

Annual Report 2025

Investing for Canadians



Table of Contents

Overview

People. Purpose. Performance.	1
Chairperson's Report	2
President's Message	4
Delivering steady, long-term investment returns	7
Building a diversified, resilient portfolio for the long term	8
Global Leadership	9

Strategy

Our Purpose	10
How We Generate Value	12
How We Develop and Implement Strategy	15
How We Design and Execute Our Investment Approach	16
How We Manage Risk and Govern the Fund	24
How We Manage Costs	28
How We Pay for Performance	29

Management's Discussion and Analysis

Key Performance Indicators	33
Fund Composition and Performance	34
Delivering Long-Term Incremental Returns	39
Managing Risks to Safeguard Value	42
Managing Costs as We Pursue Value	47
Investment Department Performance	50
Embedding Talent and Sustainability Considerations in Our Operations and Investments	65
Implementing Our Strategic Objectives	69
Financial Policies and Controls	70

Compensation Discussion and Analysis

Letter from the Chair of the Human Resources and Compensation Committee	76
The Role and Activities of the HRCC of the Board of Directors	77
Fiscal 2025 Compensation Disclosures	77

Governance Practices of the Board of Directors

Letter from the Chair of the Governance Committee	83
Governance Practices of the Board of Directors	84
Board of Directors Biographies	93

Consolidated Financial Statements and Notes

Management's Responsibility for Financial Reporting	95
Investment Certificate	96
Independent Auditor's Report	97
Consolidated Financial Statements	99
Notes to the Consolidated Financial Statements	104

How to read this report

This annual report describes the strategy, performance and governance of Canada Pension Plan Investment Board (CPP Investments™) for the fiscal year ended March 31, 2025. The Strategy section includes a description of our purpose, how we invest and govern the Fund as well as how we pay for performance. The report then describes our performance in the Management's Discussion and Analysis section, attributing our results to various investment and operational activities during the fiscal year and over the past five years. This is followed by additional information on our fiscal 2025 compensation disclosures, our governance and detailed Consolidated Financial Statements. An overview of this report and supplementary information, including previous annual reports, is available at www.cppinvestments.com.

For the fiscal year ended March 31, 2025, our Report on Sustainable Investing has been integrated into this annual report. More information on our approach to sustainability can be found on our website.

Legal Notices

This annual report, and the disclosures contained herein, are provided solely for informational purposes, and not for the purposes of promoting, either directly or indirectly, any business or business interest.

CPP Investments does not assume any responsibility or obligation to update or revise any statements in this document. No representation or warranty, express or implied, is or will be made in relation to the accuracy, reliability or completeness of the information contained herein. No liability whatsoever is or will be accepted by CPP Investments for any loss or damage howsoever arising out of or in connection with the use of, or reliance upon, the information contained in this document.

Forward-looking statements

This annual report contains forward-looking information and statements. Forward-looking information and statements include all information and statements regarding CPP Investments' intentions, plans, expectations, beliefs, objectives, future performance, and strategy, including sustainability-related principles, beliefs, objectives and strategy ("**Sustainability Objectives**"), as well as any other information or statements that relate to future events or circumstances and which do not directly and exclusively relate to historical facts. Forward-looking information and statements often but not always use words such as "trend," "potential," "opportunity," "believe," "expect," "anticipate," "current," "intention," "estimate," "position," "assume," "outlook," "continue," "remain," "maintain," "sustain," "seek," "achieve," and similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "may," and similar expressions. The forward-looking information and statements are not historical facts but reflect CPP Investments' current expectations regarding future results or events. The forward-looking information and statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including available investment income, intended acquisitions, regulatory and other approvals, general investment conditions and technological, political, economic, regulatory, environmental and climatic factors. Although CPP Investments believes that the assumptions inherent in the forward-looking information and statements are reasonable, such statements are not guarantees of future performance and, accordingly, readers are cautioned not to place undue reliance on such statements due to the inherent uncertainty therein. CPP Investments does not undertake to publicly update such statements to reflect new information, future events, and changes in circumstances or for any other reason.

Additional caution regarding sustainability-related disclosures

CPP Investments also cautions readers of the following regarding the statements and other disclosures in this report related to the Sustainability Objectives (collectively, "**Sustainability Disclosures**"):

- In establishing and implementing Sustainability Objectives, and in making Sustainability Disclosures, CPP Investments has made various assumptions, including about technological, political, economic, regulatory, environmental and climatic factors. These assumptions are inherently subject to uncertainty and may not prove to be correct. If any of these assumptions prove incorrect, it could have a material impact on CPP Investments' Sustainability Objectives and its ability to effectuate them.
- The market practices, policies, regulations, methodologies, frameworks, criteria, taxonomies and standards (collectively, "**Sustainability Standards**") that governmental and non-governmental entities, including businesses and civil society, use to classify, assess, measure, report on and verify Sustainability Disclosures are still evolving. Furthermore, in some cases, Sustainability Standards may not exist. Changes to or the development of new Sustainability Standards may cause CPP Investments to amend, replace or restate its Sustainability Objectives and Disclosures.
- Technical and other terms used in this report, including those used to describe sustainability matters, are evolving, and CPP Investments' use of such terms may change to reflect such evolution.
- In making Sustainability Disclosures and in establishing and implementing its Sustainability Objectives, CPP Investments often relies on data obtained from, or methodologies established by, third parties. Although CPP Investments believes these sources are reliable, CPP Investments has not verified all third-party data, or assessed the assumptions underlying such data, and cannot guarantee their accuracy. CPP Investments' use of third-party data or methodologies cannot be taken as an endorsement of the third-party, its methodologies or its data. The data or methodologies used by CPP Investments in connection with Sustainability Disclosures may be limited in quality, unavailable or inconsistent across sectors or assets. These factors could have a material effect on CPP Investments' Sustainability Objectives or its ability to effectuate them.

People. Purpose. Performance.

Our purpose is to help provide a foundation for more than 22 million Canadians to help build their financial security in retirement.

We were established as an independent Crown Corporation with a clear focus: to help ensure the Canada Pension Plan (CPP) is strong and financially sustainable for the long term, safeguarding the best interests of Canadians, now and for generations to come.

Our experienced and knowledgeable teams invest in public and private assets in Canada and around the world.

We diversify our investment portfolio by asset class and geography as we seek to build a Fund that is resilient as it grows over time.

Our fiscal 2025 performance

Fiscal year ended March 31, 2025

Net assets

**\$714.4
Billion**

Net return

9.3%

Net income

\$59.8B

Chairperson's report

Dear fellow contributors and beneficiaries of the Canada Pension Plan,



Dean Connor Chairperson

I am pleased to report that CPP Investments performed well over this past fiscal year and has continued to deliver strong long-term results. As of fiscal year end at March 31, 2025, the Fund reached \$714.4 billion, with a 10-year net return of 8.3%. Our 10-year return, on a calendar basis, places CPP Investments second among national pension funds globally, according to the May 2025 report of Global SWF, a pension industry specialist. The Fund's performance reflects a disciplined approach, and the execution of a clear, long-term investment strategy designed to generate sustainable value for generations of Canadians.

Oversight of long-term strategy

In a world of increased uncertainty, the CPP remains a reliable foundation for Canadians' financial security in retirement. And CPP Investments' strategy – built on diversification, active management, and disciplined capital allocation – helps to make the Fund resilient through market cycles and uncertainty. The Board provides oversight and guidance to make sure this strategy remains appropriate and well executed.

The Fund focuses on long-term returns but is not immune to the short-term impacts of geopolitical and economic events. Our role as the Board is to ensure that the organization is well positioned to navigate these turbulent times and deliver strong performance over the long run.

The Board's key focus areas this fiscal year included:

- **Geopolitical dynamics:** Changing global trading patterns, international tensions and market instability present both risks and opportunities for CPP Investments. The Board is engaged with management to help ensure the Fund is resilient, leveraging a diversified portfolio to mitigate risks while capitalizing on opportunities.
- **Economic shifts:** The investment landscape is shifting, and yesterday's winning asset classes, sectors and geographic markets are not necessarily future winners. The Board is engaged with management on risk oversight in this area, so that the Fund has the best chance of navigating uncertainties while generating strong long-term returns.
- **Talent:** The Board is responsible for ensuring that CPP Investments has the leadership and expertise to fulfil its mandate. This year, the Board endorsed three executive appointments of talented leaders from within the organization: Caitlin Gubbels (Private Equity), Priti Singh (Risk), and Heather Tobin (Capital Markets and Factor Investing). These appointments highlight the depth and breadth of the talent bench at CPP Investments.

Oversight of CPP Investments' business activities

Diversification is a key element of our investment strategy, including diversification by geography. Within that, CPP Investments continues to seek out opportunities to invest in Canada that will deliver long-term value to the Fund.

One of the most important aspects of the Board's oversight work is our engagement with employees, partners and stakeholders. This year, we held one of our Board meetings in Calgary, Alberta, where in addition to the business of the Board, we had the opportunity to meet with employees who make and manage our investments in conventional and renewable energy businesses. We also met with our partners in the province and local portfolio companies, including the teams at Wolf Midstream and Teine Energy. From those interactions, we heard that CPP Investments continues to make Canadians proud, especially through the impact on the companies in which it invests.

At our virtual national public meeting, I had the opportunity to deliver a message to CPP contributors and beneficiaries, reaffirming transparency and accountability in our investment approach.

Annually, the Board reviews and approves the organization's business plan, which includes the approval of its annual budget. Cost management remains a priority. The Board continues to challenge management on financial discipline, ensuring resources are allocated efficiently to support long-term investment success. The organization's operating expense ratio of 26.1 bps declined again from the prior year and remains below its five-year average of 27.7 bps, reflecting a focus on cost effectiveness while maintaining the capabilities required to deliver world-class investment results.

Board development and renewal

A well-equipped Board is essential for effective oversight. This year, we engaged in education sessions on global trends including generative AI, climate change (including progress in reducing emissions), energy market shifts, geopolitical risks and regulatory developments. These sessions help us provide informed guidance and ensure CPP Investments remains resilient in a rapidly changing world.

Board renewal is also a priority. We work with the federal Finance Minister, in consultation with the CPP's participating provinces, and the Minister's nominating committee, to make sure we continue to have the right expertise on the Board. On behalf of my fellow Directors, I would like to thank Nadir Mohammed, who retired from the Board in December 2024, for his contributions to CPP Investments during his tenure.

I would also like to take this opportunity to thank my fellow Board Directors for their dedication, insights and guidance throughout the year. Their wisdom and oversight are critical to maintaining the integrity and effectiveness of our governance responsibilities.

Looking ahead

I extend my sincere appreciation to President & CEO, John Graham, the senior management team, and all employees for their dedication and commitment. Their work positions CPP Investments well to remain a forward-looking organization, aiming to future-proof the Fund, and to help secure the retirement incomes of Canadians now and for generations to come.

On behalf of the Board of Directors, thank you for your trust and confidence in our stewardship of the Fund.



Dean Connor
Chairperson, CPP Investments

President's Message

Dear Contributors
and Beneficiaries,



John Graham President & CEO

Canadians have many reasons to be proud – and the Canada Pension Plan is one of them. I am pleased to report that the Fund remains secure, with an independent assessment confirming it is financially sustainable for at least the next 75 years.

In 2024, approximately six million Canadians received benefits under the Canada Pension Plan (CPP) — a tangible reminder of the vital role the CPP plays in the lives of individuals and families across this country. The Office of the Chief Actuary has affirmed that the CPP will continue to be there for generations to come, as it is projected to remain financially sustainable for at least the next 75 years. This home-grown success story is one Canadians can be proud of, particularly at a time when many other countries are struggling with the financial sustainability of their national pension systems.

With a quarter century of working for Canadians through multiple economic cycles, CPP Investments' commitment to contributing to the financial security in retirement for 22 million Canadian contributors and beneficiaries remains steadfast. The Fund has grown in 25 of our 26 years managing the Fund, and this scaling has contributed significantly to the CPP's critical position in Canada's retirement system, established to serve Canadians from all walks of life. The disciplined execution of a forward-thinking strategy, by a high-performing team, drives CPP Investments to keep the CPP on a solid footing for multiple generations.

Reflecting on the past year, we once again navigated a complex global investing environment. In 2024, nearly half the world's population participated in national elections. At the same time, ongoing global conflicts continued to heighten geopolitical tensions. The Canadian economy experienced moderating inflation, only to be disrupted by a trade dispute with our nation's closest economic partner. Through all this volatility and uncertainty, the CPP, supported by a leading investment organization, delivered on its purpose. The Canadian pension system, including CPP Investments, continues to be the envy of the world and a source of pride for all Canadians.

Solid results in a shifting world

This year, we delivered solid returns for the Fund. In fiscal 2025, the Fund's net income (after all costs) was \$59.8 billion, and our one-year return was 9.3%. The Fund grew to \$714.4 billion as of March 31, and it remains on track to reach \$1 trillion by 2031. Our 10-year return remains steady at 8.3%. Since we began investing, roughly three-quarters of the Fund's current assets — \$492 billion — have come from net investment income generated through the work CPP Investments does on your behalf. That's value created through long-term, patient investing.

Since the end of our fiscal year on March 31, economic conditions have become even more challenging. Threatened and implemented tariffs have diminished growth expectations, inflation remains a concern, and the market is pricing in a higher probability of recession. While volatility has increased across asset classes, the Fund remains well-positioned to navigate these shifts. Our diversified, actively managed portfolio — and our ability to rebalance with discipline in response to market volatility — helps ensure Fund resiliency, even as market dynamics evolve.

Canada: an investment destination of strength and value

CPP Investments has been investing in Canada for more than 25 years. With \$114 billion in total investments, we have consistently maintained an overweight position in Canada because we believe in its long-term potential. While we must operate globally, we are proudly Canadian and remain confident that this country is one of the best places in the world to invest.

Our country offers what long-term investors value most: stability, transparency and opportunity. Our legal and regulatory systems are strong, our institutions trusted, and our democracy stable. Canada also has world-class governance standards and one of the most respected university sectors in the world.

Canada is a global powerhouse in natural resources and energy, and CPP Investments has several significant investments in these industries, both here at home and around the world. As one of the world's top five energy producers, Canada is recognized as a responsible and reliable supplier, helping to meet rising global demand. Our country is also the world's largest producer of potash, a leading global producer of uranium, and holds reserves of nearly every critical mineral used to produce batteries.

Recent trade-related interventions have galvanized policymakers and industry to re-think Canadian industrial policy, aiming to make it even stronger, more independent, and more resilient. As a nation, we must consider how to build on these natural endowments, skilled workforce, and world-class academic institutions — not just to sustain growth but to commercialize innovation, scale high-value industries, and reward entrepreneurial ambition. I'm excited about what this could mean for CPP Investments and how this could create additional domestic investment opportunities for the Fund.

A portfolio built for the long term

CPP Investments has once again been recognized as a global success story. Global SWF, a pension industry specialist, recently released its annual ranking of pension fund performance, measured on a 10-year returns basis. We ranked second among national pension funds globally. We also continue to outperform international benchmarks for governance and transparency. CPP Investments was ranked number two on the **Global Pension Transparency Benchmark** and our rating includes a perfect score on governance.

CPP Investments has contributed to the success of the CPP by constructing a diversified portfolio designed to perform through all market cycles including the type of short-term economic volatility we are now experiencing. Our fiscal year performance demonstrated this design in action. Our 2024 calendar year performance — 14.2% after all costs — ranks well against global pension and institutional investors over this period. And investments in credit and public equities generated double-digit returns this fiscal year. Currencies also contributed positively to performance, underscoring the benefits of multiple sources of investment return.

We also note that over the fiscal year ending March 31, 2025, the global public equity indexes against which we compare the performance of our investment strategies performed particularly well. That is why our relative performance this fiscal year was negative 1.6% compared to our benchmark portfolios. One of the sources of the relative underperformance was a deliberate underweight against U.S.-based risk assets, specifically public equity markets. We continue to believe building a diversified portfolio, and avoiding overconcentration in any one geography or sector, is the prudent long-term approach for managing the Fund. While short-term results relative to the benchmark are important accountability tools, our focus remains on generating stable, long-term risk-adjusted returns.

Diversification that delivers in a fragmented world

Geopolitical developments moved the markets throughout the year, and we expect these conditions to persist. Through it all, we remain focused on understanding and managing the impacts on the portfolio. Our long-standing risk management frameworks are designed to address political and regulatory risks and opportunities across jurisdictions. In times of heightened volatility, the value of disciplined diversification becomes even more evident.

We announced over 100 transactions, both in Canada and abroad, with values in excess of \$100 million. But what's more important than volume is quality: good investment decisions that will stand the test of time. Investments made today are designed to deliver value for the Fund well into the future.

Below are some of this year's investment highlights:

We committed US\$75 million to Radical Growth I, managed by Radical Ventures, a Canadian-headquartered AI-focused venture and growth manager with offices in Toronto, San Francisco, and London, as well as an additional US\$75 million to Radical Fund IV subsequent to the fiscal year end, bringing our total commitment to approximately US\$280 million.

We also invested US\$180 million in the take-private transaction of Nuvei, alongside Advent. Nuvei is a global payments provider based in Montreal, Canada.

In addition, we realized a partial interest in Viking Holdings through the company's initial public offering as well as subsequent follow-on offerings, generating net proceeds of \$2 billion. Viking Holdings is a global cruise and travel company in which we have been invested for just over eight years.

Leadership and organizational strength

One year ago, as part of our strategy evolution, we updated our leadership structure so that investment departments report to our Chief Investment Officer, enabling more dynamic portfolio management. We are already seeing the benefits — stronger collaboration, clearer lines of accountability, and continued strong results. I am proud to work alongside an accomplished senior management team (SMT), and this year, all SMT promotions came from within.

- Caitlin Gubbels is now Senior Managing Director & Global Head of Private Equity, having joined CPP Investments 14 years ago.
- Priti Singh was appointed Senior Managing Director & Chief Risk Officer after 16 years with us.
- Heather Tobin became Senior Managing Director & Global Head of Capital Markets and Factor Investing after 15 years with the organization.

These transitions reflect the pipeline of talent we have built, and our ability to evolve as the world grows more complex.

A strategy built for long-term performance

Our corporate strategy rests partly on a simple idea: extraordinary performance comes from a truly synchronized organization. We can only deliver world-class results for Canadians by integrating all our capabilities and competing as one Fund, not a collection of asset classes.

We continue to focus on increasing the efficiency and effectiveness of the entire enterprise. We currently manage approximately \$140 billion more than we did just two years ago with roughly the same number of employees; this is a great example of increased productivity. We are continuously improving cross-organizational connectivity, making it easier for data, knowledge, and insights to freely flow across the enterprise. This leads to informed, improved decision making — and ultimately, better investment outcomes. We have leaned into collaboration, relative value and have prioritized investments that transcend asset class boundaries, such as data centres.

As long-term investors, sustainability is embedded in how we pursue opportunities and manage risk across the portfolio. In the case of climate change, we're investing for a whole economy transition, knowing that while global efforts are clear, the pace of progress will be uneven. Our teams integrate insights throughout the investment lifecycle, from due diligence to asset management to active stewardship and disposition. We are already seeing results, including a reduction in our portfolio's carbon intensity year over year, reflecting actions we continue to take. As the world navigates a complex and evolving energy landscape, we continue to see real opportunity to deliver strong, long-term returns. We remain convinced that integrating sustainability creates enduring value for generations of Canadians.

Our advantages go well beyond scale and are grounded in deep relationships and shared knowledge built across global markets over decades. In an increasingly fragmented world, our long-standing presence and reputation help open doors to some of the best investment opportunities.

Looking ahead

This is my fifth year as President and CEO, during which global disruption has been a constant companion. It remains a privilege to lead this institution through such a pivotal time. As I mentioned at the start of this letter, in 2024, approximately six million Canadians received CPP benefits. That is real money, supporting households and local communities, and reinforcing both the responsibility we carry and our pride in contributing to the long-term financial strength of the CPP for all Canadians.

On behalf of everyone at CPP Investments, I want to thank you for trusting us to deliver on Canada's pension promise.

Sincerely,



John Graham
President & CEO

Delivering steady, long-term investment returns

CPP Investments was created to invest and grow the Fund to help provide retirement security for Canadians today and for generations to come.

Since we began investing the Fund more than 25 years ago, CPP Investments has contributed \$492.1 billion in cumulative net income, enabled by active management and our Total Portfolio Approach.

Headquartered in Toronto, Canada, our global team of 2,125 employees continue to seek out the best opportunities to deliver steady, long-term investment returns for the Fund.

CPP contributors and beneficiaries

22M+

10-year net nominal return

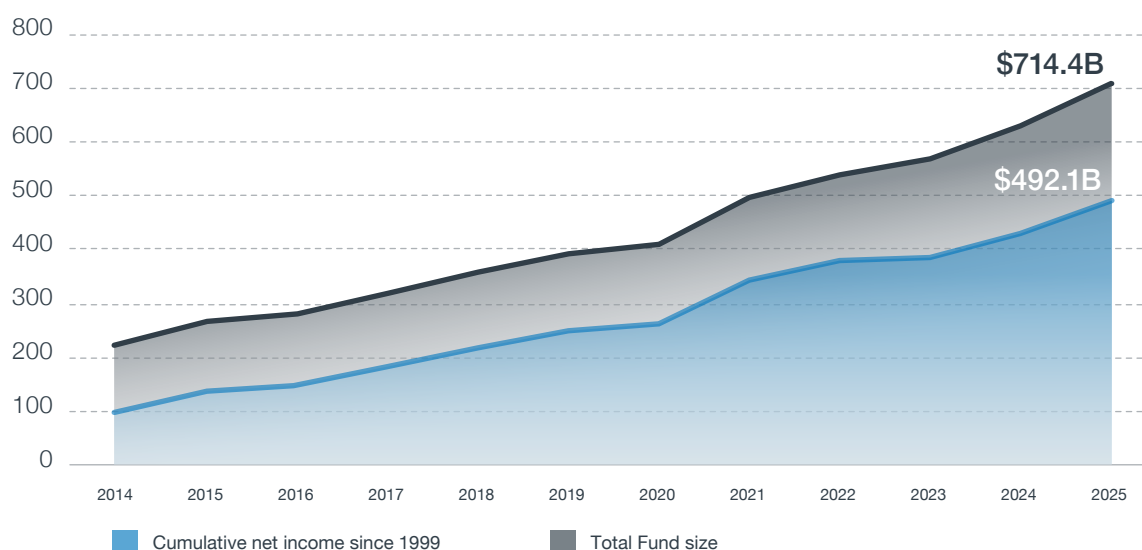
8.3%

10-year net real return

5.6%

\$492.1B in cumulative income since 1999

As at March 31 (\$ billions)



Building a diversified, resilient portfolio for the long term

Our portfolio is designed to be resilient in the face of wide-ranging market and economic cycles, built to push through short-term uncertainty to deliver stable, long-term returns for CPP contributors & beneficiaries.

We invest across different asset classes and investment strategies in Canada and around the world to capture global growth and provide protection during market downturns. We remain disciplined in our approach, engaging with world-class partners and investing in real, lasting opportunities while managing risk.

Countries where we hold investments

55

Global investment partners

341

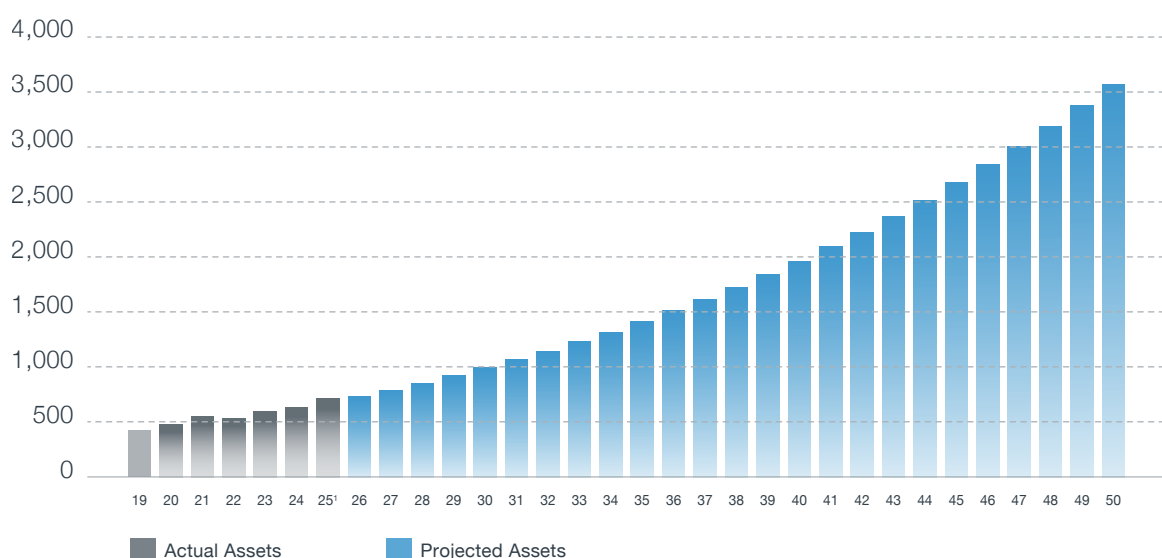
Transactions announced over \$100 million

100+

The base and additional CPP are projected to remain financially sustainable for at least the next 75 years at the legislated contribution rates. The Office of the Chief Actuary, an independent federal body, calculates these projections every three years. The latest report at December 2021 reconfirmed the long-term financial sustainability of both the additional and base CPP.

Projection of Fund Assets

As at December 31 (\$ billions)



The chart above illustrates the combined projections of assets from the Chief Actuary's 31st Report, which considers future changes in demographics, the economy and investment environments. The Fund has two sources of growth: net contributions from CPP participants and net income earned from investments.

By 2050, the Chief Actuary's Report projects the total Fund will reach \$3.6 trillion (\$2.0 trillion when value is adjusted for expected inflation).

1. Represents actual total net assets as at March 31, 2025.

Global Leadership

Our Senior Management Team brings a broad range of experience to the organization.



John Graham
President & Chief Executive Officer



Maximilian Biagosch
Senior Managing Director
Global Head of Real Assets & Head of Europe



Edwin Cass
Senior Managing Director
& Chief Investment Officer



Andrew Edgell
Senior Managing Director
& Global Head of Credit Investments



Kristina Fanjoy
Senior Managing Director
& Chief Financial Officer



Caitlin Gubbels
Senior Managing Director
& Global Head of Private Equity



Frank Ieraci
Senior Managing Director
& Global Head of Active Equities and Investment Science



Manroop Jhooty
Senior Managing Director
& Head of Total Fund Management



Michel Leduc
Senior Managing Director
& Global Head of Public Affairs and Communications



Geoffrey Rubin
Senior Managing Director
& One Fund Strategist



Priti Singh
Senior Managing Director
& Chief Risk Officer



Mary Sullivan
Senior Managing Director
& Chief Talent Officer



Agus Tandiono
Senior Managing Director
Head of Asia Pacific & Active Equities Asia



Heather Tobin
Senior Managing Director
& Global Head of Capital Markets and Factor Investing



Patrice Walch-Watson
Senior Managing Director
General Counsel & Corporate Secretary



Jon Webster
Senior Managing Director
& Chief Operations Officer

Learn more about the CPP Investments Senior Management Team on our [website](#).

Our Purpose

Canada Pension Plan Investment Board, which operates as CPP Investments, is a global investment management organization. We were established to help the Canada Pension Plan (CPP or the Plan) remain financially sustainable for the long term. We prudently invest the amounts the CPP transfers to us, helping to provide a foundation on which Canadians can build financial security in retirement.

CPP Investments is governed by an Act of Parliament, the Canada Pension Plan Investment Board Act (CPPIB Act). Under the CPPIB Act, CPP Investments has the objective to “invest its assets with a view to achieving a maximum rate of return, without undue risk of loss, having regard to the factors that may affect the funding of the Canada Pension Plan.” We manage all amounts the CPP transfers to us in the best interests of CPP contributors and beneficiaries, helping to ensure the CPP is there for current and future generations.

The total assets we manage, net of liabilities, are referred to as the “Fund”. It is critical that we manage the Fund in a way that has regard to the risks and socio-economic factors that the CPP itself faces. These factors include an aging population in Canada, future birth rates, employment and immigration, and the real rate of growth in employment earnings on which CPP contributions are based. To mitigate exposure of the Fund to risks related to future Canadian economic and demographic conditions, we diversify our investments across the world.

Independence with accountability

Fund assets are owned by CPP Investments and are entirely separate from the assets of any government. Contributions made to the CPP by individuals and employers that are not needed to pay current CPP benefits are transferred to CPP Investments. These contributions and investment returns generated by CPP Investments support the payment of future retirement benefits at the benefit levels set by the CPP’s government stewards.

Unlike Old Age Security, CPP benefits do not come from general tax revenues. The money required to pay CPP benefits comes from only two sources:

- Contributions from individual contributors and their employers based on employment earnings up to the maximum amount covered by the CPP; and
- Investment returns.

Most importantly, unlike taxes that go into the federal government’s consolidated revenue fund, CPP contributions and net assets of the Fund may only be applied to meet the obligations of the CPP. CPP Investments is accountable to Parliament and to the federal and provincial finance ministers who serve as the joint stewards of the CPP. A key aspect of our overall governance framework is our experienced, diverse and professional Board of Directors (Board). The Governor in Council appoints our Board members on the recommendation of the federal Minister of Finance, following consultation with the CPP’s participating provinces.

The CPPIB Act sets no investment directions related to economic development, social objectives or political directives. While the federal and participating provincial governments have oversight of CPP Investments, they do not direct how or where the Fund is invested; we are governed by our independent Board. Our independence from government is enshrined in carefully written legislation, ensuring that we can, and do, operate at arm’s length, free from political interference.

Amendments to the legislation that governs CPP Investments require agreement by the federal government plus two-thirds of the provinces representing two-thirds of the population. This is a higher requirement than the requirement for making changes to the Canadian Constitution. These checks and balances protect the best interests of CPP contributors and beneficiaries, as well as the independence of CPP Investments.

We report to Parliament through the federal Minister of Finance, who tables our annual report in Parliament. We share quarterly financial statements with the federal and provincial finance ministers and publish them on our [website](#) in both official languages.

As required under the CPPIB Act, every six years, we undergo a special examination of our systems and practices, completed by an independent examiner. The most recent special examination was completed by Deloitte LLP in February 2022. In this special examination, the independent examiner provided a clean opinion, concluding there is reasonable assurance that there were no significant deficiencies in the systems and practices examined. A copy of the report is available on our [website](#). The next special examination is anticipated to be in fiscal 2028.

Our annual financial statements and internal control over financial reporting are subject to external audit and subsequent review by the Audit Committee of our Board of Directors, which then recommends their approval to the full Board.

Transparency

To maintain public trust, CPP Investments operates in a transparent and open way, consistently demonstrating our commitment to accountability in our practices and actions. We seek to provide CPP contributors and beneficiaries a level of information that will help them understand how we make investments and manage the Fund in their best interests. By operating in this way, we hope to foster a better understanding of what drives performance, stability and financial sustainability of the Fund.

The ways we provide this information include:

- Using our [website](#) and other digital channels to explain who we are, what we do and how we invest;
- Issuing annual reports that explain our strategy, Fund performance, net asset exposures, investment activities, approach to sustainable investing, governance, costs, key risks and compensation;
- Issuing condensed interim consolidated financial statements on a quarterly basis as well as performance reports;
- Providing timely disclosure of material new investments, assets sold, and corporate developments;
- Holding public meetings every two years in participating provinces. We last held public meetings in 2024 and the next series of public meetings are taking place through 2026;
- Delivering speeches, making presentations and issuing reports through the CPP Investments Insights Institute. These cover a wide range of subjects related to key insights, risks, challenges, opportunities and events affecting our strategy and investments;
- Sharing information with CPP contributors and beneficiaries about the work we do, through public service announcements; and
- Engaging with stakeholders, pensions experts, news media and other interested parties.

Code of Conduct

We seek to uphold high standards of conduct and business practice, including our commitment to ethical conduct and disclosure practices. Our Code of Conduct for the Board of Directors and employees sets out our expectations for ethical conduct and guides our actions. This includes rules for our personal and professional conduct. More details on our Code of Conduct can be found in the Governance Practices of the Board of Directors section starting on page 83 and on our [website](#).

Base and additional Canada Pension Plan

In December 2016, following federal and provincial agreement, Royal Assent was given to *Bill C-26, An Act to Amend the Canada Pension Plan, the Canada Pension Plan Investment Board Act and the Income Tax Act*. This Act increased the amount of retirement pensions and other benefits that will be paid for contributions made after 2018. It also increased both the rate of contributions required on earnings covered by the CPP and the upper limit on covered earnings. These increases began in January 2019 and are being phased in over seven years.

As part of this amendment, the CPP was expanded into two parts:

- The “base” CPP refers to the portion of benefits and contributions continuing at the rates used before January 2019; and
- The “additional” CPP refers to the additional benefits and the additional contributions that started in January 2019.

Contributions to the additional CPP are set at levels so that, together with investment income, they are expected to be sufficient to fully fund the additional benefits as they accrue. Contributors will gradually earn additional benefits as they make additional contributions. Contributions to the base CPP are set at levels which are expected to remain stable over the long term while preserving the ratio of Fund assets to CPP expenditures.

The contributions, benefits and resulting assets for the additional CPP are accounted for jointly and separately from those for the base CPP. We seek to ensure that we invest the Fund’s assets fairly between the two accounts while recognizing the different funding characteristics for each account.

Current and future status of the CPP and the Fund

The Office of the Chief Actuary is an independent federal body. Every three years, it provides a formal review that evaluates the financial sustainability of the CPP over a period of at least 75 years. The review states expectations for net returns and takes into account many prospective factors, including:

- The base of contributors and employment earnings;
- The ratio of those receiving pension benefits relative to those contributing; and
- Anticipated changes in life expectancy.

The most recent actuarial review of the CPP – the 31st Actuarial Report – was conducted as at December 31, 2021 and tabled in the House of Commons in December 2022. It covered both parts of the CPP – the base CPP and the additional CPP. The report concluded that the CPP is financially sustainable for at least the next 75 years at the legislated contribution rates.

The next actuarial review will be performed in calendar year 2025 and will cover the status of both the base and the additional CPP as at December 31, 2024.

More information about the Fund can be found on our [website](#) and more information about funding of the base and additional CPP accounts can also be found on our [website](#).

How We Generate Value

Our comparative advantages

To succeed in highly competitive global financial markets over the long term, an investor must first have – and make good use of – comparative advantages. We believe that the enduring nature of the Fund, our governance and our culture differentiate us from many other large institutional investors. Together, these support our ability to generate value in the best interests of CPP's contributors and beneficiaries.

Our inherent advantages

The nature of the Fund itself carries three distinct investing advantages:

Long horizon – The CPP must serve Canadians for many generations to come. As a result, the Fund has a much longer investment horizon than most investors. We can assess the prospects of our strategies and opportunities over decades, not just over quarters or years. We can withstand short-term downturns to create value over the long run. Most investors take a shorter-term approach, whether by choice or because business pressures force them to do so. As a result, they are more limited than CPP Investments in their ability to access or retain investments where the benefits are only expected to be fully realized over a longer-term horizon.

Certainty of assets to invest – The Fund's future asset base is largely predictable and its pattern of cash flows into the future is generally stable. As a result, we are not forced to sell assets to pay benefits and we can build investment strategies with confidence. This long-term certainty of assets and cash flows underpins our ability to act as a trusted financial partner in major transactions and ongoing relationships.

Scale – As the CPP is one of the largest retirement funds in the world, we can access opportunities globally for which only the largest institutional investors can compete. In addition, our size enables us to maintain select dedicated in-house teams and gain access to global external partners. Scale also allows us to develop the investment, operational and technological capabilities required to run a cost-effective global investing platform.

Our developed advantages

In addition to our inherent advantages, we believe that the strategic choices we make as an organization afford us three further key advantages:

Internal expertise and brand – Our expertise, local knowledge, brand and reputation allow us to access attractive opportunities across the globe, in both private and public markets. Our team, located across our global offices, seeks to create value by combining best practices, depth, skill and experience to manage assets both internally and with external partners. Our brand allows us to attract, motivate and retain skilled employees from around the world.

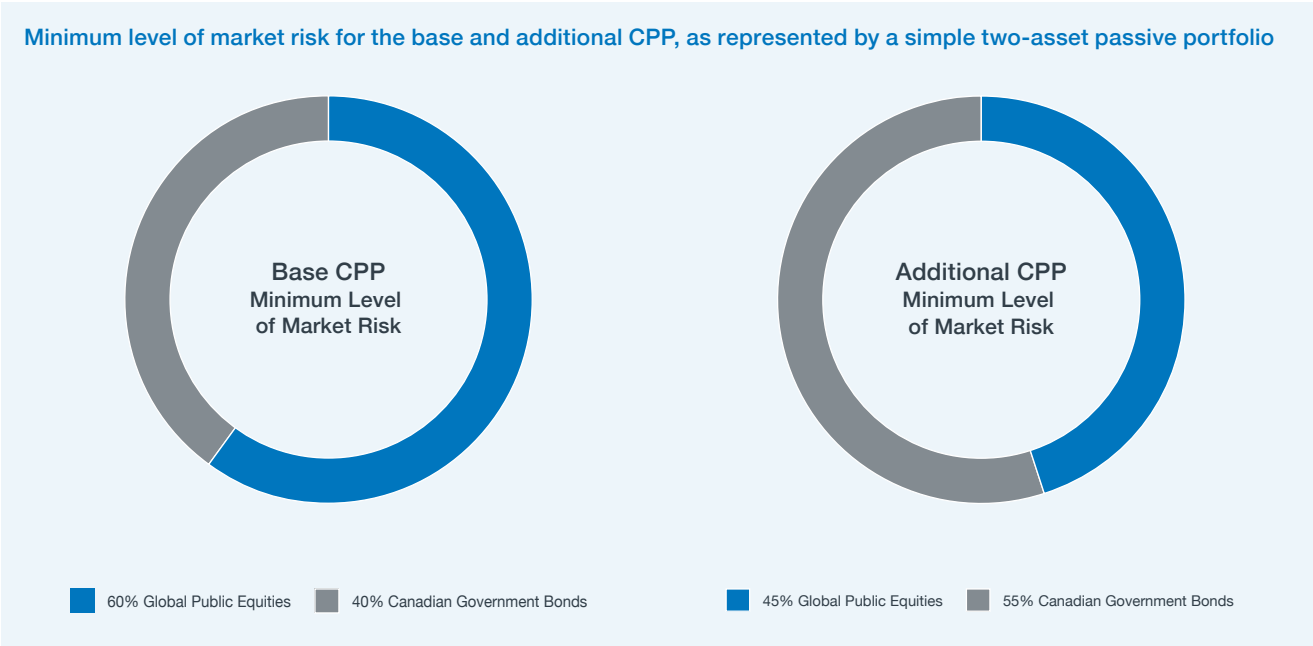
Expert partners and relationships – Through our scale and other advantages, we are able to engage the specialized resources and expertise of many external partners globally. Our internal expertise allows us to build deep relationships with these long-term partners to maximize value for the Fund. Our external partners also provide research and on-the-ground knowledge of the local environment, as well as ongoing asset management services.

