

Q2 Fiscal 2023 Results

November 10, 2022

*All figures in Canadian dollars unless
otherwise noted*

CPP | Investments



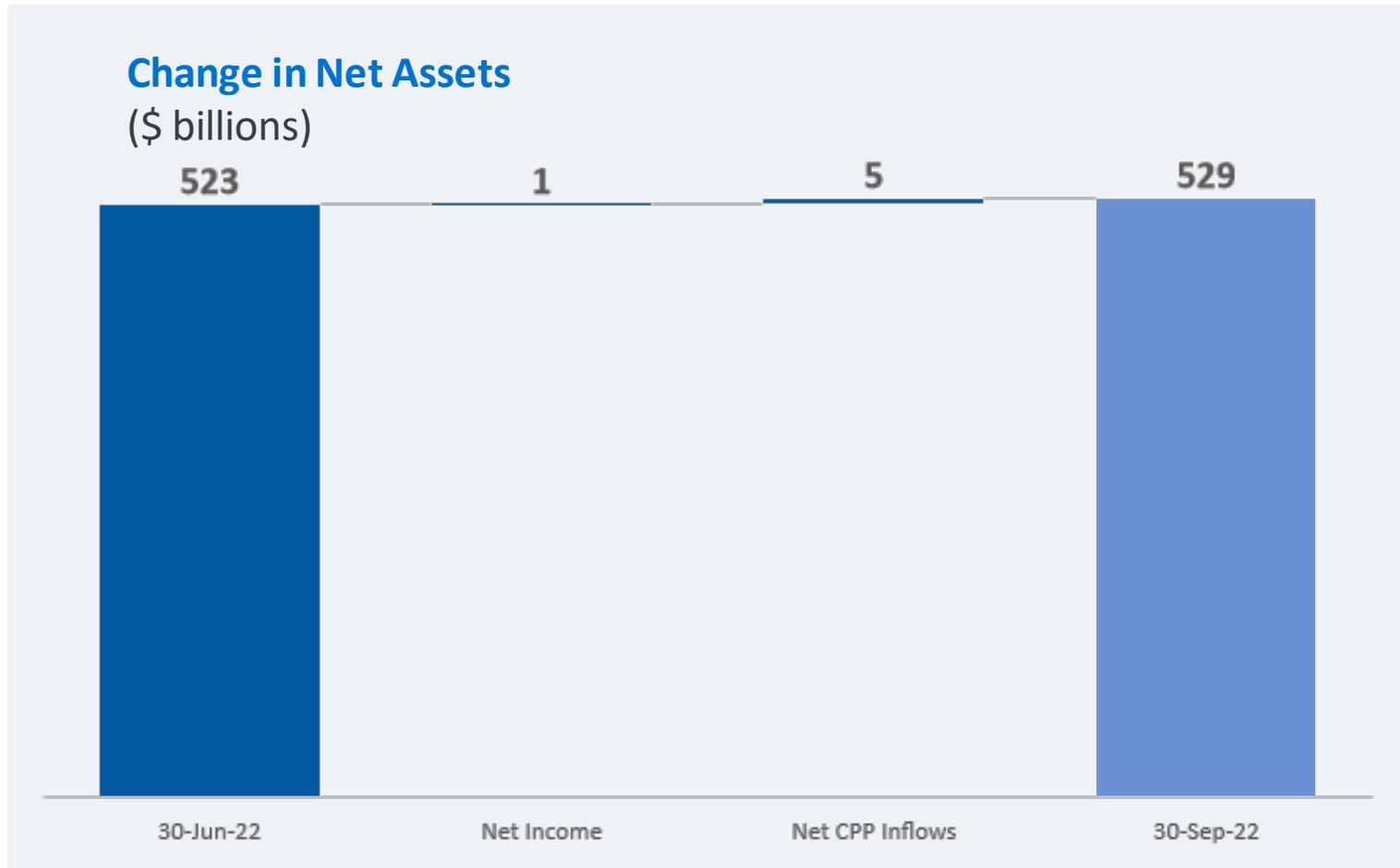
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Financial Results



