

CPP Investments

Condensed Interim Consolidated
Financial Statements of
Canada Pension Plan Investment Board

December 31, 2024



Condensed Interim Consolidated Balance Sheet

(Unaudited)

<i>(CAD millions)</i>	As at December 31, 2024	As at March 31, 2024
Assets		
Cash and cash equivalents	\$ 7,024	\$ 9,631
Investments (Note 2)	894,843	800,075
Pending trades receivable (Note 2)	718	4,601
Premises and equipment	731	679
Other assets	90	95
Total assets	903,406	815,081
Liabilities		
Investment liabilities (Note 2)	195,304	170,648
Pending trades payable (Note 2)	7,412	10,832
Accounts payable and accrued liabilities	1,134	1,234
Total liabilities	203,850	182,714
Net assets	\$ 699,556	\$ 632,367
Net assets, represented by:		
Share capital	\$ -	\$ -
Accumulated net income and comprehensive income	487,690	432,353
Accumulated net transfers from the Canada Pension Plan	211,866	200,014
Net assets	\$ 699,556	\$ 632,367

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

Condensed Interim Consolidated Statement of Comprehensive Income (Loss)

(Unaudited)

(CAD millions)	For the three months ended December 31,		For the nine months ended December 31,	
	2024	2023 ¹	2024	2023 ¹
Income (Loss):				
Interest income	\$ 2,369	\$ 2,103	\$ 6,839	\$ 5,662
Dividend income	2,158	1,797	5,469	5,552
Net gains (losses) on private investments	(9)	5,074	299	(2,739)
Net gains (losses) on public investments	(415)	11,736	12,893	9,322
Net gains on investment holding subsidiaries (Note 4)	24,929	527	37,798	3,800
Other	(791)	3	(809)	(584)
	28,241	21,240	62,489	21,013
Expenses:				
Personnel	277	265	819	771
General and administrative	124	117	411	347
Management fees	4	3	11	12
Performance fees	11	5	125	62
Transaction-related	97	39	295	147
Taxes	(3)	122	350	435
Financing	1,733	1,340	5,141	3,971
	2,243	1,891	7,152	5,745
Net income and comprehensive income	\$ 25,998	\$ 19,349	\$ 55,337	\$ 15,268

¹ Certain comparatives have been reclassified to conform to the current period's presentation.

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

Condensed Interim Consolidated Statement of Changes in Net Assets

(Unaudited)

	For the three months ended					
<i>(CAD millions)</i>	Number of shares outstanding	Share capital	Accumulated net transfers from the Canada Pension Plan	Accumulated net income and comprehensive income	Total net assets	
As at October 1, 2024	10	\$ -	\$ 213,362	\$ 461,692	\$ 675,054	
Total net income and comprehensive income		-	-	25,998	25,998	
Canada Pension Plan transfers:						
Transfers from the Canada Pension Plan		-	12,164	-	12,164	
Transfers to the Canada Pension Plan		-	(13,660)	-	(13,660)	
As at December 31, 2024	10	\$ -	\$ 211,866	\$ 487,690	\$ 699,556	

	For the nine months ended					
<i>(CAD millions)</i>	Number of shares outstanding	Share capital	Accumulated net transfers from the Canada Pension Plan	Accumulated net income and comprehensive income	Total net assets	
As at April 1, 2023	10	\$ -	\$ 184,131	\$ 385,911	\$ 570,042	
Total net income and comprehensive income		-	-	15,268	15,268	
Canada Pension Plan transfers:						
Transfers from the Canada Pension Plan		-	44,291	-	44,291	
Transfers to the Canada Pension Plan		-	(38,848)	-	(38,848)	
As at December 31, 2023	10	\$ -	\$ 189,574	\$ 401,179	\$ 590,753	
As at April 1, 2024	10	\$ -	\$ 200,014	\$ 432,353	\$ 632,367	
Total net income and comprehensive income		-	-	55,337	55,337	
Canada Pension Plan transfers:						
Transfers from the Canada Pension Plan		-	49,864	-	49,864	
Transfers to the Canada Pension Plan		-	(38,012)	-	(38,012)	
As at December 31, 2024	10	\$ -	\$ 211,866	\$ 487,690	\$ 699,556	

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

Condensed Interim Consolidated Statement of Cash Flows

(Unaudited)

	For the nine months ended December 31,	
(CAD millions)	2024	2023 ¹
Cash flows from operating activities		
Net income and comprehensive income	\$ 55,337	\$ 15,268
Adjustments for non-cash items:		
Amortization of premises and equipment	60	59
Losses on debt financing liabilities (Note 10)	3,252	408
Losses from foreign exchange on cash and cash equivalents	3	125
Adjustments for net changes in operating assets and liabilities:		
(Increase) in investments	(94,768)	(54,122)
Decrease in pending trades receivable	3,883	1,524
Decrease in other assets	5	8
Increase in investment liabilities	20,839	15,362
(Decrease) increase in pending trades payable	(3,420)	8,029
(Decrease) in accounts payable and accrued liabilities	(100)	(184)
Net cash flows (used in) operating activities	(14,909)	(13,523)
Cash flows from financing activities		
Transfers from the Canada Pension Plan	49,864	44,291
Transfers to the Canada Pension Plan	(38,012)	(38,848)
Proceeds from debt financing liabilities (Note 10)	11,915	16,335
Repayment of debt financing liabilities (Note 10)	(11,350)	(10,002)
Net cash flows provided by financing activities	12,417	11,776
Cash flows from investing activities		
Acquisition of premises and equipment	(112)	(89)
Net cash flows (used in) investing activities	(112)	(89)
Effect of exchange rate changes on cash and cash equivalents	(3)	(125)
Net (decrease) in cash and cash equivalents	(2,607)	(1,961)
Cash and cash equivalents at the beginning of the period	9,631	11,716
Cash and cash equivalents at the end of the period	\$ 7,024	\$ 9,755

¹ Certain comparatives have been reclassified to conform to the current period's presentation.

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

Condensed Interim Consolidated Schedule of Investment Portfolio

(Unaudited)

The schedule below provides information on investments and investment liabilities held by Canada Pension Plan Investment Board and its investment holding subsidiaries on a combined basis. The nature of these investments and investment liabilities is further described in Note 2.

(CAD millions)	As at December 31, 2024	As at March 31, 2024
Equities		
Private equities	\$ 230,176	\$ 208,549
Public equities	225,305	214,073
Total equities	455,481	422,622
Debt		
Bonds	203,311	165,258
Other debt	53,484	49,157
Money market securities	1,189	7,710
Total debt	257,984	222,125
Investment funds	160,252	141,968
Investment receivables and Other		
Securities purchased under reverse repurchase agreements and cash collateral pledged on securities borrowed	19,006	12,143
Derivative assets	3,596	2,962
Other	3,672	4,909
Total investment receivables and Other	26,274	20,014
Total investments¹	\$ 899,991	\$ 806,729
Investment liabilities		
Securities and loans sold under repurchase agreements and cash collateral received on securities lent	99,716	72,141
Debt financing liabilities	76,192	73,122
Securities sold short	19,828	26,229
Derivative liabilities	2,902	3,647
Other	3,041	2,846
Total investment liabilities¹	201,679	177,985
Cash and cash equivalents ¹	\$ 8,013	\$ 10,426
Pending trades receivable ¹	743	4,840
Pending trades payable ¹	7,417	11,411
Net investments	\$ 699,651	\$ 632,599

¹ Consists of all the financial assets and liabilities held by both Canada Pension Plan Investment Board and its investment holding subsidiaries. In contrast, the Condensed Interim Consolidated Balance Sheet presents all financial assets and liabilities held by investment holding subsidiaries as investments. This results in a difference of \$5,148 million (March 31, 2024 - \$6,654 million), \$6,375 million (March 31, 2024 - \$7,337 million), \$989 million (March 31, 2024 - \$795 million), \$25 million (March 31, 2024 - \$239 million) and \$5 million (March 31, 2024 - \$579 million) as compared to Investments, Investment liabilities, Cash and cash equivalents, Pending trades receivable and Pending trades payable, respectively, as presented in the Condensed Interim Consolidated Balance Sheet. Refer to Notes 1.2, 2.1 and 2.2 for further details.

