

# **Building Ontario Fund**

## **IESO Presentation**

June 26, 2024

# Who we are

- The **Building Ontario Fund** is Ontario's new infrastructure bank that has been established to support the **financing** and building of critical **infrastructure** projects across the province to help build **Ontario**.
- As an arms-length, board governed agency, the Building Ontario Fund's mandate is to enable public-sector **pension plans**, other trusted **institutional** investors and **Indigenous** communities to further participate in **large-scale** infrastructure projects across the province.



# Why?

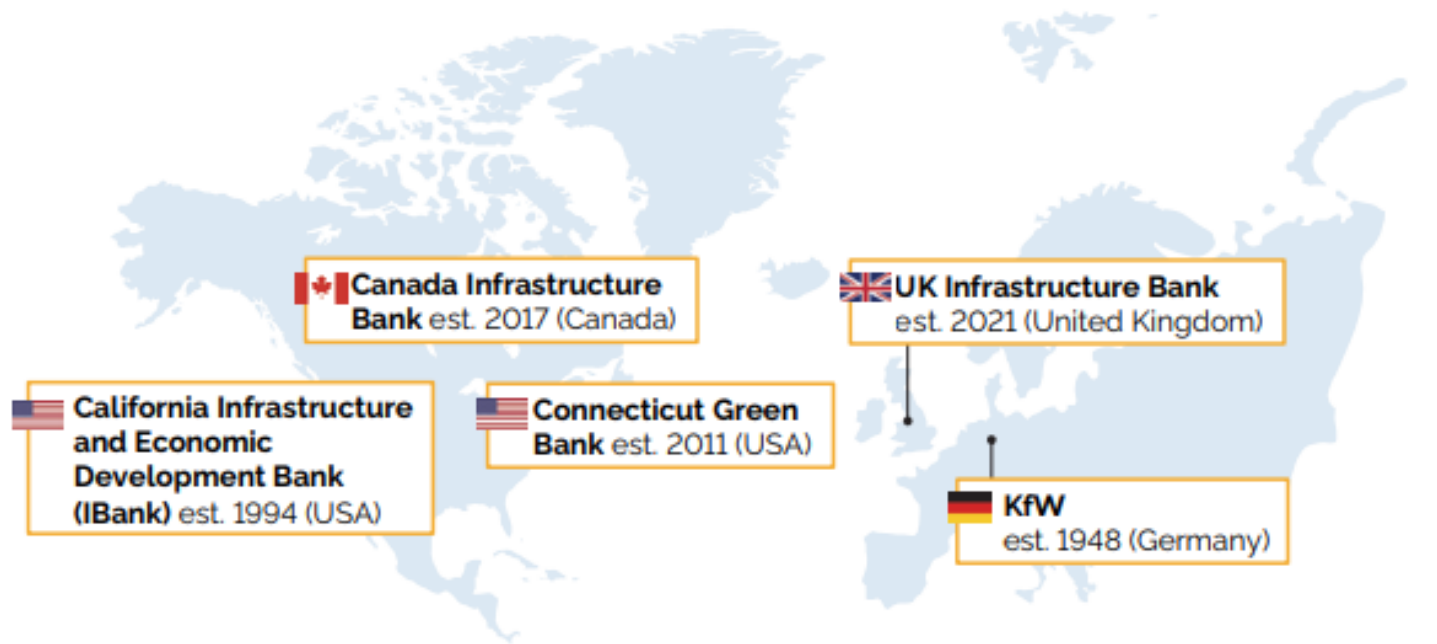
- The province's **population is growing**, new jobs are being created, and global companies are choosing Ontario to set up shop amid the transformation in the global economy.
- This growth is good news. But it means the province's existing **infrastructure is under strain**.
- Addressing the Province's infrastructure needs is not easy. Despite an ambitious capital plan totalling \$190.2 billion over 10 years, **Ontario must do more** to keep up with demands.



# Jurisdictional Examples

Other **jurisdictions** have taken a similar approach to support building critical infrastructure through the creation of infrastructure **investment organizations**.

## Infrastructure Banks Launched by Other Jurisdictions



Source: Ontario Financing Authority.



## What we do

**Invest**, and seek to **attract investment** from qualified institutional investors, public sector entities, governments, and Indigenous communities, with priority given to Canadian investors, in Ontario infrastructure projects that will **generate revenue** and that will be in the **public interest**.

