQ Infra	2021	\$273,000	\$ 14,870	\$287,870
Julien Hurel <sup>3</sup> Vice-President, REM Project, CDPQ Infra	2021	N/A	N/A	N/A
Élise Proulx Vice-President, Social Infrastructure, CDPQ Infra	2021	\$ 277,000	\$ 14,575	\$291,575

1. The amounts appearing in the table refer to the portion of variable compensation awarded in 2021 and deferred over a three-year period that was paid in 2024. As required by the Income Tax Act, these amounts must be disbursed after three years, at the latest.
2. Disbursed previous deferred variable compensation includes the return earned during the three-year period. This return generally corresponds to CDPQ's average absolute total return expressed as a percentage, as published by CDPQ, and compounded over a three-year period.
3. This executive was not eligible for a deferred variable compensation payment in 2021.



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# Compliance

CDPQ's compliance activities include a component on monitoring depositor and portfolio investment policies, and another on the application of the Code of Ethics and its incorporating act.

## **ACT RESPECTING CDPQ AND INVESTMENT POLICIES**

CDPQ implements compliance programs to ensure:

- Compliance with our incorporating act
- Adherence to the limits and restrictions set out in depositor investment policies and the investment policies of its specialized portfolios
- Implementation of appropriate action plans

Certificates of compliance with policies are issued twice a year.

## **CODES OF ETHICS**

The Codes of Ethics for employees and Board members form an anchor for CDPQ's values and its rigorous ethics and compliance culture. They are the cornerstone of the organization's ethics and compliance program, which aims for the highest standards.

At the beginning of each year, the individuals subject to the Codes must complete a declaration to renew their commitment, after taking an in-depth course on the matter. They must also provide the information and documents required to analyze their external interests and personal investment portfolios. Any real, potential or apparent conflict of interest must be disclosed, and any situation in which there is a reasonable possibility of a breach of the Codes or policies must be reported.

To carry out personal transactions involving covered securities, individuals subject to the Codes must first request authorization. Members of CDPQ's Executive Committee and Investment-Risk Committee are not authorized to conduct transactions involving covered securities and must therefore provide for discretionary management services or undertake not to conduct such transactions. The Codes also set out rules governing invitations and gifts, activities external to duties, the confidentiality of information and managing conflicts of interest.

In 2024, CDPQ carried out several activities to heighten personnel and consultant awareness of various rules in the Code of Ethics, including:

- Mandatory training sessions for new recruits on the Code, respect in the workplace and preventing corruption
- One-on-one meetings with every incoming manager to discuss various aspects of the Code
- Intranet pages with more information on various Code topics and publication of communications throughout the year on ethical matters to reinforce the behaviours to use routinely
- Meetings with international office employees on lobbying and interacting with public officials in their jurisdictions
- Fraud and corruption simulation scenario work

## Compliance (continued)

CDPQ's Code of Ethics for personnel and consultants, and the Code of Ethics for Board Directors are posted in the Governance section of CDPQ's website at [www.cdpq.com](http://www.cdpq.com).

Note that our subsidiary CDPQ Infra has its own Code of Ethics; it is harmonized with CDPQ's and can be consulted at [www.cdpqinfra.com](http://www.cdpqinfra.com). In 2024, in the context of integrating the Ivanhoé Cambridge and Otéra Capital subsidiaries into CDPQ, transferred personnel signed a declaration of adherence to CDPQ's Code of Ethics.

### AUDIT OF COMPLIANCE

The Auditor General of Québec conducted an audit of compliance with the policies and directives of CDPQ and its subsidiaries Ivanhoé Cambridge and Otéra Capital in the context of investment activities, and filed a report in March 2022. When the subsidiaries were integrated in 2024, an amended plan was established and all of the measures it contained were implemented.

### ACCESS TO INFORMATION

CDPQ processes requests for access to information in accordance with the Act respecting access to documents held by public bodies and the protection of personal information (the Access Act). In 2024, 99 requests for access to information were processed, 65 of which pertained to CDPQ and 34 to CDPQ Infra. The following table shows the status of these requests, all of which were processed within the legally prescribed time.

The requests received involved costs associated with suppliers, advertising expenses, REM activities and several other subjects of an administrative or budgetary nature.

Eight requests were subject to an application for review by the Commission d'accès à l'information. Responses to requests for access are available on CDPQ's website.

Also available on the website is specific information covered by the Regulation respecting the distribution of information and the protection of personal information, such as:

- Leasing contracts
- Advertising and promotion contracts
- Mobile telecommunications contracts
- Training contracts and expenses
- Total travel expenses
- The travel and duty-related expenses of the President and Chief Executive Officer

### DIRECTIVE – FRENCH LANGUAGE

CDPQ must be exemplary in its use of the French language. It complies with the requirements of the Charter of the French Language, the government's language policy, and the internal directive on the French language. This stipulates French as the everyday language of work for all employees in its offices in Québec.

CDPQ considers the quality of French in its spoken and written communications to be of paramount importance. To that end, CDPQ provides its personnel with various language resources, including a writing guide and a lexicon of terminology specific to its investment activities. It also encourages personnel to consult the tools provided on the website of the Office québécois de la langue française, as well as other references.

TABLE 46

#### ACCESS TO INFORMATION REQUESTS PROCESSED – CDPQ AND CDPQ INFRA

(as at December 31, 2024)

Request status	CDPQ	CDPQ Infra
Accepted	30	13
Accepted in part	21	6
Referred to another entity	0	7
Refused	13	5
Withdrawn	1	3
<b>Total</b>	<b>65</b>	<b>34</b>

In 2024, a training capsule on the requirements of the Charter of the French Language was deployed to employees located in Québec. Several communications on promoting French were disseminated on the intranet. The teams were made aware of the changes introduced by the reform of the Charter of the French Language, and several initiatives were implemented to promote everyday use of French.

Note that the language committee is tasked with reviewing all issues pertaining to the implementation of the directive on the French language and steers all measures to promote exemplary French usage. The language committee met three times during the year.

### **PERSONAL INFORMATION PROTECTION PROGRAM**

CDPQ implements a comprehensive personal information protection program through numerous initiatives. These include keeping a log of personal information processed and classifying such information by sensitivity level to ensure compliance with legal requirements throughout the information's life cycle. Training on managing information and protecting personal information has been made available to all employees and consultants, along with communications released on the intranet.

Note that the members of the Personal Information Management and Access Committee meet each month, and extraordinarily when necessary, to rule on the assessment of privacy risk factors in any new project involving the collection or processing of personal information.

### **VIOLATIONS REPORTING MANAGEMENT**

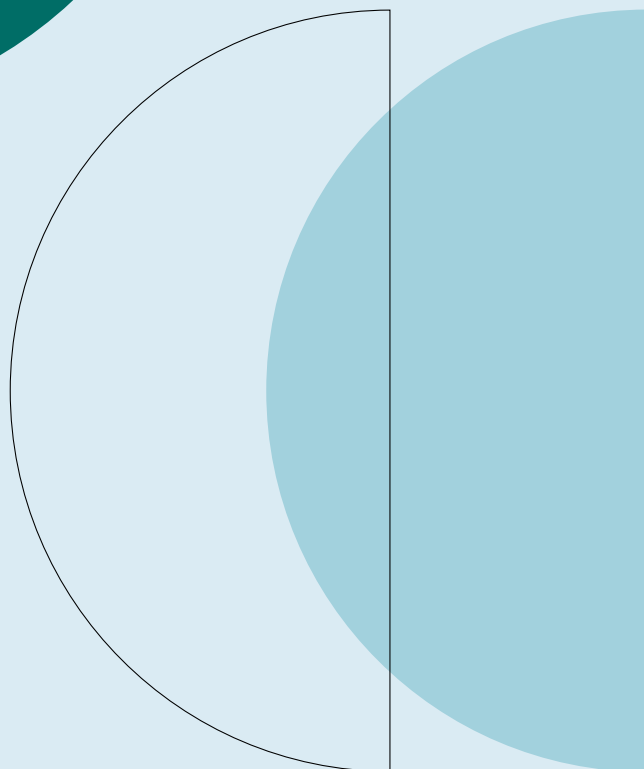
M<sup>e</sup> Bruno Duguay, Vice-President and Chief Ethics and Compliance Officer, is charged with receiving and analyzing reports of inappropriate situations related to the Code of Ethics. Reports can be made through the Ethics Line or by telephone ([www.ethique.cdpq.com](http://www.ethique.cdpq.com) or 1 866 723-2377).

### **DISCLOSURE OF WRONGDOINGS**

In addition to the mechanisms for reporting breaches of the Code of Ethics, CDPQ has a procedure for disclosing wrongdoings to communicate situations of public interest, in accordance with the Act to facilitate the disclosure of wrongdoings relating to public bodies. No such disclosures were received in 2024.



# Sustainable Development Report



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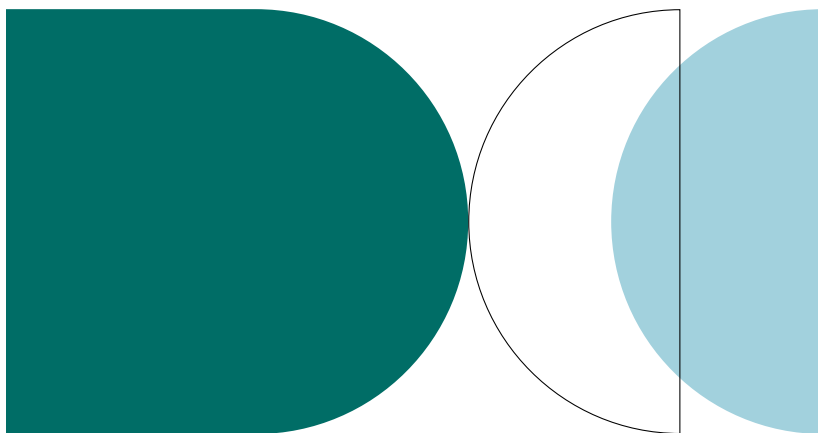
# Sustainable Development Report

This report describes the actions taken by CDPQ as part of the [2023–2028 Sustainable Development Action Plan](#) (SDAP) and reports on the results obtained at the end of 2024.

Published in 2023, this plan is structured around ten strategic sustainable development actions across all of our activities and is part of Québec’s Government Sustainable Development Strategy 2023–2028 (GSDS).

We also publish a Sustainable Investing Report (SIR) to provide more details on our initiatives as an investor, shareholder and community member. The 2023–2028 SDAP both continues our actions under previous plans and reflects the ambitions of CDPQ and its subsidiaries. The commitments described are directly related to the priorities and strategies set out in our SIR.

For more information on our achievements, please visit [www.cdpq.com](http://www.cdpq.com).



### Action 1 – Increase the number of companies in our portfolio that include ESG factors in their business strategies

Indicator	2024 target	2024 results
1.1 Number of Québec companies supported with ESG factor integration annually	12 companies	12 companies

Factoring sustainability considerations into business strategies promotes resilience and performance over the long term. This is why we make our portfolio companies aware of the importance of adopting best practices in this area. To contribute to the development of a strong local economy, we seek to increase the number of Québec companies that are taking ESG factors into account. In 2024, we supported 12 companies in this process, reaching our target.

### Action 2 – Support Québec companies owned by women

Indicator	2024 target	2024 results
2.1 Cumulative number of Québec women entrepreneurs involved in Les Cheffes de file	120 women entrepreneurs	136 women entrepreneurs

As at December 31, 2024, the [Cheffes de file](#) community included 136 Québec women entrepreneurs at the head of companies with annual revenues ranging from \$5 to \$50 million, thereby exceeding our annual target. This increase in the number of members was due to ongoing recruitment, an influx of spontaneous applicants due to advertising campaigns, keeping an eye out for potential candidates, partner contacts and referrals from women entrepreneurs who were already in the program.

Training workshops were organized during the year to help the participating entrepreneurs develop their skills. Various topics were addressed, including optimizing the use of artificial intelligence assistants and the importance of setting up an advisory committee in their companies. We also offered discussion workshops for members of Cheffes de file and certain executives from our portfolio companies in order to encourage the sharing of experiences and best practices. In addition, we enhanced our training offering with themed cohorts to deepen and develop their expertise in finance and strategic planning. Lastly, we organized the program's first trade mission to New York with Cheffes de file members who are active in the retail trade.

### Action 3 – Assess the sustainability of our interactions

Indicator	2024 target	2024 results
3.1 Proportion of our new transactions that have undergone a sustainability assessment in Québec	100%	100%

In the framework of our investment decisions, we use ESG analyses to assess companies' sustainability and better grasp the risks and opportunities related to their activities. In 2024, we achieved our objective of assessing the sustainability of all new transactions carried out in Québec. This includes those in real estate and in real estate finance, the result of CDPQ's real estate subsidiary integration and a process for standardizing our sustainability practices.

**Action 4 – Enhance the sustainability of our global portfolio**

Indicator	2025 target	2024 results
4.1 Low-carbon assets	\$54 B	\$58 B

Low-carbon assets comply with the most rigorous standards worldwide, based on the [taxonomy](#) of the Climate Bonds Initiative (CBI).

As at December 31, 2024, the value of our low-carbon assets stood at \$58 billion (see Figure 47), including \$15.5 billion in Québec, thereby exceeding our \$54 billion target for 2025. Our investment strategy is focused on the renewable energy, sustainable mobility and real estate sectors. We are also investing cautiously in developing sectors, such as energy storage and efficiency, as well as green hydrogen.

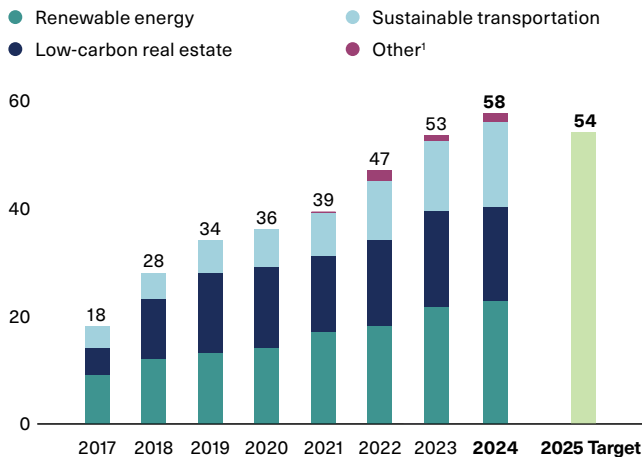
Indicator	2030 target	2024 results
4.2 Reduction in the carbon intensity of our portfolio compared to 2017	60%	69%

In 2024, the carbon intensity of our portfolio was down 69% from our 2017 starting point (see Figure 48). This means that we have already achieved our objective for 2030.

Our portfolio's decarbonization has therefore proceeded at a faster pace than that of the real economy. This was due both to the decarbonization of our portfolio companies and to our strategy of investing in low-carbon, low-intensity and energy transition-promoting assets.

FIGURE 47

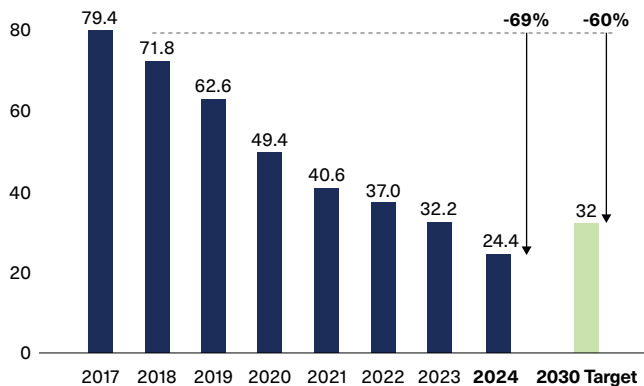
**LOW-CARBON ASSETS**  
(in billions of dollars)



1. Includes the new sectors from CBI's taxonomy.

FIGURE 48

**THE PORTFOLIO'S CARBON INTENSITY**  
(in tCO<sub>2</sub>e/M\$)





### Action 5 – Increase the share of our sustainability-themed donations and sponsorships

Indicator	2025 target	2024 results
5.1 Proportion of our sustainability-themed donations and sponsorships granted	14%	13%

In 2024, we allocated 13% of our donations and sponsorships to organizations that work on sustainability, placing us in a good position to reach our 2025 target. They include non-profit organizations that engage in environmental outreach and tree planting, and university research projects on sustainable growth. To expand our support over the coming years, we continue to look for organizations that are taking concrete action in this sector.

### Action 6 – Increase the share of our responsible acquisitions

Indicator	2025 target	2024 results
6.1 Proportion of contracts signed as a result of a call for tenders (public or by invitation) with a supplier engaged in a valid sustainable development approach	65%	90%

We are concerned about our suppliers' impacts on the environment and favour those who adopt environmentally responsible practices. For this reason, we have added assessment criteria on sustainability as part of our calls for tenders. The proportion of contracts signed as a result of a call for tenders (public or by invitation) with a supplier engaged in a valid sustainable development approach was 90% in 2024. We therefore attained our 2025 objective, and we continue to make our teams aware of the importance of selecting suppliers that use best practices to increase this proportion over time.

### Action 7 – Reduce greenhouse gas emissions from our three business offices in Québec

Indicator	2025 target	2024 results
7.1 Reduction of greenhouse gas emissions in our three business offices in Québec per square foot compared to 2017	35% (1.79 kg CO <sub>2</sub> e/ft <sup>2</sup> )	76% (0.66 kg CO <sub>2</sub> e/ft <sup>2</sup> )

Our three Québec offices—Édifice Jacques-Parizeau (EJP), Édifice Price and Place Ville Marie (PVM)—meet the most stringent energy efficiency requirements. In 2024, their emissions decreased by 76% (0.66 kg CO<sub>2</sub>e/ft<sup>2</sup>) compared to 2017, meaning that we have already achieved our 2025 reduction target of 35% compared to 2017. We continue to strive to increase our buildings' energy efficiency.

**Action 8 – Increase eco-friendly management of renovation projects in our three business offices in Québec**

Indicator	2025 target	2024 results
8.1 Average rate of materials reclaimed from renovation projects in our three business offices in Québec	90%	95%

In 2024, we achieved an average rate of 95% of reclaimed materials in our three business offices in Québec, thereby exceeding our 90% target for 2025. We continue to send all demolition and construction debris to a sorting or recycling centre.

**Action 9 – Foster waste reclamation in our three business offices in Québec**

Indicator	2025 target	2024 results
9.1 Average waste reclamation rate for our three business offices in Québec	65%	66%

Through the efforts of all our teams, we have already surpassed our objective of achieving a 65% waste reclamation rate by 2025 for our three business offices in Québec, with an average rate of 66% in 2024. The difference can be seen with the introduction of composting at the Price Building and at PVM, increased awareness of the importance of this practice and more rigorous control over access to our facilities. We have increased our workforce for targeted sorting, thereby improving our reclamation rate.

Indicator	2025 target	2024 results
9.2 IOR+ accreditation for our three business offices in Québec	Obtain IOR+ accreditation for EJP	Obtained

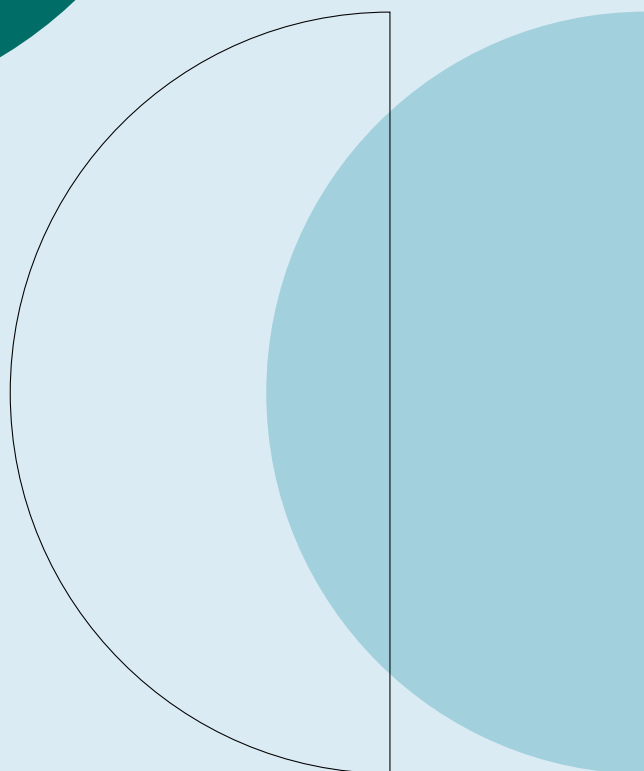
The target we set for 2025 was reached in 2024. Édifice Jacques-Parizeau has been awarded a Performance + level based on the implementation and deployment of various reduce, reuse, recycle and awareness-raising measures. This certification is valid until December 2027.

**Action 10 – Increase the modal share of active transportation, public transit and alternatives to the single-occupant commute for employees of CDPQ and of its subsidiaries in Québec**

Indicator	2024 target	2024 results
10.1 Modal share of active transportation, public transit and alternative solutions to single-occupant commutes among our employees	Analysis of current situation	Started in 2024

In the spring of 2024, a survey on sustainable mobility was launched among CDPQ's teams. The results of this survey will guide the implementation of solutions adapted to their travel habits. Our goal is to increase the share of active transportation, public transit and alternatives to single-occupant commutes.

# Financial Report



# Change in Assets

## NET ASSETS ATTRIBUTABLE TO DEPOSITORS

Net assets attributable to depositors grew from \$340.1 billion as at December 31, 2019, to \$473.3 billion as at December 31, 2024, an increase of \$133.2 billion over five years. This growth was primarily due to investment results of \$116.5 billion, in addition to depositors' net contributions of \$16.7 billion (see Table 51, page 107).

During 2024, net assets attributable to depositors increased by \$39.1 billion to \$473.3 billion, compared to \$434.2 billion at the end of 2023. This increase was due to \$39.6 billion of investment results and \$0.5 billion in depositors' net withdrawals.

## TOTAL ASSETS

As at December 31, 2024, total assets reached \$573.5 billion, compared to \$511.4 billion as at December 31, 2023 (see Table 49). The \$62.1-billion increase was due to net acquisitions of investments, reinvestments of investment income and net gains on financial instruments at fair value. The liabilities to total assets ratio increased to 17.5% as at December 31, 2024, compared to 15.1% as at December 31, 2023. This increase is due to the rise in securities sold under repurchase agreements and term notes issued by CDP Financial (see the CDP Financial section on page 111). CDPQ's liabilities consist primarily of:

- Amounts payable on transactions being settled
- Securities sold under repurchase agreements
- Securities sold short
- Derivative financial instruments
- Financing programs issued by our subsidiary CDP Financial, which are used to finance investments

TABLE 49

### FINANCIAL INFORMATION – FINANCIAL POSITION (as at December 31 – in millions of dollars)

	2024	2023
<b>ASSETS</b>		
Investments	562,927	504,902
Other assets	10,547	6,547
<b>Total assets</b>	<b>573,474</b>	<b>511,449</b>
<b>LIABILITIES</b>		
Investment liabilities	93,915	70,451
Other liabilities	6,272	6,751
<b>Total liabilities</b>	<b>100,187</b>	<b>77,202</b>
<b>Net assets</b>	<b>473,287</b>	<b>434,247</b>

## INVESTMENT RESULTS

Over five years, investment results amounted to \$116.5 billion. The Equities asset class contributed the most, generating results of \$106.3 billion. The Fixed Income and Real Assets classes also contributed -\$0.5 billion and \$18.0 billion, respectively.

For 2024, the \$39.6 billion in investment results (see Table 50) was mainly attributable to the \$40.4 billion contribution of the Equities asset class. The Fixed Income and Real Assets classes contributed \$1.8 billion and \$0.5 billion, respectively, to results.

## NET CONTRIBUTIONS AND NET WITHDRAWALS BY DEPOSITORS

As at December 31, 2024, depositors' net withdrawals totalled \$0.5 billion, mainly due to net contributions of \$6.7 billion by the Québec Pension Plan, offset by net withdrawals of \$2.5 billion by the Generations Fund, of \$2.4 billion by the Retirement Plans Sinking Fund and of \$1.6 billion by the Government and Public Employees Retirement Plan.

TABLE 50

### FINANCIAL INFORMATION – INVESTMENT RESULTS

(for the period ended December 31 – in millions of dollars)

	2024	2023
Net investment income	<b>8,106</b>	7,530
Operating expenses <sup>1</sup>	<b>(979)</b>	(799)
<b>Net income</b>	<b>7,127</b>	6,731
<b>Net gains on financial instruments at fair value</b>	<b>32,519</b>	21,254
<b>Investment results</b>	<b>39,646</b>	27,985

1. Following the integration of the real estate subsidiaries, total operating expenses for the period ended December 31, 2024 were \$1.096 billion, including \$979 million incurred by CDPQ and \$117 million incurred by the real estate subsidiaries, as described in Note 8 to the Consolidated Financial Statements, on page 147.

TABLE 51

### FINANCIAL INFORMATION – SUMMARY OF CHANGES IN NET ASSETS

(for the period from 2020 to 2024 – in billions of dollars)

	2024	2023	2022	2021	2020	5 years
<b>Net assets, beginning of year</b>	<b>434.2</b>	401.9	419.8	365.5	340.1	<b>340.1</b>
Investment results	<b>39.6</b>	28.0	(24.6)	48.7	24.8	<b>116.5</b>
Net contributions (net withdrawals) by depositors	<b>(0.5)</b>	4.3	6.7	5.6	0.6	<b>16.7</b>
<b>Net assets, end of year</b>	<b>473.3</b>	434.2	401.9	419.8	365.5	<b>473.3</b>

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# Cost Management

Cost management is an essential component of CDPQ's investment strategy. Its objective is to maximize the value added sought in investment activities and to optimize the portfolio's risk-return profile.

## RIGOROUS COST MANAGEMENT

Portfolio diversification is very important to CDPQ. To that end, we are exposed to a wide range of asset classes, geographical regions and strategies. The vast majority of our investments are managed internally, but for certain specific activities, forming a team is not an optimal strategy.

Sometimes CDPQ seeks cutting-edge expertise in a targeted sector or in-depth knowledge in a market where we have a limited presence. We may also want to take advantage of low-cost investment opportunities that would be difficult to obtain without these partnerships or strategies that complement our own. It may therefore be to the organization's advantage to partner with external managers that meet our criteria and share our investment philosophy, as well as demonstrate strong management and execution capabilities.

The decision to carry out activities internally or use external managers is based on an in-depth analysis of various options to find the best way to achieve our business objectives while managing the related costs in an optimal manner.

To ensure optimal value added retention, it is important that each dollar spent delivers a maximum return for our depositors.

## COSTS BY EXPENSE TYPE

The costs presented, which include all costs paid, are expressed in dollars and cents per \$100 of average net assets (basis points). This allows for better comparisons with previous years due to changes in asset size.

Table 52 explains the various categories of expenses incurred by CDPQ's investment activities.

### RESTRUCTURING AND INTEGRATION EXPENSES

CDPQ incurred expenses in connection with the integration of its real estate subsidiaries Ivanhoé Cambridge and Otéra Capital, which began in 2024. These costs mainly consisted of severance pay, as well as integration expenses related to information technology and professional services.

Restructuring and integration expenses amounted to \$50 million, or one basis point, which was included in the expenses for the year ended December 31, 2024. For comparison purposes, they are excluded from the year's cost ratio (see Table 54, page 110) due to their one-time and non-recurring nature.

TABLE 52

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### DESCRIPTION OF EXPENSE CATEGORIES

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<b>Operating expenses</b>	Expenses attributable to internal portfolio and investment management and administration required to conduct activities (total compensation, information technology, rent, professional services and other expenses)
<b>External management fees</b>	
Base fees	Fees paid to external managers to administer external funds based on amounts committed or invested
Performance fees	Fees payable when the returns generated exceed a target rate of return, thereby ensuring that the interests of the managers and CDPQ are aligned
<b>Transaction costs</b>	Costs attributable to the acquisition, sale and issuance of financial instruments, such as legal and tax due diligence costs, trade commissions, brokerage fees and amounts levied by regulatory agencies

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## OPERATING EXPENSES

For 2024, operating expenses, excluding restructuring and integration expenses, were \$1.046 billion, or 23 basis points.

It should be noted that operating expenses in basis points decreased from 2023 following the integration of the real estate subsidiaries (see Figure 53). We should also note that the operating expenses of these subsidiaries were excluded from those of CDPQ before their integration, a practice that is in line with that of our peers. However, these expenses were deducted from the fair value of the investments and included in our investment results.

Figure 53 presents the expenses in basis points, adjusted for comparison purposes.

## EXTERNAL MANAGEMENT FEES

CDPQ uses external managers to achieve our major orientations, which require an agile deployment of capital to implement certain active management strategies. These activities are intended as a complement to the activities of our teams. External managers are selected through a rigorous process that includes performing a complete due diligence review and negotiating management and performance fees.

Manager performance is regularly assessed to ensure that performance objectives are achieved while minimizing the

costs to the organization. Performance fees are payable only when managers outperform a target return set by CDPQ. These fees are significant incentives for encouraging superior returns and producing value added.

These costs, consisting of the base fees and performance fees paid, are among the items deducted from fair value. They are included in investment results, with the exception of certain Equity Markets external management fees, which are presented separately in the financial statements.

