Building Ontario Fund Annual Business Plan

2026-2031

Building Ontario Fund

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1. Message from the Chair and CEO

We are pleased to present Building Ontario Fund's (BOF) Business Plan for 2026–2031, a strategic roadmap to scale our impact and deliver enduring public value for Ontario through the design of innovative financing solutions for built infrastructure with public, private and Indigenous partners.

Great things are already happening and BOF is building success by enabling investments across our six priority areas: affordable housing; critical minerals; energy; long-term care; municipal and community infrastructure; and transportation.

Reflecting on BOF's progress in the last year, we are proud of the team's early achievements: becoming fully operational, building out the executive team, establishing strategic relationships with investors, project proponents, and Indigenous partners, developing a robust project pipeline, and announcing our first projects, including those of nation building importance. Showcase projects include the Darlington New Nuclear Project, Toronto Metropolitan University's Bond Street Residence, the BP-SON medical isotope production facility, the East-West Tie transmission line, and supporting construction of nearly 1,000 long-term care beds in five communities.

In the past year, the Indigenous Opportunities Financing Program (IOFP, formerly the Aboriginal Loan Guarantee Program) transitioned to BOF. As part of the transition, IOFP received an expanded mandate including $3 billion in allowable guarantees and more priority areas to include all energy, critical minerals, and resources development. The IOFP has been a key addition to BOF's core mandate to support Indigenous participation in infrastructure projects. As the program expands, it will enhance benefits for Indigenous communities as a form of economic reconciliation with our main goal to become a one-window approach to Indigenous financing of infrastructure projects in Ontario.

As we enter our next phase of evolution and continue to expand the impact of BOF, our priorities are clear and ambitious. We will continue to drive investment to advance infrastructure projects that will generate value for Ontario and improve the lives of Ontarians.

Over the next five years, we will:

- Grow our investment portfolio to support more projects that benefit communities across Ontario;

- Explore new financing tools to unlock capital and accelerate the development of revenue-generating infrastructure; and,
- Strengthen Indigenous economic participation through the IOFP, working collaboratively with Indigenous partners to create opportunities that reflect shared priorities and support long-term prosperity.

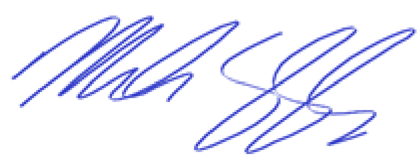
Financial sustainability remains a cornerstone of our approach. We focus on investments that deliver long-term value and meaningful public benefit, while being scalable and amplifying the reach of each BOF investment. Within the business planning period, we forecast that BOF will achieve financial self-sufficiency arising from its investment activities, a key operational milestone and requirement of our mandate.

Achieving these goals depends on the strength of our team. As we grow, we are building a high-performing, efficient, and values-driven organization with sector expertise and the agility needed to respond to evolving opportunities as we scale our impact.

We also recognize the vital role of our partners and stakeholders. Their collaboration and trust are essential to our development and success, and we thank them for their ongoing support.

With this strong foundation in place, we are excited about the opportunities ahead to catalyze investment and get critical infrastructure projects off the ground, creating stronger, more resilient communities across Ontario.

Brian J. Porter
Chair of the Board



Michael Fedchyshyn
Chief Executive Officer

2. Who We Are

Building Ontario Fund (BOF) is a board-governed Crown agency with a mandate to catalyze investment in revenue-generating infrastructure across Ontario. Backed by an $8 billion allocation, BOF supports transformative projects in six priority sectors: affordable housing, critical minerals, long-term care, energy, transportation, and municipal and community infrastructure.

Through innovative financing and partnerships with institutional investors and Indigenous communities, BOF helps unlock private capital to deliver high-impact infrastructure. Established under the *Building Ontario Fund Act, 2024*, BOF is building a stronger, more resilient province for today and future generations. More information can be found at: www.buildingonfund.ca

Agency to the Government of Ontario

Building Ontario Fund is a board-governed provincial agency that was created in November 2023, by a regulation under the *Development Corporation Act*. It was then continued in May 2024, under the *Building Ontario Fund Act, 2024.*

Building Ontario Fund is accountable to the Ontario Legislature through the Minister of Finance. A memorandum of understanding (MOU) with the Minister of Finance establishes the relationship between BOF and the Minister. BOF is working with the Ministry of Finance on an administration agreement that will guide BOF's administration of the province's Indigenous loan guarantee program (formerly the Aboriginal Loan Guarentee Program), which was transferred to BOF from the Ontario Financing Authority effective October 1, 2025 and which is part of BOF's Indigenous Opportunities Financing Program.

Building Ontario Fund is subject to the Management Board of Cabinet's Agencies and Appointments Directive (AAD), a key government directive setting out agency governance and accountability, requiring BOF to provide an annual multi-year business plan to the Minister of Finance. This Business Plan sets out BOF's strategy and planned activities for the next five years. The financial summary in this Business Plan outlines forecasted costs and revenues over a three-year period.

3. Environmental Scan

Economic Outlook and Uncertainty

The overall investment landscape in Ontario has faced economic uncertainty in recent years, driven by the sustained impacts of the pandemic and macroeconomic conditions like geopolitical tensions, inflation, and interest rate fluctuations.

Economic pressures have continued to mount. In 2025, real gross domestic product (GDP) in Ontario is expected to increase by 0.8 per cent and net job creation is expected to create 70,000 jobs, both down from 1.5% and 140,000 in 2024 respectively. U.S. trade policies and tariff uncertainty has created instability in the economy and financial markets, which is leading to more cautious investments and reduced investment activity in particular asset classes.

Looking ahead, Ontario's real GDP is projected to rise but will remain subject to the continuing impacts of the U.S. tariff-related uncertainty (see Table 1 for summary of Ontario's economic outlook for 2025-2028).

Table 1: Summary of Ontario's Economic Outlook (per cent)

Item	2024	2025p	2026p	2027p	2028p
Real GDP Growth	1.5	0.8	0.9	1.8	1.9
Nominal GDP Growth	5.2	3.2	3.0	4.0	3.8
Employment Growth	1.7	0.9	0.4	0.8	1.0
CPI Inflation	2.4	1.9	2.0	2.0	2.0

Table footnotes:

p = Ontario Ministry of Finance planning projection based on external sources as of September 12, 2025. Sources: Statistics Canada and Ontario Ministry of Finance.

Infrastructure and Economic Growth

Infrastructure is a proven and powerful tool that can help drive economic activity across sectors of the economy. This is particularly relevant during times of economic uncertainty as infrastructure investment acts as a catalyst, connecting businesses to markets and people within their communities, and supporting the flow of goods and services domestically and internationally.

With Ontario's population projected to increase from 16.1 million in 2024 to 20.5 million by 2051, greater infrastructure investment is required to both renew existing assets and build new assets that support the growing needs of the population and economy.

In response, the Ontario Government's infrastructure plan calls for more than $200 billion in capital infrastructure investments over the next 10 years. These investments will help Ontario meet increased pressures placed on key infrastructure such as housing, energy, municipal infrastructure, and transportation; meet the needs of its aging population in long-term care; unlock economic opportunities in the critical minerals sector; create jobs during and after construction; and create a built infrastructure environment that drives innovation and attracts investment. The Canadian Government has similarly recognized the role of infrastructure in economic growth and resiliency, committing $280 billion over five years as part of Budget 2025.

The benefits of infrastructure investment are well studied. For example, according to a study conducted by The Centre for Spatial Economics, the return on investment of infrastructure spending in Ontario was between $3.06 and $5.98 (in discounted present value of GDP) for every $1 spent on infrastructure. It also identified that investments in public infrastructure reduced costs for private sector businesses, which helped further generate additional business outputs. This illustrates the impacts of infrastructure investment on GDP growth.

A study by McKinsey notes that private capital is playing an increasingly important role in delivering infrastructure. Private infrastructure assets under management tripled from $500 billion globally in 2016 to more than $1.5 trillion in 2024, and policymakers are encouraged to 'meet the moment' by strategically prioritizing areas of infrastructure development by creating frameworks that attract private capital.

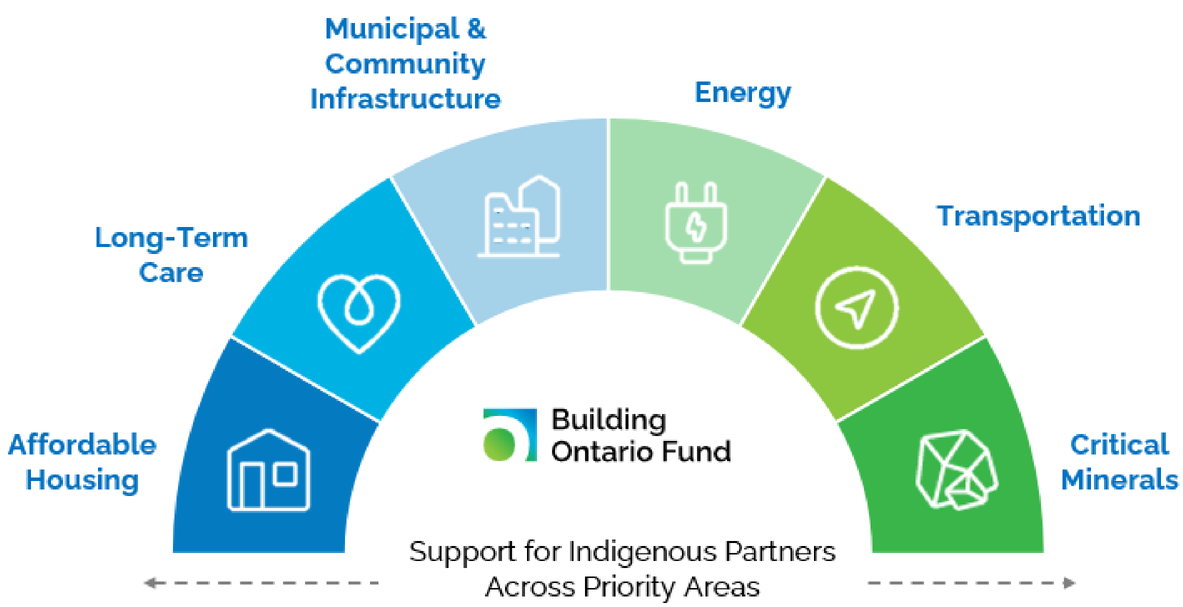
Building Ontario Fund is purpose-built to address these market realities and help contribute to Ontario's economic growth. BOF exists to support the acceleration of infrastructure growth in Ontario. Using sustainable and innovative financing solutions, while reducing pressure on government's finances, protecting the province's credit rating, and partnering with external capital (i.e. institutional investors and Indigenous partners), BOF is unlocking opportunities to bring high impact infrastructure projects to life, contributing to the province's future prosperity.