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

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Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

General information

Canada Pension Plan Investment Board (CPP Investments) was established in December 1997 pursuant to the *Canada Pension Plan Investment Board Act* (CPPIB Act). CPP Investments is responsible for assisting the Canada Pension Plan (CPP) in meeting its obligations to contributors and beneficiaries under the legislation *Canada Pension Plan* (CPP Act).

In December 2016, Royal Assent was given to Bill C-26 titled *An Act to Amend the Canada Pension Plan, the Canada Pension Plan Investment Board Act and the Income Tax Act*. The CPP Act now defines two separate parts of the CPP. The “base CPP” refers to the benefits and contributions established before 2019. The “additional CPP” refers to the additional benefits and additional contributions that began on January 1, 2019. All references to “CPP Investments” mean base CPP and additional CPP together.

The Condensed Interim Consolidated Financial Statements (Interim Financial Statements) provide information on the net assets managed by CPP Investments and do not include the liabilities and other assets of the CPP.

The Interim Financial Statements for the three and nine months ended December 31, 2024 were approved by the Board of Directors and authorized for issue on February 11, 2025.

1. Summary of material accounting policies

1.1 Basis of presentation

The Interim Financial Statements have been prepared in compliance with International Accounting Standard (IAS) 34 *Interim Financial Reporting* and do not include all of the information and disclosures required in the Annual Consolidated Financial Statements. The Interim Financial Statements should be read in conjunction with CPP Investments' 2024 Annual Consolidated Financial Statements included on pages 91 to 135 of CPP Investments' 2024 Annual Report. The Interim Financial Statements follow the same accounting policies and methods as the most recent Annual Consolidated Financial Statements.

1.2 Subsidiaries

CPP Investments qualifies as an investment entity and reports the results of its operations in accordance with International Financial Reporting Standards (IFRS) 10, *Consolidated Financial Statements*. As a consequence, the Interim Financial Statements represent the results of operations of CPP Investments and its wholly owned subsidiaries that were created to provide investment-related services to support its operations. Operating subsidiaries of this nature include those that provide investment advisory services or subsidiaries that were created to provide financing to CPP Investments.

Wholly owned subsidiaries that are managed by CPP Investments to hold investments are referred to herein as investment holding subsidiaries. Such subsidiaries are not consolidated in these Interim Financial Statements but instead are measured and reported at fair value through profit and loss in accordance with IFRS 9, *Financial Instruments* (IFRS 9). Fair value for unconsolidated investment holding subsidiaries is based on the fair value of the underlying investments, investment liabilities and pending trades held by the investment holding subsidiary together with its accumulated net income less dividends paid. The fair value of these investment holding subsidiaries can be found in Note 2 while supplementary information on the breakdown of net gains (losses) on investment holding subsidiaries is provided in Note 4.

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

2. Fair value measurement

This note categorizes the fair value of investments and investment liabilities into the following hierarchy based on the level of significant inputs used in the fair value measurement:

- Level 1 – Quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.1 Fair value hierarchy of investments and investment liabilities held directly by CPP Investments

	As at December 31, 2024			
(CAD millions)	Level 1	Level 2	Level 3	Total
Equities				
Private equities	\$ -	\$ 3,978	\$ 21,007	\$ 24,985
Public equities	208,677	-	-	208,677
Total equities	208,677	3,978	21,007	233,662
Debt				
Bonds	152,387	47,935	-	200,322
Other debt	-	-	10,790	10,790
Money market securities	-	1,189	-	1,189
Total debt	152,387	49,124	10,790	212,301
Investment funds	-	26,502	597	27,099
Investment receivables and Other				
Securities purchased under reverse repurchase agreements and cash collateral pledged on securities borrowed	-	18,826	-	18,826
Derivative assets	-	3,580	-	3,580
Other ¹	-	377	-	377
Total investment receivables and Other	-	22,783	-	22,783
Investments in investment holding subsidiaries (Note 2.2)	-	-	398,998	398,998
Total investments	\$ 361,064	\$ 102,387	\$ 431,392	\$ 894,843
Investment liabilities				
Securities sold under repurchase agreements and cash collateral received on securities lent	-	99,469	-	99,469
Debt financing liabilities	71,260	455	-	71,715
Securities sold short	19,828	-	-	19,828
Derivative liabilities	58	2,844	-	2,902
Other ¹	-	985	405	1,390
Total investment liabilities	91,146	103,753	405	195,304
Cash and cash equivalents ^{2,3}	\$ -	\$ 6,806	\$ -	\$ 6,806
Pending trades receivable ²	-	718	-	718
Pending trades payable ²	-	7,412	-	7,412
Net investments	\$ 269,918	\$ (1,254)	\$ 430,987	\$ 699,651

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

	As at March 31, 2024				
(CAD millions)	Level 1	Level 2	Level 3		Total
Equities					
Private equities	\$ -	\$ 4,247	\$ 19,699	\$	23,946
Public equities	202,580	207	-		202,787
Total equities	202,580	4,454	19,699		226,733
Debt					
Bonds	120,720	40,698	-		161,418
Other debt	-	-	10,211		10,211
Money market securities	-	7,710	-		7,710
Total debt	120,720	48,408	10,211		179,339
Investment funds	-	25,583	633		26,216
Investment receivables and Other					
Securities purchased under reverse repurchase agreements and cash collateral pledged on securities borrowed	-	11,976	-		11,976
Derivative assets	3	2,954	-		2,957
Other ¹	-	1,925	-		1,925
Total investment receivables and Other	3	16,855	-		16,858
Investments in investment holding subsidiaries (Note 2.2)	-	-	350,929		350,929
Total investments	\$ 323,303	\$ 95,300	\$ 381,472	\$	800,075
Investment liabilities					
Securities sold under repurchase agreements and cash collateral received on securities lent	-	71,911	-		71,911
Debt financing liabilities	67,471	427	-		67,898
Securities sold short	26,229	-	-		26,229
Derivative liabilities	79	3,568	-		3,647
Other ¹	-	612	351		963
Total investment liabilities	93,779	76,518	351		170,648
Cash and cash equivalents ^{2,3}	\$ -	\$ 9,403	\$ -	\$	9,403
Pending trades receivable ²	-	4,601	-		4,601
Pending trades payable ²	-	10,832	-		10,832
Net investments	\$ 229,524	\$ 21,954	\$ 381,121	\$	632,599

¹ Included in Other investment receivables is cash pledged as collateral on derivative transactions of \$376 million (March 31, 2024 - \$1,850 million). Included in Other investment liabilities is cash held as collateral on derivative transactions of \$882 million (March 31, 2024 - \$469 million).

² Cash and cash equivalents, Pending trades receivable and Pending trades payable are measured at amortized cost as it approximates fair value.

³ Consists of cash and cash equivalents used for investment purposes held directly by CPP Investments. In contrast, the Condensed Interim Consolidated Balance Sheet presents cash and cash equivalents used for both investment purposes and operating purposes held directly by CPP Investments, resulting in a difference of \$218 million (March 31, 2024 - \$228 million). For cash and cash equivalents used for investment purposes held by the investment holding subsidiaries, refer to Note 2.2.

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

2.2 Supplemental information on fair value hierarchy relating to investment holding subsidiaries

The following table presents the fair value hierarchy of the underlying investments and investment liabilities held by investment holding subsidiaries. For further details on the nature and purpose of investment holding subsidiaries, refer to Note 1.2.