### Base fees

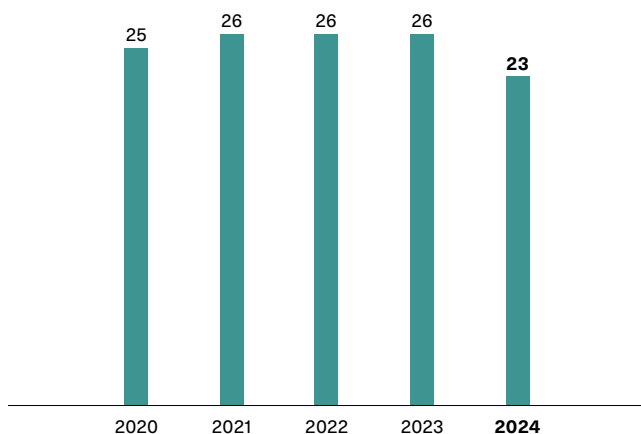
The base fees associated with external management are relatively stable, as they are dependent on the mandates granted to our external managers. For 2024, they totalled \$918 million, or 20 basis points, representing a decrease of 1 basis point compared to 2023.

### Performance fees

Correlated with returns, external manager performance fees represent a significant portion of total costs. Increases and decreases from one year to the next stem from the performance of certain external managers and the sale of investments that generated performance fee payments, in particular those in private markets. In 2024, performance fees paid were \$743 million, or 17 basis points, down 11 basis points from 2023.

FIGURE 53

ADJUSTED<sup>1</sup> OPERATING EXPENSES EXPRESSED PER \$100 OF DEPOSITORS' AVERAGE NET ASSETS (for periods ended December 31 – in cents)



1. Excludes restructuring and integration costs. Figures for the periods have been adjusted to reflect the integration of the real estate subsidiaries as if it had occurred on January 1, 2020.

## Cost Management (continued)

### TRANSACTION COSTS

These costs may vary from one year to the next based on the amount of capital deployed and the complexity of the transactions. In 2024, they totalled \$335 million, or 7 basis points, 1 basis point lower than in 2023.

### EXPENSE RATIO

For the year ended December 31, 2024, the internal and external management costs of the investments detailed above totalled \$3.042 billion (see Table 54), representing 67 basis points.

The one-year decrease was due to reduced operating expenses following the integration of the real estate subsidiaries, as well as lower performance fees. In 2023, significant performance fees were paid as a result of past performance.

### OPERATIONAL EFFICIENCY

CDPQ periodically reviews its business processes and maintains tight control over costs. It seeks to manage them as efficiently as possible in order to generate optimal returns.

For many years, CDPQ has taken part in work to benchmark its costs by asset class. Annual benchmarking is conducted with CEM Benchmarking, an independent provider of cost and performance benchmarking information for pension funds and other institutional asset managers around the world. It is worth noting that, based on external data, CDPQ's expense ratio is among the lowest in its industry. This result is due in particular to active internal management and the synergies created with fund managers, particularly in co-investments.

Note that continuous monitoring is carried out at all levels of the organization to ensure a sound allocation of resources to those strategies with the best potential to perform and add value.

TABLE 54

#### EXPENSE RATIO (as at December 31)

Expense category	2024		2023 adjusted <sup>1</sup>	
	\$M	BPS <sup>2</sup>	\$M	BPS <sup>2</sup>
<b>Operating expenses<sup>3</sup></b>				
Management and administration of CDPQ portfolios	1,096	24	1,098	26
Restructuring and integration fees	(50)	(1)	–	–
<b>Subtotal</b>	<b>1,046</b>	<b>23</b>	1,098	26
<b>External management fees<sup>4</sup></b>				
Base fees	918	20	878	21
Performance fees	743	17	1,162	28
<b>Subtotal</b>	<b>1,661</b>	<b>37</b>	2,040	49
<b>Transaction fees<sup>3</sup></b>				
Acquisition, sale and issuance of financial instruments	335	7	329	8
<b>Total</b>	<b>3,042</b>	<b>67</b>	3,467	83

1. Figures as at December 31, 2023, have been adjusted for comparison purposes to reflect the integration of the real estate subsidiaries as if it had occurred on January 1, 2023.

2. Expenses presented in basis points represent costs paid expressed in cents per \$100 of average net assets.

3. Includes costs incurred by real estate subsidiaries that are deducted from the investment results (see Note 8 to the Consolidated Financial Statements on page 147).

4. The underlying charges for funds of funds are minimal and are not presented separately.



# CDP Financial

CDP Financial is a wholly owned subsidiary of CDPQ. Its transactions are designed to optimize the cost of financing the operations of both the organization and its subsidiaries, to diversify their sources of financing and to match financed assets in terms of their exposure to currencies and interest rates.

## FINANCING PROGRAMS

To achieve its objectives, CDP Financial has various financing programs on the local and international institutional markets that it uses for short-, medium- and long-term borrowing.

### Short-term borrowing

As at December 31, 2024, short-term financing totalled \$8.8 billion, denominated in the following currencies:

- Canadian dollar: CA\$0.3 billion
- U.S. dollar: US\$5.8 billion
- Euro: €78.9 million

### Term borrowing

As at December 31, 2024, the fair value of CDP Financial's outstanding term notes totalled \$32.3 billion, compared to \$27.0 billion at the end of 2023 (see Figure 55). This change was mainly due to four new notes in the combined amounts of US\$1.5 billion, CA\$1.8 billion and €1.5 billion. In addition, a note of US\$2.0 billion matured in 2024.

In the context of its climate change commitments, in 2021 CDPQ established a framework that follows best practices and the Green Bond Principles developed by the International Capital Market Association (ICMA). Proceeds from issuances of green bonds are allocated to a selection of sustainable investments in areas such as renewable energy, sustainable transportation and energy efficiency. Note that no new green bonds were issued in 2024.

## CREDIT FACILITY

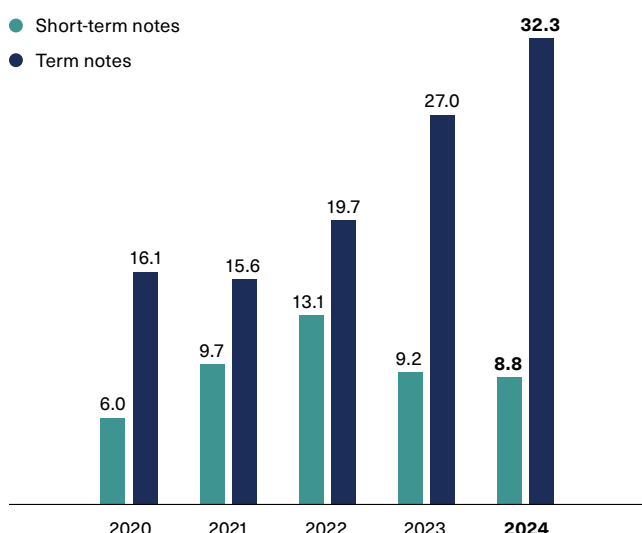
During the year ended December 31, 2024, CDP Financial renewed a credit facility with an authorized maximum amount of US\$4 billion with a group of nine financial institutions. This credit facility is fully guaranteed, unconditionally and irrevocably, by CDPQ. Note that no amount was drawn on this facility in 2024.

## BREAKDOWN BY CURRENCY

As at December 31, 2024, the financing can be broken down as follows: Debt instruments denominated in U.S. dollars represented 65%, while 22% were denominated in Canadian dollars, 13% in euros and less than 1% in other currencies.

FIGURE 55

**BREAKDOWN OF BORROWINGS – CDP FINANCIAL**  
(fair market value as at December 31 – in billions of dollars)



## HIGHEST CREDIT RATINGS REAFFIRMED

In 2024, DBRS Morningstar (DBRS), Fitch Ratings (Fitch), Moody's Investors Service (Moody's) and Standard & Poor's (S&P) reaffirmed their highest credit ratings with a stable outlook for both CDP Financial and CDPQ (see Table 56).

TABLE 56

### CREDIT RATINGS

	Short-term	Long-term
DBRS	R-1 (high)	AAA
Fitch	F1+	AAA
Moody's	Prime-1	Aaa
S&P	A-1+	AAA
	A-1 (high)	

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# Significant Accounting Policies

CDPQ's consolidated financial statements include the accounts of the General Fund, of the individual funds, and of the specialized portfolios as well as the accounts of our subsidiaries that exclusively offer services related to financing, administrative and management activities. The net assets attributable to depositors presented in the Consolidated Statements of Financial Position reflect the combined net value of the accounts of each depositor. Note 2 to the Audited Consolidated Financial Statements as at December 31, 2024 and 2023 describes the significant accounting policies used by CDPQ.

## FINANCIAL REPORTING

CDPQ's consolidated financial statements are prepared in accordance with the prevailing accounting standards, namely International Financial Reporting Standards (IFRS) Accounting Standards as published by the International Accounting Standards Board (IASB), as stipulated in the Act respecting CDPQ.

## EXTERNAL AUDIT

In accordance with the Act respecting CDPQ, the co-auditors audited all of CDPQ's accounting records and issued an unqualified independent auditors' report for each of the 78 financial statements.

## Significant IFRS applicable to the consolidated financial statements of CDPQ

### Investment entities

Under IFRS 10 *Consolidated Financial Statements*, the subsidiaries that constitute an investment for an investment entity must be presented and measured at fair value. CDPQ, which is qualified as an investment entity, does not consolidate its subsidiaries, particularly its real estate, real estate finance, private equity, infrastructure, fixed income, hedge fund and equity markets subsidiaries. Valuation of these investments is based on a corporate valuation technique in accordance with IFRS Accounting Standards.

### Fair value measurement

IFRS 13 *Fair Value Measurement*, provides a single source of guidelines for all fair value measurements. Fair value is defined as the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The main techniques for measuring investments, including measuring CDPQ's non-consolidated subsidiaries, are described in Note 6 to the Consolidated Financial Statements on page 136.

### **Impact of economic uncertainty on judgments, estimates and assumptions**

The financial markets are a source of uncertainty due, among other things, to the geopolitical tensions, ongoing tariff negotiations, stock market and interest rate volatility that continue to disrupt global economic activity. The principal estimates and assumptions, as well as risk analysis and management, take into consideration the uncertainties and factors known at that time. The principal estimates and assumptions include those pertaining to the unobservable inputs used in assessing the fair value of financial instruments not traded in active markets. CDPQ's best estimates are reflected in the results presented. CDPQ continues to monitor the evolution of economic uncertainties and their impacts.

### **Financial measures**

As part of issuing certain information included in the Annual Report, CDPQ uses and presents both measures in accordance with IFRS and other financial measures inconsistent with IFRS. CDPQ is of the opinion that these measures provide relevant information, complementary to the analysis of its financial reporting (see General Notes 3 and 6 on page 192).

### **Amendments to IFRS and new IFRS**

In May 2023, IASB amended IAS 12 *Income Taxes*. These amendments have no impact on the consolidated financial statements, since CDPQ is exempt from the field of application of Pillar Two rules. CDPQ will continue to monitor the enactment or substantive enactment of the tax legislation in the jurisdictions in which it operates in order to confirm its exempt status.

In April 2024, the IASB published IFRS 18 *Presentations and Disclosure in Financial Statements*, which establishes a defined structure for presenting a complete set of financial statements, requires specific disclosures on management-defined performance measures and enhances requirements for aggregation and disaggregation in financial statements. This standard becomes effective on January 1, 2027. CDPQ will assess the impact of this new standard on the consolidated financial statements.

In May 2024, the IASB amended IFRS 9 *Financial Instruments*, and IFRS 7 *Financial Instruments: Disclosures*. These amendments are intended to clarify the requirements for the derecognition of financial liabilities and introduce an accounting policy choice for liabilities settled through an electronic payment system. The amendments become effective on January 1, 2026. CDPQ is currently assessing the impact of these amendments on the consolidated financial statements.

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# Fair Value Measurement

## FAIR VALUE MEASUREMENT POLICY

Investment valuation is a process whereby a fair value is assigned to each of CDPQ's investments with a view to preparing the consolidated financial statements. Measurement of investments at fair value is performed periodically in accordance with CDPQ's Investment Valuation Policy, which is approved by the Board of Directors. This general policy is further supported by the valuation directive applicable to private investments and protocols that stipulate the valuation process and methodology for each type of investment. The policy and directive also establish governance for the valuation and reporting process. Application of the policy is the responsibility of the Valuation Committee, which reports to the Executive Committee and is supported by a valuation team. The Valuation Committee approves compliance with the policy and the fair value of CDPQ's investments semi-annually. Accordingly, the Valuation Committee recommends these fair values to the Audit Committee. The policy complies with the standards and practices of Canadian and international valuation bodies and demonstrates a rigorous governance framework for financial instrument valuation processes.

Under the policy, when fair value is determined by external valuers or third parties, the Valuation Committee, with the support of the Valuation team, verifies the qualifications, experience and independence of these parties. It also reviews the valuation techniques, the significant inputs used in calculating fair value, and the results and conclusions to ensure that they are in compliance with recognized valuation standards.

In addition, to ensure the reasonableness of the fair value determined, CDPQ conducts backtesting, and compares the established fair value with values of comparable transactions, including the values of comparable public companies, in addition to using the services of external valuers.

The co-auditors have access to all valuation files as part of the audit of the year-end consolidated financial statements.

## CONCEPTUAL FRAMEWORK

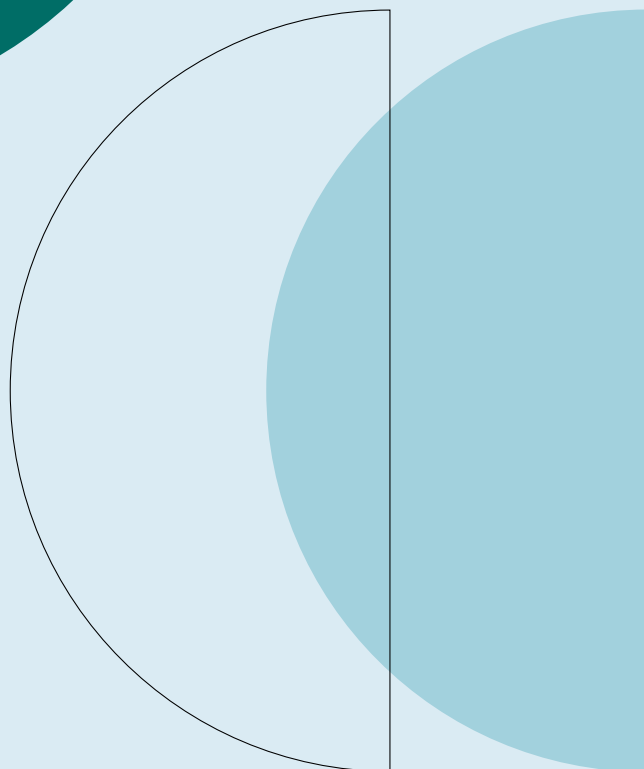
IFRS define fair value and provide guidelines on measurement and disclosures related to fair value. Entities are required to maximize the use of relevant observable inputs and minimize the use of unobservable inputs when measuring fair value. Fair value must be established by assuming that the investments are available for sale, that is, that the fair value of investments corresponds to an exit price at the date of the financial statements. The purpose of the accounting standards is to define a single conceptual framework that can be used in all situations requiring fair value measurement.

CDPQ considers that IFRS constitute a coherent framework for fair value measurement. Nevertheless, these standards do not take into account the fact that, in accordance with the very long-term investment horizon adopted by our main depositors, CDPQ has the means and intends to hold certain investments until their optimal value is attained.

As such, the fair value established as at December 31, 2024, for investments in liquid and less-liquid markets reflects the general volatility of the financial markets, and this may differ from the economic value of long-term investments.

Note 6 to the Consolidated Financial Statements, on page 136, describes the fair value measurement techniques.

# Consolidated Financial Statements



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# Management's Responsibility for Consolidated Financial Reporting

The preparation and presentation of the consolidated financial statements of la Caisse de dépôt et placement du Québec ("CDPQ") are the responsibility of management. The consolidated financial statements were prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board (IASB) and incorporated into the CPA Canada Handbook. We ensure that the financial information in the Annual Report is consistent with the information in the consolidated financial statements.

The consolidated financial statements include amounts that are based on management's best estimates and judgment, with due regard for their relative importance. Moreover, when preparing the financial information, management has made decisions regarding the information to be presented as well as estimates and assumptions that affect the information presented. Future results may differ considerably from our current estimates, as changes to financial markets or other events could have an impact on the fair value of the investments.

In our responsibility for the reliability of financial information, we rely on disclosure controls and procedures and internal controls over financial reporting. In particular, these controls include a clear definition of responsibilities, delegation of powers, allocation of duties, ethical standards, employee hiring and training criteria as well as policies, guidelines and procedures designed to ensure that transactions are duly authorized, assets are properly measured and safeguarded, and proper records are maintained.

Moreover, CDPQ's internal audit group audits the internal controls on a regular basis. These controls and audits are designed to provide reasonable assurance regarding the reliability of the accounting records used to prepare the consolidated financial statements and to ensure that assets are not used or disposed of in any unauthorized manner, that liabilities are recorded, and that we meet all the legal requirements to which CDPQ is subject, including the *Act respecting the Caisse de dépôt et placement du Québec*.

Each year, we certify the design and effectiveness of the internal control over financial information and the design and effectiveness of the disclosure controls and procedures. We report any significant irregularity to the Audit Committee of the Board of Directors of CDPQ, as necessary.

The Auditor General of Québec and Ernst & Young LLP (the "co-auditors") have audited the consolidated financial statements of CDPQ for the years ended December 31, 2024 and 2023 and their report covers the nature and scope of the audit and expresses their opinion. The co-auditors have unrestricted access to the Audit Committee to discuss any matter related to their audit.

The Board of Directors and its committees supervise the manner in which management fulfills its responsibility for the establishment and presentation of financial information, maintenance of appropriate internal controls, compliance with the requirements of laws and regulations, management of and control over the main risks, and evaluation of major transactions. Moreover, it approves the consolidated financial statements and the Annual Report.

The Board of Directors approved the consolidated financial statements for the years ended December 31, 2024 and 2023. It is assisted in its responsibilities by the Audit Committee, of which all members are independent directors. This Committee meets with management and the co-auditors, examines the consolidated financial statements, and recommends the approval thereof to the Board of Directors.



**Charles emond, FCPA**

President and Chief Executive Officer

Montréal, February 25, 2025



**MAARIKA PAUL, FCPA, CBV, ICD.D**

Executive Vice-President and  
Chief Financial and Operations Officer

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# Independent Auditor's Report

To the National Assembly

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of la Caisse de dépôt et placement du Québec and its subsidiaries (the Group), which comprise the Consolidated Statements of Financial Position as at December 31, 2024 and 2023 and the Consolidated Statements of Comprehensive Income, the Consolidated Statements of Changes in Net Assets Attributable to Depositors and the Consolidated Statements of Cash Flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023 and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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#### Key audit matter

#### How our audit addressed the key audit matter

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##### *Fair value measurement of financial assets based on unobservable inputs*

The Group describes its accounting estimates, assumptions and judgments in relation to the fair value measurement of financial instruments in Notes 2 and 6 of the consolidated financial statements. As disclosed in Note 6 of the consolidated financial statements, the Group has \$287.5 billion in financial assets classified as Level 3 of the fair value hierarchy. The fair value of these financial instruments is calculated using valuation techniques for which the significant inputs are unobservable. The key unobservable inputs used to measure these financial assets include the earnings before interest, taxes, depreciation and amortization (EBITDA) multiples, credit spreads, discount rates, capitalization rates, discounts to net asset value, and future cash flows.

Auditing the fair value of financial assets based on unobservable inputs is complex, requires the auditors to apply considerable judgment, and requires the participation of valuation specialists to assess the valuation techniques and unobservable inputs used by the Group. The use of different assumptions and valuation techniques could result in considerably different fair value estimates given that the unobservable inputs are associated with a higher degree of subjectivity and uncertainty and could be influenced by future market conditions and events.

We have obtained an understanding, evaluated the design, and tested the operating effectiveness of the controls used in the investment valuation process, which include management review controls on the assessment of valuation techniques, significant inputs, and assumptions used in estimating fair value.

The audit procedures performed as to the fair value measurement of financial assets based on unobservable inputs varied depending on the nature of the investment selected and included, among other procedures, the following:

- For a sample of investments, with the assistance of our specialists, we assessed the appropriateness of the valuation techniques used and tested the mathematical accuracy of the valuation models.
- For a sample of investments, we assessed the appropriateness of the unobservable inputs and assumptions used in estimating fair value by comparing them to supporting documentation or available market data and evaluating any significant adjustment made thereto.
- For the selected investments, we analyzed the significant adjustments applied to the EBITDA multiples and to future cash flows. We also assessed the determination of credit spreads, discount rates, capitalization rates and discounts to net asset value using information specific to the investments as well as relevant market information. In addition, we assessed the appropriateness of management's choice of comparable public companies.
- For a sample of investments sold during the fiscal year, we validated the accuracy of the previous estimates made by management. We also reviewed management's assessment of subsequent events and transactions and assessed whether these events and transactions corroborated or contradicted the year-end estimates.

# Independent Auditor's Report

## *Other Information*

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.



## Independent Auditor's Report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

As required by the *Auditor General Act* (CQLR, chapter V-5.01), we report that, in our opinion, these accounting standards have been applied on a basis consistent with that of the preceding year.

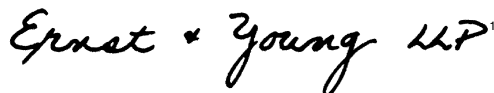
The engagement partner from Ernst & Young LLP on the audit resulting in this independent auditors' report is Michel Bergeron.

Auditor General of Québec,



Guylaine Leclerc, FCPA auditor  
Canada, Montreal, February 25, 2025

Ernst & Young LLP<sup>1</sup>



<sup>1</sup> FCPA auditor, public accountancy permit No. A114960  
Canada, Montreal, February 25, 2025

# Consolidated Statements of Financial Position

(in millions of Canadian dollars)

December 31, 2024

December 31, 2023

## ASSETS

Cash	1,115	1,691
Amounts receivable from transactions being settled	4,991	1,569
Advances to depositors	628	1,171
Investment income, accrued and receivable	1,765	1,411
Other assets	2,048	705
Investments (Note 4)	562,927	504,902
<b>Total assets</b>	<b>573,474</b>	<b>511,449</b>

## LIABILITIES

Amounts payable on transactions being settled	3,800	4,503
Other liabilities	2,472	2,248
Investment liabilities (Note 4)	93,915	70,451
<b>Total liabilities excluding net assets attributable to depositors</b>	<b>100,187</b>	<b>77,202</b>

## NET ASSETS ATTRIBUTABLE TO DEPOSITORS

473,287

434,247

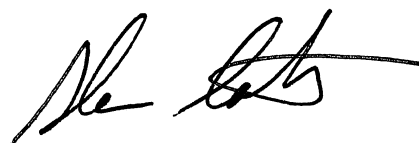
The accompanying notes are an integral part of the consolidated financial statements.

On behalf of the Board of Directors,



**CHARLES EMOND, FCPA**

President and Chief Executive Officer



**ALAIN CÔTÉ, FCPA, ICD.D**

Chair of the Audit Committee

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# Consolidated Statements of Comprehensive Income

For the years ended December 31

(in millions of Canadian dollars)	2024	2023
Investment income	12,122	10,278
Investment expense	(4,016)	(2,748)
Net investment income <i>(Note 8)</i>	8,106	7,530
Operating expenses <i>(Note 9)</i>	(979)	(799)
<b>Net income</b>	<b>7,127</b>	<b>6,731</b>
<b>Net gains on financial instruments at fair value <i>(Note 8)</i></b>	<b>32,519</b>	<b>21,254</b>
<b>Investment result before distributions to depositors <i>(Note 8)</i></b>	<b>39,646</b>	<b>27,985</b>
Distributions to depositors	(14,983)	(11,338)
<b>Net income and comprehensive income attributable to depositors</b>	<b>24,663</b>	<b>16,647</b>

The accompanying notes are an integral part of the consolidated financial statements.

# Consolidated Statements of Changes in Net Assets Attributable to Depositors

For the years ended December 31

(in millions of Canadian dollars)	Demand deposits	Term deposits	Distributions payable to depositors	Participation deposits	Net assets attributable to depositors
Balance as at December 31, 2023	1,654	6	3,393	429,194	434,247
<b>Attributions and distributions</b>					
Net income and comprehensive income attributable to depositors	-	-	-	24,663	24,663
Distributions to depositors	17,985	-	(3,002)	-	14,983
<b>Participation deposits</b>					
Issuance of participation deposit units	(22,067)	-	-	22,067	-
Cancellation of participation deposit units	5 281	-	-	(5 281)	-
<b>Deposits</b>					
Net withdrawals	(606)	-	-	-	(606)
<b>BALANCE AS AT DECEMBER 31, 2024</b>	<b>2,247</b>	<b>6</b>	<b>391</b>	<b>470,643</b>	<b>473,287</b>
Balance as at December 31, 2022	1,407	6	986	399,488	401,887
<b>Attributions and distributions</b>					
Net income and comprehensive income attributable to depositors	-	-	-	16,647	16,647
Distributions to depositors	8,931	-	2,407	-	11,338
<b>Participation deposits</b>					
Issuance of participation deposit units	(17,243)	-	-	17,243	-
Cancellation of participation deposit units	4,184	-	-	(4,184)	-
<b>Deposits</b>					
Net contributions	4,375	-	-	-	4,375
<b>BALANCE AS AT DECEMBER 31, 2023</b>	<b>1,654</b>	<b>6</b>	<b>3,393</b>	<b>429,194</b>	<b>434,247</b>

The accompanying notes are an integral part of the consolidated financial statements.

# Consolidated Statements of Cash Flows

For the years ended December 31

(in millions of Canadian dollars)	2024	2023
<b>Cash flows from operating activities</b>		
Net income and comprehensive income attributable to depositors	24,663	16,647
<b>Adjustments for:</b>		
Unrealized net losses on short-term promissory notes, term notes and loans payable	370	577
Net foreign exchange (gains) losses on short-term promissory notes, term notes and loans payable	2,157	(789)
Distributions to depositors	14,983	11,338
<b>Net changes in operating assets and liabilities</b>		
Amounts receivable from transactions being settled	(3,422)	807
Advances to depositors	543	(444)
Investment income, accrued and receivable	(354)	(237)
Other assets	(1,343)	442
Investments	(58,085)	(37,920)
Amounts payable on transactions being settled	(703)	2,560
Other liabilities	224	614
Investment liabilities	19,709	(908)
	<b>(1,258)</b>	<b>(7,313)</b>
<b>Cash flows from financing activities</b>		
Net change in short-term promissory notes payable	2,611	(1,856)
Issuance of short-term promissory notes payable	8,606	16,386
Repayment of short-term promissory notes payable	(12,092)	(18,096)
Net change in loans payable	(1,143)	(349)
Issuance of term notes payable	6,004	9,819
Repayment of term notes payable	(2,758)	(2,676)
Net contributions (net withdrawals)	(606)	4,375
	<b>622</b>	<b>7,603</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(636)</b>	<b>290</b>
Cash and cash equivalents at the beginning of the year	1,791	1,501
<b>Cash and cash equivalents at the end of the year</b>	<b>1,155</b>	<b>1,791</b>
<b>Cash and cash equivalents comprise:</b>		
Cash	1,115	1,691
Cash equivalents (Note 4)	40	100
	<b>1,155</b>	<b>1,791</b>
<b>Supplemental information on cash flows from operating activities</b>		
Interest and dividends received	11,139	9,324
Interest paid	(3,868)	(2,384)

The accompanying notes are an integral part of the consolidated financial statements.

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# Notes to the Consolidated Financial Statements

(Tabular amounts are shown in millions of Canadian dollars, unless otherwise indicated.)

## 01

### CONSTITUTION AND NATURE OF OPERATIONS

La Caisse de dépôt et placement du Québec (CDPQ), a legal person established in the public interest within the meaning of the Civil Code of Québec, is governed by the *Act respecting the Caisse de dépôt et placement du Québec* (CQLR, chapter C-2) (the Act).

CDPQ is domiciled in Québec, Canada. Its head office is located at 65 Sainte-Anne St., Québec City, Canada and its main office is located at 1000 Place Jean-Paul-Riopelle, Montréal, Canada.

CDPQ's mission is to receive moneys on deposit as provided by the Act and to manage them with a view to achieving an optimal return on depositors' capital within the framework of the depositor investment policies while also contributing to Québec's economic development.

### CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been prepared for the purposes of presenting CDPQ's financial position, financial performance and cash flows. CDPQ's consolidated financial statements include the accounts of the General Fund, of the individual funds, and of the specialized portfolios as well as the accounts of its subsidiaries that exclusively offer services related to financing, administrative, and management activities. In preparing the consolidated financial statements, all intercompany transactions and balances have been eliminated.

The investing activities of the depositors in CDPQ's various specialized portfolios are concluded through the participation deposit units of individual funds.

### GENERAL FUND

The General Fund comprises cash and cash equivalent activities for CDPQ's operational purposes and management of demand deposits, term deposits, and the financing activities.

### INDIVIDUAL FUNDS

The individual funds consist mainly of diversified investments in specialized portfolios. Each individual fund is dedicated to a single depositor who invests in the participation deposits of the individual funds.