Total Portfolio Approach – We believe broad asset class labels such as “equities” or “real estate” do not sufficiently capture the underlying factors that influence the risks and returns of investments. Accordingly, we analyze the fundamental and more independent risk-return factors that underlie each asset class and strategy. Armed with this understanding, we can more accurately achieve our preferred mix of global exposures designed to maximize returns at our targeted level of market risk.

Our comparative advantages enable us to make decisions with a long-term focus, as described in the following sections.

Pursuing additional sources of return

As an investment organization, CPP Investments must take risks to generate returns. We estimate a minimum level of market risk for the Fund that would be sufficient to generate the returns needed to help support the long-term financial sustainability of the CPP. To measure this minimum required level of market risk, we conceive it as being based on a simple two-asset portfolio of global public equities and Canadian government bonds. Canadian government bonds refers to both federal and provincial government bonds. This risk level takes into account the current legislated CPP contribution rates and CPP Investments' long-term expectations for returns of these assets. The approach applies to both the base CPP and additional CPP.



In fiscal 2025, we updated the minimum level of market risk for the base and additional CPP where we increased the global public equities share by 10% and 5%, respectively. These increases were driven by lower expected returns for equity and fixed income, based on updated capital market assumptions.

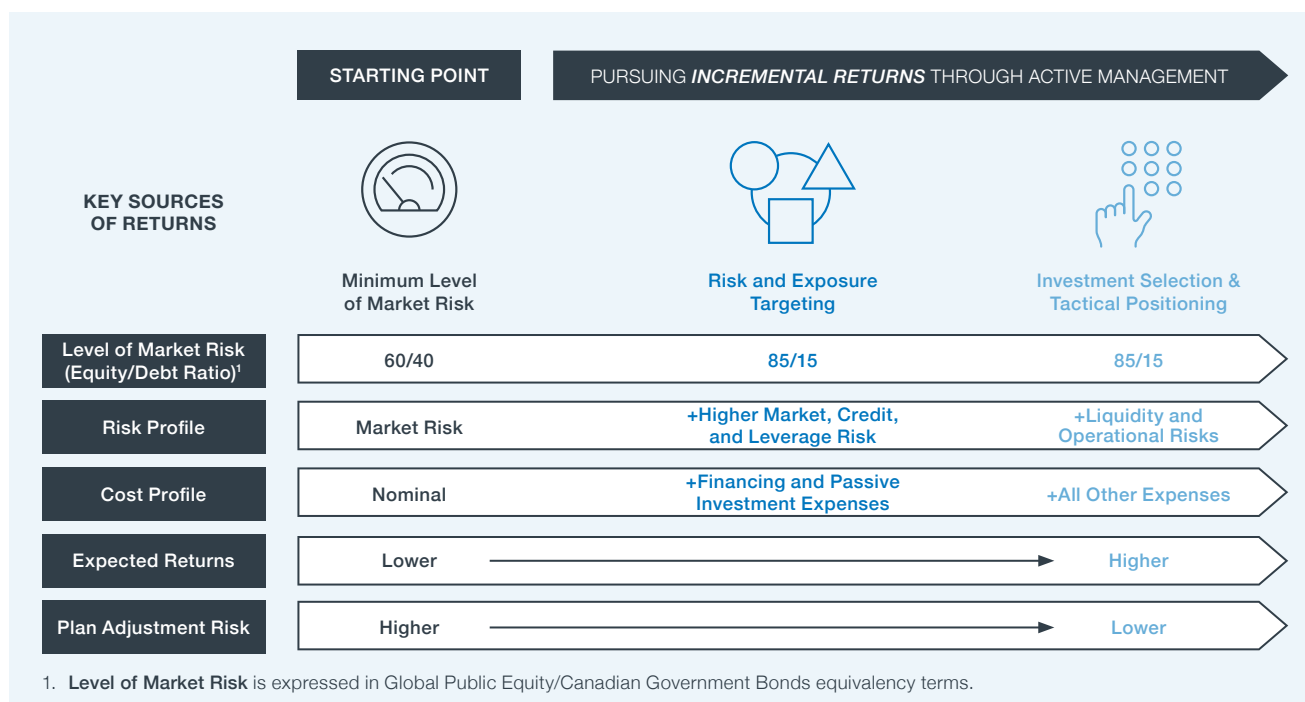
We believe that passively investing in these portfolios would allow the Fund to generate the minimum returns sufficient to sustain the base and additional CPP at the current legislated contribution rates. While achieving these minimum returns may help to maintain the long-term financial sustainability of the CPP, simply generating minimum returns would not be sufficient to deliver on our mandate to maximize Fund returns without undue risk of loss. Nor would it be in the best interests of the CPP's contributors and beneficiaries. Hence, it is our responsibility to actively manage the Fund to pursue additional sources of returns.

Our key sources of return – generating incremental value through active management

We see active management as a spectrum of potential choices we can make to pursue incremental returns. This includes our decisions on determining the level of risk and exposures we should target to diversify the Fund supported by leverage, how we should allocate assets among different active investment strategies, and what tactical positions we should adopt.

We refer to these decisions as our “key sources of returns” because their outcomes are expected to have the most material impact on the investment performance of the Fund. Refer to page 16 for additional details on how we consider each of these key decisions in our investment approach.

Using the base CPP as an example, the simplified visual below illustrates the successive impact of our decisions as we seek to pursue additional sources of returns.



We recognize that while many active investors seek above-market, risk-adjusted returns, few consistently achieve them. Seeking additional sources of return through active management increases our cost and the risks we face, including leverage, liquidity, operational, legal and regulatory risks. Hence, we do not make these decisions lightly. They are grounded in our belief that our comparative advantages support our ability to generate incremental returns in the best interests of the CPP's contributors and beneficiaries.

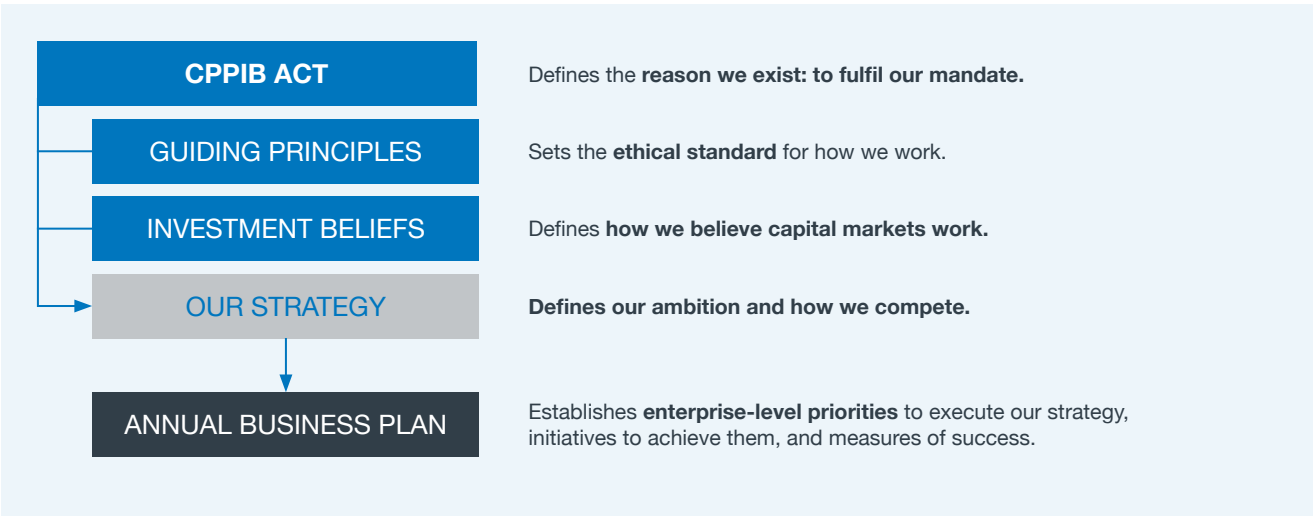
While not every key source of return may produce positive results in every period, we are focused on maximizing returns from all sources holistically over the long term. Maximizing long-term returns and increasing resilience of our portfolio contributes to lower “plan adjustment risk” – the risk of adverse contribution or benefit adjustments to the base CPP and additional CPP arising from adverse investment experience (refer to page 43 for additional details on plan adjustment risk).

To objectively analyze how our past decisions helped generate value and inform how we can make better decisions in the future, we systematically evaluate both the underlying drivers of our returns and the risks and costs we incur to generate those returns. We believe that pursuing additional sources of returns allows us to do our part in furthering the long-term financial sustainability of the CPP by delivering on our mandate to maximize returns without undue risk of loss having regard to the factors that may affect the funding of the CPP.

How We Develop and Implement Strategy

Our strategy is to optimize all aspects of our organization to drive total Fund performance and use our collective strengths in everything we do. We achieve this by building cross-organizational capabilities to move knowledge, capital and other resources to the areas of greatest opportunity and continuously evolve the way we exploit our inherent and developed advantages. This allows us to unlock the full potential of our platform and succeed in an increasingly competitive investing environment that is subject to rapidly evolving macroeconomic and geopolitical conditions.

As illustrated below, we base our strategy on the CPPIB Act, our Guiding Principles, and our Investment Beliefs. This strategy defines our ambition to remain a leading global institutional investor and sets out how we compete to achieve that ambition.



The core of our strategy is a set of five principles that define how we develop and draw upon the entirety of our organization to achieve our ambition:

1. **We embrace our purpose** by making decisions for lasting impact rather than short-term results, and by demonstrating our depth of care and conviction through our transparency.
2. **We develop, align and empower our people** by delegating decisions to where the information and expertise resides.
3. **We make decisions that are optimized for total Fund performance.**
4. **We relentlessly pursue our ambition** by prioritizing what makes us a better, differentiated investment organization and by setting clear objectives that directly serve our ambition.
5. **We constantly sharpen our edge** by thinking ahead, constantly learning and pursuing excellence in all that we do.

Embracing these principles and translating them into specific choices in our investing and operational strategies align the organization around our sources of advantage to dynamically allocate capital and maximize returns with a resilient, financially sustainable portfolio. These principles are reflected in the design and execution of our investment approach, our risk framework, our approach to costs and compensation, and the objectives we set for ourselves each year. In the following sections we discuss these topics in further detail.

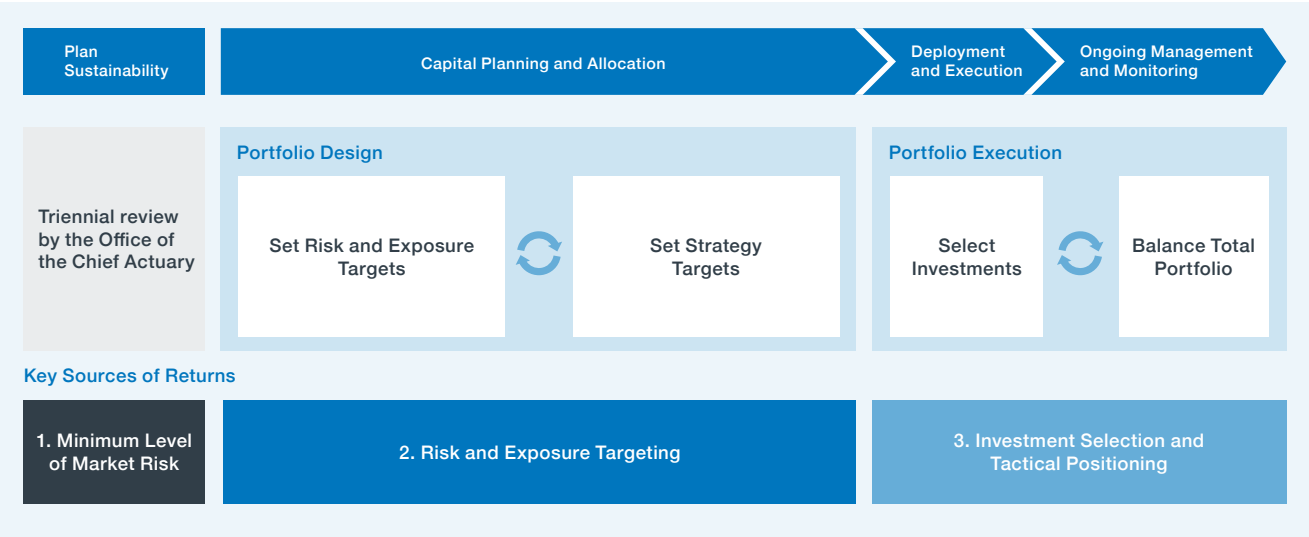
How We Design and Execute Our Investment Approach

Our investment approach is designed to deliver on our mandate. Accordingly, we have developed our Total Portfolio Investment Framework, which allows the Fund to:

- 1. Diversify across asset classes and geographies to enhance long-term returns and increase portfolio resiliency to equity market downturns;
- 2. Use leverage to achieve the targeted level of market risk to further enhance long-term returns; and
- 3. Employ active management to generate incremental returns above what could be achieved through a passive investment strategy at the minimum level of market risk.

Our Total Portfolio Investment Framework provides a decision-making process that spans how we allocate, deploy, and manage capital on an ongoing basis, as illustrated below:

Our Total Portfolio Investment Framework



Our approach is grounded in our Investment Beliefs, which provide guidance for key decisions and help us stay the course as a long-term investor. Details on our Investment Beliefs can be found on our [website](#).

In the following sections, we outline how we design and manage each of our key sources of returns.

1. Minimum Level of Market Risk

The foundation of an investment strategy for any portfolio is to determine a prudent and appropriate market risk appetite. As discussed on page 13, we start our process by estimating the minimum level of market risk that would generate sufficient investment returns to maintain the long-term financial sustainability of the base and additional CPP under the current legislated contribution rates.

Following each triennial review conducted by the Office of the Chief Actuary (OCA), we use the information contained in the OCA's Actuarial Report along with our own internal return

expectations to estimate and express this minimum level of market risk. Many non-investment factors that affect the financial sustainability of the CPP are beyond the control of CPP Investments. We are focused on the part we can control: supporting the long-term Plan sustainability through our investment performance. Hence, the minimum risk level serves as the starting point in our process. We use it to evaluate the incremental impact of all decisions we make to maximize returns without undue risk of loss. These include our decisions to target a higher level of market risk alongside the exposures required to optimally diversify the Fund supported by leverage.

2. Risk and Exposure Targeting

Setting risk targets

We review our targeted level of market risk for the base and additional CPP at least once every three years, following the triennial report of the OCA. We completed our most recent review in fiscal 2024, after the tabling of the 31st Actuarial Report in December 2022. Based on this review, we chose not to change the targeted levels of market risk for either the base CPP or the additional CPP. We use the Market Risk Targets (previously called the Reference Portfolios) to express our targeted level of market risk, which are described below.

	Base CPP		Additional CPP	
	Minimum Level of Market Risk	Targeted Level of Market Risk	Minimum Level of Market Risk	Targeted Level of Market Risk
Global Public Equities	60%	85%	45%	55%
Canadian Government Bonds	40%	15%	55%	45%

Our review reflects the evolving funding status and maturity of the base and additional CPP, as well as our own internal best estimates for long-term economic and capital markets factors. We use a simulation model that estimates the likelihood of several levels of market risk and estimates their potential impact on the investment returns of the base and additional CPP. It does this year-by-year over 75 years, in line with the projection timeline used by the OCA's Actuarial Report.

The analysis focuses directly on CPP Investments' impact on future CPP outcomes. It quantifies the potential for positive and negative impacts of investment returns on future CPP contributions and benefits. We calculate these over successive

future actuarial review periods and multiple economic and investment scenarios. When evaluating alternative target levels of market risk, we give more weight to adverse impacts than to favourable impacts. We also discount to a greater degree more distant possible events relative to near-term ones.

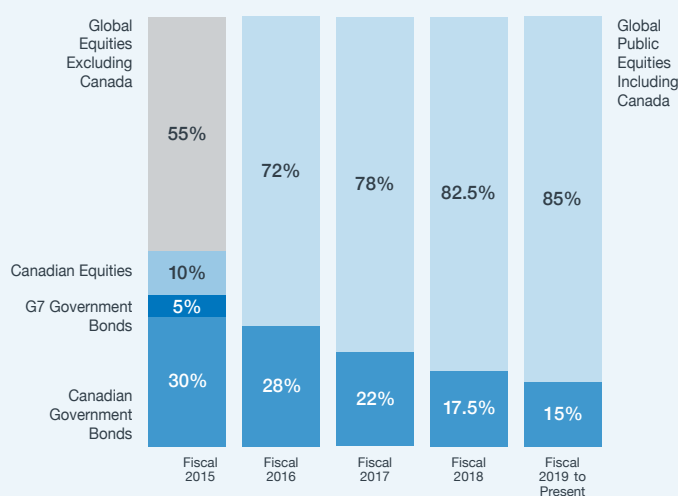
The analysis indicates that the base and additional CPP benefit when we increase the target levels of market risk beyond the minimum levels. The appropriate risk target is higher for the base CPP than for the additional CPP owing to the partially funded financing of the base CPP. The fully funded financing of the additional CPP makes it more sensitive to investment return uncertainty.

Risk targets – Base and additional CPP Market Risk Targets

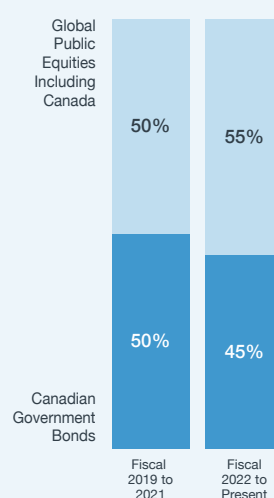
Our targeted level of market risk is expressed through simple, two-asset class Market Risk Targets (previously called the Reference Portfolios) comprising a mix of Canadian Government Bonds and Global Public Equities (including Canada). Higher levels of equity correspond to a higher risk target. We believe the targeted level of market risk is appropriate to deliver on our mandate to maximize returns without undue risk of loss for each of the base CPP and additional CPP accounts.

The evolution of the Market Risk Targets for the base and additional CPP are shown below.

Base CPP – Targeted Level of Market Risk



Additional CPP – Targeted Level of Market Risk



Setting exposure targets

Diversification is an established way to mitigate the impact of market downturns and enhance long-term returns. By itself, diversification tends to lower market risk. However, using leverage tends to increase market risk. Using both techniques together, we are able to construct portfolios that are broadly diversified at our targeted level of market risk, and also provide opportunities to add value through active management for each of the base and additional CPP. When designing our portfolios we set exposure targets which represent the desired long-term diversified asset class exposures that we believe will make the portfolio more resilient to equity market downturns. The impact of this decision is lower – but still attractive – returns when equity markets and economic growth are strong.

We believe that conventional asset classifications by themselves do not adequately capture the diverse nature of the risks to which each asset class is exposed. For example, both equities and credit investments can benefit from changes in macroeconomic growth expectations. Private and public investments may

appear to be fundamentally similar. However, their liquidity profile is materially different and their internal financial leverage or debt level are typically not the same. Debt securities carry a wide range of durations and credit risk. Equities vary in their geographic, sector and financial leverage exposures.

Given these variables, we have defined several key risk-return factors that are fairly distinct and underpin the returns on many types of investments. Examples include growth risk, inflation risk and real interest rate risk. We model and map our investment strategies based on the extent to which they are affected by risk-return factors. We then use our models throughout our Total Portfolio Investment Framework. For example, when we construct portfolios we consider exposure to various risks and the effects of currencies, leverage and liquidity. We also recognize the additional expected risk and return of active management. Given these characteristics, we can analyze how major new investments or divestments might affect the exposures of the total portfolio. As markets and security prices change, we rebalance our portfolios and seek to avoid unintended factor and risk exposures.

Exposure targets – the Strategic Portfolio

We manage the market risk levels of each of the base CPP and additional CPP Investment Portfolios to closely match their respective targeted level of market risk. The Investment Portfolios represent the net assets managed by CPP Investments for each of the base and additional CPP. We do this while balancing the exposures to risk-return factors and investing in a more diversified set of investment strategies that better align with CPP Investments' comparative advantages.

To diversify our portfolios, we balance the allocation to lower risk asset classes (such as public and private corporate bonds, real estate, infrastructure and other real assets) with the allocation to higher-risk and higher-return strategies, such as:

- Replacing allocations to publicly traded companies with allocations to privately held ones;
- Substituting government bonds with higher-yielding credits in public and private debt;
- Participating in select emerging markets; and
- Making use of long-short investment strategies that add value through investment selection.

The use of leverage at the total portfolio level enables us to:

- Enhance overall diversification which also mitigates the impact of market downturns, particularly through greater allocations to fixed income investments; and
- Increase our gross holdings of all asset classes. This enables us to maximize return potential at our targeted level of market risk.

We regularly review our strategic mix of key risk-return factor exposures and leverage. These strategic exposures are balanced to meet each Investment Portfolio's long-term objectives at its targeted level of market risk.

We translate our strategic exposures into weightings of six distinct public and private asset classes for the Investment Portfolios of the base and additional CPP. These Strategic Portfolios represent our strategy for making long-term asset allocations. They also convey our long-term expectations for

allocating assets into three geographic regions – Canada, developed markets excluding Canada, and emerging markets. The result represents broadly diversified, aspirational portfolios at our targeted levels of market risk which are expected to be resilient to market downturns given the constraints of the Fund.

The Strategic Portfolios shown below were approved in fiscal 2024 and were in place for fiscal 2025. The Strategic Portfolios will be updated in fiscal 2026 and will include increasing fixed income exposure, optimizing the allocation to diversifying private assets, and reducing concentration in equities. As markets and other economic circumstances change, we make ongoing allocation decisions that vary from these indicative long-term future allocations.

Strategic Portfolio – Asset Class and Geographic Classifications

Asset Class	base CPP % of total	additional CPP % of total
Public Equity	28	18
Private Equity	23	15
Public Fixed Income	41	55
Credit ¹	14	16
Real Assets ²	26	17
Cash and Absolute Return Strategies	(32)	(21)
	100%	100%

Geographic Region	% of total	% of total
Canada	7	14
Developed Markets ex-Canada	77	75
Emerging Markets	16	11
	100%	100%

1. Credit includes both private and public credit investments, excluding high-quality government bonds.

2. Real assets includes real estate, infrastructure and private equity investments in sustainable energies.

Setting strategy targets

Our base and additional CPP Investment Portfolios are each composed of an Active Portfolio and Balancing Portfolio in different proportions. Within the Active Portfolio, we have developed active strategies in both private and public markets mainly within the following investment departments: Capital Markets and Factor Investing, Active Equities, Credit Investments, Private Equity, and Real Assets.

The Balancing Portfolio comprises the remainder of total assets that complete the portfolio. The Total Fund Management department manages the Balancing Portfolio and uses it as a completion portfolio to deliver the targeted exposures for the Investment Portfolios. The Balancing Portfolio is invested primarily in liquid, publicly traded securities. Together, the Active and Balancing Portfolios deliver our targeted factor exposures

at the targeted market risk, while also diversifying across asset class, geography, currency and sector.

Our active strategies seek to identify opportunities in which internal or external specialists can deliver incremental value add through investment selection. The Chief Investment Officer (CIO) reviews the mandate and performance of each investment strategy as part of the process to refresh the Fund's capital allocations. This process is informed by our annual investment strategy reviews, which evaluate all strategies across several factors, including their investment performance, value added versus benchmarks, risk profile, cost efficiency, capital deployment, and exposure delivery. Findings from these reviews are one input the CIO considers when updating the targeted weight of each strategy in the context of the Fund. In turn, this translates into the capital budget and expected growth trajectory of our strategies.

Strategy

Management's Discussion and Analysis

Compensation Discussion and Analysis

Governance

Consolidated Financial Statements and Notes

Setting the path for and measuring the effectiveness of our active management strategy: the Benchmark Portfolios

In fiscal 2025, the Benchmark Portfolios replaced the Market Risk Targets (previously called the Reference Portfolios) as our benchmark against which relative performance is measured. The Benchmark Portfolios provide target allocations for our active and balancing investment strategies. These also reflect the near-term planned path towards our long-term Strategic Portfolios.

We construct the Benchmark Portfolios by aggregating the public market index benchmarks that serve as passive, investible alternatives for each individual investment strategy. These benchmarks are described on page 21. The aggregation of the public market indexes is updated annually based on the targeted weight of each corresponding investment strategy to the Investment Portfolios. Public market indexes are also reviewed annually to ensure they continue to represent a systematic risk-equivalent passive alternative for each investment strategy. The composition of the Benchmark Portfolios is provided on page 64.

Prior to the introduction of the Benchmark Portfolios, the Market Risk Targets served as both our performance benchmark and an expression of our targeted level of market risk. This framework was introduced in fiscal 2007 when we made the strategic decision to move towards an active investment approach. Since fiscal 2016, the Fund has become more diversified and the role of the Market Risk Targets shifted to primarily serve as a representation of the Fund's targeted level of market risk. Consequently, the Market Risk Targets have become increasingly disconnected from the targeted exposures of the Investment Portfolios.

The Benchmark Portfolios are a better measure of the relative performance of our Investment Portfolios because their more diversified composition reflects our efforts to enhance resiliency and achieve higher returns compared to our Market Risk Targets. The Benchmark Portfolios have slightly higher long-run expected absolute returns over simple two-asset portfolios like the Market Risk Targets, associated with the benefits of diversification. The Benchmark Portfolios are also more resilient to equity market downturns versus the Market Risk Targets. As a result, to better reflect our comprehensive investment strategies and improve performance assessment, we have transitioned to the Benchmark Portfolios as our primary performance benchmarks. The incentive compensation plan, as described on page 29, uses the Benchmark Portfolios to help assess performance.

Our view on foreign currency

A major share of our assets originates in foreign investment markets and is denominated in non-Canadian currencies. Changes in foreign exchange rates will have an impact on the short-term performance of the Fund. While we could choose to manage currency risk through hedging all foreign currency exposures back to the Canadian dollar, we do not believe that hedging the entirety of our foreign currency exposures in this manner will benefit the long-term risk-return profile of the Fund. For a Canadian global investor with an equity heavy portfolio, maintaining a well-diversified global currency composition helps to mitigate overall return volatility. Also, currency hedging carries execution costs and requires setting aside cash to meet collateral requirements under currency hedging contracts.

We regularly review the Fund's appetite for foreign currency exposure as part of our portfolio design process. Our latest long-term review has concluded that our desired Canadian dollar exposure can differ from the size of our Canadian investments.

When this is the case, we will hedge the Fund's currency exposures to maintain a targeted level of Canadian dollar exposure. Our decisions on the target Canadian dollar exposure, and the individual currency hedges needed to deliver that, are based on our ongoing assessment of what will optimize the risk-return profile of the Fund after all-in hedging costs are taken into consideration. We take into consideration changes in both the currency exposure profile of the Fund and longer-term global economic expectations in our future hedging decisions.

In the short term, the decision not to fully hedge currency exposures can impact Fund returns in either direction. In years of major strengthening or weakening of the Canadian dollar, the performance of the Fund may differ materially from other funds that have a standing policy to hedge their foreign currency exposures more fully. Details of the impact of foreign currency on the Fund's returns for fiscal 2021 to 2025 can be found on page 38.

3. Investment Selection and Tactical Positioning

Selecting investments – active strategies

Investment selection refers to how we buy, sell, weight, and manage specific securities within a particular strategy. This activity offers a wide set of value-adding opportunities. We use both “long-only” and “long/short” strategies (see below for a description of long/short investing).

Seeking to outperform a market index through investment selection requires both covering costs and achieving better returns than the market index. Moreover, as markets mature, they become more “efficient” and thus harder to outperform. Over any given period within a particular market there will be both winning and losing active managers, with wide variation between their returns. That is why successful investment selection requires us to employ skilled people, internally and externally.

Several of our comparative advantages increase the long-term likelihood of investment selection success. First, our scale, brand and reputation enable us to attract and retain talent, both internal and external. Second, our long horizon provides an advantage in selecting investments. Given short-term investing pressures and practices found in many markets, individual asset prices often diverge from their long-term intrinsic values. This divergence creates opportunities for patient investors. We believe that our investment selection strategies can succeed in most asset classes over time.

We regularly review the underlying performance of all investment strategies to evaluate whether each strategy remains:

1. Likely to deliver meaningful value add incremental to a simple lower-cost passive alternative; and
2. Worthwhile, given the additional types of risks associated with it, including the risk of underperformance relative to the passive alternative.

If our conclusion changes, we adjust or end the strategies concerned.

Each investment department is accountable for:

- Proposing new strategies and resizing or repositioning existing strategies, within their delegated approval authorities, mandates and risk limits;
- Identifying, accessing and exiting from areas of investment opportunity and external partnerships;
- Incorporating sustainability-related considerations into investment analysis, where material. Departments work with our investment partners and portfolio companies to evolve our approach in these areas where applicable;
- Selecting individual investments to build and manage active strategies to add value, as guided by the applicable risk-return expectations over our holding period;
- Managing our investments to sustain and enhance returns; and
- Executing transactions in a timely and cost-effective way.

While seeking to deliver targeted exposures over time, our active investment departments will only make an investment when there is a sufficient prospect of earning an appropriate risk-adjusted return. Active strategies are never used to simply bridge a gap in a particular asset class, exposure, sector and/or geography. This is instead done using our Balancing Portfolio, which is highly scalable and can be managed at lower cost.

Investment success for each investment department’s active strategies is evaluated primarily based on net value added relative to pre-established benchmarks, as described further on the next page.

Long/short investing

In public markets, many of our strategies are executed by long/short investing. A “long” investment generates a return when the underlying asset increases in value. An example is a price increase in the months following a traditional stock purchase. A “short” investment is a means to generate a return when the underlying asset decreases in value. In short selling, the investor sells a stock they have borrowed and buys it back later to pay off the stock loan. If the price of the asset has gone down, the investor buys it back for less and makes a profit. Taking both types of positions across a basket of securities simultaneously enables returns to be generated regardless of the direction of the overall market. The results of the long/short strategy then depend almost entirely on the selection of individual long and short positions, drawing on the skills of our internal or external investment professionals. Long/short strategy returns are largely uncorrelated with broader market returns, allowing us to improve the diversification of our portfolios.

Balancing the total portfolio

Managing the balancing process through the Balancing Portfolio involves maintaining each of our primary overall exposures sufficiently close to their targets, as described on page 19, while avoiding the costs of excessive short-term trading to do so. If our total portfolio exposures or total market risks have diverged too far from their intended targets, we execute trades within the Balancing Portfolio to bring our exposures and/or risk level back into line.

Managing the available liquidity of the Fund is an important consideration when setting targets for active strategies, which are typically less liquid. We carefully manage the total size of the Active Portfolio to ensure that the Fund has available liquidity to meet our obligations and enough flexibility to capitalize on investment opportunities. At the same time, we work to minimize disruptions to planned investment activities.

Strategy	<p>How we set performance benchmarks and value added measures</p> <p>At the investment department level, we assess performance against public market indexes or blends of these indexes.</p> <p>The specific nature of the benchmarks for individual investment departments is summarized below:</p> <ul style="list-style-type: none"> • Capital Markets and Factor Investing, and Active Equities: Cash return benchmark on net cash deployed. • Private Equity: For investments excluding Asia, a levered developed markets large/mid-cap public equity index. For Asia investments, weighted blend of developed and emerging markets Asia-Pacific large/mid-cap public equity indexes. • Credit Investments: For multi-asset strategies, weighted blend of global aggregate investment-grade corporate bonds, global high-yield corporate bonds, U.S. levered loans, and emerging market bonds. For a major single asset holding, a weighted blend of U.S. large/mid-cap financials equity and U.S. levered loans indexes. • Real Assets: For real estate strategies, a global real estate investment trusts index. For infrastructure strategies, a weighted blend of global large/mid-cap infrastructure equity excluding energy sectors, emerging market infrastructure equity and Canadian government bonds indexes. For sustainable energy strategies, a weighted blend of developed and emerging market renewable electricity equity, and developed large/mid-cap energy equity indexes. <p>As described on page 19, the aggregations of each investment department’s underlying investment strategy benchmarks make up the Benchmark Portfolios. The composition of the Benchmark Portfolios by investment department and the weights of underlying indexes are outlined on page 64. We use the Benchmark Portfolios to assess both the total Fund’s relative performance and that of all investment strategies over the long term.</p>
Management’s Discussion and Analysis	<p>Tactical positioning</p> <p>We view tactical positioning as another source of return. We believe that a deliberate, meaningful but temporary shift of asset allocations and/or exposures away from the Investment Portfolios’ established targets can be additive, especially at times of market dislocations. Exploiting potential gaps between current market prices and long-term fundamental asset values</p> <p>can generate incremental returns, protect assets against potential losses, or preserve liquidity under stressed market conditions. For example, we may increase our exposure to public equities in a geographic area where prices have become unduly depressed. Alternatively, we may reduce positions in overvalued asset or currency markets when we expect near- to mid-term returns to be below their longer-term expectations.</p>
Compensation Discussion and Analysis	
Governance	
Consolidated Financial Statements and Notes	

Integrating sustainability-related considerations into our investment activities

We believe that organizations that effectively anticipate and manage material sustainability-related factors are more likely to create value over the long term. We define sustainability-related factors as those including, but not limited to: effective board governance; climate change; nature and the environment; equity, diversity and inclusion; health and safety; community engagement; human rights; responsible sourcing; responsible deployment of artificial intelligence (AI); data and cyber security; and other dynamic and emerging factors material to the long-term success of companies.

Our approach to sustainability considers these factors in our investment and asset management activities when they are financially material to the investment. The depth of our analysis is commensurate with the materiality of the potential financial impacts of these sustainability-related factors considering the asset class, investment strategy, industry, geography, business model and the reasoning behind each investment. The identification of material sustainability factors is reflected in the underwriting assumptions, approach to negotiating the terms of the investment and asset management plans for the investment, as appropriate.

As an active owner, we can choose to engage with our portfolio companies to promote improved management of sustainability-related factors to both reduce risk and enhance the companies' long-term value. Our engagement focuses on issues that are most material to a portfolio company's long-term value creation and preservation. We do this recognizing and supporting the division of authority and responsibilities among shareholders, boards of directors and management, and taking into account the extent of our ownership and influence in these circumstances.

Proxy voting is an effective way to convey our views to the boards of directors and management of our direct holdings in publicly traded equities. For more details on proxy voting activities see our [website](#).

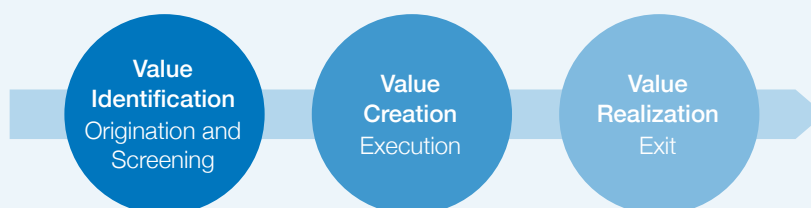
We believe that comprehensive, comparable and assurable sustainability-related disclosures are critical to enable boards to effectively carry out their oversight responsibilities. These disclosures are also important for investors to better assess the potential impact of sustainability factors on a company's long-term performance. We encourage companies to report in alignment with IFRS® Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB), which provide a global baseline for sustainability reporting based on financial materiality and include industry-specific requirements where applicable. We also encourage consideration of the ESG Data Convergence Initiative.

We participate in domestic and international discussions to help shape evolving regulation, market convention, standard setting and market practices in sustainability-related disclosures. We do this with the aim of facilitating better investment decisions and creating long-term value for the Fund. A list of key partnerships and collaboration platforms is included on our [website](#).

We report on the actions related to our approach to climate change on pages 66-68. This includes reporting on our operational and portfolio emissions, and scenario analysis. In addition, we report on our progress in building a high-performing, inclusive organization on page 65. Refer to our [website](#) for more details.

Integrating sustainability-related factors across the investment life cycle

When sustainability considerations are financially material to the investment, we integrate them into our decision-making across the investment life cycle – from value identification to value realization.



Board and Management accountabilities on sustainability-related matters

Our governance and organizational structure supports our sustainability strategy and provides oversight of the approaches designed to respond to sustainability-related risks and opportunities. Our Policy on Sustainable Investing and our Proxy Voting Principles and Guidelines are approved by our Board of Directors. The policy outlines the principles that guide CPP Investments' approach to sustainable investing within the context of our legislative mandate. The policy is published on our website. The Board delegates authority to the CEO and Management to oversee the implementation of the policy. Management-level authorities lay out how the policy is applied throughout the investment life cycle and across asset classes where such considerations are material to the investment. This includes governance and controls related to the implementation of the policy.

As part of our governance and risk management practices, we regularly review our approach to assessing and managing sustainability-related risks. This includes risks associated with climate change. We are committed to refining our sustainability-related risk standards and methodologies to ensure they are appropriately integrated into our investment decision-making processes - both at the portfolio level and, when material, for individual investments. In addition, we develop internal frameworks that incorporate and assess sustainability-related risks and opportunities. The results of our sustainability-related risk analyses are reported to the appropriate management committees and the Board on a quarterly basis. Chaired by the Chief Sustainability Officer (CSO), the Sustainable Investing Committee, a management-level sub-committee of the Investment Strategy and Risk Committee (ISRC) (see page 26 for details on the ISRC) provides guidance on matters including the delivery of the organization's firm-wide sustainability strategy. It also provides guidance on how to integrate sustainability considerations into the organization's investment decision-making and internal operations.

The Chief Investment Officer (CIO) is responsible for the integration of climate change factors into portfolio construction and investment underwriting. The Chief Risk Officer (CRO) is responsible for establishing the Fund's risk management framework for all risk categories, including risks related to sustainability. The CSO is responsible for overseeing the implementation of the firm-wide sustainability strategy. The CSO also oversees the collection, interpretation and reporting of sustainability-related data for CPP Investments. In addition, the CSO ensures the organization understands and follows our approach to identifying and addressing sustainability-related risk factors. The Chief Financial Officer (CFO) ensures that internal controls are in place to support the reliability of sustainability-related financial disclosures, including greenhouse gas (GHG) metrics.

Objectives are set each year to further advance the organization's approach to effectively incorporate sustainability-related considerations into investment and operational decision-making. Those sustainability-related objectives are incorporated into various department objectives and, as such, inform compensation outcomes across the Fund.

Our core beliefs regarding climate change

Our approach to climate change is grounded in our Investment Beliefs and Climate Change Principles, where we seek to:

- Principle 1: Invest for a whole economy transition required by climate change.
- Principle 2: Evolve our strategy as transition pathways emerge and global standards for decarbonization materialize.
- Principle 3: Exert influence to create value and mitigate risk.
- Principle 4: Support a responsible transition consistent with our investment beliefs and expertise, including our belief that accelerating the global energy transition requires a sophisticated, long-term approach rather than blanket divestment.
- Principle 5: Report on our actions, their impacts and our portfolio emissions.