4. Priority Sectors and Mandate

Building Ontario Fund's mandate, as set out in the *Building Ontario Fund Act*, 2024, is to invest and seek to attract investment from qualified institutional investors, public sector entities, governments and Indigenous communities. Priority is given to Canadian investors, in Ontario infrastructure projects in the priority areas identified by the government that will generate revenue and be in the public interest. BOF will carry out its mandate by:

- Investing in infrastructure and appropriately allocating risks amongst the agency and other investors,
- Structuring proposals and negotiating agreements with investors in infrastructure projects; and
- Receiving and assessing unsolicited ideas and proposals for infrastructure projects that come from qualified institutional investors, public sector entities, governments and/or Indigenous communities.

Building Ontario Fund's six priority areas target strategic investments that address critical infrastructure gaps while supporting essential services for Ontarians. These priority areas represent sectors where catalytic capital can activate high-need developments and deliver transformative economic and social benefits. BOF will consider investments in projects that fall within one of the priority areas:



5. Vision, Mission & Values

In mid-2025, Building Ontario Fund undertook the process of establishing its first Vision, Mission and Values as a new agency. Informed by extensive organizational consultations, these represent a commitment to excellence, collaboration, and innovation in public infrastructure investment that all at BOF embody.

Our Vision

"Enabling impactful infrastructure investment for Ontario"

Building Ontario Fund envisions a future where infrastructure investments drive sustainable economic growth and resiliency, create meaningful opportunities for all Ontarians, and establish the Province as a leader in innovative financing solutions. We see Ontario as a jurisdiction where public, private, and Indigenous partnerships flourish, delivering critical infrastructure that enhances quality of life and strengthens communities across the Province.

Our Mission

"To unlock enduring public benefit through the design of innovative financing solutions with public, private, and Indigenous partners"

Building Ontario Fund is committed to bridging critical infrastructure financing gaps through the development and deployment of innovative financial solutions. We work collaboratively with stakeholders to structure investment solutions that attract private capital, lever public resources effectively, and ensure Indigenous communities are meaningful partners in Ontario's economic development and prosperity. Our mission is centred on creating scalable financing mechanisms that deliver measurable public benefit, while establishing viable pathways for infrastructure development that might otherwise remain unrealized.

Our Values

"BOF succeeds because of our people:"

Act with Integrity – Our people are trusted, prudent stewards of public funds, catalyzing infrastructure projects and investing on behalf of Ontarians to improve quality of life, affordability and economic prosperity. We focus on action, and we execute with integrity and purpose.

Are Empowered and Accountable – Our people thrive on empowerment at every level of the organization and are accountable to each other and to the highest professional standards. We provide the best and brightest the latitude to grow and excel in service to the people of Ontario.

Collaborate with Common Purpose – Our people thrive in an open, challenging culture where diverse ideas and experiences are welcome, respected, and expected. We create an environment where everyone can bring their individuality and contribute their unique strengths to our shared success. We collaborate deliberately, both internally and externally, with the aim of broadening our perspectives in novel ways, while enabling delivery of critical infrastructure.

Lead with Empathy and Curiosity – Our people all lead through their ideas, actions, and inspiration, while balancing commitment with open mindedness. We coalesce around the principles of perpetual innovation, investigating creative solutions, and being fearless in trying something new, while being empathetic and considerate of alternative viewpoints.

Vision, Mission, Values: The Foundation for a Transformative Approach

Building Ontario Fund represents a transformative approach to infrastructure financing in Ontario, operating at the intersection of public policy and innovative finance to address critical funding gaps, while ensuring long-term sustainability and maximum public benefit. The following framework illustrates how BOF's investment approach is anchored in our vision and mission to create lasting value for Ontario.

BOF's Vision

Enabling impactful infrastructure investment for Ontario

BOF's Mission

To unlock enduring public benefit through the design of innovative financing solutions with public, private and Indigenous partners

Operating Efficiently and Prudently on Behalf of Ontarians

Preserve and recycle capital through prudent underwriting, risk-managed structuring, and a focus on liquidity – enabling BOF to operate as an evergreen platform

Enabling Key Infrastructure Projects & High-Quality Partner Experiences

Deploy catalytic capital to unlock infrastructure projects that would otherwise stall, accelerate delivery timelines, and fill funding gaps across priority sectors

Creating a Connected Ecosystem of Partners

Deliver enduring public, social, and economic value by leveraging BOF's capital to attract private and Indigenous co-investment, amplify impact, and enable resilient infrastructure outcomes

Attracting, Developing and Retaining the Best People

Investments are a product of talent, relying on our people to effectively meet the mandate of BOF as a prudent, innovative and impactful infrastructure fund.

The above enable BOF to create systemic change through innovation and support the development of scalable financing models and delivery platforms that reduce transaction friction, create replicable solutions, and strengthen Ontario's infrastructure ecosystem.

6. Strategic Pillars

Building Ontario Fund is guided by a clear mission to unlock enduring public benefit through the design of innovative financing solutions with public, private, and Indigenous partners.

Central to achieving this mission are our four strategic pillars, each of which supports our vision of enabling impactful infrastructure investment. The pillars further ensure BOF operates with integrity, accountability, and collaboration.

Finally, through these pillars, BOF reinforces our commitment to innovative financing, sustainable economic growth, and meaningful participation of all Ontarians in the development of critical infrastructure.

6.1 Operating Efficiently and Prudently on Behalf of Ontarians

Establishing a fund of exceptional scale and capability is fundamental to enabling infrastructure projects. A world-class fund ensures BOF can structure innovative financing solutions that attract private capital, leverage public resources effectively, and provide sustainable long-term support for critical infrastructure impacting Ontarians across the province.

Strategic Pillar Objectives

Year 1 – Formation: Build to a Functional State

1.1.1 Define business needs and data governance, and procure solutions for key enterprise business systems

1.1.2 Establish foundational internal policies, governance and processes, including PSAS-compliant financial framework, investment decision processes, post-close oversight, compliance and monitoring

1.1.3 Establish organizational capability and frameworks to enable core business; including analytics for deal assessment, portfolio reporting

1.1.4 Develop and launch enterprise risk management program and outsourced internal audit function

Year 2 – Integration: Improve Efficiency

1.2.1 Implement key enterprise business systems

1.2.2 Integrate PSAS-compliant financial framework with internal controls and governance

1.2.3 Evolve analytics capabilities for deal assessment, execution and portfolio management, enhance post-close oversight and covenant monitoring

1.2.4 Enhance enterprise risk management maturity and advance the internal audit program, establish a Resilience, Business Continuity and Response Planning Framework

1.2.5 Evaluate need for treasury and tax expertise, and build out functions as appropriate

Year 2-5 – Sustainability: Achieve BOF Sustainability

1.3.1 Integrate and evolve key enterprise business systems

1.3.2 Mature KPI framework, apply lessons learned and evaluate IT update plans

1.3.3 Fully mature investment platform and processes, with embedded continuous improvement processes

1.3.4 Embed continuous improvement across financial processes, enterprise risk management framework and internal audit

Performance Indicators – Operating Efficiently and Prudently on Behalf of Ontarians

Partner : Contribution Ratio (Annual & All of Time)		Single Investment	Portfolio
Definition	The ratio of Partner : BOF Capital	1:1 (minimum)	1.25:1
Intention	Incent the BOF to structure investments that maximize the utilization of public/fund dollars		
Measurement	Average of Partner : BOF capital in the project over the life of the project. Life of the project defined as the lesser of the useful life of the asset or the revenue contract period for projects that have reached executed term sheets in the fiscal year. Includes capital amounts guaranteed under BOF as public financing.		

Expected Financial Performance (Annual & All of Time)		Single Investment	Portfolio
Definition	Expected financial return in basis points (bps)	Fully-loaded Cost of Funds (minimum)	>50bps over Fully-loaded Cost of Funds
Intention	Ensure that BOF is seeking returns above its fully-loaded cost of funds and growing its capital base. Required for operational sustainability and self-sufficiency.		
Measurement	Single Investment: The expected interest rate for debt and the expected IRR for equity transactions. Portfolio: The weighted average of the expected debt interest rates and expected equity IRRs within the portfolio. Includes only those transactions having reached financial close.		

Total Expected Performance (Annual & All of Time)		Single Investment	Portfolio
Definition	Total expected portfolio return in basis points (bps)	Benchmark to be established*	Benchmark to be established*
Intention	Ensure that BOF is seeking both direct and indirect returns for its shareholder.		
Measurement	Single Investment: The expected interest rate for debt and the expected IRR for equity transactions, plus the public benefit generated by the investment for the shareholder. Portfolio: The weighted average of the expected debt interest rates and expected equity IRRs, plus the cumulative public benefit generated by the portfolio for the shareholder. Only those transactions having reached financial close.		