The individual funds of depositors are as follows:

- Fund 300:** Base Québec Pension Plan, administered by Retraite Québec
- Fund 301:** Government and Public Employees Retirement Plan, administered by Retraite Québec
- Fund 302:** Pension Plan of Management Personnel, administered by Retraite Québec
- Fund 303:** Pension Plan for Federal Employees Transferred to Employment with the Gouvernement du Québec, administered by Retraite Québec
- Fund 305:** Pension Plan of Elected Municipal Officers (PEMO), administered by Retraite Québec
- Fund 306:** Régime complémentaire de rentes des techniciens ambulanciers/paramédics et des services préhospitaliers d'urgence – Volet à prestations déterminées, administered by the Comité de retraite
- Fund 307:** Fonds d'assurance automobile du Québec, administered by the Société de l'assurance automobile du Québec
- Fund 309:** Fonds des opérations courantes de l'autorité, administered by the Autorité des marchés financiers
- Fund 310:** Régime de retraite des chauffeurs d'autobus de la Société de transport de Laval, administered by the Comité de retraite
- Fund 311:** Supplemental Pension Plan for Employees of the Québec Construction Industry – General Account, administered by the Commission de la construction du Québec
- Fund 312:** Supplemental Pension Plan for Employees of the Québec Construction Industry – Retirees Account, administered by the Commission de la construction du Québec
- Fund 313:** Supplemental Pension Plan for Employees of the Québec Construction Industry – Supplementary Account, administered by the Commission de la construction du Québec
- Fund 314:** Deposit Insurance Fund, administered by the Autorité des marchés financiers
- Fund 315:** Dedicated account, administered by La Financière agricole du Québec
- Fund 316:** Retirement Plans Sinking Fund – RREGOP (RPSF-RREGOP), administered by the ministère des Finances, Government of Québec

## CONSTITUTION AND NATURE OF OPERATIONS

### INDIVIDUAL FUNDS (continued)

- Fund 317:** Retirement Plans Sinking Fund – PPMP (RPSF-PPMP), administered by the ministère des Finances, Government of Québec
- Fund 318:** Retirement Plans Sinking Fund – Others (RPSF-Others), administered by the ministère des Finances, Government of Québec
- Fund 319:** Régimes de retraite de la Société des casinos du Québec, administered by the Société des casinos du Québec Inc.
- Fund 321:** Fiducie globale de la Ville de Longueuil, administered by the Comité de placement
- Fund 322:** Régime de retraite HEC, administered by HEC Montréal
- Fund 323:** Régime des policiers de la Ville de Longueuil, administered by the Comité de retraite
- Fund 324:** Fonds commun des cols bleus et pompiers de la Ville de Longueuil, administered by the Comité de retraite
- Fund 326:** Crop Insurance Fund, administered by La Financière agricole du Québec
- Fund 328:** Survivor's Pension Plan, administered by the Secrétariat du Conseil du trésor
- Fund 329:** Fonds d'assurance-garantie, administered by la Régie des marchés agricoles et alimentaires du Québec
- Fund 330:** Fonds de la santé et de la sécurité du travail, administered by the Commission des normes, de l'équité, de la santé et de la sécurité du travail
- Fund 331:** Régime de retraite des employés du Réseau de transport de la Capitale, administered by the Comité de retraite
- Fund 332:** Fonds des cautionnements des agents de voyages – cautionnements individuels, administered by the Office de la protection du consommateur
- Fund 333:** Compensation Fund for Customers of Travel Agents, administered by the Office de la protection du consommateur
- Fund 334:** Régime complémentaire de rentes des techniciens ambulanciers/paramédics et des services préhospitaliers d'urgence – Volet à coût partagé, administered by the Comité de retraite
- Fund 335:** Régime complémentaire de rentes des techniciens ambulanciers/paramédics et des services préhospitaliers d'urgence – Fonds 2025, administered by the Comité de retraite
- Fund 336:** Régime complémentaire de rentes des techniciens ambulanciers/paramédics et des services préhospitaliers d'urgence – Fonds 2030, administered by the Comité de retraite
- Fund 337:** Régime complémentaire de rentes des techniciens ambulanciers/paramédics et des services préhospitaliers d'urgence – Fonds 2040, administered by the Comité de retraite
- Fund 338:** Régime complémentaire de rentes des techniciens ambulanciers/paramédics et des services préhospitaliers d'urgence – Fonds 2050, administered by the Comité de retraite
- Fund 339:** Fonds d'indemnisation des services financiers, administered by the Autorité des marchés financiers
- Fund 340:** Régimes de retraite de la Ville de Terrebonne, administered by the Comité de retraite conjoint des Régimes de retraite de la Ville de Terrebonne
- Fund 342:** Régime de retraite de l'Université du Québec, administered by the Comité de retraite du Régime de retraite de l'Université du Québec
- Fund 343:** Parental Insurance Fund, administered by the Conseil de gestion de l'assurance parentale
- Fund 344:** Réserve, administered by La Financière agricole du Québec
- Fund 345:** Fiducie globale des régimes de retraite des employés de la Ville de Lévis, administered by the Comité de retraite
- Fund 347:** Régime de retraite du personnel des CPE et des garderies privées conventionnées du Québec, administered by the Investment Committee
- Fund 349:** Régime complémentaire de rentes des techniciens ambulanciers/paramédics et des services préhospitaliers d'urgence – Fund 2035, administered by the Comité de retraite
- Fund 350:** Régime de retraite pour les employés de la Ville de Saint-Jean-sur-Richelieu, administered by the Comité de retraite
- Fund 351:** Generations Fund, administered by the ministère des Finances, Government of Québec
- Fund 353:** Superannuation Plan for the Members of the Sûreté du Québec – Participants' Fund (SPMSQ-part.), administered by Retraite Québec
- Fund 354:** Superannuation Plan for the Members of the Sûreté du Québec – Employers' Fund (SPMSQ-empl.), administered by the ministère des Finances, Government of Québec

## CONSTITUTION AND NATURE OF OPERATIONS

### INDIVIDUAL FUNDS (CONTINUED)

- Fund 361:** Pension Plan of the non-teaching Staff of the Commission des écoles catholiques de Montréal, administered by the Secrétariat du Conseil du trésor
- Fund 362:** Régime de retraite pour certains employés de la Commission scolaire de la Capitale, administered by the Secrétariat du Conseil du trésor
- Fund 363:** Régime de retraite des employés de la Ville de Laval, administered by the Comité de retraite
- Fund 367:** Territorial Information Fund, administered by the ministère des Finances, Government of Québec
- Fund 368:** Strategic Partnerships Fund, administered by the Autorité des marchés financiers
- Fund 369:** Accumulated Sick Leave Fund, administered by the ministère des Finances, Government of Québec
- Fund 371:** Accumulated Sick Leave Fund – ARQ, administered by the Agence du revenu du Québec
- Fund 373:** Retirement Plan for Active Members of the Centre hospitalier Côte-des-Neiges, administered by Retraite Québec
- Fund 374:** Fiducie globale Ville de Magog, administered by the Comité de retraite mixte
- Fund 376:** Fiducie globale des régimes de retraite de la Ville de Sherbrooke, administered by the Investment Committee
- Fund 378:** Pension Plan of Peace Officers in Correctional Services – Employees' Contribution Fund, administered by Retraite Québec
- Fund 383:** Régime complémentaire de retraite des employés réguliers de la Société de transport de Sherbrooke, administered by the Comité de retraite
- Fund 384:** Régime de retraite des cadres de la Ville de Québec, administered by the Bureau de la retraite
- Fund 385:** Régime de retraite des employés manuels de la Ville de Québec, administered by the Bureau de la retraite
- Fund 386:** Régime de retraite des fonctionnaires de la Ville de Québec, administered by the Bureau de la retraite
- Fund 387:** Régime de retraite du personnel professionnel de la Ville de Québec, administered by the Bureau de la retraite
- Fund 388:** Régime de retraite des policiers et policières de la Ville de Québec, administered by the Bureau de la retraite
- Fund 389:** Régime de retraite des pompiers de la Ville de Québec, administered by the Bureau de la retraite
- Fund 392:** Fonds - Plan de garantie des bâtiments résidentiels neufs, administered by the Régie du bâtiment du Québec
- Fund 393:** Régime de retraite de la Corporation de l'École Polytechnique, administered by the Comité de retraite
- Fund 395:** Retirement Plan for the Mayors and Councillors of Municipalities, administered by Retraite Québec
- Fund 399:** Additional Québec Pension Plan, administered by Retraite Québec

### SPECIALIZED PORTFOLIOS

The specialized portfolios consist of common funds in which the individual funds may invest in the form of participation deposits. CDPQ's specialized portfolios are as follows:

- Short Term Investments (740)
- Rates (765)
- Credit (766)
- Infrastructure (782)
- Real Estate (710)
- Equity Markets (737)
- Private Equity (780)
- Asset Allocation (771)



# 02

## MATERIAL ACCOUNTING POLICIES

### STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, issued by the International Accounting Standards Board (IASB). The accounting policies described below have been applied consistently to all reporting periods presented.

### PRESENTATION AND MEASUREMENT BASIS

CDPQ measures all of its financial instruments, including investments in unconsolidated subsidiaries, joint arrangements, associates, and structured entities, at fair value through profit or loss (FVTPL). Subsidiaries that solely provide services related to financing, administrative, and management activities are consolidated in accordance with the guidance set out in IFRS 10 *Consolidated Financial Statements*.

The Consolidated Statements of Financial Position are presented based on liquidity.

### APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors approved CDPQ's consolidated financial statements and the publication thereof on February 25, 2025.

### FUNCTIONAL AND PRESENTATION CURRENCY

CDPQ's consolidated financial statements are presented in Canadian dollars, which is the functional currency.

### FOREIGN CURRENCY TRANSLATION

Translation differences on investments and investment liabilities at fair value and on other monetary assets and liabilities are presented under "Net gains on financial instruments at fair value" in the Consolidated Statements of Comprehensive Income.

### USE OF JUDGMENTS AND ESTIMATES

In preparing CDPQ's consolidated financial statements in accordance with IFRS Accounting Standards, management must make judgments, estimates and assumptions that affect the application of the material accounting policies described below and the amounts reported in the Consolidated Statements of Financial Position and the Consolidated Statements of Comprehensive Income.

## MATERIAL ACCOUNTING POLICIES

### USE OF JUDGMENTS AND ESTIMATES (continued)

#### JUDGMENT

##### Qualification as an investment entity

Judgment is required when qualifying CDPQ as an investment entity. CDPQ meets the three mandatory criteria of the IFRS 10 definition: 1) Obtain funds from one or more depositors; 2) Commit to its depositors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and 3) Measure and evaluate the performance of its investments on a fair value basis.

IFRS 10 also suggests four typical characteristics be considered in assessing whether an entity qualifies as an investment entity: 1) Have more than one investment; 2) Have more than one depositor; 3) Have investors that are not related parties; and 4) Have ownership interests in the form of equity or similar interests. CDPQ does not satisfy the third typical characteristic of an investment entity because CDPQ and the depositors are, for the most part, related. However, CDPQ nonetheless qualifies as an investment entity, as management believes that having depositors related to the investment entity does not compromise CDPQ's mission of investing for returns from capital appreciation and/or investment income for its depositors.

##### Fair value hierarchy of financial instruments

Management must use judgment in determining the significance of each input used when establishing the classification into the fair value hierarchy, as explained in Note 6.

##### Interests in entities

Management must use judgment in determining whether CDPQ has control, joint control, or significant influence over certain entities and over the holding of interests in structured entities, as described in Note 16. Judgment on the relationship between CDPQ and any entity in which it holds an interest is exercised at the time of the initial investment and must be reassessed when facts and circumstances indicate that one or more elements have changed.

CDPQ holds interests in a structured entity when voting or similar rights are not the dominant factor in deciding who controls the entity.

CDPQ controls a subsidiary, including a structured entity, only if the IFRS 10 criteria are met: 1) It has decision-making authority regarding the entity's relevant activities; 2) It has exposure or rights to variable returns from its involvement with the entity; and 3) It has the ability to use its power to affect the amount of the returns. When management determines decision-making authority, several factors are taken into account, including the existence and effect of actual and potential voting rights held by CDPQ that are exercisable, the holding of instruments that are convertible into voting shares, the existence of contractual agreements through which the relevant activities of the entity can be directed, as well as other circumstances that affect decision-making.

CDPQ has joint control over a joint arrangement, whether it is a joint venture or joint operation, when there is a contractual arrangement whereby decisions about relevant activities require the unanimous consent of the parties sharing control.

CDPQ has significant influence over an associate when it has the power to participate in the financial and operating policy decisions of the entity but does not have control or joint control over the entity. CDPQ is presumed to have significant influence when it holds 20% or more of the voting rights of an entity, unless it can be clearly demonstrated that this is not the case.

#### ESTIMATES AND ASSUMPTIONS

The main estimates and assumptions, which are disclosed in Note 6, involve the fair value measurement of investments and investment liabilities classified in Level 3 of the fair value hierarchy. Actual values may differ from the estimated values.

#### IMPACT OF ECONOMIC UNCERTAINTY ON JUDGMENT, ESTIMATES AND ASSUMPTIONS

The financial markets are a source of uncertainty, notably due to geopolitical tensions, ongoing tariff negotiations, and the volatility of stock markets and interest rates that are continuing to disrupt global economic activity.

The key estimates and assumptions as well as the analysis and management of risks take into account the uncertainties and factors known to date. The key estimates and assumptions include those related to the unobservable inputs used to measure the fair value of financial instruments that are not traded in active markets. The reported results reflect CDPQ's best estimates. CDPQ is continuing to monitor developments in the factors causing economic uncertainty and the impacts thereof. The fair value valuation techniques and unobservable inputs used are presented in Note 6e, while a sensitivity analysis is provided in Note 6f.

## MATERIAL ACCOUNTING POLICIES

### FINANCIAL INSTRUMENTS

CDPQ's financial instruments include cash, amounts receivable from transactions being settled, advances to depositors, accrued and receivable investment income, other assets, investments, amounts payable on transactions being settled, other liabilities, investment liabilities, and net assets attributable to depositors.

#### CLASSIFICATION AND MEASUREMENT

Financial instruments are categorized based on their nature and characteristics. Classification is determined upon initial recognition, which is the date on which CDPQ is subject to the contractual provisions of the instrument. CDPQ's financial assets and liabilities are managed and their performance is evaluated on a fair value basis. Consequently, all of CDPQ's financial assets are mandatorily classified at FVTPL while its financial liabilities are designated at FVTPL. Derivative financial instruments and securities sold short are mandatorily classified at FVTPL.

Commitments related to the acquisition of corporate debt and mortgage loans are classified at FVTPL when one of the following criteria is met: 1) The commitments are designated as financial liabilities at FVTPL or CDPQ has a practice of selling these loans resulting from its commitments; or 2) The commitments can be settled net in cash.

Financial instruments are initially and subsequently recognized at fair value. Changes in the fair value of financial instruments are presented under "Net gains on financial instruments at fair value" in the Consolidated Statements of Comprehensive Income. When the change in the fair value of financial liabilities designated at FVTPL is attributable to changes in CDPQ's own credit risk, it is presented separately in the Consolidated Statements of Comprehensive Income unless doing so creates or enlarges an accounting mismatch, when appropriate. Income and expenses are presented under "Net investment income" in the Consolidated Statements of Comprehensive Income.

#### FAIR VALUE MEASUREMENT

Fair value is defined as the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is determined for each financial instrument, which could be a stand-alone asset or liability (e.g., a share or bond) or a group of assets and liabilities (e.g., an ownership interest in an unconsolidated subsidiary or associate). Upon initial recognition, the best evidence of the fair value of a financial instrument is the transaction price, which is the fair value of the consideration received or given. Subsequently, the fair value of a financial instrument is classified using the fair value hierarchy described in Note 6.

CDPQ applies appropriate valuation techniques based on a financial instrument's characteristics, the availability of inputs, and the assumptions that would be used by market participants, focusing on maximizing the use of relevant observable inputs while minimizing the use of unobservable inputs. The valuation techniques are applied consistently. Fair value information is provided in Note 6.

#### Cash

Cash is the cash deposited with recognized financial institutions and bears interest at market rates.

#### Investments

Investments include cash equivalents, fixed-income securities, variable-income securities, interests in unconsolidated subsidiaries, and derivative financial instruments.

Cash equivalents include short-term investments. These securities meet the definition of cash equivalents because they are used for cash management purposes, are readily convertible into a known amount of cash, have negligible risk of fair value changes, and have initial maturities of three months or less. These financial instruments bear interest at market rates.

Fixed-income securities include short-term investments, securities purchased under reverse repurchase agreements, corporate debt and bonds which include fixed-income securities funds. Purchases and sales of fixed-income securities are recorded at the transaction date, except for purchases and sales of corporate debt, which are recorded at the settlement date.

Variable-income securities include listed equities, hedge funds, exchange-traded funds and investment funds for which purchases and sales are recorded at the transaction date, as well as unlisted equities, private equity investment, infrastructure and real estate funds for which purchases and sales are recorded at the settlement date.

Interests in unconsolidated subsidiaries represent CDPQ's investment in controlled entities that are not consolidated under IFRS 10. CDPQ's investment in these entities may be in the form of equity instruments or debt instruments.

## MATERIAL ACCOUNTING POLICIES

### FINANCIAL INSTRUMENTS (continued)

#### Investment liabilities

Investment liabilities include securities sold under repurchase agreements, securities sold short, short-term promissory notes payable, loans payable, term notes payable, and derivative financial instruments.

Securities sold short are commitments made by CDPQ to purchase securities from third parties to cover its positions. CDPQ may short-sell equities and bonds.

#### Derivative financial instruments

In managing its investments, CDPQ conducts transactions involving various derivative financial instruments for discretionary purposes or to manage the risks associated with exchange rate, interest rate, and market fluctuations. Derivative financial instruments whose fair value is favourable are presented under "Investments" in the Consolidated Statements of Financial Position, while those whose fair value is unfavourable are presented under "Investment liabilities" in the Consolidated Statements of Financial Position.

#### Transactions being settled

Transactions with counterparties for the sale or purchase of securities that have not yet been settled at the reporting date are presented respectively under "Amounts receivable from transactions being settled" and "Amounts payable on transactions being settled" in the Consolidated Statements of Financial Position.

### DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

CDPQ derecognizes financial assets when all of the contractual rights to the assets have expired or when the contractual rights to receive the cash flows from the financial assets have been transferred and when CDPQ has transferred substantially all of the risks and rewards of the financial asset such that it no longer retains control over the asset. If CDPQ considers that it retains substantially all of the risks and rewards of a transferred financial asset, that asset is not derecognized from the Consolidated Statements of Financial Position and, if appropriate, a corresponding financial liability is recorded. Financial assets that have been transferred but not derecognized are disclosed in Note 13. Financial liabilities are derecognized when the related obligation is discharged, cancelled, or expired.

#### Securities purchased under reverse repurchase agreements and sold under repurchase agreements

CDPQ enters into transactions to purchase or sell securities, either short-term investments and bonds, that it agrees to resell to or repurchase from the counterparty at a future date.

The purchased securities are not recognized in the Consolidated Statements of Financial Position because the counterparty retains the risks and rewards of the securities. The cash amounts disbursed are derecognized, and a corresponding asset is recorded in investments under "Securities purchased under reverse repurchase agreements".

The sold securities are not derecognized from the Consolidated Statements of Financial Position because CDPQ retains the risks and rewards of the securities. The cash amounts received are recognized, and a corresponding liability is recorded in investment liabilities under "Securities sold under repurchase agreements".

Revenues and expenses arising from securities purchased under reverse repurchase agreements and securities sold under repurchase agreements are presented under "Investment income" and "Investment expense", respectively, in the Consolidated Statements of Comprehensive Income.

#### Lending and borrowing of securities

CDPQ conducts securities lending and borrowing transactions involving equities and bonds. These transactions are generally guaranteed by the securities received from the counterparties or pledged by CDPQ, respectively. Loaned securities are not derecognized from, and borrowed securities are not recognized in, the Consolidated Statements of Financial Position because CDPQ or the counterparty, respectively, retains the risks and rewards of the securities. Income and expenses resulting from securities lending and borrowing transactions are presented under "Investment income" and "Investment expense", respectively, in the Consolidated Statements of Comprehensive Income.

### NET ASSETS ATTRIBUTABLE TO DEPOSITORS

Net assets attributable to depositors consist of demand deposits, term deposits, distributions payable to depositors, and participation deposits.

#### Demand deposits and term deposits

Demand deposits bear interest at a variable rate and are repayable on demand. Term deposits bear interest at a fixed or variable rate and are repayable at maturity. Demand deposits and term deposits represent CDPQ's indebtedness towards the depositors in accordance with the *Regulation respecting the terms and conditions of deposits, funds and portfolios of the Caisse de dépôt et placement du Québec* (Regulation).

#### Distributions payable to depositors

Under the Regulation, distributions payable to depositors represent the net income or net loss arising from the specialized portfolios as well as the net realized gains or losses upon cancellation of the participation units of specialized portfolios held by the individual funds that are recorded at the end of the month and are paid into the demand deposit accounts of depositors at the beginning of the following month. Distributions may also be made through the issuance of participation deposit units of individual funds.

## MATERIAL ACCOUNTING POLICIES

### FINANCIAL INSTRUMENTS (continued)

#### Participation deposits

Participation deposits are expressed in participation units for each individual fund. Each participation unit gives the holder an interest in the individual fund's net assets. The per-unit value of the net assets is determined by dividing the individual fund's net assets by the number of outstanding units. Depositors can purchase or cancel participation deposit units at that value at the beginning of each month. The difference between the proceeds of cancellation and the carrying value at issuance is recovered in the depositor's demand deposit account. In addition, holders of participation deposit units are entitled to receive distributions. Participation deposit units are financial instruments defined as depositor's equity in the Regulation and are subordinate to all other categories of financial liabilities.

### NET INCOME AND COMPREHENSIVE INCOME

#### DIVIDEND AND INTEREST INCOME AND EXPENSE

Dividend income is recognized when CDPQ obtains the right to the dividend, generally on the ex-dividend date. Distributions from funds are recognized as income on the settlement date. Dividend expense from equities sold short is recorded when the shareholders obtain the right to the dividend. Dividend income and expense are presented under "Investment income" and "Investment expense", respectively, in the Consolidated Statements of Comprehensive Income.

Interest income and expense are recognized as amounts are earned or incurred using the prescribed coupon rate method. Interest income and expense are presented under "Investment income" and "Investment expense", respectively, in the Consolidated Statements of Comprehensive Income.

#### MANAGEMENT FEES

Investment management fees are costs incurred for external management purposes. These fees, which include both base fees and fees related to financial asset performance, consist of management fees for stock markets and management fees for private markets. Management fees for stock markets are amounts paid directly to institutional fund managers to manage shares owned by CDPQ. Private market management fees deducted from the fair value of investments are the fees for investment management carried out by external managers.

The base fees and performance-related management fees paid to external managers for stock markets are presented separately under "Investment expense" and "Net gains on financial instruments at fair value", respectively, while management fees deducted from the fair value of investments are presented under "Net gains on financial instruments at fair value" in the Consolidated Statements of Comprehensive Income.

#### TRANSACTION COSTS

Transaction costs incurred by CDPQ and directly attributable to the acquisition, sale, and issuance of a financial instrument are presented under "Net gains on financial instruments at fair value" in the Consolidated Statements of Comprehensive Income. Transaction costs include commissions, rating agency fees as well as professional and legal fees related to investing and financing activities.

#### OPERATING EXPENSES

Operating expenses consist of all the expenses incurred to manage and administer CDPQ's investments and are presented separately in the Consolidated Statements of Comprehensive Income.

#### INCOME TAX

Under federal and provincial income tax legislation, CDPQ is exempt from income tax in Canada. In certain foreign jurisdictions, investment income and capital gains may be subject to tax. Withholding taxes and income tax expense are presented under "Net investment income" and "Net gains on financial instruments at fair value" in the Consolidated Statements of Comprehensive Income. Deferred tax assets and liabilities generated by investments held directly by CDPQ are recognized under "Other assets" and "Other liabilities" respectively, in the Consolidated Statements of Financial Position, whereas deferred tax assets and liabilities generated by investments held by intermediate subsidiaries are included in the fair value of the interest in unconsolidated subsidiaries.

#### NET GAINS ON FINANCIAL INSTRUMENTS AT FAIR VALUE

Gains and losses realized on investments and investment liabilities represent the difference between settlement value and value at initial recognition. Gains and losses realized on derivative financial instruments represent payments and receipts. Unrealized gains and losses on financial instruments include net changes in fair value for the year as well as the reversal of prior-year unrealized gains and losses that were realized during the year. Realized and unrealized gains and losses are presented under "Net gains on financial instruments at fair value" in the Consolidated Statements of Comprehensive Income.

## MATERIAL ACCOUNTING POLICIES

### NET INCOME AND COMPREHENSIVE INCOME (continued)

#### DISTRIBUTIONS TO DEPOSITORS

Under the Regulation, distributions to depositors consist of the annual net income or loss from the specialized portfolios as well as the net gains or losses realized on the cancellation of participation units of the specialized portfolios held by the individual funds. Distributions to depositors are recorded as finance costs and presented separately in the Consolidated Statements of Comprehensive Income.

#### SIGNIFICANT EVENT

On January 24, 2024, CDPQ announced the integration of its real estate subsidiaries, Ivanhoé Cambridge and Otéra Capital. As part of this integration, on April 26, 2024, CDPQ repurchased all of the shares held by the minority shareholders in its real estate subsidiaries. Following the closing of the transaction, the activities of Ivanhoé Cambridge and Otéra Capital were integrated into the Real Estate (710) specialized portfolio and the Credit (766) specialized portfolio, respectively. The real estate subsidiaries are now considered to be intermediate subsidiaries whose sole objective is to hold investments.

The presentation and measurement basis of these subsidiaries were not modified as a result of the integration of the real estate subsidiaries. Because CDPQ qualifies as an investment entity, only the subsidiaries that solely provide services related to financing, administrative and management activities are consolidated; as such, the real estate subsidiaries will continue to be measured at FVTPL. However, certain accompanying notes have been adjusted to align the disclosures with CDPQ's other intermediate subsidiaries, particularly notes 6, 8, 9, 14, 16 and 18.

## 03

### AMENDMENTS AND NEW IFRS ACCOUNTING STANDARDS

#### IAS 12 INCOME TAXES

In May 2023, the IASB amended IAS 12 *Income Taxes*, introducing a mandatory temporary exception from recognizing and disclosing information about deferred income tax assets and liabilities arising from Pillar Two income taxes. The amendments became effective immediately when issued.

These amendments did not have an impact on CDPQ's consolidated financial statements given that CDPQ is exempt from the scope of the Pillar Two rules. On June 20, 2024, the Global Minimum Tax Act was adopted in Canada, and it did not have an impact on the consolidated financial statements. CDPQ will continue to monitor the enactment or substantive enactment of tax laws in the jurisdiction where it operates in order to confirm its exemption.

#### UPCOMING AMENDMENTS AND NEW IFRS ACCOUNTING STANDARDS

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in the Financial Statements*, which will replace IAS 1 *Presentation of Financial Statements*. IFRS 18 establishes a defined structure for the consolidated statement of comprehensive income, requires specific disclosures about management-defined performance measures, and improves the requirements on aggregation and disaggregation in financial statements. The new standard is effective for fiscal years beginning on or after January 1, 2027 and is to be applied retrospectively. CDPQ will evaluate the impact of this new standard on the consolidated financial statements.

In May 2024, the IASB issued amendments to the classification and measurement of financial instruments by amending IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*. These amendments aim to, among other things, clarify the derecognition requirements of financial liabilities and introduce an accounting policy choice for liabilities settled through an electronic payment system. The amendments are effective for fiscal years beginning on or after January 1, 2026 and are to be applied retrospectively. CDPQ is currently assessing the impact of these amendments on the consolidated financial statements.

CDPQ does not anticipate that the other amendments and interpretations issued by the IASB, which are not yet effective, will have an impact on the consolidated financial statements.