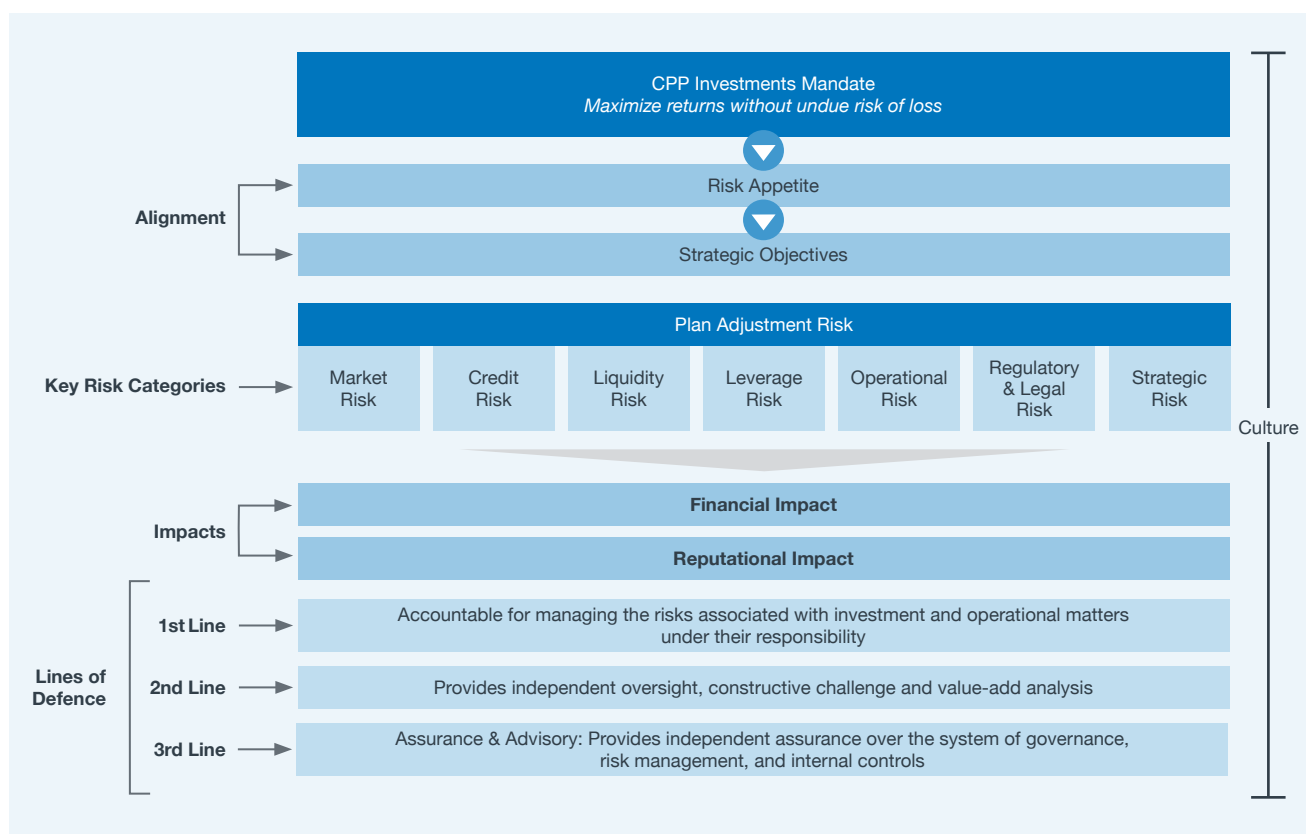
These principles frame how we engage with stakeholders and deploy capital to support our portfolio companies in aligning their strategies with a low-carbon and climate-resilient future, where doing so unlocks and protects long-term value. They also outline our support for a whole economy transition, with continued investment and engagement across all sectors.

Achieving net zero by 2050 remains a widely adopted goal and critical ambition for many companies, countries and international organizations. The fulfillment of commitments made by governments, technological progress, fulfillment of corporate targets, changes in consumer and corporate behaviours, and development of global reporting standards and carbon markets will determine the pace of the transition to net zero.

We believe that applying these principles can support both the whole economy's transition and the long-term performance of the Fund.

How We Manage Risk and Govern the Fund

Our Integrated Risk Framework



Our approach to integrated risk management allows us to both create and safeguard value. It is central to delivering on our mandate to maximize returns without undue risk of loss. This framework is grounded and sustained by our risk culture, as further discussed on page 25.

Risk governance defines clear parameters within which the Fund operates. This starts with the articulation of our risk appetite and other provisions as approved by the Board of Directors to manage key risks associated with the base CPP, additional CPP and the Fund as a whole. Risk appetite describes how much risk CPP Investments is willing to take to fulfil our mandate and achieve our strategic objectives. Our risk appetite consists of:

- **Risk limits** which state the boundaries within which we must normally operate;
- **Risk statements** which qualitatively express the boundaries for certain risks that are difficult to quantify; and
- **Risk targets** which express the targeted level of risk within our risk limits at which we seek to operate.

We believe effective risk management, along with our comparative advantages, allows us to capitalize on opportunities and generate value. As such, our Integrated Risk Framework considers all key risks that could have a material impact on the Fund's ability to deliver on our mandate and achieve our strategic objectives. This helps to ensure that the risks we take are commensurate with the long-term benefits we expect to receive.

Our Integrated Risk Framework is guided by the following risk management principles:

1. We promote and maintain an enterprise-wide risk culture that values the importance of effective risk management in day-to-day activities;
2. We understand and clearly articulate the organization's appetite for risk, in the context of our mandate to maximize returns without undue risk of loss. We consider both short- and long-term horizons, as well as the risk of CPP plan adjustments arising from investment returns;
3. We expect the Fund to be appropriately rewarded over time for risks we undertake in pursuing both our overall investment strategy and specific investment opportunities;
4. We seek to operate within our stated risk appetite by monitoring our risk exposures and by evaluating the design and operating effectiveness of our controls, while ensuring the costs of managing risks do not exceed the expected benefits;
5. We align our risk practices with industry standards where possible while tailoring them to meet the needs of our mandate; and
6. We clearly define who is accountable across the "three lines of defence":
 - **First line of defence:** The leaders of each department are responsible for managing the risks assumed within their areas of responsibility. The CIO is accountable for recommending investment risk targets to the Board for approval.

- **Second line of defence:** The Chief Risk Officer (CRO) is accountable for risk oversight and recommending risk limits and statements to the Board for approval. The Risk department is responsible for independently overseeing and constructively challenging the first line's identification, assessment and management of risks, providing value-add risk analysis and independently measuring and monitoring compliance with all risk limits and statements. Other departments or groups also provide independent oversight of different types of risks, including our Finance, Legal and Compliance functions.
- **Third line of defence:** The Assurance & Advisory group provides independent assurance over the adequacy and effectiveness of CPP Investments' governance, risk management and internal controls.

We manage and oversee all risks that could materially impact our ability to fulfil our mandate and achieve our strategic objectives. Within each key risk category of the Integrated Risk Framework is a more detailed risk taxonomy. Our risk management processes and systems of internal control allow us to manage each of these key risks to an acceptable level within our Board-approved risk appetite. For additional details on the definition, measurement and management of our key risks, please refer to page 42 of our Management's Discussion and Analysis.

Risk culture

We recognize the significance of an established risk culture, which includes our shared attitudes, values and guidelines. These shape behaviours related to risk awareness, risk-taking and risk management. Risk culture is a part of our overall organizational culture that influences how we take and manage risks, both individually and collectively. We believe that formally documented controls and processes can only be effective if they are underpinned by a sound organizational risk culture. Our risk culture helps us ensure that risk-taking is appropriate given our mandate, risk appetite and strategy. When combined with effective leadership and Board governance, these practices provide a strong risk culture for the organization.

Our risk culture:

- Starts with the "tone from the top" and applies to all levels in the organization;
- Is characterized by open dialogue, a willingness to raise concerns and clear accountabilities;
- Underpins CPP Investments' strategy; and
- Drives the effectiveness of risk governance.

Our Code of Conduct and Guiding Principles support the foundation for our culture, including our risk culture.

Regular and targeted training reinforces awareness and understanding of key policies, standards and regulations. All employees formally acknowledge that they have read, understood and complied with the Code. Every year, we hold a Living our Guiding Principles Day where our global teams meet, facilitated by senior leaders, to discuss scenarios that put our Guiding Principles of Integrity, Partnership and High Performance into action. This serves as an important reinforcement of our purpose-driven mandate and public accountability.

Our risk culture is further strengthened by our focus on equity, diversity and inclusion. We believe diverse and inclusive groups help reduce bias and, as a result, make better decisions. Our commitments in this area allow us to manage multi-faceted risks more effectively in the fast-evolving global markets in which we operate. For additional details on our culture and talent strategy, refer to page 29.

How Management is accountable for risk-taking and performance

The Board of Directors delegates accountability to the President & CEO for all risks and organizational matters beyond those specifically reserved for the Board. Responsibility is further delegated throughout the organization by the CEO through our formalized Management Authorities, starting with the Senior Management Team, across the three lines of defence.

Our Senior Management Team's leadership and expertise strengthen CPP Investments' governance. Successful investing requires clear decision-making and accountability. The key elements of our management committee structure are described below:

Investment Strategy and Risk Committee

The ISRC comprises the CIO, CRO, General Counsel, and the President & CEO as Chair. ISRC membership expands to include the full Senior Management Team for select matters that require broader perspectives. Membership also expands to the CSO whenever sustainability-related matters or decisions are discussed. The ISRC and its sub-committees are accountable for a select set of approvals. They provide guidance and recommendations to accountable executives and committees to ensure diverse perspectives are incorporated into decision-making processes.

The ISRC is accountable for overseeing portfolio and risk-related matters, including the strategy, design, management and governance of the Investment Portfolios. It oversees our:

- Approach to and consideration of strategic risks;
- Formal statement of Investment Beliefs (see our [website](#) for details);
- Total Portfolio Investment Framework (see page 16);
- Investment Risk Limit Standard and Enterprise Risk Appetite Standard;
- Sustainability-related Risk Standard;
- Green Bond Framework; and
- Crisis Management Standard.

The ISRC also provides guidance on our reputation management program and approach to managing other broad factors, such as sustainability-related issues.

The ISRC receives the following targeted support from its sub-committees:

- **Portfolio Execution Committee (PEC)** supports the ISRC's oversight of investment-related accountabilities. Chaired by the CIO, the PEC oversees key aspects of portfolio execution. It considers an array of strategic investment and risk-related matters as it reviews new investments, the disposition of investments and follow-on transactions for approval. The PEC also evaluates whether specific investments are aligned with their corresponding active strategy mandate.

- **Portfolio Strategy Committee (PSC)** supports the ISRC's oversight of design, delivery and management of the Investment Portfolios. Chaired by the CIO, the PSC provides guidance on matters including key portfolio design targets and attributes that support and enable the Total Portfolio Investment Framework.
- **Risk Committee (RC)** supports ISRC's oversight of investment and enterprise risks. Chaired by the CRO, the RC provides guidance on matters including the design of market, credit, liquidity and leverage risk limits at the Board and management level. It also provides guidance on operational, legal and regulatory risk appetites and oversees the organization's approach to managing these risks.
- **Operating Committee (OC)** supports the ISRC's oversight of the effectiveness and efficiency of the organization's operating environment. Chaired by the Chief Operating Officer (COO), the OC also provides guidance on cross-enterprise operational matters.
- **Sustainable Investing Committee (SIC)** supports the ISRC's oversight of CPP Investments' approach to and consideration of sustainability-related risk. See page 23 for details on the SIC.

Each of these sub-committees is composed of cross-functional representatives from our leadership teams. They help provide a diverse set of perspectives and guidance to support the execution of the responsibilities of their respective committees.

How the Board oversees strategy execution and risk governance

The Board oversees strategy execution and risk governance, including approving the following items:

Business Plan – This document, prepared annually, sets out the current and longer-term investment and operating plans for CPP Investments, including capital and operating budgets. The business plan establishes enterprise priorities to execute our strategy and initiatives to achieve them.

Investment Statements – These documents are required by the regulations to the CPPIB Act. They are approved by the Board annually and published on our website. They set out the investment objectives for the Fund, policies, long-term return expectations, the Strategic Portfolios which express the expected asset class and geographic composition of each Investment Portfolio as well as both long- and short-term risk management.

Risk Policy – This policy describes the requirements for managing and overseeing all risks that could materially affect CPP Investments’ ability to fulfil its mandate and achieve its objectives. The Policy outlines our Integrated Risk Framework and risk appetite.

Policy on Sustainable Investing – This policy sets out the principles that guide CPP Investments’ approach to sustainable investing within the context of our legislative mandate. See page 23 for details on the policy.

In addition, the Board receives quarterly management reports to monitor:

- Growth and composition of the Investment Portfolios;
- Management’s progress against the year’s Business Plan;
- Investment Portfolios’ market and other risk measures, including liquidity and stress tests, climate-related metrics and the results of climate change scenario analysis;
- Total returns and contributions from individual investment departments;
- Total returns relative to the best-estimate assumptions of long-term investment returns reported by the OCA; and
- Value added relative to the Benchmark Portfolios.

Management reports to the Board on the Fund’s approach to climate change, at least annually.

For additional details, refer to the Governance Practices of the Board of Directors section (see page 83).

How We Manage Costs

Seeking sources of incremental return requires us to invest in various capabilities, whether this involves developing advanced portfolio modelling techniques, using active strategies to pursue investment selection, or investing in enhanced risk management capabilities to effectively govern these activities.

We recognize that active management is not a low-cost strategy. We believe that every dollar saved is not only equivalent to one dollar of additional income to the Fund, but also much more certain than one dollar of potential, but uncertain, future returns. Accordingly, we treat cost management as a central tenet of our public accountability as we seek to maximize long-term returns.

Our value management philosophy

We budget and manage our costs in accordance with the long-term value we expect to gain from incurring different types of costs. Correspondingly, our cost profile is driven by our strategic choices on portfolio composition, including:

- The proportion of the Fund that is invested through our balancing strategies versus active strategies;
- The proportion of our active strategies that are directly managed internally versus invested externally through fund managers;
- The proportion of active strategies that are invested in public versus private assets;
- The proportion of active strategies that are invested in developed versus emerging markets; and
- The amount of leverage we choose to deploy.

Given the strategic importance of these decisions, we align our allocations of capital and resources with clear accountabilities for delivering value. This allows us to objectively monitor our progress on both dollars spent and incremental returns generated.

On an ongoing basis, we manage our costs in accordance with our expense management policies. We also follow seniority-based management approval authorities in line with our Board-approved business plan and budget.

At CPP Investments, we view effective cost management as a strategic imperative that can help us improve the Fund's long-term investment performance. We consistently and continuously evaluate whether we are allocating our resources towards the most value-adding activities. From this we learn to progressively improve the efficiency and effectiveness of our capital and resource allocations over time. It starts with a strong tone from the top and is enhanced by our value-conscious culture.

How we allocate our resources

From a planning perspective, we balance the allocation of the Fund's resources across key activities. We ensure budget is allocated towards our entity-sustaining governance activities, which includes the minimum expenses required for the Fund to operate at the most basic level.

We also allocate budget towards our balancing strategies. As discussed on page 19, our balancing strategies allow us to both maintain and periodically rebalance the Investment Portfolios back to their targeted sets of diversified exposures. These strategies are highly scalable and can be managed at lower cost relative to our active strategies that seek to generate incremental returns from investment selection. We also separately budget for our use of leverage, which allows us to expand our asset base and construct more diversified portfolios at our targeted levels of market risk.

Lastly, we manage and control the growth of our expenses by allocating budgets towards our active strategies. Capital and associated budget allocations are made to active strategies based on our confidence in their ability to generate long-term incremental returns. Accordingly, this also includes allocating budgets towards the more sophisticated risk management and operational capabilities required to effectively govern and enable our active strategies.

Balancing internal and external investment expertise

Given our size, we can maintain dedicated right-sized internal teams to manage large parts of the Fund. In many areas, we have the in-house skills to carry out investing activities similar to those of external firms with comparable expertise, but at lower cost.

However, we recognize there are situations in which breadth of external expertise can still incrementally benefit the Fund. We use external managers for relevant and distinctive active strategies that we believe we cannot execute as effectively on our own. Some of our external managers also provide investment opportunities and share valuable knowledge with us as long-term partners, which further complements the advancement of our own internal strategies. Nonetheless, we only use external fund managers when we are sufficiently confident that they can deliver risk-adjusted returns that will more than offset the cost of their fees.

Choosing between internal and external management involves a key economic trade-off for the Fund. In-house management incurs personnel and other expenses to develop and implement active strategies. On the other hand, using external fund managers incurs management and performance fees. Using external fund managers may result in those managers, rather than the Fund, partially bearing the risk of underperformance. For example, when we use external private equity fund managers, performance fees are only paid when a manager realizes profits above a predetermined rate of return. This helps to reduce the risk of incurring personnel and other expenses to run internally developed active strategies and failing to generate the expected value added. However, we will develop internal active strategies when we are sufficiently confident that they will help generate long-term value more economically than external managers.

How We Pay for Performance

As one of the largest investment funds in the world, we require a wide array of specialized capabilities to effectively govern the Fund and execute our investment strategies. Our workforce is diverse, both in skill sets and background. The diversity of our people unlocks our ability to innovate by bringing a wide variety of experiences and perspectives to the investment challenges we must solve.

We believe a holistic talent strategy is essential to effectively mobilize our people in delivering on our mandate and strategy. This includes fostering a strong culture of integrity, partnership and high performance, and using our compensation framework to:

- Attract, motivate and retain our employees;
- Pay for performance; and
- Align the long-term interests of our employees with those of the Fund.

We describe each of these components in greater detail below.

Our culture of integrity, partnership and high performance

Our people are the ambassadors of our purpose-driven culture and worldwide reputation, and they fuel our ability to grow and adapt to an increasingly complex and fast-evolving global investment landscape.

Our culture is anchored in CPP Investments' Guiding Principles of Integrity, Partnership and High Performance, as well as our Code of Conduct. These principles encompass the organization's core values and provide guidance to our team in everyday workplace situations.

CPP Investments remains focused on strengthening our culture by emphasizing the importance of a shared global mindset and cross-functional collaboration, so that as an integrated whole, we can deliver more value than the sum of our parts.

Our compensation framework

Successfully competing for talent

We compete for talent with the largest investment managers and financial institutions, both in Canada and globally. Offering market competitive compensation is one of the essential elements necessary to being able to attract, motivate and retain

the talent we need to effectively execute CPP Investments' legislative mandate.

Our incentive compensation program considers our public mandate, the strategies we have chosen to pursue, and the markets in which we operate. We reward our people for delivering on quantitative and qualitative objectives that benefit the Fund. In fiscal 2024, we completed a comprehensive review of our incentive compensation program to ensure it aligns with our strategy. This included adopting the Benchmark Portfolios to measure relative performance (see page 19). The Benchmark Portfolios provide a better measure of our targeted exposures through passive public market indexes. We also introduced a measure of progress towards strategic objectives at the organizational level to encourage focus on organizational strategic priorities, as described on page 69.

Finally, we moved to expressing value added in percentage terms instead of in dollar terms to align with industry norms. The refined incentive compensation plan came into effect in fiscal 2025.

Aligning incentives to delivering on our mandate and strategic objectives

Our compensation program reflects our public accountability and our responsibility to manage the Fund in the best interests of CPP's contributors and beneficiaries. We align incentives to delivering on our mandate and long-term strategy, while also considering our appetite for taking on different types of risks in our pursuit of value added returns.

We believe that what we accomplish, and how we accomplish it, are equally important. Our compensation program is grounded in our Guiding Principles and is designed to meet or exceed the Principles for Sound Compensation Practices established by the Financial Stability Board and endorsed by the G20 nations.

Every employee's total incentive is partially tied to total Fund performance. This includes achieving the Board-approved levels of absolute and relative total Fund returns, as well as the Fund-wide strategic objectives. This emphasis on the total Fund helps draw a closer link between the interests of CPP contributors and beneficiaries and the compensation we pay our employees. See page 23 for details on how we align incentives to encourage the incorporation of sustainability-related considerations into investment and operational decision-making.

Financial Stability Board Principles for Sound Compensation	CPP Investments Compensation Framework
Based on long-term performance	Based on five-year investment performance at both the Fund and department level, aligned to the long-term nature of our investment mandate while reducing year-to-year compensation volatility
Discourages short-term risk-taking	Five-year results discourage short-term decisions Benchmarks are adjusted for the degree of risk taken Considers both investment outcomes and how that outcome was achieved
Increased oversight powers of compensation committees	The Human Resources and Compensation Committee and the Board of Directors make all decisions about the compensation framework

Overall, our compensation program is designed with the following key features:

Aligned with Our Mandate and Strategic Objectives	<ul style="list-style-type: none"> ✓ Incentivizes employees to maximize long-term returns, within established risk parameters ✓ Focuses on the delivery of value to the Fund as a whole, in line with our Board-approved investment strategy, business plan and budget ✓ Rewards groups and individuals upon the delivery of predetermined objectives
Appropriate Horizon	<ul style="list-style-type: none"> ✓ Aligns to our five-year measurement horizon for evaluating investment performance ✓ Ensures a significant portion of compensation is variable and deferred for our most senior employees to promote long-term alignment ✓ Pays out deferred incentives over a multi-year horizon to promote retention and long-term alignment
Differentiated Group and Individual Performance	<ul style="list-style-type: none"> ✓ Includes the ability to distinctively differentiate group and individual performance in a way that is directly tied to delegated accountabilities ✓ Recognizes the differences between asset classes and market conditions through the use of relative value-added returns of each investment strategy
Supports the Application of Informed Judgment	<ul style="list-style-type: none"> ✓ Considers the outcomes of both quantitative and qualitative investment and organizational objectives, and how the outcomes were achieved ✓ Incorporates alignment with CPP Investments' Guiding Principles ✓ Provides increased stability and consistency of performance evaluations with tools to help mitigate bias in decision-making
Market Competitive and Simple	<ul style="list-style-type: none"> ✓ Enables the attraction and retention of people with the requisite skill sets to effectively deliver on our mandate and execute our chosen investment strategies ✓ Provides transparency to key stakeholders and current and prospective employees through a clear, simple and objective framework that is aligned to our strategic objectives

Ensuring effective governance

To ensure effective governance and oversight over the Fund's compensation program, the Human Resources and Compensation Committee (HRCC) – a Board-level committee – advises the Board of Directors on key talent management and compensation matters. This includes ensuring the alignment of organizational and stakeholder interests through the design and oversight of a performance-driven compensation framework.

Annually, the Board approves the total Fund incentive targets and budget through the business plan. This provides clear direction for all employees for the upcoming year. At fiscal year end, the Board is accountable for approving aggregate incentive multipliers and payouts. It also evaluates and determines the compensation of the CEO, other Named Executive Officers (NEOs) and the rest of the Senior Management Team.

The HRCC also reviews competitive pay levels for the Senior Management Team, including the NEOs, relative to peer organizations and proprietary market data from reputable external advisors. For the Senior Management Team, including

NEOs, we benchmark compensation against Canadian public pension funds, Canadian publicly traded investment asset managers and the broader labour market. This includes investment firms, insurance companies and banks in North America and other relevant international markets.

The Board also has the authority to interpret, change and discontinue compensation plans at its discretion. Under the Variable Compensation Clawback Policy, the Board may claw back, reduce or require employees to forfeit incentive awards if:

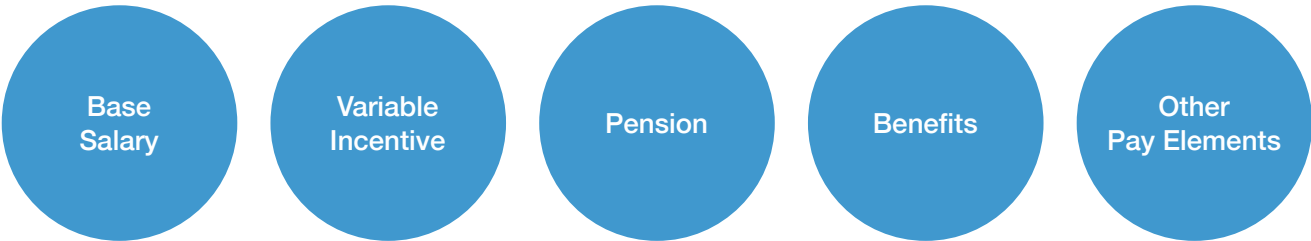
- Financial results are restated and the Board considers prior awards to be excessive; or
- There was a miscalculation or the incentive award was granted in error; or
- An employee is guilty of misconduct.

Refer to our [website](#) for additional details on the mandates of the HRCC and Board of Directors. The mandate and composition of the current HRCC is outlined in the Governance section on pages 84 and 86.

Key elements of our total compensation

Our pay mix is designed to align with market practice. It includes a mix of fixed salary and variable incentive compensation, as well as short-term and long-term compensation.

Key elements of our total compensation include the following, with each described in further detail below:

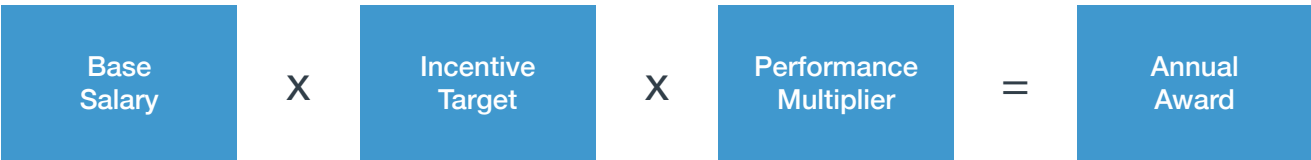


Base salary

Base salaries reflect skill level, ability and sustained performance. We review salaries annually at the end of each fiscal year. Any changes to the Senior Management Team’s compensation, including the NEOs’ salaries, require Board approval.

Variable incentive

At the end of each fiscal year, employees are eligible to receive an annual award according to the following formula:



We set incentive targets by job level to align with market practices. A portion of the annual award is paid out in cash following the end of the fiscal year. We call this the In-Year Award. For senior employees, a portion is deferred over three years to align with the long-term focus of the Fund. We call this the Deferred Award. It vests and pays out partially over three years following the fiscal year for which it is awarded. During the vesting period, Deferred Awards are treated as if they were invested in the Fund and fluctuate with total Fund returns. Employees forfeit the incentive award and any unvested Deferred Awards if they resign during the fiscal year.

At the end of the fiscal year, we determine a performance multiplier for each employee, based on an assessment of performance at three levels: Fund, department or group, and individual. For all employees, except the Senior Management Team, the weights of each factor are as follows:

Incentive Factors		Weight	
1	Fund Performance	30%	This performance factor includes measures of value added (40%), total Fund return (40%), each measured over a five-year trailing period, and performance against organizational strategic objectives (20%).
2	Department and Group Performance	30%	Department and Group performance objectives are determined at the start of each year. At year end, we measure their performance against these objectives, which includes delivering on both financial goals such as value added returns as well as other strategic objectives.
3	Individual Performance	40%	We assess individual performance annually, based on specific objectives identified at the beginning of each year. Assessment of the individual is also based on their performance relative to the expectations of their role as outlined in our Integrated Career Framework.

The total incentive may vary from zero to a maximum of two times the target amount for each performance factor.

To better align the Senior Management Team to total Fund objectives, 50% of their incentive is based on total Fund performance and 50% on department and individual performance.

The mix of salary, in-year incentive award and deferred compensation varies by role and level, with higher deferral targets for more senior professionals. The Senior Management Team has a higher proportion of their compensation delivered through variable pay, commensurate with our goal of paying for performance.

Pension

We provide most employees with the opportunity to participate in a defined contribution retirement plan. These have relatively lower and more predictable costs than the defined benefit plans offered by other large pension funds and financial services companies. Plans vary by location to reflect local regulations and competitive market practices.

Benefits

Our benefits programs are comparable to those provided by similar organizations in our industry. They include life insurance, disability benefits, health, dental and vision benefits, time-off policies, a health and wellness allowance, and an Employee-Family Assistance Program. We also provide paid parking for the Senior Management Team members based in Toronto.

Other pay elements	
Voluntary Deferral Incentive Plan (VDIP)	Eligible employees may voluntarily defer some or all of their In-Year Award for a three-year period, with the deferral treated as a notional investment either entirely in the total Fund, or in both the total Fund and up to a maximum of 50% in the Fund's portfolio of private investments.
Supplemental Restricted Fund Units (SRFU)	SRFUs are selectively used for new hires to replace forfeited compensation from a previous employer or as a compensation transition to a new role or geographic location, or for retention of current employees. This is a deferred award that acts as a notional investment which fluctuates in value with total Fund performance.
Fund Return Units (FRU)	FRUs are a type of long-term incentive compensation that aligns payouts to the long-term absolute performance of the total Fund. Payouts are contingent on positive cumulative returns over the term of the award. The grant value is derived using a valuation model which takes into consideration volatility and the risk-free rate of return.

Our approach to equity, diversity and inclusion

As CPP Investments continues to grow, the cornerstone of our success remains our people and their dedication to integrity, partnership and high-performance.

We are committed to creating a diverse and inclusive workplace that can both attract and retain the highest performing talent in our industry, and ensure the value of diverse experience and perspectives is brought to bear on our investment practices.

We believe that diversity of skills and experiences result in more informed decisions and high performance. Our equity, diversity and inclusion practices are reviewed regularly. This ensures they remain effective and aligned with our Guiding Principles, across our business, and in line with the practices and requirements in the jurisdictions in which we operate. At CPP Investments, we recognize the importance of talent in delivering results. For this reason, our strategic talent planning includes attracting and retaining highly qualified individuals and providing development opportunities at every level, and robust succession plans to ensure a pipeline for senior roles.

Our Integrated Career Framework details leadership expectations and team-specific competencies. It provides clear performance expectations and consistency across the organization. This contributes to a transparent and equitable career progression pathway. As part of our high-performance culture, colleagues are provided with visibility into their respective salary ranges to promote transparency.

The annual colleague engagement survey provides an opportunity for employee feedback. We benchmark the results year over year and against external comparisons.

More information on our survey, learning program and career program can be found on page 65. Visit our [website](#) to learn more about our talent and culture.

Management's Discussion and Analysis

Key Performance Indicators

Net assets	10-Year	5-Year	1-Year
\$714.4 Billion			
Base CPP Net Assets			
\$655.8 Billion			
Additional CPP Net Assets			
\$58.6 Billion			
Annualized Net Returns ¹	8.3%	9.0%	9.3%
Cumulative Net Income	\$355.8B	\$232.4B	\$59.8B
Base CPP Net Returns	8.4%	9.1%	9.3%
Additional CPP Net Returns ²	6.1%	5.7%	8.5%

Annualized 5-Year Net Returns and Value Added

Base CPP

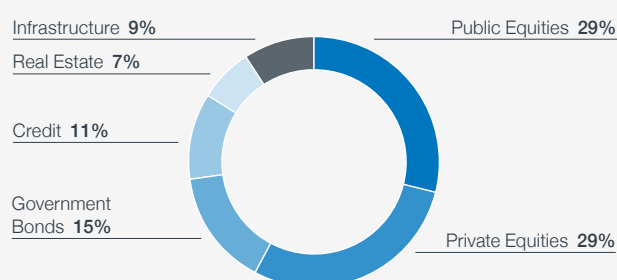


Additional CPP



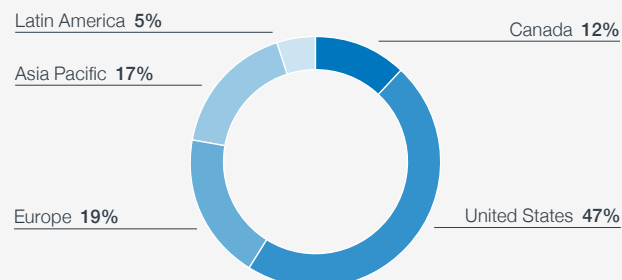
Asset Class Composition^{3,4}

March 31, 2025



Geographic Composition

March 31, 2025



1. Net returns are reported net of all expenses.
2. 10-Year net returns for the additional CPP are reported since its inception in 2019.
3. For a breakdown of the composition of each asset class, refer to page 73.
4. Credit consists of public and private credit investments. \$67.2 billion of this forms part of the Active Portfolio and \$11.6 billion forms part of the Balancing Portfolio as at March 31, 2025. The Credit Investments department manages both.

Information in this section provides analysis of the operations and financial position of Canada Pension Plan Investment Board (CPP Investments) and should be read in conjunction with the Consolidated Financial Statements and accompanying Notes (Financial Statements), for the year ended March 31, 2025. The Financial Statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB). On April 2, 2025, subsequent to the reporting date, the U.S. administration announced substantial and wide-ranging policy actions. These measures, including retaliatory actions already enacted by other countries and the potential for further trade-related developments, have introduced additional uncertainty into the global economic outlook. While no adjustments have been made to the Financial Statements for events that transpired after March 31, 2025, in accordance with IAS 10 Events After the Reporting Period, CPP Investments has incorporated all available information as of March 31, 2025.

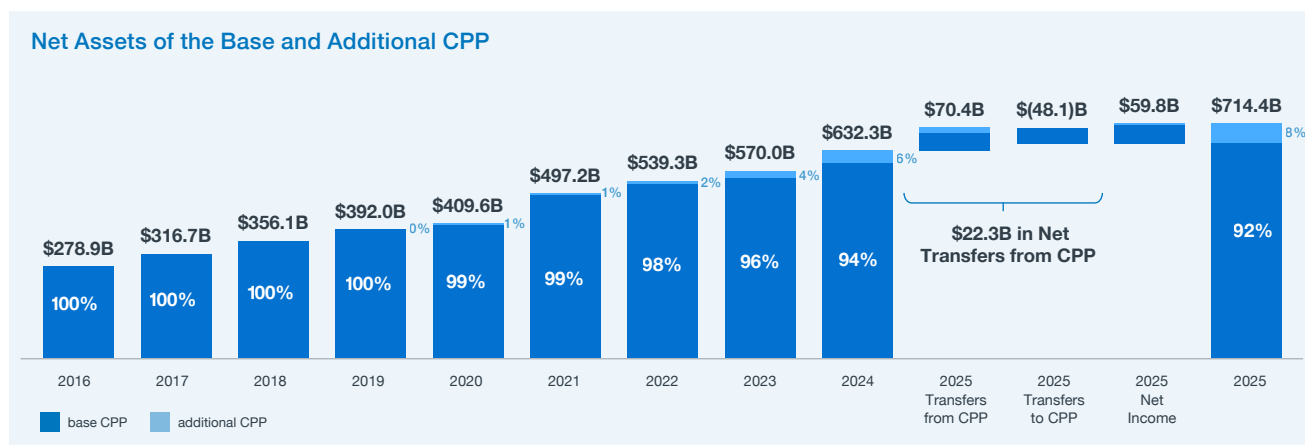
The disclosure of certain non-IFRS Accounting Standards (non-IFRS) measures in this section is intended to provide readers with supplemental information that reflects Management's perspective on the Fund's performance. It may not be comparable to similar measures disclosed by other institutions. Definitions of non-IFRS measures (recourse leverage, currency diversification, and gross income) and a reconciliation to their comparable IFRS Accounting Standards measures can be found on page 71. Return figures are non-IFRS measures and have no IFRS Accounting Standards comparable value.

Return figures have been calculated using a time-weighted rate of return methodology. Return figures presented in this section are annualized and nominal, unless stated otherwise. All figures are reported in Canadian dollars, unless stated otherwise.

Certain figures may not agree to the Financial Statements and/or may not add up due to rounding.

Fund Composition and Performance

CPP Investments ended its fiscal year on March 31, 2025 with net assets of \$714.4 billion, compared to \$632.3 billion at the end of fiscal 2024. The \$82.1 billion increase in net assets consisted of \$59.8 billion in net income and \$22.3 billion in net transfers from the Canada Pension Plan (CPP).



The base CPP account ended fiscal 2025 with net assets of \$655.8 billion, which represented 92% of the Fund. This compared to \$593.8 billion, or 94% of the Fund, at the end of fiscal 2024. The \$62.0 billion increase in net assets consisted of \$55.8 billion in net income and \$6.2 billion in net transfers from the CPP.

The additional CPP account ended fiscal 2025 with net assets of \$58.6 billion, which represented 8% of the Fund. This

compared to \$38.5 billion, or 6% of the Fund, at the end of fiscal 2024. The \$20.1 billion increase in net assets consisted of \$4.0 billion in net income and \$16.1 billion in net transfers from the CPP. The assets in the additional CPP account are expected to grow at a faster rate than those in the base CPP account. This is due to the difference in net contribution profiles between the additional CPP and the base CPP.

Net Returns

	Fiscal 2025		Fiscal 2024	
	Net returns % (annualized)	Net income \$ (cumulative)	Net returns % (annualized)	Net income \$ (cumulative)
Base CPP				
1-year	9.3%	\$55.8 billion	8.1%	\$44.4 billion
5-year	9.1%	\$225.6 billion	7.8%	\$181.9 billion
10-year	8.4%	\$349.0 billion	9.2%	\$333.8 billion
Additional CPP				
1-year	8.5%	\$4.0 billion	5.7%	\$2.0 billion
5-year	5.7%	\$6.8 billion	4.9%	\$2.9 billion
Since January 1, 2019 inception	6.1%	\$6.8 billion	5.6%	\$2.9 billion

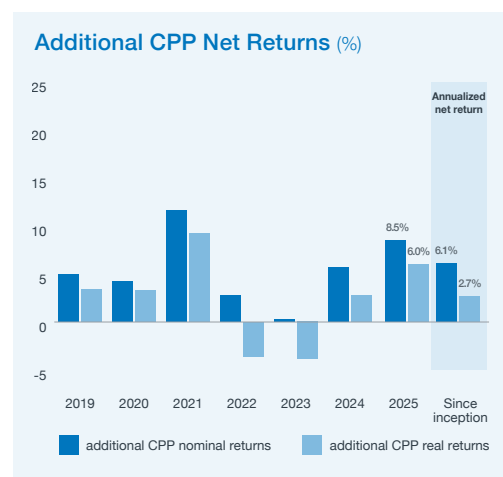
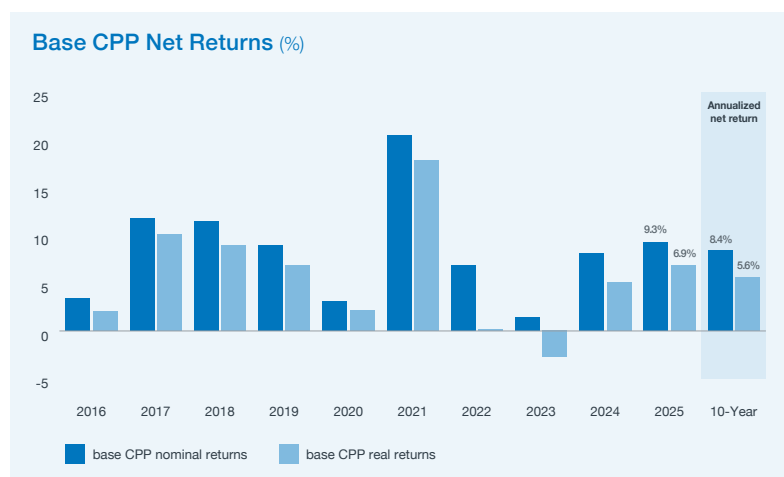
The Fund, which includes both the base CPP and additional CPP accounts, achieved a total net return of 9.3% for the fiscal year. The Fund earned a five-year net return of 9.0% and a 10-year net return of 8.3%.

The base CPP account achieved a net return of 9.3% for the fiscal year, which reflected positive performance across all asset classes. The base CPP account earned a five-year net return of 9.1% and a 10-year net return of 8.4%. The five-year result was higher compared to fiscal 2024. This mainly reflected the effect of fiscal 2020 rolling off the current five-year time period, a lower returning year which was negatively impacted by the COVID-19 pandemic. The 10-year return was lower compared to fiscal 2024, which reflected the effect of a higher returning year rolling off the 10-year time period.