(CAD millions)	As at December 31, 2024			
	Level 1	Level 2	Level 3	Total
Equities				
Private equities	\$ -	\$ 7,867	\$ 197,324	\$ 205,191
Public equities	16,628	-	-	16,628
Total equities	16,628	7,867	197,324	221,819
Debt				
Bonds	-	2,914	75	2,989
Other debt	-	3,953	38,741	42,694
Total debt	-	6,867	38,816	45,683
Investment funds	-	37,067	96,086	133,153
Investment receivables and Other				
Securities purchased under reverse repurchase agreements	-	180	-	180
Derivative assets	-	-	16	16
Other ¹	-	324	2,971	3,295
Total investment receivables and Other	-	504	2,987	3,491
Total investments held by investment holding subsidiaries	\$ 16,628	\$ 52,305	\$ 335,213	\$ 404,146
Investment liabilities				
Loans sold under repurchase agreements	-	247	-	247
Debt financing liabilities	-	4,427	50	4,477
Other ¹	-	52	1,599	1,651
Total investment liabilities held by investment holding subsidiaries	-	4,726	1,649	6,375
Cash and cash equivalents ²	\$ -	\$ 1,207	\$ -	\$ 1,207
Pending trades receivable ²	-	25	-	25
Pending trades payable ²	-	5	-	5
Investments in investment holding subsidiaries	\$ 16,628	\$ 48,806	\$ 333,564	\$ 398,998

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

	As at March 31, 2024			
(CAD millions)	Level 1	Level 2	Level 3	Total
Equities				
Private equities	-	9,944	174,659	184,603
Public equities	\$ 11,286	\$ -	\$ -	\$ 11,286
Total equities	11,286	9,944	174,659	195,889
Debt				
Bonds	-	3,771	69	3,840
Other debt	-	5,147	33,799	38,946
Total debt	-	8,918	33,868	42,786
Investment funds	-	29,411	86,341	115,752
Investment receivables and Other				
Securities purchased under reverse repurchase agreements	-	167	-	167
Derivative assets	-	5	-	5
Other ¹	-	61	2,923	2,984
Total investment receivables and Other	-	233	2,923	3,156
Total investments held by investment holding subsidiaries	\$ 11,286	\$ 48,506	\$ 297,791	\$ 357,583
Investment liabilities				
Loans sold under repurchase agreements	-	230	-	230
Debt financing liabilities	-	5,173	51	5,224
Other ¹	-	391	1,492	1,883
Total investment liabilities held by investment holding subsidiaries	-	5,794	1,543	7,337
Cash and cash equivalents ²	\$ -	\$ 1,023	\$ -	\$ 1,023
Pending trades receivable ²	-	239	-	239
Pending trades payable ²	-	579	-	579
Investments in investment holding subsidiaries	\$ 11,286	\$ 43,395	\$ 296,248	\$ 350,929

¹ Included in Other investment receivables and Other investment liabilities is investment property of \$2,739 million (March 31, 2024 - \$2,916 million) and deferred tax liabilities of \$1,553 million (March 31, 2024 - \$1,446 million) on investments, respectively.

² Cash and cash equivalents, Pending trades receivable and Pending trades payable are recorded at amortized cost, as it approximates fair value.

2.3 Transfers between Level 1 and Level 2

Transfers between levels in the fair value hierarchy are deemed to have occurred at the end of the reporting period. During the nine months ended December 31, 2024, there were no transfers from Level 1 to Level 2 of investments or investment liabilities held directly by CPP Investments (during the year ended March 31, 2024 - nil). During the nine months ended December 31, 2024, there were no transfers from Level 2 to Level 1 of investments or investment liabilities held directly by CPP Investments (during the year ended March 31, 2024 - nil). Transfers between Level 1 and Level 2 are driven by the availability of quoted market prices in active markets and valuation techniques using inputs other than quoted prices that are observable.

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

2.4 Level 3 reconciliation

The following table presents the reconciliations for investments held directly by CPP Investments included in Level 3 of the fair value hierarchy:

For the nine months ended December 31, 2024								
(CAD millions)	Fair value as at April 1, 2024	Gains included in net income	Purchases	Sales ²	Transfers into Level 3	Transfers out of Level 3	Fair value as at December 31, 2024	Change in unrealized gains on investments still held at December 31, 2024 ³
Equities								
Private equities	\$ 19,699	\$ 1,787	\$ 1,558	\$ (2,037)	\$ -	\$ -	\$ 21,007	\$ 1,808
Debt								
Other debt	10,211	474	8,190	(8,085)	-	-	10,790	518
Investment funds	633	77	-	(113)	-	-	597	191
Investments in investment holding subsidiaries¹	350,929	39,715	12,697	(4,343)	-	-	398,998	37,798
Total investments	\$ 381,472	\$ 42,053	\$ 22,445	\$ (14,578)	\$ -	\$ -	\$ 431,392	\$ 40,315
Investment liabilities								
Other	351	54	-	-	-	-	405	54
Net investments	\$ 381,121	\$ 41,999	\$ 22,445	\$ (14,578)	\$ -	\$ -	\$ 430,987	\$ 40,261

For the year ended March 31, 2024

(CAD millions)	Fair value as at April 1, 2023	Gains (losses) included in net income (loss)	Purchases	Sales ²	Transfers into Level 3	Transfers out of Level 3	Fair value as at March 31, 2024	Change in unrealized gains (losses) on investments still held at March 31, 2024 ³
Equities								
Private equities	\$ 23,084	\$ (1,082)	\$ 694	\$ (3,258)	\$ 364	\$ (103)	\$ 19,699	\$ (2,480)
Debt								
Other debt	9,837	(20)	7,597	(7,203)	-	-	10,211	79
Investment funds	2,804	286	16	(2,473)	-	-	633	(576)
Investments in investment holding subsidiaries¹	326,863	24,952	5,998	(6,884)	-	-	350,929	19,986
Total investments	\$ 362,588	\$ 24,136	\$ 14,305	\$ (19,818)	\$ 364	\$ (103)	\$ 381,472	\$ 17,009
Investment liabilities								
Other	116	247	-	(12)	-	-	351	247
Net investments	\$ 362,472	\$ 23,889	\$ 14,305	\$ (19,806)	\$ 364	\$ (103)	\$ 381,121	\$ 16,762

¹ Purchases relating to investment holding subsidiaries represent capital contributions or net loan funding provided to these subsidiaries. Sales relating to investment holding subsidiaries represent return of capital or payment of dividends and interest from these subsidiaries.

² Includes return of capital and repayments.

³ Included in income (loss). Includes or excludes investments transferred into or out of Level 3, respectively.

During the nine months ended December 31, 2024, there were no transfers of investments from Level 2 to Level 3 (during the year ended March 31, 2024 - \$240 million) and no transfers of investments from Level 3 to Level 2 (during the year ended March 31, 2024 - \$103 million). Transfers into and out of Level 3 are driven by changes in the availability of market observable inputs used to determine fair value. Transfers are deemed to have occurred at the end of the reporting period.

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

2.5 Level 3 – Significant unobservable inputs

The table below presents the fair value of investments directly held by CPP Investments and its investment holding subsidiaries, including valuation techniques used to determine their fair values and the ranges and weighted averages of unobservable inputs used in the calculation of their fair values.

While investment holding subsidiaries are classified as Level 3 given the nature of their underlying holdings, certain investments held by these subsidiaries are based on quoted prices in an active market (Level 1) or are valued using observable inputs (Level 2). These amount to \$16,628 million (March 31, 2024 - \$11,286 million) and \$48,806 million (March 31, 2024 - \$43,395 million), respectively. Refer to Note 2.2 for further details on Level 1 and Level 2 investments relating to investment holding subsidiaries.