# 04

## INVESTMENTS AND INVESTMENT LIABILITIES

### A) INVESTMENTS

The following table shows the fair values of the investments:

	December 31, 2024	December 31, 2023
<b>Investments</b>		
<b>Cash equivalents</b>		
Short-term investments	40	100
<b>Total cash equivalents</b>	<b>40</b>	<b>100</b>
<b>Fixed-income securities</b>		
Short-term investments	1,391	960
Securities purchased under reverse repurchase agreements	1,728	15,383
Corporate debt	1,950	2,559
Bonds		
Governments	107,007	69,890
Government corporations and other public administrations	5,449	6,496
Corporate sector	11,472	13,174
Fixed-income securities funds	1,087	1,247
<b>Total fixed-income securities</b>	<b>130,084</b>	<b>109,709</b>
<b>Variable-income securities</b>		
Equities		
Listed	135,546	123,003
Unlisted	19,185	20,801
<b>Total variable-income securities</b>	<b>154,731</b>	<b>143,804</b>
<b>Interests in unconsolidated subsidiaries</b>		
Investments in real estate	56,756	57,970
Investments in real estate finance	22,715	22,511
Private equity investments	68,558	60,018
Infrastructure investments	62,880	54,127
Investments in fixed-income securities	47,915	40,571
Investments in hedge funds	9,259	7,509
Stock market investments	6,615	5,347
<b>Total interests in unconsolidated subsidiaries</b>	<b>274,698</b>	<b>248,053</b>
<b>Derivative financial instruments (Note 5)</b>	<b>3,374</b>	<b>3,236</b>
<b>Total investments</b>	<b>562,927</b>	<b>504,902</b>

## INVESTMENTS AND INVESTMENT LIABILITIES

### B) INVESTMENT LIABILITIES

The following table shows the fair values of investment liabilities:

	December 31, 2024	December 31, 2023
<b>Investment liabilities</b>		
<b>Non-derivative financial liabilities</b>		
Securities sold under repurchase agreements	44,132	29,805
Securities sold short		
Equities	1,969	690
Bonds	-	416
Short-term promissory notes payable	8,761	9,151
Loans payable	503	1,635
Term notes payable	32,316	27,039
<b>Total non-derivative financial liabilities</b>	<b>87,681</b>	<b>68,736</b>
<b>Derivative financial instruments (Note 5)</b>	<b>6,234</b>	<b>1,715</b>
<b>Total investment liabilities</b>	<b>93,915</b>	<b>70,451</b>

## 05

### DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are financial contracts whose value fluctuates according to an underlying item, which require very little or no initial investment and are settled at a future date. The underlying item may be of a financial nature (interest rate, foreign currency, security, or index) or may be a commodity (precious metal). Certain derivative financial instruments are settled through clearing houses. CDPQ uses, among others, the derivative financial instruments described below.

Forward contracts are commitments for the purchase or sale of an underlying item, the quantity and price of which are determined in the contract and according to the maturity date stated therein. Forward contracts have customized terms and conditions negotiated directly between the parties on the over-the-counter market. Futures contracts have terms and conditions determined by an exchange market.

Options are contracts that can be traded on over-the-counter or exchange markets and that give the purchaser the right, but not the obligation, to buy or sell a given amount of an underlying at a strike price stipulated in advance, either at a determined future date or at any time before a specified maturity date.

Swaps are derivatives traded on over-the-counter markets whereby two parties agree to exchange a series of cash flows according to predetermined terms that include a notional amount, payment dates, and a term to maturity.

Warrants are contracts that can be traded on over-the-counter or exchange markets that enable the purchase of an underlying item, the price of which is determined in the contract, which includes a predetermined maturity date.

The notional amount is the amount to which a rate or price is applied to determine the amounts of cash flows to be exchanged periodically.



## DERIVATIVE FINANCIAL INSTRUMENTS

The following table shows the fair values and the notional amounts of the derivative financial instruments held by CDPQ:

	December 31, 2024			December 31, 2023		
	Fair value		Notional amount	Fair value		Notional amount
	Assets	Liabilities		Assets	Liabilities	
<b>Exchange markets</b>						
<b>Interest rate derivatives</b>						
Futures contracts	-	-	134,246	-	-	165,312
<b>Equity derivatives</b>						
Futures contracts	-	-	21,745	-	-	8,589
<b>Total exchange markets</b>	-	-	155,991	-	-	173,901
<b>Over-the-counter markets</b>						
<b>Interest rate derivatives</b>						
Swaps	5	34	2,156	-	30	630
Swaps settled through a clearing house	-	-	117,814	-	-	93,350
Forward contracts	19	-	3,542	-	8	785
Options	-	-	101	60	83	5,050
<b>Currency derivatives</b>						
Swaps	688	886	30,052	372	165	19,565
Forward contracts	2,180	4,758	207,896	2,300	1,185	151,637
Options	22	-	2,030	15	-	1,573
<b>Credit default derivatives</b>						
Swaps settled through a clearing house	-	-	13,741	-	-	4,292
Options	15	9	5,019	3	-	1,580
<b>Equity derivatives</b>						
Swaps	385	513	17,940	453	242	12,276
Options	46	29	7,675	20	1	9,162
Warrants	14	-	15	13	-	14
<b>Commodity derivatives</b>						
Forward contracts	-	5	201	-	1	80
<b>Total over-the-counter markets</b>	3,374	6,234	408,182	3,236	1,715	299,994
<b>Total derivative financial instruments</b>	3,374	6,234	564,173	3,236	1,715	473,895

# 06

## FAIR VALUE MEASUREMENT

### A) POLICY, DIRECTIVE, PROTOCOLS AND PROCEDURES RELATED TO FAIR VALUE MEASUREMENT

CDPQ's valuation procedures are governed by its *Investment Valuation Policy*, which is approved by the Board of Directors. This general policy is further supported by the valuation directive applicable to private equity investments and the valuation protocols that stipulate the valuation process and methodology for each type of investment held by CDPQ. The general policy and the directive also establish the governance framework for the valuation and reporting process. Application of the policy is the responsibility of the Valuation Committee, which reports to the Executive Committee, supported by a valuation team. The Valuation Committee approves compliance with the policy and the fair values on a semi-annual basis. Subsequently, the Valuation Committee recommends the fair values to the Audit Committee. For valuations of private equity investments, consisting of private equity, infrastructure, real estate and specialized financing, the directive provides for an external review, over a maximum period of three years of substantially all the fair value of these investments. External reviews include valuations by independent valuers, observations of transactions in the market, or valuations by a partner.

When fair value is determined by external valuers or third parties, the Valuation Committee, supported by the valuation team, verifies the qualifications, experience and independence of these parties. It also reviews the valuation techniques, the significant inputs used in calculating fair value, and the results and conclusions to ensure compliance with recognized valuation standards.

In addition, to ensure the reasonableness of the fair value determined, CDPQ conducts backtesting, compares the established fair value with values of comparable transactions, including the values of comparable public companies, and uses the services of external valuers.

### B) FAIR VALUE VALUATION TECHNIQUES

The following paragraphs describe the main valuation techniques used to measure CDPQ's financial instruments.

#### **SHORT-TERM INVESTMENTS, SECURITIES PURCHASED UNDER REVERSE REPURCHASE AGREEMENTS, SECURITIES SOLD UNDER REPURCHASE AGREEMENTS, LOANS PAYABLE, SHORT-TERM PROMISSORY NOTES PAYABLE, AND TERM NOTES PAYABLE**

The fair value of these financial assets and liabilities is determined using a discounted cash flow technique that primarily uses observable inputs such as interest rate curves and credit spreads that make up the discount rates.

#### **CORPORATE DEBT AND MORTGAGE LOANS**

The fair value of corporate debt and mortgage loans is determined using a discounted cash flow technique that uses observable and unobservable inputs such as interest rate curves and credit spreads. CDPQ may also use prices published by brokers in active markets for identical or similar instruments.

#### **BONDS**

The fair value of bonds is determined using prices published in active markets for identical or similar instruments. The fair value of bonds that have no published prices is determined using either a discounted cash flow technique or broker quotes. Discounted cash flow valuations use observable inputs such as the interest rate curves and credit spreads that make up the discount rates.

#### **EQUITIES**

##### **Listed**

The fair value of listed equities, including exchange-traded funds, is determined based on closing prices observed on major stock exchanges, which represent the active market.

The fair value of an ownership interest in a subsidiary or associate whose securities are listed is determined using a business valuation technique based on observable and unobservable inputs.

## FAIR VALUE MEASUREMENT

### FAIR VALUE VALUATION TECHNIQUES (continued)

#### Unlisted

The fair value of private equity investments is primarily determined using the market approach, which includes techniques based on comparable company multiples and comparable transaction multiples. CDPQ identifies comparable companies based on their industry, size, financial position and strategy and selects an appropriate multiple for each comparable company identified. This technique uses observable and unobservable inputs such as earnings before interest, taxes, depreciation and amortization (EBITDA) multiples and other multiples.

The fair value of infrastructure investment equities is primarily determined using a discounted cash flow technique and corroborated by the market approach. This technique uses observable and unobservable inputs such as discount rates that take into account the risk associated with the investment as well as future cash flows.

CDPQ also uses information about recent transactions carried out in the market for valuations of private equity and infrastructure investments.

#### FUNDS

The fair value of fixed-income securities funds, hedge funds, investment funds and private equity investment, infrastructure, and real estate funds is determined using the net assets provided by the administrator or by the general partner, unless there is an indication that the fair value differs from the net asset value provided. CDPQ ensures that the valuation techniques used by the fund's administrator or general partner to determine net asset fair values are in compliance with IFRS Accounting Standards. Furthermore, the net asset fair value is adjusted to reflect certain factors such as purchases and sales of fund units between the date of the most recent financial statements provided by the fund and the valuation date, the quoted price of the underlyings when there are listed securities, or when there are other indications requiring judgment to be made.

#### INTERESTS IN UNCONSOLIDATED SUBSIDIARIES

##### Investments in real estate finance

The fair value of interests in real estate debt subsidiaries reflects the fair value of the assets held directly by these subsidiaries, which mainly include mortgage loans, whose valuation technique is described above, and an interest in a mortgage financing subsidiary.

The fair value of the interest in a mortgage financing subsidiary is determined using the discounted cash flow technique. This technique uses unobservable inputs such as discount rates that accounts for the risk associated with the subsidiary as well as future cash flows.

##### Investments in real estate

The fair value of interests in real estate subsidiaries reflects the fair value of the assets and liabilities held directly by these subsidiaries, which mainly includes investment property and the related mortgage debt, interests held in companies, as well as listed equities, real estate funds and mortgage loans, whose valuation techniques are described above.

Substantially all of the fair value of investment property is certified annually by external chartered real estate appraisers. The appraisals, based on the highest and best use of the property, are essentially derived from two known methodologies, being the discounted cash flow and the capitalization of stabilized net earnings techniques. These techniques use observable and unobservable inputs such as lease terms and conditions, operating expenses, residual value and rates of return, discount rates, and capitalization rates. Values observed for comparable transactions are used to corroborate the fair value determined.

The fair value of mortgage debt associated with investment property is determined based on the discounted cash flow technique. This technique uses observable and unobservable inputs such as the interest rates and credit spreads that make up the discount rates.

The fair value of an interest in a company over which CDPQ has control or significant influence is determined using discounted cash flows.

##### Private equity investments, infrastructure investments, investments in fixed-income securities, investments in hedge funds, and stock markets investments

The fair value of interests in these subsidiaries reflects the fair value of the assets and liabilities held directly by these subsidiaries, which include bonds, corporate debt, listed and unlisted equities as well as funds whose valuation techniques are described above.

## FAIR VALUE MEASUREMENT

### FAIR VALUE VALUATION TECHNIQUES (continued)

#### SECURITIES SOLD SHORT

The fair value of bonds and equities that are sold short is determined using the fair value of the security that is sold short. The techniques for valuing these securities have been described above.

#### DERIVATIVE FINANCIAL INSTRUMENTS

The fair value of derivative financial instruments is determined according to the type of instrument. The fair value of derivative financial instruments traded on exchange markets and on over-the-counter markets that are settled through a clearing house is determined, respectively, using the prices on the major stock exchanges representing the active market and clearing house prices. The fair value of the other derivative financial instruments traded on over-the-counter markets is determined using recognized and commonly used valuation techniques such as the discounted cash flow technique or other financial models. These techniques require the development and use of assumptions that take into account observable inputs such as the interest rate curves and credit spreads that make up the discount rates as well as foreign exchange rate curves, prices of the underlying items, and volatility.

#### OTHER FINANCIAL INSTRUMENTS

Other financial instruments include amounts receivable from transactions being settled, advances to depositors, accrued and receivable investment income, other assets, amounts payable on transactions being settled, and other liabilities. The fair value of these other financial instruments is determined using the discounted cash flow technique, which mainly uses observable inputs such as the interest rate curves and credit spreads that make up the discount rates.

#### NET ASSETS ATTRIBUTABLE TO DEPOSITORS

##### Demand deposits

The fair value of demand deposits is determined based on their nominal value, as they are repayable at any time at the option of the issuer without penalty.

##### Term deposits and distributions payable to depositors

The fair value of term deposits and distributions payable to depositors is determined using the discounted cash flow technique. This valuation technique mainly uses observable inputs such as the interest rate curves and credit spreads that make up the discount rates.

##### Participation deposits

The fair value of depositor participation deposits stems from a valuation of all the financial assets and liabilities held by CDPQ.

### C) FAIR VALUE HIERARCHY

CDPQ's financial instruments at FVTPL are classified according to the below-described fair value hierarchy, based on the lowest level of significant input used in measuring fair value.

- Level 1:** The fair value calculation of the financial instrument is based on observable prices (unadjusted) in active markets that the entity can access at the measurement date for identical assets or liabilities.
- Level 2:** The fair value of the financial instrument is calculated using valuation techniques for which the significant inputs are observable, either directly or indirectly.
- Level 3:** The fair value of the financial instrument is calculated using valuation techniques for which the significant inputs are unobservable. This level includes financial instruments whose valuation is based on prices observed for similar financial instruments, substantially adjusted to reflect the characteristics specific to the financial instrument being measured, and available market data.

Classification into the fair value hierarchy levels is determined upon initial measurement of the financial instrument and is reviewed on each subsequent measurement date. Transfers between levels of the fair value hierarchy are measured at fair value at the beginning of each fiscal year.

The determination of the fair value hierarchy levels of financial instruments is influenced by prevailing market conditions on the valuation date as well as by the composition of the investments held by unconsolidated subsidiaries. For the latter, fair value is entirely classified in the same level of the fair value hierarchy as the most significant input. Consequently, the classifications by level can vary significantly from one year to the next.

## FAIR VALUE MEASUREMENT

### FAIR VALUE HIERARCHY (continued)

The following tables show an allocation of the fair value of financial instruments into the three levels of the fair value hierarchy:

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Amounts receivable from transactions being settled	-	4,991	-	4,991
Advances to depositors	-	628	-	628
Investment income, accrued and receivable	-	1,765	-	1,765
Other assets	-	2,048	-	2,048
Investments				
Cash equivalents	-	40	-	40
Short-term investments	-	1,391	-	1,391
Securities purchased under reverse repurchase agreements	-	1,728	-	1,728
Corporate debt	-	-	1,950	1,950
Bonds	108,209	15,713	1,093	125,015
Equities				
Listed	135,515	31	-	135,546
Unlisted	-	2,843	16,342	19,185
Interests in unconsolidated subsidiaries				
Investments in real estate	-	-	56,756	56,756
Investments in real estate finance	-	-	22,715	22,715
Private equity investments	-	43	68,515	68,558
Infrastructure investments	-	-	62,880	62,880
Investments in fixed-income securities	-	-	47,915	47,915
Investments in hedge funds	-	-	9,259	9,259
Stock market investments	-	6,574	41	6,615
Derivative financial instruments	-	3,374	-	3,374
	<b>243,724</b>	<b>41,169</b>	<b>287,466</b>	<b>572,359</b>
<b>Financial liabilities excluding net assets attributable to depositors</b>				
Amounts payable on transactions being settled	-	3,800	-	3,800
Other liabilities	-	2,472	-	2,472
Investment liabilities				
Securities sold under repurchase agreements	-	44,132	-	44,132
Securities sold short	1,969	-	-	1,969
Short-term promissory notes payable	-	8,761	-	8,761
Loans payable	-	503	-	503
Term notes payable	-	32,316	-	32,316
Derivative financial instruments	-	6,234	-	6,234
	<b>1,969</b>	<b>98,218</b>	<b>-</b>	<b>100,187</b>
<b>Net assets attributable to depositors</b>				
Demand deposits	-	2,247	-	2,247
Term deposits	-	6	-	6
Distributions payable to depositors	-	391	-	391
Participation deposits	-	470,643	-	470,643
	<b>-</b>	<b>473,287</b>	<b>-</b>	<b>473,287</b>

## FAIR VALUE MEASUREMENT

### FAIR VALUE HIERARCHY (continued)

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Amounts receivable from transactions being settled	–	1,569	–	1,569
Advances to depositors	–	1,171	–	1,171
Investment income, accrued and receivable	–	1,411	–	1,411
Other assets	–	705	–	705
Investments				
Cash equivalents	–	100	–	100
Short-term investments	–	960	–	960
Securities purchased under reverse repurchase agreements	–	15,383	–	15,383
Corporate debt	–	–	2,559	2,559
Bonds	72,871	17,245	691	90,807
Equities				
Listed	122,967	36	–	123,003
Unlisted	–	3,410	17,391	20,801
Interests in unconsolidated subsidiaries				
Investments in real estate	–	12,357	45,613	57,970
Investments in real estate finance	–	17,490	5,021	22,511
Private equity investments	–	306	59,712	60,018
Infrastructure investments	–	–	54,127	54,127
Investments in fixed-income securities	–	–	40,571	40,571
Investments in hedge funds	–	2,486	5,023	7,509
Stock market investments	–	5,317	30	5,347
Derivative financial instruments	–	3,236	–	3,236
	195,838	83,182	230,738	509,758
<b>Financial liabilities excluding net assets attributable to depositors</b>				
Amounts payable on transactions being settled	–	4,503	–	4,503
Other liabilities	–	2,248	–	2,248
Investment liabilities				
Securities sold under repurchase agreements	–	29,805	–	29,805
Securities sold short	1,106	–	–	1,106
Short-term promissory notes payable	–	9,151	–	9,151
Loans payable	–	1,635	–	1,635
Term notes payable	–	27,039	–	27,039
Derivative financial instruments	–	1,715	–	1,715
	1,106	76,096	–	77,202
<b>Net assets attributable to depositors</b>				
Demand deposits	–	1,654	–	1,654
Term deposits	–	6	–	6
Distributions payable to depositors	–	3,393	–	3,393
Participation deposits	–	429,194	–	429,194
	–	434,247	–	434,247

## FAIR VALUE MEASUREMENT

### FAIR VALUE HIERARCHY (continued)

#### TRANSFERS BETWEEN LEVELS OF THE FAIR VALUE HIERARCHY

As at December 31, 2024, to align the classification in the fair value hierarchy of the financial instruments of the real estate subsidiaries with the other intermediate subsidiaries, as described in Note 2, financial instruments with a value of \$29,847 million were transferred from Level 2 to Level 3. Given an increase in underlying investments classified in Level 3 held by unconsolidated subsidiaries, financial instruments with a value of \$2,486 million were also transferred from Level 2 to Level 3. In addition, due to changes in the availability of observable inputs given changing market conditions, financial instruments with a value of \$85 million were transferred from Level 1 to Level 2 and financial instruments with a value of \$3,065 million were transferred from Level 2 to Level 1.

As at December 31, 2023, due to changes in the availability of observable inputs given changing market conditions, financial instruments with a value of \$603 million were transferred from Level 1 to Level 2 and financial instruments with a value of \$5,771 million were transferred from Level 2 to Level 1. In addition, given an increase in underlying investments classified in Level 2 held by unconsolidated subsidiaries, financial instruments with a value of \$1,427 million were transferred from Level 3 to Level 2.

#### D) LEVEL 3: RECONCILIATION BETWEEN OPENING AND CLOSING BALANCES

For financial instruments classified in Level 3 of the fair value hierarchy, reconciliations between the opening and closing balances as at December 31, 2024 and 2023 are as follows:

								2024	
	Opening balance	Gains (losses) recognized in compre- hensive income <sup>1</sup>	Purchases	Sales	Settlements	Transfers	Closing balance	Unrealized gains (losses) on financial instruments held at year-end <sup>1</sup>	
Corporate debt	2,559	(28)	92	(624)	(49)	-	1,950	(7)	
Bonds	691	151	295	(42)	(2)	-	1,093	96	
Equities	17,391	1,674	154	(2,877)	-	-	16,342	1,195	
Interests in unconsolidated subsidiaries <sup>2</sup>	210,097	20,685	49,944	(44,674)	(304)	32,333	268,081	17,332	

								2023	
	Opening balance	Gains (losses) recognized in compre- hensive income <sup>1</sup>	Purchases	Sales	Settlements	Transfers <sup>3</sup>	Closing balance	Unrealized gains (losses) on financial instruments held at year-end <sup>1</sup>	
Corporate debt	2,066	12	100	(237)	(92)	710	2,559	(11)	
Bonds	747	(42)	80	(92)	(2)	-	691	(9)	
Equities	18,320	1,615	219	(2,763)	-	-	17,391	1,457	
Interests in unconsolidated subsidiaries	201,333	5,089	13,556	(7,744)	-	(2,137)	210,097	5,184	

1. Presented under "Net gains on financial instruments at fair value" in the Consolidated Statements of Comprehensive Income.

2. As at December 31, 2024, purchases and sales included amounts of \$30,509 million and \$27,832 million, respectively, related to capital and reorganization transactions following the integration of the real estate subsidiaries, as described in Note 2.

3. As at December 31, 2023, financial instruments with a value of \$710 million were transferred from the "Interests in unconsolidated subsidiaries" category to the "Corporate debt" category.

## FAIR VALUE MEASUREMENT

### **E) LEVEL 3: FAIR VALUE MEASUREMENT BASED ON REASONABLY POSSIBLE ASSUMPTIONS**

In certain cases, the assumptions used in the valuation techniques are based on unobservable inputs or observable inputs adjusted significantly to reflect the characteristics specific to the financial instrument being measured. While CDPQ considers its fair value measurements to be appropriate, the use of reasonably possible assumptions could result in different fair values. For a given measurement date, it is possible that other market participants could measure a same financial instrument at a different fair value, with the valuation techniques and inputs used by these market participants still meeting the definition of fair value. The fact that different fair value measurements exist reflects the judgment, estimates and assumptions applied as well as the uncertainty involved in determining the fair value of these financial instruments.



## FAIR VALUE MEASUREMENT

### LEVEL 3: FAIR VALUE MEASUREMENT BASED ON REASONABLY POSSIBLE ASSUMPTIONS (continued)

The following tables show quantitative information on the primary valuation techniques and unobservable inputs for the main financial instruments classified in Level 3 of the fair value hierarchy that are subject to the sensitivity analysis in Note 6f as well as those that are excluded from the analysis:

				December 31, 2024
	Fair value	Valuation techniques	Unobservable inputs	Range (weighted average)
<b>Included in the sensitivity analysis</b>				
Fixed-income securities	2,049	Discounted cash flows	Credit spreads	0.8% to 6.2% (4.1%)
			Discount rate	7.3% to 10.8% (9.9%)
<b>Equities</b>				
Private equity investments	8,469	Comparable company multiples	EBITDA multiples	9.0 to 19.1 (13.8)
Infrastructure investments	4,525	Discounted cash flows	Discount rate	7.9% to 17.0% (11.4%)
<b>Interests in unconsolidated subsidiaries</b>				
Investments in real estate	39,947	<i>Investment property</i>		
		Discounted cash flows	Discount rate	2.9% to 14.3% (7.7%)
		Capitalization of stabilized net earnings	Capitalization rate	3.2% to 14.3% (5.9%)
		<i>Mortgage debt</i>		
		Discounted cash flows	Credit spreads	0.0% to 10.5% (1.7%)
		<i>Mortgage loans</i>		
		Discounted cash flows	Credit spreads	1.4% to 9.8% (4.7%)
		<i>Companies</i>		
		Discounted cash flows	Discount rate	5.2% (n.a.)
Investments in real estate finance	22,117	Discounted cash flows	Discount rate	13.5% (n.a.)
			Credit spreads	3.8% to 15.0% (6.5%)
Private equity investments	38,664	Comparable company multiples	EBITDA multiples and other multiples	6.5 to 20.2 (12.6)
Infrastructure investments	51,300	Discounted cash flows	Discount rate	6.5% to 17.0% (9.5%)
Investments in fixed-income securities	30,046	Discounted cash flows	Discount rate	7.3% (n.a.)
			Credit spreads	0.2% to 18.8% (4.6%)
	197,117			
<b>Excluded from the sensitivity analysis</b>				
Financial instruments <sup>1</sup>	90,349	Recent transactions <sup>2</sup>	n.a.	n.a.
		Broker quotes <sup>3</sup>	n.a.	n.a.
		Net assets <sup>3</sup>	n.a.	n.a.
<b>Financial instruments classified in Level 3</b>	<b>287,466</b>			

n.a. not applicable

1. The fair value of financial instruments presented in this item includes corporate debt, bonds, equities, and interests in unconsolidated subsidiaries.

2. When fair value is determined based on recent transaction information, this value is the most representative indication of fair value. Consequently, CDPQ did not conduct a sensitivity analysis.

3. When fair value is determined using broker quotes or net asset value, this value is the only reasonable indication of fair value. Consequently, CDPQ is unable to conduct a sensitivity analysis.

## FAIR VALUE MEASUREMENT

### LEVEL 3: FAIR VALUE MEASUREMENT BASED ON REASONABLY POSSIBLE ASSUMPTIONS (continued)

				December 31, 2023
	Fair value	Valuation techniques	Unobservable inputs	Range (weighted average)
<b>Included in the sensitivity analysis</b>				
Fixed-income securities	2,666	Discounted cash flows	Credit spreads	0.7% to 6.7% (4.3%)
			Discount rate	6.0% to 10.8% (8.8%)
<b>Equities</b>				
Private equity investments	6,506	Comparable company multiples	EBITDA multiples	9.5 to 18.5 (13.5)
Infrastructure investments	7,235	Discounted cash flows	Discount rate	7.9% to 14.5% (10.7%)
<b>Interests in unconsolidated subsidiaries</b>				
Investments in real estate	45,613	<i>Investment property</i>		
		Discounted cash flows	Discount rate	2.9% to 13.8% (7.5%)
		Capitalization of stabilized net earnings	Capitalization rate	3.3% to 13.8% (5.8%)
		<i>Mortgage debt</i>		
		Discounted cash flows	Credit spreads	0.0% to 9.5% (2.5%)
		<i>Mortgage loans</i>		
		Discounted cash flows	Credit spreads	1.0% to 10.0% (4.7%)
		<i>Real estate funds and companies</i>		
		Net assets	Discounts to net asset value	0.0% to 21.6% (3.9%)
Investments in real estate finance	1,794	Discounted cash flows	Discount rate	13.5% (n.a.)
Private equity investments	26,091	Comparable company multiples	EBITDA multiples	6.5 to 17.5 (12.9)
Infrastructure investments	41,048	Discounted cash flows	Discount rate	6.5% to 14.8% (9.3%)
Investments in fixed-income securities	26,119	Discounted cash flows	Discount rate	7.4% (n.a.)
			Credit spreads	0.1% to 16.8% (4.8%)
	157,072			
<b>Excluded from the sensitivity analysis</b>				
Financial instruments <sup>1</sup>	73,666	Recent transactions <sup>2</sup>	n.a.	n.a.
		Broker quotes <sup>3</sup>	n.a.	n.a.
		Net assets <sup>3</sup>	n.a.	n.a.
<b>Financial instruments classified in Level 3</b>	<b>230,738</b>			

n.a. not applicable

- The fair value of financial instruments presented in this item includes corporate debt, bonds, equities, and interests in unconsolidated subsidiaries.
- When fair value is determined based on recent transaction information, this value is the most representative indication of fair value. Consequently, CDPQ did not conduct a sensitivity analysis.
- When fair value is determined using broker quotes or net asset value, this value is the only reasonable indication of fair value. Consequently, CDPQ is unable to conduct a sensitivity analysis.

## FAIR VALUE MEASUREMENT

### F) SENSITIVITY ANALYSIS OF FAIR VALUE

The following analysis shows the sensitivity of fair value measurements to reasonably possible assumptions for the significant unobservable inputs shown in the preceding tables in Note 6e. CDPQ identified reasonably possible assumptions using its judgment and knowledge of the markets. The following table shows the increases and decreases in fair value that would result from applying reasonably possible alternative assumptions for the main financial instruments classified in Level 3 of the fair value hierarchy that are subject to a sensitivity analysis:

	December 31, 2024		December 31, 2023	
	Increase	Decrease	Increase	Decrease
Sensitivity of fair value	10,073	(9,688)	8,913	(8,794)

There is a correlation between unobservable inputs and the determination of fair value. Therefore, an increase (decrease) in discount rates, credit spreads, and capitalization rates would result in a decrease (increase) in fair value. Furthermore, an increase (decrease) in EBITDA multiples and other multiples would result in an increase (decrease) in fair value. There is no predictable correlation between unobservable inputs.

## 07

### OFFSETTING FINANCIAL ASSETS AND LIABILITIES

A financial asset and a financial liability must be offset in the Consolidated Statements of Financial Position when CDPQ has a legally enforceable right of set-off and intends either to settle on a net basis or to realize the financial asset and settle the financial liability simultaneously with the counterparty. CDPQ has a legally enforceable right of set-off when this right is exercisable in the normal course of business and in the event of default, insolvency, or bankruptcy.

Amounts receivable from and amounts payable on transactions being settled, securities purchased under reverse repurchase agreements, securities sold under repurchase agreements, and derivative financial instruments traded on over-the-counter markets in accordance with agreements of the International Swaps and Derivatives Association (ISDA) are subject to master netting agreements that do not meet the criteria for offsetting in the Consolidated Statements of Financial Position, as they give a right of set-off that is enforceable only in the event of default, insolvency, or bankruptcy.

Securities purchased under reverse repurchase agreements and securities sold under repurchase agreements settled through a clearing house satisfy the offsetting criteria. Derivative financial instruments traded on exchange markets as well as those settled by clearing houses through brokers also satisfy offsetting criteria.