The Building Ontario Fund does this by:

- ✓ **investing** in infrastructure and appropriately **allocating risks** amongst the Corporation and other investors,
- ✓ structuring **proposals** and negotiating **agreements** with investors in infrastructure projects,
- ✓ receiving and assessing **unsolicited** ideas and proposals for infrastructure projects, and
- ✓ providing **advisory** services with respect to financing infrastructure projects

# Board of Directors

- The **Board of Directors** is an independent board, composed of at least three and at most 11 members.
- **Six** board members have now been appointed, including the **Chair**, fulfilling the minimum requirement for the board's composition.



## Brian J. Porter | Chair

Brian J. Porter served as President and CEO of Scotiabank from November 1, 2013 to January 31, 2023. He currently serves as Chair of the Board of Governors of Huron University College at Western University, and as a Director of several other Boards.



## Bryan Davies | Director

Bryan Davies served as inaugural Chair of FSRA and was Chair of the Canada Deposit Insurance Corporation from 2006 to 2016, serving concurrently as Vice-Chair of the Canadian Securities Transition Office from 2009 to 2013.



## Jan De Silva | Director

Jan De Silva is Canada Co-Chair, Canada-ASEAN Business Council, Canada's Representative to APEC Business Advisory Council, former President & CEO, Toronto Region Board of Trade, and an Independent Board Director.



## James Cowan | Director

James Cowan is Vice Chair, Global Private Markets at Northleaf Capital Partners. He has served as CEO and President of the MIRA Infrastructure Global Solution funds, among other private market positions.



## Constance L. Sugiyama | Director

Constance L. Sugiyama is President of ConMark Strategy Inc. She serves as a director of the Mt. Pleasant Group and has served as Chair of the Hospital for Sick Children, Vice-Chair of the Ontario Financing Authority, and director on several other Boards.



