

All figures in Canadian dollars unless otherwise noted.

CPP Investments Net Assets Total \$646.8 Billion at First Quarter Fiscal 2025

First-Quarter Performance¹:

- Net assets increase by \$14.4 billion
- 10-year annualized net return remains strong at 9.1%

TORONTO, ON (August 14, 2024): Canada Pension Plan Investment Board ([CPP Investments](#)) ended its first quarter of fiscal 2025 on June 30, 2024, with net assets of \$646.8 billion, compared to \$632.3 billion at the end of the previous quarter.

The \$14.4 billion increase in net assets for the quarter consisted of \$6.3 billion in net income and \$8.1 billion in net transfers from the Canada Pension Plan (CPP).

The Fund, which consists of the base CPP and additional CPP accounts, achieved a 10-year annualized net return of 9.1%. For the quarter, the Fund's net return was 1.0%. Since its inception in 1999, and including the first quarter of fiscal 2025, CPP Investments has contributed \$438.6 billion in cumulative net income to the Fund.

"Our diversified portfolio is performing as designed with gains across most asset classes," said John Graham, President and CEO. "We continue to prudently manage the Fund to deliver value to CPP contributors and beneficiaries over the very long term."

The quarter's results were driven primarily by investments in public equity and across private asset classes, particularly in credit and U.S.-dollar denominated assets, which benefited from the strengthening U.S. dollar against the Canadian dollar. These gains were partially offset by investments in government bonds, which were negatively impacted as markets around the world reduced their expectations of rate cuts by central banks due to persisting inflation.

Performance of the Base and Additional CPP Accounts

The base CPP account ended its first quarter of fiscal 2025 on June 30, 2024, with net assets of \$603.6 billion, compared to \$593.8 billion at the end of the previous quarter. The \$9.8 billion increase in assets consisted of \$5.9 billion in net income and \$3.9 billion in net transfers from the CPP. The base CPP account's net return was 1.0% for the quarter, and the five-year annualized net return was 7.8%.

The additional CPP account ended its first quarter of fiscal 2025 on June 30, 2024, with net assets of \$43.2 billion, compared to \$38.5 billion at the end of the previous quarter. The \$4.6 billion increase in assets consisted of \$0.4 billion in net income and \$4.2 billion in net transfers from the CPP. The additional CPP account's net return was 0.9% for the quarter, and the five-year annualized net return was 4.7%.

¹ Certain figures may not add up due to rounding.

The additional CPP was designed with a different legislative funding target and contribution rate compared to the base CPP. Given the differences in its design, the additional CPP has had a different market risk target and investment profile since its inception in 2019. As a result of these differences, we expect the performance of the additional CPP to generally differ from that of the base CPP.

Furthermore, due to the differences in its net contribution profile, the additional CPP account's assets are also expected to grow at a much faster rate than those in the base CPP account.

CPP Investments Net Nominal Returns ¹ (For the quarter ended June 30, 2024)		
Base CPP	Five-Year	7.8%
	10-Year	9.1%
Additional CPP	Five-Year	4.7%
	Since Inception	5.5%

¹ After CPP Investments expenses.

Long-Term Financial Sustainability

Every three years, the Office of the Chief Actuary of Canada, an independent federal body that provides checks and balances on the future costs of the CPP, evaluates the financial sustainability of the CPP over a long period. In the most recent triennial review published in December 2022, the Chief Actuary reaffirmed that, as at December 31, 2021, both the base and additional CPP continue to be sustainable over the long term at the legislated contribution rates.

The Chief Actuary's projections are based on the assumption that, over the 75 years following 2021, the base CPP account will earn an average annual rate of return of 3.69% above the rate of Canadian consumer price inflation. The corresponding assumption is that the additional CPP account will earn an average annual real rate of return of 3.27%.

CPP Investments Net Real Returns ^{1,2} (For the quarter ended June 30, 2024)		
Base CPP	Five-Year	4.2%
	10-Year	6.5%
Additional CPP	Five-Year	1.2%
	Since Inception	1.9%

¹After CPP Investments expenses.

²The real return is the return after the impact of inflation, defined as the Canadian Consumer Price Index, is taken into account.

CPP Investments continues to build a portfolio designed to achieve a maximum rate of return without undue risk of loss, while considering the factors that may affect the funding of the CPP and its ability to pay benefits as they become due. The CPP is designed to serve today's contributors and beneficiaries while looking ahead to future decades and across multiple generations. Accordingly, long-term results are a more appropriate measure of CPP Investments' performance and plan sustainability.

