

A woman with short dark hair, wearing a bright yellow turtleneck sweater and large hoop earrings, is looking intently at a tablet computer she is holding. She is standing in a modern office environment with large windows and blurred lights in the background. The overall mood is professional and focused.

Q1 Fiscal 2023 Results

AUGUST 11, 2022

*All figures in Canadian dollars unless
otherwise noted*

CPP  **Investments**

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Financial Results

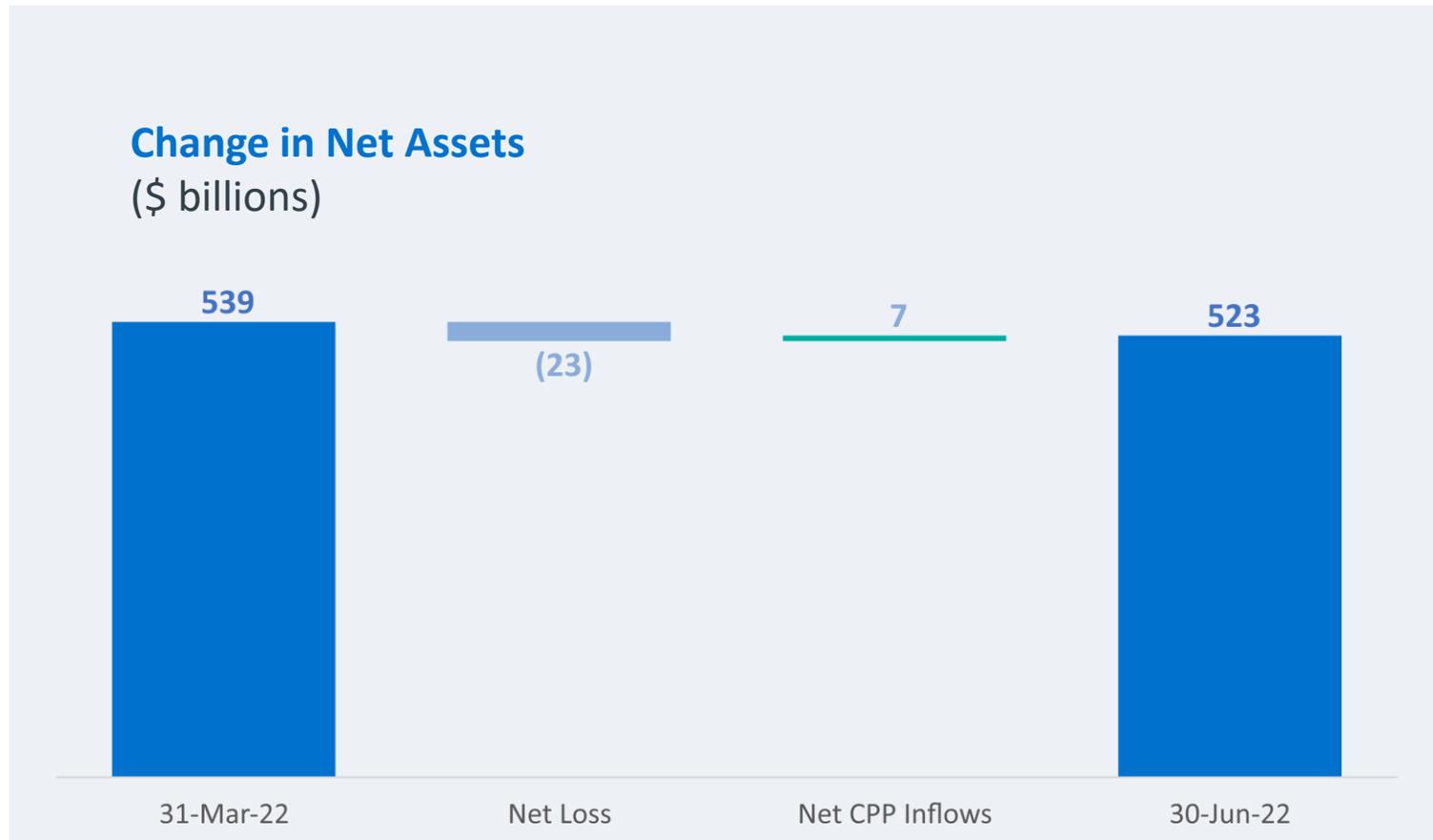


Resilient Performance in Q1 F2023

- Active management strategy allowed us to outperform indices and preserve investment value
 - Leading global equity indices declined by double-digits in Q1
 - Fund recorded negative net return of 4.2% in Q1
- Uncertain business and investment conditions and market turbulence anticipated to continue throughout the fiscal year
- Fund well positioned to continue to add value over the long term and successfully navigate market turbulence