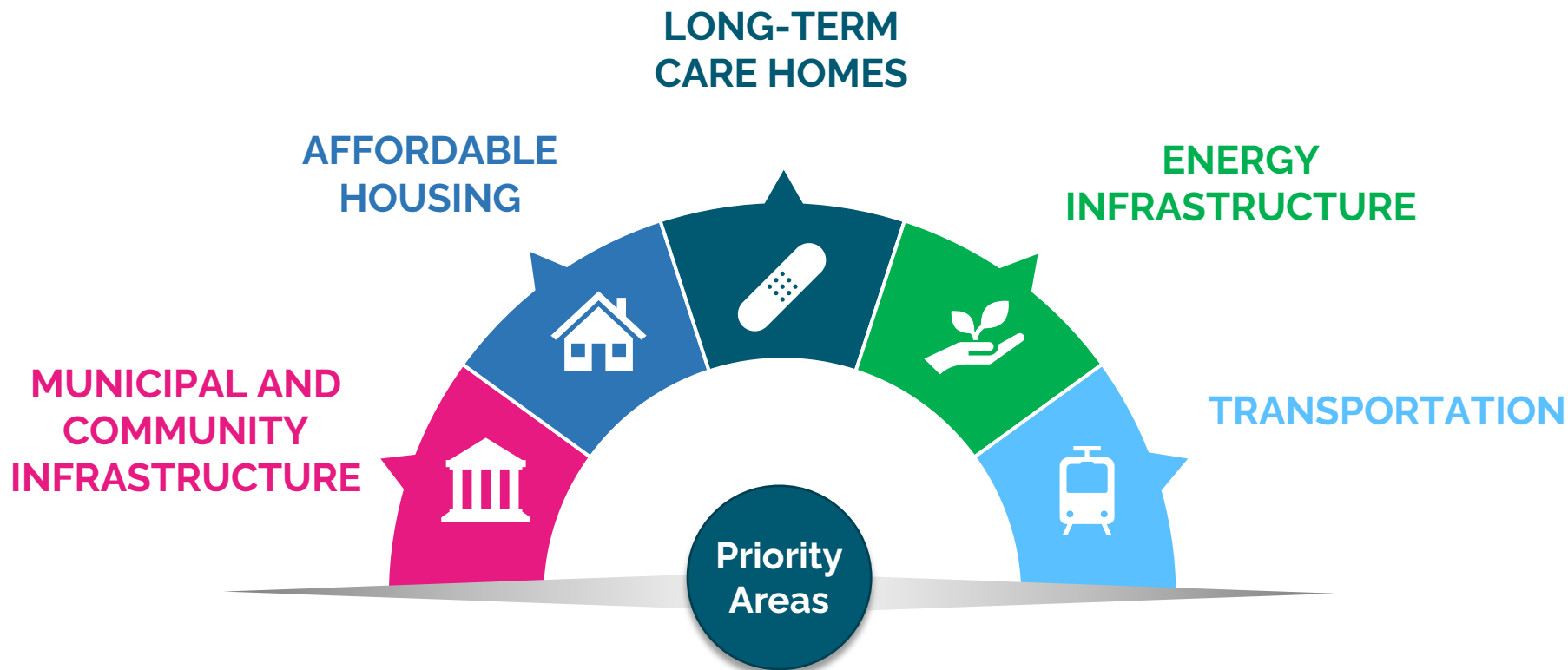
## Arshil Jamal | Director

Arshil Jamal served as President and Group Head, Strategy, Investments, Reinsurance and Corporate Development with Great-West Lifeco Inc. He served as a group executive director on the Boards of various companies, including Irish Life Assurance where he was the Chair of the Board.

# Priority Areas for Investment

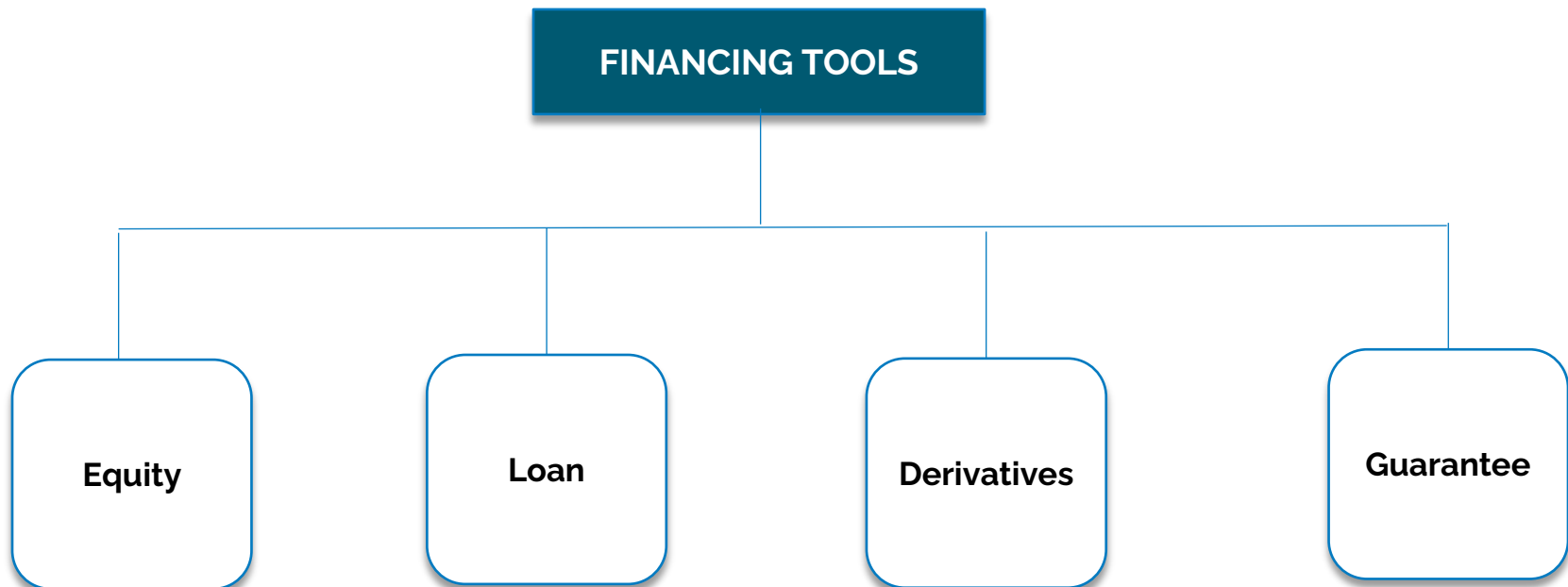
The Building Ontario Fund is exploring opportunities to support large-scale projects in the affordable **housing**, **long-term care**, **energy**, **transportation**, and **municipal and community infrastructure** sectors.

Priority areas for investment were provided to the Building Ontario Fund through the agency's mandate letter from the Minister of Finance.