The additional CPP account achieved a net return of 8.5% for the fiscal year. The additional CPP account's lower returns

compared to the base CPP account in fiscal 2025 was due to its greater allocation to Canadian government bonds and their lower returns in the year. Canadian government bonds refers to both federal and provincial government bonds. The additional CPP account earned a five-year return of 5.7% and a net return since January 1, 2019 inception of 6.1%. Both the five-year net return and since inception net return improved compared to fiscal 2024.

The additional CPP was designed with a different legislated funding target compared to the base CPP. Given the differences in their funding, the additional CPP is more sensitive to investment return uncertainty. It therefore carries a lower market risk target than the base CPP, resulting in a different portfolio composition. Correspondingly, the asset mix and performance of the additional CPP account is expected to differ from that of the base CPP account.



Generating returns to help support long-term financial sustainability

Every three years, the Office of the Chief Actuary (OCA) conducts an independent review of the long-term financial sustainability of the base CPP and additional CPP. 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 financially sustainable over the long term at the legislated contribution rates.

When evaluating the long-term financial sustainability of the base CPP and additional CPP, the OCA makes assumptions about their expected returns over the next 75 years. The Chief Actuary's projections, published per the 31st Actuarial Report, assume that over the 75 years starting in 2022, the base CPP account will earn an average annual real rate of return of 3.69% above the rate of Canadian consumer price inflation, after all expenses. The projections also assume that, over the same time period, the additional CPP account, which targets a lower level of risk, will earn an average annual real rate of return of 3.27%, after all expenses.

As at the end of fiscal 2025, the base CPP account's real return for the past 10-year period was 5.6%. The additional CPP's real return since January 1, 2019 inception was 2.7%.

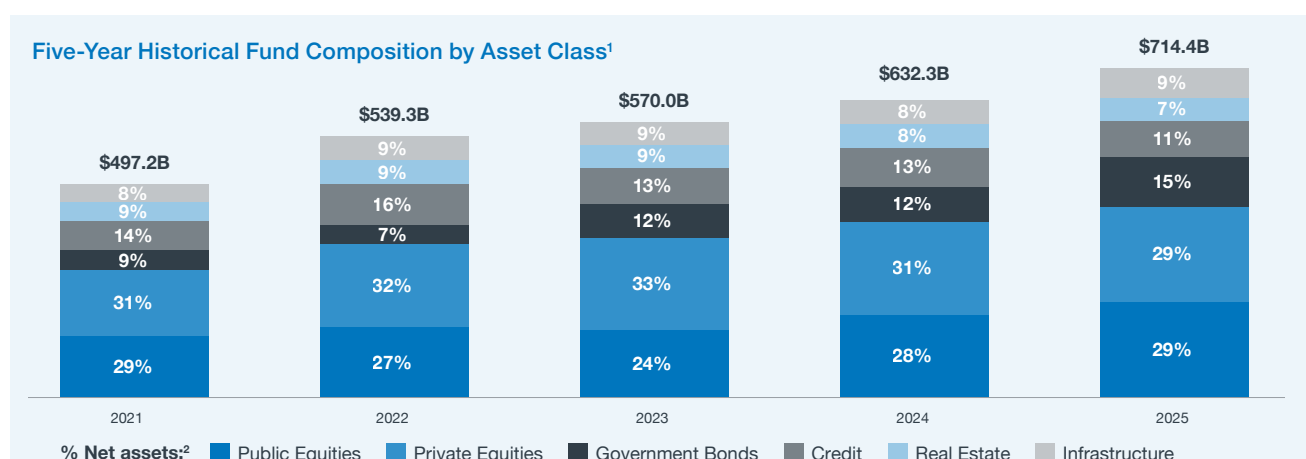
Market returns typically vary widely year-to-year, and that variance can persist even over five- and 10-year periods. For example, over the past 10 years, global equity market returns have been favourable relative to inflation and also compared to longer historical periods. In fiscal 2025, overall nominal returns were positive in both global equity and fixed income markets, as certain markets, such as U.S. equities, continued to reach all-time highs similar to the prior fiscal year. In addition, both interest rates and inflation declined. These factors contributed to an increase in five-year real returns for the base CPP and additional CPP accounts as well as since inception real returns for the additional CPP account, compared to fiscal 2024. However, the 10-year real return for the base CPP account decreased compared to fiscal 2024, which was primarily driven by a higher returning year rolling off the comparative period.

For more information, see the sections outlining our investment approach on page 16.

CPP Investments Net Real Returns¹

		Fiscal 2025	Fiscal 2024
Base CPP	5-Year	5.2%	4.3%
	10-Year	5.6%	6.5%
Additional CPP	5-Year	2.0%	1.4%
	Since January 1, 2019 Inception	2.7%	2.0%

1. The real return is the return after the impact of inflation is taken into account.



1. For a breakdown of the composition of each asset class, refer to page 73.

2. Net assets includes non-investment assets (liabilities) which are not classified to a specific asset class and round to zero percent of total net assets.

Five-year performance by asset class

Over the past five years, the Fund generated a net return of 9.0%. While most asset classes contributed to our overall positive long-term performance, our investments in private and public equities were the primary drivers of these results.

Private equities generated a five-year net return of 15.7%, and contributed to 48% of the Fund's total returns. Public equities generated returns of 11.3%, or 35% of total returns. This was consistent with the positive performance of global equity markets generally over this period which benefited from a low interest rate environment in the earlier part of the five-year period. This was followed by geopolitical events and rising inflation that led to increased interest rates across many economies. This contributed to lower relative equity returns, particularly during fiscal 2023. In the latter part of the five-year period, global equity markets achieved double-digit returns. This was mainly from the performance of U.S. equity indexes that reached all-time highs as a result of companies in the information technology and communications services sectors that benefited from technological advancements in artificial intelligence (AI).

Over the past five-year period, our investments in government bonds produced a negative net return of 1.2%. This was mostly the result of underperformance by long-duration developed market government bonds. In recent years, major central banks tightened monetary policy to combat rising inflation, which contributed to a rise in bond yields. This in turn caused a corresponding reduction in the market value of these bonds, leading to overall losses in the five-year period.

The credit asset class generated a five-year net return of 6.7%, mainly driven by gains in the private credit portfolio which benefited from a recovery in demand for real estate loans and consumer credit after the COVID-19 pandemic, as well as low default rates in corporate credit investments. In recent years, rising interest rates have also contributed to higher returns across our credit assets.

Real estate investments generated a five-year net return of 0.5%. The portfolio had mixed results and was particularly impacted by rising interest rates in recent years which negatively impacted the cost and availability of financing for these assets. Investments in the logistics sector were an exception, which experienced increased tenant and investor demand for most of the five-year period. This contrasted with retail and office investments, which continued to face challenges from shifting consumer behaviors towards e-commerce and evolving hybrid workplace trends.

Infrastructure investments generated a five-year net return of 8.1%. This result was influenced by investor demand over the period for essential and long-lived assets, particularly in the transportation sector. These investments were also negatively impacted by the increase in interest rates within the five-year period, however, to a lesser degree than other asset classes due to the inflation-hedging characteristics of the asset class.

Fiscal 2025 performance by asset class

In fiscal 2025, the Fund generated a net return of 9.3%, with positive contributions from all asset classes. The Fund achieved this positive performance amid ongoing geopolitical uncertainties and mixed global economic conditions. During the fiscal year, many major central banks began cutting interest rates in response to slowing inflation indicators, which benefited both equity and fixed income markets. Foreign exchange movements contributed positively to net returns for all asset classes in the fiscal year, particularly from the strengthening of the U.S. dollar relative to the Canadian dollar, as described on page 38.

Public equities generated a net return of 10.6% in fiscal 2025. Similar to fiscal 2024, the performance of global public equity markets bolstered returns for most of the fiscal year, particularly U.S. equities, where its growth was heavily driven by the information technology and communication services sectors. In the last quarter of the fiscal year, global equity markets delivered mixed performance across regions due to heightened geopolitical tensions and evolving trade policies.

Private equities achieved a net return of 11.8% in fiscal 2025. The result reflected gains achieved through both direct and externally managed investments, particularly in the consumer discretionary, healthcare and energy sectors. In the previous fiscal year, returns were also driven by both direct and externally managed investments, but predominately in the technology and energy sector.

Investments in government bonds produced a net return of 8.1% in fiscal 2025, in contrast to the losses experienced in the previous fiscal year. This was primarily the result of foreign exchange gains together with gains on certain long-duration government bonds, as many leading central banks reduced interest rates in response to tapering inflationary pressures during the fiscal year.

Investments in the credit asset class include both private and public credit. Together, they delivered a net return of 14.4% in fiscal 2025, primarily due to gains in the private credit portfolio. The gains were a result of tightening credit spreads, as leading central banks reduced interest rates amid slowing inflation indicators. Results in the previous fiscal year also benefited from tightening credit spreads, as central banks paused interest rate increases amid an optimistic inflation outlook.

Real estate investments delivered a net return of 3.8% in fiscal 2025, rebounding from losses in the previous fiscal year. This asset class continued to face a difficult interest rate environment and challenging trends in the office and retail sectors, with overall positive returns driven by foreign exchange gains.

Infrastructure investments delivered a net return of 9.4% in fiscal 2025. The portfolio had positive performance across all sectors, particularly in utilities, ports and toll roads in developed markets. In the previous fiscal year, returns were primarily driven by toll road investments, while select logistics and utilities investments underperformed.

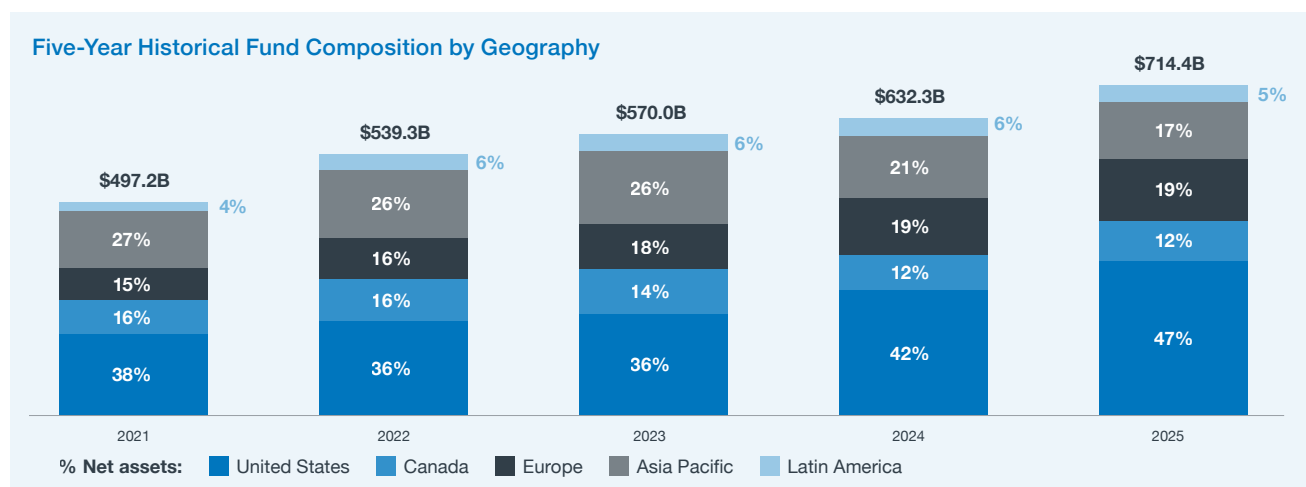
The Fund's composition of net assets by asset class across investment departments is presented on page 51.

Annualized Net Returns by Asset Class

	Fiscal 2025		Fiscal 2024	
	5-Year	1-Year	5-Year	1-Year
Public Equities	11.3%	10.6%	8.4%	13.8%
Private Equities	15.7%	11.8%	13.9%	10.4%
Government Bonds	(1.2%)	8.1%	(0.3%)	(0.4%)
Credit	6.7%	14.4%	3.8%	10.8%
Real Estate	0.5%	3.8%	0.7%	(5.0%)
Infrastructure	8.1%	9.4%	5.9%	2.6%
Total Fund¹	9.0%	9.3%	7.7%	8.0%

1. The net returns of certain investment activities are only reported in the total Fund return and are not attributed to a particular asset class return. The Fund incurred a loss of \$15.6 billion from currency management activities (earned \$1.0 billion in fiscal 2024) and a loss of \$5.9 billion from cash equivalents and money market securities (loss of \$5.1 billion in fiscal 2024). Both figures are excluded from Government Bonds. The Fund earned \$2.2 billion from absolute return strategies (earned \$6.3 billion in fiscal 2024). This figure is excluded from Public Equities. Absolute return strategies hold offsetting exposures that reduce our net position in particular holdings through long and short positions, both internally and through external managers.

Five-Year Historical Fund Composition by Geography



Five-year performance by geography

All regions contributed positively to the Fund's five-year net return of 9.0%, with investments in the U.S. accounting for 55% of these gains. Our investments in the U.S. achieved a net return of 9.6% for the five-year period. These investments outperformed all other regions, driven by positive performance from both public and private equities. The increase in the U.S. return compared to the prior five-year period reflected the impact of continued gains in U.S. equities as well as the strengthening U.S. dollar against the Canadian dollar during the current fiscal year.

In Asia Pacific, our investments achieved a five-year net return of 6.2%, accounting for 17% of the Fund's five-year net return, mainly attributable to our equity and infrastructure investments in the region. The Asia Pacific return over the five-year period was impacted by the relative underperformance of investments in China. This underperformance was influenced by China's zero-COVID-19 policies and the subsequent economic stagnation. The Asia Pacific return improved compared to the prior five-year period driven by higher returns in China in the current fiscal year.

Our investments in Europe achieved a five-year net return of 6.6%, accounting for 15% of the Fund's five-year net return. This was primarily driven by returns on our private equity investments, particularly in the information technology and financials sectors.

The Fund's investments in Canada achieved a five-year net return of 5.8%, accounting for 9% of the Fund's five-year net return, driven mainly by infrastructure and energy assets. Both Europe and Canada returns improved compared to the prior

five-year period mainly due to the effect of a lower returning year rolling off the current five-year period.

Our exposure to emerging markets was 15% of net assets at the end of fiscal 2025 compared to 20% at the end of fiscal 2024. This decline reflected changes towards our long-term Strategic Portfolio emerging markets exposure target of 16%, as described on page 18. In total, our emerging markets investments generated a five-year net return of 6.0% and are mostly held in the Asia Pacific and Latin America regions.

Fiscal 2025 performance by geography

In fiscal 2025, all regions other than Latin America generated positive performance. Investments in the U.S. achieved a net return of 12.7%, which reflected gains in public and private equities, and credit investments. In addition, a weaker Canadian dollar relative to the U.S. dollar positively impacted returns. In fiscal 2024, returns were driven by gains in public and private equities, partly offset by losses in government bonds and real estate investments.

The Fund's Asia Pacific investments had a net return of 7.3%, primarily driven by foreign exchange gains and positive results from China and India. In China, public equities and credit investments benefited from government stimulus packages announced during the fiscal year, although the real estate sector continued its underperformance from the prior fiscal year. In fiscal 2024, investments in Asia Pacific were negatively impacted by lower returns in China, driven by a slowdown in expected economic growth and persistent challenges in its real estate market.

In Europe, the Fund returned 8.8%, mainly from foreign currency gains as the Canadian dollar depreciated against the British pound and the euro. Public and private equity investments generated gains with the region benefiting from improving economic indicators in the last quarter of fiscal 2025. In fiscal 2024, investments in Europe were driven by positive performance in public and private equity, partly offset by losses in infrastructure assets in the utilities sector.

In Canada, the Fund achieved a net return of 8.1% driven by gains in infrastructure, energy and power investments, and

government bonds which benefited from improving financial indicators, including a declining interest rate environment. Fiscal 2024 returns were primarily from gains in infrastructure investments and government bonds.

Investments in Latin America had a loss of 1.6%, primarily due to foreign currency losses as the Brazilian real weakened against the Canadian dollar and losses in Brazilian public equity investments, particularly in the energy sector. This was in contrast to fiscal 2024, when returns in Latin America were driven by gains in public equity investments in Brazil.

Annualized Net Returns by Geography

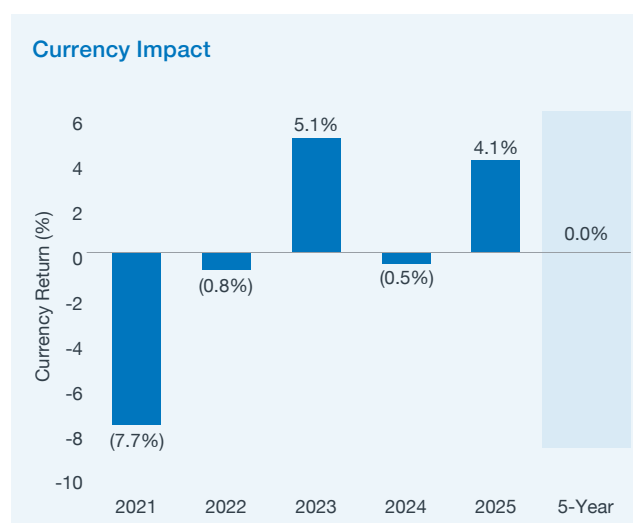
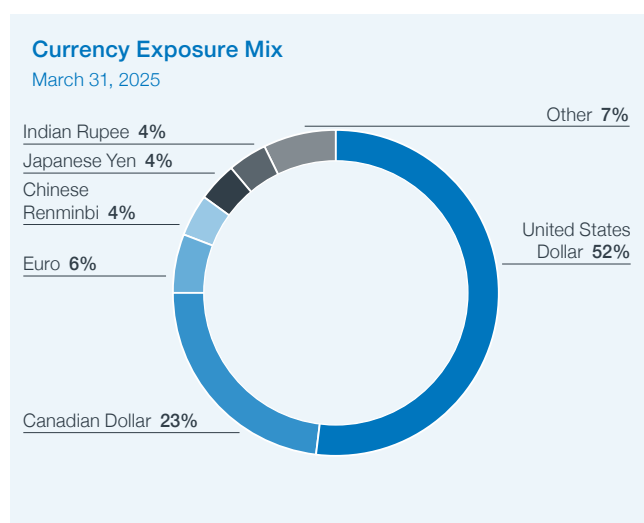
	Fiscal 2025		Fiscal 2024	
	5-Year	1-Year	5-Year	1-Year
Canada	5.8%	8.1%	4.2%	5.9%
United States	9.6%	12.7%	8.9%	9.4%
Europe	6.6%	8.8%	4.0%	5.8%
Asia Pacific	6.2%	7.3%	4.6%	0.1%
Latin America	8.2%	(1.6%)	7.7%	11.5%
Total Fund¹	9.0%	9.3%	7.7%	8.0%

1. The total Fund returns include results of certain investment activities that are not attributed to any geographic area reported in this table. This includes a loss of \$15.6 billion from currency management activities (earned \$1.0 billion in fiscal 2024), a loss of \$5.9 billion from cash equivalents and money market securities (loss of \$5.1 billion in fiscal 2024), and \$2.2 billion earned from absolute return strategies (earned \$6.3 billion in fiscal 2024). For this geography-based presentation, total Fund net returns also include securities, such as swaps, forwards, options, and pooled funds, that have no country of exposure classification. The weight of these securities to total market value is negative 0.8% for fiscal 2025 (negative 0.1% in fiscal 2024).

Impact of currency movements on Fund performance

At the end of fiscal 2025, foreign currency exposures represented 77% of the Fund and totalled \$552.4 billion. The Fund's exposure to the Canadian dollar was 23%. As described on page 19, our desired Canadian dollar exposure can differ from the size of our investments in Canada, as was the case at the end of fiscal 2025. The charts below show the underlying currency exposures of our net assets and the impact this had on our net returns for each of the past five fiscal years.

In fiscal 2025, the Canadian dollar weakened against many major currencies, particularly against the U.S. dollar. This contributed to a foreign currency gain (inclusive of our currency management activities) of \$29.3 billion and a corresponding net return impact of 4.1% which was realized across all asset classes. Over the five-year period, the foreign currency impact was neutral.



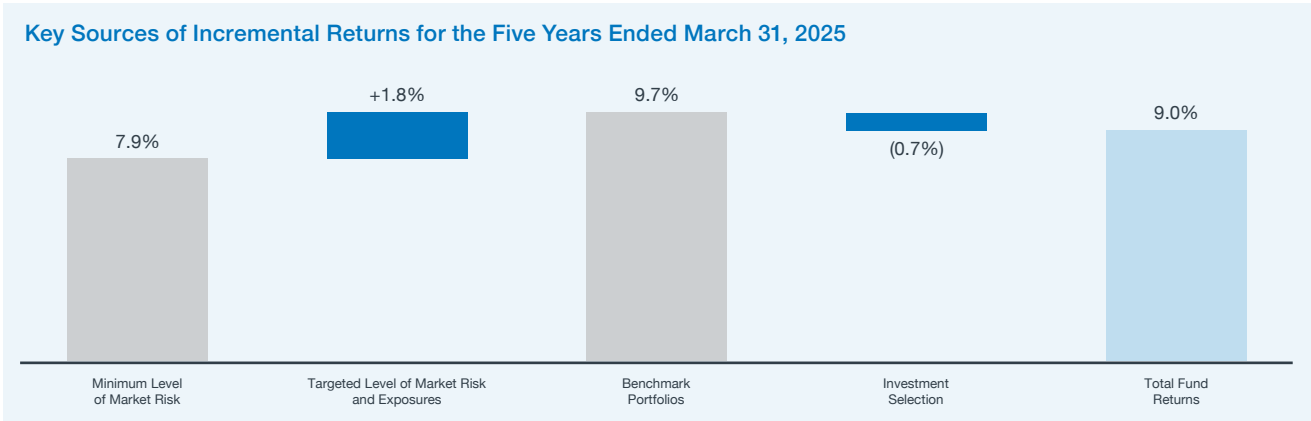
Delivering Long-Term Incremental Returns

The CPP is designed to serve today’s contributors and beneficiaries while looking ahead to future decades across multiple generations. We believe long-term results are a more appropriate measure of CPP Investments’ performance than quarterly or annual returns. In addition to measuring our absolute returns over long horizons, we assess the effectiveness of the strategic choices we make through measures of relative performance. The Fund’s incremental returns are measured in annualized percentage value added terms. We believe this is a more appropriate measurement than dollar value added, which is less comparable from one period to another because of historical growth in the Fund size. The figure is calculated on a nominal basis, net of all expenses.

The Chief Investment Officer (CIO) is accountable for designing the base CPP and additional CPP Strategic and Investment Portfolios in a way that seeks to maximize Fund returns without undue risk of loss. This includes determining exposure targets and how we pursue diversification supported by leverage across our active and balancing strategies within our investment departments.

In order to maximize returns for the Fund, all key sources of returns are managed on an integrated basis. In particular, asset class diversification is a prerequisite to generate value added from private asset allocations and from investment selection within strategies. In addition, maximizing total returns for the Fund is done in part by determining the nearer-term and longer-term capital allocations to our active and balancing investment strategies as well as the corresponding funding to be raised through our financing strategies. As part of our investment process, the Balancing Portfolio acts as a completion portfolio that rebalances the Fund back to our targeted level of market risk and exposures.

The impact of the key strategic decisions we make to deliver the Fund’s Investment Portfolios, as described on page 14, are presented below. We believe the impact of these decisions will deliver sources of incremental returns for the Fund over long horizons.



Targeted Level of Market Risk and Exposures – Constructing a diversified portfolio, facilitated by leverage, at a higher level of market risk

At a minimum, the Fund must take a level of market risk that would be sufficient to generate the required returns to help support the long-term financial sustainability of the CPP. The simple two-asset class minimum risk portfolios, designed to generate expected returns sufficient to sustain the CPP over the long term as described on page 13, would have generated an annualized Fund return of 7.9% over the past five years.

However, simply generating minimum returns would not be sufficient to deliver on our mandate to maximize Fund returns without undue risk of loss, nor would it be in the best interests of the CPP’s contributors and beneficiaries. Therefore, a key strategic decision is to set a higher target level of market risk for the Investment Portfolios. These targets guide the total risk of each portfolio, including not only the systematic risk from exposures to diverse asset classes, but also the expected risk of active management strategies within those asset classes. Our targeted level of market risk for the two parts of the CPP is expressed by our base CPP and additional CPP Market Risk Targets, as described on page 17.

The strategic decision to diversify the Fund beyond the two asset classes in the minimum risk portfolios where risks are dominated by global public equities, and to employ leverage, is guided by the following beliefs:

1. *Broad diversification of the Fund’s exposures will over long periods generate higher returns.*
2. *Maintaining the targeted risk level through the use of leverage will maximize expected Fund returns.*
3. *Diversification across asset types provides protection against severe losses in public equity markets.*

We diversify and leverage the Fund’s exposures through a portfolio of multiple distinct asset classes and investment strategies. These strategies are each represented by risk-comparable passive public market indexes which comprise the Benchmark Portfolios that are described on page 21.

The returns of the Benchmark Portfolios can be compared against the returns of the minimum risk portfolios to quantify the incremental gain or loss from the Fund’s targeted level of market risk and exposures. Note that these incremental returns do not capture the impact of our decision to invest in private assets, and other active management decisions. Those impacts are captured under the incremental returns generated from investment selection, as described further on page 40.

Over the past five years, our decisions on targeted risk and exposures generated an annualized incremental return of 1.8%. The main drivers were:

- Targeted level of market risk. The higher equity content in the Benchmark Portfolios compared to the minimum risk portfolios substantially benefited the Fund in this period during which public equity markets outperformed Canadian government bonds.
- Asset class diversification decisions. These are designed to reduce exposure to riskier equities by re-allocating assets into a variety of fixed income and other asset classes, thereby improving risk-adjusted returns. These allocations had a negative impact, as developed market public equities – heavily weighted towards the U.S. (over 60%) – outperformed many other asset classes over the period.
- Compositional differences within the equity sectors and geographies in which we invest relative to those in the broad public equity market indexes had a negative impact. In particular, the Fund maintained a lower relative weight in the U.S. public equity market, where returns benefited from the outsized performance of a small number of very large companies in the U.S. information technology and communication services sectors. Other smaller negative contributors were higher weights in emerging markets and real estate, and recent elevated borrowing costs for leverage.

Setting the risk target

At least once every three years, we review the risk appetite for both the base and additional CPP. Our decisions reflect the evolving funding status of the base and additional CPP as well as our estimates for long-term economic and capital markets factors which drive risk and return. The review seeks to balance forecasted returns – including higher volatility at higher expected levels of return – against their potential impact on the required funding of the CPP, over a forward-looking 75-year review period. This is further described on page 17.

In fiscal 2007, the Market Risk Target for the base CPP was introduced at a targeted risk level of 65% equity and 35% debt. This level is in the typical range for conventional fully funded pension plans.

In fiscal 2015, our Board approved an increase of the base CPP's targeted level of market risk from 65% equity and 35% debt to its current 85% equity and 15% debt, phased in beginning from the fiscal year 2016 through to 2018. For the additional CPP, the risk target was established on January 1, 2019 at 50% equity and 50% debt; this was increased to 55% equity and 45% debt starting in fiscal 2022. As a result of these decisions, the increases in risk combined with the higher returns of equities compared to debt have generated annualized incremental returns for the Fund of positive 1.7% over the past 10-year period from the beginning of fiscal 2016 to the end of fiscal 2025. Over this same period, our combined decisions on targeted risk and exposures generated an annualized incremental return of 0.8%.

Investment Selection – Generating above-market returns over the long term

Diversification across asset classes also enables two further major decisions to:

1. Invest a significant proportion of the portfolio in private investments, which are particularly suited to the deployment of our comparative advantages as described on page 12; and
2. Maximize the use of our active strategies, seeking to generate value added through investment selection – the combination of the choices of individual securities, and the sector and geographical composition within each strategy.

To enable an objective assessment of the contributions of each active strategy to total Fund performance, the value gained or lost through investment selection, after all related expenses, is measured against the Benchmark Portfolios and its underlying component indexes.

Over the past five years, investment selection yielded an annualized value added of negative 0.7%, net of expenses. This result was heavily impacted by market volatility experienced in fiscal 2021 as a result of the COVID-19 pandemic. In that year, the Fund returned 20.4%, however, it underperformed the

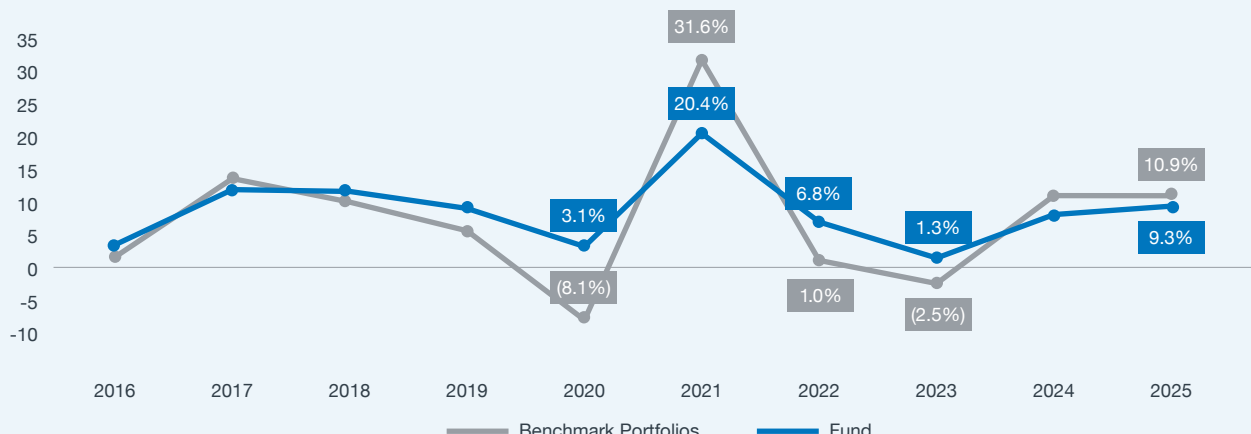
Benchmark Portfolios which returned 31.6%. In fiscal 2025, net value added against the Benchmark Portfolios was negative 1.6%, and also contributed to the current negative five-year result. The Benchmark Portfolios' outperformance in fiscal 2025 was mainly attributable to levered global public equity indexes within the portfolios, which achieved double-digit returns. Over the past two years, the Fund's returns have trailed the Benchmark Portfolios, in part due to the Benchmark Portfolios' greater concentration in U.S. public equities, where a small number of large companies in the information technology and communication services sectors significantly outperformed the broader market.

The contributions by investment department to five-year value added were mixed, with the overall negative results mostly attributable to the Private Equity department. Refer to page 50 for details on how the portfolio management activities of our investment departments contributed to value added for the Fund.

Investment selection across our diverse range of active strategies may not produce positive results across every period. However, it is expected to be a meaningful source of outperformance over longer periods, and under most market conditions.

Investment Selection – Performance of the Fund against the Benchmark Portfolios

(1-year Fiscal, % returns)



Cumulative impact of key investment decisions

We expect to deliver incremental returns over longer periods, across both rising and falling global equity markets, through our combined decisions on targeted risk and exposures, and investment selection. The Fund has realized positive absolute returns, both nominal and real, over these longer periods and since the 2006 inception of our active management strategy, which contributed meaningfully to the financial sustainability of the CPP.

Over the past five years, the combined impact of CPP Investments' investment decisions raised the total Fund net return to 9.0%. This represents net incremental returns of 1.1% annualized over the minimum return required to support the financial sustainability of the CPP, as measured by the minimum risk portfolios as described on page 13.

As described on page 19, in fiscal 2016 we shifted the role of the Market Risk Targets, previously called the Reference Portfolios, to act primarily as the expression of our risk targets. As a result of this change, together with the introduction of the Benchmark Portfolios in fiscal 2025, we now measure value added performance against the Benchmark Portfolios for all periods beginning in fiscal 2016 through to the present period. The annualized net value added relative to the Benchmark Portfolios over the five-year period was negative 0.7%. At the end of the prior fiscal year, this annualized five-year net value added was positive 2.0%. Single-year results can vary widely and can have an impact on longer term results. The current five-year negative value added was largely due to the Fund underperforming the Benchmark Portfolios in fiscal 2021 which is no longer being offset by the Fund's outperformance in fiscal 2020. The sharp contrast between these two years reflects the impact of the COVID-19 pandemic, which led to a significant decline in public equity performance at the end of fiscal 2020, followed by a strong rebound in fiscal 2021 as markets responded positively to government stimulus and other support measures.

The Fund's diverse asset mix is expected to mitigate, but not entirely avoid, the impact of severe equity market downturns. This resilience was evident in three of the past 10 fiscal years, as illustrated in the chart above. Conversely, the Fund's diverse asset mix means it may capture less of the returns generated by equity markets, which are reflected in the Benchmark Portfolios' public market indexes, in periods of their outperformance relative to other asset classes as was the case in fiscal 2021. Over the 10-year period, the Fund generated an annualized net return of 8.3% and an annualized net value added relative to the Benchmark Portfolios of 1.4%.

The Market Risk Targets delivered a 13.4% result in fiscal 2025 and a 10-year annualized result of 9.1%. As our Total Portfolio Investment Framework indicates (on page 16), we no longer measure relative performance against the Market Risk Targets as they are an expression of our targeted level of market risk rather than prudent investible alternatives to our Investment Portfolios.

We also measure our relative performance from the inception of active management in 2006 (fiscal 2007). Given the longer timeframe of this measure, we have used a combined measurement between the Market Risk Targets and the Benchmark Portfolios. At the end of fiscal 2025, when using the Market Risk Targets from fiscal 2007 through 2024 and the Benchmark Portfolios for fiscal 2025 as the performance benchmarks for those respective years, the Fund generated an annualized value added of negative 0.2%.

Managing Risks to Safeguard Value

We monitor and manage all identified key risks that could have a material impact on our ability to fulfil our mandate and achieve our strategic objectives. We recognize risk events can have both financial and reputation impacts and we seek to manage both impacts within our stated risk appetite. For more information on our integrated risk framework, including key risk categories and how we manage these risks, refer to the Strategy section, page 24.

Current risk environment – top and emerging risks

We operate in a dynamic and rapidly changing environment. These changes may affect our risk profile, risk management practices and ability to achieve our objectives. Top and emerging risks encompass those that could materially impact our financial results, financial and operational resilience, reputation or strategy. The following top and emerging risks relate to one or more of our key risks and may be new or evolving with widespread impact on the Fund over time:

- **Geopolitical and macroeconomic uncertainty and complexity** remained a risk throughout fiscal 2025. Many developments around the world and in Canada could have significant implications for our investments and global operations. For example:
 - The U.S. administration's substantial and wide-ranging policy actions and signals continue to create significant economic and market uncertainty both domestically and internationally, including in the areas of trade, tariffs, economic growth, taxes, inflation and government spending. These actions may also, over time, result in significant shifts in the structure and nature of international trade and the role of the U.S. in the global economy and capital markets;
 - In fiscal 2025 the environment shifted from generally lower growth, higher interest rates and higher inflation, to more regional and country-specific divergence. This divergence may be further amplified by fragmented trade and tariff arrangements across countries and regions in the future;
 - Conflicts with broader geopolitical implications, such as those in Ukraine and the Middle East, also continue to create market uncertainty and challenges for investors; and
 - Debates may continue in the Province of Alberta regarding the possibility of exiting the CPP and creating a provincial pension plan.

These and other factors present a complex environment to navigate as we seek to generate returns. We continue to manage, monitor and evaluate geopolitical and macroeconomic developments and the potential impacts that different scenarios could have on the Fund and our investment returns. This includes incorporating these factors into portfolio construction and asset allocation, evaluating our exposure to emerging markets, conducting scenario and policy analyses and stress testing, augmenting crisis response planning, leveraging our global workforce with local subject matter expertise and reviewing our risk management plans to ensure we remain within our risk appetite if adverse scenarios materialize.

- **Sustainability-related factors** continued to evolve during fiscal 2025. While the whole economy transition showed signs of stagnation, physical risk events continued to materialize. As well, fiscal 2025 saw a change in the political discourse related to sustainability, in particular in the U.S., which in turn saw important climate-related policy changes. We consider and integrate sustainability-related factors into our risk management processes as well as the portfolio and investment life cycles, where material. Our internal governance approach guides how we assess these risks both quantitatively and qualitatively, including the risks associated with delivering on our approach to climate change and a range of tools and analytics used to measure and monitor sustainability-related factors. Refer to pages 66-68 for additional details on how we translate our climate beliefs into action.
- **Talent management** and the challenges associated with attracting and retaining employees remained a risk in fiscal 2025. As an employer of global talent, we face a competitive labour market for diverse skill sets requiring continuous upskilling and strategic resource allocation. We proactively manage this by emphasizing talent attraction, development, and retention. It will remain a priority to build the capabilities of the organization. This includes enhancing strategic talent planning to align capabilities with organizational goals, investing in career development programs and evolving our internal career framework as well as reviewing our compensation against the market for high-demand skills to stay competitive. Refer to page 29 for details on our compensation framework.
- **Disruptive technology** remained a risk and a driver of opportunities this fiscal year as commercial use cases for AI continued to grow rapidly. As our AI strategy evolves, so do the associated risks including data protection, confidentiality, intellectual property infringement, and inaccurate output. The inability to effectively manage these risks or adopt innovative technologies could negatively impact our investments and operations. We are enhancing our internal AI governance as adoption expands, updating guidance on responsible AI usage and to help mitigate emerging AI risk exposure.
- **Cyber security** breaches remained a risk given such breaches could result in investigation and containment costs, loss of sensitive data, regulatory fines, and negative reputation impact. External threats have risen, including state-sponsored attacks from increasing geopolitical tensions, phishing attacks, malware, leakage of confidential data and cyber fraud. New and evolving technologies make it easier to launch attacks, but also enhance our capabilities to prevent, detect and respond to incidents. As part of our efforts to continually improve information technology controls and ensure our employees remain vigilant, we conduct cyber table-top exercises with senior management, utilize advanced technologies to protect our infrastructure, hold an annual "Information Security Month" to raise awareness of potential threats and periodically engage third parties to assess the maturity of our information security capabilities. In fiscal 2025, there have been no incidents that had a significant impact on CPP Investments.

- **Relative underperformance** remains a risk as our returns relative to passive alternative indexes, represented by our Benchmark Portfolios, were negative this fiscal year. However, our 10-year relative returns remain positive. Our relative returns can vary significantly year over year. This year, our relative returns were negatively impacted as levered global public equity indexes within the Benchmark Portfolios achieved double-digit returns. Underperformance relative to passive indexes may cause stakeholders to question the merits of our active management strategy or our ability to deliver on our mandate. We monitor and assess the drivers of absolute and relative performance through an attribution framework and perform risk-adjusted performance analysis. Our key sources of returns are discussed on page 14. They allow us to measure the impact of each part of our investment framework. This helps us to better understand the drivers of Fund performance over short- and longer-term horizons and evaluate our strategic choices. For further discussion of our results, see page 34.

Management of key risks

We believe effective risk management adds to our comparative advantages and allows us to both generate and safeguard value. We regularly facilitate independent external reviews of our risk management practices and continually make improvements. These include an annual review of risk appetite as well as ongoing improvements to our key investment risk measures and limits. In the sections that follow, we outline how we define and measure our key risks. We also discuss notable trends and our approach to managing these risks within our risk appetite.