Operational Highlights

Executive announcements

- Priti Singh was appointed Senior Managing Director & Chief Risk Officer (CRO). In this role she is responsible for our global risk management functions, including incorporating risk perspectives into all investment and operational processes. She previously served as Senior Managing Director & Global Head of Capital Markets and Factor Investing.
- Heather Tobin was appointed to Senior Managing Director & Global Head of Capital Markets and Factor Investing. In this role, she is responsible for leading the External Portfolio Management, Systematic Strategies, Investment Engineering & Analytics, and Strategy, Risk & Operations groups. Most recently, she was Managing Director, Head of Investment Portfolio Management in the Office of the Chief Investment Officer. She has joined the executive team.
- Caitlin Gubbels is promoted to the role of Senior Managing Director & Global Head of Private Equity, effective October 15. In this role she will lead our Private Equity program globally, including the teams dedicated to investments in Direct Private Equity, Private Equity Asia, and Private Equity Funds and Secondaries. Most recently, she was Managing Director, Head of Funds. She will join the executive team.
- After 17 years with CPP Investments, Suyi Kim has decided to take on new global investment leadership opportunities outside of the organization. Suyi has been a valuable partner and contributor to CPP Investments' success: she opened our Asia Pacific regional office in Hong Kong in 2008 establishing it as an important hub for our global investment strategy and most recently led our Private Equity business globally out of Toronto and New York, which is one of the largest in the world. She will remain with the organization until November to ensure a smooth transition.
- After more than 30 years in risk management, Kristen Walters will be leaving CPP Investments to be closer to home. Walters has made a significant contribution in establishing the CRO role as a standalone function and setting the enterprise risk strategy and we thank her for her service to CPP Investments.

Corporate developments

- Hosted our first two in-person [public meetings](#) for fiscal 2025 in April, which provided an accessible forum for CPP contributors and beneficiaries to ask questions of our senior leaders. Additional meetings, including a national virtual meeting, will be held in the fall to reflect our continued accountability to the CPP's more than 22 million contributors and beneficiaries. Public meetings are held every two years across Canada.

First-Quarter Investment Highlights

Active Equities

- Realized a partial interest of our stake in Viking Holdings for net proceeds of C\$714 million through the company's initial public offering. Viking Holdings is a global cruise operator and travel company. Our initial investment in the company was made in 2016 and we continue to own a 15% stake.

Credit Investments

- Invested approximately €200 million in mezzanine financing to support Sosteneo's acquisition of a 49% interest in Enel Libra Flexsys S.r.l., which owns and operates a portfolio of 23 battery energy storage system projects and three open-cycle gas turbine projects in Italy, with a total capacity of 2.6 gigawatts.
- Invested US\$250 million in a loan facility to support the merger of two Indian pharmaceutical contract development & manufacturing organizations, Cohance Lifesciences and Suven Pharma, which are owned by Advent International.
- Invested US\$100 million in a mezzanine loan secured against The Diplomat Beach Resort, a 1,000-room full-service luxury resort located on Hollywood Beach in Fort Lauderdale, Florida.
- Invested US\$100 million in a mezzanine loan secured against 640 Fifth Avenue, a 315,000-square foot mixed-use property located in Manhattan, New York City.
- Expanded an existing relationship with Affirm for a committed capacity of up to US\$1.4 billion in outstanding loan portfolio balance. A leading U.S. payments provider, Affirm originates unsecured loans that enable consumers to pay over time without late or hidden fees.
- Invested US\$250 million in a loan facility to support CoreWeave, Inc. to purchase contracted Nvidia Graphics Processing Units (GPU) servers for cloud computing. Based in the U.S., CoreWeave provides cloud infrastructure at scale to support artificial intelligence and machine learning workstreams and is one of the largest purchasers of Nvidia GPUs.
- Invested C\$185 million in an Indian Rupee-denominated loan facility to Enfinity Global to build 1.2-gigawatts of solar and wind power plants in India. Based in the U.S., Enfinity Global is a renewable energy and sustainable services company with a 22.4-gigawatt portfolio of solar, onshore wind and battery storage assets.
- Completed the sale of Amitra Capital Limited to Arrow Global Group Limited. Established in 2018, Amitra Capital specializes in managing European non-performing loans and real estate investments. We retain a majority direct economic interest in all the portfolios managed by Amitra Capital. Subsequent to the sale, we committed an additional €300 million to refinance existing loan facilities.