Quarterly Assets Change



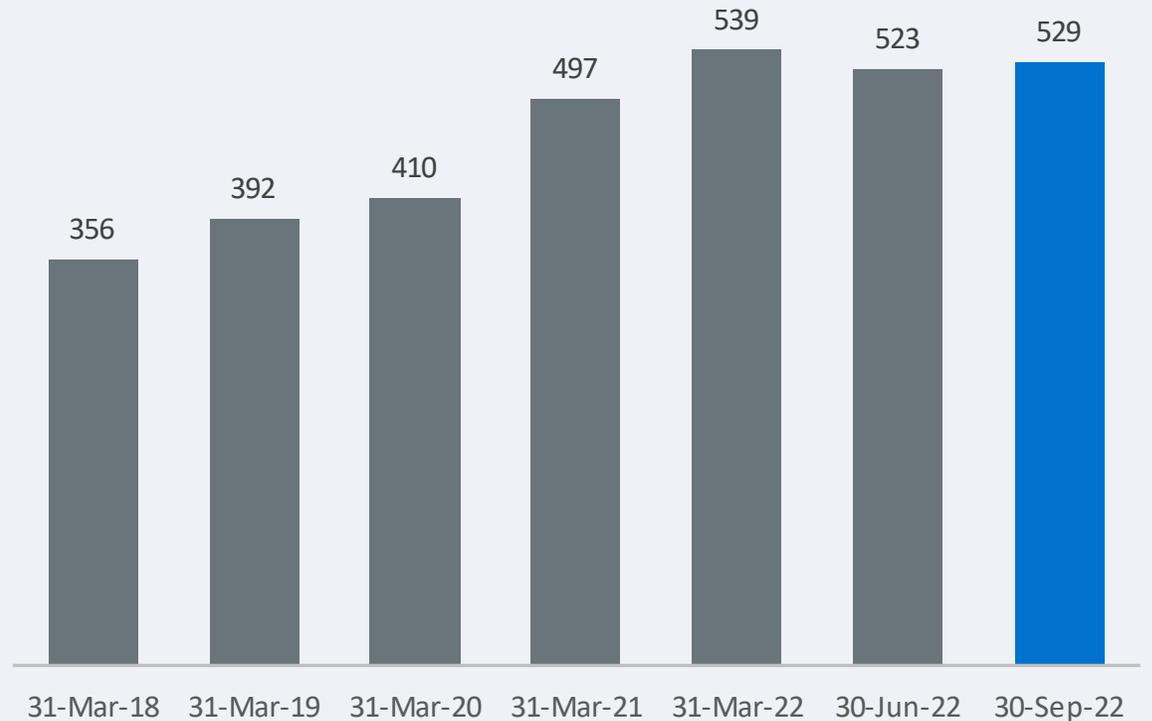
Q2 F2023
Net Return
0.2%

Resilient Performance in Q2 F2023

- Diversified portfolio demonstrates resilience in the face of global headwinds
 - Declines in major global equity and fixed income indices continued in the quarter
 - Fund recorded positive net return of 0.2%
- Market effects from inflation, central bank rates and the war in Ukraine persist through the first half of the fiscal year
- Fund well-positioned to continue to add value over the long term and successfully navigate market turbulence

Net Assets

\$ billions



Global Market Slide Continues Into Q2 F23

Market Returns in Local Currency Terms



Source: S&P Global LargeMidCap; Barclays Fixed Income Global Aggregate

- Significant declines across global markets continue through the fiscal and calendar year
- Declines in bond markets on track for worst annual performance on record
- Global equity markets also report record losses
- Concurrent decline of both stock and bond markets not seen since 1969

Continued Strong Long-term Performance

10-Year

\$303B

Cumulative Net Income

10.1%

Net Nominal Return

7.7%

Net Real Return¹

¹Real 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.

Q2 F2023 Performance Drivers



The Fund's quarterly results were affected by broad declines in global equity and fixed income markets.



The decline in value was more than offset by gains in U.S. dollar-denominated private equity, real estate and credit investments, and positive returns on energy and infrastructure investments.



Gains by external investment managers and trading strategies in fixed income, currencies and commodities also contributed positively to results.

Active Management Strategy on Track

“ Our portfolio remains resilient despite inflationary pressures, increases in central bank rates and the continued impact of the war in Ukraine, which resulted in the continued decline in global financial markets during the quarter.