As at December 31, 2024						
(CAD millions)	Fair value of investments held by:		Primary valuation techniques used ³	Significant Unobservable inputs	Range of input values	Weighted average ⁴
	CPP Investments	Investment holding subsidiaries				
Private equities	\$ 19,665	\$ 150,792	Earnings multiples of comparable companies	EBITDA multiple	10.4X-24.7X	16.6X
			Discounted cash flow	Discount rate	6.0%-14.0%	10.0 %
				Terminal capitalization rate	5.3%-9.7%	6.6 %
	1,342	54,399	Net asset value provided by investment manager	-	-	-
Public equities	-	16,628	Quoted market price	-	-	-
Debt						
Bonds	-	2,989	Quoted market prices or discounted cash flows using observable inputs	-	-	-
Direct private debt	1,189	40,461	Discounted cash flow	Discount rate	5.8%-21.4%	10.0 %
	-	265	Net asset value provided by investment manager	-	-	-
Asset-backed securities	9,601	1,968	Comparable Pricing	Price	44.7%-105.2%	98.5 %
Investment funds	597	133,153	Net asset value provided by investment manager	-	-	-
Investment receivables and Other						
Securities purchased under reverse repurchase agreements	-	180	Discounted cash flow	-	-	-
Derivative assets	-	16	Option model	-	-	-
Other ¹	-	479	Cost with accrued interest	-	-	-
	-	2,816	Discounted cash flow	Discount rate	6.3%-8.0%	7.1 %
				Terminal capitalization rate	4.3%-7.0%	6.0 %
Investment liabilities						
Loans sold under repurchase agreements	-	247	Cost with accrued interest	-	-	-
Debt financing liabilities	-	4,477	Discounted cash flow	Discount rate	1.6%-10.2%	5.3 %
Other ²	405	1,651	Amortized cost	-	-	-
Cash and cash equivalents	-	1,207	Cost with accrued interest	-	-	-
Pending trades net receivable/(payable)	-	20	Amortized cost	-	-	-
Total	\$ 31,989	\$ 398,998				

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

As at March 31, 2024 ⁵							
(CAD millions)	Fair value of investments held by:		Primary valuation techniques used ³	Significant Unobservable inputs	Range of input values	Weighted average ⁴	
	CPP Investments	Investment holding subsidiaries					
Private equities	\$ 18,885	\$ 133,931	Earnings multiples of comparable companies	EBITDA multiple	11.0X-25.0X	16.5X	
			Discounted cash flow	Discount rate	6.0%-15.8%	10.3 %	
				Terminal capitalization rate	5.3%-9.1%	6.4 %	
	814	50,672	Net asset value provided by investment manager	-	-	-	
Public equities	-	11,286	Quoted market price	-	-	-	
Debt							
Bonds	-	3,840	Quoted market prices or discounted cash flow using observable inputs	-	-	-	
Direct private debt	1,062	37,332	Discounted cash flow	Discount rate	4.3%-19.7%	10.2 %	
	-	296	Net asset value provided by investment manager	-	-	-	
Asset-backed securities	9,149	1,318	Comparable pricing	Price	57.3%-111.8%	98.7 %	
Investment funds	633	115,752	Net asset value provided by investment manager	-	-	-	
Investment receivables and Other							
Securities purchased under reverse repurchase agreements	-	167	Discounted cash flow	-	-	-	
Derivative assets	-	5	Option model	-	-	-	
Other ¹	-	69	Cost with accrued interest	-	-	-	
	-	2,915	Discounted cash flow	Discount rate	6.3%-7.5%	7.0 %	
	-	-	-	Terminal capitalization rate	4.9%-6.6%	5.9 %	
Investment liabilities							
Loans sold under repurchase agreements	-	230	Cost with accrued interest	-	-	-	
Debt financing liabilities	-	5,224	Discounted cash flow	Discount rate	2.5%-14.1%	5.3 %	
Other ²	351	1,883	Amortized cost	-	-	-	
Cash and cash equivalents	-	1,023	Cost with accrued interest	-	-	-	
Pending trades net receivable/(payable)	-	(340)	Amortized cost	-	-	-	
Total	\$ 30,192	\$ 350,929					

¹ Primarily includes investment properties.

² Primarily includes deferred tax liabilities related to investments.

³ May include certain recently acquired investments held at cost, which approximates fair value.

⁴ For each instrument category as presented in the Condensed Interim Consolidated Schedule of Investment Portfolio, the range of input values represents the highest and lowest inputs used to value the investments, whereas the weighted average of the input values is calculated based on the relative fair values of the investments. The diversity of investments reported within each category, such as the geographic location and industry sector of the investments, may result in certain ranges of inputs being wide and unevenly distributed across the range.

⁵ Certain comparatives have been reclassified to conform to the current period's presentation.

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

2.6 Sensitivity analysis of valuations using unobservable inputs

Significant changes in any of the above unobservable inputs would result in a significantly higher or lower fair value measurement. The interrelationship of significant unobservable inputs and fair value measurement for the most significant key inputs identified in the table above is as follows:

- An increase (decrease) in the EBITDA multiple will result in a higher (lower) fair value.
- An increase (decrease) in the discount rate and terminal capitalization rate will result in a lower (higher) fair value.

The fair values of the investments classified within Level 3 of the fair value hierarchy in Notes 2.1 and 2.2 are based on accepted industry valuation methods that may include the use of estimates made by Management, appraisers or both where significant judgment is required. The use of valuation methods based on reasonable alternative assumptions could have a significant impact on the resulting fair values.

With all other variables held constant, the use of reasonable alternative assumptions, such as a decrease in EBITDA multiples and an increase in discount rates and terminal capitalization rates, would result in a decrease of \$9,300 million (March 31, 2024 - \$10,400 million) in net assets. Conversely, an increase in EBITDA multiples and a decrease in discount rates and terminal capitalization rates would result in an increase of \$10,200 million (March 31, 2024 - \$11,700 million) in net assets. This sensitivity analysis is subject to the exercise of judgment and excludes investments where fair values are provided by investment managers as the underlying assumptions used are not available to CPP Investments.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

3. Derivatives

The fair value of derivative contracts held by CPP Investments and its investment holding subsidiaries is as follows:

(CAD millions)	As at December 31, 2024		As at March 31, 2024	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Equity contracts				
Futures	\$ -	\$ -	\$ 3	\$ -
Swaps	1,478	(1,496)	1,806	(1,730)
Options:				
Over-the-counter – purchased	2	-	1	-
Over-the-counter – written	-	(57)	-	(114)
Warrants	16	-	5	-
Total equity contracts	1,496	(1,553)	1,815	(1,844)
Foreign exchange contracts				
Forwards	1,625	(874)	701	(1,135)
Options:				
Over-the-counter – purchased	66	-	43	-
Over-the-counter – written	-	(34)	-	(36)
Total foreign exchange contracts	1,691	(908)	744	(1,171)
Interest rate contracts				
Futures	-	-	-	-
Swaps	8	(195)	7	(396)
Options:				
Exchange-traded – purchased	-	-	-	-
Exchange-traded – written	-	(8)	-	(7)
Over-the-counter – purchased	379	-	315	-
Over-the-counter – written	-	(169)	-	(112)
Total interest rate contracts	387	(372)	322	(515)
Credit contracts				
Credit default swaps:				
Over-the-counter – purchased	-	(8)	2	(25)
Over-the-counter – written	21	(1)	77	(2)
Options:				
Over-the-counter – purchased	1	-	2	-
Over-the-counter – written	-	(10)	-	(18)
Total credit contracts	22	(19)	81	(45)
Commodity contracts				
Futures	-	-	-	-
Options:				
Exchange-traded – purchased	-	-	-	-
Exchange-traded – written	-	(50)	-	(72)
Total commodity contracts	-	(50)	-	(72)
Total¹	\$ 3,596	\$ (2,902)	\$ 2,962	\$ (3,647)