*BOF will establish a benchmark based on historical agency performance; to be introduced in FY28-29

IOFP Indigenous Partner Return (Annual & All of Time)		Single Investment	Portfolio
Definition	Distributions of proceeds to community from indigenous asset ownership after debt service	30%	35%
Intention	To facilitate economic reconciliation and participation by indigenous communities in infrastructure projects		
Measurement	Percentage of revenue from Indigenous portion of asset distributed to communities after debt service and costs		

Closing Costs (Annual & All of Time)		Single Investment	Portfolio
Definition	Fully-loaded closing costs as a function of BOF investment commitment.	5% (maximum)	<4%
Intention	Minimize the expense of administering the fund and encourage continuous efficiency improvements		
Measurement	Total fully-loaded internal/external costs incurred divided by total BOF investment commitment (including options) for investments that have reached financial close in the fiscal year/all of time. Net of costs recovered from borrowers or capitalized into SPV/project returns.	< 3.5% (IOFP)	< 3% (IOFP)

Key Activities – Operating Efficiently and Prudently on Behalf of Ontarians

1. Operational Plan and Execution

Building Ontario Fund's operational plan focuses on creating an environment that supports efficient, effective operations and sets the foundation up for planned growth and maturation. To date this work has included:

Securing a long-term office space – BOF has secured an office space sufficient to meet its needs in engaging with institutional investors and stakeholders, provide capacity to meet expected scope of work, and meet return to the office obligations for government employees.

Corporate policies and procedures – BOF is currently implementing a comprehensive policy framework that includes corporate policies, directives and guidance to support efficient operations, ensure accountability and transparency, and protect against risk, loss and inefficiency.

Enterprise technology solutions – Technology is central to building BOF's operational foundation. Over the next three years, BOF technology services will continue to deliver on the following priorities:

- Deliver enterprise solutions based on an outsource model that automates and enhances processes,
- Strengthen cybersecurity, in collaboration with the OPS Cyber Security Division,
- Build a robust data, analytics, and reporting ecosystem,
- Establish effective technology projects prioritization, management, and oversight,
- Support day-to-day operations that boost productivity and improve client satisfaction, and
- Design and deliver a vendor management system, business continuity plan and oversight mechanisms.

Processes are being put in place to reduce risk in procurement and build-out of core IT systems, ensuring that solutions support sustainable, scalable and integrated IT infrastructure for BOF.

2. Fund Sustainability

Building Ontario Fund's financial strategy is anchored in fiscal responsibility, integrity, and compliance with applicable accounting standards and provincial directives. As a start-up organization, financial planning is approached with discipline, recognizing both the opportunities and uncertainties inherent in scaling operations and deploying investment capital.

Reaching financial sustainability relies on BOF's capital being deployed and earning a return. Being a young agency just beginning to deploy capital, BOF will predictably require draws against its capitalization to cover operating expenditures. Assuming the status quo mandate, total funding envelope of $8 billion, and $3 billion allocation for the Indigenous Opportunities Financing Program, BOF forecasts that proceeds from investment activities will exceed expenses on a year-over-year basis in FY28-29 and it will recover its accumulated costs by FY30-31. Any interim operating costs are drawn from the approved $8 billion allocation.

As a steward of taxpayers' money, BOF is committed to fiscal responsibility, ensuring public resources are managed prudently and transparently. In its first year of operations, BOF successfully completed its inaugural external audit conducted by the Office of the Auditor General of Ontario, demonstrating a strong foundation of accountability and compliance. BOF is also in the process of selecting an internal audit firm to provide independent assurance, strengthen internal controls, and help identify opportunities for process improvements as the organization continues to mature. As BOF grows, priority is placed on developing systems that enable accurate budgeting and forecasting, reinforcing internal controls, and ensuring compliance with accounting standards, taxation requirements, and other regulatory obligations. The long-term objective is financial self-sufficiency, underpinned by transparency, clean audit outcomes, and effective governance.

For invested projects, BOF aims to provide efficient post-close oversight, deliver responsive service to borrowers, and closely monitor obligations under financing agreements.

This disciplined approach ensures BOF balances prudent fiscal management with the flexibility required to support strategic infrastructure investments, while maintaining transparency, accountability, and long-term sustainability.

Information and Information Technology Plan

Implementation of Critical Systems

To support effective, responsive and scalable information and information technology practices at Building Ontario Fund, BOF is undertaking to develop and implement over the course of the business plan the following:

ERP initiative – BOF is collaborating with Supply Ontario as an early adopter in the procurement of an Enterprise Resource Planning (ERP) Vendor of Record. This ERP solution will serve as a centralized corporate resources system enhancing operational efficiency and productivity through improved data accuracy, consistency, and task automation across HR and Finance functions.

BOF's ERP will be piloted in early 2026 with widespread implementation in fiscal year 2026-27.

CRM initiative – BOF is implementing a new Customer Relationship Management (CRM) platform. This initiative will establish a centralized system for managing stakeholder interactions, tracking the flow of funds associated with projects, and enhancing collaboration across teams.

BOF's CRM will undergo a phased implementation, with target functional areas coming online beginning February 2026 and with full implementation by summer 2026.

Investment management system initiative – BOF will be onboarding a comprehensive platform designed to enhance post-closing monitoring and management of assets across its investment portfolio. This solution will streamline management of assets to ensure greater efficiency and transparency. Integration with existing ERP and CRM systems will provide a robust backend infrastructure, empowering BOF teams with the tools and insights needed to deliver results.

Records and information management – BOF will put in place records and information management processes to meet our obligations under the legislation and policies which govern recordkeeping in the OPS.

Contract management system – BOF will onboard a contract management solution to support effective oversight of our contracts, as well as support internal audit functions. Beginning in 2025 and within FY26-27, BOF will identify business needs and implement the solution as well as put in place processes for continuous evaluation and improvement.

IT Resourcing

BOF continues to grow staffing in order to meet its mandate and will at all times comply with its maturity plan. Most IT-seat resourcing will have been accounted for in the 2025-26 third and fourth quarters, with facilities costs, including IT resources, relatively stable over the projection provided in the Financial Section (7.6) below.

Cyber Security

Building Ontario Fund's cyber security is monitored through the Ontario Public Service's (OPS) Managed Service Provider (MSP), Cyber Security Division, and therefore has adopted the OPS policies and will remain aligned with OPS policy and standards in the area. The MSP provides all recovery aspects including incident management and forensics. Furthermore, BOF does and will continue to provide cyber awareness training for employees on a regular cadence and as part of onboarding. BOF has procured and will continue to maintain supplemental cyber crime insurance.

6.2 Enabling Key Infrastructure Projects and a High-Quality Partner Experience

Building Ontario Fund's success depends on our ability to support projects that might otherwise not get built. By designing financing solutions that meet the unique needs of stakeholders and rightsholders, and delivering a seamless, transparent partner experience, we help unlock strategic infrastructure investments, while fostering trust and confidence with all partners.

Strategic Pillar Objectives

Year 1 – Pilot Deals: Build Frameworks & Partnerships

2.1.1 Develop inaugural investment strategy, portfolio construction framework, and service standards

2.1.2 Demonstrate ability to partner/co-invest with partner capital and to pilot first deals across priority sectors – building credibility and establishing proof points

2.1.3 Revise IOFP framework to expand reach, provide efficient guarantees and demonstrate creative approaches to address unique needs of Indigenous projects

Year 2 – Evolve: Review/Update Tools & Standards

2.2.1 Issue first fund report

2.2.2 Expand financing tools to catalyze impactful projects

2.2.3 Complete integration of IOFP platform and processes into BOF investment framework

2.2.4 Evolve capital allocation targets based on mandate, priorities, pipeline maturity, lessons learned and market condition

Year 3-5 – Scale: Mature Efficiency & Sustainability

2.3.1 Maintain a diversified, balanced and continuously recycling portfolio

2.3.2 Deploy innovative financing structures at scale, influencing market norms and enabling new platforms/models

2.3.3 Achieve financial sustainability and growth in capital base

Performance Indicators – Enabling Key Infrastructure Projects and a High-Quality Partner Experience

Capital Committed (Annual)		Target
Definition	The total dollar value of BOF financing commitments	$1.5 Billion*
Intention	Ensure that the BOF is regularly deploying its capital and managing the future availability of capital to ensure consistent project support	
Measurement	The sum of financing commitments (including options) that have reached executed term sheet stage in the fiscal year	

* Subject to annual forecasting of available funds returning and available to commit

Guarantees Issued through IOFP (Annual)		Target
Definition	Total dollar value of IOFP guarantee commitments issued in fiscal year	$400 Million
Intention	Ensure that IOFP is issuing guarantees within program parameters and is achieving its objectives	
Measurement	The sum of guarantee commitments that have reached executed term sheet stage in a fiscal year	

Adherence to Investor Service Standards (Annual)		Single Investment	Portfolio
Definition	Compliance level with service commitments to project proponents	>95%	>95%
Intention	Ensure BOF timelines are transparent and predictable for project partners and BOF is accountable for performance thereto		
Measurement	Time weighted average % deviation from established service standards. Deviations do not stack and can cancel when part of the same process flow. Corrected for transaction time waiting for project partner action/submissions		

Key Activities – Enabling Key Infrastructure Projects and a High-Quality Partner Experience