## OFFSETTING FINANCIAL ASSETS AND LIABILITIES

The following tables show information about financial assets and liabilities that are offset and not offset in the Consolidated Statements of Financial Position and that are subject to master netting agreements or similar arrangements:

	December 31, 2024					
	Gross amounts recognized	Amounts offset	Net amounts presented in the Consolidated Statements of Financial Position <sup>1</sup>	Amounts subject to master netting agreements	Collateral received / pledged <sup>2</sup>	Net amounts
<b>Financial assets</b>						
Amounts receivable from transactions being settled	4,991	–	4,991	(1,286)	–	3,705
Securities purchased under repurchase agreements <sup>3</sup>	18,827	(17,097)	1,730	(187)	(1,543)	–
Derivative financial instruments <sup>3</sup>	3,438	–	3,438	(2,333)	(255)	850
	<b>27,256</b>	<b>(17,097)</b>	<b>10,159</b>	<b>(3,806)</b>	<b>(1,798)</b>	<b>4,555</b>
<b>Financial liabilities</b>						
Amounts payable on transactions being settled	3,800	–	3,800	(1,286)	–	2,514
Securities sold under repurchase agreements <sup>3</sup>	61,313	(17,097)	44,216	(187)	(43,932)	97
Derivative financial instruments <sup>3</sup>	6,395	–	6,395	(2,333)	(3,996)	66
	<b>71,508</b>	<b>(17,097)</b>	<b>54,411</b>	<b>(3,806)</b>	<b>(47,928)</b>	<b>2,677</b>

	December 31, 2023					
	Gross amounts recognized	Amounts offset	Net amounts presented in the Consolidated Statements of Financial Position <sup>1</sup>	Amounts subject to master netting agreements	Collateral received / pledged <sup>2</sup>	Net amounts
<b>Financial assets</b>						
Amounts receivable from transactions being settled	2,959	(1,390)	1,569	(1,207)	–	362
Securities purchased under repurchase agreements <sup>3</sup>	22,984	(7,590)	15,394	(8,211)	(7,183)	–
Derivative financial instruments <sup>3</sup>	3,283	–	3,283	(1,501)	(1,607)	175
	<b>29,226</b>	<b>(8,980)</b>	<b>20,246</b>	<b>(10,919)</b>	<b>(8,790)</b>	<b>537</b>
<b>Financial liabilities</b>						
Amounts payable on transactions being settled	5,893	(1,390)	4,503	(1,207)	–	3,296
Securities sold under repurchase agreements <sup>3</sup>	37,499	(7,590)	29,909	(8,211)	(21,645)	53
Derivative financial instruments <sup>3</sup>	1,825	–	1,825	(1,501)	(186)	138
	<b>45,217</b>	<b>(8,980)</b>	<b>36,237</b>	<b>(10,919)</b>	<b>(21,831)</b>	<b>3,487</b>

1. Net amounts presented in the Consolidated Statements of Financial Position or in Notes 4a and 4b.

2. The financial collateral received or pledged cannot include a net amount per counterparty less than zero. The total amounts of financial collateral received or pledged are disclosed in Notes 13 and 14.

3. The amounts presented in this item include amounts receivable and payable presented, respectively, under "Investment income, accrued and receivable" and "Other liabilities".

## 08

## INVESTMENT RESULT BEFORE DISTRIBUTIONS TO DEPOSITORS

The following table shows the net investment income, net gains (losses) on financial instruments at FVTPL as well as operating expenses:

	2024			2023		
	Net investment income	Net gains (losses)	Total	Net investment income	Net gains (losses)	Total
<b>Cash management activities</b>	<b>9</b>	<b>4</b>	<b>13</b>	25	4	29
<b>Investing activities</b>						
Short-term investments	2	27	29	3	(14)	(11)
Securities purchased under reverse repurchase agreements	1,081	8	1,089	1,102	2	1,104
Corporate debt	195	(28)	167	219	12	231
Bonds	4,574	2,105	6,679	3,229	2,398	5,627
Equities	3,717	30,700	34,417	3,124	13,330	16,454
Interests in unconsolidated subsidiaries <sup>1,2</sup>	2,332	21,659	23,991	2,459	6,466	8,925
Net derivative financial instruments	-	(14,942)	(14,942)	-	(711)	(711)
Other	212	(105)	107	117	193	310
	<b>12,122</b>	<b>39,428</b>	<b>51,550</b>	10,278	21,680	31,958
<b>Investment liability activities</b>						
Securities sold under repurchase agreements	(2,674)	(2,268)	(4,942)	(1,594)	297	(1,297)
Securities sold short	(170)	(998)	(1,168)	(174)	(120)	(294)
<b>Financing activities</b>						
Short-term promissory notes payable	(87)	(1,312)	(1,399)	(192)	(212)	(404)
Loans payable	(17)	(56)	(73)	(13)	8	(5)
Term notes payable	(997)	(2,031)	(3,028)	(687)	(147)	(834)
<b>Other</b>						
Management fees – stock markets	(71)	(22)	(93)	(88)	(26)	(114)
Transaction costs <sup>1</sup>	-	(222)	(222)	-	(226)	(226)
	<b>(4,016)</b>	<b>(6,909)</b>	<b>(10,925)</b>	(2,748)	(426)	(3,174)
Operating expenses <sup>2</sup> (Note 9)			<b>(979)</b>			(799)
<b>Investment result before distributions to depositors</b>			<b>39,646</b>			27,985

1. Transaction costs incurred by the real estate subsidiaries of \$113 million (\$103 million in 2023) are deducted from the investment result of the interests in unconsolidated subsidiaries.

2. Since April 26, 2024, the employees of the real estate subsidiaries have been integrated into CDPQ, as described in Note 2. Consequently, as of that date, CDPQ's operating expenses include the expenses of the real estate subsidiaries, which had previously been deducted from the investment result of the interests in unconsolidated subsidiaries. From January 1, 2024 to April 25, 2024, an amount of \$117 million in operating expenses (including \$14 million related to restructuring and integration expenses) is included in the investment result of the interests in unconsolidated subsidiaries.

External auditor fees for audit services, audit-related services, and tax services include, since 2024, the fees related to real estate subsidiaries. As at December 31, 2024, these fees amounted to \$10 million (\$5 million as at December 31, 2023).

# 09

## OPERATING EXPENSES

The following table shows the operating expenses:

	2024	2023
Salaries and employee benefits	609	509
Information technology and professional services	166	150
Maintenance, equipment and amortization	37	26
Data services and subscriptions	42	38
Rent	32	19
Safekeeping of securities	22	20
Other expenses	35	37
	<b>943</b>	799
Restructuring and integration expenses <sup>1</sup>	36	–
	<b>979</b>	799

1. CDPQ incurred restructuring and integration expenses, consisting mainly of termination benefits, IT-related costs, and professional services costs as a result of the integration of the real estate subsidiaries, as described in Note 2.

Following the integration of the real estate subsidiaries, total operating expenses amounted to \$1,096 million, including \$979 million incurred by CDPQ and \$117 million incurred by the real estate subsidiaries, as described in Note 8.

# 10

## SEGMENT INFORMATION

CDPQ enables its depositors to allocate their funds to specialized portfolios that hold securities of the same type. These portfolios represent operating segments that have been grouped into three separate segments according to management approach, economic characteristics, and performance targets:

- **Fixed Income:** This segment's objective is to reduce the overall risk level of CDPQ's portfolio and match its depositors' assets and liabilities while providing a significant source of liquidity. This segment consists of the Rates, Credit, and Short Term Investments specialized portfolios.
- **Real Assets:** This segment's objective is to expose CDPQ to markets for which investment income is indexed to inflation and to partially hedge the inflation risk associated with the liabilities of several depositors. This segment consists of the Real Estate and Infrastructure specialized portfolios.
- **Equities:** This segment's objective is to increase the depositors' long-term target returns. This segment consists of the Equity Markets and Private Equity specialized portfolios.

In addition, customization activities provide each depositor the possibility to adjust the composition of their portfolio, the strategic risk level, and the interest rate exposure according to their needs.

The following table shows the allocation of net assets attributable to depositors according to each of CDPQ's segments:

	December 31, 2024	December 31, 2023
Fixed Income	154,343	135,021
Real Assets	105,902	105,422
Equities	219,387	194,160
Other <sup>1</sup>	(6,345)	(356)
<b>Net assets attributable to depositors</b>	<b>473,287</b>	434,247

1. «Other» includes the Asset Allocation specialized portfolio, cash activities, and customized overlay operations, notably proceeds from the customized rate exposure product and proceeds from the leverage product.

## SEGMENT INFORMATION

The following table shows the allocation of the investment result before distributions to depositors for each of CDPQ's segments:

	2024	2023
Fixed Income	1,768	9,685
Real Assets	456	2,029
Equities	40,367	17,513
Other <sup>1</sup>	(2,945)	(1,242)
<b>Investment result before distributions to depositors</b>	<b>39,646</b>	<b>27,985</b>

1. «Other» includes the Asset Allocation specialized portfolio, cash activities, and customized overlay operations, notably proceeds from the customized rate exposure product and proceeds from the leverage product.

# 11

## RISK IDENTIFICATION AND MANAGEMENT

### RISK MANAGEMENT POLICIES, DIRECTIVES AND PROCEDURES RELATED TO INVESTMENT ACTIVITIES

CDPQ is responsible for managing deposits in accordance with service agreements and depositor investment policies, the investment policies for specialized portfolios, and the integrated risk management policy. To do so, it has implemented various policies, directives, and procedures to oversee the management of the risks relating to its operations.

The integrated risk management policy is adopted by CDPQ's Board of Directors. The purpose of this policy is to promote a rigorous risk management culture and practices that help CDPQ carry out its mission on behalf of its depositors. The integrated risk management policy defines market risk, concentration risk, credit risk, counterparty risk associated with derivative financial instruments, and financing-liquidity risk.

Specifically, this policy aims to:

- Establish the guiding principles that support CDPQ's integrated risk management framework and promote a sound risk management culture at all levels of the organization
- Set out the risk management model and governance structure
- Define the roles and responsibilities of stakeholders
- Establish oversight of the main risks to which CDPQ is exposed

CDPQ's governance and risk management are based on the following twelve guiding principles:

- A risk tolerance framework
- The roles of the Board of Directors and senior executives
- A client-centric approach that focuses on the needs of depositors
- A long-term investment strategy
- Liquidity and financing management
- In-depth knowledge of assets and markets
- Independent functions and stakeholder accountability
- Collaboration for comprehensive risk management
- Operational excellence
- Use of derivative financial instruments and counterparty risk management
- Oversight of new investment activities and new financial instruments
- A responsible investment framework

## RISK IDENTIFICATION AND MANAGEMENT

### RISK MANAGEMENT POLICIES, DIRECTIVES AND PROCEDURES RELATED TO INVESTMENT ACTIVITIES (continued)

The levels of control and parties responsible for risk management governance are as follows:

1. Investment groups have the primary responsibility for managing the risks related to their operations.
2. Independent teams and internal committees are responsible for supporting investment group employees and setting appropriate control mechanisms.
3. The Board of Directors and its committees ensure a management framework is adopted, and the Internal Audit group ensures execution and compliance with the established risk management framework.

The integrated risk management policy sets out risk limits and authorization levels for CDPQ as a whole, as well as limits applicable to cross-functional activities. In addition, CDPQ develops and periodically reviews the specialized portfolio investment policies that are designed to oversee the work of the specialized portfolio managers. A separate investment policy sets out investment strategy, management style, eligible investments, target returns, benchmark index, and concentration and risk limits.

Furthermore, each investment group must adopt an investment strategy. Global strategic planning (GSP) seeks to strengthen the decision-making process by achieving a better matching of return to risk when choosing investments. GSP sets future directions, strengthens the collaboration and information-sharing processes required to make strategic investment decisions, and ensures a better alignment between the directions and strategies. The GSP process is conducted continuously and includes the following steps: 1) Diagnostic and strategic directions; 2) Strategic plans; 3) Review and approval; and 4) Execution and accountability. Investment plans are communicated to the Executive Committee and presented to the Investment-Risk Committee (IRC) or the Strategy and Execution Committee, as well as to the Board of Directors for approval.

CDPQ is exposed to various financial risks. Detailed information about these risks is disclosed in the following sections.

### MARKET RISK

Market risk is the risk of financial loss arising from fluctuations in the fair value of financial instruments. Volatility in financial instrument prices stems from changes in market risk factors, in particular interest rates, credit spreads, exchange rates, share prices, and commodity prices.

CDPQ manages market risk according to an integrated approach for all specialized portfolios. The main factors contributing to risk, such as industry sector, geographic region, and issuer, are taken into account. CDPQ's market risk is managed and calculated according to factors that can influence the fair value of investments and investment liabilities.

CDPQ measures its market risk using Value-at-Risk (VaR), which is based on a statistical estimate of the volatility of the fair value of each position and of correlations between market risk factors. VaR is a statistical estimate of the potential financial loss that could be incurred by CDPQ's actual portfolio, based on a predetermined confidence level and a given exposure period. The market VaR is estimated with a 95% confidence level over an exposure period of one year. Moreover, due to the methodology, the effects on the portfolio of the unfavourable events seen over a one-month horizon are repeated several times during the year. To summarize, VaR indicates the level of loss that the actual portfolio of CDPQ could exceed in 5% of cases over the forthcoming year. CDPQ estimates VaR for each instrument held in its specialized portfolios and aggregates the information for CDPQ's actual portfolio.

The historical-simulation method is used to measure VaR. This method is based mainly on the assumption that the future will be similar to the past. It requires that historical data series on all the risk factors needed to estimate the returns on financial instruments be available. In the absence of historical data, alternative methods are used.

The calculation results obtained by applying this methodology do not make it possible to estimate the amount of loss, based on a specific event, that would be incurred by CDPQ's portfolio if this event re-occurred. For example, if future conditions and market risk factors were substantially different from past economic conditions, actual losses could differ substantially from estimated losses. Moreover, these estimates at a given date do not take into account all possible losses resulting from exceptional market events or losses that could arise over and above the 95% confidence level. Consequently, in light of these limitations, CDPQ's actual portfolio losses could exceed the estimates.

A risk factor observation history over a period from 2006 to the reporting date is being used to assess the volatility of returns and the correlation between the performance of financial instruments.



## RISK IDENTIFICATION AND MANAGEMENT

### MARKET RISK (continued)

Two risk measures are calculated and analyzed:

- The absolute risk of the actual portfolio represents the total risk associated with the categories of financial instruments that make up CDPQ's actual portfolio.
- The absolute risk of the benchmark portfolio targeted by depositors represents the total risk of the benchmark indexes associated with the categories of financial instruments that make up CDPQ's benchmark portfolio.

The absolute risks of CDPQ's actual and benchmark portfolios are measured regularly and used to calculate the absolute risk ratio, which is subject to certain limitations. The absolute risk ratio is obtained by dividing the absolute risk of the actual portfolio by the absolute risk of the benchmark portfolio.

The absolute risk of CDPQ's actual and benchmark portfolio, including the risk associated with the underlying investments of unconsolidated subsidiaries, as a percentage of net assets, according to a 95% confidence level and a history of observation over a period from 2006 to the reporting date, as well as the absolute risk ratio, are as follows:

	December 31, 2024			December 31, 2023		
	Absolute risk of the actual portfolio %	Absolute risk of benchmark portfolio %	Absolute risk ratio	Absolute risk of the actual portfolio %	Absolute risk of benchmark portfolio %	Absolute risk ratio
Value-at-risk	17.1	15.9	1.08	17.1	16.2	1.05

Moreover, when managing market risk, CDPQ uses stress tests that allow it to evaluate the consequences of specific circumstances on the returns of CDPQ's actual portfolio based on historical, hypothetical or risk factor sensitivity scenarios. Using various types of scenarios, stress tests measure the gains or losses in value of a financial instrument following a change in one or more often-related risk factors, such as share prices, interest rates, rate spreads, exchange rates, commodity prices, and market volatility. The hypothetical scenarios are also continuously enriched to integrate new issues.

### CURRENCY RISK

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. This risk is integrated into the VaR measurement.

CDPQ's currency management strategy is designed to optimize the overall portfolio as well as each of the specialized portfolios by seeking the optimal net exposure to currencies and considering the expected return, risk, and diversification of each long-term currency. Complementing this approach is a fundamental tracking of the macroeconomic dynamics and the factors influencing the currency returns.

The main exposures to currencies of developed countries are subject to strategic and dynamic hedging. Strategic hedging decisions are put in place to optimize the net exposure of the long-term currencies according to the levels of hedging by specialized portfolio and by currency. Dynamic management is used to optimize certain specialized portfolios when the Canadian dollar appears to be significantly undervalued or overvalued compared to its equilibrium value versus that of developed countries according to the valuation models. Dynamic hedging should therefore be less frequent for a given currency, but the duration of the hedge, being unforeseeable, may vary widely and last for a few weeks to several years. The last part of the approach involves active management decisions, i.e., discretionary hedges that can be implemented during particular market situations.

To manage currency risk, CDPQ therefore uses currency derivatives.

## RISK IDENTIFICATION AND MANAGEMENT

### MARKET RISK (continued)

#### CURRENCY RISK (continued)

The net exposure to foreign currencies takes into account the effects of currency derivatives and the underlying investments in currencies of unconsolidated subsidiaries. CDPQ's net exposures to foreign currencies, as a percentage of net assets, including purchases and cancellations of participation units of the specialized portfolios completed at the beginning of each month, are as follows:

	December 31, 2024 %	December 31, 2023 %
Canadian dollar	57	52
U.S. dollar	22	23
Euro	6	7
Australian dollar	1	1
Hong Kong dollar	1	1
Taiwan dollar	1	–
Pound sterling	3	4
Mexican peso	1	1
Brazilian real	2	2
Indian rupee	2	2
Yen	1	2
Chinese yuan	1	1
Other	2	4
	<b>100</b>	<b>100</b>

#### INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This risk is integrated into the VaR measurement.

##### *Interbank offered rates reform*

CDPQ has set up an organization-wide multidisciplinary committee to identify and manage the changes and risks arising from the replacement of interbank offered rates (IBOR) with alternative benchmark rates. The reform notably includes risks related to the review of contractual clauses and the updating of processes and systems.

As at December 31, 2024, CDPQ completed the transition of all its Canadian Dollar Offered Rate (CDOR) referenced contracts. As at December 31, 2023, CDPQ held non-derivative financial instruments with a fair value of \$794 million, referencing CDOR.

#### PRICE RISK

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than changes arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors that affect all similar financial instruments traded on the market. This risk is integrated into the VaR measurement.

#### CONCENTRATION RISK

CDPQ analyzes overall concentration risk for the entire group of specialized portfolios it manages. The integrated risk management policy sets out exposure limits according to category of financial instrument and according to issuer for growth markets and for certain countries. Moreover, the investment policies of the specialized portfolios set out specific limits for each issuer, industry sector, and geographic region.

The concentration limit by issuer is 3% of CDPQ's total assets, including undisbursed commitments, except for securities issued by the Canadian or U.S. governments or by their agencies that feature an explicit guarantee by a Canadian province or territory or a ministry or agency thereof or by sovereign issuers rated AAA, which are not included in the concentration limit. Concentration by issuer is monitored daily or upon initiation of a transaction requiring approval of the IRC or the Board of Directors, as appropriate.

Concentration risk includes the impact of derivative financial instruments, but excludes interest rate derivatives and government bonds used as part of strategic duration adjustment activities.

## RISK IDENTIFICATION AND MANAGEMENT

### CONCENTRATION RISK (continued)

The following table shows the main geographic concentrations as a percentage of total net exposure, established according to the country of the issuers' principal place of business, including the underlying investments in unconsolidated subsidiaries:

	December 31, 2024 %	December 31, 2023 %
United States	38	38
Canada	30	27
Europe	15	16
Asia Pacific	10	12
Latin America	4	4
Other	3	3
	<b>100</b>	<b>100</b>

The following table shows the principal industry sector concentrations as a percentage of total net exposure, established according to the industry sector in which the issuers operate, including the underlying investments in unconsolidated subsidiaries:

	December 31, 2024 %	December 31, 2023 %
<b>Industry sector</b>		
Real estate	14	15
Industrials	15	15
Financials	11	10
Information technology	9	10
Consumer discretionary	5	4
Utilities	6	6
Health care	4	5
Consumer staples	3	3
Real estate finance	4	4
Communication services	5	5
Energy	2	2
Materials	1	1
Other	4	3
<b>Government sector</b>		
Government of the United States	4	6
Government of Canada	7	5
Government of Québec	2	2
Government corporations and other public administrations in Québec	1	1
Other	3	3
	<b>100</b>	<b>100</b>

## RISK IDENTIFICATION AND MANAGEMENT

### CREDIT RISK

Credit risk is the possibility of incurring a loss in value should a borrower, endorser, or guarantor experience a deterioration in financial position, fail to meet an obligation to repay a loan, or fail to meet any other financial commitment.

Maximum credit risk exposure is measured based on the fair value of financial instruments without taking into account guarantees or other credit enhancements. For the other items, the maximum exposure to credit risk is the total amount guaranteed or committed.

The following table shows the maximum exposure to credit risk:

	December 31, 2024	December 31, 2023
Cash	1,115	1,691
Amounts receivable from transactions being settled	4,991	1,569
Advances to depositors	628	1,171
Investment income, accrued and receivable	1,765	1,411
Other assets	2,048	705
Investments		
Cash equivalents	40	100
Fixed-income securities	130,084	109,709
Interests in unconsolidated subsidiaries in the form of debt instruments	27,377	37,883
Derivative financial instruments	3,374	3,236
	171,422	157,475
<b>Other items</b>		
Commitments and financial guarantees (Note 18)	2,880	2,178
	174,302	159,653

CDPQ enters into master netting agreements (Note 7), receives guarantees (Note 14), and may also use derivative financial instruments such as credit default swaps to reduce its total credit risk exposure.

In addition, to manage credit risk, CDPQ closely monitors changes in the credit cycle of issuers and uses a credit VaR to calculate the potential financial loss related to possible changes in the credit quality of issuers of fixed-income securities.

### CONCENTRATION OF CREDIT RISK

A credit risk concentration analysis measures the fair value of all financial instruments related to a same issuer. The investment policy of the specialized portfolios sets out concentration limits according to credit rating. The credit risk analysis considers the probability of default and the recovery rate on debt securities held by CDPQ and monitors changes in the credit quality of issuers.

In 2024, CDPQ revised the methodology it uses for calculating credit risk concentration in order to better reflect its exposure. This revision excludes financial instruments used for strategic duration adjustment activities, notably interest rate derivatives and government bonds whose credit ratings are mainly AAA - AA. These activities are nevertheless included in the calculation of value-at-risk (VaR), which measures market risk. The figures as at December 31, 2023 have been recalculated to reflect the change in methodology.

## RISK IDENTIFICATION AND MANAGEMENT

### CREDIT RISK (continued)

The following table shows the credit risk concentration according to the credit ratings of issuers of fixed-income securities and derivative financial instruments that carry credit risk, as a percentage of the total exposure to credit concentration risk:

	December 31, 2024	December 31, 2023
	%	%
<b>Credit rating</b>		
AAA - AA	55	54
A	3	4
BBB	13	13
BB or lower	20	21
No credit rating	9	8
	<b>100</b>	<b>100</b>

The credit ratings of securities issued or guaranteed by governments are obtained from recognized credit rating agencies. For corporate sector securities, credit ratings are determined using an internal rating process that monitors changes in the credit cycle annually when the necessary information is available. Otherwise, CDPQ uses recognized credit rating agencies.

### COUNTERPARTY RISK RELATED TO DERIVATIVE FINANCIAL INSTRUMENTS

Certain over-the-counter financial instruments give rise to counterparty risk because they are negotiated by contract without being traded or settled through a clearing house. Counterparty risk related to derivative financial instruments is the credit risk created by current or potential exposures arising from derivative financial instrument transactions where the counterparty becomes unable to honour the terms of the contracts.

To limit its exposure to the counterparty risk arising from transactions involving over-the-counter derivative financial instruments, CDPQ carries out transactions with financial institutions in accordance with management's criteria regarding the quality of the issuer. Moreover, CDPQ enters into legal agreements based on ISDA standards under which it benefits from the compensating effects between at-risk amounts and the collateral exchanged in order to limit its net exposure to this risk.

This risk is measured by counterparty, pursuant to the applicable legal agreement, from which it is possible to calculate the net exposure created by all of the over-the-counter derivative financial instruments and collateral exchanged. Actual exposure to counterparty risk is measured on a daily basis, whereas potential exposure to counterparty risk is measured on a monthly basis.

As at December 31, 2024 and 2023, the legal agreements and the collateral received helped reduce exposure to the counterparty risk of over-the-counter derivative financial instruments. The maximum exposure to this risk was \$212 million as at December 31, 2024 (\$171 million as at December 31, 2023).

### LIQUIDITY RISK

Liquidity risk is the possibility of CDPQ not always being able to honour its financial liability commitments without having to obtain funds at abnormally high prices or having to sell assets through forced liquidation. It is also the risk of CDPQ not being able to quickly sell investments without having a significant unfavourable effect on the price of the investment in question.

Liquidity is managed across all of CDPQ's cash activities. On a daily basis, liquidity status is determined and compliance with the established rules is analyzed. Managers are responsible for evaluating the liquidity of the markets in which CDPQ obtains financing for its operations.

To ensure that sources of liquidity and potential liquidity requirements are properly aligned, CDPQ has a number of sources of liquidity in addition to its cash and cash equivalents, including receipt of investment income, the sale of bonds, sales under repurchase agreements, and liquid money market securities. In addition, CDPQ may issue short-term promissory notes and term notes as well as a committed credit facility totalling US\$4 billion to meet its contractual commitments and financial obligations. As at December 31, 2024, CDPQ has \$56 billion in liquidity in the form of government bonds and money market securities (\$60 billion as at December 31, 2023).

Furthermore, to manage liquidity risk, CDPQ conducts simulations of scenarios over different horizons and examines events that could lead to a liquidity crisis. CDPQ rigorously and frequently monitors its potential liquidity needs and proactively ensures permanent access to stable and resilient sources of liquidity.

## RISK IDENTIFICATION AND MANAGEMENT

### LIQUIDITY RISK (continued)

An analysis of undiscounted contractual cash flows of financial liabilities, shown in the table below, is a component of liquidity and financing management. However, this by-maturity allocation is not necessarily representative of the manner in which CDPQ manages its liquidity risk and financing requirements.

The following tables show the maturities of the undiscounted contractual cash flows of non-derivative financial liabilities and derivative financial instruments:

	December 31, 2024				
	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
<b>Non-derivative financial liabilities</b>					
Amounts payable on transactions being settled	-	3,800	-	-	3,800
Other liabilities	-	1,059	120	1,162	2,341
Investment liabilities					
Securities sold under repurchase agreements	-	44,424	-	-	44,424
Securities sold short	-	1,969	-	-	1,969
Short-term promissory notes payable	-	8,820	-	-	8,820
Loans payable	-	503	-	-	503
Term notes payable	-	6,787	24,476	5,905	37,168
<b>Net assets attributable to depositors</b>					
Demand and term deposits	2,247	6	-	-	2,253
Distributions payable to depositors	-	391	-	-	391
	2,247	67,759	24,596	7,067	101,669
<b>Derivative financial instruments</b>					
Derivative financial instruments with net settlement	-	3,622	19	3	3,644
Derivative financial instruments with gross settlement					
Contractual cash flows receivable	-	(217,248)	(14,700)	(6,454)	(238,402)
Contractual cash flows payable	-	220,348	15,110	6,111	241,569
	-	6,722	429	(340)	6,811
	2,247	74,481	25,025	6,727	108,480

## RISK IDENTIFICATION AND MANAGEMENT

### LIQUIDITY RISK (continued)

	December 31, 2023				
	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
<b>Non-derivative financial liabilities</b>					
Amounts payable on transactions being settled	–	4,503	–	–	4,503
Other liabilities	–	1,013	141	967	2,121
<b>Investment liabilities</b>					
Securities sold under repurchase agreements	–	30,300	–	–	30,300
Securities sold short	–	1,106	–	–	1,106
Short-term promissory notes payable	–	9,319	–	–	9,319
Loans payable	–	1,635	–	–	1,635
Term notes payable	–	3,479	22,648	5,429	31,556
<b>Net assets attributable to depositors</b>					
Demand and term deposits	1,654	6	–	–	1,660
Distributions payable to depositors	–	3,393	–	–	3,393
	1,654	54,754	22,789	6,396	85,593
<b>Derivative financial instruments</b>					
Derivative financial instruments with net settlement	–	588	20	1	609
<b>Derivative financial instruments with gross settlement</b>					
Contractual cash flows receivable	–	(154,229)	(8,369)	(6,461)	(169,059)
Contractual cash flows payable	–	152,895	8,537	6,368	167,800
	–	(746)	188	(92)	(650)
	1,654	54,008	22,977	6,304	84,943

Moreover, concerning net assets attributable to depositors, the Regulation states that CDPQ may set monthly limits for cancelling participation units, i.e., a depositor is limited to a maximum reimbursement of all their participation units in all of CDPQ's specialized portfolios of \$50 million. Any participation units that are not cancelled given the maximum amount permitted are carried forward to the first days of the subsequent months and are cancelled as soon as the limit permits. The purpose of the limits is to ensure optimal management of CDPQ's overall liquidity.

