



# Q3 Fiscal 2022 Results

FEBRUARY 10, 2022

All figures in Canadian dollars unless  
otherwise noted.

**CPP** | **Investments**

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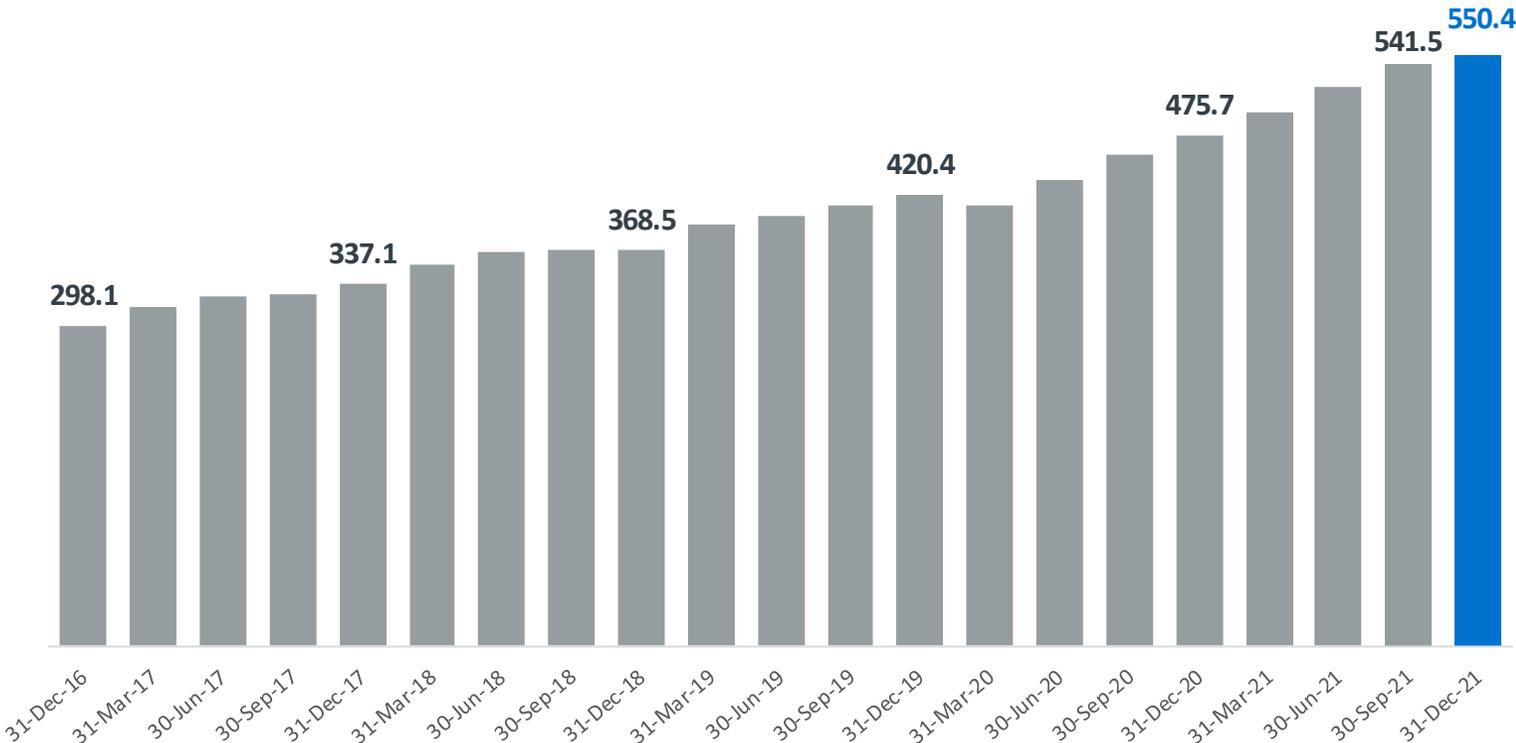
# Financial Results