Quarterly Assets Change



Q1 F2023
Net Return
(4.2)%¹

¹Average return of leading global equity indices in Canadian terms was (13.8%). Returns exclude portfolio management costs. Average applies an equal weighting to five global indices.

Further Market Turmoil Anticipated in F2023

VIX Index¹



- 52% increase in market volatility from Q1 F2022 to Q1 F2023
- War in Europe, inflation, supply chain interruptions and pandemic spark volatility
- Resulted in significant declines in global equities and bond prices

¹[CBOE Volatility Index](#) is a calculation designed to produce a measure of constant, 30-day expected volatility of the U.S. stock market.

Continued Strong Long-term Performance

Five-Year

\$171B

Cumulative Net Income

8.7%

Net Nominal Return

5.3%

Net Real Return¹

10-Year

\$305B

Cumulative Net Income

10.3%

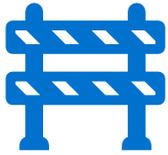
Net Nominal Return

7.8%

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.

Q1 F2023 Performance Drivers



The Fund's quarterly results were driven by losses in public equity strategies, due to the broad decline in global equity markets. Investments in private equity, credit and real estate contributed modestly to the losses this quarter.



Gains by external portfolio managers, quantitative trading strategies and investments in energy and infrastructure contributed positively to this quarter's results.



Losses in fixed income due to higher interest rates imposed by central banks to fight inflation were offset by foreign exchange gains of \$3.1 billion as the Canadian dollar weakened against the U.S. dollar.

Net Investments By Investment Department

At June 30, 2022

TOTAL FUND MANAGEMENT

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

Net Investments: **\$206 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 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*: **\$59 billion**

CREDIT INVESTMENTS

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

Net Investments: **\$53 billion**

PRIVATE EQUITY

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

Net Investments: **\$136 billion**

REAL ASSETS

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

Net Investments: **\$123 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

- CPP Investments is the world's most transparent pension fund, according to the global pension transparency benchmark, a collaboration between Top1000funds.com and CEM Benchmarking Inc. The benchmark, launched in 2021, measures the transparency of disclosures of 15 pension systems around the world across measurements such as cost, governance, performance and responsible investing.
- The current role of Senior Managing Director & Chief Financial and Risk Officer (CFRO) will be divided into two distinct senior management positions, a Chief Risk Officer (CRO) and a Chief Financial Officer (CFO), as the organization continues to position itself for future growth. After serving five years as CFRO, Neil Beaumont left the role at the end of July.
- Deborah Orida, Senior Managing Director, Global Head of Real Assets & Chief Sustainability Officer (CSO), left the organization in mid-August to become CEO of a Canadian pension fund.

Investment Highlights: Private Equity



Invested US\$50 million in a co-investment alongside Silver Lake in Entrata for a 4% stake. Entrata is a developer of property management software that focuses on multi-family residential apartments.



Closed a US\$35 million co-investment alongside CVC Capital into Razer Inc., a global lifestyle brand for gamers, providing gaming peripherals, gaming laptops and desktops, gaming accessories and software solutions worldwide.



Invested US\$34 million alongside Multiples into Kogta Financial Limited, a non-banking financial company focusing on new and used vehicle financing and lending to micro, small and medium enterprises in semi-rural areas in India, for an approximate 9% stake.



Closed a US\$50 million co-investment in Anaplan alongside Thoma Bravo for an approximate 0.5% stake. Anaplan is a U.S.-based provider of cloud-based planning and analytics software.



Invested US\$65 million alongside Anchor Equity Partners into Fresheasy, a home meal kit distributor in South Korea, for an approximate 9% stake.

Investment Highlights: Private Equity



Closed on a US\$50 million commitment to Radical Fund III. Radical is an early-stage manager based in Toronto focusing on AI opportunities in Canada and the U.S.