¹ Reflects positive fair values of \$16 million (March 31, 2024 - \$5 million) relating to warrants transacted by investment holding subsidiaries.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

4. Net gains (losses) on investment holding subsidiaries

(CAD millions)	For the three months ended December 31,		For the nine months ended December 31,	
	2024	2023 ¹	2024	2023 ¹
Income:				
Interest income	\$ 1,111	\$ 1,014	\$ 3,357	\$ 3,130
Dividend income	2,419	2,426	5,739	4,944
Net gains (losses) on private investments	20,671	(2,257)	27,882	(1,675)
Net gains (losses) on public investments	2,004	185	3,328	(376)
Other	60	58	174	162
	26,265	1,426	40,480	6,185
Expenses:				
Transaction-related	72	44	266	133
Taxes	34	(142)	264	(260)
Financing	76	98	235	279
	182	-	765	152
Net gains before dividends and interest paid to CPP Investments:	26,083	1,426	39,715	6,033
Dividends paid to CPP Investments	1,063	765	1,586	1,849
Interest paid to CPP Investments	91	134	331	384
Net gains on investment holding subsidiaries	\$ 24,929	\$ 527	\$ 37,798	\$ 3,800

¹ Certain comparatives have been reclassified to conform to the current period's presentation.

5. Segment information

5.1 Net income (loss) by investment segment

The table below presents the income (loss) and expenses incurred by each investment department.

(CAD millions)	For the three months ended December 31, 2024							
	Total Fund Management	Capital Markets and Factor Investing	Active Equities	Credit Investments	Private Equity	Real Assets	Adjustment	Total
Income (loss):	\$ 5,980	\$ 1,815	\$ (635)	\$ 5,175	\$ 12,945	\$ 4,050	\$ (1,089)	\$ 28,241
Expenses¹:								
Personnel	26	32	38	44	59	78	-	277
General and administrative	17	16	24	17	24	26	-	124
Management fees ²	29	166	2	6	274	26	(499)	4
Performance fees ²	-	152	-	12	251	4	(408)	11
Transaction-related ³	21	7	14	19	42	66	(72)	97
Taxes ³	(31)	-	10	9	2	41	(34)	(3)
Financing ³	1,741	-	-	47	3	18	(76)	1,733
	1,803	373	88	154	655	259	(1,089)	2,243
Net income (loss)	\$ 4,177	\$ 1,442	\$ (723)	\$ 5,021	\$ 12,290	\$ 3,791	\$ -	\$ 25,998

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three months ended December 31, 2023								
(CAD millions)	Total Fund Management	Capital Markets and Factor Investing	Active Equities	Credit Investments	Private Equity	Real Assets	Adjustment	Total
Income (loss):	\$ 17,720	\$ (114)	\$ (196)	\$ 1,701	\$ 2,917	\$ 325	\$ (1,113)	\$ 21,240
Expenses¹:								
Personnel	24	30	43	38	57	73	-	265
General and administrative	15	14	25	14	23	26	-	117
Management fees ²	7	139	2	5	182	40	(372)	3
Performance fees ²	-	235	-	2	438	71	(741)	5
Transaction-related ³	12	8	14	17	19	13	(44)	39
Taxes ³	70	-	17	18	5	(130)	142	122
Financing ³	1,340	-	-	66	29	3	(98)	1,340
	1,468	426	101	160	753	96	(1,113)	1,891
Net income (loss)	\$ 16,252	\$ (540)	\$ (297)	\$ 1,541	\$ 2,164	\$ 229	\$ -	\$ 19,349

For the nine months ended December 31, 2024								
(CAD millions)	Total Fund Management	Capital Markets and Factor Investing	Active Equities	Credit Investments	Private Equity	Real Assets	Adjustment	Total
Income (loss):	\$ 26,695	\$ 2,178	\$ 953	\$ 9,546	\$ 15,595	\$ 10,960	\$ (3,438)	\$ 62,489
Expenses¹:								
Personnel	77	95	118	128	177	224	-	819
General and administrative	54	55	84	59	75	84	-	411
Management fees ²	82	488	5	27	600	116	(1,307)	11
Performance fees ²	1	794	-	12	674	10	(1,366)	125
Transaction-related ³	89	24	48	57	101	242	(266)	295
Taxes ³	133	6	143	29	32	271	(264)	350
Financing ³	5,175	-	-	157	16	28	(235)	5,141
	5,611	1,462	398	469	1,675	975	(3,438)	7,152
Net income	\$ 21,084	\$ 716	\$ 555	\$ 9,077	\$ 13,920	\$ 9,985	\$ -	\$ 55,337

For the nine months ended December 31, 2023								
(CAD millions)	Total Fund Management	Capital Markets and Factor Investing	Active Equities	Credit Investments	Private Equity	Real Assets	Adjustment	Total
Income (loss):	\$ 11,181	\$ 2,729	\$ 649	\$ 4,502	\$ 5,697	\$ (1,062)	\$ (2,683)	\$ 21,013
Expenses¹:								
Personnel	68	84	119	107	176	217	-	771
General and administrative	47	44	74	44	64	74	-	347
Management fees ²	15	426	9	15	477	120	(1,050)	12
Performance fees ²	-	657	-	2	774	110	(1,481)	62
Transaction-related ³	61	22	46	44	48	59	(133)	147
Taxes ³	146	8	94	56	4	(133)	260	435
Financing ³	3,971	-	-	189	81	9	(279)	3,971
	4,308	1,241	342	457	1,624	456	(2,683)	5,745
Net income (loss)	\$ 6,873	\$ 1,488	\$ 307	\$ 4,045	\$ 4,073	\$ (1,518)	\$ -	\$ 15,268

¹ Includes expenses borne by CPP Investments and its investment holding subsidiaries in relation to the respective departments.

² Adjustments consist of costs incurred within funds.

³ Adjustments consist of expenses borne by investment holding subsidiaries, which are reclassified into income (loss).

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

5.2 Net investments by investment segment

(CAD millions)	Net investments ¹							Total
	Total Fund Management	Capital Markets and Factor Investing	Active Equities	Credit Investments	Private Equity	Real Assets		
As at:								
December 31, 2024	\$ 324,534	\$ 1,561	\$ (701)	\$ 78,937	\$ 151,205	\$ 144,115	\$ 699,651	
March 31, 2024	\$ 266,921	\$ 2,040	\$ 2,795	\$ 67,662	\$ 155,852	\$ 137,329	\$ 632,599	

¹ Net investments excludes net corporate liabilities of \$95 million (March 31, 2024 - net corporate liabilities of \$232 million), which is comprised of Cash and cash equivalents held for operating purposes, Premises and equipment, Other assets, and Accounts payable and accrued liabilities.

5.3 Geographic information

Net investments are presented in the table below based on the region to which they have primary economic exposure:

(CAD millions)	Net investments ¹						Total
	Canada	U.S.	Asia Pacific	Europe	Latin America		
As at:							
December 31, 2024	\$ 73,722	\$ 322,855	\$ 131,229	\$ 136,192	\$ 35,653	\$ 699,651	
March 31, 2024	\$ 73,930	\$ 267,548	\$ 133,528	\$ 117,829	\$ 39,764	\$ 632,599	

¹ Net investments excludes net corporate liabilities of \$95 million (March 31, 2024 - net corporate liabilities of \$232 million), which is comprised of Cash and cash equivalents held for operating purposes, Premises and equipment, Other assets, and Accounts payable and accrued liabilities.

6. Risk management

CPP Investments manages investment risks in accordance with the Risk Policy (Policy). This Policy establishes accountability of the Board of Directors, the various committees, including the Risk Committee, and departments to manage investment-related risks. The Policy is updated and approved by the Board of Directors at least once every fiscal year, and contains risk appetite (in the form of limits, statements and targets) and risk management provisions that govern investment decisions in accordance with CPP Investments' mandate. Effective April 1, 2024, the Board of Directors approved changes to certain investment risk measures which are further described in Note 6.1 and 9.1.

