

# Q1 Fiscal 2024 Results

**AUGUST 10, 2023**

*All figures in Canadian dollars unless  
otherwise noted*

**CPP** | **Investments**

# Disclaimer and Forward-looking Statements

---

Certain statements included in this presentation constitute “forward-looking information” within the meaning of Canadian securities laws and “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 and other applicable United States safe harbors. All such forward looking statements are made and disclosed in reliance upon the safe harbor provisions of applicable United States securities laws. Forward-looking information and statements include all information and statements regarding CPP Investments’ intentions, plans, expectations, beliefs, objectives, future performance, and strategy, as well as any other information or statements that relate to future events or circumstances and which do not directly and exclusively relate to historical facts. Forward looking information and statements often but not always use words such as “trend,” “potential,” “opportunity,” “believe,” “expect,” “anticipate,” “current,” “intention,” “estimate,” “position,” “assume,” “outlook,” “continue,” “remain,” “maintain,” “sustain,” “seek,” “achieve,” and similar expressions, or future or conditional verbs such as “will,” “would,” “should,” “could,” “may” and similar expressions. The forward-looking information and statements are not historical facts but reflect CPP Investments’ current expectations regarding future results or events. The forward-looking information and statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including available investment income, intended acquisitions, regulatory and other approvals and general investment conditions. Although CPP Investments believes that the assumptions inherent in the forward-looking information and statements are reasonable, such statements are not guarantees of future performance and, accordingly, readers are cautioned not to place undue reliance on such statements due to the inherent uncertainty therein. CPP Investments does not undertake to publicly update such statements to reflect new information, future events, and changes in circumstances or for any other reason. The information contained on CPP Investments’ website, LinkedIn, Facebook and Twitter are not a part of this presentation. CPP INVESTMENTS, INVESTISSEMENTS RPC, CANADA PENSION PLAN INVESTMENT BOARD, L'OFFICE D'INVESTISSEMENT DU RPC, CPPIB and other names, phrases, logos, icons, graphics, images, designs or other content used throughout the presentation may be trade names, registered trademarks, unregistered trademarks, or other intellectual property of Canada Pension Plan Investment Board, and are used by Canada Pension Plan Investment Board and/or its affiliates under license. All rights reserved.