## RISK IDENTIFICATION AND MANAGEMENT

### LIQUIDITY RISK (continued)

The following tables show the main terms and conditions, and interest rates of the investment liabilities related to CDPQ's financing activities:

			December 31, 2024	
	Currency	Nominal value <sup>1</sup>	Maturity	Interest rate %
Loans payable	USD	471	Less than 1 year	5.06
	CAD	32	Less than 1 year	4.58
		<b>503</b>		
Short-term promissory notes payable	CAD	296	Less than 1 year	4.23
	USD	7,157	Less than 1 year	4.92
	USD	1,237	Less than 1 year	SOFR <sup>3</sup> + 0.33
	EUR	119	Less than 1 year	3.47
		<b>8,809</b>		
Term notes payable <sup>2</sup>	USD	1,942	May 2025	SOFR <sup>3</sup> + 0.40
	USD	288	May 2025	5.25
	USD	3,596	June 2025	0.88
	USD	2,876	February 2026	4.50
	USD	1,438	May 2026	1.00
	CAD	1,250	October 2026	1.50
	USD	2,157	February 2027	1.75
	EUR	2,978	April 2027	1.13
	CAD	1,250	June 2027	3.80
	CAD	2,000	March 2028	3.70
	USD	2,157	July 2028	4.25
	EUR	2,234	April 2029	3.00
	USD	2,157	June 2029	4.88
	CAD	1,500	September 2029	3.95
	AUD	267	May 2030	4.38
	CAD	1,500	December 2030	4.20
CAD	1,000	June 2034	3.65	
NOK	76	April 2038	3.54	
USD	1,798	November 2039	5.60	
		<b>32,464</b>		

1. The amounts shown are translated into Canadian dollars and are amounts to be repaid at maturity.

2. As at December 31, 2024, term notes included \$2,688 million in green bonds that must be allocated to a selection of investments that are compliant with the eligible project categories established under CDPQ's Green Bond Framework, which is aligned with the Green Bond Principles of the International Capital Market Association.

3. SOFR: *Secured Overnight Financing Rate*



## RISK IDENTIFICATION AND MANAGEMENT

### LIQUIDITY RISK (continued)

December 31, 2023				
	Currency	Nominal value <sup>1</sup>	Maturity	Interest rate %
Loans payable	USD	885	Less than 1 year	4.90
	CAD	750	Less than 1 year	4.75
		1,635		
Short-term promissory notes payable	CAD	754	Less than 1 year	5.12
	USD	6,400	Less than 1 year	5.68
	USD	2,123	Less than 1 year	SOFR <sup>3</sup> + 0.45
	EUR	14	Less than 1 year	3.98
		9,291		
Term notes payable <sup>2</sup>	USD	2,637	July 2024	3.15
	USD	1,780	May 2025	SOFR <sup>3</sup> + 0.40
	USD	264	May 2025	5.25
	USD	3,296	June 2025	0.88
	USD	2,637	February 2026	4.50
	USD	1,319	May 2026	1.00
	CAD	1,250	October 2026	1.50
	USD	1,978	February 2027	1.75
	EUR	2,913	April 2027	1.13
	CAD	1,250	June 2027	3.80
	CAD	2,000	March 2028	3.70
	USD	1,978	July 2028	4.25
	CAD	1,500	September 2029	3.95
	AUD	270	May 2030	4.38
	CAD	750	December 2030	4.20
NOK	78	April 2038	3.54	
USD	1,648	November 2039	5.60	
		27,548		

1. The amounts shown are translated into Canadian dollars and are amounts to be repaid at maturity.

2. As at December 31, 2023, term notes included \$2,569 million in green bonds that must be allocated to a selection of investments that are compliant with the eligible project categories established under CDPQ's Green Bond Framework, which is aligned with the Green Bond Principles of the International Capital Market Association.

3. SOFR: *Secured Overnight Financing Rate*

Short-term promissory notes are issued at fixed or variable rates, with maturities not exceeding 12 months, and are guaranteed by CDPQ's assets. In accordance with the limit prescribed in the short-term promissory notes issuance information document, the nominal value of all such outstanding notes may never exceed US\$12 billion as at December 31, 2024 and 2023 for the U.S. program, and the equivalent of CA\$4 billion as at December 31, 2024 and 2023 for short-term promissory notes issued in Canada and abroad, excluding the United States.

Term notes payable are issued at fixed or variable rates, are repayable at maturity, and are secured by CDPQ's assets.

Furthermore, during the year ended December 31, 2024, CDPQ renewed the credit facility that it arranged with a banking syndicate for a total amount of approximately CA\$5.8 billion, i.e., two US\$2 billion tranches that are renewable annually for terms of two and three years, respectively. The credit facility bears interest at a variable rate and is entirely secured, unconditionally and irrevocably, by CDPQ. As at December 31, 2024 and 2023, no amount had been drawn on this credit facility.

# 12

## CAPITAL MANAGEMENT

CDPQ defines its capital as net assets attributable to depositors. CDPQ's capital may fluctuate according to depositor demands for cancellations and issuances of participation deposit units and for deposits and withdrawals of demand and term deposits. CDPQ's capital management objective is to invest contributions and deposits in the best interests of the depositors in accordance with the Act in order to achieve an optimal return while respecting the depositor investment policies.

CDPQ is not subject to external capital requirements.

Furthermore, CDPQ's objective is to maintain its AAA credit rating to ensure access to capital markets at the best cost. Consequently, the Board of Directors has limited the amount of notes issued on capital markets, with recourse to the entirety of CDPQ's assets, to 10% of its net assets attributable to depositors, to which is added the fair value of outstanding notes (adjusted net assets).

# 13

## FINANCIAL ASSETS TRANSFERRED BUT NOT DERECOGNIZED

CDPQ enters into securities lending and borrowing transactions as well as securities repurchase agreements whereby it transfers financial assets to counterparties. The transferred securities do not meet derecognition criteria since CDPQ retains most of the risks such as credit risk, interest rate risk, currency risk, and price risk, as well as most of the related rewards such as cash flows.

The following table shows the fair values of the financial assets transferred but not derecognized from the Consolidated Statements of Financial Position as well as the fair values of the associated financial liabilities:

	December 31, 2024	December 31, 2023
<b>Financial assets transferred but not derecognized<sup>1</sup></b>		
Bonds	84,213	53,872
Equities	18,162	22,268
	<b>102,375</b>	<b>76,140</b>
<b>Associated financial liabilities</b>		
Loans payable <sup>2</sup>	503	1,635
Securities sold under repurchase agreements <sup>3</sup>	61,313	37,499
	<b>61,816</b>	<b>39,134</b>

1. As part of CDPQ's securities lending and borrowing activities, CDPQ does not recognize financial assets borrowed from third parties in the Consolidated Statements of Financial Position. Accordingly, the amount includes CDPQ's financial assets as well as those borrowed from third parties totalling \$9,398 million as at December 31, 2024 (\$5,979 million as at December 31, 2023).

2. The amount presented corresponds to cash received as collateral on securities lending transactions and derivative financial instrument transactions.

3. The net amount is disclosed in Notes 4 and 7.

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## GUARANTEES

### FINANCIAL ASSETS PLEDGED AS COLLATERAL

In the normal course of business, CDPQ may pledge financial assets as collateral during transactions. The counterparties may be authorized, by way of legal contract or market practices, to either sell or repledge certain securities as collateral. Under certain conditions, CDPQ may have to pledge additional collateral if the pledged securities lose value.

The following table shows the fair value of collateral pledged by CDPQ according to transaction type:

	December 31, 2024	December 31, 2023
Securities borrowing	<b>11,230</b>	13,408
Securities sold under repurchase agreements <sup>1</sup>	<b>62,142</b>	36,478
Exchange-traded derivative financial instruments	<b>2,779</b>	3,673
Over-the-counter derivative financial instruments	<b>8,074</b>	1,652
Investments pledged as collateral <sup>2</sup>	<b>9,013</b>	5,450
	<b>93,238</b>	60,661

1. With respect to securities sold under repurchase agreements, CDPQ may pledge financial assets borrowed from third parties as collateral. Accordingly, the amount includes CDPQ's financial assets as well as those borrowed from third parties. In addition, as at December 31, 2024, CDPQ granted a mortgage of \$1,200 million to an agent in consideration for the financial guarantee provided by the agent to the Fixed Income Clearing Corporation (FICC) to secure CDPQ's obligations under repurchase and reverse repurchase agreement activities carried out through a clearing house (\$1,200 million as at December 31, 2023).

2. The amount presented represents investments that CDPQ holds in certain companies to guarantee their external borrowings. This amount cannot exceed the fair value of these investments. As at December 31, 2024, an amount of \$2,352 million is included following the integration of the real estate subsidiaries into CDPQ, as described in Note 2.

### FINANCIAL ASSETS RECEIVED AS COLLATERAL

In the normal course of business, CDPQ may receive financial assets as collateral during transactions. If the fair value of the collateral received decreases, CDPQ may, in certain cases, request additional collateral. CDPQ is authorized to sell or repledge as collateral certain securities in the absence of default by the counterparty. As at December 31, 2024, financial assets with a value of \$1,101 million received as collateral were sold or repledged as collateral (\$793 million as at December 31, 2023).

The following table shows the fair value of collateral received by CDPQ for the following transactions:

	December 31, 2024	December 31, 2023
Securities lending	<b>28,461</b>	25,340
Securities purchased under reverse repurchase agreements	<b>18,873</b>	21,664
Over-the-counter derivative financial instruments	<b>1,486</b>	2,218
	<b>48,820</b>	49,222

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## RELATED PARTY DISCLOSURES

### RELATED PARTY TRANSACTIONS

CDPQ's primary related parties include unconsolidated subsidiaries, joint arrangements, associates, and CDPQ's key management personnel. CDPQ enters into various transactions with related parties. These transactions are concluded under the same conditions as those prevailing in the market with unrelated parties and are measured at fair value. Given the very nature of CDPQ's activities as an investment entity, it may make investments in several investment categories, including investments in unconsolidated subsidiaries, joint arrangements, and associates.

## RELATED PARTY TRANSACTIONS

### COMPENSATION OF KEY MANAGEMENT PERSONNEL

CDPQ's key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, either directly or indirectly. These persons are the members of the Board of Directors, the President and Chief Executive Officer, and key members of the Executive Committee.

The following table shows the compensation of CDPQ's key management personnel:

	2024	2023
Salaries and other short-term employee benefits	11	12
Post-employment benefits	1	1
Other long-term employee benefits	6	6
	18	19

### OTHER RELATED PARTIES

CDPQ is governed by the Act, and the Government of Québec appoints the Board of Director members, at least two-thirds of whom must be independent. The Government of Québec also approves the appointment of the President and Chief Executive Officer. Consequently, CDPQ has availed itself of the exemption set out in IAS 24 Related Party Disclosures regarding the disclosure of transactions with a related government and with any entities related to the related government. The transactions carried out with the Government of Québec and its related entities are investment activities involving bonds issued by or guaranteed by the government and are carried out under normal market conditions through external brokers. These bonds are included in the "Governments" and "Government corporations and other public administrations" bond categories of Note 4a. In addition, CDPQ discloses information on the Government sector category in the "Government of Québec" and "Government corporations and other public administrations in Québec" items of Note 11. Furthermore, as part of public infrastructure projects and a real estate project in Québec, through the subsidiaries of CDPQ, the Government of Québec and its related entities entered into agreements related to these projects. These agreements were signed in the normal course of business of the subsidiaries.

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### INTERESTS IN OTHER ENTITIES

#### SUBSIDIARIES

##### CONSOLIDATED SUBSIDIARIES

CDP Financial Inc. is a wholly owned subsidiary that issues debt securities in order to finance CDPQ's investments at an optimal financing cost.

The subsidiaries that offer services related to administrative and management activities are as follows: CDPQ U.S. Inc, CDPQ London LLP, CDPQ Paris S.A.S., CDPQ Asia Pacific Pte. Ltd, CDPQ Capital México, S.A. de C.V., CDPQ Sydney Pty Limited, CDPQ India Private Limited, CDPQ São Paulo Consultoria Empresarial Ltda, CDPQ Placements Privés Inc, CDPQ Placements Privés Québec Inc, CDPQ Infrastructures mondiales Inc, CDPQ Revenu fixe Inc. and, as of December 1, 2024, CDPQ Deutschland GmbH and CDPQ Immobilier Inc.

##### UNCONSOLIDATED SUBSIDIARIES

The subsidiaries presented in this category are entities controlled either directly or indirectly by CDPQ through subsidiaries in accordance with IFRS 10 criteria.

##### INTERMEDIATE SUBSIDIARIES

As part of certain investment activities, CDPQ may use intermediate subsidiaries, whose sole purpose is to hold CDPQ's investments. They are therefore not included in the information shown in the following tables, while the main underlying ownership interests in subsidiaries, joint arrangements, and associates are shown.

Ivanhoé Cambridge Group and Otéra Capital Inc. are now considered intermediate subsidiaries, as described in Note 2. Consequently, to align the disclosures of the interests held in other entities with the other intermediate subsidiaries, the main underlying investments in the subsidiaries, joint arrangements, and associates of the real estate subsidiaries are presented as at December 31, 2024 as well as their comparative ownership percentages as at December 31, 2023.

## INTERESTS IN OTHER ENTITIES

### SUBSIDIARIES (continued)

The following table shows the ownership interests held in the main unconsolidated subsidiaries as at December 31, 2024 as well as the comparative ownership interests as at December 31, 2023. Unless otherwise specified, the percentage of voting rights does not differ materially from the ownership interest. The principal place of business is defined as the region or country where the principal business activities such as operations and revenues take place.

		2024	2023
	Principal place of business	Ownership interest %	Ownership interest %
<b>Unconsolidated subsidiaries</b>			
<b>Real estate finance</b>			
MCAP Commercial LP	Canada	79.0	78.2
<b>Energy</b>			
Azure Power Global Ltd	India <sup>2</sup>	53.4	53.4
Mercury Taiwan Holdings Limited <sup>1</sup>	Taiwan	94.0	94.0
Southern Star Acquisition Corporation	United States	79.9	79.9
Trencap LP (Énergir)	Canada	80.9	80.9
Verene Energia SA	Brazil	100.0	100.0
<b>Hedge funds</b>			
GMAC ASO Fund Inc	Singapore <sup>4</sup>	100.0	100.0
<b>Fixed-income securities funds</b>			
FICG-GM-I Fund LP	Growth markets <sup>5</sup>	100.0	100.0
FICG-PG-I Fund LP	Growth markets <sup>5</sup>	100.0	100.0
Franklin Emerging Market Debt Opportunities Fund III	Growth markets <sup>6</sup>	100.0	100.0
Global Credit Opportunities (Canada) LP	Canada	100.0	100.0
HC Direct Lending Fund LP	United States <sup>6</sup>	100.0	100.0
Private Debt SMA (C) SLP	United Kingdom <sup>7</sup>	100.0	100.0
West Street GCPD Partners LP	United States <sup>8</sup>	100.0	100.0
<b>Real estate</b>			
Ancar Ivanhoe Shopping Centers Fundo de Investimento em Participações Multiestratégia	Brazil	87.7	87.7
GSIC Multifamily Venture II LP <sup>2</sup>	United States	47.5	47.5
RHP Partners II Splitter LP	United States	90.0	90.0
<b>Industrials</b>			
CDPQ Infra Inc	Canada	100.0	100.0
Einn Volant Aircraft Leasing Holdings Ltd	Ireland <sup>8</sup>	90.5	90.5
Maple Infrastructure Trust (formerly Indian Highway Concessions Trust)	India	75.0	75.0
Maple Aircraft Company Holdings Limited	Ireland	95.1	95.1
Rail Capital Europe Holdings (Akiem Group SAS)	France	89.5	95.2
Spinner US AcquireCo Inc (Student Transportation of America)	United States	79.9	79.9
<b>Financials</b>			
NB Credit Opportunities Co-Invest I LP	United States	100.0	100.0
<b>Utilities</b>			
Plenary Americas Holdings Ltd. (Plenary Group Canada)	Canada	100.0	100.0

1 Mercury Taiwan Holdings Limited indirectly holds 50.0% of Greater Changhua Offshore Wind Farm Se Ltd.

2 CDPQ exercises control through the agreements with the other shareholders.

3 Constituted in Mauritius.

4 Constituted in the Cayman Islands in accordance with the structure of the limited partner.

5 Constituted in the United States.

6 Constituted in Canada.

7 Constituted in Luxembourg.

8 Constituted in Bermuda.

## INTERESTS IN OTHER ENTITIES

### JOINT ARRANGEMENTS

The interests held in the main joint arrangements as at December 31, 2024, whether they are joint ventures or joint operations, as well as the comparative ownership interests as at December 31, 2023 are presented in the following table. Voting rights or other contractual clauses allow CDPQ to exercise joint control that requires unanimous shareholder agreement. The principal place of business is defined as the region or country where the principal business activities such as operations and revenues take place.

		2024	2023
	Principal place of business	Ownership interest %	Ownership interest %
<b>Energy</b>			
Apraava Energy Private Limited	India	50.0	50.0
Invenergy Renewables Holdings LLC	United States	42.0	43.8
Transportadora Associada de Gas SA	Brazil	50.0	35.0
<b>Real estate</b>			
Block 58 Holdings LP	United States	90.2	90.2
BPP CA Industrial Limited Partnership	Canada	38.4	38.4
BPP STPCV Lower REIT Inc	United States	48.4	48.4
Camsta (No. 2) Limited Partnership	Canada	90.0	90.0
Centre commercial Vaughan Mills <sup>1</sup>	Canada	51.0	51.0
GID Urban Logistics Fund LP	United States	83.3	83.3
ICO Logistics VLP LP (IDI Logistics)	United States	50.0	50.0
Piret CA Limited Partnership	Canada	38.4	38.4
Prologis Brazil Logistics Venture Fundo de Investimento Imobiliário	Brazil	80.0	80.0
81 Bay Street (CIBC Square) <sup>1</sup>	Canada	50.0	50.0
<b>Industrials</b>			
Delachaux SA	France	43.0	43.0
DP World Australia B.V.	Australia <sup>2</sup>	45.0	45.0
DP World Canada Investment Inc	Canada	45.0	45.0
DP World Caucedo (Caucedo Investments Inc, Caucedo Services Inc)	Dominican Republic <sup>3</sup>	45.0	45.0
STP Asset Trust, STP Project Trust (WestConnex)	Australia	10.1	10.1
Stroom Group	France	48.6	48.4
<b>Financials</b>			
Constellation Insurance LP	United States	49.8	49.5
Greenstone Ltd	Australia	34.0	34.0
<b>Information technology</b>			
FNZ Group Limited	Europe <sup>4</sup>	44.0	44.9

1. Joint operation.

2. Constituted in the Netherlands.

3. Constituted in the British Virgin Islands.

4. Constituted in New Zealand.

## INTERESTS IN OTHER ENTITIES

### ASSOCIATES

The following table shows the ownership interests held in the main associates as at December 31, 2024 as well as the comparative ownership interests as at December 31, 2023. Unless otherwise specified, the percentage of voting rights does not differ materially from the ownership interest. The principal place of business is defined as the region or country where the principal business activities such as operations and revenues take place.

		2024	2023
	Principal place of business	Ownership interest %	Ownership interest %
<b>Consumer discretionary</b>			
Clarios International LP	United States <sup>6</sup>	30.0	30.0
<b>Energy</b>			
Holding Previa Inc	Canada	34.5	34.0
IPALCO Enterprises Inc	United States	30.0	30.0
London Array Ltd, London Array Unincorporated JV	United Kingdom	25.0	25.0
NSW Electricity Networks Assets Holding Trust, NSW Electricity Networks Operations Holding Trust (TransGrid)	Australia	22.5	22.5
Tenedora de Energía Renovable Sol y Viento S.A.P.I. de C.V. <sup>1</sup>	Mexico	67.1	67.1
<b>Real estate</b>			
Chongbang Holdings International Ltd	China <sup>7</sup>	29.2	29.2
Gecina SA <sup>2</sup>	France	15.1	15.1
Greystar Growth and Income Fund (892) LP	United States	42.9	42.9
Peel Logistics UK Unit Trust <sup>3</sup>	United Kingdom <sup>8</sup>	80.0	80.0
<b>Industrials</b>			
Alix Partners LLP <sup>3</sup>	United States	13.5	13.5
Allied Universal Holdco LLC	United States <sup>6</sup>	27.7	27.7
Alvest International Equity SAS <sup>4</sup>	France	39.6	39.9
Datamars SA	Switzerland	30.0	30.0
DP World Jebel Ali Terminals and Free Zone FZCO	United Arab Emirates	24.4	21.9
Eurostar Group <sup>5</sup>	Belgium	19.3	19.3
Groupe Keolis SAS	France	30.0	30.0
Organización de Proyectos de Infraestructura, S.A.P.I. de C.V. (OPI), OPCEM, S.A.P.I. de C.V. (OPCEM)	Mexico	45.5	45.5
QPH Hold Trust, QPH Hold Co PTY Limited (Port of Brisbane)	Australia	26.7	26.7
Techem GmbH	Germany	24.5	24.5
Veolia Water Technologies & Solutions	United States <sup>9</sup>	30.0	30.0
<b>Financials</b>			
Howden Group Holding Limited	United Kingdom	23.8	23.8
<b>Health care</b>			
Sanfer Farma S.A.P.I de C.V.	Mexico	23.6	23.6
Sphinx SAS (Sebia SA) <sup>3</sup>	France	39.2	39.3
<b>Communication services</b>			
ATC Europe C.V.	Germany <sup>10</sup>	25.5	25.5
Cogeco Communications USA Inc	United States	21.0	21.0
Vertical Bridge Reit LLC	United States	35.8	36.7
<b>Information technology</b>			
Plusgrade Inc	Canada	30.5	40.9

1. Voting rights amount to 40.0%.

2. CDPQ exercises significant influence through its presence on the board of directors and its status of principal shareholder.

3. Voting rights amount to 25.0%.

4. Voting rights amount to 23.5%.

5. Voting rights amount to 23.3%.

6. Constituted in Canada.

7. Constituted in the Cayman Islands.

8. Constituted in Jersey.

9. Constituted in France.

10. Constituted in the Netherlands.

## INTERESTS IN OTHER ENTITIES

### NON-CONTROLLED STRUCTURED ENTITIES

CDPQ holds interests in non-controlled structured entities, the majority of which represent investment funds or investments in the form of equities held through limited partnerships. The interests held by CDPQ do not give it power over the relevant activities of these entities, as control is established by contractual agreement that is in favour of a general partner or administrator. These entities are held as investments and do not expose CDPQ to greater risks than the interests held in the non-structured entities. Information about structured entities is provided, if applicable, in the risk management section of Note 11 and in the commitments and financial guarantees section of Note 18.

## 17

### RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The following tables show changes in liabilities arising from financing activities, including non-cash changes:

	December 31, 2023	Cash flows from financing activities	Non-cash changes		December 31, 2024
			Changes in foreign exchange	Changes in fair value	
Short-term promissory notes payable	9,151	(875)	481	4	8,761
Loans payable	1,635	(1,143)	11	-	503
Term notes payable	27,039	3,246	1,665	366	32,316
	<b>37,825</b>	<b>1,228</b>	<b>2,157</b>	<b>370</b>	<b>41,580</b>

	December 31, 2022	Cash flows from financing activities	Non-cash changes		December 31, 2023
			Changes in foreign exchange	Changes in fair value	
Short-term promissory notes payable	13,068	(3,566)	(386)	35	9,151
Loans payable	1,992	(349)	(8)	-	1,635
Term notes payable	19,749	7,143	(395)	542	27,039
	<b>34,809</b>	<b>3,228</b>	<b>(789)</b>	<b>577</b>	<b>37,825</b>



# 18

## COMMITMENTS AND FINANCIAL GUARANTEES

Given the nature of its activities, CDPQ and its intermediate subsidiaries enter into various commitments which will settle in the coming fiscal years in accordance with the terms and conditions in the related agreements. Commitments under leases were as follows: \$30 million payable in less than 1 year, \$117 million payable in 1 to 5 years, and \$681 million payable thereafter, until expiry of the leases.

For CDPQ, financial guarantees consist of providing guarantees, to financial institutions and corporations, on repayments of loans taken by companies in which it has an economic interest and on certain letters of credit of its subsidiaries. CDPQ and its intermediate subsidiaries may also provide financial guarantees or issue letters of credit.

Commitments and financial guarantees are detailed as follows:

	December 31, 2024	December 31, 2023
Investment purchase commitments <sup>1</sup>	<b>43,319</b>	22,552
Commitments under leases	<b>828</b>	510
Financial guarantees <sup>2</sup>	<b>2,880</b>	2,178
	<b>47,027</b>	25,240

1. As at December 31, 2024, an amount of \$12,875 million in investment purchase commitments was included following the integration of the real estate subsidiaries, as described in Note 2.

2. Includes an amount of \$1,233 million issued by the real estate subsidiaries, having no recourse on any of CDPQ's assets.

## LITIGATION

In the normal course of business, CDPQ and its intermediate subsidiaries may be subject to legal actions. Although CDPQ and its intermediate subsidiaries cannot predict the outcomes of any ongoing legal proceedings as at December 31, 2024, they have no reason to believe that the settlement of any one of these proceedings could have a material impact on their financial position.

## FINANCIAL CERTIFICATE OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

I, Charles Emond, President and Chief Executive Officer of CDPQ, certify that:

1. **Review:** I have reviewed the consolidated financial statements, the tables of returns, the press release announcing the annual results and the Annual Report (hereafter referred to as the "Annual Filings") of CDPQ for the year ended December 31, 2024.
2. **No false or misleading information:** To the best of my knowledge, having exercised reasonable diligence, the Annual Filings do not contain any untrue statement of a material fact or omit to state any material fact that is required to be stated or necessary to make a statement that is not misleading in light of the circumstances in which it was made, with respect to the period covered by the Annual Filings.
3. **Fair presentation:** To the best of my knowledge, having exercised reasonable diligence, the consolidated financial statements and the other financial information included in the Annual Filings present fairly, in all material respects, the financial position of CDPQ as at the closing dates of the periods presented in the Annual Filings, as well as its comprehensive income, changes in net assets attributable to depositors and cash flows for those periods.
4. **Responsibility:** I am responsible for the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR) for CDPQ.
5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, at fiscal year-end, I have:
  - a) Designed, or caused to be designed under my supervision, DC&P to provide reasonable assurance that:
    - i) Material information relating to CDPQ is made known to me by others, particularly during the period in which the Annual Filings are prepared; and that
    - ii) Information required to be disclosed by CDPQ in its Annual Filings filed or submitted by it under the legislation is recorded, processed, summarized and reported within the time periods prescribed by the legislation.
  - b) Designed, or caused to be designed under my supervision, ICFR to provide reasonable assurance that financial information is reliable and that the consolidated financial statements have been prepared, with a view to publication of financial information, in accordance with International Financial Reporting Standards (IFRS) Accounting Standards.
- 5.1. **Control framework:** The control framework that I have used to design the ICFR is that proposed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013).
- 5.2. **ICFR material weakness relating to design:** Not applicable.
- 5.3. **Limitation of scope and design:** Not applicable.
6. **Evaluation:** I have:
  - a) Evaluated, or caused to be evaluated under my supervision, the effectiveness of the DC&P of CDPQ at fiscal year-end and CDPQ disclosed in its Annual Report my conclusions based on this evaluation.
  - b) Evaluated, or caused to be evaluated under my supervision, the effectiveness of the ICFR of CDPQ at fiscal year-end and CDPQ disclosed in its Annual Report the following information:
    - i) My conclusions about the effectiveness of the ICFR at fiscal year-end based on that evaluation; and
    - ii) Description of any material weaknesses relating to current operation at fiscal year-end: Not applicable.
7. **Reporting changes to the ICFR:** CDPQ disclosed in its Annual Report any change made to the ICFR that occurred during the accounting period beginning on January 1, 2024 and ending on December 31, 2024 that has had, or is likely to have, a material impact on the ICFR.
8. **Reporting to co-auditors and the Board of Directors or Audit Committee of CDPQ:** I have disclosed, based on our most recent valuation of the ICFR, to the co-auditors and the Board of Directors of CDPQ or its Audit Committee, any fraud that involves management or other employees who have a significant role in the ICFR.