- Invested US\$100 million in the preferred equity of Excelitas, a leading U.S.-based photonics technology company specializing in sensing, detection, imaging and illumination solutions.
- Invested US\$353 million in an amend-and-extend of a senior secured term loan for Straive, a business process outsourcing company focused on education, data and publishing verticals, with operations primarily in India and the Philippines.

Private Equity

- Committed US\$200 million to Clearlake Capital Partners VIII, L.P., which will deploy capital across private equity, credit and other related strategies primarily in North America.
- Committed US\$600 million to Thoma Bravo XVI, L.P., which will target control-oriented software buyouts in the application, infrastructure and cybersecurity sub-sectors within North America and Europe.
- Committed US\$100 million to Brookfield Capital Partners VI, which will primarily make control investments in industrials, business services, and infrastructure services companies globally.
- Committed approximately €77 million to Barley (No. 1) Limited Partnership, a single asset continuation vehicle for a leading European specialty ingredients distributor.
- Invested US\$86 million alongside Silver Lake in Vantage Data Centers (Vantage). Based in the U.S., Vantage provides data center campuses to cloud providers and large enterprises globally.
- Invested US\$110 million for a minority stake in Adevinta, a leading online classifieds platform in Europe, alongside Blackstone and Permira.
- Invested US\$100 million for an approximate 14% stake in The Rawlings Group, a U.S.-based provider of cost containment services for health insurance clients, alongside New Mountain Capital.
- Invested US\$220 million to acquire interests in two funds and two healthcare co-investments managed by Avista Capital Partners, which invests in high-growth middle-market product and technology healthcare companies in North America and Europe.
- Committed US\$450 million to Ontic, a provider of specialized parts and repair services for established aerospace technologies. Ontic is headquartered in the U.K.
- Committed US\$50 million to Scale AI, a U.S.-based platform which combines advanced machine learning algorithms with human intelligence to accelerate the creation of high-quality training data for AI models.
- Committed US\$100 million to Kedaara Capital Fund IV, which will focus on mid-market buyout and minority growth investments in India.

- Agreed to sell our ownership stake in Dorna Sports, an international sports management, media and marketing company, which holds the global rights to organize the MotoGP and WSBK Championships. Net proceeds from the transaction are expected to be approximately C\$1.9 billion, of which approximately 75% is in cash and 25% in Series C Liberty Formula One tracking stock. Our original investment was made in 2013.

Real Assets

- Committed €500 million to Blackstone Real Estate Partners Europe VII, which invests in under-managed, well-located real estate assets across Europe.
- Entered into a definitive agreement to jointly acquire ALLETE, Inc. alongside Global Infrastructure Partners for US\$6.2 billion, including the assumption of debt. Headquartered in Duluth, Minnesota, ALLETE is focused on addressing the clean-energy transition by expanding renewables, reducing carbon, enhancing grid resiliency, and driving innovation. Upon closing, our ownership stake in ALLETE will be 40%.
- Announced a follow-on equity investment commitment of up to US\$300 million to Encino Acquisition Partners, a Houston-based oil and gas company with a diverse portfolio of assets and focus on sustainability, to support development of the Utica oil play. We have been invested in the company since 2018.

Transaction Highlights Following the Quarter

- Sold our stake in One Paramount 1, a Grade A office development in Chennai, India. Net proceeds from the sale were US\$52 million. The initial investment was made in 2021 in a joint venture with RMZ Corp in India to hold and develop commercial real estate assets.
- Committed to invest up to £75 million in a mezzanine loan facility supporting ThinCats, an alternative lender to mid-sized businesses in the U.K.
- Invested US\$75 million alongside Kainos in Gehl Foods, a U.S.-based developer and manufacturer of shelf-stable protein drinks, plant-based milks, soups, cheese sauces and chili to blue chip brands, retailers, and foodservice customers across North America.
- Committed US\$75 million to Radical Growth I, managed by Radical Ventures, an AI-focused venture and growth manager with offices in Toronto, San Francisco, and London. The total commitment now stands at US\$204 million across various fundraising cycles since the initial investment in 2019.
- Exited our approximate 6% stake in Delhivery, India's largest integrated third-party logistics service provider. Net proceeds from the sale were C\$298 million. Our initial investment in the company was made in 2019.

- Committed approximately €550 million to acquire an approximate 20% stake in team.blue, a leading webhosting services provider and digital enabler for entrepreneurs and small and medium-sized businesses across Europe.

About CPP Investments

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 22 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, 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 June 30, 2024, the Fund totalled \$646.8 billion. For more information, please visit www.cppinvestments.com or follow us on [LinkedIn](#), [Instagram](#) or on X [@CPPIInvestments](#).

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