# Financial Results

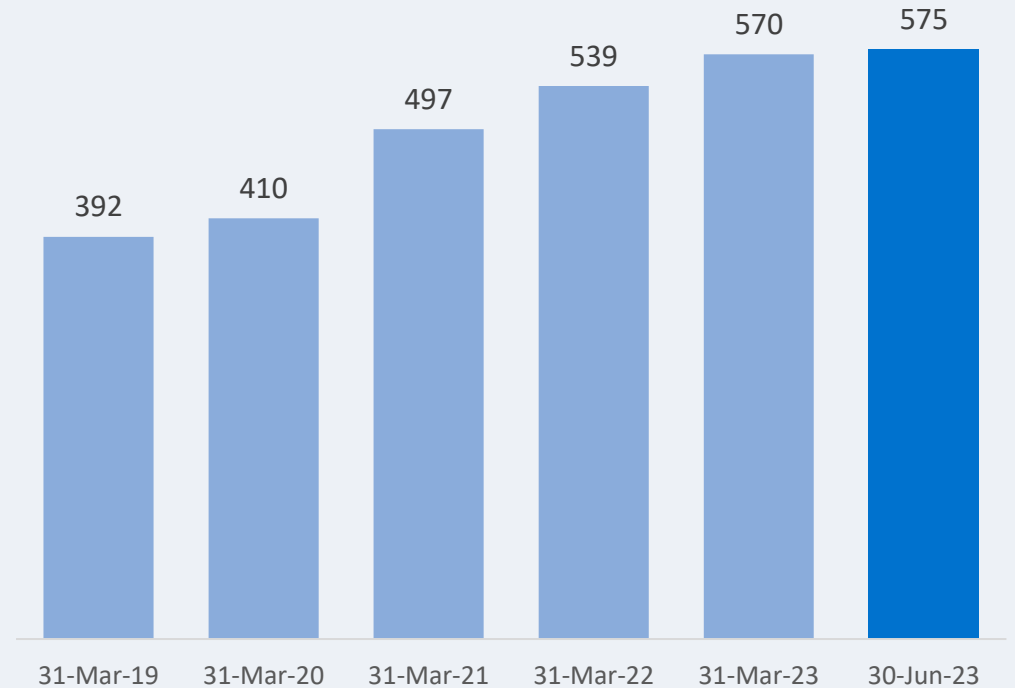


# Performance in Q1 F2024

- Net assets increase by \$5 billion
- Gains negatively offset by:
  - Canadian dollar strengthened against most major currencies, impacting portfolio gains in local terms
  - Higher interest rates instigated by central banks to manage inflation
- Uncertain market environment expected to continue, but Fund well positioned over the long term

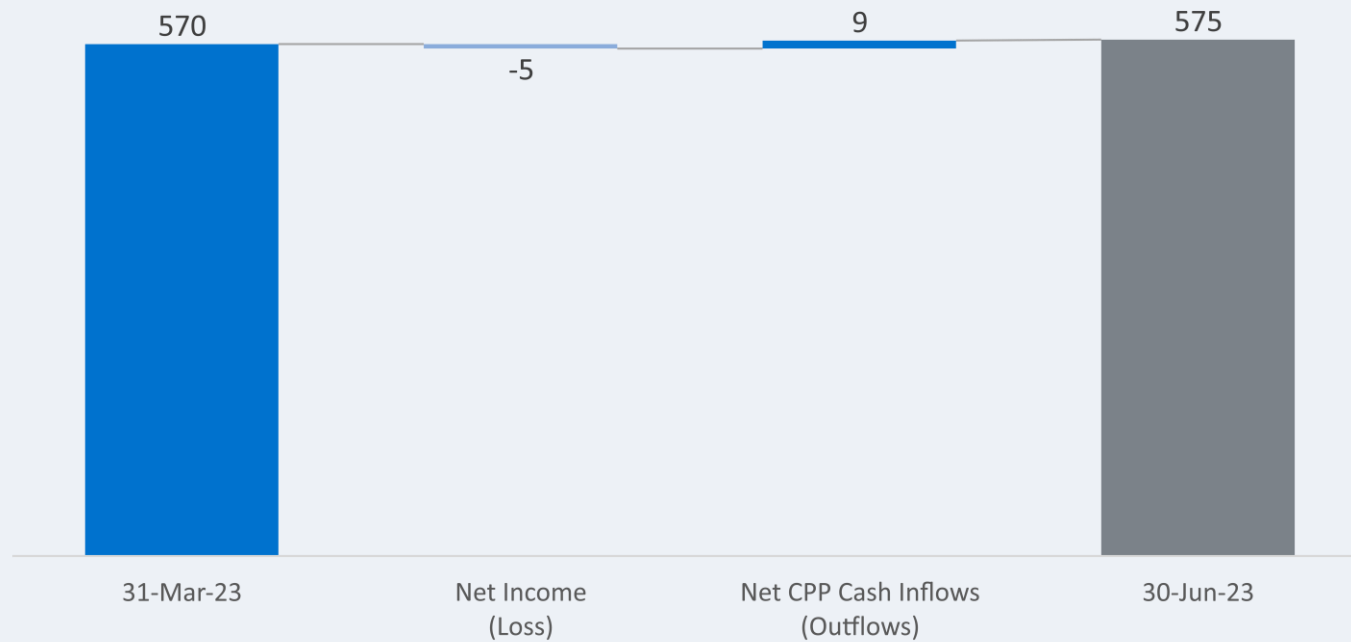
## Net Assets

\$ billions



# Quarterly Assets Change

## Change in Net Assets<sup>1</sup> (\$ billions)



Q1 F2024  
Net Return  
**(0.8)%**

<sup>1</sup> Numbers may not add up due to rounding

# Continued Strong Long-term Performance

---

10-Year

**\$314B**

Cumulative Net Income

**9.8%**

Net Nominal Return

**7.1%**

Net Real Return<sup>1</sup>

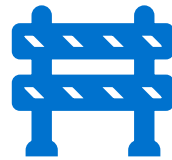
<sup>1</sup>Real rates are considered by the Office of the Chief Actuary of Canada to evaluate the financial sustainability of the base and additional CPP over the long term.