1. Investment Strategy

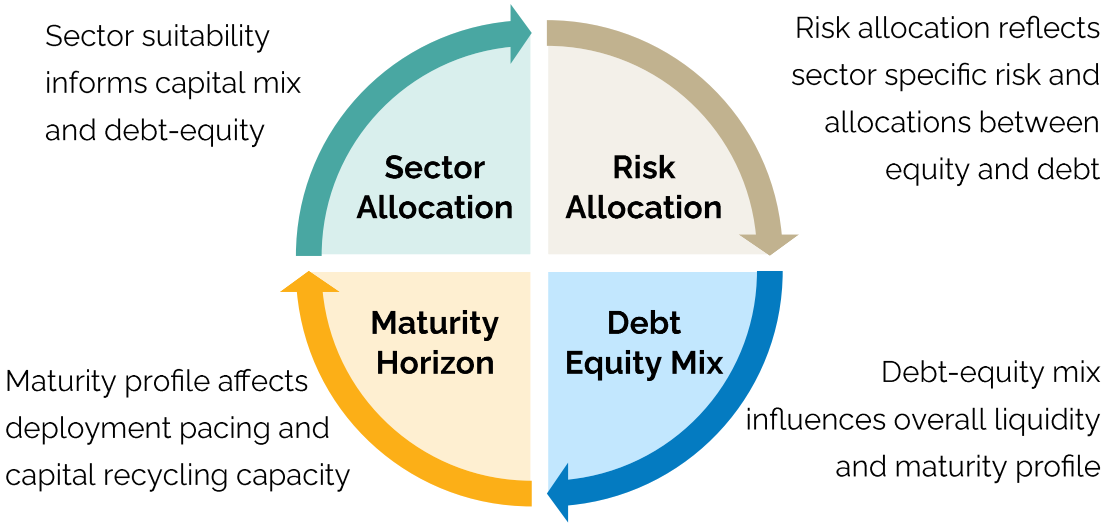
Building Ontario Fund operates with minimum investment commitments of $50 million for Indigenous-led projects and $100 million for other qualifying projects, reflecting its focus on substantial infrastructure developments that deliver transformative public benefit. Across all priority areas, BOF maintains a specific commitment to supporting projects that advance community and economic wellbeing for Indigenous partners, recognizing these communities as essential stakeholders in Ontario's infrastructure development and economic reconciliation.

As we build and mature as an agency, BOF will follow a strategic three-phase evolution designed to build sustainable impact over time.

- **Foundation** phase focuses on establishing core capabilities through pilot projects, developing governance frameworks, and building stakeholder confidence, while creating essential investment processes and analytical capabilities.
- **Optimization** phase emphasizes scaling operations through enhanced portfolio management, expanded financing tools, and integrated systems that strengthen partnerships and market presence.
- **Mature** phase ensures BOF operates as an established platform that proactively originates high-impact projects, deploys innovative financing structures at scale, and maintains a diversified, continuously recycling portfolio, while serving as a recognized leader in catalytic infrastructure finance.

This strategic evolution ensures investments are allocated based on established priorities, diversification guidelines, and sector-specific needs, with each phase building upon the previous one to create a foundation for long-term sustainability and maximum impact across Ontario's infrastructure landscape.

The graphic below illustrates how capital is allocated across four interconnected dimensions within a structured, criteria-driven framework that balances impact, financial sustainability, and portfolio resilience while adapting to evolving government priorities:



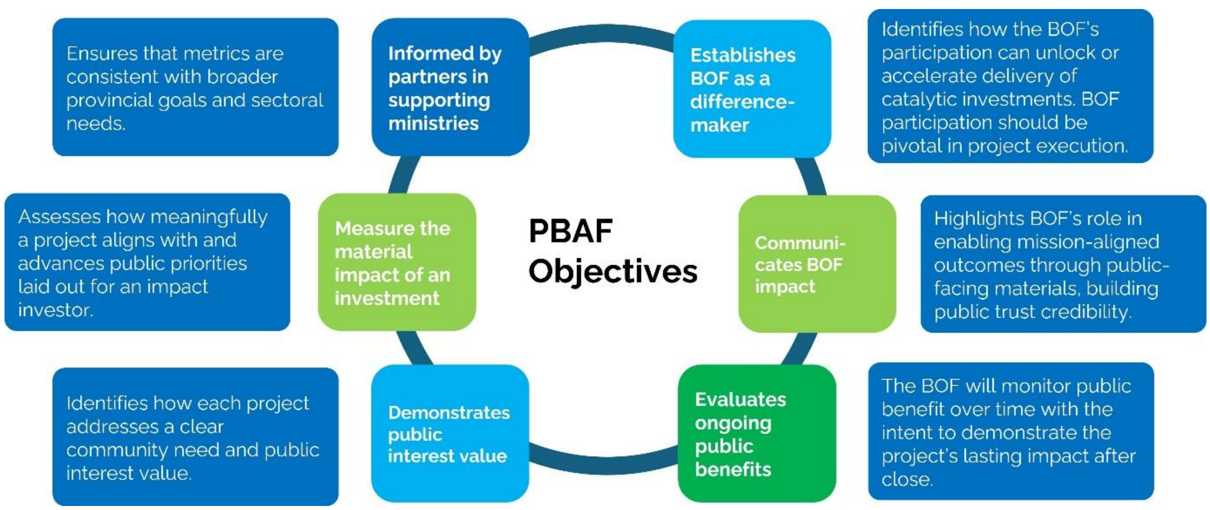
2. Selection Framework

Building Ontario Fund has developed a comprehensive project selection framework to ensure we are maximizing the impact of investments across our priority areas. The investment framework outlines a stage gate approach that determines at each step whether a project proceeds, is restructured, or is stopped. The framework guides BOF decision making through the application of foundational principles, including:

- *Purposeful Deployment of Capital:* Capital should be deployed strategically towards projects that are mandate aligned and have the greatest potential for public benefit and catalytic effect.
- *Partnering with Intention:* BOF's role is to enable. We aim to de-risk, crowd in capital and accelerate infrastructure by co-investing with partners valuing alignment, trust and mutual benefit.
- *Recycling to Reinvest and Stay Evergreen:* We prioritize liquidity creation, capital recycling, and velocity of money to expand impact over time.
- *Diversifying for Resilience & Impact:* Our portfolio will be diversified across sectors, geographies, structures, delivery models and partners to manage risk and drive impact across our mandate.
- *Investing with Discipline and Transparency:* We apply rigorous governance, triage and approval processes for all investment decisions to promote structure, transparency and consistency in project screening, evaluation and monitoring.

3. Public Benefit Assessment Framework

The Public Benefit Assessment Framework (PBAF) is BOF's framework to measure the public benefit of investments. It promotes transparency by clearly articulating the social impact of BOF's investment activities. Created through extensive consultations with government, the PBAF establishes metrics and measures for calculating public benefit, with ongoing input from ministries to ensure policy alignment with government objectives and use of the latest available input data. In addition, public benefit is derived from projects that further economic reconciliation for Indigenous communities. PBAF is designed to guide investment decisions and ensure accountability through six core objectives:



4. Asset Classes and Forms of Financing

Long-Term Care Homes

Building Ontario Fund's long-term care investments aim to address critical financing gaps that prevent projects, particularly in challenging markets and underserved regions, from advancing. By bridging financing barriers and supporting operators in navigating capital market constraints, these initiatives will enhance the quality, accessibility, and responsiveness of care across Ontario. Partnerships with local communities and care operators will ensure projects align with provincial objectives and advance outcomes that reflect community needs.

Energy

Building Ontario Fund's energy investments intend to accelerate commercialization and deployment of emerging technologies such as small modular reactors, battery storage systems, renewable fuels, and hydrogen infrastructure. Investments will support projects facing regulatory, market, or financing barriers, including grid modernization, electrification, and other initiatives critical to Ontario's Integrated Energy Plan. By providing flexible capital and risk-sharing mechanisms, BOF will help demonstrate the viability of innovative solutions and attract private sector participation. Working collaboratively with Indigenous communities and industry partners, these initiatives will enhance energy system resilience, support decarbonization, and contribute to long-term economic competitiveness.

Affordable Housing

Building Ontario Fund's affordable housing investments seek to unlock stalled developments and enable new housing supply across rental, ownership, co-operative, mixed-tenure, and student housing formats. Investments will focus on projects with the greatest affordability impact, using innovative financing solutions and accelerated construction methods such as modular and factory-produced housing. These projects will strengthen Ontario's housing ecosystem, reduce delivery timelines, and expand accessible, quality housing options. Working closely with municipalities, Indigenous communities, and housing providers, BOF initiatives will support community-led priorities and inclusive economic growth.

Municipal and Community Infrastructure

Building Ontario Fund's municipal and community infrastructure investments seek to enable projects that deliver significant public benefit, but face financing or revenue challenges. Investments will support revenue-producing water and wastewater systems, digital infrastructure, waste diversion facilities, and brownfield redevelopment that unlocks housing and economic development opportunities. BOF initiatives will strengthen foundational infrastructure and improve climate outcomes. Partnerships with local stakeholders will ensure that projects advance community-led priorities while creating opportunities for sustainable growth and economic development.