Plan adjustment risk

Plan adjustment risk is the risk of adverse contribution or benefits adjustments to the base CPP and additional CPP arising from adverse investment experience. It is an overarching concept we consider when determining our risk appetite and it can be impacted by any of the key risks we face as a Fund. It is an input into how we design our portfolio, target market risk and govern risk.

Adverse adjustments to CPP benefits and contributions can be impacted by a confluence of factors, including the actual and expected returns of the Fund as well as many other factors such as real earnings growth, mortality rates and population growth. These broader Canadian demographic and economic factors are beyond our control. However, we regularly measure and monitor plan adjustment risk to seek to ensure we do our part through our investment performance to support the long-term financial sustainability of the CPP. Internally, we manage plan adjustment risk by first determining the appropriate level of market risk to target for the base CPP and additional CPP, and then seeking to maximize returns at their targeted levels of market risk.

We expect plan adjustment risk to be incrementally lowered through active management. This reduces the likelihood that future contributions or benefits may need to be adversely adjusted as a result of insufficient Fund returns, holding other actuarial assumptions constant. However, even in periods where the Fund outperforms the real returns actuarially assumed in assessing financial sustainability of the CPP, future contribution rates may have to be adjusted if the impact of non-investment factors (such as demographic trends) is sufficiently large.

Market risk

Determining our market risk appetite is the single most important decision in building our long-term Investment Portfolios, as discussed on page 17. We define market risk as the risk of investment loss arising from fluctuations in market prices and rates, which includes equity prices, interest rates, credit spreads and currency exchange rates. We express our targeted level of market risk in equity-debt risk (EDR) equivalency terms using the base CPP and additional CPP Market Risk Targets (previously called the Reference Portfolios). We deliberately rebalance the Fund when it drifts too far from our targeted levels of market risk.

Given the multi-faceted nature of the market risks we face, we measure, monitor and manage our risk profile using a number of different complementary risk measures. This includes our one-year potential loss measure which captures potential loss resulting from fluctuations in market prices and rates. In fiscal 2025, we updated our methodology for measuring one-year potential loss to exclude credit risk factors. We measure credit risk through different measures including credit value-at-risk. See page 44 for details on credit risk.

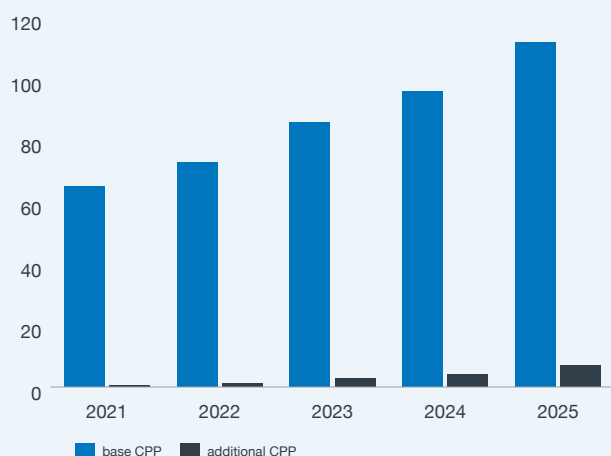
We measure the potential loss in our Investment Portfolios against our appetite over both short- and longer-term time horizons. Given our targeted level of market risk, our one-year potential loss measures are all estimates of losses that we do not expect to exceed 19 times out of 20. The graph on the next page outlines the one-year potential loss for the base CPP and additional CPP Investment Portfolios over the last five years.

As at March 31, 2025, our one-year potential loss for the base CPP Investment Portfolio was estimated to be \$112 billion or 17%. As at end of fiscal 2024, it was estimated to be \$96 billion or 16%. Our one-year potential loss for the additional CPP Investment Portfolio was estimated to be \$7 billion or 12%, compared to at the end of fiscal 2024 when it was estimated to be \$4 billion or 11%. The year-over-year increases in one-year potential loss are predominantly due to an increase in overall market volatility, higher public equity exposure, driven by market gains and equity purchases from rebalancing activities and higher Fund leverage; this was partially offset by higher Developed Market Fixed Income exposure which reduces Fund volatility.

Each asset class' risk of potential loss on a standalone basis for the total Fund is shown in the table on the next page. Standalone risk of potential loss measures the risk of an asset class without considering the manner in which it interacts with the rest of the portfolio. On this basis, the largest contributors to the Fund's one-year potential loss are public and private equities. However, the overall estimated potential loss for the Fund is reduced after we incorporate the estimated benefits of diversification through consideration of correlations across asset classes within the portfolio.

One-Year Potential Loss¹

(\$ billions)



1. Data from all fiscal years has been re-stated for the updated methodology as described on page 43.

Fiscal 2025 Total One-Year Potential Loss by Asset Class

(\$ billions)

Asset Class	One-Year Potential Loss
Public Equity	37
Private Equity	48
Public Fixed Income	33
Credit	8
Real Assets	25
Cash and Absolute Return Strategies	28
Diversification	(62)
Total	117

We seek to mitigate the risk of market losses by investing across a wide spectrum of asset classes and investment strategies. As part of our risk management practices, we perform historical stress tests and scenario analysis to assess the impact of potential events. We also identify possible portfolio vulnerabilities that may not be fully captured by standard risk measures and models. These include how severe market and geopolitical events could affect the Investment Portfolios. Stress scenarios are hypothetical events that are highly dependent on our assumptions. These assumptions will vary based on different factors such as macro-economic variables, market conditions or geopolitical events. We run various scenario analyses to assess our ability to manage potential risks and seek to ensure potential losses are broadly consistent with risk appetite.

Below are examples of scenarios that we run and monitor on a regular basis:

- A repeat of the Global Financial Crisis (GFC) of 2008 – In this scenario, we apply changes observed in relevant market parameters during the period from April 2008 to March 2009, as an instantaneous shock to the portfolio. This includes the foreign currency gains typically realized in market stresses, where the Canadian dollar depreciates against the U.S. dollar. We estimate that if an event like the GFC were to recur, it would result in losses of approximately 11% or \$77 billion as of March 31, 2025.
- Inflation and interest rates – In this scenario, we apply changes observed during the 2022 interest rate hike cycle. During that time, bonds and equities sold off in tandem as central banks rapidly raised interest rates to seek to bring inflation under control. We estimate that if an event like the 2022 rate hike cycle were to recur, it would result in losses of approximately 8% or \$59 billion as of March 31, 2025.

We perform ad hoc analysis on various plausible stress scenarios, including based on current global events, such as inflation shocks, potential impacts of economic and regulatory policies, the U.S. administration's policy actions, China-U.S. geopolitical tensions, and bank credit crisis scenarios. We also perform sensitivity analysis on specific components of market risk, including equity, interest rate, credit spread, and currency risks. See Note 8 to the Financial Statements on page 128 for details.

Credit risk

We define credit risk as the risk of 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. As we seek additional sources of return through active management, our credit risk increases.

We manage our credit risk through a variety of means including dealing only with authorized counterparties that meet the minimum credit rating and limiting maximum exposures to any individual counterparty. We also assess credit risk through different measures, including credit value-at-risk which measures losses across all debt investments resulting from rating migration and default that we would not expect to exceed 19 times out of 20. See Note 9 to the Financial Statements on page 130 for additional details on counterparty exposures and potential losses due to defaults and credit rating deterioration.

Liquidity and leverage risk

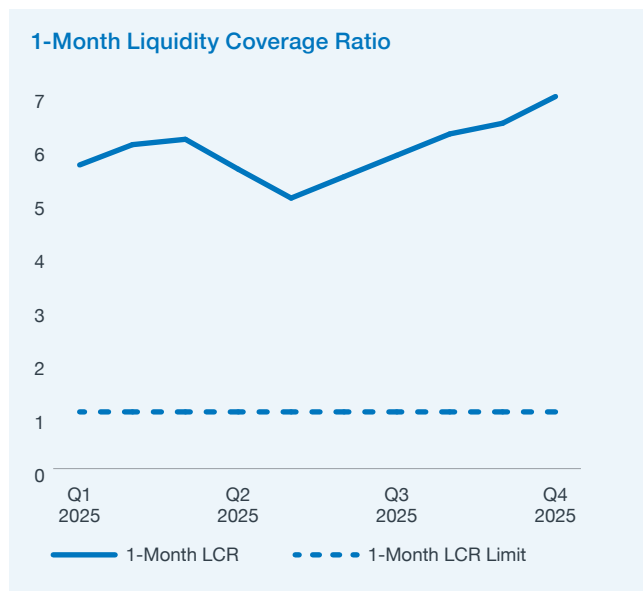
Our liquidity and leverage risk increases as we pursue active investment selection and use leverage to diversify the Fund. We define liquidity risk as the risk of incurring unacceptable losses while obtaining the funds needed to:

- Meet payment obligations as they become due;
- Fund new investments; or
- Rebalance our portfolio in periods of stress.

Leverage risk is a related concept, which we define as the risk of excessive financial obligations that could heighten market and liquidity risks during periods of stress.

We manage short-term liquidity risk through the liquidity coverage ratio (LCR). In fiscal 2025, the Board approved changing the time horizon for the liquidity coverage ratio limit from 10 days to one month. The one-month liquidity coverage ratio measures the amount of available cash and liquid assets relative to our CPP and investment obligations over any one-month period calibrated to include cash outflows in periods of market stress. As at March 31, 2025, the one-month liquidity coverage ratio was 6.9 and remains well above the minimum liquidity requirement of 1.0. See Note 10 to the Financial Statements on page 131 for additional details on liquidity risk.

We manage our longer-term liquidity risk by maintaining sufficient liquid assets that can be converted into cash to meet the Fund's liquidity needs. The liquidity coverage ratio acts as a minimum level of liquidity and is an input into the Fund's long-term liquid capital management process as well as the Fund's strategic liquidity target.

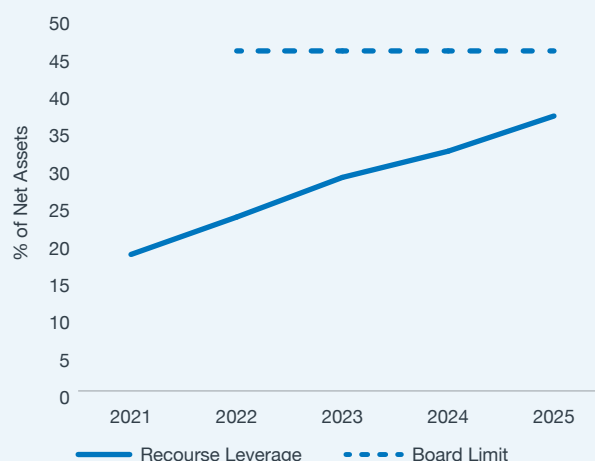


We define leverage as the amount of borrowed funds and synthetic financing used to increase the amount of physical and synthetic assets in which we invest. Our borrowed funds consist of medium- and long-term debt, commercial paper and secured borrowing where CPP Investments pledges collateral. Synthetic financing includes the notional value of derivatives, primarily swaps and futures. Leverage monitored at the Fund level includes both recourse and limited recourse measures. Recourse leverage is a notional-based measure of leverage with direct recourse to CPP Investments, which represents the net amount of financing used by CPP Investments to increase its investment exposure. It is separate and distinct from the Fund's use of limited recourse leverage, which includes debt issued through our investment holding subsidiaries that has recourse only to specific investments held within these subsidiaries.

Our leverage risk limit, which is approved by the Board of Directors, is based on the use of recourse leverage. The historical five-year trend for our recourse leverage for the base CPP account is shown in the chart opposite.

The amount of recourse leverage for the base CPP account as a percentage of net assets increased from 18% to 36% over fiscal 2021 to 2025, and in dollar terms has increased from \$88 billion in fiscal 2021 to \$238 billion in fiscal 2025. This is consistent with our strategy of prudently increasing the use of recourse leverage to enhance the diversification and resilience of the portfolio, while maintaining our targeted level of market risk. Our Board-level limit on the use of recourse leverage is 45% of net assets for the base CPP account and 30% of net assets for the additional CPP account. See Note 10 to the Financial Statements on page 131 for additional details.

Base CPP Recourse Leverage



Operational risk

We define operational risk as the risk of loss due to actions of people, or inadequate or failed internal processes or systems as a result of either internal or external factors. Pursuing incremental returns through investment selection increases our operational risk profile. This is due to the skilled personnel and more sophisticated investment processes, data and systems required to operate our investment departments. Operational risk can lead to direct and indirect financial losses resulting from operational inefficiencies, regulatory sanctions or penalties, and reputation impacts. It can also impact our ability to manage other key risks.

Our operational risk profile was relatively unchanged over the past year based on risk assessments, operational incidents, regular monitoring of key risk indicators and review of internal audit findings. We have not experienced any notable increases in significant operational incidents. As discussed on page 42, cyber security and talent management remain top risks. We continue to manage our operational risks by enhancing our risk management practices, performing third-party maturity assessments, proactively engaging with our employees and delivering initiatives to standardize and automate processes, among other measures.

We also conduct an annual review of internal control over financial reporting as part of the CEO/CFO certification described on page 70. Every year, our external auditors independently audit our internal control over financial reporting, providing an opinion as to their effectiveness (see the Independent Auditor's Report – Internal Control over Financial Reporting on our [website](#)). An independent special examination is also performed at least every six years as described on page 10.

Regulatory and legal risk

We define regulatory and legal risk as the risk of loss due to changes to and/or non-compliance with applicable laws, regulations, rules, contractual obligations or our internal policies as well as internal and external fraud. Pursuing incremental returns through investment selection increases our regulatory and legal risk profile as a result of more complex deal structures, particularly in private markets, and the number of additional geographies in which we implement our active strategies. Failure to comply or commercial disputes could result in fines, regulatory sanctions, other liabilities and/or reputational harm.

Our regulatory and legal risk profile was relatively unchanged during the fiscal year. This was despite ongoing challenges related to geopolitical tensions and ever-evolving laws and regulations. We employ a range of strategies which seek to manage these and other legal and regulatory risks.

These include conducting due diligence, monitoring existing investments, seeking appropriate protections and risk-sharing arrangements, and actively engaging on regulatory and geopolitical developments to create tailored responses and risk management plans. We monitor emerging legal and tax issues as well as regulatory changes, such as developments in securities regulations, foreign direct investment requirements, sanctions laws, and data privacy, and adjust our risk management approach when appropriate. We also seek input and advice from external counsel to keep us informed of emerging issues.

Our legal, compliance and tax groups support the management of legal, regulatory compliance and tax risks across all aspects of our investment and organizational activities. These groups support the identification and management of investment and enterprise-related regulatory, tax and legal risks, with advice delivered directly and through use of high-quality external advisors globally. Our risk-based compliance program is designed to promote adherence to applicable laws and regulations worldwide. Furthermore, we aim to mitigate our tax risk by adhering to the controls and procedures embedded in our internal policies.

Strategic risk

Strategic risk is the risk that we fail to deliver on our mandate by being unable to make appropriate strategic choices or to implement strategies, or inadequately anticipating and adapting to changes in the external environment.

Effectively monitoring and managing strategic risk is critical to achieving our objectives as we take additional risk and incur additional costs to pursue active management for the Fund.

Our strategic risk management processes include:

- Incorporating reviews of our strategic choices as part of our annual portfolio design activities; and
- Periodically conducting strategic deep-dive analysis in response to changes in both our internal and external environment. These include:
 - Performing external and internal assessments to understand the competitive landscape and to identify opportunities for improvements in processes and systems;
 - Assessing our approach to emerging markets given the complex geopolitical landscape, such as the relationships between Canada, the U.S. and China; and
 - Performing annual investment strategy reviews, as described on page 19. Key learnings from these reviews help to inform our future capital and resource allocations.

- Conducting regular reviews of our approach to assessing and managing sustainability-related risks.

In fiscal 2025, we focused on realizing synergies across our global platform, with a focus on knowledge sharing, relative value capabilities, and productivity. Details on our progress against our strategic objectives are on page 69.

We manage strategic risk as a continuous process and by drawing on and developing the strengths of our entire organization. This approach allows us to manage the Fund with a long-term focus, since we are able to regularly challenge our internal views and either reaffirm our strategic choices or adapt our approach.

Financial and reputation impacts to CPP Investments





The key risks listed previously can have both financial and reputation impacts:

- Financial impacts refer to monetary losses to CPP Investments and can take many forms, including investment losses, unplanned expenses and regulatory fines. The higher we set our risk target, the higher the long-term expected returns, but also the greater the shorter-term volatility and potential for reported losses. For additional details on how we manage and mitigate potential financial impacts, refer to our Total Portfolio Investment Framework. The framework describes how we seek to deliver on our mandate for current and future generations. See page 16.
- Reputation impacts refer to the loss of CPP Investments' credibility and brand value due to internal or external factors. These impacts are often related to and/or are a consequence of the other key risks. Harm to our reputation might result in weakened public trust or support from the CPP's federal and provincial government stewards, more intrusive oversight, political risk, diminished investment opportunities or reduced access to talent. Any harm to our reputation could also have financial impacts. The responsibility to protect our reputation extends to every employee, our entire Management team and the Board of Directors. It is embedded in our organizational culture. Our reputation management strategy involves an integrated approach to anticipating and managing issues. We continue to build our reputation and brand proactively with key stakeholders globally to support our business objectives and mitigate risk. The Senior Managing Director & Global Head of Public Affairs and Communications holds delegated accountability from the CEO for the Fund's reputation management strategy and for the implementation of our reputation management programs. We maintain formal processes to understand and assess potential reputation impacts associated with our investments. We also monitor macro reputation issues, including the top and emerging risks mentioned on page 42 that affect the organization as a whole. We escalate to the Board of Directors emerging risks and issues with the potential to materially impact our reputation as they arise.

Managing Costs as We Pursue Value

In accordance with our mandate, we seek to maximize returns without undue risk of loss. This objective guides our decision-making, whether it is building new capabilities to access investment value-add or investing in the technology required to enable them. As discussed in our value management philosophy on page 28, we incur costs when we are sufficiently confident this will generate incremental returns for the Fund or reduce undue risk. Any decision to either carry out activities with internal resources, or to do so through external partners, is an economic calculation we make in the best interest of the Fund.

The table below outlines the costs required to invest and manage the Fund, including costs incurred directly by CPP Investments or indirectly by investment holding subsidiaries.

Costs to invest the Fund		What does it pay for?	Why do we incur these expenses?
Operating Expenses	 Personnel Expenses	Total compensation for all employees, including base, incentive pay and benefits.	To employ people with the requisite skill sets to execute and manage our chosen investment strategies.
	 General and Administrative Expenses	Technology, data services, professional services, premises and equipment, and other general expenses.	To maintain the general supporting infrastructures and services necessary for the Fund's ongoing operations.
Investment-Related Expenses	 Management Fees	Fees charged by external fund managers, based on committed or invested capital.	To employ external fund managers to source and manage investments.
	 Performance Fees	Fees charged by external fund managers, based on returns that exceed a set rate of return.	To align the interests of external fund managers and CPP Investments through profit sharing.
	 Transaction-Related Expenses	Legal and tax advisors, investment banks, consultants, custodians, and trading commissions.	To support deployments, dispositions, ongoing transactional activities, and maintenance of an investment in public and private markets.
	 Taxes	Taxes on income from outside Canada and indirect taxes.	To diversify the Fund across different geographies where the Fund is subject to different types of taxes.
Financing Expenses		Interest and other expenses that are incurred when borrowing funds or securities.	To enable diversification at our targeted level of market risk and deployment of a wide range of active strategies.

Our commitment to accountability and transparency

We hold ourselves accountable to a high standard of transparency in how we operate. Our disclosures reflect the combined expense profile we use internally to assess the efficiency and effectiveness of our resource allocation decisions. These disclosures are in addition to those required by IFRS Accounting Standards.

Combined expense profile for fiscal 2025

The combined expense profile of CPP Investments includes:

1. Expenses disclosed in accordance with IFRS Accounting Standards totalling \$9,842 million, as presented in the Financial Statements on page 100.
2. Expenses incurred by investment holding subsidiaries totalling \$1,040 million, as discussed in Note 5 on page 124 of the Financial Statements. Such subsidiaries are managed by CPP Investments to hold investments, however, in accordance with IFRS Accounting Standards, they are not consolidated in the Financial Statements.
3. Fees associated with the use of external investment managers totalling \$3,836 million, which are substantially embedded within the external funds and joint venture arrangements in which we invest, as discussed in Note 6 on page 124 of the Financial Statements. This supplementary disclosure includes external performance fees paid in the year to private equity fund managers and public hedge fund managers.

	Expenses Reported in Accordance with IFRS Accounting Standards	Supplementary Disclosures ¹		Fiscal 2025 Combined Expense Profile	Fiscal 2024 Combined Expense Profile
		Expenses Incurred by Holding Subsidiaries	Fees Embedded within Investments		
(\$ millions)					
Personnel	1,166			1,166	1,087
General and Administrative	590			590	530
Operating Expenses	1,756	–	–	1,756	1,617
Management Fees	16		1,744	1,760	1,449
Performance Fees	131		2,092	2,223	2,067
Transaction-Related Expenses	405	325		730	427
Taxes	321	412		733	396
Investment-Related Expenses	873	737	3,836	5,446	4,339
Financing Expenses	7,213	303	–	7,516	6,305

1. These supplementary disclosures of expenses do not impact our net returns or net income as reported on the Consolidated Statement of Comprehensive Income. Income as reported on the Consolidated Statement of Comprehensive Income is net of these expenses.

Combined expense profile for fiscal 2025

The Fund's reporting currency is the Canadian dollar. As a result, exchange rate fluctuations can have an impact, even when underlying costs in foreign currencies remain stable. Approximately half of our total operating expenses are paid in foreign currencies. The weakening of the Canadian dollar against several major currencies in recent years has contributed to higher costs across many categories.

Operating expenses

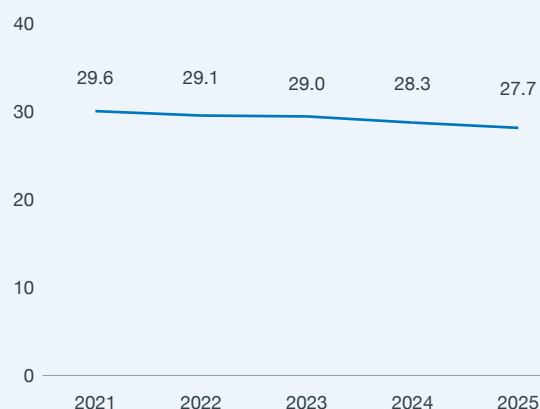
Operating expenses primarily represent the expenditures of employing skilled professionals to manage and support our Fund's active management investment activities, maintaining our global operations, and performing risk management and governance activities. These expenses are driven by our decisions on how to develop and maintain a professional investment management organization. Operating expenses were \$1,756 million in fiscal 2025 compared to \$1,617 million in fiscal 2024 driven by increases in both personnel and general administrative expenses. Operating expenses as a percentage of net assets declined to 26.1 basis points in fiscal 2025, down from 27.5 basis points in fiscal 2024. The five-year rolling average of 27.7 marks the lowest level in the past five years. This continued decline since fiscal 2020 reflects improved economies of scale, driven by asset growth and enhanced productivity.

Personnel expenses were \$1,166 million in fiscal 2025 compared to \$1,087 million in fiscal 2024. The 7% increase in personnel expenses was driven by inflationary pressures on salaries and benefits, incentive compensation reflecting higher Fund performance and unfavorable foreign exchange. Excluding the impact of foreign exchange, personnel expenses increased by 5% over the prior year.

Our personnel expenses are directly driven by the types of active strategies we choose to pursue. This requires us to hire people with the requisite skill sets to enable and conduct these activities. We design our total compensation packages so that a significant portion is variable. The variable portion is dependent on employees meeting or exceeding their performance targets and objectives. A portion is also deferred for our more senior employees. See page 29 for details.

Five-Year Rolling Average Operating Expenses as a % of Net Assets

(basis points)



The ratio of personnel expenses to net assets improved in fiscal 2025 reflecting ongoing efforts to manage costs while scaling the organization. Personnel expenses represented an average of 17 cents for every \$100 of net assets in fiscal 2025, lower than the five-year average of 19 cents. Headcount remained flat relative to fiscal 2024 while the average net assets continue to scale at 15% over fiscal 2024. Operational efficiency – measured by net assets per employee – rose from \$240 million in fiscal 2021 to \$317 million in fiscal 2025, reflecting a 7% growth rate per year.

General and administrative expenses were \$590 million in fiscal 2025 compared to \$530 million in fiscal 2024. This \$60 million increase includes \$26 million in unfavourable foreign exchange movements. Excluding the impact of foreign exchange, general and administrative expenses increased 6% over the year. This increase was primarily driven by software and data service costs to support greater efficiency in our investment and operating processes, in addition to premise-related expenses in international offices. Relative to the size of the Fund, general and administrative expenses represented approximately 9 cents per \$100 of net assets consistent with the five-year historical average.

Investment-related expenses

Investment-related expenses primarily represent the expenditures associated with our investment selection decisions, including the proportion of the portfolio that is externally managed. In any given year, investment-related expenses may be volatile as they can be driven by short-term market activity and/or changes in the fair value of investments.

Management fees were \$1,760 million in fiscal 2025 compared to \$1,449 million in fiscal 2024. The increase of \$311 million was mainly due to the growth in externally managed assets. Additionally, foreign exchange movements contributed to the increase, as the majority of private assets are held internationally. As a percentage of externally managed assets, management fees were stable.

Performance fees were \$2,223 million in fiscal 2025 compared to \$2,067 million in fiscal 2024. The increase of \$156 million was driven by the realized performance of external hedge fund managers. Performance fees are a form of profit sharing between CPP Investments and the external investment managers we employ. These fees are only incurred when our realized returns exceed a predetermined rate of return.

Transaction-related expenses were \$730 million in fiscal 2025 compared to \$427 million in fiscal 2024. The net increase of \$303 million reflects higher private investment activity, including large-scale asset acquisitions and dispositions, and public exits. This is in contrast to the generally lower private investment activity levels encountered through fiscal 2024. Given their nature, transaction-related expenses vary from year to year according to the number, size and complexity of our investing activities.

Taxes were \$733 million in fiscal 2025 compared to \$396 million in fiscal 2024. The net increase of \$337 million in taxes was largely attributable to \$223 million in higher deferred taxes, mainly due to valuation and foreign exchange gains on private assets. In addition, withholding taxes rose by \$103 million, primarily due to higher rates of taxes on increasing gains realized in emerging markets such as India. While CPP Investments is exempt from income tax in Canada, the Fund is subject to tax on its investment income across many international jurisdictions and to harmonized sales tax (HST) in Canada.

Financing expenses

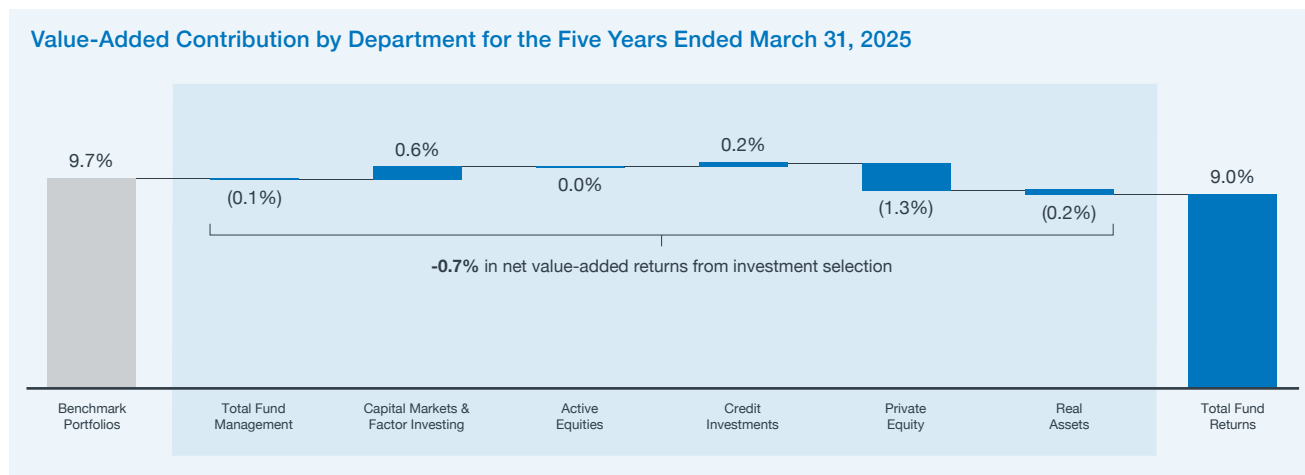
We incur financing expenses on the leverage used to enable improved diversification at a target level of risk. It also allows the deployment of a wide variety of active strategies that contribute to investment selection value added for the Fund as discussed on page 50.

Financing expenses were \$7,516 million in fiscal 2025, compared to \$6,305 million in fiscal 2024. The increase over the prior fiscal year was primarily driven by an increase in the average amount of financing-related liabilities to \$169 billion in fiscal 2025 from \$131 billion in fiscal 2024, partially offset by 0.4% lower average borrowing rate in fiscal 2025.

Investment Department Performance

This section discusses value added contributions from each investment department over the past five-year period, as measured against public market indexes or blends of these indexes, which comprise the Benchmark Portfolios described on page 21. Additional details of the five-year performance of the Fund's sources of incremental returns are included on page 39. Individual investment department performance and value added results are presented separately beginning on page 52.

Contributions to five-year returns by investment department



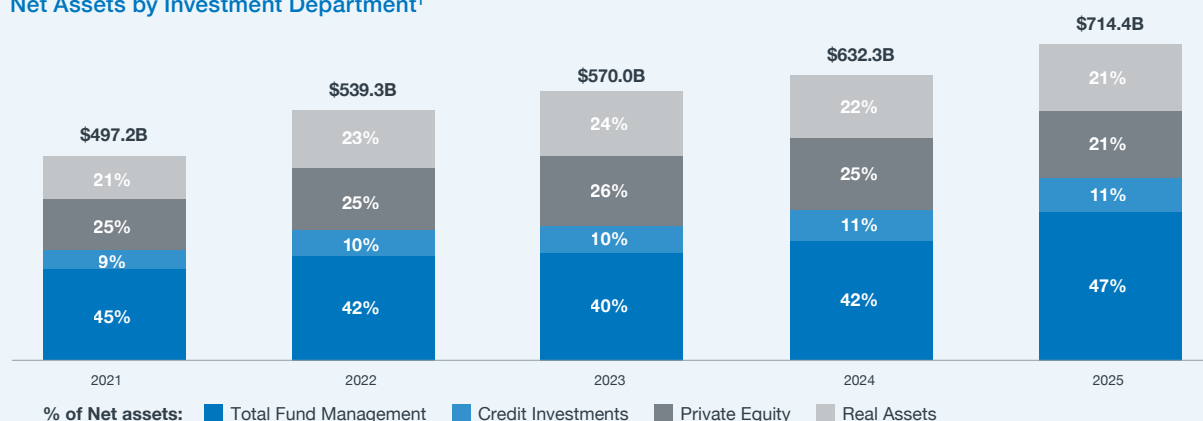
Over the past five years, the Fund earned a net return of 9.0%, compared to the Benchmark Portfolios return of 9.7%. The annualized difference of negative 0.7% can be broken down into net value added of each of our investment departments. Value added by each active investment department is measured in local currency terms, as further discussed on the following pages.

The five-year negative value added was mainly attributable to the Private Equity department. Its benchmarks are primarily composed of levered developed markets large/mid-cap public equity indexes. In the past five years, these benchmarks returned 20.1% in local currency terms, and outperformed most other assets. The Private Equity department returned 14.6% in local currency terms over this period. Refer to page 60 for further details. Over the past five years, the Private Equity department accounted for 23.5% of the Benchmark Portfolios weight, yet the return of its indexes in local currency terms had an outsized impact as it contributed over 49% of the Benchmark Portfolios' total return.

Consistent with our focus on long-term performance, we evaluate both our return and cost profile predominantly over a five-year horizon to assess the underlying economics of our decisions. This is supported by our value management philosophy as outlined on page 28, which helps provide further transparency over the strategic drivers of the Fund's long-term cost profile.

Not all strategies may generate additional value as measured against their benchmarks across every period, as was the case over the past five years. Our active management strategy includes the decisions to invest in private assets, the portfolio composition of each strategy, and the individual investment selections within them. Over longer periods, and in aggregate across the total Fund, we expect that investment selection across our diverse range of active strategies will generate positive incremental returns above what could have been obtained from comparable public market index benchmarks that comprise the Benchmark Portfolios (as described on page 21). Over the past 10-year period, the Fund's annualized net value added relative the Benchmark Portfolios was 1.4%.

Net Assets by Investment Department¹



1. The combined net assets of Active Equities and Capital Markets & Factor Investing largely utilize absolute return strategies and represent less than 1% of the net assets in each of the five years.

Fiscal 2025 performance by Active and Balancing Portfolios

The Active Portfolio, composed of our active strategies, mainly includes the Capital Markets and Factor Investing, Active Equities, Credit Investments, Private Equity, and Real Assets investment departments. Beginning in fiscal 2025, the Active Portfolio also includes certain investments that are integrated across multiple investment strategies which are reported within the Total Fund Management department. The Balancing Portfolio, composed of our balancing strategies that consist of liquid assets, is managed by the Total Fund Management department. The Active and the Balancing Portfolios serve important but very different roles in the Fund. For more details about the Balancing Portfolio see page 19.

The Active Portfolio ended fiscal 2025 with \$399.8 billion in net investments, with an additional \$140.7 billion of the Fund's capital managed by the Capital Markets and Factor Investing and Active Equities departments used to execute our absolute return strategies. The Active Portfolio delivered a net return of 12.0% over the past five years. This includes returns from our absolute return strategies. The Balancing Portfolio ended fiscal 2025 with \$315.0 billion in net investments. It delivered a net return of 5.2% over the past five years. Its lower returns are mostly attributable to its heavier weight in fixed income assets compared to the Active Portfolio. The Fund's fiscal 2025 adjusted income statement and year-end asset class composition across investment departments are presented below.

Adjusted Income Statement by Investment Department

(\$ millions)	Total Fund Management	Capital Markets and Factor Investing	Active Equities	Credit Investments	Private Equity	Real Assets	Total Fiscal 2025
Gross Income	30,320	3,451	1,250	11,980	14,303	13,199	74,503
Expenses	7,838	2,203	465	612	2,223	1,377	14,718
Net Income	22,482	1,248	785	11,368	12,080	11,822	59,785

Year-end Asset Class Composition Across Investment Departments

(\$ billions)	Total Fund Management	Capital Markets and Factor Investing	Active Equities	Credit Investments	Private Equity	Real Assets	March 31, 2025
Public Equities	194.5	0.6	–	–	7.5	4.5	207.1
Private Equities	25.3	–	–	13.3	139.0	31.7	209.3
Government Bonds	109.1	–	–	–	–	–	109.1
Credit	11.6	–	–	67.2	–	–	78.8
Real Estate	–	–	–	–	–	48.5	48.5
Infrastructure	–	–	–	–	–	62.0	62.0
Net Investments¹	340.5	0.6	–	80.5	146.5	146.7	714.8
<i>Absolute Return Strategies – Assets²</i>		76.2	65.1				
<i>Absolute Return Strategies – Liabilities</i>		(75.6)	(65.1)				

1. Net investments excludes non-investment assets (liabilities).

2. Absolute Return Strategies (ARS) hold offsetting systematic exposures that reduce our net position in particular holdings. We do this through long and short positions, both internally through Total Fund Management and external managers. As a result, their net asset values greatly understate their size and impact on Fund performance. To compare the size of the Capital Markets and Factor Investing and Active Equities with our other long-only departments, we use the sum of the long investments in each of these departments to approximate their gross assets under management.

Total Fund Management

Total Fund Management (TFM) is responsible for designing and recommending the Fund’s strategic and tactical portfolios and compositional targets, capital allocations to investment strategies in conjunction with the CIO, and the management of exposures, leverage, and liquidity to those targets. As part of these activities, TFM manages a completion portfolio diversified across asset classes and geographic exposures. TFM and the CIO lead the ongoing execution of the Total Portfolio Investment Framework and ensure that its active and balancing investing activities, alongside the other investment departments, collectively produce a total portfolio that seeks to maximize long-term returns without undue risk of loss.

Department Highlights

Five-year Net Returns

5.2%	4.7%
Fiscal 2025	Fiscal 2024

One-year Net Returns

7.2%	6.4%
Fiscal 2025	Fiscal 2024

Net Assets

\$340.1 billion	
↑ \$73.4 billion 1-year change	↑ \$160.4 billion 5-year change

One-year Potential Loss

\$47 billion

Full-time Employees

122

Comparative advantages

The Total Portfolio Investment Framework allows TFM to understand and quantify the return-risk characteristics of each asset class when constructing diversified portfolios. TFM’s portfolio construction includes the creation of a globally optimized total portfolio that incorporates traditional capital market assumptions across assets, and is complemented by factor views. This enables each investment department to build broad, diverse mandates. It also provides flexibility to take advantage of market conditions and leverages the organization’s developed expertise.

TFM also adds value by undertaking key functions on behalf of the Fund. The centralized provision of balance sheet activities enables the Fund to hold illiquid assets, maintain sufficient liquidity and achieve desired Fund exposures. Centralization of the majority of trading provides execution expertise to the broader Fund and enables efficiencies.

Long-term performance

Over the past five years, TFM delivered a net return of 5.2%, up from 4.7% in the prior fiscal year. The main driver was the performance of developed market equities, particularly U.S. equities which delivered double-digit annualized returns over the past five fiscal years. Emerging market equities also delivered positive contributions mainly due to the post-COVID-19 pandemic rebound in 2021 and gains in the current fiscal year, mostly in China. These gains were offset by negative returns in other years during the five-year period, as some of these markets faced geopolitical challenges, unanticipated regulatory changes and economic growth concerns.

Fixed income investments in developed markets generated low single-digit losses over the five-year period. Bond yields increased substantially beginning in 2022, leading to declines in bond prices as central banks tightened monetary policies in response to rising inflation. Some of these losses were offset in the current fiscal year due to foreign exchange gains and gains in U.S. and Canada government bonds due to central banks lowering rates. Fixed income investments in emerging markets earned low single-digit gains over the five-year period, with China and India as the largest contributors.

Over the past 10 years, TFM delivered a net return of 5.7% driven by the equities portfolio. The main driver was developed markets equities led by U.S. equities which generated an annualized return of 13.9% over the past decade. Emerging markets equities also contributed to the gains, mainly by investments in China and India. The fixed income portfolio had relatively lower gains over this period.

Fiscal 2025 performance

In fiscal 2025, TFM gained 7.2%, mainly driven by the positive impact of foreign exchange movements and the performance of public equities.

The public equity portfolio benefited from the performance of U.S. equities, which continued their rally from the previous fiscal year due to optimism about technological advancements related to AI, lower interest rates, and positive economic data. Emerging market equities also contributed positively with gains mainly driven by China. The gains in the public equity portfolio were partially offset post the U.S. elections, as global equity markets delivered mixed performance across regions due to heightened geopolitical tensions and evolving trade policies.

The developed markets fixed income portfolio delivered gains in the first half of the fiscal year as yields fell tied to interest rate cuts by central banks on easing inflation and growth concerns. Some of these gains were offset in the second half of the fiscal year with mixed performance across regions and increased volatility due to U.S. tariffs and diverging global central bank policies. However, foreign exchange gains offset these losses and developed markets fixed income ended the fiscal year with positive returns. Emerging markets fixed income had small positive contributions during the fiscal year.