**CHARLES EMOND, FCPA**  
President and Chief Executive Officer

April 4, 2025

**FINANCIAL CERTIFICATE OF THE EXECUTIVE VICE-PRESIDENT AND CHIEF FINANCIAL AND OPERATIONS OFFICER**

I, Maarika Paul, Executive Vice-President and Chief Financial and Operations Officer of CDPQ, certify that:

1. **Review:** I have reviewed the consolidated financial statements, the tables of returns, the press release announcing the annual results and the Annual Report (hereafter referred to as the "Annual Filings") of CDPQ for the year ended December 31, 2024.
2. **No false or misleading information:** To the best of my knowledge, having exercised reasonable diligence, the Annual Filings do not contain any untrue statement of a material fact or omit to state any material fact that is required to be stated or necessary to make a statement that is not misleading in light of the circumstances in which it was made, with respect to the period covered by the Annual Filings.
3. **Fair presentation:** To the best of my knowledge, having exercised reasonable diligence, the consolidated financial statements and the other financial information included in the Annual Filings present fairly, in all material respects, the financial position of CDPQ as at the closing dates of the periods presented in the Annual Filings, as well as its comprehensive income, changes in net assets attributable to depositors and cash flows for those periods.
4. **Responsibility:** I am responsible for the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR) for CDPQ.
5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, at fiscal year-end, I have:
  - a) Designed, or caused to be designed under my supervision, DC&P to provide reasonable assurance that:
    - i) Material information relating to CDPQ is made known to me by others, particularly during the period in which the Annual Filings are prepared; and that
    - ii) Information required to be disclosed by CDPQ in its Annual Filings filed or submitted by it under the legislation is recorded, processed, summarized and reported within the time periods prescribed by the legislation.
  - b) Designed, or caused to be designed under my supervision, ICFR to provide reasonable assurance that financial information is reliable and that the consolidated financial statements have been prepared, with a view to publication of financial information, in accordance with International Financial Reporting Standards (IFRS) Accounting Standards.
- 5.1. **Control framework:** The control framework that I have used to design the ICFR is that proposed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013).
- 5.2. **ICFR material weakness relating to design:** Not applicable.
- 5.3. **Limitation of scope and design:** Not applicable.
6. **Evaluation:** I have:
  - a) Evaluated, or caused to be evaluated under my supervision, the effectiveness of the DC&P of CDPQ at fiscal year-end and CDPQ disclosed in its Annual Report my conclusions based on this evaluation.
  - b) Evaluated, or caused to be evaluated under my supervision, the effectiveness of the ICFR of CDPQ at fiscal year-end and CDPQ disclosed in its Annual Report the following information:
    - i) My conclusions about the effectiveness of the ICFR at fiscal year-end based on that evaluation; and
    - ii) Description of any material weaknesses relating to current operation at fiscal year-end: Not applicable.
7. **Reporting changes to the ICFR:** CDPQ disclosed in its Annual Report any change made to the ICFR that occurred during the accounting period beginning on January 1, 2024 and ending on December 31, 2024 that has had, or is likely to have, a material impact on the ICFR.
8. **Reporting to co-auditors and the Board of Directors or Audit Committee of CDPQ:** I have disclosed, based on our most recent valuation of the ICFR, to the co-auditors and the Board of Directors of CDPQ or its Audit Committee, any fraud that involves management or other employees who have a significant role in the ICFR.



**MAARIKA PAUL, FCPA, CBV, ICD.D**

Executive Vice-President and Chief Financial and Operations Officer

April 4, 2025

## **CONCLUSIONS ABOUT THE DESIGN AND EFFECTIVENESS OF INTERNAL CONTROL OVER FINANCIAL REPORTING**

In 2024, the Chief Financial and Operations Officer oversaw work to update existing documentation and to evaluate the design and effectiveness of internal control over financial reporting, and the Executive Committee approved the methodology for evaluating key controls. The purpose of this evaluation of internal control over the main financial processes was to ensure that CDPQ could meet its quality objectives related to financial reporting, in all material respects.

The evaluation of the design and effectiveness of internal control over financial reporting was carried out with the framework usually adopted by North American companies, namely that of the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013). This work enabled the Executive Committee to conclude that the design of control over financial reporting is adequate and effective, and that it provides reasonable assurance that the financial information presented in the Annual Filings, as defined by CDPQ's External Information Certification Directive, is reliable, and that CDPQ's consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards.

## **CONCLUSIONS ABOUT THE DESIGN AND EFFECTIVENESS OF FINANCIAL REPORTING CONTROLS AND PROCEDURES**

Under CDPQ's External Information Certification Directive, the design and effectiveness of disclosure controls and procedures pertaining to the Annual Filings, namely the consolidated financial statements, the tables of returns, the press release announcing the annual results and the Annual Report, must be evaluated.

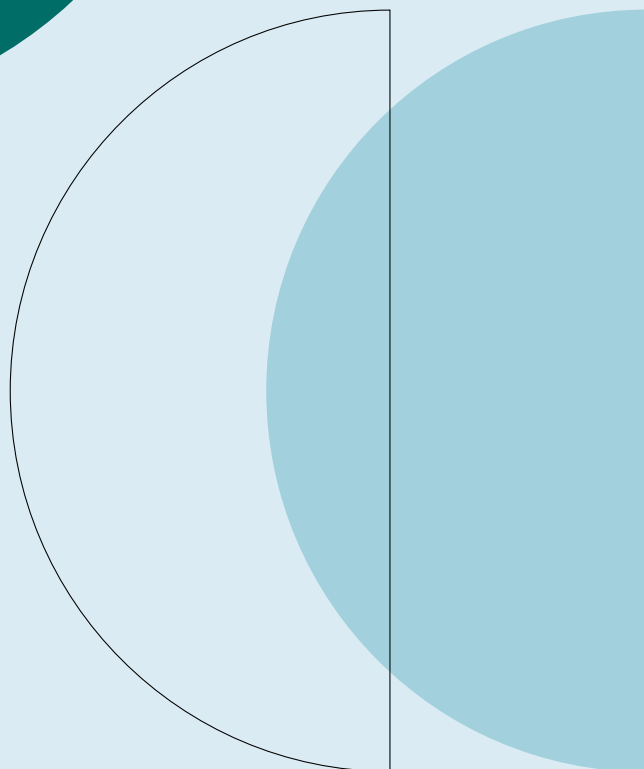
As with the evaluation of internal control over financial reporting, the Chief Financial and Operations Officer also oversaw efforts to update existing documentation and to evaluate the design and effectiveness of disclosure controls and procedures, and the Executive Committee also approved the methodology for evaluating key controls.

As at December 31, 2024, the evaluation confirmed that the disclosure controls and procedures are adequate and effective, and provide reasonable assurance that all relevant information is gathered and submitted in a timely fashion to senior management, in particular to the President and Chief Executive Officer and to the Chief Financial and Operations Officer, so as to ensure that appropriate decisions concerning disclosure can be made.

The Board of Directors also approved the 2024 Annual Filings before their public disclosure.

# Report on GIPS<sup>®</sup> compliance

PERFORMANCE SUMMARY



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# Auditor's Report on Compliance with the Global Investment Performance Standards on a firm-wide basis

To the Directors of la Caisse de dépôt et placement du Québec ("CDPQ")

We have audited CDPQ (the "Company") compliance with the composite construction requirements for the Global Investment Performance Standards ("GIPS") on a firm-wide basis for the year ended December 31, 2024, and the design of its processes and procedures to calculate and present performance results in compliance with the GIPS Standards as of December 31, 2024. Compliance with the GIPS Standards is the responsibility of the management of the Company. Our responsibility is to express an opinion based upon our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the Company complied with the criteria established by the GIPS Standards. Such an audit includes examining, on a test basis, evidence supporting compliance, evaluating the overall compliance with these criteria, and where applicable, assessing the accounting principles used and significant estimates made by management.

In our opinion, the Company has complied with the GIPS Standards for the year ended December 31, 2024, including the composite construction requirements on a firm-wide basis and the design of its processes and procedures to calculate and present performance results in compliance with the GIPS Standards as of December 31, 2024.

We have issued a separate audit report on certain individual composite presentations of the Company dated February 25, 2025 (available from CDPQ upon request), and accordingly, we express no opinion or any other form of assurance on any such performance results in this compliance report.

Deloitte LLP<sup>1</sup>



<sup>1</sup> CPA auditor, CA, public accountancy permit N° A123838  
February 25, 2025

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# General Notes

## 01

### PRESENTATION OF THE FIRM

CDPQ is a long-term institutional investor that manages funds for pension plans, as well as public and parapublic insurance plans. As one of Canada's leading institutional fund managers, CDPQ invests globally in major financial markets, private equity, infrastructure, real estate and private debt. The net assets attributable to depositors, excluding demand deposits and term deposits, totalled \$471.0 billion as at December 31, 2024. This document presents the returns related to the funds managed by CDPQ for the depositors (see Note 7).

## 02

### COMPLIANCE STATEMENT

CDPQ claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. CDPQ has been independently verified for the periods from January 1, 2015 through December 31, 2024. CDPQ claims compliance with the Global Investment Performance Standards (GIPS) and has been independently audited since January 1, 2002.

Verification assesses whether (1) CDPQ has complied with all the portfolio and composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. The portfolios and composites have been examined for the periods from January 1, 2015 to December 31, 2024.

## 03

### PERFORMANCE CALCULATIONS

Performance calculations are based on monthly calculations using the modified Dietz formula. All deposits or withdrawals take place on the first day of each month. As a result, cash flows have no effect on performance.

All management activities for which CDPQ records operating expenses are represented in the specialized portfolios. The portfolios are valued according to transaction date, and their returns are calculated monthly. The geometric linking method is then used to calculate quarterly and annual returns.

Total returns, including realized gains and losses on the sale of investments, unrealized gains and losses, and investment income and expenses, are used to calculate returns. These returns include any income generated on cash and cash equivalents. Interest income is accrued and is included in the market value used to calculate returns. Dividend income is generally accrued as of the ex-dividend date.

In accordance with the decision of the Accounting Standards Board of Canada (AcSB), CDPQ adopted International Financial Reporting Standards (IFRS) effective January 1, 2014. Under IFRS, CDPQ qualifies as an investment entity. Accordingly, all financial instruments are measured at fair value in accordance with IFRS 13, *Fair Value Measurement*.

IFRS requires a company qualifying as an investment entity to evaluate its subsidiaries at fair value as an investment rather than consolidate them. The fair value of these subsidiaries is established using an enterprise value method that reflects, among other things, the fair value of financial instruments held directly by these subsidiaries. Previously, under Canadian Generally Accepted Accounting Principles, the portfolios included consolidation of the subsidiaries' assets and liabilities.

All the portfolios adopted IFRS during the year ended December 31, 2014. Adoption of the new standards as at January 1, 2014 had no impact on the returns presented. However, the Real Estate portfolio had early adopted IFRS on January 1, 2012.

For more details on the valuation methods, policies, guidelines and procedures related to fair value measurement, refer to Note 6 to the Consolidated Financial Statements.

The fair value of fixed-income securities is determined from the closing prices of such securities published by brokers as well as those provided by recognized financial institutions, depending on their availability. When a value is not available, the fair value is determined by valuation techniques commonly used in capital markets, such as discounting of cash flows at the current interest rate.

The fair value of corporate debt is determined using a discounted cash flow technique that primarily uses observable and unobservable inputs such as the interest rate curves and credit spreads that make up the discount rates.

Valuations of unlisted shares are made according to commonly used valuation techniques that include the use of arm's length transactions. Valuations of shares and convertible securities that are not publicly traded are reviewed by CDPQ's Valuation Committee. CDPQ's Fair Value Measurement Policy provides for an external review of substantially all the fair values of these investments over a three-year period. The fair value of investment funds is determined based on the fair value of the net assets provided by the general partner or the administrator.

The fair value of shares traded on a stock exchange is determined from closing prices on the major stock exchanges, unless CDPQ does not hold a position of significant influence or control over the shares. In such a case, these shares are valued using the same methods as unlisted shares.

The enterprise value method is used to determine the fair value of subsidiaries or investments in associates whose shares are traded on a stock exchange.

The proportion of the Private Equity, Infrastructure and Real Estate portfolios held by the depositors does not fluctuate between valuation periods.

Derivative financial instruments are recorded at their fair value. The fair value of derivative financial instruments is determined according to the type of derivative financial instrument. The fair value of derivative financial instruments traded on exchange markets and settled through a clearing house is determined, respectively, using the prices on the major stock exchanges representing the active market and clearing house prices. The fair value of derivative financial instruments traded on over-the-counter markets is obtained from dealer quotes from brokers provided by recognized financial institutions or determined using recognized and commonly used valuation techniques such as the discounted cash flow technique or other financial models. These techniques require the development and use of assumptions that take into account observable and unobservable inputs such as the interest rate curves and credit spreads that make up the discount rates as well as foreign exchange rate curves, prices of the underlying, and volatility.

CDPQ may, in certain countries, benefit from a tax exemption or a reduced rate of taxation with respect to income and interest, under domestic law or a tax treaty between Canada and the foreign country in question. Portfolio returns are presented after non-resident taxes, if applicable. Except for Canada, benchmark returns are presented after non-resident taxes.

On January 1, 2017, CDPQ adopted a Currency Management Policy, which was reviewed on February 20, 2024 and became effective on July 1, 2024. CDPQ's strategic position intends to maintain optimal net exposure to currencies for all specialized portfolios, taking into account the benefits of diversification related to these currencies. As such, depending on changes to CDPQ's exposure to foreign currencies and their behaviour, the levels of strategic coverage, by SP and by currency, could be reviewed in the medium term. In addition to the strategic position, CDPQ takes a dynamic management approach to the main currencies of developed countries. Dynamic management is intended to optimize certain specialized portfolios when the Canadian dollar seems sharply under/overvalued against its equilibrium value based on valuation models. Dynamic hedging should therefore be infrequent, but with an unpredictable duration, it could vary greatly and be in place from a few weeks to several months. As such, the hedging level of specialized portfolios with dynamic hedging may vary over time. Dynamic adjustments are integrated into the portfolios' benchmarks.

CDPQ uses currency derivatives in managing currency risk to manage its exposure to the main currencies of developed countries based on hedging targets. For the other currencies, a discretionary hedging strategy can be implemented to manage the currency exposure of portfolios or certain investments.

## 04

### RISK MEASURE

For the Balanced Fund composite, dispersion is measured by the standard deviation of annual returns for each of the depositors' accounts that are present in the composite during the entire year.

For the other portfolios, this dispersion measure is not used because there are fewer than five portfolios in each of the portfolios. The dispersion of returns is measured by the annualized standard deviation of monthly returns, for the portfolio and its benchmark, over a rolling three-year period.

This information is not presented for the Private Equity, Infrastructure and Real Estate portfolios because they are entirely valued semi-annually.



## 05

### **OPERATING EXPENSES AND OTHER FEES**

Given the nature of CDPQ, all operating expenses and other fees (the “fees”) that are charged to the portfolios are the actual expenses incurred to manage these funds and are not deducted from the returns presented. Total fees are allocated according to cost drivers specific to the different investment activities.

All returns in this presentation, except the Real Estate Specialized Portfolio are calculated net of transaction fees and external management fees related, but before operating expenses and other fees. For 2024, the return of the Real Estate specialized portfolio is net of the operating expenses of real estate subsidiary Ivanhoé Cambridge from January to April, consistent with the financial statements. To facilitate the transition, the return is also net of operating expenses from May to December. This adjustment also applies in the return of the Balanced Fund composite for the portion of the Real Estate specialized portfolio. Also, if historical adjustments have been made to specialized portfolio operating expenses following the integration, they will not be taken into account to maintain consistency with the returns presented. The actual expenses incurred for each portfolio are presented in basis points (bps), which corresponds to the actual-expenses-incurred-to-average-net-assets ratio.

## 06

### **CURRENCY USED FOR REPORTING**

All returns and assets are presented in Canadian dollars.

## 07

### **NET ASSETS UNDER MANAGEMENT**

Net assets under management correspond to net assets attributable to depositors, presented in the Consolidated Financial Statements, adjusted to exclude assets that are not covered by the firm, as described in Note 1, namely depositors' demand deposits and term deposits.

## 08

### **ADDITIONAL INFORMATION**

In 2024, the market environment was characterized by the resilience of the U.S. economy, exceptional gains in the main stock market indexes, concentrated in technology companies, and high volatility in bond yields. With inflation receding, most major central banks have been able to initiate monetary easing measures. However, faced with uncertainties surrounding the policies preferred by the new U.S. administration, long-term rates have risen sharply in the U.S. This context has led to very different market conditions across asset classes, demonstrating the importance of having a well-diversified portfolio.

During the year, CDPQ carried out transactions in key sectors worldwide, in addition to putting capital to work for Québec businesses and projects that contribute to Québec's economic development. To optimize its activities and to better focus on its role as an investor, the organization has integrated its real estate subsidiaries, Ivanhoé Cambridge and Otéra Capital.

CDPQ also renewed Charles Emond's mandate as President and Chief Executive Officer of CDPQ for another five-year term. Among the changes in senior management, Rana Ghorayeb, who previously headed Otéra Capital, became Executive Vice-President and Head of Real Estate at the end of April 2024, following the departure of Nathalie Palladitcheff. At the time of publication, Vincent Delisle, Executive Vice President and Head of Liquid Markets, was acting as Executive Vice President and Head of Fixed Income, with the group's management committee, after Marc Cormier left at the end of January 2025. Reflections were underway on the evolution of the organizational structure for specialized fixed income portfolios.

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# Rates Specialized Portfolio

## RETURNS AND NET ASSETS UNDER MANAGEMENT

December 31	Returns			Risks		Net Assets	
	Portfolio %	Benchmark %	Spread %	Std. Dev. Returns %	Std. Dev. Benchmark %	Portfolio \$k	Under Management \$k
2024	1.83	2.03	(0.20)	9.78	9.27	48,575,695	471,036,227
2023	6.76	6.64	0.12	9.24	8.83	35,056,490	432,589,775
2022	(13.38)	(13.13)	(0.25)	7.11	7.04	33,104,380	400,476,908
2021	(2.74)	(3.09)	0.35	4.00	4.48	44,027,938	419,016,478
2020	8.60	8.19	0.41	3.38	3.91	30,321,914	361,450,376
2019	4.81	5.22	(0.41)	3.26	3.88	31,241,275	339,702,991
2018	2.34	2.07	0.27	n/a	n/a	32,984,511	308,799,301
2017	1.77	1.37	0.40	n/a	n/a	40,064,741	298,424,595

## ANNUALIZED RETURNS

	December 31, 2024									
	1 Year %	2 Years %	3 Years %	4 Years %	5 Years %	6 Years %	7 Years %	8 Years %	9 Years %	10 Years %
Portfolio	1.83	4.27	(1.98)	(2.17)	(0.11)	0.70	0.93	1.03	-	-
Benchmark	2.03	4.31	(1.86)	(2.17)	(0.18)	0.70	0.90	0.95	-	-
Spread	(0.20)	(0.04)	(0.12)	(0.00)	0.07	(0.00)	0.03	0.08	-	-

## NOTES TO THE RATES PORTFOLIO

### 1. PORTFOLIO DESCRIPTION

The Rates portfolio invests in sovereign bonds from Canada (including provincial bonds) and other developed countries with excellent credit ratings and offering high liquidity. The activities are mainly divided into the Rates and Government Debt Management mandates. This portfolio is CDPQ's principal source of liquidity.

On July 1, 2021, following a global review of the portfolio's offering and with a view to providing an offering of products better suited to depositors' needs, a gradual increase in the target duration was put into place.

On January 1, 2017, as part of the overall revision of specialized portfolios offered to depositors, the Bonds Portfolio was closed and a portion of its assets and liabilities were acquired at fair value to create the Rates Portfolio. The remaining portion of assets and liabilities from the Bonds Portfolio are now included in the Credit Portfolio.

A portion of the Portfolio's assets may be allocated to external managers.

This Portfolio may use up to 10% cash leverage in the normal course of investment activities.

This Portfolio's foreign investments are fully hedged against currency risk.

The use of derivative financial instruments for currencies is allowed solely for currency hedging purposes.

Securities lending and borrowing activities, as well as short selling, are authorized as part of the management of this Portfolio, based on approved limits.

### 2. PORTFOLIO CREATION DATE

This portfolio was created on January 1, 2017.

## **NOTES TO THE RATES PORTFOLIO** (continued)

### **3. BENCHMARK INDEX**

The benchmark for this Portfolio is a combination of 70% FTSE Canada Federal Non-Agency Bond Index and 30% FTSE Canada Provincial Quebec Bond Index.

Based on the plan to extend the duration in the portfolio, the index was adjusted gradually until it reached its target.

### **4. CALCULATION PERIOD**

The return on this portfolio is calculated from January 1, 2017, to December 31, 2024.

### **5. OPERATING EXPENSES AND OTHER FEES**

For the 12 months ended December 31, 2024, operating expenses and other fees for this portfolio are 5 bps. For the previous four years (January 1, 2020, to December 31, 2023), fees averaged 7 bps. Refer to Note 5 of the General Notes for more details.

# Credit Specialized Portfolio

## RETURNS AND NET ASSETS UNDER MANAGEMENT

December 31	Returns			Risks		Net Assets	
	Portfolio %	Benchmark %	Spread %	Std. Dev. Returns %	Std. Dev. Benchmark %	Portfolio \$k	Under Management \$k
2024	0.85	1.01	(0.16)	11.57	11.88	102,182,126	471,036,227
2023	8.69	8.20	0.49	10.64	10.98	96,552,771	432,589,775
2022	(15.73)	(18.18)	2.44	9.13	9.82	84,712,469	400,476,908
2021	0.87	0.05	0.81	5.57	6.13	83,820,558	419,016,478
2020	8.91	7.76	1.14	5.33	6.01	74,245,689	361,450,376
2019	10.92	9.27	1.65	2.52	2.72	66,412,466	339,702,991
2018	2.25	0.29	1.96	n/a	n/a	56,378,462	308,799,301
2017	5.14	4.01	1.13	n/a	n/a	50,644,553	298,424,595

## ANNUALIZED RETURNS

	December 31, 2024									
	1 Year %	2 Years %	3 Years %	4 Years %	5 Years %	6 Years %	7 Years %	8 Years %	9 Years %	10 Years %
Portfolio	0.85	4.69	(2.61)	(1.76)	0.29	1.99	2.03	2.41	-	-
Benchmark	1.01	4.54	(3.66)	(2.74)	(0.73)	0.87	0.79	1.19	-	-
Spread	(0.16)	0.15	1.04	0.99	1.02	1.12	1.24	1.22	-	-

## NOTES TO THE CREDIT PORTFOLIO

### 1. PORTFOLIO DESCRIPTION

This Portfolio's objective is to outperform its benchmark. To achieve this objective, the Portfolio adopts a benchmark-agnostic management approach. The search for value added is conducted based on movement in risk premiums and seeking investment opportunities offering an adequate risk-return profile while limiting potential capital losses. This Portfolio is subdivided into six mandates: Corporate Credit, Real Estate Finance, Government Debt, Infrastructure Financing, Capital Solutions, Strategic.

On July 1, 2021, following a global review of the portfolio's offering and with a view to providing an offering of products better suited to depositors' needs, a gradual increase in the target duration was put into place.

On January 1, 2017, as part of the overall revision of specialized portfolios offered to depositors, the Bonds and Real Estate Debt Portfolios were closed. A portion of the assets and liabilities of the Bond Portfolio and the assets and liabilities of the Real Estate Debt Portfolio were acquired at fair value to create the Credit Portfolio.

A portion of the Portfolio's assets may be allocated to external managers.

This Portfolio may use up to 5% cash leverage in the normal course of investment activities.

This portfolio may be hedged for the main currencies. For the other currencies, a discretionary hedging strategy can be implemented by the manager to hedge investments in the portfolio.

The use of derivative financial instruments for currencies is allowed solely for currency hedging purposes.

Securities lending and borrowing activities as well as short selling are authorized as part of the management of this Portfolio, based on approved limits.

### 2. PORTFOLIO CREATION DATE

This portfolio was created on January 1, 2017.

## NOTES TO THE CREDIT PORTFOLIO (continued)

### 3. BENCHMARK INDEX

Since July 1, 2022, the benchmark for this composite is a combination of 10% FTSE Canada Provincial Quebec Bond Index, 25% FTSE Canada Corporate Bond Index, 30% ICE BofA US Corporate Bonds Index and 35% ICE BofA US Index ("High Yield"). A hedge could be put in place in accordance with the process and guidelines defined in the Currency Management Policy.

Based on the plan to extend the duration in the portfolio, the index was adjusted gradually until it reached its target.

On July 1, 2021, the benchmark for this composite was a combination of 10% FTSE Canada Provincial Quebec Bond Index, 55% FTSE Canada Corporate Bond Index, 5% Merrill Lynch Corporate Bond Hedged and 30% Merrill Lynch High Yield Index (Hedged). Thereafter, the Merrill Lynch Corporate Bond Hedged increased 5% at the beginning of each month, up to 30% as at December 31, 2021 in consideration for the FTSE Canada Corporate Bonds component.

From January 1, 2020 to June 30, 2021, the Credit benchmark was composed of 10% FTSE Canada Provincial Quebec Bond Index, 60% FTSE Canada Corporate Bond Index and 30% Merrill Lynch High Yield Index (Hedged).

From April 1, 2019 to December 31, 2019, the benchmark for this Portfolio is a combination of 10% FTSE Canada Provincial Quebec Bond Index, 65% FTSE Canada Corporate Bond Index and 25% Merrill Lynch High Yield Index (Hedged).

From July 1, 2018 to March 31, 2019, the benchmark for this Portfolio was a combination of 10% FTSE Canada Provincial Quebec Bond Index, 70% FTSE Canada Corporate Bond Index and 20% Merrill Lynch High Yield Index (Hedged).

From January 1, 2017, to June 30, 2018, the benchmark was composed of 10% FTSE Canada Provincial Quebec Bond Index, 75% FTSE Canada Corporate Bond Index and 15% Merrill Lynch High Yield Index (Hedged).

These changes were justified to better reflect the makeup of the Portfolio.

### 4. CALCULATION PERIOD

The return on this portfolio is calculated from January 1, 2017, to December 31, 2024.

### 5. OPERATING EXPENSES AND OTHER FEES

For the 12 months ended December 31, 2024, operating expenses and other fees for this portfolio are 23 bps. For the previous four years (January 1, 2020, to December 31, 2023), fees averaged 18 bps. Refer to Note 5 of the General Notes for more details.

# Short Term Investments Specialized Portfolio

## RETURNS AND NET ASSETS UNDER MANAGEMENT

December 31	Returns			Risks		Net Assets	
	Portfolio %	Benchmark %	Spread %	Std. Dev. Returns %	Std. Dev. Benchmark %	Portfolio \$k	Under Management \$k
2024	4.96	4.92	0.05	0.48	0.50	3,585,327	471,036,227
2023	4.80	4.71	0.08	0.59	0.61	3,412,104	432,589,775
2022	1.96	1.82	0.14	0.37	0.39	1,614,538	400,476,908
2021	0.30	0.17	0.13	0.26	0.27	1,584,366	419,016,478
2020	0.97	0.86	0.10	0.23	0.23	1,579,847	361,450,376
2019	1.73	1.65	0.08	0.17	0.16	882,261	339,702,991
2018	1.51	1.38	0.14	0.16	0.14	867,381	308,799,301
2017	0.64	0.56	0.09	0.10	0.10	1,892,501	298,424,595
2016	0.52	0.51	0.01	0.10	0.09	6,157,183	270,018,068
2015	0.73	0.63	0.10	0.09	0.09	4,584,461	247,494,947

## ANNUALIZED RETURNS

	December 31, 2024									
	1 Year %	2 Years %	3 Years %	4 Years %	5 Years %	6 Years %	7 Years %	8 Years %	9 Years %	10 Years %
Portfolio	4.96	4.88	3.90	2.99	2.58	2.44	2.30	2.10	1.92	1.80
Benchmark	4.92	4.82	3.81	2.88	2.48	2.34	2.20	1.99	1.83	1.71
Spread	0.05	0.06	0.09	0.10	0.10	0.10	0.10	0.10	0.09	0.09

## NOTES TO THE SHORT TERM INVESTMENTS PORTFOLIO

### 1. PORTFOLIO DESCRIPTION

The objective of the Portfolio is to preserve invested capital and to maintain a high degree of liquidity while obtaining a current yield comparable to that of the FTSE Canada 91 Day T-Bill Index.

This Portfolio uses derivative financial instruments in the normal course of its management. Derivatives are used in order to manage interest rate risk or debt duration.

This portfolio only contains securities denominated in Canadian dollars.

### 2. PORTFOLIO CREATION DATE

This portfolio was created on September 1, 1998.

### 3. BENCHMARK INDEX

The benchmark for this Portfolio is the FTSE Canada 91 Day T-Bill Index.

### 4. CALCULATION PERIOD

The return on this portfolio is calculated from January 1, 2015, to December 31, 2024.

## **NOTES TO THE SHORT TERM INVESTMENTS PORTFOLIO** (continued)

### **5. OPERATING EXPENSES AND OTHER FEES**

For the 12 months ended December 31, 2024, operating expenses and other fees for this portfolio are 4 bps. For the previous four years (January 1, 2020, to December 31, 2023), fees averaged 3 bps. Refer to Note 5 of the General Notes for more details.