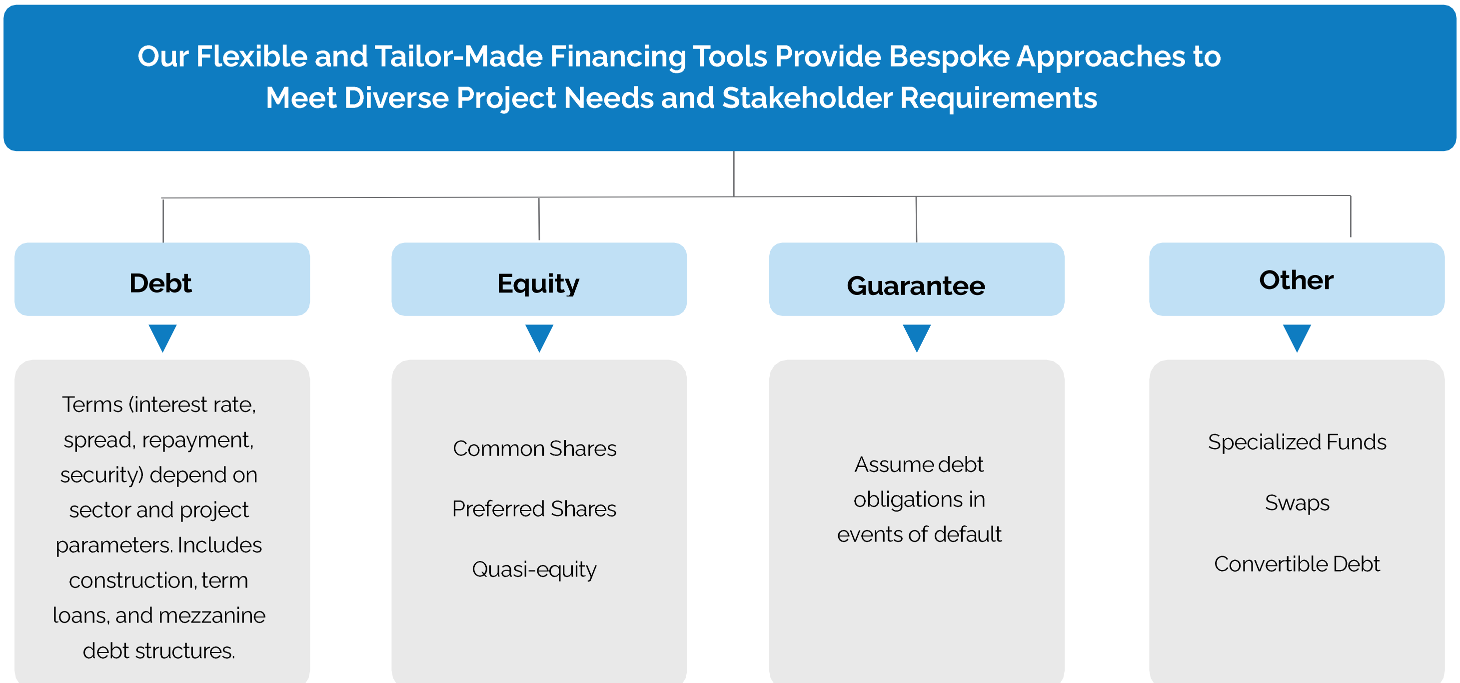
Transportation

Building Ontario Fund's transportation investments aim to accelerate delivery and de-risk private sector participation across Ontario's multimodal transportation network. Investments will focus on projects that improve connectivity and enable housing and industrial growth. BOF will address cash flow challenges, funding delays, and financing constraints, while leveraging flexible capital structures to facilitate timely project completion. By advancing strategic transportation initiatives, these investments will enhance mobility, support regional economic development, and strengthen the province's long-term competitiveness and resilience.

Critical Minerals

Critical Minerals is a new priority area for BOF as per the Minister's 2025-26 Letter of Direction. BOF's Critical Minerals investments will seek to facilitate the construction of affordable housing and enabling infrastructure, including power generation and transmission, access roads, and water and wastewater management facilities in remote areas of Ontario. These investments will unlock critical mineral development and support broader economic growth, while addressing infrastructure risks that impact mining companies' abilities to secure sufficient pre-mine construction financing. Working in partnership with Indigenous communities, these initiatives will advance economic reconciliation by creating meaningful opportunities for participation in the critical minerals sector and supporting community-led development priorities.

BOF Financial Instruments BOF offers a range of financial instruments to meet different project needs and financing gaps. Examples of some of these instruments include:



5. IOFP and Indigenous Financing

Increasing Indigenous participation in large scale infrastructure projects to further economic reconciliation is a foundational commitment spanning all of BOF's priority areas. BOF facilitates meaningful collaboration to support community-led economic development and self-determination. These partnerships create opportunities for Indigenous communities to participate as leaders in economic development projects while addressing systemic barriers to capital access.

A key component of this commitment is the Indigenous Opportunities Financing Program (IOFP). In the 2025 Ontario Budget, the government transferred administration of the province's Indigenous loans guarantee program previously called the Aboriginal Loan Guarantee Program (ALGP), to BOF effective October 1, 2025.

The IOFP provides loan guarantees to Indigenous entities for eligible infrastructure projects and has facilitated Indigenous participation in electricity infrastructure since 2009, making it Canada's longest running Indigenous loan guarantee program. The 2025 Ontario Budget tripled funding of the program from $1 billion to $3 billion, and under BOF's administration, expanded its mandate beyond electricity to include energy, critical minerals, and resource development, while broadening financing options beyond loan guarantees. BOF administers the program, including due diligence, monitoring, and underwriting, creating expanded opportunities for Indigenous participation in infrastructure financing.

6. Service Standards

Building Ontario Fund, as a Crown agency of the Government of Ontario, strives to offer a high standard of service consistent with direction given by the Minister of Finance and aligned with the principles articulated in the Ontario Public Service (OPS) Service Directive. BOF aims to support a high standard of accessibility, responsiveness, reliability, care, and accountability while also maintaining negotiating leverage in commercial discussions. BOF will not compromise its fiduciary duty to the taxpayer in order to adhere to a service standard.

Building Ontario Fund Common Service Standards

In-person: BOF maintains an office location in the financial district of Toronto. BOF staff will make themselves available for scheduled appointments as required during core business hours to support the investment and stakeholder mandates given by the Government of Ontario. BOF staff will meet with project partners and all other relevant parties in person or virtually as required. BOF will maintain consultation and engagement opportunities as described elsewhere in this plan.

Contact by phone: As possible and available, calls should be answered during core business hours (8:30am to 5:00pm) or directed to voicemail or an alternative number. Voice mail will be returned within one business day. Note that BOF does not maintain a central phone number.

Contact by email: General inquiries through email or online submissions will be acknowledged within two business days and questions therein answered within 15 business days. If a question cannot be answered within 15 business days, BOF will provide an estimate as to when an answer will be available within 15 business days.

Intra-government, inter-agency, and partnership emails will be acknowledged within two business days and addressed in no more than five business days or provide an estimate of when an answer can be provided.

Contact by mail: Mail will be answered within 15 business days.

For complicated requests that require additional time, notification and/or an alternative communication channel (i.e. email) will be provided.

For all other communication service standards, Building Ontario Fund will work to approximate the Ontario Public Service (OPS) Service Directive as appropriate.

Program Specific Service Standards

BOF is primarily an infrastructure investment fund, with activities structured around the delivery of effective, innovative and impactful investments that furthers the financing of infrastructure in the public benefit and that catalyzes financing from sources outside of the government.

Service standards for project investments and with project proponents, as measured in the Adherence to Investor Service Standards (Annual) performance indicator, will be as follows:

1. Decision on mandate alignment: 10 business days or less, on receipt of complete materials from the proponent for this stage.

   During this process, BOF assesses whether a proposal is credible, aligned with its mandate, investment criteria, and suitable for further consideration. Confidentiality agreements may be required to facilitate early discussions used to clarify project scope. Once BOF has completed this assessment, the proponent will be notified of the decision on mandate alignment and next steps, as applicable.

   This early filtering ensures that BOF and proponents focus resources on viable opportunities, reducing inefficiencies and potential delays in later stages of decision making.

2. Decision on entering formal negotiations: 30 business days or less, on receipt of complete materials from the proponent for this stage.

   Once a proposal has been deemed to align with BOF's mandate, BOF undertakes a structured early assessment of project feasibility, and anticipated public benefit. If not already in place, confidentiality agreements will be required to facilitate this assessment.

   A preliminary Know Your Client (KYC) assessment will also be performed at this stage.

   Proponents are required to submit high-level financial and project materials, which BOF reviews to conduct preliminary risk and return analysis and an initial assessment of public value. That assessment is then evaluated by an internal evaluation committee that reviews the opportunity to ensure consistency with BOF's mandate, investment objectives, and available resources. If the assessment is successful, the committee will also determine a set of initial objectives to be pursued during formal negotiations.

Once the committee has reached a decision, the proponent will be informed as to whether BOF will enter formal negotiations. Entering negotiations does not guarantee that BOF will make an investment. Negotiations will take as long as required to ensure the proper stewardship of taxpayer dollars. During negotiations, Building Ontario Fund's Common Service Standards remain in effect to ensure timely responses to proponents.

3. Final close: Achieve closing by or before the project-specific closing deadline.

   Closing marks the point of a project's binding agreement where all commercial terms, conditions, and risks are finalized. Closing is achieved only following completion of all relevant negotiations, due diligence, any other conditions precedent, and any final decision by BOF's Board of Directors that may be required ahead of executing a definitive agreement.

   BOF will work with project proponents and other relevant participants to achieve final closing by or before the then-agreed closing deadline.

   If agreed to by all parties the closing deadline may be amended to account for unforeseen changes in circumstances and delays associated with the satisfaction of certain conditions precedent.

4. Standard for funds transfer: 15 business days or less, on receipt of executed agreements and subject to draw schedules therein.

   Capital is deployed once all required safeguards are in place and a completed draw request is received.

Legislative Requirements

BOF's services will adhere to all relevant legislative requirements for Crown agencies, including as required under the Ontario Human Rights Code, the information access and privacy provisions of the *Freedom for Information and Protection of Privacy Act*, the *French Language Services Act*, and the accessibility requirements of the *Accessibility for Ontarians with Disabilities Act*.

