



A Look at PEPP's Lifetime Pension

2026 DC Plan Summit Presentation



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PEPP Overview



Public Employees Pension Plan (PEPP)

Canada's Largest Defined Contribution (DC) Plan

- Over **\$14 billion** in assets under management
- **148 employers** and over 75,000 members
- **Unique investment option structure** offers member choice of risk/return options while employing sophisticated, illiquid strategies
- **Early innovator of drawdown options**, including **Variable Pension Benefit** and **Lifetime Pension**
- PEPP/Plannera nominated for awards such as the **Institutional Investor Award** and the **Pension Fund Design & Reform Award**



Retirement Income Innovation & Options

Variable Pension Benefit (VPB)

- Introduced in 2006
- 8,000 members
- \$3.8 billion

Lifetime Pension

- Introduced in 2025
- 18 members
- \$4.9 million

Saskatchewan Pension Annuity Fund (SPAF)

- Introduced in 2005
- 1,400 members
- \$140 million

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Lifetime Pension



Lifetime Pension

- Design = **variable payment** lifetime annuity, **an annuity for life**
 - Payments increase or decrease based on investment and mortality experience, designed to see inflation-like increases over time (matches Moderate Fund asset mix)
- **4% hurdle rate**
 - Performance above this figure drives increases to payments while lower returns sees lower payments (same fees as other members in the Moderate Fund)
- **Addresses longevity risk** – you won't outlive your savings
- Permanent purchase, **locked-in**

Lifetime Pension

- Can be **paired with other options** (VPB and/or annuity)
- Must be 50 years old at enrollment, but under 95
- Minimum purchase of \$14,000, maximum \$1 million
- Flexible survivor benefit options
- **Pooled investment**
 - Some risk-sharing, investment performance has larger impacts but if other Lifetime Pension members live longer or shorter than expected payments may drift slightly higher or lower

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PEPP

Investment
Structure





PEPP Investment Options

PEPP offers **eight investment options with different exposures across the Equities, Income, and Alternatives portfolios.**

Members may select any fund, with only the **Money Market** and **Bond Funds** eligible as additional specialty options.

The **PEPP Steps Fund** is the Plan's default option, gradually shifting members to more conservative investments over time. It includes **13 steps, with equity and alternative holdings** decreasing and bond allocations increasing by about 5% at each step.

How PEPP Investment Structure Supports Retirement Income Options

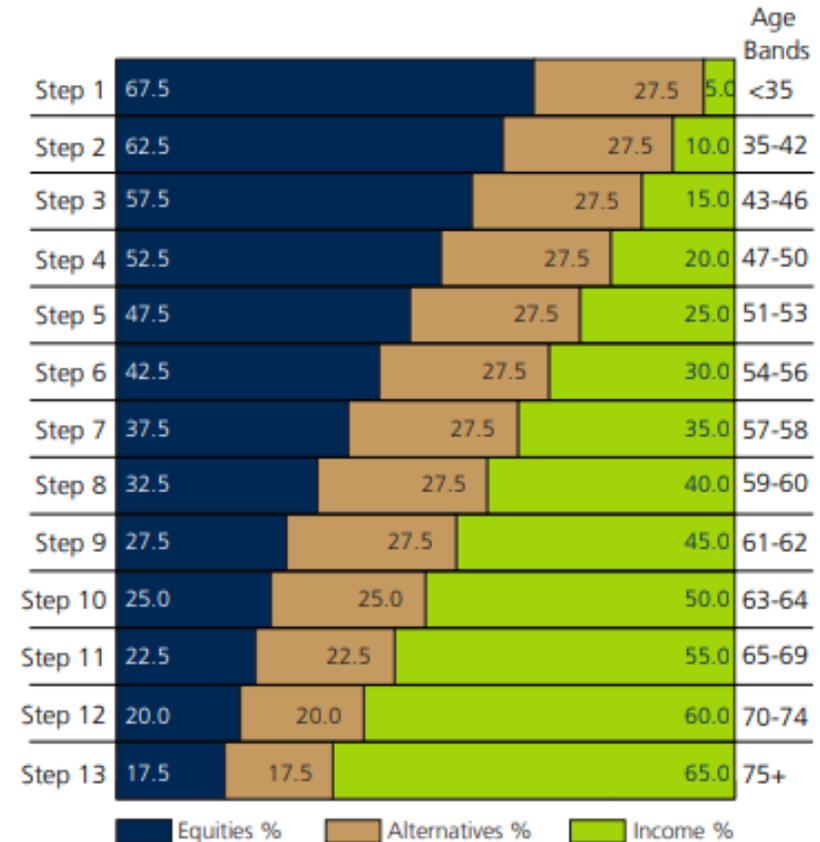
- Inclusion of **private markets** and other **alternative investments** provides diversification and improves outcomes
 - Private equity within Equity Portfolio
 - Private credit within Income
 - Infrastructure, farmland, real estate & liquid alts in Alternatives Portfolio
- Ability and **flexibility to utilize multiple investment options** into retirement
 - **Annuity** for **security & longevity**
 - **VPB** for **flexibility of investment** option and withdrawals
 - **Lifetime Pension** for **security and longevity**, but with some inflationary increases expected by design