Our active management strategy, designed to deliver results over the long term, remains on track as demonstrated by our strong 10-year net return of 10.1%. ”

John Graham
President & Chief Executive Officer
CPP Investments

Net Investments By Investment Department

At September 30, 2022

TOTAL FUND MANAGEMENT

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

Net Investments: **\$197.8 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*: **\$46.0 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*: **\$60.0 billion**

CREDIT INVESTMENTS

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

Net Investments: **\$54.4 billion**

PRIVATE EQUITY

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

Net Investments: **\$141.5 billion**

REAL ASSETS

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

Net Investments: **\$131.8 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.

Corporate & Investment Highlights



Corporate Developments

- Hosted nine in-person public meetings this fall – one in each province that participates in the CPP – along with a national virtual meeting, which provided an accessible forum for more contributors and beneficiaries to ask questions of our senior leaders. These meetings reflect our continued accountability to the Fund’s 21 million contributors and beneficiaries.
- Published our *2022 Report on Sustainable Investing*, on three key areas: sustainability-related considerations in the investment life cycle, our net-zero commitment and how our active ownership delivers results.
- Kristina Fanjoy was appointed Senior Managing Director & Chief Financial Officer. In this role, Ms. Fanjoy will be responsible for the Fund’s financial policy and reporting strategy; business planning; performance reporting and analytics; valuations, financial controls and accounting; and tax governance. Ms. Fanjoy joined CPP Investments in 2010, during which time she has taken on progressively senior roles, most recently as Managing Director and Head of Finance.
- Richard Manley was appointed Chief Sustainability Officer and will lead the further refinement and execution of a roadmap for CPP Investments to prudently navigate the global economy’s transition to address climate change, among other responsibilities. Mr. Manley joined CPP Investments in 2019 and has played a key role in evolving the integration of environmental, social and governance factors across our investment programs. He will continue to lead the Sustainable Investing group.

Investment Highlights: Private Equity



Committed US\$300 million to Clayton, Dubilier & Rice Fund XII. Clayton, Dubilier & Rice is one of the world's oldest private equity firms and focuses on upper middle market/large value-oriented buyouts and build-ups in North America and Western Europe.



Completed a US\$47 million co-investment alongside True North Fund VI to invest in Accion Labs, a fast-growing global product engineering and digital IT services company.



Acquired a stake in Universal Investment Group, a leading third-party management company and fund administration service provider serving both institutional investors and asset managers across European fund markets.

Investment Highlights: Real Assets



Increased our allocation by C\$755 million in equity to the second tranche of the Tricon Multifamily joint venture, following the C\$745 million commitment of the first tranche, for a total allocation of C\$1.5 billion. Alongside Tricon Residential, the joint venture will develop 2,000-plus Class-A purpose-built rental units in the Greater Toronto Area.



Committed €475 million to a new joint venture focused on the European hospitality sector with Hamilton - Pyramid Europe, a leading hotel operator and co-investment partner forming part of the Pyramid Global hospitality group of companies.



Committed US\$25 million to ArcTern Ventures Fund III. ArcTern is a Canadian early stage cleantech investor founded in partnership with MaRS Discovery District.



Committed an additional €475 million to the Round Hill European Student Accommodation Partnership, a joint venture with Round Hill Capital. The joint venture invests in high-quality purpose-built student accommodation in major cities across Europe.

Investment Highlights: Other

Active Equities



Invested US\$184 million in the Hong Kong IPO of China Tourism Group Duty Free, a leading duty-free operator in China.

Credit Investments



Committed INR 18.5 billion (C\$310 million) to the first close of Kotak infrastructure Investment Fund (KIIF). KIIF is being raised by Kotak Investment Advisors Limited and will provide senior and secured financing to operating infrastructure projects in India.

Credit Investments



Invested US\$115 million in the second-lien term loan of HCP Global Ltd. to support Carlyle Asia Partner's acquisition of the company. HCP is a global premium cosmetics and skincare packaging manufacturer based in China.

Fund Performing as Designed

Our investment strategy helps contribute to the long-term sustainability of the CPP

- ✓ **Active management outperformed market indices**
- ✓ **Strong long-term performance**
- ✓ **Fund is well positioned to navigate market turbulence and create long-term value**