6.3 Creating a Connected Ecosystem of Partners

Collaborative networks amplify impact. By cultivating strong relationships across public, private, and Indigenous partners, BOF strengthens Ontario's infrastructure ecosystem, encourages knowledge sharing, and leverages complementary expertise to maximize both financial and social returns on infrastructure.

Strategic Pillar Objectives

Year 1 – Earn Confidence

3.1.1 Develop stakeholder community tables to earn the confidence of investors, institutional and Indigenous partners, and government stakeholders

3.1.2 Incorporate market feedback into design and implementation of BOF financing solutions

3.1.3 Provide structured, actionable reports to government to highlight policy-based impairments to project financing and development

Year 2 – Thought Leadership

3.2.1 Enhance transparency through public impact dashboard and external reporting

3.2.2 Enhance the feedback loop between sectors, market, and government to become the "connective tissue"

3.2.3 Connect with communities and be the thought leaders driving impactful IOFP projects

Year 3-5 – Proactive Origination

3.3.1 Proactively originate high-impact projects through partnerships and market sounding

3.3.2 Establish BOF as a Centre of Excellence by becoming the recognized leader in innovative project financing solutions, catalyzing large complex projects, and creating new project partnership models

Performance Indicators – Creating a Connected Ecosystem of Partners

Reports to Government (Annual)		Priority Areas	Total
Definition	Reports to government sourced from stakeholder tables and market engagement	2	8 per year in 4 areas (16 over two years in 8 areas)
Intention	Ensure that BOF is regularly communicating the voice of stakeholders and its experiences in market to government		
Measurement	Total number of reports communicated to government via regular TB reporting in a fiscal year and reports submitted to ministries/agencies		

Key Activities – Creating a Connected Ecosystem of Partners

Communications Plan

As an agency of the government, Building Ontario Fund seeks to reflect the high standards of the government to communicate clearly and transparently to audiences across the province. As BOF progresses on its mandate, it will participate in communications activities in ways that align with governmental directions and that consider the objectives of our partners. To do this, BOF will continue to use a multi-channel approach to external communications, selecting the most effective tools based on audience and objectives. Tactics will include proactive media relations, partner announcements, targeted social media engagement (LinkedIn, with active listening on X), website updates, and subscriber emails. Participation in relevant conferences will also play an important role in achieving BOF's communications objectives. BOF will measure the impact of all communications work and ensure these key performance indicators are tracked and recorded.

Together, these communications efforts will help build trust and engagement with key partners, colleagues, and audiences to further enable BOF to catalyze infrastructure investment for high-impact projects.

Establish BOF as an employer of choice
Support BOF's People and Culture strategy through internal communications with targeted external tactics that contribute to attracting, retaining, and engaging top talent.

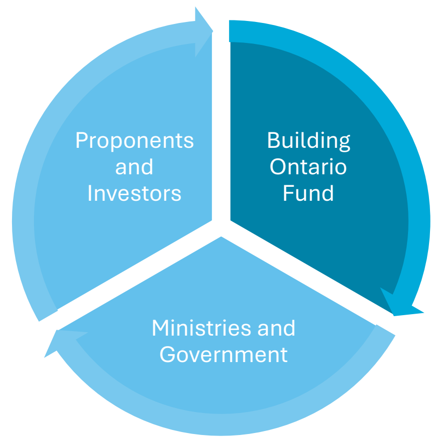
Build Trust
Position BOF as a credible, transparent, and reliable partner by demonstrating a successful track record in unlocking infrastructure projects and facilitating Indigenous economic participation.

Increase Awareness
Elevate public understanding of BOF's mandate, priorities, and impact while enhancing the visibility of the Indigenous Opportunities Financing Program.

Facilitate Engagement
Create meaningful opportunities for two-way dialogue and collaboration with investors, project proponents, other stakeholders, and Indigenous partners.

Market Engagement and Partnerships

Building Ontario Fund is uniquely positioned by the nature of its mandate and industry engagement to identify and understand challenges faced by proponents and investors in getting infrastructure built. BOF facilitates a policy feedback loop between industry and government, through the relevant ministries, to help inform government policy work by delivering investor and proponent intelligence to the ministries that design programs and regulation and, in turn, assess emerging policy and program changes for their impact on potential investments.



BOF is committed to holding sector roundtables with potential investors and project proponents in each priority area on a regular basis. These sessions provide an overview of BOF's recent activities, as well as offer a forum for more dedicated topics to be explored in depth with the relevant stakeholders present. The roundtables also provide an important opportunity for stakeholders to provide BOF with insight into the challenges and opportunities for infrastructure in the respective marketplaces and an opportunity for BOF to design financing solutions to address them. In addition, BOF maintains regular standing meetings with ministries and agencies operating in the investment priority areas.

Expert and Trusted Advisor

Building Ontario Fund is establishing its team as trusted experts in infrastructure and project financing, leveraging market learnings and in-house expertise to provide informed, actionable insights to government. By establishing stakeholder roundtables and a communications pipeline of announcements, as well as building credibility with investors, institutional partners, Indigenous communities, and government entities, BOF will entrench itself as a collaborative and execution-focused advisor. Through enhanced transparency, market feedback, a public impact dashboard, and comprehensive external reporting, BOF is demonstrating its value as a trusted source of information and insights.

As BOF matures, it will evolve into a thought leadership hub serving as the vital "connective tissue" between sectors, markets, and government. By connecting with communities and facilitating dialogue around high impact infrastructure projects, BOF will become a valued resource for innovative financing approaches. As a recognized Centre of Excellence, BOF will proactively identify and support high-impact projects through strategic partnerships and market engagement, working collaboratively to identify infrastructure opportunities and to provide forward-looking insights that support policy development and investment priorities across the Province.

6.4 Attracting, Developing, And Retaining the Best People

Our people are the foundation of our mission and values. Recruiting and nurturing top talent ensures BOF maintains its capacity for innovation, rigorous analysis, and excellence in execution, while fostering a culture where individuals are empowered, accountable, and encouraged to collaborate with empathy and curiosity.

Strategic Pillar Objectives

Year 1 – Staffing: Build and Establish Culture

4.1.1 Complete organizational design, including position descriptions and classification

4.1.2 Complete hiring of core team across all functions

4.1.3 Complete the non-executive compensation framework

4.1.4 Establish the people and culture roadmap and roll-out key elements

Year 2 – Talent Development

4.2.1 Formalize talent development processes (including learning and development, compensation, retention)

4.2.2 Formalize succession planning processes and plans

Year 3-5 – Leading Experts

4.3.1 Mature hiring practices and establish performance metrics for division

4.3.2 BOF people are broadly recognized as leading experts in their fields

Performance Indicators – Attracting, Developing, And Retaining the Best People

Staff Satisfaction (Annual)		Individual Group	Across BOF
Definition	% of satisfied + highly satisfied staff based on annual staff survey	>80%	>85%
Intention	Senior leadership accountable for the culture and engagement level of BOF staff.		
Measurement	Percentage of satisfied + highly satisfied staff averaged across key satisfaction metrics.		

Key Activities – Attracting, Developing, And Retaining the Best People

1. People and Culture Strategy

Building Ontario Fund has established the foundations of its people strategy. This strategy is designed to foster a values-driven, inclusive, and high-performing culture as the organization continues to grow and evolve. Currently, the focus is on creating HR policies and programs that support the organization's mandate. Human Resources' 2026-27 strategic priorities to support the next five years include:

Human Resources and Staffing

BOF has conducted an organizational needs assessment to confirm structure and reporting lines and is currently developing position descriptions for all roles, while fulfilling remaining vacancies.

Total Rewards Strategy

Building Ontario Fund started out with an interim framework and is developing a Total Rewards Strategy to attract, retain, and motivate a high-performing workforce aligned with organizational values. As with other crown agencies, the strategy is grounded in fairness, fiscal responsibility, and alignment with BOF's mandate and culture. Key focus areas include:

- Compensation Philosophy – BOF is formalizing a compensation philosophy that ensures total rewards -including salary and benefits- are competitive, equitable, and compliant with public sector legislation. The philosophy will reflect BOF's corporate values and support a culture of performance and accountability. BOF will ensure fiscal responsibility, governance and compliance with all applicable legislation and accountability. External competitiveness and internal equity with positions of equal value will be compensated within the same salary bands.

- Performance-Linked Compensation – A performance-based compensation model is being developed to recognize individual and organizational achievement. This model will be integrated with BOF's Performance Management Strategy and designed to reinforce excellence, innovation, and alignment with strategic priorities. The internal policy will focus on individual performance and corporate achievement, as well as determining how an individual will move through a range and have their incentive valued.
- BOF developed an Executive Compensation Program (ECP) for designated executives in accordance with the *Broader Public Sector Executive Act, 2014*.
- The non-executive framework development will include comparator organizations that aligned with one or more of the following criteria:
  - Ownership – the organization is also a public sector organization (in Canada)
  - Geography – the organization operates in a similar geographic location (in Canada)
  - Industry for comparable talent – the organization operates in an industry that would require executives with a similar talent profile
  - Size/scope of executive responsibilities – the responsibilities of the executives at the comparable organization would be like that of the executives at BOF

Organizational Culture Strategy

As BOF builds out its workforce, establishing a strong and inclusive organizational culture is a key priority. The culture strategy will serve as the foundation for how employees collaborate, lead, and deliver on the agency's mandate.