## Third Quarter Fiscal 2022 Results



# Continued solid growth in Fund assets in Q3

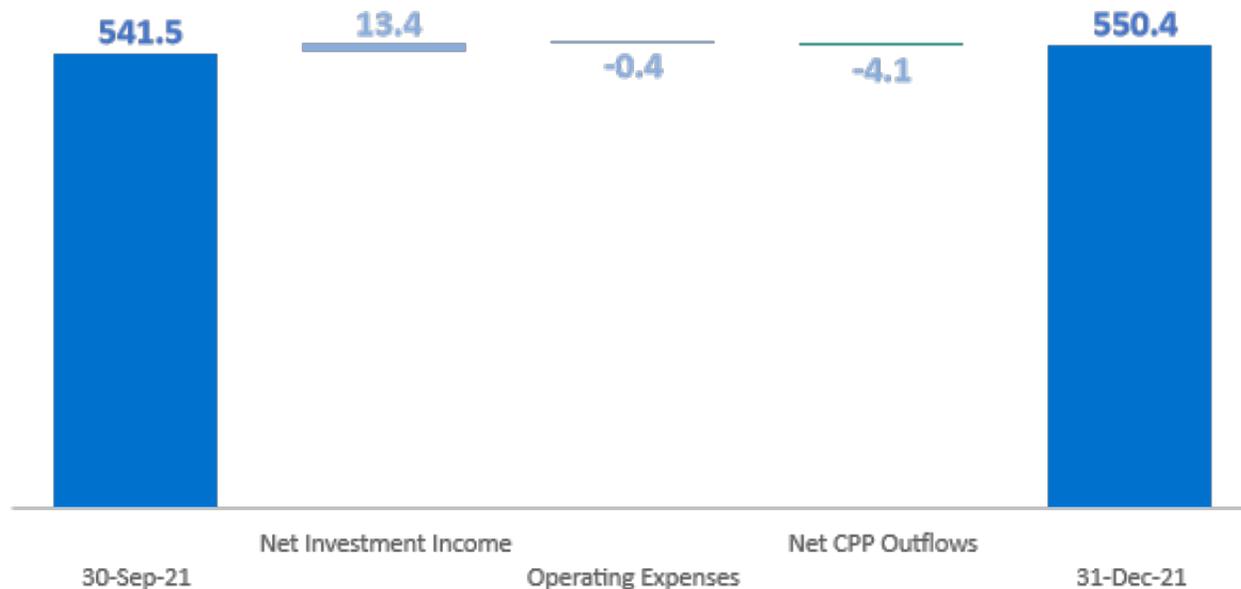
## Net Assets Growth (\$ billions)



Quarterly increase in Net Assets  
**\$8.9**  
billion

# Strong returns offset by seasonal CPP Fund outflows

## Q3 F2022 Change in Net Assets (\$ billions)

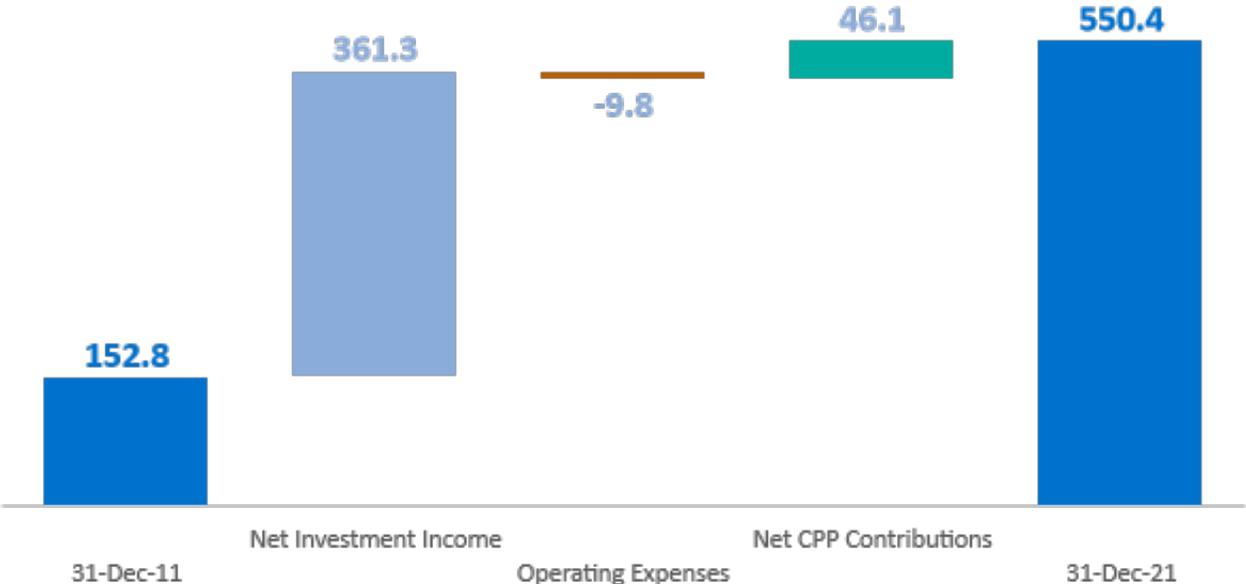


Q3 F2022 Net Return  
(not annualized)