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

6.1 Total fund risk

A suite of risk measures is used within CPP Investments to monitor and assess the risk profile of the base CPP Investment Portfolio and the additional CPP Investment Portfolio (collectively the Investment Portfolios). Regular risk reports are provided to senior management and the Board of Directors to support the governance of the various dimensions of risk to which the Investment Portfolios are exposed.

Key investment risk measures include:

- Market risk: The target level of market risk, expressed in terms of an equity/debt risk equivalence ratio, which is the proportion of equity (versus debt) in a simple two-asset reference portfolio that would give the same market risk and credit risk as that of the applicable Investment Portfolio. The target level of market risk of the base CPP Investment Portfolio is currently set at 85%/15%, while the additional CPP Investment Portfolio target level is set at 55%/45%.
- Potential investment loss: The loss of the Investment Portfolios over a one-year horizon is not expected to exceed the established limit 19 times out of 20.
- Liquidity and leverage risk measures, which are further described in Note 9.

The monitoring of adherence to investment risk limits is conducted independent of the investment departments by the Risk department, reporting to the Chief Risk Officer, using both industry standard and internally developed risk models. The tables below provide a summary of the key investment risk measures of the Investment Portfolios.

	Limit	As at December 31, 2024 base CPP	As at March 31, 2024 ³ base CPP
Market risk ¹	80 – 90%	83%	82%
One-year potential investment loss ^{1,2}	14 – 18%	17%	16%

	Limit	As at December 31, 2024 additional CPP	As at March 31, 2024 ³ additional CPP
Market risk ¹	50 – 60%	52%	52%
One-year potential investment loss ^{1,2}	10 – 13%	12%	11%

¹ Effective April 1, 2024, the measurement methodologies for the market risk and one-year potential investment loss measures were revised. Accordingly, the Board approved revised limits for the one-year potential investment loss measure from 21% to 14%-18% for the base CPP Investment Portfolio and from 15% to 10%-13% for the additional CPP Investment Portfolio.

² Percentage of investment value.

³ Certain comparatives have been updated to conform to the current period's presentation.

7. Market risk

Market risk is the risk that the fair value of an investment or investment liability will fluctuate because of changes in market prices and rates. Market risk includes equity risk, interest rate risk, credit spread risk and currency risk.

7.1 Equity risk

Equity risk is the risk that the fair value of an investment or investment liability will fluctuate because of changes in equity prices, which is a significant source of risk of the Investment Portfolios.

7.2 Interest rate risk

Interest rate risk is the risk that the fair value of an investment or investment liability will fluctuate because of changes in market interest rates. The Investment Portfolios are exposed to interest rate risk primarily through holdings of fixed income securities, certain investment liabilities and interest rate derivatives.

7.3 Credit spread risk

Credit spread risk is the difference in yield on certain securities compared to a comparable risk-free security (i.e., government issued) with the same maturity date. Credit spread risk is the risk that the fair value of these securities will fluctuate because of changes in credit spread. With all other variables held constant, an increase in credit spread rates would result in a decrease in investments.

7.4 Currency risk

The Investment Portfolios are exposed to currency risk through holdings of investments or investment liabilities in various foreign currencies. Fluctuations in the relative value of foreign currencies against the Canadian dollar can result in a positive or negative effect on the fair value or future cash flows of these investments and investment liabilities.

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

7.4.1 Currency risk exposures

The net currency exposures after allocating foreign currency derivatives, in Canadian dollars, are as follows:

(CAD millions)	As at December 31, 2024		As at March 31, 2024	
	Net exposure	% of total ¹	Net exposure	% of total ¹
U.S. dollar	\$ 450,030	64 %	\$ 367,899	58 %
Euro	40,719	6	34,895	6
Indian rupee	15,992	2	15,962	3
Japanese yen	14,888	2	24,774	4
Other	29,219	5	55,736	8
Total foreign exposure	550,848	79	499,266	79
Canadian dollar	148,803	21	133,333	21
Total	\$ 699,651	100 %	\$ 632,599	100 %

¹ May not reflect actual percentage of total due to rounding.

8. Credit risk

Credit risk represents the potential loss of investment value due to direct or indirect counterparty exposure to a defaulted entity and/or financial losses due to deterioration of an entity's credit quality. The Investment Portfolios' credit risk arises primarily through its investments in non-investment grade entities. The carrying amounts of these investments as presented in the Condensed Interim Consolidated Schedule of Investment Portfolio represent the maximum direct credit risk exposure at the Condensed Interim Consolidated Balance Sheet date.

8.1 Credit value-at-risk

Credit risk is monitored using a measure for losses due to defaults and credit rating migration. A Monte Carlo simulation that incorporates likelihood of default, credit rating migration and recovery in the event of default for underlying investments is adopted to quantify this dimension of risk. Credit value-at-risk, at a 95% confidence level, implies there is a 5% chance that the underlying investments in the Investment Portfolios will lose more than the amounts shown below, expressed as a percentage of each Investment Portfolio, in any given year due to default and credit migration risk.

	As at December 31, 2024		As at March 31, 2024	
	base CPP	additional CPP	base CPP	additional CPP
Credit value-at-risk	3.5%	2.4%	3.3%	2.3%

9. Liquidity and leverage risk

9.1 Liquidity risk

Liquidity risk is defined as the risk of incurring unacceptable losses while obtaining the funds needed to (i) meet payment obligations as they become due, (ii) fund new investments or (iii) rebalance the portfolio in periods of stress.

The liquidity coverage ratio measures the amount of available liquid securities relative to CPP Investments' investment obligations and obligations to transfer funds to CPP over various time horizons including any 1-month period.

	Limit	As at December 31, 2024	As at March 31, 2024 ²
Liquidity coverage ratio ¹	1.0x	5.8x	5.0x

¹ Effective April 1, 2024, the Board approved changing the time horizon for the Liquidity coverage ratio limit from 10 days to 1 month.

² Certain comparatives have been updated to conform to the current period's presentation.

Liquidity risk is impacted by the use of various forms of leverage which CPP Investments uses to manage certain other risks and enhance fund returns. The use of leverage is governed directly through leverage measures as outlined in Note 9.2.

Liquidity risk is managed by investing certain assets in a liquid portfolio of publicly traded equities, money market securities and marketable bonds. It is supplemented by the ability to raise funds through activities such as the issuance of unsecured debt, including term debt, as well as transacting in securities sold under repurchase agreements. CPP Investments also maintains unsecured credit facilities to meet potential liquidity requirements. There were no credit facilities drawn as at December 31, 2024 and March 31, 2024.

(CAD millions)	As at December 31, 2024	As at March 31, 2024
Unsecured credit facilities held	\$ 1,500	\$ 1,500

Notes to the Condensed Interim Consolidated Financial Statements

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9.2 Leverage risk

Leverage risk is the risk that excessive financial obligations heighten market and liquidity risks during periods of stress. Leverage risk is monitored by recourse and limited recourse measures. Recourse leverage is a notional-based measure with direct recourse to CPP Investments, which represents the net amount of borrowed funds and synthetic financing used by CPP Investments to increase its investment exposure. Limited recourse leverage generally refers to the debt issued through CPP Investments' investment holding subsidiaries that limits recourse to specific investments held within these subsidiaries. The recourse leverage measures are as follows:

	Limit	As at December 31, 2024	As at March 31, 2024
Recourse leverage:			
base CPP	45 %	36.5 %	31.6 %
additional CPP	30	23.2	19.2

As at December 31, 2024 recourse and limited recourse leverage amounted to \$248,366 million and \$5,108 million, respectively (March 31, 2024 – \$194,829 million and \$5,812 million, respectively).