# Q1 F2024 Performance Drivers

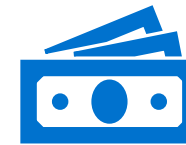
---



Investments in public equities and renewable energy, along with gains by external portfolio managers, contributed to the quarter's results, while investments in credit and real assets were relatively flat (all in local dollar terms).



Fixed income assets declined in value due to higher interest rates instigated by central banks.



Gains were offset by the impact of foreign exchange losses due to a stronger Canadian dollar relative to the U.S. dollar.

# Net Investments By Investment Department

At June 30, 2023

## TOTAL FUND MANAGEMENT

Ensures investing activities collectively produce a total portfolio that maximizes long-term returns without taking undue risk

Net Investments: **\$235.0 billion**

## CAPITAL MARKETS AND FACTOR INVESTING

Ensures CPP Investments has the flexibility to efficiently gain access to a broad array of sources of return in public equities, fixed income securities, currencies, commodities, derivatives and externally managed funds on a global basis

AUM\*: **\$60.0 billion**

## ACTIVE EQUITIES

Invests globally in public (or soon-to-be public) companies, leveraging long-term fundamental research to generate unique company-specific insights

AUM\*: **\$67.3 billion**

## CREDIT INVESTMENTS

Manages public and private credit investments globally, investing in credit and credit-like products across the capital structure

Net Investments: **\$58.1 billion**

## PRIVATE EQUITY

Invests in global private equity suitable for large, patient and knowledgeable investors

Net Investments: **\$147.5 billion**

## REAL ASSETS

Consists of investments in real estate, infrastructure, and sustainable energies sectors

Net Investments: **\$133.2 billion**

\*The Capital Markets and Factor Investing and Active Equities departments have market values that differ from their asset values. The Assets Under Management (AUM) figures, as shown above, use a methodology more indicative of portfolio size for certain active strategies and enable greater comparability with long-only investments.



# Corporate & Investment Highlights



# Corporate Developments

---

- Issued a [joint statement](#) with Canada's leading pension plan investment managers that calls on companies to embrace the new International Sustainability Standards Board disclosure framework. The new framework will help to improve trust and confidence in company disclosures about sustainability to inform investment decisions.
- CPP Investments leaders were featured in the [Women at the forefront of alternative investments report](#), providing insights on private equity, venture capital and the value of gender equity.

# Investment Highlights:

## Credit Investments:



Committed to provide €85 million in financing to support KKR's acquisition of a portfolio of European loans.

Invested US\$100 million into a repurchase facility to a regional U.S. bank.

## Private Equity:



Completed the sale of Inmarsat, a European satellite service provider, to Viasat Inc., a U.S.-based global communications company, in which we now own an approximate 9% stake. Net cash proceeds from the sale were US\$206 million.



Invested NZ\$105 million to acquire a 9.4% stake in Pushpay Holdings Ltd., a New Zealand-headquartered donor management software system for churches and charities, alongside BGH Capital.



Committed US\$300 million across Genstar Capital Partners XI, LP and Fund XI Opportunities, which will make control investments in middle-market companies primarily headquartered in North America.

# Investment Highlights:

## Active Equities:



Invested US\$55 million into Northvolt AB's 2023 convertible note issuance. Founded in Sweden, Northvolt AB is a European lithium-ion battery manufacturer.

## Real Assets:



Invested an additional C\$537 million in our Indian toll roads portfolio company IndInfraVIT Trust, in which we now own a 60.8% stake, to help fund the acquisition of four operating road concessions.



Signed a definitive agreement in support of the proposed merger between Viterra and Bunge, a U.S.-based agriculture, commodities and food company. Through this transaction, we will receive an approximate 12% equity position in the combined company and US\$0.8 billion in cash upon the close of the transaction.



Agreed to acquire a 24.99% stake in FCC Servicios Medio Ambiente Holding, SAU, the environmental services division of Spanish conglomerate Fomento de Construcciones y Contratas, S.A., for C\$1,438 million. FCC Servicios Medio Ambiente is a leading waste management operator in Iberia, the U.K. and Central Europe, with a growing presence in the U.S.



Committed US\$100 million to Just Climate's inaugural fund, Climate Asset Funds I. Just Climate is a London, U.K.-based investment fund dedicated to climate-led investing to address the net-zero challenge at scale.