**2.4 %**

# Continued strong long-term performance

## 10-year Change in Net Assets (\$ billions)



10-year Annualized  
Net Nominal Return  
**11.6 %**

# Performance Drivers

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The Fund experienced solid growth this quarter largely due to healthy gains from real assets and equity-based investments. Our double-digit Fund performance over the long term continues as we brace for uncertain markets from a position of strength.

Our broadly diversified portfolio with investments in infrastructure and real estate is reasonably positioned to weather inflationary pressures.



**John Graham**

President & Chief Executive Officer

CPP Investments

# Operational Highlights

## Third Quarter Fiscal 2022 Results



# Executive Announcements

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- Appointed Maximilian Biagosch as Senior Managing Director, Europe Regional Head and Head of Direct Private Equity, with ongoing responsibilities as Head of Direct Private Equity within the Private Equity department as well as regional leadership in Europe.
- Appointed Agus Tandiono as Senior Managing Director, Asia Regional Head and Head of Fundamental Equities Asia, with ongoing responsibilities as Head of Fundamental Equities in Asia within the Active Equities department as well as regional leadership in Asia.
- Kelly Shen, Senior Managing Director & Chief Technology and Data Officer, is leaving the organization to start a new opportunity. During her three years with CPP Investments, Ms. Shen has worked with her leadership team to significantly advance our technology, data, and innovation capabilities, served on a portfolio company board, and has also championed equity, inclusion and diversity as the Chair of the organization's Inclusion and Diversity Leadership Council.

# Corporate Developments

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- Announced that our portfolio and operations commit to be net-zero of greenhouse gas emissions across all scopes by 2050. Our commitment includes: continuing to invest and exert our influence in the whole economy transition as active investors rather than through blanket divestment; achieving carbon neutrality for our internal operations by the end of fiscal 2023; expanding our investments in green and transition assets from \$67 billion to at least \$130 billion by 2030; and, building on our new decarbonization investment approach.
- Released a new perspective, “Investing to enable an economy-wide evolution to a low-carbon future”, highlighting the opportunity decarbonization presents for long-term investors. The perspective also outlined an investment approach that aims to identify, fund and support companies that are committed to creating value by lowering their emissions over time.
- Announced ERM as a delivery partner for the decarbonization investment approach. ERM will help identify existing CPP Investments portfolio companies that can generate value from decarbonization and work with them to establish and implement a roadmap.

# Investment Portfolios

## Third Quarter Fiscal 2022 Results



# Q3 F2022 Fund Assets By Investment Department

At December 31, 2021

## TOTAL FUND MANAGEMENT

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

Net Investments: **\$243.5 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\*: **\$49.6 billion**

## ACTIVE EQUITIES

Invests globally in public (or soon-to-be public) companies by way of common shares or equity-linked securities, private companies, externally managed funds and securities focused on long-horizon structural changes

AUM\*: **\$89.8 billion**

## CREDIT INVESTMENTS

Manages all of CPP Investments' public and private credit investments globally, investing in credit and credit-like products across the capital structure