This year's performance was higher compared to fiscal 2024. In fiscal 2024, gains were mainly driven from a broad rally in developed market equities within the Balancing Portfolio. This rally was driven by improving market sentiment related to expectations that interest rate and inflation might decrease without an economic recession.

The Total Fund Management department performance also includes certain investments that are integrated across multiple investment strategies and were transferred from the Private Equity, Real Assets and Active Equities departments during the fiscal year. The net return of these investments was 8.7% in fiscal 2025.

Benchmark returns are not presented for TFM because its primary purpose in investing in the Balancing Portfolio is to rebalance the total portfolio to deliver the Fund's targeted exposures. This is in contrast with other investment departments whose primary purpose is to deliver investment selection value add as outlined on page 20.

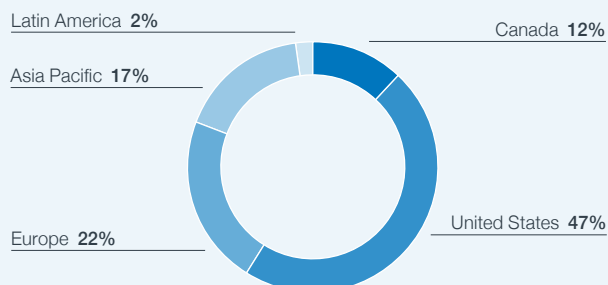
Risk

TFM is one of the largest contributors to the Fund's market risk as measured by the one-year potential loss of \$47 billion or 6.6% of Fund net assets. This is largely due to the considerable size of its public equity holdings in the Balancing Portfolio. Given that the Balancing Portfolio is mostly invested in global public securities that are highly liquid, it serves as the source of the Fund's central liquidity reserves used to manage liquidity risk. Overall, operational risk is elevated compared to other investment departments and driven by the inherent complexity of models and trading processes. For details on how our risks are managed, refer to the Managing Risks to Safeguard Value section on page 42.

	Fiscal 2025				Fiscal 2024			
	1-Year (\$ millions)	1-Year (%)	5-Year (%)	10-Year (%)	1-Year (\$ millions)	1-Year (%)	5-Year (%)	10-Year (%)
Gross Returns	30,320	9.1%	6.4%	6.7%	22,308	8.5%	5.7%	7.1%
Expenses	7,838	1.9%	1.3%	1.0%	6,428	2.1%	1.0%	0.8%
Net Returns	22,482	7.2%	5.2%	5.7%	15,880	6.4%	4.7%	6.3%

Total Fund Management – Geographic Diversification¹

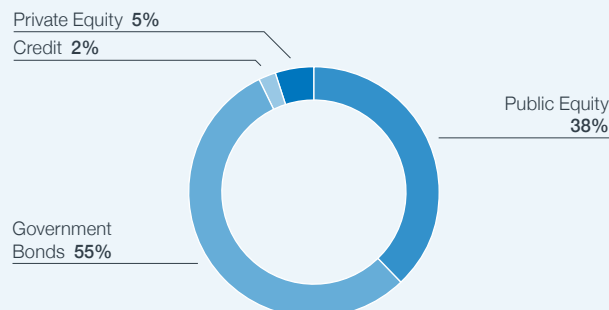
March 31, 2025



1. Excludes currency management and leverage exposures.

Total Fund Management – Asset Class Diversification¹

March 31, 2025



1. Excludes currency management and leverage exposures.

Capital Markets and Factor Investing

Capital Markets and Factor Investing (CMF) includes both externally managed hedge funds and internally managed active strategies that invest globally in public equities, fixed income, currencies, and commodities.

Department Highlights

Five-year Net Income

\$14.0 billion **\$9.6 billion**

Fiscal 2025

Fiscal 2024

One-year Net Income

\$1.2 billion **\$3.6 billion**

Fiscal 2025

Fiscal 2024

Five-year Investment Selection net value added over benchmark returns¹

\$15.6 billion **\$11.5 billion**

Fiscal 2025

Fiscal 2024

Gross Assets²

\$76.2 billion

↑ \$9.7 billion
1-year change

↑ \$20.2 billion
5-year change

One-year Potential Loss

\$3 billion

Full-time Employees

99

Comparative advantages

CMF aims to deliver breadth and flexibility across public market return sources by providing scalable, liquid, and complementary diversifying return streams for the Fund. The portfolio is market neutral, seeking to generate returns that are independent of broad market direction. This design helps reduce exposure to systematic risk and ensures that performance is primarily driven by manager skill and strategy selection. In addition, CMF contributes through knowledge sharing, strategic partnerships, and access to investment opportunities that support the total Fund.

Long-term performance

Over the past five years, CMF delivered net income of \$14.0 billion and a net value added of \$15.6 billion above its benchmark, excluding the impact of foreign currency. Performance was driven by both CMF's portfolio of external hedge fund investments as well as internally managed systematic strategies. This result reflected success in identifying and accessing skilled external managers, who have been able to earn returns above their respective benchmarks through a variety of market environments. CMF has delivered positive outperformance in each of the past five fiscal years. The increase in the five-year result in fiscal 2025 compared to fiscal 2024 reflects the rolling off of fiscal 2020 from the comparative period when the challenging COVID-19 pandemic market environment contributed to losses.

Over the past 10 years, CMF delivered net income of \$12.0 billion and net value added of \$14.7 billion above its benchmark, excluding the impact of foreign currency. Results were driven by outperformance in CMF's external hedge funds portfolio, partially offset by underperformance in internally managed strategies.

1. Excludes impact of foreign currency.

2. CMF's gross assets represent the sum of its long investments to approximate its gross assets under management.

Fiscal 2025 performance

In fiscal 2025, CMF delivered net income of \$1.2 billion, driven largely by the performance of external hedge fund managers, with additional gains from internally managed strategies. Most hedge fund strategies achieved gains, with the largest contributions coming from quantitative equity and multi-strategy managers. Hedge fund performance was particularly strong in the third quarter of our fiscal year, as managers successfully positioned portfolios through the U.S. election cycle.

CMF’s internally managed strategies delivered positive returns driven by quantitative equity. This was partly offset by strategies that focus on foreign exchange, fixed income, and commodities. Performance within the quantitative equity portfolio was broad-based across all factors, including momentum, growth, capital flows, and quality.

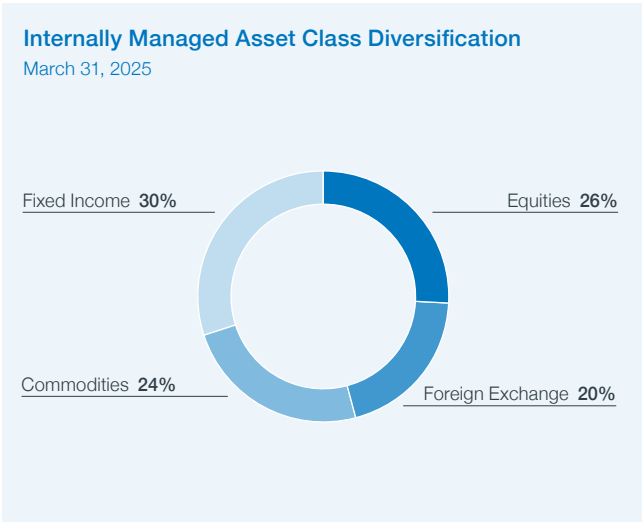
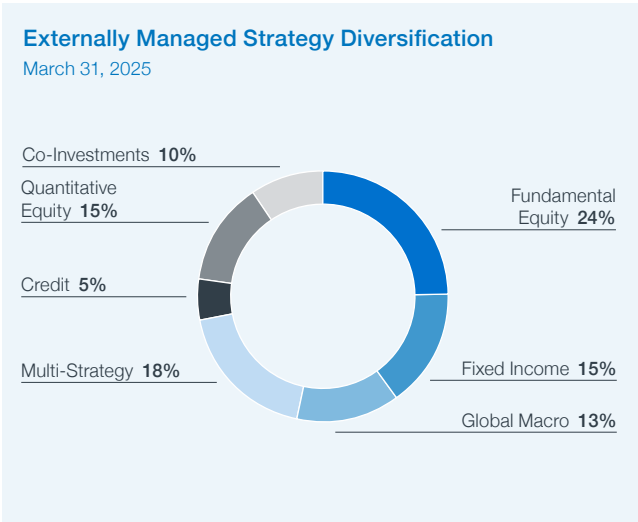
This fiscal year’s gain was lower compared to fiscal 2024 when CMF earned \$3.6 billion in net income. Last year, both external managers and internal strategies produced outsized gains with strategies continuing to demonstrate breadth and diversification of return streams.

We monitor the performance of absolute return strategies on both a dollar and percentage return basis. Dollar results are presented in the table below and are our primary evaluation metric for the CMF department.

Risk

CMF is one of the smallest contributors, by design, to the Fund’s market risk as measured by one-year potential loss of \$3 billion or 0.4% of Fund net assets. Given CMF’s material allocation toward externally managed funds, its portfolio is less liquid compared to a portfolio that is directly invested in public market securities. However, it is more liquid than private asset classes. CMF’s allocation to external managers exposes CPP Investments to operational, regulatory and legal risks related to the complexities arising from the various external fund structures as well as breadth and complexity of products traded by external managers and associated third party risks.

	Fiscal 2025			Fiscal 2024		
	1-Year (\$ millions)	5-Year (\$ millions)	10-Year (\$ millions)	1-Year (\$ millions)	5-Year (\$ millions)	10-Year (\$ millions)
Gross Returns	3,451	23,220	26,659	5,300	17,882	28,949
Expenses	2,203	9,206	14,707	1,699	8,286	13,494
Net Returns	1,248	14,014	11,952	3,601	9,596	15,455



Active Equities

Active Equities (AE) invests in global public and soon-to-be-public companies, leveraging long-term fundamental research to generate unique company-specific insights. AE also allocates to external fundamental managers where it can add value to the Fund through strategic partnerships.

Department Highlights

Five-year Net Income

\$0.0 billion **\$2.9 billion**

Fiscal 2025

Fiscal 2024

One-year Net Income

\$0.8 billion **\$2.6 billion**

Fiscal 2025

Fiscal 2024

Five-year Investment Selection net value added over benchmark returns¹

\$0.3 billion **\$2.7 billion**

Fiscal 2025

Fiscal 2024

Gross Assets²

\$65.1 billion

↓ \$(0.6) billion³
1-year change

↑ \$3.7 billion
5-year change

One-year Potential Loss

\$4 billion

Full-time Employees

128

Comparative advantages

AE's strategy is to leverage CPP Investments' structural comparative advantages of long horizon and certainty of assets to exploit market inefficiencies in the global public equity markets. AE seeks to take advantage of these opportunities through proprietary research, which combines industry expertise with data and advanced analytical techniques to uncover unique company-specific fundamental insights. These fundamental insights yield a collection of high-conviction, single-company investments that are assembled into a concentrated long/short, market-neutral portfolio.

AE then leverages sophisticated risk models and portfolio optimization techniques to remove unintended factor exposures. The result is a portfolio with maximum exposure to proprietary fundamental insights.

Long-term performance

Over the past five years, AE's net income was flat at \$0.0 billion with net value added of \$0.3 billion above its benchmark, excluding the impact of foreign currency. Relatively flat results over this period reflected gains from AE's developed market programs, offset by losses in emerging markets. Developed markets delivered consistent absolute returns with gains in four of the five past years. Losses in emerging markets detracted from results, where underperformance in China was the primary driver. At the beginning of the fiscal year, active investment activities in China were paused as the market showed signs of divergence from fundamental factors since the government's introduction of a series of regulatory actions in fiscal 2022, which challenged the ability to successfully find alpha opportunities based on fundamental performance drivers.

Over the past 10 years, AE delivered a net income of \$6.0 billion and net value added of \$6.2 billion driven by developed market programs, partially offset by emerging markets.

1. Excludes impact of foreign currency.

2. AE's gross assets represent the sum of its long investments to approximate its gross assets under management.

3. \$1.4 billion of net assets were transferred as integrated strategies to the Total Fund Management department in April 2024.

Fiscal 2025 performance

In fiscal 2025, AE earned net income of \$0.8 billion due to gains from the developed market program. North America was the primary contributor, while Europe ended the year flat. In North America, gains were diversified across media, communications, technology and financials investments. Emerging markets remained challenging this year, with losses in Brazil detracting from overall results. Fiscal 2025 was a difficult year for active investing in Brazil, given its high interest rates, increasing inflation expectations and a depreciating currency. Asia contributed a small gain this year.

This fiscal year's gain was lower than fiscal 2024, a year in which developed markets programs earned their highest annual return since inception. Both North America and Europe outperformed last year, with U.S. technology investments being the most significant contributor.

We monitor the performance of absolute return strategies on both a dollar and percentage return basis. Dollar results are presented in the table below and are our primary evaluation metric for the AE department.

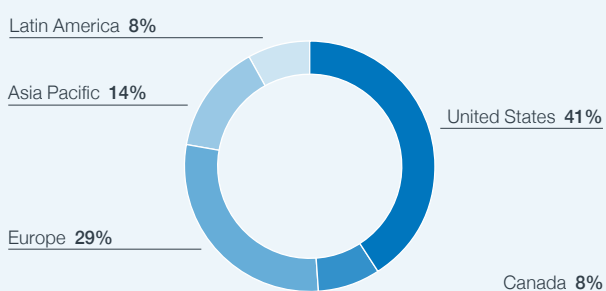
	Fiscal 2025			Fiscal 2024		
	1-Year (\$ millions)	5-Year (\$ millions)	10-Year (\$ millions)	1-Year (\$ millions)	5-Year (\$ millions)	10-Year (\$ millions)
Gross Returns	1,250	2,157	9,200	3,004	4,833	8,471
Investment Expenses	465	2,129	3,215	450	1,915	2,860
Net Returns	785	28	5,985	2,554	2,918	5,611

Risk

AE is a relatively small contributor to the Fund's market risk as measured by one-year potential loss of \$4 billion or 0.6% of Fund net assets. AE employs an absolute return strategy which hedges factor exposures and systematic market risk factors such as country and sector risk. However, idiosyncratic risk is heightened as single name concentration is a fundamental component of AE's mandate and this risk is measured and monitored on an ongoing basis. AE's operational, regulatory and legal risks are lower compared to most other investment departments as AE primarily manages public investments.

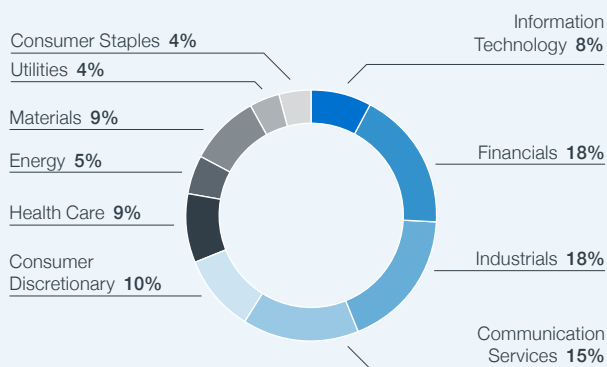
Active Equities – Geographic Diversification

March 31, 2025



Active Equities – Sector Diversification

March 31, 2025



Credit Investments

Credit Investments (CI) invests in both public and private credit and credit-like products globally. This includes investments across corporate, consumer and real assets credit along the credit rating spectrum, with the exception of local currency government bonds.

Department Highlights

Five-year Net Returns

10.2%

Fiscal 2025

6.3%

Fiscal 2024

One-year Net Returns

16.5%

Fiscal 2025

13.6%

Fiscal 2024

Five-year Investment Selection net value added over benchmark returns¹

2.1%

Fiscal 2025

2.0%

Fiscal 2024

Net Assets

\$80.5 billion

↑ \$12.8 billion
1-year change

↑ \$40.5 billion
5-year change

One-year Potential Loss

\$8 billion

Full-time Employees

147

Comparative advantages

CI has a diverse mandate, developed domain expertise and long-term investment horizon. Its broad mandate enables it to dynamically shift resources and flexibly deploy capital to the most compelling relative value across the global credit market. The department leverages its developed underwriting and structuring expertise to generate value add.

A long-term horizon allows CI to capitalize on opportunities where the market's perceived risk and spread are higher than what we believe to be the actual risks of permanent loss.

Long-term performance

Over the past five years, CI delivered a net return of 10.2%, an increase from the prior five-year period as a result of double-digit returns in fiscal 2025 and the rolling off of fiscal 2020 results which were adversely impacted by the COVID-19 pandemic market environment. CI's absolute results over the five-year period were mainly driven by the post-pandemic recovery in demand for asset backed and financial credit, sustainable energy loans, as well as European liquid credit investments.

Over the same period, CI generated net value added of 2.1% above its benchmark, excluding the impact of foreign currency. This represents an increase of 0.1% compared to the prior five-year period. Net value added over the five-year period was mainly driven by corporate and opportunistic credit as well as sustainable energy loans that have outperformed the benchmark.

Over the past 10 years, CI delivered a net return of 9.1% with a net value added of 3.2% above its benchmark, excluding the impact of foreign currency. CI's incremental returns reflect its underwriting discipline and the benefits of CPP Investments' strategic relationships with investment partners.

1. Excludes impact of foreign currency.

We evaluate the value-add performance of our active strategies in local currency terms:

Five-Year Annualized Net Returns (Local)	Fiscal 2025	Fiscal 2024
Credit Investments Portfolio	9.9%	6.3%
Benchmark Returns	7.8%	4.2%
Net Investment Selection Value Added	2.1%	2.0%

Fiscal 2025 performance

In fiscal 2025, CI's net return of 16.5% was primarily due to income earned, continued gains from the tightening of credit spreads and foreign exchange gains. Antares Capital, CI's middle-market private financing platform, was a significant contributor to the fiscal 2025 results due to positive operational performance in its lending division and the persistent higher interest rate environment. The U.S. dollar, which represented the majority of the portfolio's currency exposure, appreciated against the Canadian dollar, further contributing to the positive performance.

This year's performance was higher compared to fiscal 2024. The performance in fiscal 2024 was mainly driven by European investments and Antares Capital.

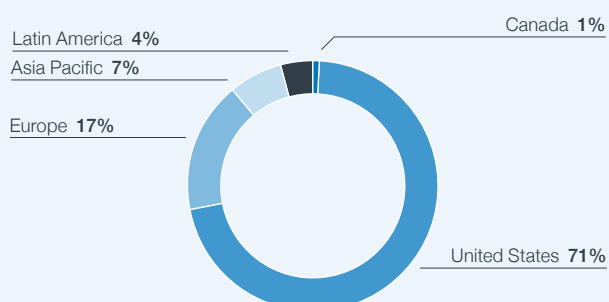
	Fiscal 2025				Fiscal 2024			
	1-Year (\$ millions)	1-Year (%)	5-Year (%)	10-Year (%)	1-Year (\$ millions)	1-Year (%)	5-Year (%)	10-Year (%)
Gross Returns	11,980	17.3%	11.0%	9.9%	8,571	14.6%	7.1%	9.8%
Expenses	612	0.8%	0.8%	0.8%	645	1.1%	0.8%	0.8%
Net Returns	11,368	16.5%	10.2%	9.1%	7,926	13.6%	6.3%	9.0%

Risk

CI is a relatively small contributor to the Fund's one-year potential loss with \$8 billion or 1.1% of Fund net assets. CI manages a diversified portfolio of credit instruments that includes exposure to lower-rated instruments. The expected return compensation is commensurate with the level of credit risk in these assets. Operational, regulatory, and legal risks are driven by complexities due to investing across the capital structure of individual companies, the bespoke nature of private credit transactions, the potential for restructurings and distressed assets, and exposure in emerging markets.

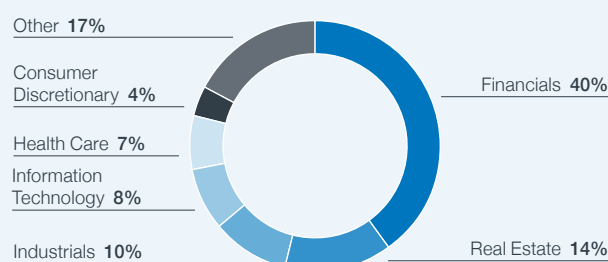
Credit Investments – Geographic Diversification

March 31, 2025



Credit Investments – Sector Diversification

March 31, 2025



Private Equity

Private Equity (PE) invests in a wide range of private equity assets globally, both indirectly through externally managed funds and directly alongside partners. PE seeks return premiums by investing in less-liquid assets and focusing on long-term value creation through commitments to funds, secondary markets, and direct investments in private companies.

Department Highlights

Five-year Net Returns

14.7%

Fiscal 2025

14.1%

Fiscal 2024

One-year Net Returns

8.7%

Fiscal 2025

9.6%

Fiscal 2024

Five-year Investment Selection net value added over benchmark returns¹

(5.5%)

Fiscal 2025

2.7%

Fiscal 2024

Net Assets

\$146.5 billion

↓ \$(9.4) billion²
1-year change

↑ \$51.9 billion
5-year change

One-year Potential Loss

\$44 billion

Full-time Employees

157

Comparative advantages

PE's integrated investing approach allows it to leverage extensive partnerships and to access investment opportunities across industries and geographies. PE partners with private equity funds and management teams ensuring alignment of interests with shareholders and focusing on long-term value creation to deliver attractive risk-adjusted returns. PE seeks to add value across each stage of the investment life cycle from entry to exit. This includes acting on proprietary insights, enhancing governance and optimizing profitability. A disciplined and patient investing approach enables PE to be a preferred partner across the spectrum of private equity investment opportunities, which include direct investments, secondary investments, and fund investments globally.

Long-term performance

Over the past five years, PE delivered a net return of 14.7%, an increase from the prior five-year period. The increase was driven by positive net returns in fiscal 2025 and the rolling off of fiscal 2020 between the comparative periods. PE's externally managed fund investments, and direct assets in the information technology, financials and consumer discretionary sectors contributed to its absolute results over the five-year period.

Over the same period, PE generated a net value added of negative 5.5% against its benchmark, excluding the impact of foreign currency, which was lower than the previous five-year period. This was primarily due to the rolling off of fiscal 2020, where PE delivered double-digit positive net value-add above its public market index benchmark during the COVID-19 pandemic market downturn.

Over the past 10 years, PE delivered a net return of 13.5%, with a net value added of 2.6% above its benchmark, excluding the impact of foreign currency. The department's access to the full value chain in private equity globally, scale to compete at the larger end of the direct market, well-developed relationships with general partners, and investment selection positively contributed to its results over the 10-year period.

1. Excludes impact of foreign currency.

2. \$18.6 billion of net assets were transferred as integrated strategies to the Total Fund Management department in April 2024.

We evaluate the value-add performance of our active strategies in local currency terms:

Five-Year Annualized Net Returns (Local)	Fiscal 2025	Fiscal 2024
Private Equity Portfolio	14.6%	14.1%
Benchmark Returns	20.1%	11.4%
Net Investment Selection Value Added	(5.5%)	2.7%

Fiscal 2025 performance

In fiscal 2025, PE's net return of 8.7% was driven by externally managed investments, particularly in the U.S. PE's private portfolio companies in the consumer discretionary and health care sectors delivered earnings growth through improvements in operational results that contributed to returns. The U.S. dollar, which represented the majority of the portfolio's currency exposure, appreciated against the Canadian dollar, further contributing to returns.

This fiscal year's performance was lower compared to fiscal 2024. Fiscal 2024 performance was driven by gains predominantly in the technology, healthcare and financial sectors and slightly offset by foreign currency losses, primarily attributable to the depreciation of the euro against the Canadian dollar.

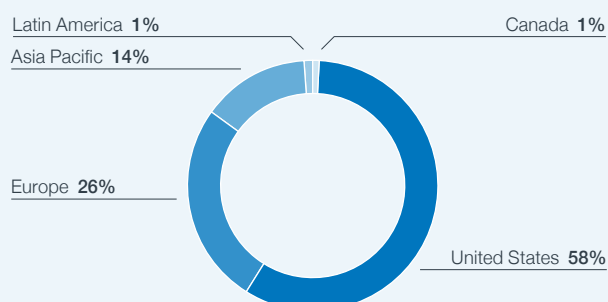
Risk

PE is one of the largest contributors to the Fund's one-year potential loss with \$44 billion or 6.2% of Fund net assets. The higher expected returns come with increased potential for losses, consistent with a levered equity strategy. There is elevated liquidity risk as private market asset dispositions are inherently more difficult to execute relative to public markets, with this risk exacerbated when market conditions are unfavourable due to, for example, higher interest rates, widening bid-ask spreads, and tepid IPO markets. Overall, the PE portfolio is well diversified across different strategies, industries, and geographies. PE's operational, regulatory and legal risks are mainly driven by the complexities of its direct investment activities.

	Fiscal 2025				Fiscal 2024			
	1-Year (\$ millions)	1-Year (%)	5-Year (%)	10-Year (%)	1-Year (\$ millions)	1-Year (%)	5-Year (%)	10-Year (%)
Gross Returns	14,303	10.2%	16.3%	15.4%	15,974	11.1%	15.7%	17.6%
Expenses	2,223	1.5%	1.6%	1.9%	2,125	1.4%	1.6%	2.0%
Net Returns	12,080	8.7%	14.7%	13.5%	13,849	9.6%	14.1%	15.6%

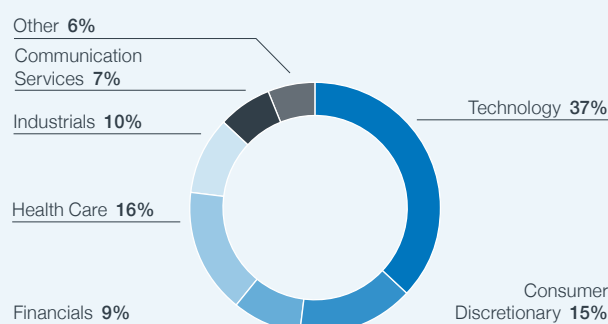
Private Equity – Geographic Diversification

March 31, 2025



Private Equity – Sector Diversification

March 31, 2025



Real Assets

Real Assets (RA) invests in real estate, infrastructure, as well as both conventional and renewable energy assets globally. Its portfolio delivers a broad range of exposures, income and capital growth to the Fund, while also providing cash flows that increase with inflation over time.

Department Highlights

Five-year Net Returns

7.0%

Fiscal 2025

5.2%

Fiscal 2024

One-year Net Returns

8.7%

Fiscal 2025

2.0%

Fiscal 2024

Five-year Investment Selection net value-added over benchmark returns¹

(0.8%)

Fiscal 2025

1.9%

Fiscal 2024

Net Assets

\$146.7 billion

↑ \$9.4 billion²
1-year change

↑ \$49.1 billion
5-year change

One-year Potential Loss

\$24 billion

Full-time Employees

270

Comparative advantages

RA invests behind themes that span across multiple asset classes. This is enabled by the department's sector, geographical and operational expertise, leveraging CPP Investments' global relationships to identify and access differentiated investment opportunities at scale. RA's flexibility of capital and mandate enable the department to invest in the areas of greatest relative value. The proactive management of its assets and portfolio enable the department to maximize value creation realization at all stages of the investment life cycle.

Long-term performance

Over the past five years, RA delivered a net return of 7.0%, an increase from the prior five-year period, which was driven by positive net returns in fiscal 2025 and the rolling off of fiscal 2020 between the comparative periods. RA's investments across real estate, infrastructure and energy all contributed positively over this period. This result was largely attributable to increases in energy and commodity prices as well as the performance of industrial assets and transportation infrastructure.

Over the same period, RA generated net value added of negative 0.8% against its benchmark, excluding the impact of foreign currency. This represented a decrease compared to the prior five-year period, mostly due to the performance of the real estate portfolio compared to its benchmark, primarily impacted by adverse market conditions in the office and retail sector during the COVID-19 pandemic period. Sustainable energies performance remained above its benchmark with key contributions from power and upstream energy investments. Infrastructure portfolio performance was also above its benchmark driven by toll road investments in both developed and emerging markets.

Over the past 10 years, RA has delivered a net return of 6.9%, with net value added of 2.2% above its benchmark, excluding the impact of foreign currency. Positive results above the benchmarks were achieved across all of RA's portfolios, with sustainable energies as the largest contributor, followed by infrastructure and real estate.

1. Excludes impact of foreign currency.

2. \$4.5 billion of net assets were transferred as integrated strategies to Total Fund Management department in April 2024.

We evaluate the value-add performance of our active strategies in local currency terms:

Five-Year Annualized Net Returns (Local)	Fiscal 2025	Fiscal 2024
Real Assets Portfolio	6.8%	5.6%
Benchmark Returns	7.6%	3.7%
Net Investment Selection Value Added	(0.8%)	1.9%

Fiscal 2025 performance

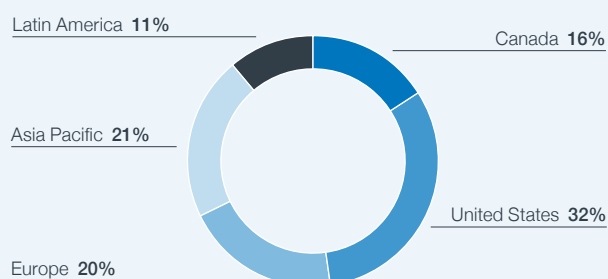
RA's net return of 8.7% in fiscal 2025 reflected positive results across the portfolio. RA had broad-based gains in sustainable energies, particularly in Canada and the U.S., which benefited from growing energy demand particularly in the power generation sector. The infrastructure portfolio delivered gains through investments in U.S. telecommunications, toll roads in Canada and port services in the U.S. and U.K., which benefited from increased economic activity levels. The real estate portfolio delivered lower relative performance as investments in the office and retail sectors continued to be negatively impacted by higher interest rates, e-commerce and hybrid-working trends. However, the portfolio benefited from double-digit returns in data center investments.

This fiscal year's performance was higher than fiscal 2024, when the portfolio was negatively impacted by foreign currency losses.

	Fiscal 2025				Fiscal 2024			
	1-Year (\$ millions)	1-Year (%)	5-Year (%)	10-Year (%)	1-Year (\$ millions)	1-Year (%)	5-Year (%)	10-Year (%)
Gross Returns	13,199	9.7%	7.9%	7.9%	3,546	2.8%	6.2%	8.5%
Expenses	1,377	1.0%	0.9%	1.0%	914	0.8%	1.0%	1.1%
Net Returns	11,822	8.7%	7.0%	6.9%	2,632	2.0%	5.2%	7.4%

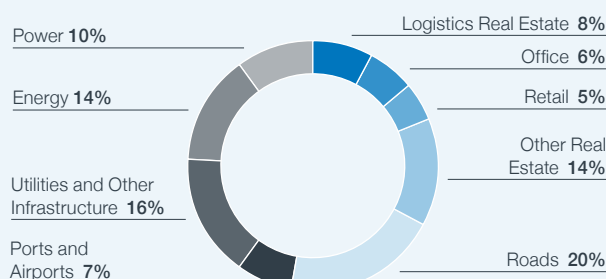
Real Assets – Geographic Diversification

March 31, 2025



Real Assets – Sector Diversification

March 31, 2025



Composition of the Benchmark Portfolios as at March 31, 2025

As discussed on page 19, we measure CPP Investments' relative performance against the Benchmark Portfolios. The fiscal 2025 Benchmark Portfolios are composed of public market indexes for each investment department as outlined below, as well as the applicable index weighting for each of the base and additional CPP accounts. Our Capital Markets & Factor Investing and Active Equities investing departments use absolute return strategies that are long/short in nature and contribute no weights to the Benchmark Portfolios. We benchmark them against their funding costs.

Investment Department	Weight of Investment Department to base CPP account	Weight of Investment Department to additional CPP account	Public Market Indexes that comprise the Benchmark Portfolios ¹	Weight of index to base CPP account Benchmark Portfolio	Weight of index to additional CPP account Benchmark Portfolio ²
Credit Investments	13%	8%	Morningstar LSTA US Leveraged Loan TR	8%	5%
			BBG Global HY Corporate	4%	2%
			BBG Global Aggregate Corporate (IG)	2%	1%
			JP Morgan CEMBI Broad Diversified Composite	2%	1%
			S&P US LargeMidCap Financials	1%	–%
			ICE BofA US 3-month T-Bill	(4%)	(2%)
Private Equity	20%	13%	S&P Developed LargeMidCap	21%	13%
			S&P Asia Pacific Emerging LargeMidCap	3%	2%
			S&P Asia Pacific Developed LargeMidCap	2%	1%
			ICE BofA US 3-month T-Bill	(4%)	(3%)
Real Assets	24%	15%	FTSE EPRA NAREIT Global	8%	5%
			Dow Jones Brookfield Global Infrastructure Ex Oil and Gas Storage & Transportation	6%	4%
			S&P Infrastructure EM ex-China	3%	2%
			S&P Developed BMI Renewable Electricity	3%	2%
			S&P Developed LargeMidCap Energy	2%	1%
			10% Barclays CA AAA Gov Bond 10Y+	1%	1%
			ICE BofA US 3-month T-Bill	1%	1%
			S&P Emerging BMI Renewable Electricity ex-China	1%	–%
Total Fund Management	43%	63%	Fixed income indexes ³	36%	59%
			Equity indexes ³	31%	20%
			Neutral benchmarks	2%	2%
			Interest rate benchmarks ³	(27%)	(17%)
Total	100%	100%		100%	100%

1. Certain public market indexes as presented are customized for CPP Investments.

2. Certain index weightings are rounded to zero.

3. Total Fund Management (TFM) utilizes a custom weighted blend of benchmark indexes. TFM primarily manages the Balancing Portfolio as a completion portfolio to deliver the targeted exposures for the Investment Portfolios, rather than generating investment selection value added.

Embedding Talent and Sustainability Considerations in Our Operations and Investments

As a long-term investor, we recognize that managing sustainability-related risks and opportunities, along with a strong, purpose-driven talent strategy, are a critical part in our ability to deliver enduring value for the Fund. The following pages outline our climate change approach – including investing in the whole economy transition, and reporting on operational and portfolio emissions – as well as our progress in building a high-performing, inclusive organization, both of which support our ability to deliver on our mandate.

Investing in our people and purpose-driven culture

Our global team of 2,125 professionals is motivated by our purpose to help support the stability and financial sustainability of the CPP.

We offer enriching leadership and professional development programs that help colleagues develop their skills, grow their careers, reach their full potential, and ensure we are preparing our workforce for the future.

In fiscal 2025, we ensured colleagues across the organization had access to development programs and more robust training through digital learning. This resulted in more than 31,000 learning hours.

We provided hands-on experiences to continue to develop technology literacy, with both department specific and enterprise wide AI exposure. This included a Hack-a-Thon, which provided colleagues the opportunity to familiarize themselves with the AI tools.

We continue to engage in development conversations with colleagues to further advance our learning objectives. Senior management regularly discusses talent opportunities across the organization, identifying opportunities for further growth.

To further facilitate development and internal career mobility, we updated and simplified our Integrated Career Framework (ICF). The ICF articulates the performance expectations by level. Updates ensured an alignment between colleague expectations and our strategy. The updates also make sure that leadership expectations for every level are applied consistently across the organization.

Recognizing the importance of people managers in driving both performance and engagement, we further enhanced our development curriculum to provide additional support and training for managers. This program will be implemented more fully in the coming fiscal year, ensuring every leader goes through the program.

Our employee surveys continue to demonstrate high engagement, and ranking above the Global Financial Services average. 86% of colleagues participated in the survey.

Strategic Talent Metrics

	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025
Female new hires	40%	38%	52%	53%	47%
Female senior investment professionals	21%	22%	23%	28%	28%
LGBTQ+ colleagues	3.0%	3.4%	4.1%	4.4%	4.3%
Minorities in senior roles	25%	27%	27%	27%	27%

We continue to take steps to support the development of talent from underrepresented groups, including encouraging the advancement of senior women investment professionals, and fostering a workplace where everyone feels included and valued. We made strong progress against our strategic talent objectives in the five-year strategy which concluded in fiscal 2024. We will continue to pursue diversity as a strategic choice in support of our mandate to maximize the value of the Fund.

Senior appointments

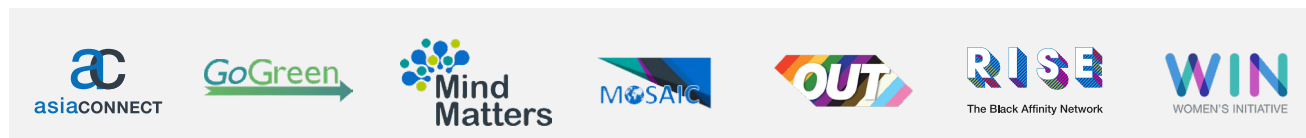
In July 2024, Priti Singh, Senior Managing Director & Global Head of Capital Markets and Factor Investing moved into a new role as our Chief Risk Officer. Heather Tobin was appointed Senior Managing Director & Global Head of Capital Markets and Factor Investing.

In August 2024, Caitlin Gubbels was appointed Senior Managing Director & Global Head of Private Equity.

These appointments showcase the depth of our internal talent pool and the effectiveness of our leadership development and succession planning.

Championing important causes

We are building an inclusive workplace where all colleagues feel supported, respected and valued for who they are as individuals and their unique contributions. In doing so, we ensure everyone has an opportunity to reach their potential. We maintain a vibrant culture of Employee Resource Groups who are motivated to effect change in our culture and communities through a range of programs and activities.



Reporting on our approach to climate change

Our Climate Change Principles help guide our decision-making so we can deliver on our investment mandate against the backdrop of escalating climate risk and opportunities by navigating a whole economy transition. Our Climate Change Principles are:

- Principle 1: Invest for a whole economy transition required by climate change.
- Principle 2: Evolve our strategy as transition pathways emerge and global standards for decarbonization materialize.
- Principle 3: Exert influence to create value and mitigate risk.
- Principle 4: Support a responsible transition consistent with our investment beliefs and expertise, including our belief that accelerating the global energy transition requires a sophisticated, long-term approach rather than blanket divestment.
- Principle 5: Report on our actions, their impacts and our portfolio emissions.

As the global economy transitions to a low-carbon future, attractive investment opportunities continue to emerge for long-term investors. Evolving global standards for assessing, measuring and reporting these investments, including green and transition assets, require us to reassess our approach to ensure our reporting remains rigorous, and aligned with our investment strategy.

Below we report on the actions related to our approach to climate change.

Decarbonization Investment Approach

As a long-term investor with a diversified portfolio, we apply our Decarbonization Investment Approach (DIA) alongside select portfolio companies to identify decarbonization opportunities. An important tool we utilize as part of the DIA is our Abatement Capacity Framework, an open-source tool that provides a step-by-step guide to explore the technical and economic feasibility and emissions-reduction potential of individual decarbonization options. In fiscal 2025, we partnered with companies from various sectors, including industrials, logistics and real estate. We have and continue to partner with portfolio companies from our Private Equity and Real Assets departments across a variety of sectors.

Operational emissions

We disclose our operational emissions (Scope 1, 2 and 3 business travel) and the purchase and retirement of carbon credits equal to the emissions we are currently unable to abate. Refer to the section on Operational Emissions Methodologies on page 74 for additional details.

The key driver of change in operational GHG emissions in fiscal 2025 was greater access to utility consumption data to better inform emissions estimates.