Committed US\$100 million to Trustar Capital V. Trustar Capital Partners is the private equity affiliate of CITIC Capital focused on control-oriented buyouts in Greater China.



Committed €400 million to EQT X. EQT is a global investment organization with €77 billion in assets under management across 36 active funds.



Committed to a US\$120 million co-investment alongside CVC Capital into Sajjan India Limited, a specialized agrochemical manufacturer in India, for up to a 17% stake.



Committed to a US\$50 million co-investment alongside Multiples into Acko Tech & Services, India's only pure-play digital insurance platform focused on retail customers. Once all funding is deployed we will hold an approximate 5% stake.

Investment Highlights: Credit Investments



Invested US\$100 million in the unitranche loan for IGT Solutions. IGT Solutions is a business process outsourcing company specialized in airlines, online ticket agencies, and hospitality, with operations primarily in India and The Philippines and clients in North America and Europe.



Committed US\$160 million to Lumina Strategic Solutions Fund. Lumina is a Brazil-focused special situations credit investment manager.



Closed a C\$230 million investment in the term loans of Legal Search, a provider of property and corporate-related search services in Australia, the U.K. and the U.S.

Investment Highlights: Real Assets



Acquired 100% of four onshore wind farms in central Sweden through Renewable Power Capital (RPC), our European onshore renewables platform. As part of the transaction, we are committing a further €803 million to RPC.



Committed US\$300 million to the Hillhouse Real Asset Opportunities Fund (HRAOF). HRAOF aims to invest in the new economy real estate sectors in China focusing on life science, data centres and logistics.



Agreed to sell six logistics warehouses in Western China in the Goodman China Logistics Partnership (GCLP). Net proceeds from the sale will be approximately C\$320 million. GCLP was established with Goodman Group to own and develop logistics assets in mainland China in 2009 and we have an 80% ownership interest.



Exited Canterra Farmland Holdings LP, which sold its diversified portfolio of farmland, with net proceeds of approximately C\$390 million. We originally acquired our 99% stake in 2014.

Post Q1 F2023 Investment Highlights

- Increased our commitment to BAI, a global communications infrastructure provider, alongside partners Manulife and AimCo to support BAI's ongoing growth strategy, including the agreed acquisition of ZenFi Networks. We have committed approximately C\$3 billion towards BAI since 2009 and hold an 86% ownership stake.
- Acquired an additional 33.3% stake in Bullring Shopping Centre Birmingham, bringing our stake to 50% for a total investment of C\$432 million.
- Invested an additional US\$150 million to Octopus Energy to support its global expansion and renewables strategy. Octopus is a global clean energy technology pioneer.
- Committed a further US\$225 million to expand our strategic partnership with Octopus Energy, and directly support the business' efforts to accelerate and enhance the development and integration of renewables in the power system.
- Closed on a €200 million commitment to TDR Capital V. TDR Capital is a private equity firm based in London and focuses on mid-market buyout investments headquartered in or with significant operations in Europe.
- Committed US\$150 million to NewQuest Asia Fund V. NewQuest Capital Partners is a specialized, secondaries manager focused on transactions involving middle-market companies and General Partners within emerging Asian markets.

Post Q1 F2023 Investment Highlights

- Closed on a US\$150 million commitment to Oak Hill Capital Partners VI. Oak Hill is a U.S.-based fund manager focused on investing across the industrials, media & communications, business services and consumer sectors in the U.S.
- Closed on a US\$400 million commitment to Apax XI. Apax Partners is a global private equity firm focused on upper middle-market and large-cap buyout opportunities.
- Committed a further C\$700 million to our Indian toll roads portfolio company IndInfravit Trust as part of a transaction to acquire five operating road concessions from Brookfield Asset Management for C\$875 million.
- Closed on an aggregate commitment of US\$333 million to Sequoia Capital's 2022 APAC fundraise, comprising commitments to the Sequoia China funds and the Sequoia India/South East Asia funds.
- Closed on a US\$100 million commitment to Kimmeridge Fund VI. Kimmeridge is a U.S.-based alternative asset manager focused exclusively on the energy sector.
- Committed an additional US\$225 million to KDV II, our second development joint venture with partners ESR and APG. KDV II invests in and develops a best-in-class industrial and warehouse logistics portfolio in the Seoul and Busan metropolitan areas in South Korea. We hold a 45% stake in the joint venture.

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**