9.3 Terms to maturity

9.3.1 Terms to maturity of non-derivative investment liabilities held directly by CPP Investments

(CAD millions)	Terms to maturity							As at March 31, 2024	
	As at December 31, 2024							Total contractual amount	Weighted average interest rate
	Within 1 year	1 to 5 years	6 to 10 years	Over 10 years	Total contractual amount	Weighted average interest rate ³			
Securities sold under repurchase agreements	\$ 95,194	\$ -	\$ -	\$ -	\$ 95,194	3.6 %	\$ 67,791	3.7 %	
Debt financing liabilities	7,736	45,738	15,172	6,569	75,215	2.8	72,349	2.6	
Cash collateral received on securities lent	5,626	-	-	-	5,626	n/a	5,197	n/a	
Securities sold short ^{1,2}	19,828	-	-	-	19,828	n/a	26,229	n/a	
Total	\$ 128,384	\$ 45,738	\$ 15,172	\$ 6,569	\$ 195,863	2.8 %	\$ 171,566	2.5 %	

¹ Considered repayable within one year based on the earliest period in which the counterparty could request payment under certain conditions.

² Includes equities sold short for which the average interest rate is not applicable.

³ Total weighted average interest rate excludes certain investment liabilities for which the average interest rate is not applicable.

9.3.2 Terms to maturity of non-derivative investment liabilities held by investment holding subsidiaries

The following table presents supplemental information relating to the terms to maturity of investment liabilities held by investment holding subsidiaries.

(CAD millions)	Terms to maturity							As at March 31, 2024	
	As at December 31, 2024							Total contractual amount	Weighted average interest rate
	Within 1 year	1 to 5 years	6 to 10 years	Over 10 years	Total contractual amount	Weighted average interest rate			
Loans sold under repurchase agreements	\$ 246	\$ -	\$ -	\$ -	\$ 246	7.0 %	\$ 230	7.9 %	
Debt financing liabilities	1,382	1,924	861	109	4,276	6.8	4,960	7.3	
Total	\$ 1,628	\$ 1,924	\$ 861	\$ 109	\$ 4,522	6.8 %	\$ 5,190	7.2 %	

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10. Reconciliation of debt financing liabilities

The following table provides a reconciliation of debt financing liabilities issued by CPP Investments arising from financing activities:

<i>(CAD millions)</i>	For the nine months ended December 31,	
	2024	2023
Balance, beginning of period	\$ 67,898	\$ 53,456
Proceeds	11,915	16,335
Repayments	(11,350)	(10,002)
Non-cash changes in fair value ¹	3,252	408
Balance, end of period	\$ 71,715	\$ 60,197

¹ Includes foreign exchange losses of \$2,155 million (December 31, 2023 – gains of \$564 million).

11. Collateral

11.1 Collateral held and pledged directly by CPP Investments

The fair value of collateral held and pledged directly by CPP Investments was as follows:

<i>(CAD millions)</i>	As at December 31, 2024	As at March 31, 2024
Third-party assets held as collateral on¹:		
Reverse repurchase agreements	\$ 18,481	\$ 10,809
Derivative transactions	882	469
Securities lent ^{2,3}	7,988	6,654
Total	\$ 27,351	\$ 17,932
Own and third-party assets pledged as collateral on:		
Repurchase agreements	(93,804)	(66,822)
Securities borrowed ^{3,4}	(23,577)	(28,000)
Derivative transactions	(11,304)	(15,147)
Debt financing liabilities	(1,241)	(1,113)
Total	\$ (129,926)	\$ (111,082)

¹ The fair value of collateral sold or repledged as at December 31, 2024 was \$4,845 million (March 31, 2024 - \$3,503 million).

² The fair value of securities lent as at December 31, 2024 was \$7,785 million (March 31, 2024 - \$6,589 million).

³ Cash collateral payable on the Condensed Interim Consolidated Balance Sheet of \$5,626 million (March 31, 2024 - \$5,197 million) consists of collateral receivable of nil and collateral payable of \$5,626 million that qualify for netting (March 31, 2024 - nil and \$5,197 million, respectively).

⁴ The fair value of securities borrowed as at December 31, 2024 was \$18,739 million (March 31, 2024 - \$23,430 million) of which \$17,749 million (March 31, 2024 - \$23,048 million) was used for short selling activity.

Notes to the Condensed Interim Consolidated Financial Statements

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11.2 Supplemental information on collateral relating to investment holding subsidiaries

The fair value of collateral held and pledged by investment holding subsidiaries was as follows:

<i>(CAD millions)</i>	As at December 31, 2024	As at March 31, 2024
Third-party assets held as collateral on¹:		
Reverse repurchase agreements	\$ 179	\$ 167
Total	\$ 179	\$ 167
Own and third-party assets pledged as collateral on:		
Repurchase agreements	(397)	(399)
Securities borrowed ^{2,3}	(19,805)	(17,367)
Derivative transactions ³	(1,878)	(2,130)
Private equities ⁴	(13,580)	(12,474)
Debt financing liabilities	(9,264)	(10,284)
Total	\$ (44,924)	\$ (42,654)

¹ The fair value of collateral sold or repledged as at December 31, 2024 was nil (March 31, 2024 - nil).

² The fair value of securities borrowed as at December 31, 2024 was \$11,616 million (March 31, 2024 - \$10,294 million), which were all used for short selling activity.

³ The cash collateral at the prime brokers may be used for securities borrowed and derivatives transacted by brokers.

⁴ Represents securities pledged as collateral on loan borrowings of the investees.

12. Commitments

CPP Investments and its investment holding subsidiaries have entered into commitments related to the funding of investments. These commitments are generally payable on demand based on the funding needs of the investment subject to the terms and conditions of each agreement. As at December 31, 2024, the unfunded commitments for CPP Investments and its investment holding subsidiaries totalled \$1,179 million (March 31, 2024 - \$994 million) and \$61,278 million (March 31, 2024 - \$57,000 million), respectively.

13. Guarantees

As part of certain investment transactions, CPP Investments and its investment holding subsidiaries agreed to guarantee, as at December 31, 2024, up to \$141 million (March 31, 2024 - \$190 million) and \$7,000 million (March 31, 2024 - \$7,011 million), respectively, to other counterparties in the event certain investee entities default under the terms of loan and other related agreements, or fail to perform under specified non-financial contractual obligations.

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

14. Base CPP and additional CPP

The following note discloses the net assets, net investments and net income of CPP Investments' base CPP account and additional CPP account.

14.1 Changes in net assets

The accumulated transfers from/to the CPP and its two parts, the base CPP and additional CPP, as well as their accumulated net income (loss) since inception, are as follows:

For the three months ended							
(CAD millions)	Accumulated net transfers from CPP			Accumulated net income and comprehensive income			Total net assets
	base CPP	additional CPP	Total	base CPP	additional CPP	Total	
As at October 1, 2024	\$ 169,333	\$ 44,029	\$ 213,362	\$ 456,745	\$ 4,947	\$ 461,692	\$ 675,054
Total net income and comprehensive income for the period	-	-	-	24,568	1,430	25,998	25,998
Transfers from CPP	9,180	2,984	12,164	-	-	-	12,164
Transfers to CPP	(13,660)	-	(13,660)	-	-	-	(13,660)
As at December 31, 2024	\$ 164,853	\$ 47,013	\$ 211,866	\$ 481,313	\$ 6,377	\$ 487,690	\$ 699,556