# Real Estate Specialized Portfolio

## RETURNS AND NET ASSETS UNDER MANAGEMENT

December 31	Returns			Risks		Net Assets	
	Portfolio %	Benchmark %	Spread %	Std. Dev. Returns %	Std. Dev. Benchmark %	Portfolio \$k	Under Management \$k
2024	(10.80)	1.04	(11.84)	n/a	n/a	41,873,978	471,036,227
2023	(6.22)	(10.02)	3.80	n/a	n/a	45,645,303	432,589,775
2022	12.42	9.25	3.18	n/a	n/a	47,607,097	400,476,908
2021	12.45	6.07	6.38	n/a	n/a	42,093,734	419,016,478
2020	(15.55)	(1.66)	(13.89)	n/a	n/a	35,481,727	361,450,376
2019	(2.75)	1.45	(4.20)	n/a	n/a	39,701,817	339,702,991
2018	7.76	12.00	(4.24)	n/a	n/a	38,224,850	308,799,301
2017	8.05	8.17	(0.12)	n/a	n/a	34,260,142	298,424,595
2016	10.35	7.25	3.10	n/a	n/a	31,721,120	270,018,068
2015	13.05	15.40	(2.35)	n/a	n/a	26,955,199	247,494,947

## ANNUALIZED RETURNS

	December 31, 2024									
	1 Year %	2 Years %	3 Years %	4 Years %	5 Years %	6 Years %	7 Years %	8 Years %	9 Years %	10 Years %
Portfolio	(10.80)	(8.54)	(2.03)	1.41	(2.24)	(2.32)	(0.94)	0.14	1.23	2.35
Benchmark	1.04	(4.65)	(0.23)	1.31	0.71	0.83	2.36	3.07	3.52	4.65
Spread	(11.84)	(3.89)	(1.80)	0.10	(2.95)	(3.15)	(3.30)	(2.93)	(2.30)	(2.30)

## NOTES TO THE REAL ESTATE PORTFOLIO

### 1. PORTFOLIO DESCRIPTION

This Portfolio primarily manages negotiated investments covering various real estate sectors. Nearly 75% of the Portfolio's gross assets are comprised of direct holdings. The remaining investments include investment funds, mortgages, equities and convertible securities, which are primarily related to real estate assets.

This portfolio may include derivative financial instruments in the normal course of investment management. Derivatives are used mainly to hedge against currency risk, manage interest rate risk and manage the duration of debt.

For direct holdings, the maximum leverage is 55%. No leverage is authorized for indirect holdings. Securities lending and borrowing, as well as securities sold short are permitted in the Portfolio within authorized limits.

Since January 1, 2017, this Portfolio may include currency hedging activities, in compliance with the Currency Management Policy adopted by CDPQ. Refer to Note 3 of the General Notes for more details.

### 2. PORTFOLIO CREATION DATE

This portfolio was created on September 1, 1998.



## NOTES TO THE REAL ESTATE PORTFOLIO (continued)

### 3. BENCHMARK INDEX

Since January 1, 2023, the Real Estate index has been a combination of 60% leverage-adjusted MCSI Global Property Index and 40% MSCI Global Property Fund Index less a management cost and tax fees. The leverage level is at 40% with the real local cost of the portfolio plus a basket of foreign currencies related to the MSCI Global Property Index assets. A hedging strategy may be put in place for the main currencies in accordance with the process and guidelines defined in the Currency Management Policy adopted by CDPQ. The changes were justified to better reflect the portfolio composition and to simplify the calculation of the index.

Since January 1, 2020, the Real Estate index has been a combination of 65% leverage-adjusted MCSI Global Property Index and 35% MSCI Global Property Fund Index less a management cost and tax fees. The leverage was at 40%, with the cost of a generic 5-year Canadian mortgage plus a basket of currencies related to the assets in the MSCI Global Property Index. A hedging strategy may be put in place for the main currencies in accordance with the process and guidelines defined in the Currency Management Policy adopted by CDPQ. These changes are part of an objective to simplify the calculation of the benchmark.

From January 1, 2019 to December 31, 2019, the Real Estate index has been a combination of 75% leverage-adjusted MCSI Global Property Index and 25% MSCI Global Property Fund Index less a management cost and tax fees. The leverage was at 40%, with the cost of a generic 5-year Canadian mortgage plus a basket of currencies related to the assets in the MSCI Global Property Index. A hedging strategy may be put in place for the main currencies in accordance with the process and guidelines defined in the Currency Management Policy adopted by CDPQ.

From January 1, 2016 to December 31, 2018, the Real Estate Index was a combination of 85% of the Adjusted MSCI Global Property Index (Hedged) and 15% of the MSCI Global Property Funds Index (Hedged), less a leverage cost, a management cost and tax fees. The leverage cost consists of 50% of the hedged internal real cost of financing, 25% of the 4-6-year Giliberto-Levy hedged U.S. mortgage rate, and 25% of the Canadian 5-year bond rate plus a Canadian mortgage credit spread. As of January 1, 2017, the benchmark was gradually unhedged following the transition plan set out in the Currency Management Policy adopted by CDPQ. The changes were justified to better reflect the investment opportunities and overall geographic diversification of the Portfolio.

From January 1, 2010, to December 31, 2015, the benchmark was called the Aon Hewitt-Real Estate Index (Adjusted) and it consisted of 40% IPD Canada Index, 30% NCREIF Index (Hedged), 15% IPD UK Index (Hedged) and 15% IPD France Index (Hedged), less a leverage cost, management fees and taxes. Since July 1, 2012, a FTSE Canada 30 Day T-Bill component was added to the calculation of the benchmark. This component represents 3% of the benchmark. The leverage costs consisted of 50% hedged internal real cost of financing, 25% 3-year hedged U.S. bond rate plus a 2-3-year Giliberto-Levy credit spread and 25% 3-year Canadian bond rate plus a Canadian mortgage credit spread.

These changes were justified to better reflect the makeup of the Portfolio.

### 4. CALCULATION PERIOD

The return on this portfolio is calculated from January 1, 2015, to December 31, 2024.

### 5. OPERATING EXPENSES AND OTHER FEES

For the 12 months ended December 31, 2024, operating expenses and other fees for this portfolio are 28 bps. However, these expenses do not take into account the adjustment made following the integration of the subsidiary (for more information, see the note on operating expenses and other expenses in the General Notes). Accordingly, 27 bps have already been deducted from the returns. For the previous four years (January 1, 2020, to December 31, 2023), unadjusted fees averaged 3 bps.

# Infrastructure Specialized Portfolio

## RETURNS AND NET ASSETS UNDER MANAGEMENT

December 31	Returns			Risks		Net Assets	
	Portfolio %	Benchmark %	Spread %	Std. Dev. Returns %	Std. Dev. Benchmark %	Portfolio \$k	Under Management \$k
2024	9.47	15.00	(5.53)	n/a	n/a	64,028,319	471,036,227
2023	9.56	0.33	9.23	n/a	n/a	59,776,287	432,589,775
2022	11.47	0.82	10.65	n/a	n/a	54,635,984	400,476,908
2021	14.51	11.37	3.14	n/a	n/a	45,311,918	419,016,478
2020	5.12	0.52	4.60	n/a	n/a	31,694,414	361,450,376
2019	7.11	17.75	(10.64)	n/a	n/a	27,778,943	339,702,991
2018	11.16	6.51	4.65	n/a	n/a	22,741,393	308,799,301
2017	10.15	10.47	(0.32)	n/a	n/a	16,176,937	298,424,595
2016	11.08	10.79	0.29	n/a	n/a	14,639,781	270,018,068
2015	6.59	(5.09)	11.68	n/a	n/a	12,957,468	247,494,947

## ANNUALIZED RETURNS

	December 31, 2024									
	1 Year %	2 Years %	3 Years %	4 Years %	5 Years %	6 Years %	7 Years %	8 Years %	9 Years %	10 Years %
Portfolio	9.47	9.51	10.16	11.23	9.98	9.50	9.73	9.79	9.93	9.59
Benchmark	15.00	7.42	5.17	6.69	5.42	7.38	7.26	7.66	8.00	6.61
Spread	(5.53)	2.10	4.99	4.55	4.56	2.11	2.47	2.13	1.93	2.98

## NOTES TO THE INFRASTRUCTURE PORTFOLIO

### 1. PORTFOLIO DESCRIPTION

This Portfolio contains traded investments covering various infrastructure sectors. The investments take the form of interests in listed or unlisted companies that operate utility-type assets. These investments can be carried out in companies that are in the development or mature stage of the business cycle.

This Portfolio uses derivative financial instruments in the normal course of its management. Derivatives must be used only to hedge interest rate and currency risk, or for purposes of hedging a position held in the portfolio.

Since January 1, 2017, this Portfolio may include currency hedging activities, in compliance with the Currency Management Policy adopted by CDPQ. Refer to Note 3 of the General Notes for more details.

A portion of the Portfolio's assets is allocated to investment funds.

At each valuation date, the fair value of the investment funds is provided by the general partner. This valuation is then compared with the audited financial statements provided by the general partner. These funds represent 1% of this Portfolio's assets.

### 2. PORTFOLIO CREATION DATE

This portfolio was created on July 1, 2010.

## **NOTES TO THE INFRASTRUCTURE PORTFOLIO** (continued)

### **3. BENCHMARK INDEX**

Since January 1, 2017, the benchmark below was gradually unhedged according to the transition plan defined in the Currency Management Policy. A hedging strategy may be put in place for the main currencies in accordance with the process and guidelines defined in the Currency Management Policy.

From April 1, 2015 to December 31, 2016, the Infrastructure benchmark corresponded to the MSCI ACWI Infrastructure Index (Adjusted and Hedged), except for emerging-market companies, which are unhedged. This change was made in order to better reflect the universe of public infrastructure investment opportunities.

From January 1, 2013, to March 31, 2015, the Infrastructure benchmark consisted of a basket of publicly traded, hedged infrastructure companies, except for emerging-market companies, which were unhedged.

Over short periods, significant differences can be observed between the return of the Portfolio and its benchmark. The benchmark is comprised of publicly traded securities, whereas the Portfolio is invested mainly in privately issued securities. The difference in returns is due to market fluctuations.

### **4. CALCULATION PERIOD**

The return on this portfolio is calculated from January 1, 2015, to December 31, 2024.

### **5. OPERATING EXPENSES AND OTHER FEES**

For the 12 months ended December 31, 2024, operating expenses and other fees for this portfolio are 30 bps. For the previous four years (January 1, 2020, to December 31, 2023), fees averaged 36 bps. Refer to Note 5 of the General Notes for more details.

# Public Equity Specialized Portfolio

## RETURNS AND NET ASSETS UNDER MANAGEMENT

December 31	Returns			Risks		Net Assets	
	Portfolio %	Benchmark %	Spread %	Std. Dev. Returns %	Std. Dev. Benchmark %	Portfolio \$k	Under Management \$k
2024	25.55	24.12	1.43	11.59	12.07	129,349,648	471,036,227
2023	17.74	17.37	0.37	11.08	11.81	114,274,368	432,589,775
2022	(11.25)	(11.35)	0.10	14.02	14.33	99,217,690	400,476,908
2021	16.15	16.14	0.02	11.87	11.68	118,656,879	419,016,478
2020	8.31	12.90	(4.58)	12.26	12.28	117,928,112	361,450,376
2019	17.16	18.03	(0.87)	7.59	7.81	116,936,919	339,702,991
2018	(0.90)	(2.54)	1.65	7.53	7.60	108,300,617	308,799,301
2017	13.73	14.20	(0.48)	n/a	n/a	112,178,698	298,424,595
2016	9.40	7.51	1.89	n/a	n/a	101,271,741	270,018,068

## ANNUALIZED RETURNS

	December 31, 2024									
	1 Year %	2 Years %	3 Years %	4 Years %	5 Years %	6 Years %	7 Years %	8 Years %	9 Years %	10 Years %
Portfolio	25.55	21.58	9.47	11.10	10.54	11.62	9.74	10.23	10.14	
Benchmark	24.12	20.70	8.90	10.67	11.11	12.23	9.99	10.51	10.17	
Spread	1.43	0.88	0.57	0.44	(0.57)	(0.62)	(0.26)	(0.28)	(0.04)	

## NOTES TO THE PUBLIC EQUITY PORTFOLIO

### 1. PORTFOLIO DESCRIPTION

The Public Equity Portfolio aims to achieve a risk-adjusted return that is higher than traditional equity investments. The preferred approach is active management through a long-term investment perspective to exploit temporary market dislocations.

On July 1, 2021, investment activities were reorganized to divide the portfolio into six mandates: Quality, Canada, Growth, Growth Markets, Value, Strategic. For each of these mandates, a rigorous investment process, governed by a specific internal investment committee oversees security selection and portfolio construction.

Since January 1, 2017, this Portfolio may include currency hedging activities, in compliance with the Currency Management Policy adopted by CDPQ. Refer to Note 3 of the General Notes for more details.

On January 1, 2016, as part of the overall revision of the specialized portfolios offered to depositors, the Global Quality Equity, Canadian Equity, Emerging Markets Equity, U.S. Equity and EAFE Foreign Equity Portfolios were merged and their assets and liabilities were transferred to create the Public Equity Portfolio. There was no gain or loss as a result of the consolidation of the Portfolios.

A portion of the Portfolio's assets is allocated to external managers.

This Portfolio may use up to 10% cash leverage in the normal course of investment activities.

Interest rate and currency derivatives must be used only for hedging interest rate and currency risk, except in the case of exceptional approval.

Securities lending and borrowing activities as well as short selling are permitted as part of the management of this Portfolio, based on authorized limits.

### 2. PORTFOLIO CREATION DATE

This portfolio was created on January 1, 2016.

## NOTES TO THE PUBLIC EQUITY PORTFOLIO (continued)

### 3. BENCHMARK INDEX

Since April 1, 2023, the Public Equity benchmark consisted of 67.5% MSCI World (ex-Canada) Index unhedged, 17.5% Canada Index and 15% MSCI EM China-adjusted All Shares Index unhedged. The Canada Index is a combination of 20% S&P/TSX Index and 80% Morningstar National Bank Quebec Index.

From January 1, 2023 to March 31, 2023, the Public Equity benchmark consisted of 65% MSCI World (ex-Canada) Index unhedged, 17.5% Canada Index and 17.5% MSCI EM China-adjusted All Shares Index unhedged. The Canada Index is a combination of 20% S&P/TSX Index and 80% Morningstar National Bank Quebec Index.

From January 1, 2022 to December 31, 2022, the Public Equity benchmark consisted of 65% MSCI World (ex-Canada) Index unhedged, 15% Canada Index and 20% MSCI EM China-adjusted All Shares Index unhedged. The Canada Index is a combination of 20% S&P/TSX Index and 80% Morningstar National Bank Quebec Index.

From July 1, 2021 to December 31, 2021, the Public Equity benchmark consisted of 65% MSCI World (ex-Canada) Index unhedged, 15% Canada Index and 20% MSCI EM China-adjusted All Shares Index unhedged. As at July 1, the Canada Index was a combination of 65% S&P TSX Index and 35% Morningstar National Bank Quebec Index. Thereafter, the Morningstar National Bank Quebec Index gradually increases at the beginning of each month, up to 75% in consideration for the S&P/TSX component.

From January 1, 2020 to June 30, 2021, the FTSE Canada 91 Day T-Bill Index made up 10 % of the Public Equity benchmark, and a traditional equity component makes up the remaining 90%, which itself consists of 60% MSCI World (ex-Canada) Index unhedged, 20% S&P TSX Capped Index and 20% MSCI EM China All Shares Index adjusted and unhedged.

From July 1, 2018 to December 31, 2019, the FTSE Canada 91 Day T-Bill Index makes up 10% of the Public Equity benchmark, and a traditional equity component makes up the remaining 90%, which itself consists of 60% MSCI World (ex-Canada) Index unhedged, 20% S&P TSX Index and 20% MSCI EM Index unhedged. This change was made to better reflect the makeup of the Portfolio.

Since January 1, 2017, a hedging strategy may be put in place for the main currencies in accordance with the process and guidelines defined in the Currency Management Policy.

From January 1, 2016 to June 30, 2018, the traditional Public Equity component consisted of 60% MSCI World (ex-Canada) Index unhedged, 25% S&P TSX Index and 15% MSCI EM Index unhedged.

### 4. CALCULATION PERIOD

The return on this portfolio is calculated from January 1, 2016, to December 31, 2024.

### 5. OPERATING EXPENSES AND OTHER FEES

For the 12 months ended December 31, 2024, operating expenses and other fees for this portfolio are 20 bps. These fees include fees attributed to external managers of 8 bps that are not deducted from the returns. For the previous four years (January 1, 2020, to December 31, 2023), fees averaged 27 bps. Refer to the note on operating expenses and other fees in the General Notes for more details.

# Private Equity Specialized Portfolio

## RETURNS AND NET ASSETS UNDER MANAGEMENT

December 31	Returns			Risks		Net Assets	
	Portfolio %	Benchmark %	Spread %	Std. Dev. Returns %	Std. Dev. Benchmark %	Portfolio \$k	Under Management \$k
2024	17.21	20.78	(3.57)	n/a	n/a	90,037,846	471,036,227
2023	1.01	10.47	(9.46)	n/a	n/a	79,886,048	432,589,775
2022	2.76	(0.04)	2.81	n/a	n/a	80,712,683	400,476,908
2021	39.16	32.15	7.02	n/a	n/a	82,537,819	419,016,478
2020	20.69	9.87	10.82	n/a	n/a	64,328,649	361,450,376
2019	10.47	11.81	(1.34)	n/a	n/a	50,180,073	339,702,991
2018	16.63	8.73	7.90	n/a	n/a	42,927,027	308,799,301
2017	13.01	10.47	2.53	n/a	n/a	37,332,225	298,424,595
2016	14.01	8.76	5.26	n/a	n/a	30,387,019	270,018,068
2015	8.39	4.07	4.32	n/a	n/a	26,099,185	247,494,947

## ANNUALIZED RETURNS

	December 31, 2024									
	1 Year %	2 Years %	3 Years %	4 Years %	5 Years %	6 Years %	7 Years %	8 Years %	9 Years %	10 Years %
Portfolio	17.21	8.81	6.75	14.07	15.36	14.53	14.83	14.60	14.54	13.91
Benchmark	20.78	15.51	10.07	15.22	14.13	13.74	13.01	12.69	12.25	11.40
Spread	(3.57)	(6.70)	(3.32)	(1.15)	1.24	0.79	1.82	1.91	2.29	2.51

## NOTES TO THE PRIVATE EQUITY PORTFOLIO

### 1. PORTFOLIO DESCRIPTION

This portfolio mainly includes the management activities for equity investments generally traded on a private basis and realized outside normal organized market mechanisms. Private equity investments are divided into direct and indirect holdings and include several kinds of activities/sectors such as acquisitions, private investments in public equity (PIPEs), venture capital, growth capital and capital solutions.

Some assets originally in the Investments and Infrastructures Portfolio were transferred into the Portfolio on July 1, 2010, as a result of the revised portfolio offering and the closing of the Investments and Infrastructures Portfolio.

This Portfolio uses derivative financial instruments in the normal course of its management. Derivatives are used to hedge interest rate and currency risk, or to hedge a position in the portfolio.

Since January 1, 2017, this Portfolio may include currency hedging activities, in compliance with the Currency Management Policy adopted by CDPQ. Refer to Note 3 of the General Notes for more details.

At each valuation date, the fair value of the investment funds is provided by the general partner. This valuation is then compared with the audited financial statements provided by the general partner. These funds represented 25% of this Portfolio's assets as at December 31, 2024.

### 2. PORTFOLIO CREATION DATE

This portfolio was created on October 1, 2003.

## **NOTES TO THE PRIVATE EQUITY PORTFOLIO** (continued)

### **3. BENCHMARK INDEX**

Since January 1, 2022, the benchmark was comprised of 50% SSPEI Adjusted (Unhedged), 25% MSCI ACWI Index (Unhedged) and 25% Morningstar National Bank Quebec Index.

From January 1, 2017 to December 31, 2021, the benchmark was comprised of 50% GXPEI Adjusted (Unhedged), 20% MSCI ACWI Index (Unhedged) and 30% S&P/TSX Index (Capped). These changes were made to better reflect the makeup of the Portfolio.

Since January 1, 2017, a hedging strategy may be put in place for the main currencies in accordance with the process and guidelines defined in the Currency Management Policy.

From January 1, 2016 to December 31, 2016, the benchmark consisted of 50% SSPEI Adjusted (Partially Hedged) and 50% MSCI World Index (Partially Hedged). This change was made to better reflect the Portfolio's hedging policy.

From January 1, 2013, to December 31, 2015, the benchmark consisted of 50% SSPEI Adjusted (Hedged) and 50% MSCI World Index (Hedged). This change was made to better reflect the makeup of the Portfolio.

### **4. CALCULATION PERIOD**

The return on this portfolio is calculated from January 1, 2015, to December 31, 2024.

### **5. OPERATING EXPENSES AND OTHER FEES**

For the 12 months ended December 31, 2024, operating expenses and other fees for this portfolio are 29 bps. For the previous four years (January 1, 2020, to December 31, 2023), fees averaged 37 bps. Refer to Note 5 of the General Notes for more details.

# Balanced Fund Composite

## RETURNS AND NET ASSETS UNDER MANAGEMENT

December 31	Returns			Population	Risks			Net Assets
	Composite %	Benchmark %	Spread %	Number of accounts	Std. Dev. of Acct. Returns %	Std. Dev. Returns %	Std. Dev. Benchmark %	Composite \$k
2024	9.37	11.77	(2.40)	69	2.61	6.23	8.70	471,036,227
2023	7.16	7.33	(0.17)	69	2.10	7.09	8.23	432,589,775
2022	(5.64)	(8.28)	2.64	67	5.33	8.34	8.86	400,476,908
2021	13.46	10.69	2.76	63	4.81	7.32	6.65	419,016,478
2020	7.65	9.18	(1.53)	60	3.14	6.32	6.82	361,450,376
2019	10.38	11.94	(1.56)	60	2.72	3.39	4.19	339,702,991
2018	4.19	2.38	1.81	57	2.56	3.83	4.32	308,799,301
2017	9.27	9.23	0.03	57	2.01	4.62	5.05	298,424,595
2016	7.57	5.76	1.81	55	2.20	4.19	4.76	270,018,068
2015	9.10	6.70	2.40	48	2.13	3.71	4.32	247,494,947

## ANNUALIZED RETURNS

	December 31, 2024									
	1 Year %	2 Years %	3 Years %	4 Years %	5 Years %	6 Years %	7 Years %	8 Years %	9 Years %	10 Years %
Composite	9.37	8.26	3.41	5.84	6.20	6.88	6.49	6.84	6.92	7.13
Benchmark	11.77	9.53	3.24	5.05	5.87	6.86	6.20	6.58	6.49	6.51
Spread	(2.40)	(1.27)	0.18	0.79	0.33	0.03	0.29	0.26	0.43	0.63

## COMPOSITION OF THE BALANCED FUND BENCHMARK

December 31, 2024	
Benchmark <sup>1</sup>	Weights %
Rates Benchmark	10
Credit Benchmark	22
FTSE Canada 91 Day T-Bill	1
Real Estate Benchmark	10
Infrastructure Benchmark	13
Public Equity Benchmark	28
Private Equity Benchmark	18
Leverage	-2

1. Benchmark descriptions are presented in the notes of each portfolio.



## NOTES TO THE BALANCED FUND COMPOSITE

### 1. COMPOSITE DESCRIPTION

This composite consists of all depositors' accounts, including the General Fund. It measures the overall impact of the asset allocation strategy for all asset classes available to depositors. Treasury, overlay and Public Equity mandate calibration activities are also included in this composite. As of July 1, 2021, depositors have had the option of a leverage product for their funds. The history of the ABTN specialized portfolio is included in the composite up to its closing on June 1, 2017.

The Real Return Bonds and Long-Term Bonds specialized portfolios are included in the composite. As part of a global review of the specialized portfolios offered to depositors, the activities of these two specialized portfolios were terminated on November 1, 2021, and December 1, 2021, respectively, and were closed on December 31, 2021.

This composite may include derivative financial instruments in the normal course of investment management. Derivatives are used mainly to hedge positions, to reduce market risk, to take advantage of arbitrage opportunities, to replicate the benchmark, to accelerate investment or disinvestment, to hedge currency risk and interest rate risk and to match the duration of a composite to that of the benchmark.

Leverage activities may be present in the composite, including short selling. The extent of the leverage depends on the nature of the investment. Some strategies have no leverage while others are fully leveraged within the authorized limits.

A portion of the composite's assets is allocated to external managers.

Since January 1, 2017, this composite may include currency hedging activities, in compliance with the Currency Management Policy adopted by CDPQ. Refer to Note 3 of the General Notes for more details.

In 2014, after the adoption of IFRS, a change was made to the methodology used to evaluate the specialized portfolios. Refer to Note 3 of the General Notes for more details. The adoption of IFRS for these portfolios had no impact on the return of the Balanced Fund composite.

### 2. COMPOSITE CREATION DATE

This composite was created on October 1, 2002.

### 3. BENCHMARK INDEX

The benchmark for this composite is an index created by CDPQ. It consists of the weighted average of the depositors' benchmarks. These benchmarks correspond to the weighted average of the indexes of each investment class as specified in the reference policy of each depositor. The depositors' reference policies are established once a month according to the depositors' preferences and needs, as well as market forecasts. At depositors' request, the benchmark may include an adjustment to the duration determined by the depositors' reference policy. In addition, the index includes a level of exposure to currencies. Since January 1, 2017, a hedging strategy may be put in place for the main currencies in accordance with the process and guidelines defined in the Currency Management Policy. The weight of each index that makes up this composite's benchmark as at December 31, 2024, is presented in the table on the previous page.

### 4. CALCULATION PERIOD

The return on this composite is calculated from January 1, 2015, to December 31, 2024.

### 5. OPERATING EXPENSES AND OTHER FEES

For the 12 months ended December 31, 2024, operating expenses and other fees related to the external management of public market equities owned by CDPQ for this composite are 23 bps. Exceptionally, restructuring and integration expenses of 1 bps were added in 2024. Note that 3 bps of the total of these expenses, including restructuring and integration expenses, are already deducted from the return for the portion of the Real Estate specialized portfolio (for more information, see the note on operating expenses and other expenses in the General Notes).

For the previous four years, from January 1, 2020 to December 31, 2023, unadjusted operating expenses and other costs related to external management in public markets averaged 23 bps. Refer to Note 5 of the General Notes for more details.

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## General Notes

1. CDPQ's operations comply with the requirements of the Act respecting CDPQ<sup>1</sup> and investment industry practices. Its consolidated financial statements are prepared in accordance with IFRS Accounting Standards. Each year, CDPQ's co-auditors, the Auditor General of Québec and Ernst & Young LLP, audit the financial statements, the compliance of operations with laws, regulations, policies and guidelines, to the extent they deem appropriate.
2. The 2024 Annual Report Additional Information is an integral part of the 2024 Annual Report. The tables of top investments present positions in alphabetical order based on information presented in Tables 7, 8, 9 and 10 of the Annual Report Additional Information.
3. In this Annual Report, net assets and investment results are defined as, in the consolidated financial statements, net assets attributable to depositors and investment results before distributions to depositors. The operating expenses and transaction fees noted in the Annual Report include amounts presented separately as costs in Note 8 to the Consolidated Financial Statements. Added to these amounts are the costs of the real estate subsidiaries, which are deducted from the fair value and include investment results as disclosed in Note 8 to the Consolidated Financial Statements. External management fees include the external management fees – stock markets that are presented separately as costs in Note 8 to the Consolidated Financial Statements and the management fees that are deducted from fair value and included in the investment result.
4. The returns of the specialized portfolios use the time-weighted rate of return formula.
5. The benchmark indexes for the asset classes and total portfolio are based on the weighted average of the benchmark indexes for the specialized portfolios that comprise them.
6. Unless otherwise stated, returns, which are expressed as a percentage, are presented net of transaction fees, external management fees – Private Markets and other funds and unconsolidated real estate subsidiaries fees, but before operating expenses and other fees. Following the integration of the real estate subsidiaries in 2024, a particular accounting treatment was applied to the fees in calculating the relevant returns. More details on this, including on the ratios of operating expenses to the average net assets of each specialized portfolio, are presented in the notes in the Report on Global Investment Performance Standards (GIPS®) compliance. In addition, the returns are presented annualized for periods of more than one year. They include the return on cash and cash equivalents and they take into account any foreign exchange hedging.
7. Unless otherwise stated, investment results and net assets attributable to depositors are presented net of operating expenses and other fees.
8. Some returns are expressed in basis points (bps). One hundred basis points equal 1.00% and one basis point equals 0.01%.
9. Unless otherwise stated, all figures are in Canadian dollars. The letters M and B used with dollar amounts designate millions and billions, respectively.
10. Totals (figures or percentages) may vary because of rounding of figures.
11. Unless otherwise stated, all data in the tables and figures are from studies carried out by CDPQ.
12. To determine whether an asset is classified as a Québec investment, CDPQ uses the location of the head office of the company and parent company, or, if applicable, of the issuer, or the location of the real estate or asset. This classification system is widely used in the fund management industry but involves biases. Some companies are included even though their core operations are outside Québec. Similarly, companies with extensive operations in Québec are excluded if their head office is outside the province.
13. To determine if amounts are entrusted to external Québec managers, CDPQ uses either the location of the firm's or its parent company's head office or the location of the investment team receiving the mandate. Amounts entrusted are based on committed amounts.
14. CDPQ assets aligned with the Paris Agreement include low-carbon assets and assets that comply or are in the process of complying with the standards of the Science Based Targets initiative.

1. The Act respecting CDPQ is available at [www.cdpq.com](http://www.cdpq.com).

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The 2024 Annual Report and the 2024 Annual Report Additional Information are available at [www.cdpq.com](http://www.cdpq.com).

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*Le Rapport annuel 2024 et le document Renseignements additionnels au Rapport annuel 2024 sont aussi disponibles en français au [www.cdpq.com](http://www.cdpq.com).*

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