Net Investments: **\$51.9 billion**

## PRIVATE EQUITY

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

Net Investments: **\$134.8 billion**

## REAL ASSETS

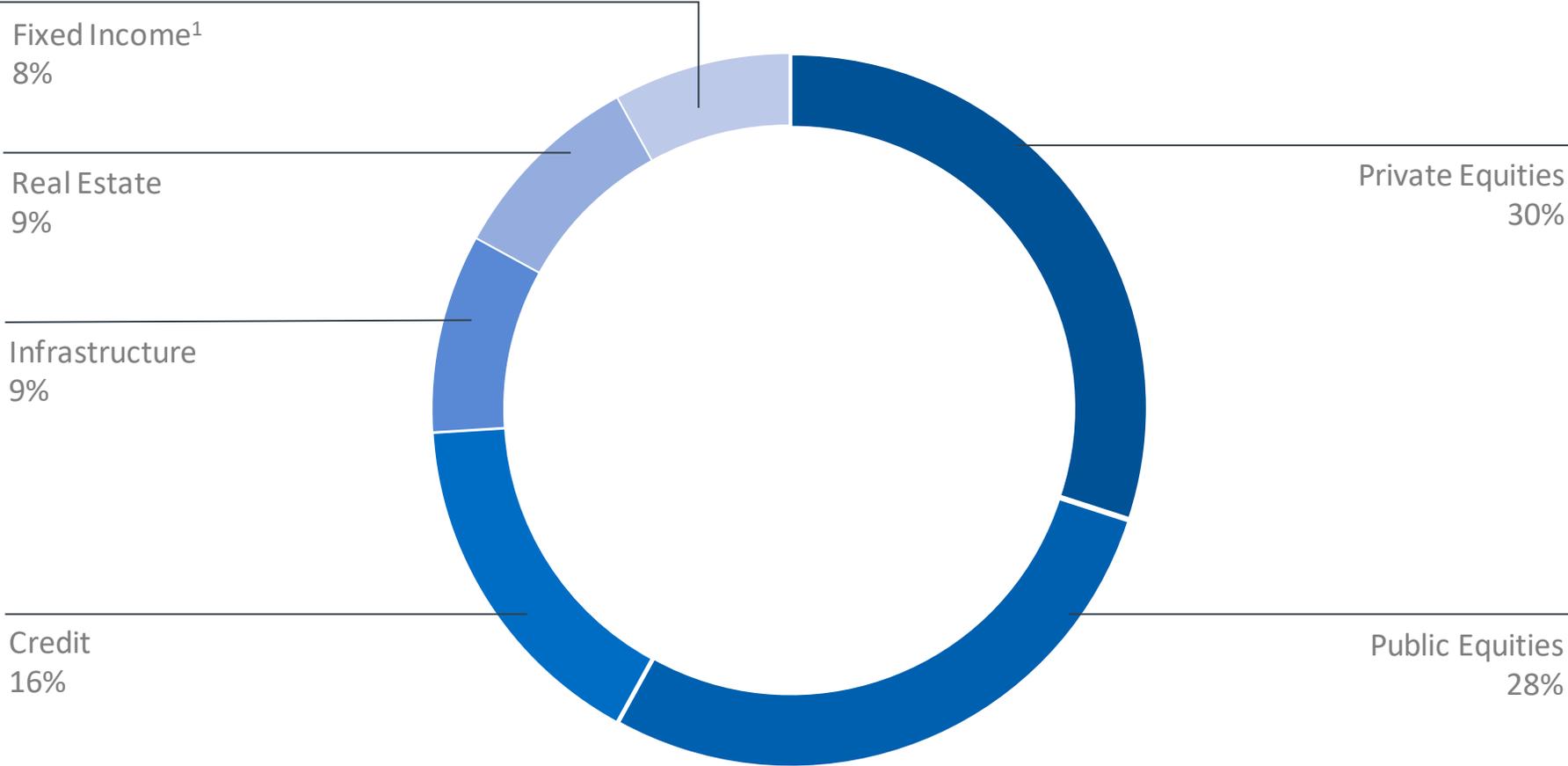
Consists of investments in real estate, infrastructure, and sustainable energies sectors

Net Investments: **\$118.8 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.