We acknowledge that the use of different measurement methodologies may result in incomparability of emissions information with other organizations. We expect that emissions measurement methodologies will further standardize and data availability will continue to increase. As a result, historical emissions levels may be recast in the future to enhance comparability.

Our approach to managing our operational emissions is to seek opportunities to reduce emissions while continuing to deliver on our business objectives. Consistent with this, we will continue to monitor and manage emissions associated with our business travel and office footprint. We have purchased 14,281 carbon credits from the Canadian Darkwoods Forest Carbon Project. This volume of credits equals the unabated emissions from our Scope 1, 2 and 3 (business travel) activities in fiscal 2025. The credits were retired subsequent to year-end, upon completion of our emissions estimation. The Darkwoods project is an initiative of the Nature Conservancy of Canada. It has been validated and verified in accordance with Verra's Verified Carbon Standard, the Climate, Community and Biodiversity Standards and under the Sustainable Development Verified Impact Standard. Darkwoods uses the applicable Verra methodology for Improved Forest Management projects, which quantifies GHG emission reductions attributable to improving forest management and avoiding logging in temperate and boreal forests.

Total Operational GHG Emissions Breakdown by Scope

Emissions source	Total GHG emissions (tonnes of CO ₂ e)	
	Fiscal 2025	Fiscal 2024
Scope 1	1,148	1,070
Scope 2 (location-based)	1,531	1,368
Scope 3 (business travel only)	11,602	11,435
Total GHG emissions	14,281	13,873

Refer to page 74 for the methodologies behind Operational Emissions metrics. CPP Investments' external auditor, Deloitte LLP, has conducted a limited assurance review of CPP Investments' operational GHG metrics and has confirmed that no matters have come to their attention that causes them to believe that the reviewed metrics are not prepared, in all material respects, in accordance with the disclosed criteria on page 74. The full form audit opinion is included on our [website](#).

Reporting on our portfolio emissions and climate risk

CPP Investments' internally developed carbon footprint tool provides insights on GHG emissions associated with all of the Fund's holdings and on relevant benchmarks. To disclose the GHG emissions associated with our Fund's holdings, we use Total Carbon Emissions and Carbon Footprint metrics, using the Enterprise Value Ownership method. Refer to the section on Carbon Metric Methodologies on page 74 for additional details. These metrics are widely adopted in the financial industry to measure portfolio emissions.

Yet, emissions measurement methodologies as well as the maturity of underlying data, systems and controls continue to evolve. CPP Investments' methodology reflects the net impact of short trades and derivatives, as omitting these exposures could misrepresent the portfolio's economic exposure to a particular issuer and overlook its exposure to climate risks. While globally recognized bodies, such as the Partnership for Carbon Accounting Financials, are currently silent on how to account for short trades and derivatives, we will continue to review our own methodology as guidance evolves. Any future changes may impact the comparability of our carbon emissions and portfolio carbon footprint over different periods.

Portfolio Carbon Footprint	Current Value of Investments in Scope (\$ billions)	Total Carbon Emissions (million tonnes of CO ₂ e)		Carbon Footprint (tonnes of CO ₂ e/\$ million)	
		March 2025	March 2024	March 2025	March 2024
Non-Government holdings	688	22.7	23.2	33	38
Government-issued securities	215	28.7	28.3	133	163

Total carbon emissions estimates the absolute Scope 1 and 2 GHG emissions attributable to our investments. We expect this figure to fluctuate in the nearer term as assets under management grow, before the impacts of any emission reductions can be seen more fully. Carbon footprint estimates the Scope 1 and 2 GHG emissions attributable to our investments per million dollars invested, which can be used to compare emissions intensity across portfolios of different sizes. In a portfolio of our size, many factors impact these figures. The key driver of the decrease in portfolio carbon footprint in fiscal 2025 relative to fiscal 2024 was the increase in the Fund's size. Total carbon emissions remained stable year over year. Approximately 53% of the Fund's total emissions are directly reported by portfolio companies. The rest are estimated by external data providers or by proxies based on available comparators.

As corporate climate-related disclosures improve, we expect methodologies to standardize and the proportion of directly reported emissions to increase. This may impact the comparability of our Fund's total carbon emissions and carbon footprint over different periods. Fluctuations in financial metrics like market value of investments can also impact calculated changes in our portfolio carbon footprint in any given year.

We currently do not include Scope 3 GHG emissions in our calculations as the quality and coverage of data is not yet sufficient, where only 30% of the Fund's Scope 3 emissions are directly reported by portfolio companies. We continue to monitor developments in the availability of complete Scope 3 data for our portfolio companies, so that they can be incorporated, when appropriate, into our metrics.

Source of the Fund's Scope 1 and Scope 2 emissions data

	Fiscal 2025	Fiscal 2024
Company-reported data	53%	47%
Vendor-estimated data	4%	5%
Proxy data	43%	48%

Refer to page 74 for the methodologies behind Total Carbon Emissions and Carbon Footprint metrics. CPP Investments' external auditor, Deloitte LLP, has conducted a limited assurance review of CPP Investments' portfolio GHG metrics and has confirmed that no matters have come to their attention that causes them to believe that the reviewed metrics are not prepared, in all material respects, in accordance with the disclosed criteria on page 74. The full form audit opinion is included on our [website](#).

Climate change scenario analysis

We take scenario analysis efforts into consideration during our strategic allocation process in portfolio construction, our climate risk monitoring, and our due diligence process during security selection.

We recognize that considering climate risk at the strategic allocation level is essential for institutional investors managing global multi-asset portfolios. As part of our investment strategy and portfolio design, we use scenario analysis to support diversification across climate risks and opportunities. Our scenarios are sourced from reputable organizations such as the Network for Greening the Financial System (NGFS) and the Intergovernmental Panel on Climate Change (IPCC).

To complement total carbon emissions and carbon footprint metrics in our climate risk monitoring, we use scenario analysis to assess the potential financial impacts of climate-related risks. Scenario analysis is not a forecast but rather a tool that explores a range of plausible future pathways aligned with specific climate temperature scenarios. These pathways are based on assumptions about government policies, energy supply and demand, technological advancements, and other key factors. Given the limitations of existing data, models, and scenario analysis methodologies, we employ multiple climate risk scenario analysis tools to enhance our ability to assess and understand these risks.

One of the metrics we use is Climate Value at Risk (Climate VaR), developed by MSCI. This metric is commonly used within the financial sector. It estimates the potential financial impact of climate-related risks on companies by modeling future costs and revenues driven by policy risks, technological opportunities, and physical risks and opportunities. Future costs and revenues are projected to 2050 for transition risk scenarios and to 2100 for physical risk scenarios, then discounted to present values and expressed as a percentage change from an asset's current market value. For this analysis, we rely on widely recognized climate scenarios recommended by the NGFS and aggregate the company-level Climate VaR estimates to arrive at estimated valuation impacts at the portfolio level. Portfolio-level results include Climate VaR for corporate securities only; sovereign bonds are excluded as their methodology is less well-developed.

Based on NGFS scenarios, MSCI Climate VaR estimates indicate a potential negative impact of up to 8% on the Fund's market value under the NGFS Net Zero 2050 scenario, which represents a high transition risk scenario. This scenario assumes that global warming is limited to 1.5°C through stringent climate policies and technological innovation, achieving net zero CO₂ emissions by 2050. Conversely, under the most punitive NGFS scenario for physical risk – a “hot house world” in which only currently implemented policies remain in place, leading to significantly higher global temperatures – MSCI Climate VaR estimates suggest a potential negative impact of up to 4% on the Fund's market value. These scenario analysis results relating to transition and physical risk are not directly comparable to each other, in light of the different nature and magnitude of the risks being assessed, and timeframes over which the scenarios address these risks.

While the MSCI Climate VaR approach provides valuable portfolio-level insights and is regularly employed by financial institutions, it remains subject to the significant broader market-based limitations inherent in current climate scenario analysis methodologies. The MSCI Climate VaR methodology is expected to evolve regularly as it integrates a broad range of variables and assumptions. As a result, potential impacts may be underestimated due to methodological and data limitations and could fluctuate over time, largely driven by scenario updates and modeling refinements rather than changes in portfolio composition. Although the results are not directly comparable, to enhance the robustness of our ability to understand and assess climate-related risks, we also conduct scenario analysis based on guidelines published by central banks, as well as other methodologies, all of which also remain subject to significant limitations including incomplete data, limited scope, outdated scenarios and other constraints. We will continue to apply appropriate diligence in assessing quantification results and actively monitor the availability of alternative methods and tools.

At the individual asset level, where climate change impacts are deemed to be material to investment and asset management activities, we consider the potential financial impacts of high-physical risk scenarios or high-transition risk scenarios, or both, as relevant. To support analysis, we apply scenarios from a number of established sources, including the IPCC.

Implementing Our Strategic Objectives

In fiscal 2025, our enterprise priorities were knowledge sharing, relative value capabilities, and productivity. Executing in these priority areas is important to strengthening our position in an increasingly competitive global investing environment, driving performance, and enabling the Fund to manage risks and opportunities most effectively as we seek to deliver long-term value. Our progress against these objectives are outlined in the table below.

Fiscal 2025 Objectives	Achievement Highlights
Build our Knowledge capability	<ul style="list-style-type: none"> Introduced new AI tools across the enterprise to assist in investment research, capitalize on the collective knowledge of our organization, and enable efficient search of large amounts of data and content Initiated training programs across the enterprise, enabling colleagues to effectively upskill and leverage AI tools Developed Responsible AI guidelines for implementation in our organization
Improve our Relative Value capabilities	<ul style="list-style-type: none"> Delivered new insights about the sources of performance through a rigorous analysis of the investment decision-making processes and sources of edge in Active Equities, Capital Markets and Factor Investing, and for infrastructure investments Implemented a new tool to compare the loss-adjusted relative value of credit investment pipeline opportunities against current positions and benchmark data, improving investment selection Implemented a process to assess private real asset investment opportunities versus their listed alternative and updated the re-underwriting process for existing portfolio investments
Enhance Productivity	<ul style="list-style-type: none"> Automated processes to enable improved efficiency, accessibility and decision-making. This included automating the preparation of certain standard models for credit valuation and internal risk reporting, migrating and enhancing financial data used to monitor our investments to an enterprise-wide platform with self-serve capabilities, and the streamlining of talent workflows through a new employee service portal Developed view of key private asset investing partnerships, including performance, activity, pipeline and other information. Work will continue in fiscal 2026 to build out this view and develop a holistic view of our partnerships across asset classes Upgraded our trading infrastructure, enhancing platform stability, streamlining trade order entry, and improving public asset utilization for greater balance sheet optimization

We also continue to actively assess the impact of AI on our organization and incorporate it where appropriate. As AI-driven technologies continue to evolve, we are actively monitoring advancements in machine learning, natural language processing, and predictive analytics to determine how they can potentially enhance our investment strategies, risk management, and productivity. This can range from tools to increase employee productivity to the incorporation of AI into our investment capabilities.

Our Strategic Objectives for fiscal 2026

Building on the momentum of fiscal 2025, our priorities for fiscal 2026 include:

- A. Knowledge capability:** Build a world-class knowledge capability by effectively disseminating the full breadth of knowledge available to CPP Investments, leveraging our information, networks and the latest advancements in AI technology, to improve decisions and seek the best outcomes for the Fund.
- B. Relative value:** Build the organizational capabilities to appropriately flow our scarce resources of capital and talent from areas of lesser opportunity to areas of greater opportunity. We will achieve this by further enhancing and standardizing the language, tools, and processes we use to identify, compare and take advantage of high-conviction opportunities across our entire portfolio.
- C. Productivity:** Drive efficiency and effectiveness in our day-to-day operations through process streamlining and automation, fit-for-purpose organizational design, and effective delegation of decision-making authority. Ensure that where complexity exists, our investment returns justify the additional costs.

Financial Policies and Controls

CEO/CFO Certification

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is considered effective when it is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board (IASB), and the requirements of the *Canada Pension Plan Investment Board Act* (CPPIB Act) and the accompanying regulations. Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision of the CEO and CFO, Management evaluated the effectiveness of CPP Investments' internal control over financial reporting as at March 31, 2025. This evaluation was based on the criteria set forth in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, Management concluded that, as at March 31, 2025, internal control over financial reporting was effective. CPP Investments is not required by law or regulation to perform this annual evaluation. We do so voluntarily as part of our commitment to strong corporate governance and accountability.

Management is responsible for the design and effectiveness of disclosure controls and procedures to confirm that each Annual Report of CPP Investments adheres to the disclosure requirements under the CPPIB Act and associated regulations. Under the supervision of the CEO and CFO, Management evaluated such disclosure controls and procedures and concluded that they were effective as at March 31, 2025.

Accounting policies and key accounting estimates

Material accounting policies

The Financial Statements are prepared in accordance with IFRS Accounting Standards, the requirements of the CPPIB Act and regulations of CPP Investments. The preparation of the Financial Statements requires the selection of appropriate accounting policies. Processes have been established to ensure accounting policies and methodologies are applied consistently and any changes are well controlled.

Future changes in accounting policies

Developments and changes in accounting standards from the IASB are actively monitored. The impact of adopting new accounting standards issued by the IASB is continuously assessed, as is any impact to the presentation of the Financial Statements, including evaluating alternative presentation choices upon transition, where applicable.

There were no adoptions of newly issued IFRS Accounting Standards, changes in existing standards or new interpretations during the year ended March 31, 2025 that had a material impact on the Financial Statements. For details of the assessments made during the year, refer to Note 1.9 Future changes in accounting policies in the Financial Statements on page 107.

Fair value measurement

Management's most critical accounting estimate is the determination of fair value for investments and investment liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement and therefore incorporates those factors that market participants would consider when selling an asset or paying to transfer a liability.

The fair value of investments and investment liabilities is categorized in a hierarchical manner according to the level of reliance on unobservable inputs in determining their fair value measurement. It is based on:

- 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).

Investment Departments' Percentage Contribution to each Hierarchy Level

	Fiscal 2025			Fiscal 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Public Market Strategies	91%	56%	10%	89%	62%	5%
Credit Investments	–	28%	19%	–	20%	17%
Private Equity	2%	10%	37%	3%	8%	44%
Real Assets	7%	6%	34%	8%	10%	34%
Total	100%	100%	100%	100%	100%	100%

The table below outlines the valuation approaches used in determining the fair value of Level 3 investments held by CPP Investments and its investment holding subsidiaries, as at March 31, 2025.

Asset Class ¹	Earnings Multiples, Discounted Cash Flows & Comparable Pricing	Net Asset Values provided by Investment Manager	Fair Value Proxy ²
Private Equities	74%	26%	–
Debt	100%	–	–
Investment Funds	–	100%	–
Investment Receivables	61%	–	39%
Investment Liabilities	62%	–	38%

1. This table excludes Level 1 securities held within investment holding subsidiaries. For details, see Note 3.4 – Level 3 – Significant unobservable inputs in the Financial Statements on page 117.

2. Cost with accrued interest were determined to approximate fair value.

How we assess and determine fair value

Our approach for determining fair value differs for public and private investments:

- Public investments: The fair values of investments in public stocks, bonds and other securities that are traded in active markets are determined using quoted prices from stock exchanges and other market data providers.
- Private investments: The fair values of investments in private equity, real estate, infrastructure, and other similar asset classes are determined using recent market transactions for identical or similar instruments or through valuation techniques that maximize the use of observable inputs such as yield curves. Valuation techniques include earnings multiples, discounted cash flow analysis, pricing models and other industry-accepted valuation methods.

Since estimating the fair value of private investments requires the application of judgment alongside data, we employ several layers of checks and controls:

- The Finance department is responsible for the oversight of valuation processes, controls and results, independent from investment departments. The department comprises accredited professionals with extensive experience valuing private assets at accounting and valuations firms, asset managers and other large pension funds.
- We use third-party appraisers and external valuation experts in a risk-based manner to provide independent views on fair values. These experts have knowledge and familiarity with local market conditions, market transactions and industry trends.
- In instances where fair values are obtained directly from external investment managers, we regularly review the quality of our partners' valuation practices.

Both Management (through the Valuation Committee) and the Board of Directors (through the Audit Committee) provide governance over valuation processes and controls.

We continuously review valuation practices to ensure that we maintain high-quality risk management and governance standards that are required to uphold and sustain the confidence and trust of our stakeholders.

Key performance and non-IFRS measures

The disclosure of certain non-IFRS Accounting Standards (non-IFRS) measures, presented on the next page, is intended to provide readers with supplemental information that reflects Management's perspective on the Fund's performance. Non-IFRS measures do not have a standardized meaning under IFRS Accounting Standards and may not be comparable to similar measures disclosed by other institutions.

Furthermore, in alignment with the Fund's long-term investment approach, Management discloses five- and 10-year performance measures that extend beyond the year-over-year comparison in the Financial Statements and Notes. The Management's Discussion and Analysis (MD&A) discloses select financial results both on a dollar and percentage basis. Also presented are relative performance measures, such as percentage value added. Where these measures are reported as percentages, they are calculated relative to average net asset balances and reflect the impact of daily compounding. These metrics are not included in the table on the next page, as they have no IFRS Accounting Standards comparable value.

Non-IFRS Measures ¹	Reconciliation to Comparable IFRS Accounting Standards Measure		
	(\$ millions)	March 31, 2025	March 31, 2024
Recourse Leverage: Recourse Leverage refers to legal obligations with direct recourse to the parent entity of CPP Investments. This is separate and distinct from our use of Limited Recourse Leverage, which generally includes debt issued through our investment holding subsidiaries that only has recourse to certain investments held within these subsidiaries. Recourse Leverage is composed of debt financing liabilities, repurchase liabilities and the net notional value of derivatives used to generate additional leverage for the Fund, partially offset by certain cash and reverse repurchase agreements. See Liquidity and Leverage Risk on page 44.	Recourse Leverage	251,736	194,829
	Less:		
	Net Notional Value of derivatives used to generate additional leverage for the Fund	82,753	74,982
	Add:		
	Fair value adjustment to debt financing liabilities	(3,006)	(4,450)
	Debt financing liabilities of investment holding subsidiaries	4,105	5,173
	Certain cash, cash equivalents and reverse purchase agreements netted against Recourse Leverage	24,065	24,693
	Other investment liabilities	28,310	32,722
	Investment liabilities	222,457	177,985
	(Consolidated Schedule of Investment Portfolio within the Financial Statements)		
	(\$ millions)	March 31, 2025	March 31, 2024
Currency Diversification: Foreign currency exposure used as a basis for the currency exposure mix and currency return charts, disclosed under Fund Composition and Performance on page 38 of the MD&A, are calculated based on the underlying currency denomination to which a particular asset or security is exposed. For example, an American Depositary Receipt (ADR) equity security from Mexico is traded in U.S. dollars. While the investment is denominated in U.S. dollars, the underlying currency is Mexican pesos and that is the basis for calculating measures of currency diversification and currency return. This is in contrast to IFRS Accounting Standards, which focuses on the denomination of the financial instrument itself – U.S. dollars in the above example.	Total foreign exposure per MD&A	552,373	498,063
	Add:		
	Impact of limiting currency changes to denomination of financial instrument held	3,714	1,203
	Total foreign exposure	556,087	499,266
	(Note 8.4.1 of Financial Statements)		
	(\$ millions)	March 31, 2025	March 31, 2024
Gross Income: As described in the Investment Department Performance section of the MD&A starting on page 51, Gross Income comprises total Income as noted in the Consolidated Statement of Comprehensive Income grossed up for expenses borne by investment holding subsidiaries and certain fees embedded within investments.	Gross Income	74,503	58,703
	Less:		
	Management and performance fees embedded within investments	3,836	3,438
	Transaction-related expenses borne by CPP Investments' investment holding subsidiaries	325	179
	Taxes borne by CPP Investments' investment holding subsidiaries	412	(91)
	Financing expenses borne by CPP Investments' investment holding subsidiaries	303	378
	Income	69,627	54,799
	(Note 6.1.1 of Financial Statements)		

1. For a reconciliation of non-IFRS expense measures, see page 47.

Asset Class Composition

The asset class composition presented in the MD&A shows the net investments of the Fund based on underlying asset class exposure. The table below reconciles this asset class composition to the Consolidated Schedule of Investment Portfolio as presented in the Consolidated Financial Statements, by providing a breakdown of the Fund's financial assets and liabilities by asset class.

As at March 31, 2025 (CAD millions)	Public Equities ¹	Private Equities	Government Bonds	Credit	Real Estate	Infrastructure	Total
Equities							
Public equities	212,440	–	–	–	10,555	5,987	228,982
Private equities	1,301	128,278	–	9,827	34,621	54,413	228,440
Total equities	213,741	128,278	–	9,827	45,176	60,400	457,422
Debt							
Bonds	–	–	198,901	29,436	–	–	228,337
Other debt	–	3,084	–	45,150	608	3,133	51,975
Money market securities	–	–	487	–	–	–	487
Total debt	–	3,084	199,388	74,586	608	3,133	280,799
Investment funds	68,919	81,278	2,555	8,835	726	171	162,484
Investment receivables and Other							
Securities purchased under reverse repurchase agreements and cash collateral pledged on securities borrowed	–	–	18,377	148	–	–	18,525
Derivative assets	2,184	–	435	–	–	–	2,619
Other	332	1,406	2,819	–	2,667	–	7,224
Total investment receivables and Other	2,516	1,406	21,631	148	2,667	–	28,368
Total investments	285,176	214,046	223,574	93,396	49,177	63,704	929,073
Total investment liabilities	77,815	4,701	122,721	14,791	697	1,732	222,457
Cash and cash equivalents	–	–	8,731	–	–	–	8,731
Pending trades receivable	543	–	946	532	–	–	2,021
Pending trades payable	819	–	1,420	321	–	–	2,560
Net investments	207,085	209,345	109,110	78,816	48,480	61,972	714,808

As at March 31, 2024 (CAD millions)	Public Equities ¹	Private Equities	Government Bonds	Credit	Real Estate	Infrastructure	Total ²
Equities							
Public equities	199,621	–	–	–	9,134	5,318	214,073
Private equities	1,402	116,758	–	7,764	36,539	46,086	208,549
Total equities	201,023	116,758	–	7,764	45,673	51,404	422,622
Debt							
Bonds	–	–	143,968	21,290	–	–	165,258
Other debt	–	6,433	–	39,054	882	2,788	49,157
Money market securities	–	–	7,710	–	–	–	7,710
Total debt	–	6,433	151,678	60,344	882	2,788	222,125
Investment funds	53,199	74,923	2,303	10,583	803	157	141,968
Investment receivables and Other							
Securities purchased under reverse repurchase agreements and cash collateral pledged on securities borrowed	–	–	11,976	167	–	–	12,143
Derivative assets	1,550	–	289	1,123	–	–	2,962
Other	137	–	1,820	–	2,952	–	4,909
Total investment receivables and Other	1,687	–	14,085	1,290	2,952	–	20,014
Total investments	255,909	198,114	168,066	79,981	50,310	54,349	806,729
Total investment liabilities	78,871	520	96,851	189	654	900	177,985
Cash and cash equivalents	–	–	10,426	–	–	–	10,426
Pending trades receivable	227	2,516	1,768	329	–	–	4,840
Pending trades payable	557	2,557	7,421	876	–	–	11,411
Net investments	176,708	197,553	75,988	79,245	49,656	53,449	632,599

1. Certain public investments are held within private co-investment vehicles.

2. Certain comparatives have been reclassified to conform to the current year's presentation.

Operational Emissions Methodologies

Operational Emissions Scope 1 and 2

Reported Scope 1 and 2 emissions are representative of emissions from owned and leased office buildings that are occupied for operational purposes, where management has determined it has operational control. Stationary combustion, refrigerants, purchased electricity and purchased steam are the emissions sources considered for these calculations.

For each greenhouse gas (GHG) emissions source, the emissions are quantified in metric tonnes (t), as shown in Equation 1.

Equation 1:

$$\text{GHG emissions per activity (tGHG)} = \text{EF} \left(\frac{\text{tGHG}}{\text{activity unit}} \right) \times \text{Activity quantity (unit of activity)}$$

Formula Definitions:

- GHG is the quantity of the GHG released from the activity in tonnes.
- EF or Emission Factor represents the amount of GHG released into the atmosphere per unit of a specific activity or process.
- Activity quantity is the total quantity of the activity undertaken during the reporting period for which emissions are being quantified, measured in the units for which emission factors are available (e.g., litres of fuel).

Emissions are quantified for each of the individual GHG emissions released from an activity and required to be reported under the GHG Protocol. The total GHG emissions from each activity are converted to a standardized unit, carbon dioxide equivalent (CO₂e) as shown in Equation 2.

Equation 2:

$$\text{Total emissions per activity (tCO}_2\text{e)} = \sum_{i=1}^n \text{GHG}_i \times \text{GWP}_i$$

- GHG_i is the quantity of GHG emissions released from the activity in tonnes. In the calculation, “i” represents each individual GHG emitted by the activity, as many activities typically emit more than one GHG (e.g., carbon dioxide, methane, nitrous oxide etc.).
- GWP_i is the Global Warming Potential (GWP) of GHG_i as informed by the Kyoto Protocol.
- n is the amount of GHG emissions released from the activity.

Operational Emissions Scope 3 – Business Travel

Reported business travel emissions are representative of Scope 3 Category 6 emissions from CPP Investments’ air travel, rail travel, hotel stays and car rentals for operational purposes. The ISO-certified GATE4 methodology is used for these calculations.

For air, the methodology accounts for distance, aircraft type, cabin class booked and seat allocation per aircraft, load factors per airline per haul, passenger to freight ratios and radiative forcing. It calculates the economy seat equivalent emissions and adjusts it to the correct cabin class (differently for narrow body and wide body aircraft types).

Radiative forcing is also applied to any portion of flights above 9,000 m / 29,000 ft with a factor of 2 applied to the relevant portion of the flight.

For hotels, car rentals and rail, GATE4 integrates country-level electricity mix and carbon intensity which allows regionality to be taken into consideration. Other elements such as eco-certifications and market tiers for hotels, fuel types and car sizes for rentals are also factored in.

Carbon Metric Methodologies

Portfolio Carbon Footprint

The Fund’s investments are split into two categories when measuring GHG emissions. They are separately disclosed and cannot be aggregated as the data used to calculate these metrics is not comparable.

1. Government-issued securities – includes marketable government bonds, non-marketable government bonds, government treasury bill and government inflation-linked bonds issued by sovereign issuers.
2. Non-government holdings – includes public and private equities, corporate bonds, private credit, infrastructure and real estate.

Although not explicitly addressed by the Partnership for Carbon Accounting Financials Standard (PCAF), CPP Investments accounts for derivatives and short positions* when calculating portfolio emissions as omitting these exposures could misrepresent the portfolio’s economic exposure to a particular issuer and overlook its exposure to climate risks.

*Derivatives include Equity Total Return Swaps, Equity Futures and Options, Warrants and Rights, Credit Default Swaps, Credit Options, and Fixed Income Total Return Swaps where the exposure to corporate issuers can be identified. Carbon emissions and carbon footprint of derivatives in scope and short positions are calculated based on the methodology for non-government holdings 3. Total Carbon Emissions and 4. Carbon Footprint on the next page.

Asset classes within scope for government-issued securities

1. Total Carbon Emissions: Measures the absolute amount of carbon emissions of a given country financed by CPP Investments. The measurement is estimated by apportioning a country's emissions based on the share of the country's Purchase Power of Parity (PPP)-adjusted GDP. Financed carbon emissions for all countries are aggregated to arrive at total emissions for the portfolio.

$$\sum \left(\frac{\text{Current Value of Sovereign Bond Investment (\$) } i}{\text{Purchase Power Parity (PPP)-Adjusted GDP (\$) } i} \times \text{Country Emissions (tCO}_2\text{e) } i \right)$$

2. Carbon Footprint: Estimates the total apportioned emissions per million dollars invested.

$$\frac{\sum \left(\frac{\text{Current Value of Sovereign Bond Investment (\$) } i}{\text{Purchase Power Parity (PPP)-Adjusted GDP (\$) } i} \times \text{Country Emissions (tCO}_2\text{e) } i \right)}{\text{Current Value of Sovereign Bond Portfolio (\$)}}$$

Formula Definitions:

"i" represents each sovereign borrower in the calculation.

Current Value of Sovereign Bond Investment or portfolio is the market value as at March 31, 2025.

Purchase Power of Parity (PPP)-adjusted GDP provides values for gross domestic product expressed in current international dollars, converted by PPP conversion factor. GDP is the sum of gross value added by all resident producers in the country plus any product taxes and minus any subsidies not included in the value of the products. PPP conversion factor is to eliminate the effects of the differences in price levels between countries.

Country Emissions reflect the territorial emissions from all domestic production of goods and services within a national boundary, regardless of whether those goods and services are consumed domestically or exported. It includes land use, land-use change, and forestry emissions. The country emissions are defined under the production basis.

Asset classes within scope for non-government holdings

3. Total Carbon Emissions: The absolute greenhouse gas emissions associated with a portfolio, expressed in tonnes CO₂e; measures the absolute tonnes of CO₂e which CPP Investments has in its underlying portfolio. The measurement is estimated by taking the pro rata share of a company's GHG emissions. The portfolio's share has been calculated by dividing the current value of the portfolio's investment in a company by enterprise value* of the company.

$$\sum \left(\frac{\text{Current Value of Investment (\$) } i}{\text{Issuer's Enterprise Value (\$) } i} \times \text{Issuer's Carbon Emissions (tCO}_2\text{e) } i \right)$$

4. Carbon Footprint: Total carbon emissions for a portfolio normalized by the market value of the portfolio, expressed in tonnes CO₂e / \$M invested; estimates the total carbon emissions for every \$1 million invested.

$$\frac{\sum \left(\frac{\text{Current Value of Investment (\$) } i}{\text{Issuer's Enterprise Value (\$) } i} \times \text{Issuer's Carbon Emissions (tCO}_2\text{e) } i \right)}{\text{Current Portfolio Value (\$)}}$$

Formula Definitions:

*The enterprise value is defined as, for all listed companies the enterprise value including cash (EVIC) of the respective company, which is the sum of the market capitalization of ordinary shares, the market capitalization of preferred shares, and the book values of total debt and minorities' interests. There are no deductions of cash or cash equivalents. For unlisted companies, the enterprise value is the sum of total company equity and debt.

"i" represents each investment and portfolio company in the calculation.

Current Value of Investment or portfolio is the market value as at March 31, 2025. For corporate bonds, Current Value is the book value as at March 31, 2025.

Issuer's carbon emissions include the Scope 1 and Scope 2 emissions.

Compensation Discussion and Analysis

Letter from the Chair of the Human Resources and Compensation Committee

As the Chair of the Human Resources and Compensation Committee (HRCC), I am pleased to share with you our approach to assessing performance and determining compensation for employees of CPP Investments.

Fiscal 2025 performance highlights

A key component of our compensation program is the investment performance of the Fund. For the five-year period ended March 31, 2025, the Fund generated an annualized net return of 9.0%. Net value added relative to the Benchmark Portfolios over this period was negative 0.7% annualized. This negative result mostly reflected the Benchmark Portfolios' outperformance in fiscal 2021 as public markets rallied following the COVID-19 pandemic market downturn in fiscal 2020, and more recently, from outsized performance of U.S. public equities which were particularly driven by a concentrated set of technology companies. For more on our financial results, see the Management's Discussion and Analysis section. For more about the composition of the Benchmark Portfolios refer to page 64.

Compensation outcomes

Our focus on investment performance is foundational to our compensation program which was revised this year to also include achievement against strategic objectives (as described on page 69). This design supports a strong alignment between CPP Investments' employees and our singular purpose: to maximize returns without undue risk of loss for the 22 million contributors and beneficiaries of the Canada Pension Plan.

The HRCC retains full discretion to reward performance for the Senior Management Team within a range of zero to two times the target incentive levels. It may also award salary adjustments or other compensation arrangements. This allows the HRCC to evaluate performance comprehensively and reward not only results, but also the manner in which they were achieved.

Our deliberate focus is on our long-term investment performance, including strong absolute performance as well as value added above the relative performance benchmark. This ensures we reward overall achievement, not just short-term gains. Our compensation program continues to measure both quantitative and qualitative outcomes, including how our CEO, Senior Management Team and employees deliver on long-term strategic business objectives.

Over the past five years, CPP Investments' total Fund net return exceeded targets, while value added was below the Benchmark Portfolios' return. The HRCC also assessed performance to be very strong against organizational strategic objectives agreed upon at the beginning of the year. Combined, these measures resulted in a Fund multiplier of 1.04.

Decisions on CEO pay

Our assessment of Mr. Graham for the year reflects recognition of his achievements. The Board awarded him an incentive multiplier of 1.60. The weighted average of the Fund multiplier and the department/individual multiplier resulted in an overall incentive multiplier for Mr. Graham of 1.32.

The Board awarded Mr. Graham total direct compensation of \$6,296,596 for fiscal 2025, consisting of salary, an in-year award and deferred awards, as shown in Table 2. Mr. Graham also received standard pension and benefits.

Further details on compensation of the CEO and other Named Executive Officers are included in the Compensation Discussion and Analysis that follows.



Barry Perry

Chair, Human Resources and Compensation Committee

The role and activities of the HRCC of the Board of Directors

As discussed in the Governance section, the Human Resources and Compensation Committee (HRCC) advises the Board of Directors on human resources matters. These include talent management, talent development and compensation.

The HRCC adopted a number of specific objectives in support of the Fund's strategic priorities in fiscal 2025. This included finalizing performance targets in the revised incentive compensation plan. As mentioned in the Strategy section on page 29, changes in the compensation plan included evolving the relative performance benchmark to be more aligned to our investment portfolio, and the introduction of strategic objectives at the organizational level to drive a shared focus on organizational priorities. The HRCC continued to monitor progress against those strategic objectives throughout the year. See page 69 for more on those strategic priorities. The HRCC also provided oversight to CEO's effort to fill senior management roles following a robust succession plan process, and supported Management's plans to respond to changing dynamics in the human capital markets for skilled, experienced employees.

Our people are vital to the health of the Fund, especially through challenging times. Their skills help to both create and preserve value over the long run. The HRCC is satisfied that the compensation paid for fiscal 2025 is appropriate. This is especially true after taking into account how the design and management of our Investment Portfolios played a role in delivering positive performance relative to our five-year total Fund Absolute Performance goal. The multiplier outcome of 1.04 was also in consideration of our five-year absolute and relative performance and achievements against strategic objectives. We are confident that our decisions regarding department and individual compensation reflect our assessment of the Senior Management Team's performance, relative to their pre-established objectives for the year. They are also appropriately aligned with the interests of CPP contributors and beneficiaries.

Please refer to the Strategy section on page 29 for more information on our compensation philosophy. Our website has additional details on the mandates of the HRCC and Board of Directors. The composition of the current HRCC is on pages 93 and 94.

The HRCC uses the services of Hugessen Consulting Inc. to provide independent advice, information and guidance on executive compensation issues. Hugessen cannot provide any services to Management without prior approval from the HRCC. Hugessen received \$152,355 for its services to the HRCC in fiscal 2025 (\$184,749 in fiscal 2024).

Fiscal 2025 compensation disclosures

Below, and earlier in the Strategy section, we outline the performance measures used to make compensation decisions for all employees. This includes our CEO and Named Executive Officers (NEOs). We also outline the compensation outcomes for fiscal 2025. We disclose compensation information for key management personnel as a group. We also disclose individual compensation figures for the CEO, the CFO, and the next four highest-paid Senior Managing Directors (SMDs). Our NEOs this year include:

- **President & Chief Executive Officer (CEO) – John Graham**
- **SMD & Chief Financial Officer (CFO) – Kristina Fanjoy**
- **SMD, Global Head of Real Assets & Head of Europe – Maximilian Biagosch**
- **SMD & Chief Investment Officer – Edwin Cass**

- **SMD, Head of Asia Pacific & Active Equities Asia – Agus Tandiono**
- **SMD & Global Head of Credit Investments – Andrew Edgell**

Performance measures

Management outlines financial and qualitative objectives in our business plan each fiscal year. The Board of Directors approves these objectives and reviews progress against organizational objectives quarterly and at year-end. This ensures a pay-for-performance approach to evaluation and compensation.

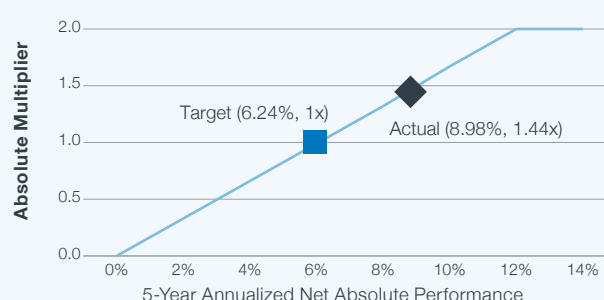
Total Fund performance

We determine total Fund performance measuring absolute and relative performance over a five-year period, equally weighted at 40%, and performance against our annual strategic objectives weighted at 20%. For fiscal 2025:

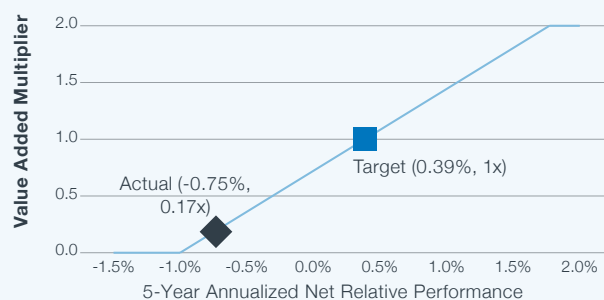
- For the absolute performance component, the Fund must achieve a five-year annualized target return of 6.24% which will result in a target multiplier of 1x.
- For the relative performance component, the Fund must reach a five-year percentage value added (PVA) target of 0.39% relative to the benchmark to achieve a relative performance multiplier of 1x.
- The Board retains discretion to assess performance against strategic objectives agreed upon at the beginning of the year, and can award a multiplier outcome between 0x-2x for this component.

The Board reviews targets annually. The graphs below map the fiscal 2025 five-year target and actual total Fund performance.

Absolute Performance Component of the Fund Performance Multiplier



Relative Performance Component of the Fund Performance Multiplier



The three measures of total Fund performance in fiscal 2025 resulted in a Fund multiplier of 1.04 for the year ended March 31, 2025.

Table 1: Total Fund Performance, Fiscal 2025

	40% Absolute Performance		40% Relative Performance			20% Strategic	
	Total Fund Net Return (%)	Absolute Multiplier	Benchmark Portfolios Return (%)	Total Fund Net PVA (%)	Value Added Multiplier	Annual Strategic Objectives Performance Multiplier	Fiscal 2025 Fund Multiplier
5-year annualized	8.98%	1.44	9.73%	(0.75%)	0.17	2.00	1.04

Department, group and individual performance

Departments and Groups across the organization have both financial and non-financial objectives aligned to the nature of their work and contribution to the Fund's success. The CEO evaluates performance against these objectives for approval by the Board. A more detailed description of the total Fund and investment department performance is found in the Management's Discussion and Analysis section.

Individual performance objectives align the effort of all employees to broader organizational goals. The CEO evaluates individual performance of Senior Management Team members and presents his findings to the Board of Directors. This supports their approval of the performance multipliers used to determine the incentive compensation. Fiscal 2025 compensation for the CEO and other Named Executive Officers (NEOs) is set out in the following sections.