Strategic Focus Areas:

1. People and Culture Principles – BOF has established a set of principles that promote fairness, transparency, performance excellence, and alignment with the agency's mission and values. These principles will inform HR policies, leadership practices, and the employee experience.
2. Diversity, Equity, Inclusion, and Belonging (DEIB) Framework – BOF is introducing a DEIB Framework to embed inclusive practices across all levels of the organization. The framework

includes pillars such as access, accountability, advocacy, equity, and belonging, ensuring that all can meet the high standards of BOF's performance-based culture. This will be integrated into HR programs, leadership development, and organizational policies.

3. Values and Values-Based Behaviours – BOF has finalized its core values, which will be operationalized through clearly defined, values-based behaviours. These behaviours will guide how employees and leaders interact, make decisions, and foster a respectful and collaborative workplace culture.
4. Employee Engagement – BOF is committed to cultivating a positive and engaging employee experience. An Employee Engagement Working Group, composed of representatives from all levels and program areas, has been established to support this effort. The group will help shape engagement strategies, surface employee insights, and promote initiatives that strengthen connection, purpose, and organizational alignment.

Learning and Development Strategy

BOF's Learning and Development (L&D) Strategy is designed to build a skilled, inclusive, and future-ready workforce that supports the agency's mandate and strategic direction. Key 2026-27 initiatives to support organizational growth include:

1. Development of a structured L&D framework – BOF will design and implement a comprehensive L&D framework that integrates formal training, experiential learning, and professional development. This framework will guide the design and delivery of learning programs across the organization and ensure alignment with performance planning and operational needs.
2. Leadership Development Program – A multi-phase leadership development program will be launched, beginning with management fundamentals starting in Q3 2025/26 and expanding into tailored leadership streams for emerging, mid-level, and senior leaders in Q3 2026/27. The program will focus on core competencies such as coaching, strategic thinking, change leadership, and stakeholder engagement.
3. Cultural Awareness and Reconciliation – BOF has introduced the *4 Seasons of Reconciliation Course* as a foundational learning initiative to support the Truth and Reconciliation

Commission of Canada's 94 Calls to Action and BOF's mandate of supporting Indigenous-led infrastructure. Future actions include integrating reconciliation principles into onboarding, leadership training, and ongoing learning experiences.

Performance Management Strategy

Building Ontario Fund is in the process of developing a Performance Management Strategy that will support a high-performing, accountable, and values-driven organization. This strategy will align individual contributions with organizational goals, enable employee development, and inform talent and compensation decisions.

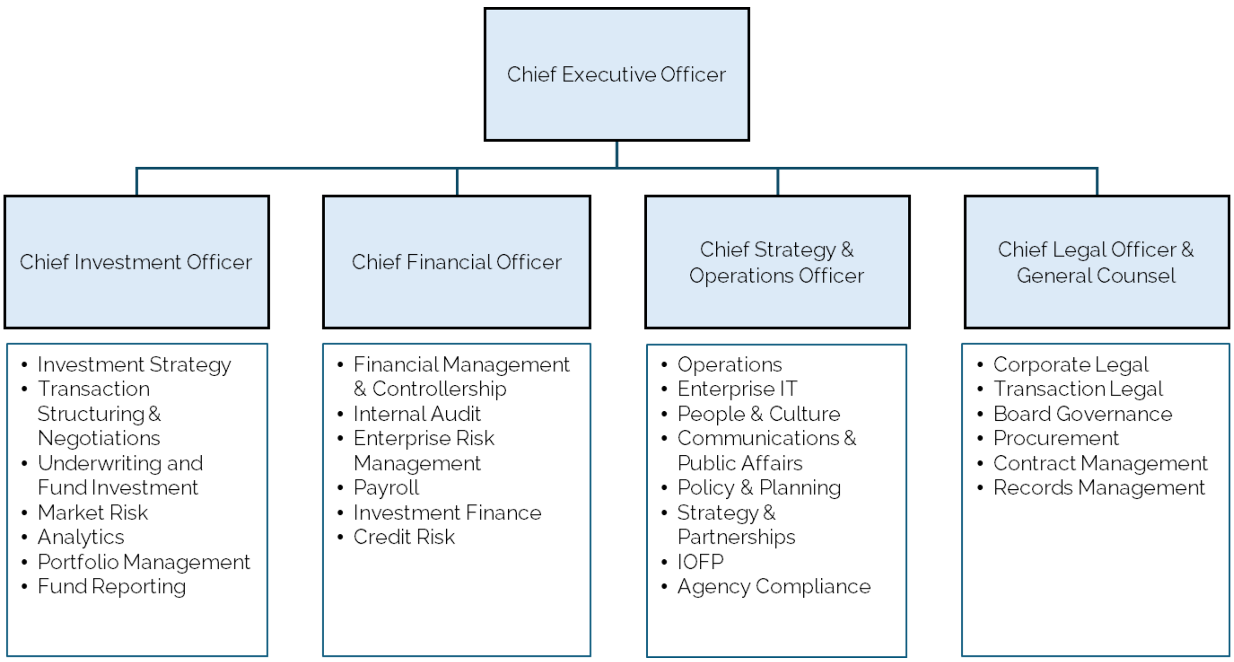
All employees will be expected to develop annual Performance Plans that include role-specific objectives and learning goals. These plans will be reviewed regularly and used to guide feedback, development discussions, and performance evaluations.

Training and resources will be provided to managers to support effective performance coaching, feedback delivery, and fair evaluations. These capabilities will be embedded into BOF's leadership development programming.

Building Ontario Fund will establish mechanisms to monitor performance outcomes, ensure consistency, and report on trends. Insights will inform workforce planning, succession strategies, and organizational development efforts.

2. Target FTE and High-Level Org Chart

Building Ontario Fund is committed to building an organizational structure that supports its mandate and will at all times comply with its maturity plan. The structure is designed to enable strategic alignment, operational efficiency, and responsiveness to emerging priorities.



Workforce planning activities are underway to attract top talent and build the organizational capacity needed to fulfill our mandate. The chart below provides the approximate number of FTEs that will be in place by fiscal year end.

Number of FTEs	FY26-27	FY27-28	FY28-29
Executives	5	5	5
Management	32	32	30
Staff	68	76	85
Total Permanent	**105**	**113**	**120**

All staff are permanent, full-time FTEs. BOF does not have unionized staff and will not be using internal consulting staff.

7. Corporate Governance, Risk, and Financials

Strong governance and risk oversight are essential to maintaining public trust and ensuring the long-term success of BOF. By upholding rigorous standards for compliance, transparency, and prudent risk management, BOF protects public resources while enabling the delivery of high-impact infrastructure investments.

1. Letter of Direction and Government Priorities

On October 29, 2025, the Minister of Finance issued an annual letter of direction to the Chair of the BOF Board to outline the Minister's priorities for the agency in 2026-27, as well as a number of priorities established by government for agencies more broadly.

The Minister's Direction to BOF for 2026-2027 is to:

1. Continue to execute on existing workstreams and provide advice to government, where requested, to accelerate key infrastructure growth in Ontario and develop a robust pipeline of projects that generate positive economic impact and improve community outcomes.
2. Continue to prioritize the crowding in of private-sector investors – including asset managers, pension funds, insurance companies, and banks, as part of BOF's investment framework.
3. Continue to assess and strengthen the long-term sustainability of BOF by evaluating and optimizing capitalization levels to position BOF to operate as a self-sustaining fund. Advance financial and operational planning to ensure BOF maintains fiscal resilience and delivers on its mandate to support high-impact infrastrcuture projects aligned with government priorities.
4. Timely plan for and report on activities to continue building on operational capacity, developing adequate portfolio and risk management systems, and addressing new priority areas.
5. Assess infrastructure projects, negotiate agreements with investors, and appropriately allocate risks amongst BOF and other investors to invest in revenue-generating infrastructure projects across BOF's priority areas defined by the Government. This also

includes providing support for infrastructure projects for Indigneous communities that advance community and economic well-being in Ontario.

6. Focus on strengthening Indigneous partnerships through the Indigneous Opportunities Financing Program (IOFP) to support Indigenous participation in more economic sectors, including electricity, critical minerals, resource development, and related infrastructure components, offering generational economic opportunities for Indigenous Peoples in Ontario. Provide regular updates to the Minister on the project pipeline, transition of the program's administration from the Ontario Financing Authority, and takeaways from engagement with Indigenous partners.
7. Continue working collaboratively with the Ministry of Finance and other ministries responsible for the priority areas identified by the Government and support open and consistent communication to ensure that government priorities and direction are clearly understood, and risks or issues are managed as they arrive.

Please see the letter of priorities on BOF's website at Governance – Building Ontario Fund for a full list of priorities for the agency.

2. Board and Committee Members

Building Ontario Fund is a board-governed agency and has an expert Board of Directors with the requisite qualifications to provide oversight over BOF operations. The Board of Directors currently has eight members and meets regularly.

Name of Appointee	Position	Appointed Since	Term Expiry
Brian J. Porter	Chair of the Board; Member of Finance, Risk & Audit Committee, Investment Committee, and Human Resources & Governance Committee	November 23, 2023	November 22, 2027
Helen Bobiwash	Director; Chair of Finance, Risk & Audit Committee	June 26, 2024	June 26, 2027
James Cowan	Director; Member of Finance, Risk & Audit Committee, and Investment Committee	March 28, 2024	May 15, 2026

Bryan Davies	Director; Member of Finance, Risk & Audit Committee	December 14, 2023	December 13, 2027
Jan De Silva	Director; Member of Human Resources & Governance Committee	December 14, 2023	December 13, 2027
Arshil Jamal	Director; Member of Finance, Risk & Audit Committee, Investment Committee, and Human Resources & Governance Committee	May 30, 2024	May 30, 2028
R. Michael Latimer	Director; Chair of Investment Committee, and Member of Human Resources & Governance Committee	January 28, 2025	January 27, 2029
Constance L. Sugiyama	Director; Chair of Human Resources & Governance Committee	May 30, 2024	May 30, 2028

The Board provides oversight and governance on all aspects of BOF through three Board Committees: the Finance, Risk & Audit Committee; the Investment Committee; and the Human Resources & Governance Committee.

