

Q3 Fiscal 2023 Results

February 9, 2023

*All figures in Canadian dollars unless
otherwise noted*

CPP  Investments



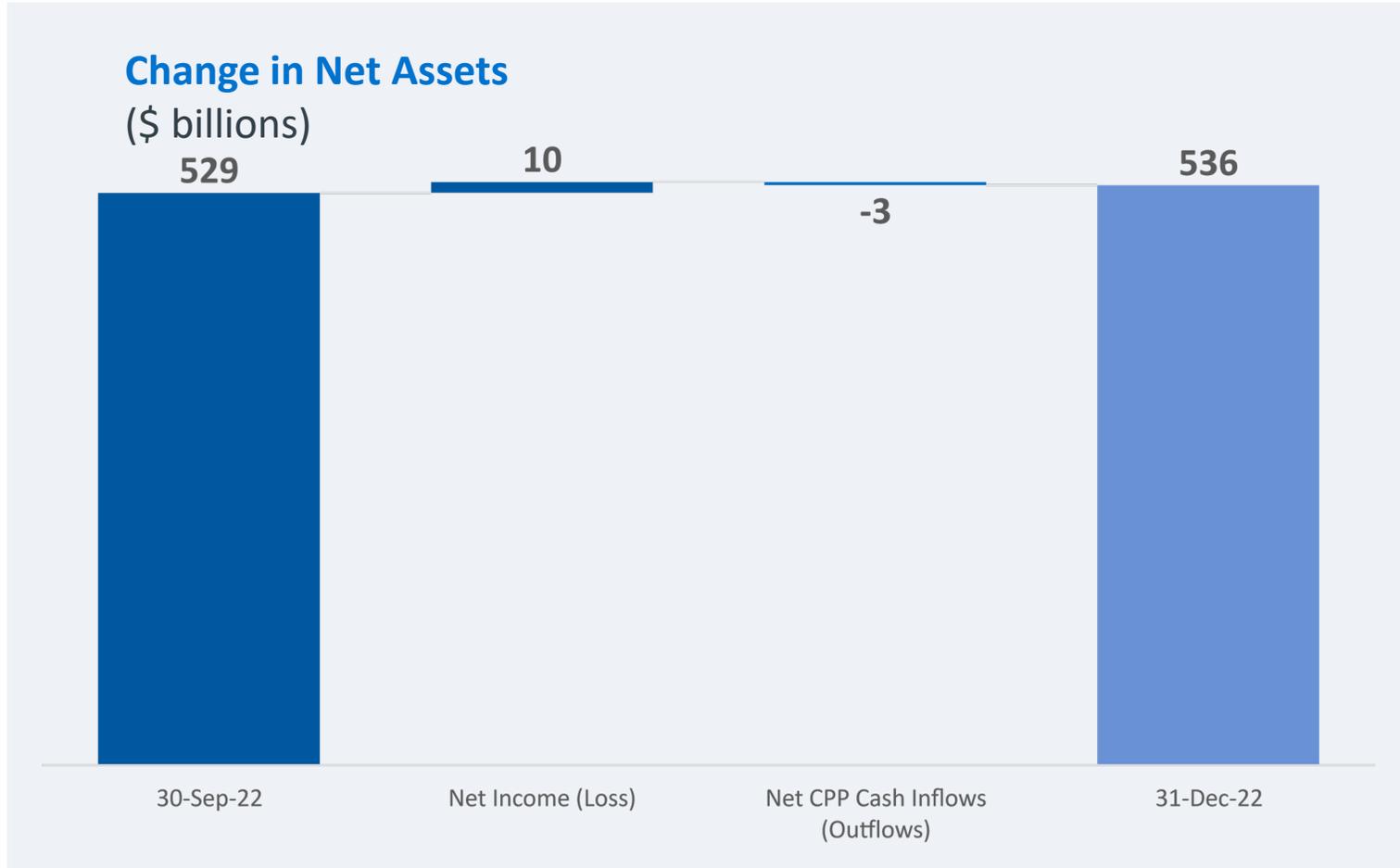
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Financial Results



Quarterly Assets Growth



Q3 F2023
Net Return
1.9%

Solid Fiscal Year-to-Date Performance

- Active management strategy continues to drive steady performance despite persistent market pressures
 - Nine-month return of (2.2)% outperforms global indices over the same period
- Diversified portfolio insulates the Fund from excessive volatility related to the turbulence of the public markets
- CPP Fund well positioned to deliver long-term value for contributors and beneficiaries