For the nine months ended							
(CAD millions)	Accumulated net transfers from CPP			Accumulated net income and comprehensive income			Total net assets
	base CPP	additional CPP	Total	base CPP	additional CPP	Total	
As at April 1, 2023	\$ 161,188	\$ 22,943	\$ 184,131	\$ 385,010	\$ 901	\$ 385,911	\$ 570,042
Total net income and comprehensive income for the period	-	-	-	14,348	920	15,268	15,268
Transfers from CPP	35,634	8,657	44,291	-	-	-	44,291
Transfers to CPP	(38,504)	(344)	(38,848)	-	-	-	(38,848)
As at December 31, 2023	\$ 158,318	\$ 31,256	\$ 189,574	\$ 399,358	\$ 1,821	\$ 401,179	\$ 590,753
As at April 1, 2024	\$ 164,361	\$ 35,653	\$ 200,014	\$ 429,470	\$ 2,883	\$ 432,353	\$ 632,367
Total net income and comprehensive income for the period	-	-	-	51,843	3,494	55,337	55,337
Transfers from CPP	38,495	11,369	49,864	-	-	-	49,864
Transfers to CPP	(38,003)	(9)	(38,012)	-	-	-	(38,012)
As at December 31, 2024	\$ 164,853	\$ 47,013	\$ 211,866	\$ 481,313	\$ 6,377	\$ 487,690	\$ 699,556

14.2 Net assets of base CPP and additional CPP

The net assets of CPP Investments' base CPP and additional CPP accounts are as follows:

(CAD millions)	As at December 31, 2024			As at March 31, 2024		
	base CPP	additional CPP	Total	base CPP	additional CPP	Total
Net investments	\$ 646,249	\$ 53,402	\$ 699,651	\$ 594,044	\$ 38,555	\$ 632,599
Cash and cash equivalents held for operating purposes	213	5	218	222	6	228
Premises and equipment	700	31	731	657	22	679
Other assets	86	4	90	92	3	95
Accounts payable and accrued liabilities	1,082	52	1,134	1,184	50	1,234
Net assets	\$ 646,166	\$ 53,390	\$ 699,556	\$ 593,831	\$ 38,536	\$ 632,367

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

14.3 Schedule of investment portfolio for base CPP and additional CPP

The table below provides details of the investments and investment liabilities for CPP Investments' base CPP and additional CPP accounts:

(CAD millions)	As at December 31, 2024		
	base CPP	additional CPP	Total
Equities			
Private equities	\$ 218,593	\$ 11,583	\$ 230,176
Public equities	213,967	11,338	225,305
Total equities	432,560	22,921	455,481
Debt			
Bonds	175,131	28,180	203,311
Other debt	50,793	2,691	53,484
Money market securities	1,129	60	1,189
Total debt	227,053	30,931	257,984
Investment funds	152,188	8,064	160,252
Investment receivables and Other			
Securities purchased under reverse repurchase agreements and cash collateral pledged on securities borrowed	18,069	937	19,006
Derivative assets	3,415	181	3,596
Other	3,464	208	3,672
Total investment receivables and Other	24,948	1,326	26,274
Total investments	\$ 836,749	\$ 63,242	\$ 899,991
Investment liabilities			
Securities and loans sold under repurchase agreements and cash collateral received on securities lent	94,698	5,018	99,716
Debt financing liabilities	72,358	3,834	76,192
Securities sold short	18,830	998	19,828
Derivative liabilities	2,753	149	2,902
Other	2,874	167	3,041
Total investment liabilities	191,513	10,166	201,679
Cash and cash equivalents	\$ 7,352	\$ 661	\$ 8,013
Pending trades receivable	706	37	743
Pending trades payable	7,045	372	7,417
Net investments	\$ 646,249	\$ 53,402	\$ 699,651

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

(CAD millions)	As at March 31, 2024 ¹		
	base CPP	additional CPP	Total
Equities			
Private equities	\$ 200,508	\$ 8,041	\$ 208,549
Public equities	205,819	8,254	214,073
Total equities	406,327	16,295	422,622
Debt			
Bonds	145,195	20,063	165,258
Other debt	47,262	1,895	49,157
Money market securities	7,421	289	7,710
Total debt	199,878	22,247	222,125
Investment funds	136,494	5,474	141,968
Investment receivables and Other			
Securities purchased under reverse repurchase agreements and cash collateral pledged on securities borrowed	11,309	834	12,143
Derivative assets	2,842	120	2,962
Other	4,718	191	4,909
Total investment receivables and Other	18,869	1,145	20,014
Total investments	\$ 761,568	\$ 45,161	\$ 806,729
Investment liabilities			
Securities and loans sold under repurchase agreements and cash collateral received on securities lent	68,994	3,147	72,141
Debt financing liabilities	70,302	2,820	73,122
Securities sold short	25,218	1,011	26,229
Derivative liabilities	3,506	141	3,647
Other	2,736	110	2,846
Total investment liabilities	170,756	7,229	177,985
Cash and cash equivalents	\$ 9,545	\$ 881	\$ 10,426
Pending trades receivable	4,556	284	4,840
Pending trades payable	10,869	542	11,411
Net investments	\$ 594,044	\$ 38,555	\$ 632,599

¹ Presented using the same basis as the Condensed Interim Consolidated Schedule of Investment Portfolio, which is different from that of the Condensed Interim Consolidated Balance Sheet. Refer to the Condensed Interim Consolidated Schedule of Investment Portfolio for further details.

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

14.4 Net income (loss) of base CPP and additional CPP

Details of net income (loss) of CPP Investments' base CPP and additional CPP accounts are as follows:

For the three months ended December 31,						
	2024			2023 ¹		
(CAD millions)	base CPP	additional CPP	Total	base CPP	additional CPP	Total
Income (Loss):						
Interest income	\$ 2,088	\$ 281	\$ 2,369	\$ 1,921	\$ 182	\$ 2,103
Dividend income	2,104	54	2,158	1,766	31	1,797
Net gains (losses) on private investments	108	(117)	(9)	4,104	970	5,074
Net gains (losses) on public investments	(388)	(27)	(415)	11,309	427	11,736
Net gains on investment holding subsidiaries	23,631	1,298	24,929	511	16	527
Other	(843)	52	(791)	9	(6)	3
	26,700	1,541	28,241	19,620	1,620	21,240
Expenses:						
Personnel	263	14	277	256	9	265
General and administrative	117	7	124	113	4	117
Management fees	4	-	4	3	-	3
Performance fees	11	-	11	5	-	5
Transaction-related	92	5	97	38	1	39
Taxes	(3)	-	(3)	117	5	122
Financing	1,648	85	1,733	1,293	47	1,340
	2,132	111	2,243	1,825	66	1,891
Net income and comprehensive income	\$ 24,568	\$ 1,430	\$ 25,998	\$ 17,795	\$ 1,554	\$ 19,349
For the nine months ended December 31,						
	2024			2023 ¹		
(CAD millions)	base CPP	additional CPP	Total	base CPP	additional CPP	Total
Income (Loss):						
Interest income	\$ 6,070	\$ 769	\$ 6,839	\$ 5,191	\$ 471	\$ 5,662
Dividend income	5,293	176	5,469	5,446	106	5,552
Net gains (losses) on private investments	(110)	409	299	(2,799)	60	(2,739)
Net gains on public investments	12,247	646	12,893	8,976	346	9,322
Net gains on investment holding subsidiaries	35,955	1,843	37,798	3,649	151	3,800
Other	(789)	(20)	(809)	(562)	(22)	(584)
	58,666	3,823	62,489	19,901	1,112	21,013
Expenses:						
Personnel	779	40	819	746	25	771
General and administrative	389	22	411	335	12	347
Management fees	11	-	11	12	-	12
Performance fees	120	5	125	60	2	62
Transaction-related	280	15	295	142	5	147
Taxes	334	16	350	421	14	435
Financing	4,910	231	5,141	3,837	134	3,971
	6,823	329	7,152	5,553	192	5,745
Net income and comprehensive income	\$ 51,843	\$ 3,494	\$ 55,337	\$ 14,348	\$ 920	\$ 15,268

¹ Certain comparatives have been reclassified to conform to the current period's presentation.