A Proven Track Record



Fund	5 Year Returns (As at Dec 31, 2025)		10 Year Returns (As at Dec 31, 2025)	
	Return (%)	Benchmark(%)	Return (%)	Benchmark(%)
Accelerated Growth Fund	9.7%	9.9%	9.3%	9.3%
Growth Fund	8.6%	8.6%	8.5%	8.3%
Balanced Fund	6.9%	6.7%	7.2%	7.0%
Moderate Fund	5.2%	4.8%	5.9%	5.6%
Conservative Fund	3.2%	2.7%	4.4%	4.0%
Bond Fund	0.5%	0.1%	2.2%	1.9%
Money Market Fund	2.9%	2.9%	2.1%	1.9%
Step 1	9.7%	9.9%	9.3%	9.3%
Step 2	9.1%	9.3%	8.9%	8.8%
Step 3	8.6%	8.6%	8.5%	8.3%
Step 4	8.0%	8.0%	8.0%	7.8%
Step 5	7.4%	7.3%	7.6%	7.4%
Step 6	6.9%	6.7%	7.2%	6.9%
Step 7	6.3%	6.0%	6.7%	6.4%
Step 8	5.7%	5.4%	6.3%	5.9%
Step 9	5.2%	4.8%	5.9%	5.5%
Step 10	4.6%	4.1%	5.4%	5.0%
Step 11	4.1%	3.6%	5.0%	4.6%
Step 12	3.7%	3.1%	4.7%	4.2%
Step 13*	3.2%	2.7%	-	-

PEPP Steps Fund Target Asset Mixes

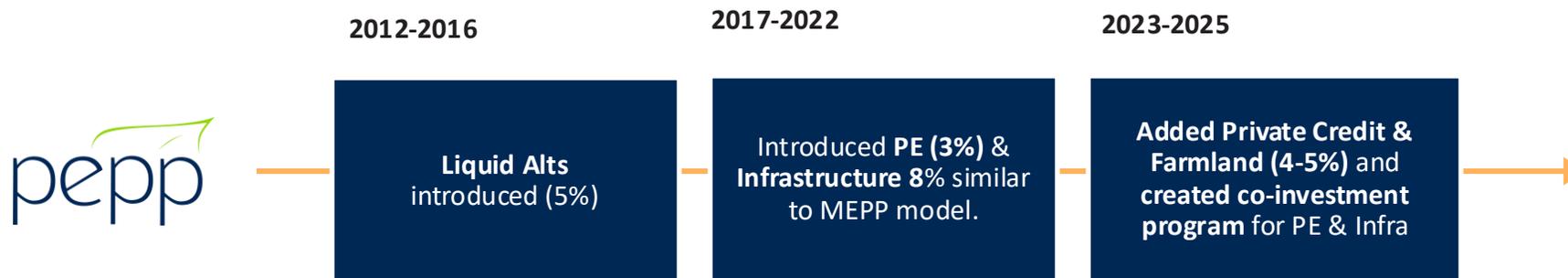


Step 9 =
Lifetime Pension

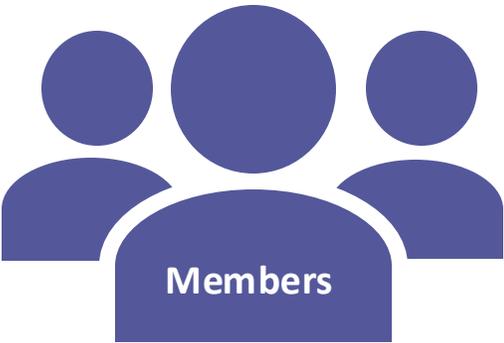
** Step 13 has an inception date of July 2, 2019. Longer term history is therefore not available

PEPP Alternative Investment Journey

The Plan boards drive future innovation and changes to their investment structures and their asset mix via strategic investment reviews every five years.