Net Assets
\$ billions



Continued Strong Long-term Performance

10-Year

\$308B

Cumulative Net Income

10.0%

Net Nominal Return

7.5%

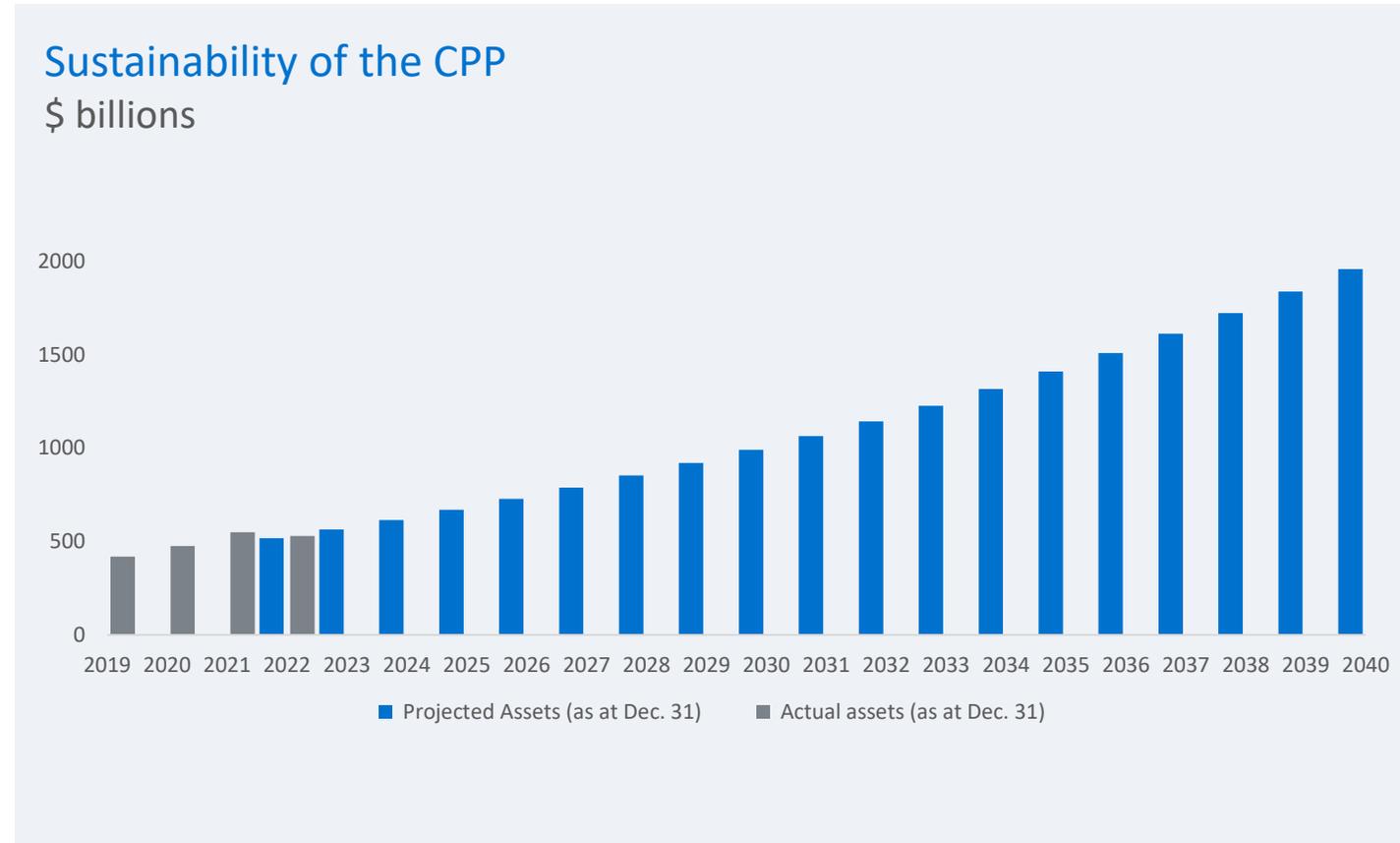
Net Real Return¹

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.

31st Actuarial Report Confirms Financial Sustainability of CPP

Recent review by the Office of the Chief Actuary, an independent federal body that provides checks and balances on the future costs of the CPP, concluded:

- Both the base and additional portions of the CPP **continue to be sustainable for the long term** at the current legislated contribution rates
- Due to strong investment performance over the three-year period from 2018 to 2021, **investment income was more than \$100 billion higher** in 2021 than expected in the previous report
- Fund assets projected to **surpass \$1 trillion by 2031**



Projections of the Fund, being the combined assets of the base and additional CPP accounts, are based on the nominal projections from the 31st Actuarial Report on the Canada Pension Plan as at December 31, 2021.

Q3 F2023 Performance Drivers



Rebounding public equity markets contributed to the positive results this quarter, while private asset values remained relatively flat.