# Diversified Asset Class Mix

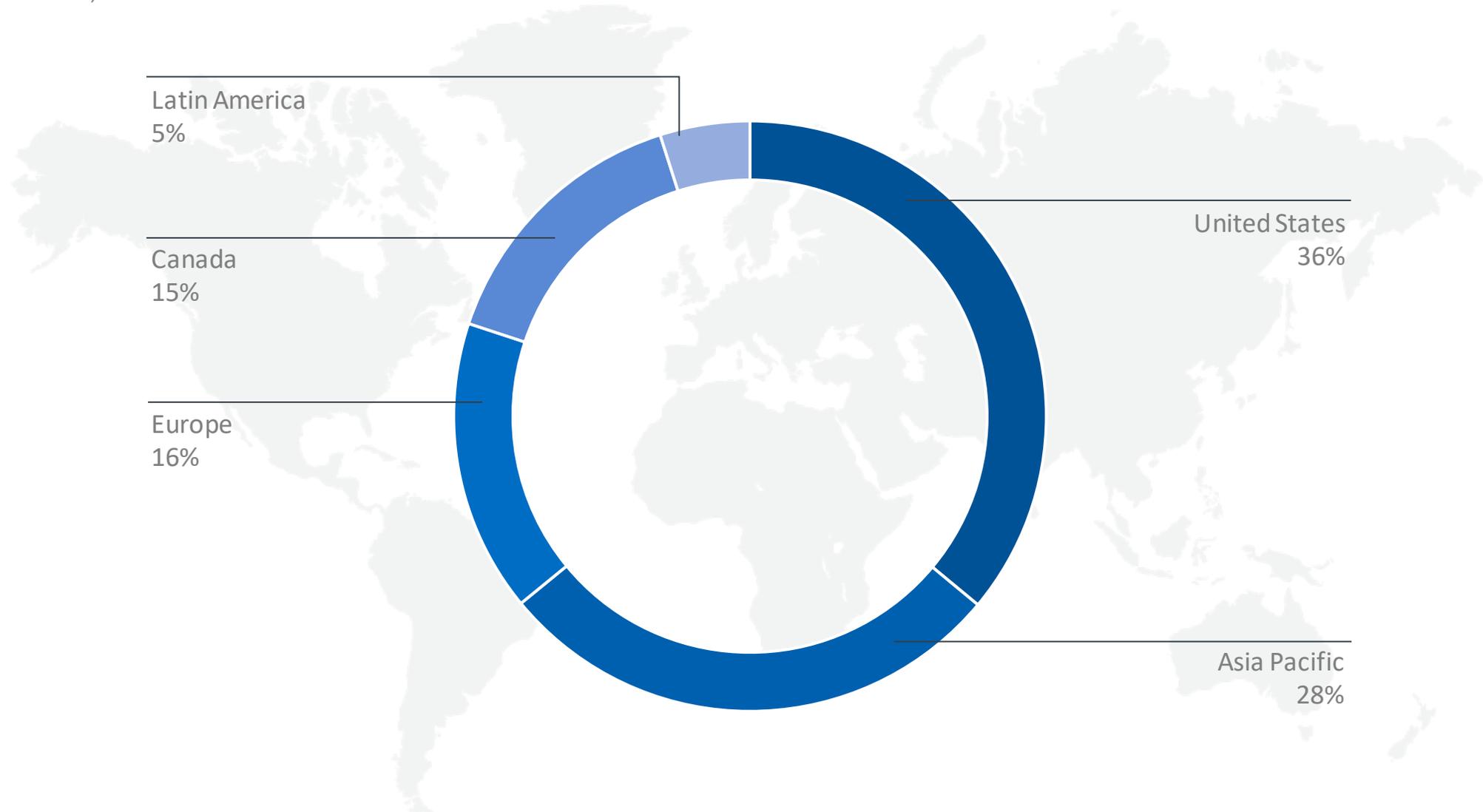
At December 31, 2021



1. Fixed Income consists of cash and cash equivalents, money market securities, government bonds, net of financing liabilities.

# Global Diversification by Region

At December 31, 2021



# Investment Highlights

## Third Quarter Fiscal 2022 Results



# Active Equities Transactions

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Invested US\$150 million in FWD Group, a pan-Asian life insurance business with approximately 10 million customers across 10 markets.



Invested \$200 million as an anchor investor in the IPO of Volvo Cars, a front runner in the global shift to electric vehicles.



Invested €43 million into N26, a German headquartered digital-only bank which has more than seven million customers across 25 countries.



Invested US\$25 million into ITM Power, a U.K.-based manufacturer of electrolyzer systems based on proton exchange membrane technology that generate green hydrogen for energy storage, transport, renewable heat and industrial sectors.

# Credit Investments Transactions

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Committed US\$220 million in a senior secured financing facility for the development of utility-scale solar projects in the U.S. through a partnership with HPS Investment Partners.



Invested US\$325 million in the unitranche loan for Straive, a business process outsourcing company focused on the education, data and publishing verticals, with operations primarily in India and the Philippines.