To ensure the Board maintains the needed experience and expertise, a board skills matrix has been developed and leveraged to support a skills gap analysis that informs the selection and appointment of Board members. This ensures that the Board is made up of members with diverse backgrounds, expertise, and experiences to support effective decision making and strong governance and oversight on agency operations. The current Board composition leaves no identified skills gaps of significance. The Board is empowered to make key decisions for the agency and approve key instruments such as the project selection framework and other governing documents.

3. Enterprise Risk Management

Building Ontario Fund has developed its inaugural Enterprise Risk Management (ERM) framework. The exercise included conducting an enterprise risk assessment, developing an ERM roadmap, and creating a risk assurance map. The results of this initial assessment support informed decision-making regarding the risk management activities required to address top risks and to advance the function's capabilities toward the desired maturity level.

At present, BOF is at the initial stage of ERM maturity; developing its risk management function, including hiring dedicated staff and establishing relevant policies and procedures. Within one year, BOF will reach an interim stage, incorporating attributes typically associated with more mature organizations, such as embedding risk considerations into strategic and financial planning. Within two years, BOF aims to achieve an integrated stage comparable to peer organizations, and within three to five years, to reach the desired mature stage of a leading integrated level of ERM program providing for resilience, continuity, and response planning for BOF.

4. Risk Register

Consistent with the above, BOF is taking strides to comprehensively capture and plan for enterprise risk. The below chart identifies BOF's top risks identified as part of a robust, facilitated risk assessment and planning exercise conducted with staff, leadership, and BOF's Board. Over the course of this business plan BOF will continue to evolve how it identifies and evaluates risk.

Risk	Planned Risk Management Activities include:
Capital Deployment Risks to investing in projects across priority sectors in a timely manner.	Develop a capital allocation framework and portfolio construction targets. Funding directive in place with government to enable capital deployment. Put in place tools for tracking, evaluation, and execution.
Cybersecurity Risks arising from the potential for lost, misused or unauthorized access to sensitive data stored by BOF.	Use of a Managed Service Provider with a dedicated cyber security division, providing protection and recovery aspects. Cyber awareness training for all employees. Obtain cyber insurance and associated services.
Counterparty The potential that a borrower, investee, guaranteed party or other may default on its performance or financial obligations.	Use of third-party risk assessment and legal advisors as required. Use of post-close monitoring framework and processes.
Financial Sustainability Risks related to managing costs and meeting BOF's financial obligations.	Maintain a portfolio optimization model to assess and rebalance mix of debt, equity, and guarantees to support sustainability. Have in place an operational and capital budget, forecast and financial reporting mechanisms.

5. Financial Strategy

Building Ontario Fund continues to navigate the realities of being a start-up agency, which contributes to significant potential variance in assumptions, all of which impact baseline expectations for operations and investment cadence. For example, ongoing hiring, evolving compensation frameworks, deployment of major systems, and significant investment interest all contribute to fluidity in three-year financial projections.

BOF is currently establishing processes – including in-house financial projection capacity, enterprise systems integration, refined HR strategies, and portfolio management – to minimize variances where possible. However, the nature of proponent-driven investments will continue to be a source of variability in planning.

The financial plan is aligned with the Business Plan and integrated with the enterprise risk management framework and investment strategy. It was developed with the incorporation of planned risk management activities and is anchored in fiscal responsibility, integrity, and compliance with applicable accounting standards and provincial directives.

Key operating cost drivers include staffing, professional services (legal, technical, and financial advisory support for investment transactions), and foundational expenditures in sourcing and implementing information technology systems. Unlike established organizations, BOF does not have a historical cost base to reference. Accordingly, assumptions regarding the volume, magnitude, and timing of future investment transactions are based on best estimates derived from the current pipeline. Some costs will be informed by the results of competitive procurement processes in-process.

Variance from the plan is anticipated and mitigations are in place. Any variances will be managed through robust cost monitoring, close management of investment activities, variance analysis, appropriate allocation of contingencies, and progressive implementation of internal controls.

6. Funding, Revenue, and Path to Sustainability

FY26-27 continues the FY25-26 trend of organizational growth. BOF expects to continue its recruitment efforts to meet the agency's mandate, implementation of major IT and enterprise systems, and costs associated with moving the agency to a permanent office. BOF is also expected to see increased investment returns, including interest income, as well as associated recoveries resulting from increased transaction activity. These factors contribute to the changes in both revenue and expenses between the 2025-26 and 2026-27 fiscal years.

For FY26-27, BOF is projecting $18.1 million in required operating draws from the fund with a significantly reduced operating funding need of $5.9 million from fund capitalization in FY27-28, reflective of growing investment income due to capital placed in BOF's first operating years. In FY28-29 BOF is projected to be breakeven (in-year). Accumulated breakeven is expected by FY30-31 in the upside scenario and FY31-32 in the downside scenario. Breakeven timing is in line with expectations, pacing of investment activities, and average investment life and demonstrates a path to agency sustainability as per mandate.

Capital investment funding of $8.0 billion is expected to be deployed over approximately four fiscal years (FY25-26 to FY28-29), with approximately $1.9 billion expected to be deployed by the end of FY25-26 and the remaining $6.1 billion over the subsequent three years, at approximately $2.0 billion per year. Capital deployment timing is paced to allow the agency to meet its sustainability and evergreen mandates. The Indigenous Opportunities Financing Program (IOFP) is expected to provide $3.0 billion in loan guarantees over the next three fiscal years.

Revenue to BOF is primarily generated through interest income, dividends and return of capital, which includes interest on loans and mezzanine financing, standby charges on committed but undrawn amounts, interest earned on bank balances, and IOFP guarantee fees. For the $2.0 billion per year capital deployment, the budget assumes a mix of two equity deals, two mezzanine investments, and eight loan transactions annually. Capital deployment is allocated approximately 70% to debt investments and 30% to equity investments. The project cycle for debt investments is assumed to be four years, whereas equity investments generally have a longer investment horizon. As a result, realizations from equity investments are projected to be realized in fiscal years beyond FY28-29. A portion of income derived from investment activities will be used to fund BOF operating expenditures, with the remaining income allocated to reinvestment growth of the fund's capital base.

BOF is expected to have 86 full-time employees by the end of FY25-26. The budget reflects a phased approach to scaling the workforce to 120 full-time equivalents (FTEs) by the end of FY28–29. Increases in salaries and benefits reflect a combination of planned headcount growth, annual base salary increases, and provisions for compensation reviews, pension, and benefit cost increases.

BUILDING ONTARIO FUND

Statement of Operations and Accumulated Surplus
For the Fiscal Years FY26 - FY29

(in thousands of dollars)	FY2025/26 Forecast	FY2026/27 Budget	FY2027/28 Outlook	FY2028/29 Outlook
REVENUE				
Transfer Payment - Ministry of Finance, Capital	448,329	1,030,167	1,515,083	2,000,000
Transfer Payment - Ministry of Finance, Operating[1]	20,410	18,072	5,876	-
Interest Income[1, 2]	8,894	45,696	106,882	187,994
Recovery of Professional Services	1,485	3,000	3,060	3,121
Total Revenue	**479,119**	**1,096,935**	**1,630,901**	**2,191,115**
EXPENSES				
Salaries, wages and benefits	14,234	25,191	28,745	31,797
Professional services[3]	11,797	7,000	7,140	7,283
Supplies, facilities and other	3,583	5,273	5,363	5,472
Amortization of Capital Assets[4]	32	548	842	900
Total Expenses	**29,646**	**38,013**	**42,089**	**45,452**
Operating Surplus[5]	**449,473**	**1,058,922**	**1,588,811**	**2,145,663**

Notes:

1. Interest income includes a component representing the cost of capital, which is reserved for reinvestment. The remaining portion, together with recoveries from professional services, constitutes the revenue available for operations. Any in-year funding requirement between revenue available for operations and total expenses is met through a transfer from the Ministry of Finance, presented here as **"Transfer Payment – Ministry of Finance, Operating."** The FY25/26 transfer from the Ministry of Finance was $0.7M lower than in-year required transfer due to a fund surplus carried forwarded from FY24/25.

(in thousands of dollars)	FY2025/26 Forecast	FY2026/27 Budget	FY2027/28 Outlook	FY2028/29 Outlook
Interest Income	**8,894**	**45,696**	**106,882**	**187,994**
- Reserved for reinvestment	*(1,849)*	*(28,756)*	*(73,728)*	*(136,015)*
+ Recovery of Professional Services	*1,485*	*3,000*	*3,060*	*3,121*
Revenue available for operations	**8,530**	**19,940**	**36,214**	**55,100**
- Total Expenses	*(29,646)*	*(38,013)*	*(42,089)*	*(45,452)*
Surplus/(Required Transfer Payment - Ministry of Finance, Operating)	**(21,116)**	**(18,072)**	**(5,876)**	**9,648**
Transfer Payment - Ministry of Finance, Operating	**20,410**	**18,072**	**5,876**	**-**

2. Interest Income comprises interest charged on loans and mezzanine financing; standby charges on committed but undrawn amounts; interest fees earned on bank account balances; and IOFP guarantee fees.
3. Transaction costs are expensed in accordance with accounting treatment, as these costs are incurred irrespective of projects success. The accounting policy is still under review and could be further amended.
4. Amortization is applied to capital assets, including leasehold improvement, one-time IT equipment purchases, and software implementation costs.
5. Operating Surpluses are invested into capital investment projects.