Both developed and emerging public equity markets gained in local currency terms



Inflation, central bank rates and the war in Ukraine continue to drive economic headwinds.

Active Management Strategy on Track

“*Despite the enduring global economic headwinds, our active management strategy enabled us to outperform markets over the first nine months of our fiscal year.*

While we expect these market pressures to persist in 2023, our resilient portfolio continues to deliver strong, long-term results.”

John Graham
President & Chief Executive Officer
CPP Investments

Net Investments By Investment Department

At December 31, 2022

TOTAL FUND MANAGEMENT

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

Net Investments: **\$205.9 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*: **\$58.7 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*: **\$61.5 billion**

CREDIT INVESTMENTS

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

Net Investments: **\$54.0 billion**

PRIVATE EQUITY

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

Net Investments: **\$141.6 billion**

REAL ASSETS

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

Net Investments: **\$132.3 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

- Welcomed Judith Athaide to the Board of Directors. Appointed in November 2022, Ms. Athaide is President and CEO of The Cogent Group Inc., and a corporate director. She previously held a variety of senior commercial and technical roles in the energy industry, as well as academic positions at the Universities of Alberta, Brandon, Calgary and Mount Royal.
- Subsequent to quarter end, appointed Kristen Walters as Senior Managing Director & Chief Risk Officer. In this role, Ms. Walters will be responsible for the Fund's global risk management functions including leading the long-term strategy for effectively incorporating risk perspectives into all investment and operational processes.
- Published [*The Decarbonization Imperative*](#) through the CPP Investments Insights Institute: an updated proposal for helping corporate boards and management develop transparent and credible plans to achieve net-zero goals and, in turn, create long-term value.

Investment Highlights: Private Equity



Committed US\$100 million to the General Atlantic Investment Partners 2023, L.P. fund, which will focus on growth equity opportunities globally.



Invested US\$53 million in Howden Group Holdings, a leading international insurance intermediary group, alongside General Atlantic.



Provided sponsorship across capital structures for an investment in EcoCeres, Inc., an Asia-based leading biorefinery platform that converts waste-based biomass into biofuels and biochemicals.



Invested US\$150 million into the Hermes GPE Secondaries Opportunities Fund, which will focus on secondaries transactions involving middle-market companies and General Partners within Europe.

Investment Highlights: Private Equity (continued)



Committed US\$100 million to the Baring Private Equity Asia EQT Mid-Market Growth Fund, a newly established joint middle-market Asia-Pacific private equity investment platform.



Invested US\$53 million for a 2.7% stake in IIFL Wealth, a leading wealth and asset management firm in India, alongside Bain Capital Asia.



Invested US\$180 million for a 10% stake in Tricolor Group, a leading Asia-focused provider of business and corporate services based in Hong Kong, alongside BPEA EQT.

Investment Highlights: Real Assets

REDAPTIVE®

Invested approximately US\$200 million in Redaptive, a leading U.S.-based Energy-as-a-Service provider that funds and installs energy efficiency and energy generation solutions for commercial and industrial customers.



Agreed to sell our 49% stake in L&T Infrastructure Development Projects Limited (L&T IDPL). Gross proceeds to CPP Investments from the sale are expected to be approximately C\$220 million, before closing adjustments and other terms of the transaction. The transaction is subject to customary closing conditions and regulatory approvals.



Awarded an 80,418-acre floating offshore wind lease off the central coast of California for US\$150 million, through Golden State Wind, our 50%/50% joint venture with Ocean Winds.

Investment Highlights: Real Assets (continued)



Invested R\$2.5 billion (C\$639 million) for a stake of approximately 9.5% in V.Tal, the largest neutral fibre-to-the-home network provider in Brazil.



Committed US\$30 million to Chestnut Carbon, a nature-based carbon offset developer focused on retail land across the U.S. through afforestation/reforestation as well as improved forestry management projects.



Entered into an agreement with Royal Schiphol Group to acquire a stake of 1.59% in Aéroports de Paris, an international airport operator based in Paris. Upon completion, this increases our total ownership stake to 5.64%, valued at €698 million at current market prices (as at December 31, 2022).

Investment Highlights: Credit Investments



Invested US\$40 million in sustainable home improvement loans originated by GoodLeap LLC through a one-time whole-loan purchase with capital managed by Blackstone's Asset Based Finance Group. GoodLeap LLC is a sustainable home-solutions marketplace based in the U.S.

Fund Performing as Designed

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

- ✓ **Active management outperforming market indices for the fiscal year to date**
- ✓ **Strong long-term performance**
- ✓ **Fund is well positioned to navigate market turbulence and create long-term value**