Acquired tiered royalties on Tafamidis, a pharmaceutical agent sold under brand names Vyndaqel and Vyndamax, from Tafamidis Holdings, LLC, a Blackstone Life Science's portfolio company, for up to US\$221 million in upfront proceeds and performance-based milestones.



Committed to an additional capital investment in Amitra Capital Ltd., a 100%-owned portfolio company, to support its agreement with Novo Banco, SA to acquire an interest in a portfolio of Portuguese non-performing mortgage loans with an outstanding balance of €231.3 million.

# Private Equity Transactions



Entered into a definitive agreement to acquire all outstanding shares of McAfee common stock alongside an investor group comprising Advent, Permira, Crosspoint Capital, GIC and ADIA, in an all-cash transaction valued at approximately US\$12 billion on an equity value basis.



Invested in US\$450 million Series D financing of DriveWealth, a brokerage infrastructure platform that enables self-directed brokers and robo-advisors to access the U.S. equities market.



Committed ~US\$640 million to PE funds run by Meituan Long -Z, BGH Capital, Genesis Capital, DCP Capital Partners, and A91 Partners.



Led a \$1 billion transaction providing liquidity to BT Pension Scheme across a separately managed account of funds and co-investments managed by Hermes GPE.

# Real Assets Transactions

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Formed a US\$1.1 billion joint venture with Bridge Industrial to develop industrial properties in several core markets across the United States.



Announced a strategic partnership with U.K.-based Octopus Energy Group (Octopus), including a US\$300 million investment to support Octopus' global expansion and to support its Kraken technology platform to deploy smart energy across full energy supply chain.



Formed a US\$840 million joint venture with Greystar to develop and acquire purpose-built single-family rental communities in the United States.



Committed JPY 19 billion (C\$205.6 million) to a joint venture with Mitsubishi Estate, a leading Japanese real estate developer, to pursue investments in commercial and residential assets in Japan.

# Other Transactions

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## Asset Disposition

- Exited our 37% interest in AMP Capital Retail Trust (ACRT) in Australia alongside other ACRT unitholders at a transaction value of \$2 billion. We initially invested in ACRT in 2012.

## Post Q3 F2022 Transactions

- Committed US\$150 million to Lyfe Capital Fund IV, L.P. Lyfe invests primarily in growth/early growth-stage healthcare companies in Greater China and selectively in the United States across therapeutics, medical devices and diagnostics.
- Committed \$100 million to Hillhouse Venture Fund VI. The Fund focuses on venture opportunities in China across four core sectors of consumer, healthcare, business services and climate technology.
- Committed US\$50 million in the US\$140 million Series I2 funding of VerSe Innovation Pvt. Ltd, a content technology platform company in India.
- Invested US\$100 million in the IPO of LG Energy Solution, a leading battery manufacturer based in South Korea.
- Invested US\$50 million in Eikon Therapeutics' US\$517.8 million Series B financing. Eikon is employing super-resolution microscopy and advanced engineering to invent novel medicines that improve and extend life.

# Fund Performing As Designed

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Investments strategy ensuring long-term Fund sustainability through:

- ✓ **Long-term outperformance**
- ✓ **Risk mitigation**
- ✓ **Prudent cost management**
- ✓ **Competitive global brand**

# About CPP Investments

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Canada Pension Plan Investment Board (CPP Investments™) is a professional investment management organization that manages the Fund in the best interest of the more than 20 million contributors and beneficiaries of the Canada Pension Plan. In order to build diversified portfolios of assets, investments are made around the world in public equities, private equities, real estate, infrastructure and fixed income. Headquartered in Toronto, with offices in Hong Kong, London, Luxembourg, Mumbai, New York City, San Francisco, São Paulo and Sydney, CPP Investments is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At December 31, 2021, the Fund totalled \$550.4 billion. For more information, please visit [www.cppinvestments.com](http://www.cppinvestments.com) or follow us on [LinkedIn](#), [Facebook](#) or [Twitter](#).

## CONTACT US

### Contributors and beneficiaries

One Queen Street East, Suite 2500  
Toronto, ON, Canada M5C 2W5

[contact@cppib.com](mailto:contact@cppib.com)

Tel: +1 416-868-4075

or +1-866-557-9510

### For More Information:

Frank Switzer

Managing Director, Investor Relations

CPP Investments

T: +1 416-523-8039

[fswitzer@cppib.com](mailto:fswitzer@cppib.com)

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