# Types of Investments

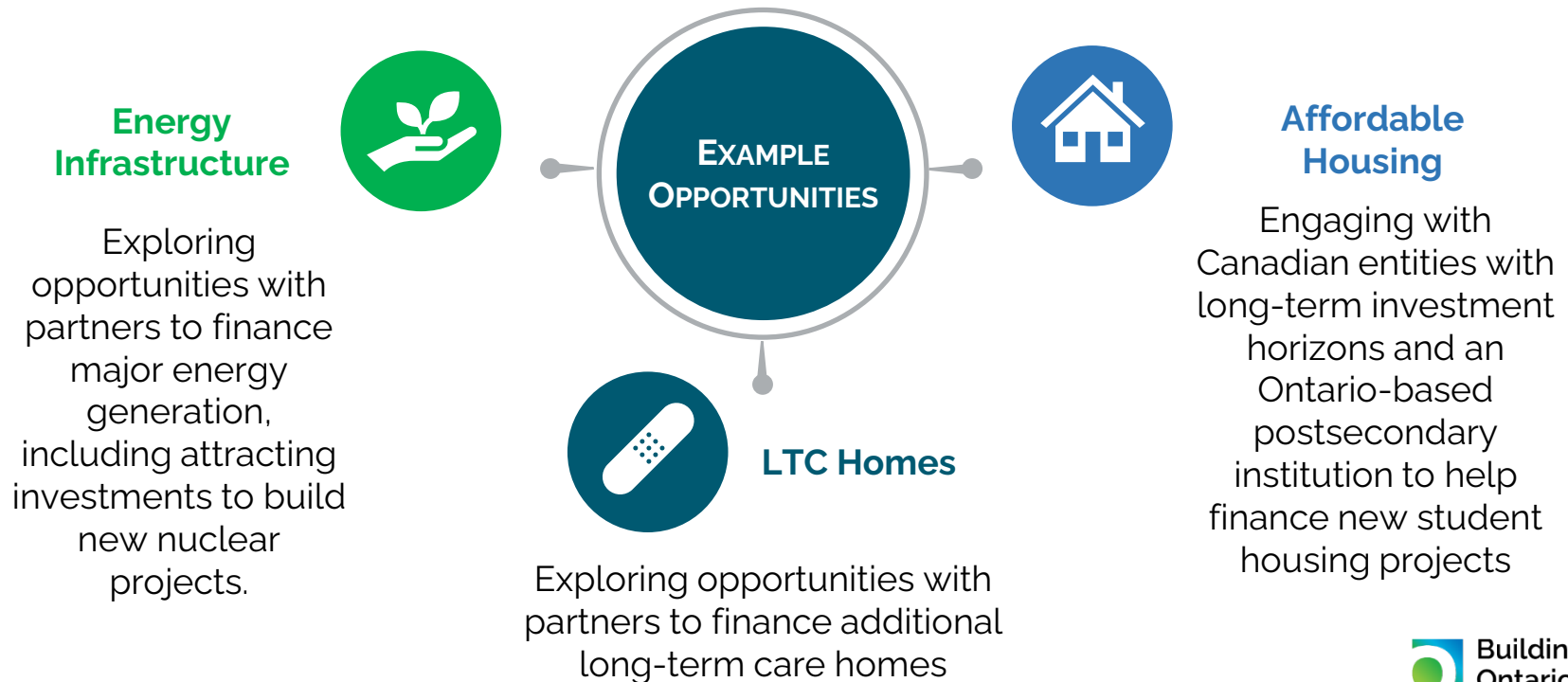
- The government has allocated an initial **\$3 billion** to the Building Ontario Fund to support its ability to invest in critical infrastructure projects across the province.
- The Building Ontario Fund has the authority to make investments to carry out its objects, including by way of **equity** investment, **loan**, acquiring a **derivative**, or giving a **guarantee**.





# Project Selection

- The Building Ontario Fund is developing a detailed **process** to ensure there is appropriate **criteria** for selecting **projects** and **partners** in priority areas based on financial and public interest criteria.
  - Key elements of the framework, subject to ongoing Board of Directors approval, will include a mandate filter (e.g., location, sector, investment size), public interest assessment, and financial / risk assessment.
- The Building Ontario Fund is exploring opportunities to support large-scale projects in the postsecondary **student housing**, **long-term care**, **energy** generation and **municipal** infrastructure sectors.



# Illustrative Energy Investment Examples

- The Building Ontario Fund can invest and seek to attract investment to help to help build essential infrastructure in the energy sector

## Emerging Technologies



- Accelerate the advancement of emerging technology projects, which are key to facilitating economic growth, but may face funding challenges
  - **Example:** SMRs, EV charging, energy storage

## Complex Projects



- Attract institutional capital to large-scale or complex projects, which require significant lead time and investment

## Indigenous Community Involvement



- Engage with Indigenous communities to ensure they can benefit from opportunities to participate in energy projects, including through equity partnerships, ownership, and other forms of participation
  - **Example:** Transmission projects

# Contact Us

## General Inquiries

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## Investment and Project Inquiries

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