PEPP Investment Options



Investment Options

- PEPP Steps • Accelerated Growth • Growth • Balanced • Moderate • Conservative • Money Market • Bond



Asset Classes

- Equities**
 - Canadian • Foreign • Private
- Alternatives**
 - Real Estate • Infrastructure • Liquid Alternatives • Farmland
- Income**
 - Bonds • Cash & Equivalents • Private Credit

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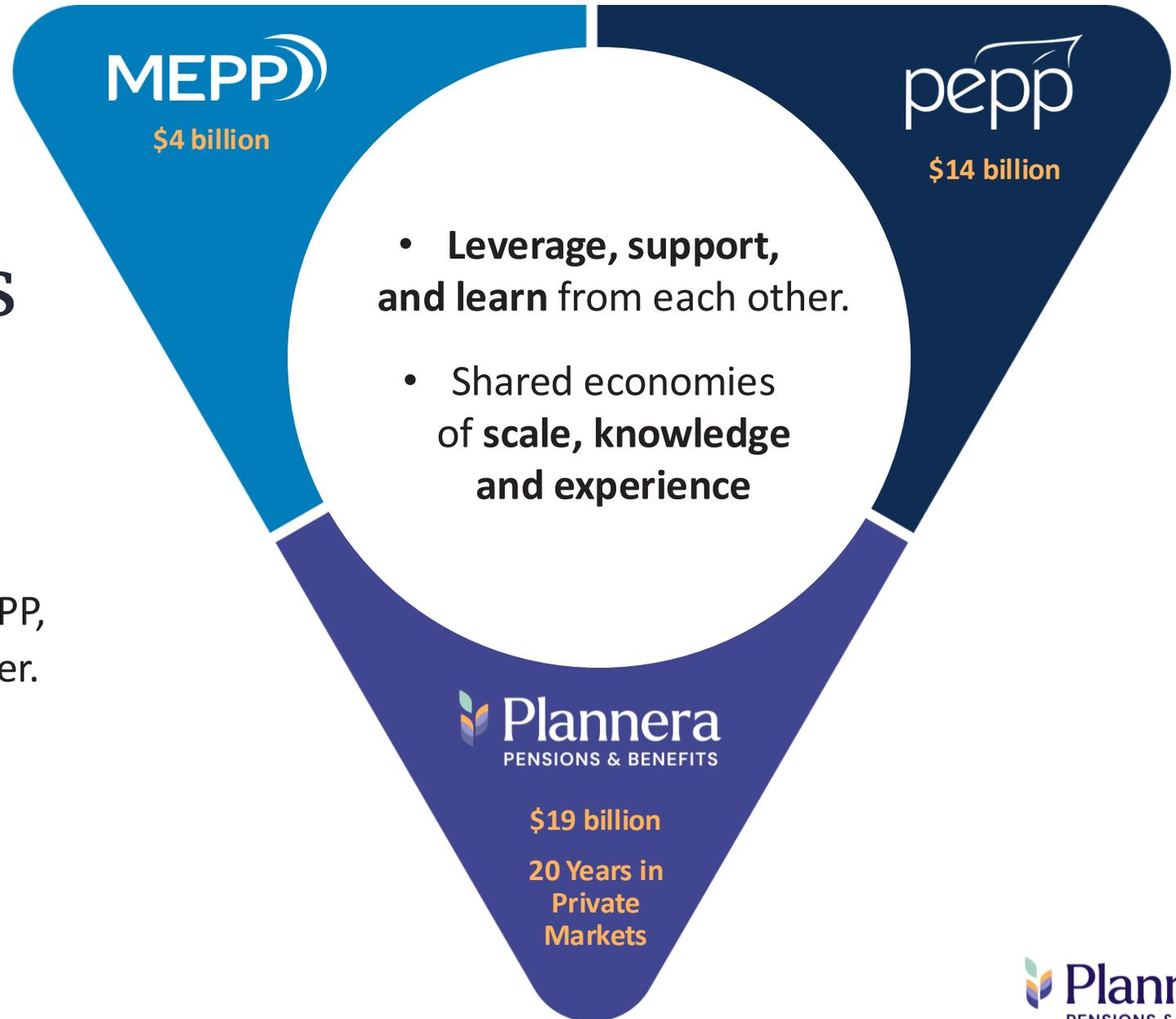
Benefits of Shared Resources



Benefits of Shared Resources & Experience

Plannera, MEPP & PEPP Ecosystem

The Plannera triangle offers a unique relationship that allows Plannera, MEPP, and PEPP to all benefit from each other.



Questions?