Compensation of the CEO

At the start of each fiscal year, the Board of Directors and the CEO agree on organizational and individual objectives for the CEO, Mr. John Graham. At year-end, the HRCC evaluates the CEO's performance against those objectives and presents its evaluation to the Board for review and approval.

Accomplishments for fiscal 2025 included achievements against the following goals:

- Purpose: Keeping the organization aligned to its purpose – Building an organization that can deliver the best long-term portfolio for CPP contributors and beneficiaries;
- People: Developing the next generation of leaders;
- Performance: Delivering maximum value without undue risk of loss; and
- Platform: Leading progress towards the implementation of CPP Investments' strategy, including alignment of strategies for every department.

The Board of Directors awarded Mr. Graham a total incentive award of \$5,600,775 for fiscal 2025. His leadership of the organization, its strategic priorities and Fund management strongly position CPP Investments to continue working in the best interests of CPP's contributors and beneficiaries.

Compensation for the Named Executive Officers (NEOs)

Table 2 below shows total compensation over the past three fiscal years for the NEOs.

Table 2: Summary Compensation

Name and Position	Year	Currency	Base Salary A	In-year Award B	Deferred Award ¹ C	Other Deferred Award ² D	Pension Value E	All Other Compensation ³ F	Total Compensation (with Deferred Award) A+B+C+D+E+F
John Graham ^{3,4,5} President & CEO	2025	CAD	695,822	1,840,310	2,760,465	1,000,000	76,438	19,396	6,392,431
	2024		675,000	1,498,433	1,873,041	1,000,000	75,345	19,038	5,140,856
	2023		670,822	1,807,932	1,807,932	1,000,000	74,913	17,478	5,379,077
Kristina Fanjoy ^{3,4,6,7,8} Senior Managing Director & Chief Financial Officer	2025	CAD	461,644	587,396	587,396	125,000	43,932	16,471	1,821,837
	2024		410,000	424,330	424,330	100,000	39,300	16,091	1,414,050
	2023		352,373	410,146	341,150	30,000	32,245	26,451	1,192,364
Maximilian Biagosch ^{4,9,10} Senior Managing Director, Global Head of Real Assets & Head of Europe	2025	GBP	424,986	1,124,004	1,124,004	250,000	56,500	14,073	2,993,567
	2024		399,167	886,110	886,110	165,000	53,278	28,775	2,418,439
	2023		393,329	906,827	906,827	86,667	51,584	16,996	2,362,231
Edwin Cass ^{4,11} Senior Managing Director & Chief Investment Officer	2025	CAD	654,151	1,631,975	1,631,975	750,000	70,311	11,664	4,750,075
	2024		601,352	1,214,672	1,214,672	641,667	65,744	15,885	3,753,993
	2023		562,493	1,544,100	1,544,100	500,000	60,485	7,877	4,219,055
Agus Tandiono ^{3,12,13} Senior Managing Director, Head of Asia Pacific & AE Asia	2025	HKD	4,233,288	8,870,643	8,870,643	2,000,000	532,733	1,646,389	26,153,695
	2024		4,141,667	6,414,044	6,414,044	2,000,000	520,817	1,581,061	21,071,632
	2023		4,083,321	8,914,758	8,914,758	1,500,000	513,238	1,281,626	25,207,701
Andrew Edgell ^{3,4,14} Senior Managing Director & Global Head of Credit Investments	2025	CAD	501,644	1,326,748	1,326,748	375,000	48,970	15,883	3,594,993
	2024		456,667	1,036,588	1,036,588	250,000	45,780	15,954	2,841,577
	2023		438,329	1,115,591	1,115,591	250,000	43,743	14,361	2,977,615

1. The Deferred Award represents the award value at the time of award. The award value fluctuates with the performance of the total Fund over the vesting period.
2. Other Deferred Award refers to one-time, long-terms awards.
3. All other compensation includes the premium or value of life insurance, disability benefits, health, dental and vision benefits, discretionary employment arrangements, health and wellness reimbursement as well as comprehensive health assessment conducted at a private medical clinic. Perquisites are limited to paid parking for Officers based in Canada. Mr. Tandiono received a housing allowance in Hong Kong. These figures include all relocation and assignment costs as applicable.
4. NEO elected to defer all or part of the fiscal 2025 In-year award into the Voluntary Deferred Incentive Plan (VDIP).
5. As President & CEO, Mr. Graham received a FRU award of C\$1,000,000 in fiscal 2025. Based on a valuation, the underlying notional investment of this award represents C\$5,000,000. All FRU awards vest over 5 years.
6. As SMD & CFO, Ms. Fanjoy received a FRU award of C\$125,000 in fiscal 2025. Based on a valuation, the underlying notional investment value of this award represents C\$625,000. All FRU awards vest over 5 years.
7. Ms. Fanjoy was appointed SMD & CFO on October 11, 2022. Her fiscal 2023 compensation was prorated to reflect time in both roles – MD, Head of Finance, and SMD & CFO.
8. In fiscal 2023, Ms. Fanjoy received a one-time, non-recurring cash award of C\$16,000 in recognition of interim leadership of the department as MD, Head of Finance and before transition to the SMD & CFO role.
9. Mr. Biagosch received a FRU award of £250,000 in fiscal 2025. Based on a valuation, the underlying notional investment value of this award represents £1,250,000. All FRU awards vest over 5 years.
10. Mr. Biagosch received a fiscal 2022 SRFU award of £200,000 as part of his appointment to the MD, Head of DPE role. This award vested 33.3% in fiscal 2022, 33.3% in fiscal 2023 and 33.4% in fiscal 2024.
11. As SMD & CIO, Mr. Cass received a FRU award of C\$750,000 in fiscal 2025. Based on a valuation, the underlying notional investments of this award represents C\$3,750,000. All FRU awards vest over 5 years.
12. Mr. Tandiono received a FRU award of HK\$2,000,000 in fiscal 2025. Based on a valuation, the underlying notional investment value of this award represents HK\$10,000,000. All FRU awards vest over 5 years.
13. Mr. Tandiono received a fiscal 2022 SRFU grant of HK\$3,600,000 during his time as MD, Head of FE Asia. This award vested 33% in fiscal 2022, 33% in fiscal 2023 and 34% in fiscal 2024.
14. Mr. Edgell received a FRU award of C\$375,000 in fiscal 2025. Based on a valuation, the underlying notional investment value of this award represents C\$1,875,000. All FRU awards vest over 5 years.

Deferred compensation – As per the incentive compensation plan, senior employees including NEOs must defer a portion of their annual incentive award. Table 3 below shows the outstanding deferred awards and the future payouts for each Named Executive Officer.

Table 3: Deferred Awards

Name	Currency	Type of Award	Year of Award	Award Value	Payments in Current Year 2025	Current Value of Unvested Awards ¹
John Graham ^{2,3} President & CEO	CAD	Deferred Award	2025	2,760,465		2,760,465
		Deferred Award	2024	1,873,041	682,195	1,364,390
		Deferred Award	2023	1,807,932	711,028	711,028
		Deferred Award	2022	1,959,100	780,881	
		FRU Grant	2025	1,000,000		463,270
		FRU Grant	2024	1,000,000		946,567
		FRU Grant	2023	1,000,000		1,118,718
		FRU Grant	2022	700,000		1,295,312
Kristina Fanjoy ^{4,5} Senior Managing Director & Chief Financial Officer	CAD	FRU Grant	2021	58,334	209,149	
		Deferred Award	2025	587,396		587,396
		Deferred Award	2024	424,329	154,548	309,097
		Deferred Award	2023	341,150	134,168	134,168
		Deferred Award	2022	279,663	111,471	
		FRU Grant	2025	125,000		57,909
		FRU Grant	2024	100,000		94,657
Maximilian Biagosch ^{6,7} Senior Managing Director, Global Head of Real Assets & Head of Europe	GBP	FRU Grant	2023	30,000		33,562
		Deferred Award	2025	1,124,004		1,124,004
		Deferred Award	2024	886,110	322,737	645,474
		Deferred Award	2023	906,827	356,639	356,639
		Deferred Award	2022	704,838	282,285	
		FRU Grant	2025	250,000		115,818
		FRU Grant	2024	165,000		156,184
Edwin Cass ^{8,9} Senior Managing Director & Chief Investment Officer	CAD	FRU Grant	2023	86,667		96,956
		Deferred Award	2025	1,631,975		1,631,975
		Deferred Award	2024	1,214,672	442,405	884,811
		Deferred Award	2023	1,544,100	607,268	607,268
		Deferred Award	2022	1,547,700	616,901	
		FRU Grant	2025	750,000		347,453
		FRU Grant	2024	641,667		607,381
		FRU Grant	2023	500,000		559,359
Agus Tandiono ¹⁰ Senior Managing Director, Head of Asia Pacific & AE Asia	HKD	FRU Grant	2022	375,000		693,917
		FRU Grant	2021	300,000	1,075,614	
		Deferred Award	2025	8,870,643		8,870,643
		Deferred Award	2024	6,414,044	2,336,110	4,672,220
		Deferred Award	2023	8,914,758	3,506,019	3,506,019
		Deferred Award	2022	6,936,383	2,693,774	
		FRU Grant	2025	2,000,000		926,540
Andrew Edgell ¹¹ Senior Managing Director & Global Head of Credit Investments	CAD	FRU Grant	2024	2,000,000		1,893,135
		FRU Grant	2023	1,500,000		1,678,078
		Deferred Award	2025	1,326,748		1,326,748
		Deferred Award	2024	1,036,588	377,544	755,088
		Deferred Award	2023	1,115,591	438,743	438,743
		Deferred Award	2022	1,164,959	464,343	
		FRU Grant	2025	375,000		173,726
	CAD	FRU Grant	2024	250,000		236,642
		FRU Grant	2023	250,000		279,680

1. Current estimated value of unvested Awards is based on a Fund return of 0% for future years. For Deferred Awards and SRFUs, it equals the award value at grant date times the cumulative net total Fund rate of return, and applicable foreign exchange rates at time of award. For FRUs, the value represents only the cumulative net total Fund rate of return of the underlying notional investment since grant.
2. As President & CEO, Mr. Graham received a FRU award of C\$1,000,000 in fiscal 2025. Based on a valuation, the underlying notional investment of this award represents C\$5,000,000. All FRU awards vest over 5 years.
3. Mr. Graham received a prorated fiscal 2021 FRU award of C\$58,334 upon appointment as President & CEO. This award fully vested in fiscal 2025.
4. As SMD & CFO, Ms. Fanjoy received a FRU award of C\$125,000 in fiscal 2025. Based on a valuation, the underlying notional investment value of this award represents C\$625,000. All FRU awards vest over 5 years.
5. Ms. Fanjoy was appointed SMD & CFO on October 11, 2022. Her fiscal 2023 compensation was prorated to reflect time in both roles – MD, Head of Finance, and SMD & CFO.

6. Mr. Biagosch received a FRU award of £250,000 in fiscal 2025. Based on a valuation, the underlying notional investment value of this award represents £1,250,000. All FRU awards vest over 5 years.
7. Mr. Biagosch was appointed SMD, Head of Europe and Real Assets (RA) on February 21, 2023. His fiscal 2023 compensation was prorated to reflect time in both roles – SMD, Head of Europe and DPE, and SMD, Head of Europe and Real Assets (RA). His fiscal 2022 compensation was prorated for time spent as MD, Head of DPE, and as SMD & Head of Europe and DPE.
8. As SMD & CIO, Mr. Cass received a FRU award of C\$750,000 in fiscal 2025. Based on a valuation, the underlying notional investments of this award represents C\$3,750,000. All FRU awards vest over 5 years.
9. Mr. Cass received a fiscal 2021 FRU award of C\$300,000, which fully vested in fiscal 2025.
10. Mr. Tandiono received a FRU award of HK\$2,000,000 in fiscal 2025. Based on a valuation, the underlying notional investment value of this award represents HK\$10,000,000. All FRU awards vest over 5 years.
11. Mr. Edgell received a FRU award of C\$375,000 in fiscal 2025. Based on a valuation, the underlying notional investment value of this award represents C\$1,875,000. All FRU awards vest over 5 years.

Termination and retirement arrangements for the CEO

Subject to non-compete provisions, the CEO is eligible to retire from the organization and receive certain benefits once he has reached the combined threshold age of 55 and 10 years of service at CPP Investments. He must also provide notice at least six months in advance of departure. Any Annual Incentive Award during the year of retirement is paid out on a prorated basis. Any unvested deferred awards continue to vest according to the established vesting schedule. All benefits stop on the date of retirement.

In the event of termination without cause, severance pay for the CEO is set at:

- Any base salary earned and remaining payable plus a prorated payment in lieu of the In-Year Incentive Award at target; and
- An amount equivalent to 21 months of salary plus an amount in lieu of an In-Year Incentive Award. We calculate this based on the weighted average of the three prior completed fiscal years; and
- Deferred Awards that would otherwise have vested during the 21-month period.

In the case of termination without cause, the CEO forfeits any deferred portion of the incentive awards, with the exception of voluntary deferrals, and any vested awards noted above. Insured benefits, such as health, dental and life coverage, continue during the severance period.

In the case of termination with cause, the CEO forfeits all incentives and benefits. There are no change-of-control provisions in the employment arrangements.

In the event of resignation from employment, all incentives and benefits are forfeited, with the exception of any voluntary deferrals.

Termination and retirement arrangements for the NEOs

In the event of termination without cause, severance pay for the NEOs is set at:

- 12 months of base salary plus a prorated payment for the value of the In-Year Award at target of the respective fiscal year; and
- An additional month of salary and one-twelfth of the target In-Year Award for each year of service, to a maximum of 18 months of base salary and In-Year Award; and
- Deferred Awards that would otherwise have vested in that period, to a maximum of 18 months.

In the case of termination with cause or resignation, the employee forfeits all incentives, unvested awards and benefits. There are no change-of-control provisions in the employment arrangements.

In the event of Mr. Edwin Cass's resignation, he will receive a prorated payment of the Deferred Award that would have vested at the end of the fiscal year of his resignation. This provision is in consideration of his post-employment obligations. It is payable one year after resignation. He would forfeit all other incentives and benefits.

As with other employees, NEOs are entitled to retire from the organization once they have reached the combined threshold age of 55 and 10 years of service at CPP Investments. They must also provide advance written notice.

Upon retirement, employees continue to receive the ongoing deferral payments owed to them under the Incentive Plan, provided they continue to satisfy the retirement criteria under the Plan. The normal payment cycle applies and payments are subject to the same conditions in place when they were working. All benefits stop on the date an employee retires.

Table 4 below shows the payments that would be made, as of March 31, 2025, to the NEOs if they retire or are terminated without cause.

Table 4: Potential Termination and Retirement Payments¹

Name	Currency	Completed Years of Service	Severance ²	Retirement Treatment of Unvested Awards ^{3,4}
John Graham <i>President & CEO</i>	CAD	17	7,714,339	8,868,917
Kristina Fanjoy <i>Senior Managing Director & Chief Financial Officer</i>	CAD	15	1,500,818	1,216,827
Maximilian Biagosch <i>Senior Managing Director, Global Head of Real Assets & Head of Europe</i>	GBP	10	2,151,980	2,495,057
Edwin Cass <i>Senior Managing Director & Chief Investment Officer</i>	CAD	17	5,792,786	6,407,824
Agus Tandiono <i>Senior Managing Director, Head of Asia Pacific and AE Asia</i>	HKD	11	22,614,755	21,546,552
Andrew Edgell <i>Senior Managing Director & Global Head of Credit Investments</i>	CAD	16	2,752,531	3,210,548

1. Excludes incentive compensation payouts included in Table 2: Summary Total Compensation. Termination and retirement payments are estimated as of March 31, 2025. Actual payments are prorated based on time worked in the performance period.
2. Excludes the value of any deferred awards that may continue to vest as per severance terms and the cost of benefits continued during the relevant notice period, where applicable.
3. Upon retirement, payout of the unvested awards will be subject to the following conditions:
 - Performance is measured at the end of the vesting period;
 - Continued compliance with post-employment obligations; and
 - Payment is made at the end of vesting period.
4. The unvested awards assume a net return of 0% on the Fund for future years.

Governance Practices of the Board of Directors

Letter from the Chair of the Governance Committee

We believe sound governance practices are integral to the successful long-term performance of all companies. This includes the companies in which we invest, and it extends to CPP Investments as well. Strong governance practices help to ensure compliance with the law and with the ethical standards that we expect of everyone at CPP Investments. We are committed to rigorous standards of corporate governance and strive to be a leader in global governance best practices for our industry.

Good governance starts with our Board of Directors. The Governance Committee of the Board regularly assesses our corporate governance and works to ensure the Board's effectiveness. In doing so, it considers evolving global best practices, regulatory changes and stakeholder expectations. The Committee works to ensure the Board's effectiveness by reviewing criteria and qualifications for Directors, planning for Board succession and overseeing Director orientation and ongoing development programs. The Committee also oversees the annual Board evaluation process. We monitor the application of the Code of Conduct and related policies in fostering a culture of ethics and integrity throughout CPP Investments. In addition, we recommend for Board approval the Proxy Voting Principles and Guidelines, which provide guidance to the public companies in which CPP Investments owns shares on how we are likely to vote on matters put to shareholders.

Fiscal 2025 activities

One of the primary responsibilities of the Governance Committee is to lead the Board in assessing and planning for Board composition and succession, ensuring an appropriate balance of renewal and continuity. This year, our Board renewal work included in-depth searches for candidates to succeed Tahira Hassan, who has served on CPP Investments' Board for three full terms, and Nadir Mohamed, who retired from CPP Investments Board in December 2024. Following a comprehensive search process, the Board made a recommendation to CPP Investments' stewards for a candidate to succeed Ms. Hassan, and that recommendation remains under review. The search for a successor to Mr. Mohamed is in progress. The Board also recommended the re-appointments of Barry Perry and Sylvia Chrominska for their second and third terms, respectively, and we continued to advance our earlier recommendation, made in February 2024, of a candidate to succeed Dr. Heather Munroe-Blum, who retired from the Board after twelve years of service. The recommended appointment of Dr. Munroe-Blum's successor is presently pending with the federal Minister of Finance.

All appointment and re-appointment recommendations are based upon our stringent Director Appointment and Reappointment Process described on page 85. This includes taking into account the Board composition matrix set out on page 87 and the results of our established Board, committee and peer evaluation process, among other factors.

The Governance Committee also oversaw the succession planning for a new Conduct Review Advisor for CPP Investments in anticipation of the retirement of Sheila Block, who served as CPP Investments' Conduct Review Advisor for seven years. On behalf of CPP Investments, I thank Ms. Block for her service. The Conduct Review Advisor role is critical to CPP Investments' commitment to its guiding principles and Ms. Block served admirably. Following a thorough search for Ms. Block's successor, the Board appointed Sandra Barton as CPP Investments' new Conduct Review Advisor effective January 2025. Ms. Barton is a distinguished Canadian litigation lawyer and was assessed by the Board as being eminently qualified for this important role. More information on the Conduct Review Advisor role is provided below on page 92.

In addition, the Governance Committee undertook enhancements to the Board's Director education program. While CPP Investments already had a robust Director education program in place, we saw an opportunity to improve the way we triaged education priorities in view of fast-moving geopolitical and technological shifts. These enhancements ensure our education program is responsive to CPP Investments' strategic priorities, emerging risks and is balanced across foundational knowledge, topics of the day and topics of the future. More information on our Director education program and recent enhancements is described below on page 87.

In fiscal 2025, the Governance Committee oversaw the delivery of Board education and stakeholder engagement meetings in Alberta as part of our ongoing efforts to develop a more in-depth understanding of the major regions and sectors in which we invest. CPP Investments has \$14.0 billion invested in Alberta across public investments, private investments and provincial bonds, making Alberta an important investment region for CPP Investments. The Board's meetings in Alberta provided an opportunity to engage with several of our Canadian portfolio companies and hear directly from the broader business and stakeholder community, including perspectives on opportunities and challenges in the region stemming from recent geopolitical volatility. The Board also held deep-dive education sessions relating to energy investing, decarbonization and the global energy landscape, including sessions with both renewable and conventional energy experts. These meetings, together with the public meetings that CPP Investments hosts in every region of the country and virtually, also provided an opportunity to deepen our understanding of the issues and questions that are top of mind for CPP contributors and beneficiaries. We view the work of understanding our markets and stakeholders as a critical part of our commitment to sound governance.

More information on CPP Investments' approach to governance is provided below. We will continue to aspire to leading corporate governance in service of CPP Investments' critical public purpose.



N. Ashleigh Everett
Chair, Governance Committee

Governance Practices of the Board of Directors

This section sets out certain key governance practices of the Board of Directors. Additional governance information is available on our [website](#).

Mandate, duties and objectives of the Board of Directors

The Board of Directors is responsible for overseeing the management of the business and affairs of CPP Investments. Among other duties, the Board of Directors:

- Appoints the President & CEO and annually reviews their performance;
- Determines the organization's strategic direction in collaboration with Management;
- Reviews and approves investment policies, standards and procedures;
- Reviews and approves the Risk Policy which establishes enterprise risk appetite;
- Approves the framework for investment transaction approvals and for retaining external investment managers;
- Reviews the Investment Portfolios, investment performance and associated risks, and the results of investment decisions;
- Reviews and approves the annual business plan and budget;
- Appoints and oversees succession planning for Senior Management positions;
- Sets compensation policies and approves Senior Management compensation;
- Appoints CPP Investments' external auditor;
- Establishes and monitors compliance with the Code of Conduct for Directors and employees;
- Establishes procedures to identify and resolve conflicts of interest;
- Establishes other policies relating to matters such as authorities, procurement, anti-corruption, privacy, and travel and expenses;
- Reviews and approves material disclosures such as quarterly and annual financial statements and this annual report; and
- Assesses the performance of the Board itself, including an annual Chairperson and Director peer review.

With a commitment to appropriate accountability and transparency, one of the Board's most important responsibilities is to preserve a governance model in which CPP Investments invests at arm's length from governments, acting as an independent, professional investment organization. The Board ensures that CPP Investments' investment-only mandate is carried out independently of political considerations or any other non-investment objectives.

Directors, like Officers and employees, are expected to promptly report any attempted political interference with respect to investments, procurement, hiring or any other decisions to ensure that CPP Investments carries out its mandate independent of political considerations. No reports of CPP Investments being influenced by political interference have been made.

Mandates, activities and composition of Board committees

The Board has five standing committees that met during fiscal 2025: Investment Strategy, Audit, Risk, Human Resources and Compensation, and Governance. Membership is shown in the Board Attendance chart on page 90.

The Investment Strategy Committee, established as the investment committee required by the *Canada Pension Plan Investment Board Act* (CPPIB Act), reviews and recommends investment policies to the Board. It also reviews, approves and monitors CPP Investments' long-term investment strategy. In addition, the Committee approves certain investment transactions as well as the framework for engaging external investment managers in accordance with the CPPIB Act.

The Audit Committee oversees Management's design and maintenance of systems of internal controls and the financial reporting of the Fund. This includes recommending for Board approval the financial statements and the Management's Discussion and Analysis section of this report. It also involves overseeing the internal audit function and external auditor, including appointing the internal auditor and recommending the external auditor for appointment by the Board. The Audit Committee regularly meets separately with each of the external and internal auditors, as well as with the Chief Financial Officer, without other members of Management present.

The Audit Committee advises the Board in connection with the statutorily mandated special examination, which reviews CPP Investments' systems and practices every six years. The most recent special examination was completed in fiscal 2022. It concluded there is reasonable assurance that there were no significant deficiencies in the systems and practices examined. Copies of this special examination report, as well as prior reports, are available on CPP Investments' [website](#). The next special examination is scheduled to take place in 2028.

The focus of the Risk Committee is on risk governance and overseeing risk management. It reviews and recommends the Risk Policy and considers any exceptions to the Risk Policy. In addition, the Committee monitors CPP Investments' risk profile against its risk appetite. It also reviews key existing and emerging risks to which CPP Investments is exposed. The Risk Committee regularly meets separately with the Chief Risk Officer without other members of Management present. For more details about CPP Investments' risk governance practices, see page 24.

The Human Resources and Compensation Committee (HRCC) administers the performance evaluation process for the CEO and senior leadership. It reviews and recommends the compensation framework, reviews the organizational structure and oversees Management succession planning. It also oversees human resources policies, employee benefits and employee pension plans. The role of the HRCC is further outlined in the Compensation Discussion and Analysis section.

The Governance Committee ensures that CPP Investments follows appropriate governance best practices. The Governance Committee oversees conduct and culture matters, including reviewing and monitoring the application of the Code of Conduct and related policies. It establishes and recommends performance evaluation processes for the Board, Board committees, individual Directors and the Chairperson. It also oversees Board succession planning. This includes reviewing criteria and qualifications for Director appointments and reappointments. The Governance Committee recommends Director compensation, oversees the design of orientation and ongoing education programs for Directors and recommends the Proxy Voting Principles and Guidelines and the Board of Directors Diversity Policy for Board approval.

At every regularly scheduled meeting, the Board of Directors and each standing committee has sessions without members of Management present. In addition, the Board generally meets alone with the CEO at regularly scheduled Board meetings.

Decisions requiring prior Board approval

Management’s discretion in making operational and investment decisions is described in the policies approved by the Board. This includes a detailed policy dealing exclusively with the authorities that the Board has delegated to management and those it has reserved for the Board. In particular, Board approval is required for matters affecting the strategic direction of the organization and for the annual business plan and budget. Appointments of Officers, as well as their annual and incentive-based compensation, also require Board approval.

Board expectations of Management

The Board expects Management to comply with all policies approved by the Board and with the CPPIB Act and regulations, and to act in accordance with applicable law. With involvement from the Board, Management develops the strategic direction of the organization. The strategy incorporates risk management policies and controls, as well as monitoring and reporting mechanisms. Management is also expected to sustain and promote a culture of high integrity, to adhere to a stringent Code of Conduct and to manage any conflicts of interest appropriately.

Management is charged with developing benchmarks that objectively measure the performance of the markets, asset classes and strategies in which CPP Investments invests. The Board assesses and approves the methodology used to compose benchmarks at the total Fund level, and it receives reporting on the composition of those benchmarks in line with the approved methodology. These benchmarks assist the Board in evaluating Management’s investment performance and structuring performance-based compensation incentives.

To maintain public trust in CPP Investments, management is expected to operate the organization in a transparent and open way. This includes the use of various communications channels to provide clear and timely information about investment activities and financial results to demonstrate how CPP Investments helps support the financial sustainability of the CPP to provide a stable retirement base for current and future CPP beneficiaries. Management is expected to disclose material information and activities to the Board and public on a timely basis.

Ensuring Board effectiveness

Managing prudent Board renewal

The CPPIB Act provides that each Director be appointed for a term of up to three years and may be reappointed for one or more additional terms. The federal and participating provincial finance ministers have agreed that CPP Investments Directors are generally limited to a maximum of three three-year terms, with the Chairperson able to serve a fourth term. The Board seeks to work closely with the federal-provincial Nominating Committee in prudently managing continuity and renewal, seeking to ensure that multiple tenured Directors remain on the Board as other Directors complete their terms and new Directors join.

Board appointment and re-appointment process

The Director appointment and reappointment process is designed to ensure an independent, qualified Board of Directors that provides effective oversight to CPP Investments, including having a sufficient number of Directors with proven financial ability or relevant work experience as required by the CPPIB Act. CPP Investments seeks to uphold its governance practices as a leading model in the oversight of public pension management. To that end, the Director appointment and reappointment process is based on the principles of merit, openness, transparency and diversity.

The Governance Committee regularly reviews and updates both desirable and actual competencies and attributes of the Board. The Committee establishes the essential attributes required of individuals, along with other competencies required of the Board as a whole and in individual Board members to varying degrees, as outlined below. It then compares these requirements to CPP Investments’ existing Board composition to determine which competencies and attributes are required or are likely to be required in the foreseeable future.



As part of the Director appointment process, CPP Investments engages executive search firms to source qualified candidates for consideration. To meet the principles of openness, transparency and independence, a Notice of Appointment opportunity is posted on CPP Investments' website. This enables members of the general public to view the eligibility factors and the critical competencies required of Directors. Interested qualified individuals can then submit their names for consideration. These applicants augment the candidates identified by the Board and external search firms to ensure that the widest possible pool of candidates is considered for appointments. An analysis of competencies and diversity, as described under the Board Composition section below, is used to establish the selection criteria for a particular Board vacancy. The Governance Committee (or an ad hoc Director search committee) then uses these criteria to assess candidates.

In assessing potential Director and Chairperson reappointments, the Governance Committee considers the results of the annual evaluations of the relevant individual and their performance on the Board. It also considers the ongoing fulfillment of attributes considered to be essential, Board competencies, other potential candidates, including applications in response to the Notice of Appointment opportunity, and the overall diversity of the Board.

Once agreed by the Board, qualified candidates for appointments and reappointments are provided to the Nominating Committee for Appointments to CPP Investments' Board of Directors. The Nominating Committee is constituted by the federal Minister of Finance. It considers recommended candidates and submits them to the federal Minister of Finance. Following consultation with the participating provincial finance ministers, the federal Minister of Finance recommends candidates to the federal Governor in Council for appointment or re-appointment as Directors.

Board renewal activities

In view of recent and upcoming Director retirements, CPP Investments' Board has been actively engaged in Board renewal activity. In fiscal 2024, the Board recommended a candidate to succeed Dr. Heather Munroe-Blum, who retired from the Board after 12 years of service, nine of those as Chairperson. That recommended appointment is presently pending with the federal Minister of Finance.

During fiscal 2025, the Board also recommended a candidate to succeed Tahira Hassan following a comprehensive search. The Board also recommended the reappointments of Barry Perry and Sylvia Chrominska for their second and third terms, respectively, following the completion of comprehensive peer evaluations. The recommended re-appointments of Mr. Perry and Ms. Chrominska and the appointment of the successor to Ms. Hassan remain pending. Mr. Perry, Ms. Chrominska and Ms. Hassan continue to serve on the Board in the interim. On December 31, 2024, Nadir Mohamed retired from CPP Investments' Board. The Board has initiated a comprehensive search process to identify a candidate to succeed Mr. Mohamed. The Board has also begun work on searches for suitable successors to Ashleigh Everett, John Montalbano and Mary Phibbs, all of whom are due to retire from the Board in 2026 following the completion of their third and final terms. The searches for successors to Mr. Mohamed, Ms. Everett, Mr. Montalbano and Ms. Phibbs are being guided by an assessment of Board composition needs, as described below.

Board composition

The Board maintains and regularly reviews a skills matrix to monitor the skills and experience necessary for the Board to supervise CPP Investments' business and activities effectively and to identify any gaps in the Board's collective skill set. Directors are asked to identify up to their top five key areas of experience, recognizing that they may have experience in other areas as well, in consultation with the Governance Committee.

The Board has determined that the governance, functional and industry experience of the Board, as well as its diversity, currently provide for the effective oversight of CPP Investments. Details of the competencies and diversity of the Board, as at March 31, 2025, are set out in the following table. Director biographies on pages 93 and 94 provide additional details of each Director's background and professional experience in support of these areas.

Board composition matrix

	Judith Athaide	Sylvia Chrominska	Dean Connor	Mark Evans	Ashleigh Everett	Tahira Hassan	Nadir Mohamed ¹	John Montalbano	Barry Perry	Mary Phibbs	Boon Sim
Skills and Experience²											
Large-Scale Governance	✓				✓		✓		✓		
C-Suite Executive Leadership		✓	✓		✓	✓	✓	✓	✓	✓	✓
Investment/Asset Management			✓	✓				✓			✓
Financial Services		✓			✓					✓	
Risk Management		✓	✓	✓				✓		✓	✓
Accounting/Finance						✓	✓	✓	✓	✓	
Business Building and Transformation	✓			✓	✓	✓			✓		
Government/Regulatory/Public Policy	✓		✓				✓				
Global Business		✓	✓	✓		✓				✓	
Talent Management/Compensation	✓	✓			✓			✓	✓		✓
Technology and Data	✓			✓		✓	✓				✓
Diversity											
Age ³	62	73	68	67	68	71	68	60	60	67	62
Years on Board ³	2	6	3	5	8	10	1	8	3	7	4
Gender	✓	✓			✓	✓				✓	
Non-Gender ⁴	✓					✓	✓				✓

1. Nadir Mohamed retired from the CPP Investments Board on December 31, 2024.

2. Directors are asked to identify their top five key areas of experience, recognizing that they have experience in other areas as well, in consultation with the Governance Committee.

3. As of March 31, 2025.

4. Directors who self-identify in categories such as a visible minority, a person with a disability, indigenous or LGBTQ+, are noted in this category.

Board member orientation and development

The Board has an established orientation program for new Directors. This includes several comprehensive sessions on the background, history and mandate of CPP Investments as well as its strategy, business planning process, portfolio construction and management approaches, and current corporate and departmental priorities. Each new Director receives background material in advance and intensive interaction with Management during the orientation process. Directors are invited to attend supplemental orientation sessions to deepen their knowledge of the organization in specific areas. Feedback is sought from each new Director on the orientation program for continuous improvement purposes.

Professional development for all Directors is a key focus for the Board because of the evolving responsibilities of directors and the unique nature of CPP Investments. Ongoing professional development focuses on CPP Investments' business as well as current and emerging global issues, which feature both internal and external speakers. Directors identify continuing development topics in several ways, including during Board and Committee meetings, in the annual evaluation process described on page 88, and through regular feedback to the Chairperson. In fiscal 2025, the Governance Committee undertook work to enhance the Board's Director education program with a view to ensuring optimal prioritization of learning opportunities and balance between foundational learning, topics of the day and topics of the future. The Board also implemented a standing semi-annual Board session in which priority educational topics are identified.

In fiscal 2025, the topics for these educational sessions included: the investment landscape in Canada; generative AI; the intersection of AI and energy demand; various portfolio construction topics; investment performance attribution; cost benchmarking; employee engagement; investment opportunities and risks in India; and topics relating to the governance of CPP Investments.

A key education component for Board members is to develop a more in-depth understanding of the various regions and sectors in which CPP Investments invests. In fiscal 2025, the Board held Board and Committee meetings as well as several educational and stakeholder engagement sessions in Calgary, Alberta. This visit, together with the public meetings that CPP Investments hosted in every region of the country and virtually, also provided an opportunity to deepen our understanding of the issues and questions that are top of mind for CPP contributors and beneficiaries. We view the work of understanding our markets and stakeholders as a critical part of our commitment to sound governance.

This year, the CPP Investments Board of Directors also took steps to continue building its fluency in AI and its impact on CPP Investments' business and investment strategies. After receiving internal and external education sessions on AI in the previous fiscal year, the Board considered a strategic deep dive analysis on the integration of AI into CPP Investments' business, including the opportunities and risks presented by AI and responsible AI use. CPP Investments has also been assessing the implications of AI adoption across the economy for CPP Investments' investment strategies. The Board held sessions involving internal and external experts on the expected

impact of growing AI usage on energy demand and the resulting investment themes for CPP Investments' energy and infrastructure investing programs. These efforts are designed to ensure that AI fluency continues to grow with CPP Investments, including at the Board level, and that AI is leveraged effectively while mitigating associated risks.

Given CPP Investments' scale and breadth of activities, Directors are also encouraged to participate in relevant external development programs to further enhance their knowledge and skill sets.

A commitment to accountability

Procedures for the assessment of Board performance

The Board has an established annual process for evaluating its own performance and that of its committees, the Chairperson and each Director. Board evaluation topics include Board and Committee organization and culture, access to information, and oversight of strategy and risk. All assessments are currently conducted through confidential questionnaires. The full Board then reviews a summary of the evaluations which provides a basis for continuous improvement plans.

The Chairperson leads the confidential annual peer review. This is designed to assist each Director in identifying self-development opportunities. It is also used to explore new Board and Committee roles for individual Directors. After receiving relevant questionnaire feedback, the Chairperson meets formally with each Director. The Chairperson also checks in with each Director at least one more time formally during the year regarding feedback. The Board considers improvements to this process annually.

The Chair of the Governance Committee leads the confidential annual Chairperson review and, subject to the direction of the Board, provides feedback to the Chairperson.

A summary of the feedback obtained through the evaluations process is conveyed to the external Nominating Committee in the context of Director appointment and reappointment recommendations. The external Nominating Committee uses

this information when considering the potential reappointment of CPP Investments Directors and the Chairperson as each of their current terms nears completion.

Directors' outside activities

To ensure independence among Directors, the Board of Directors monitors interlocking board and committee relationships, in line with leading governance practices. No CPP Investments Director currently serves on another public company board with another CPP Investments Director.

Directors are also expected to notify the Chairperson in advance if they plan to accept an appointment to another board or to an executive position to ensure that there are no conflicts with CPP Investments' activities and that Directors will continue to have sufficient time to devote to CPP Investments matters.

Directors' compensation

The Governance Committee of the Board is responsible for making recommendations with respect to Directors' compensation. Under the CPPIB Act, Directors are to receive such remuneration and benefits having regard to the remuneration and benefits received by persons having similar responsibilities and engaged in similar activities. This compensation consists of annual retainers, meeting fees, and travel and other allowances. Directors' compensation is reviewed every two years. Any changes are recommended to the Board for approval.

In setting the approach to compensation, the Board's objective is to ensure that CPP Investments remains competitive in recruiting and retaining outstanding directors to meet its statutory objectives, while taking into account CPP Investments' public mandate. The Board conducted a scheduled review of Directors' compensation with the assistance of an external advisor in fiscal 2024 and will conduct its next scheduled review in fiscal 2026. No changes to Director compensation were made in fiscal 2025.

The following table summarizes the compensation payable to Directors of CPP Investments:

Schedule of Directors' compensation

	(CAD\$)
Annual Retainers	
Chairperson ¹	305,000
Director	115,000
Committee Chair, additional retainer	25,000
Meeting Fees	
Full meeting fee ²	2,000
Partial meeting fee ³	1,000
Travel and Other Allowances (aggregate)	
More than 200 km	1,000
Crossing an international border	1,000
Annual allowance for Directors residing outside Canada	40,000

1. In the case of the Board Chairperson, compensation is a flat annual fee, recognizing the difference in the role of the Board Chairperson versus individual Directors. The Board Chairperson is, however, eligible for the Committee Chair retainer, travel time reimbursement for regularly scheduled meetings and meeting fees for each meeting of the Board attended by the Chairperson in excess of 10 meetings in a fiscal year or in the event the Chairperson serves on an ad hoc committee or attends public meetings.
2. A meeting that is 90 minutes or more in length or that is otherwise assessed as warranting a full meeting in accordance with guidelines agreed by the Governance Committee.
3. A meeting that is less than 90 minutes in length or that is otherwise assessed as warranting a partial meeting in accordance with guidelines agreed by the Governance Committee.

CPP Investments Directors' compensation philosophy

Safeguarding the interests of CPP contributors and beneficiaries requires professional directors with the capabilities to ensure the effective stewardship and oversight of CPP Investments. The Board maintains a compensation approach that takes into account:

- Leading governance performance;

- The recruitment and retention of directors with extensive global experience and expertise in business, finance or investments; and
- The considerable time demands of the position.

An equitable balance between CPP Investments' commercial activities and public purpose promotes the selection of individuals who will reinforce the organization's unique culture.

CPP Investments Directors' compensation principles

I. Pay Neutrality

Compensation alone should not attract or detract desirable candidates.

- In reviewing the compensation of CPP Investments Directors, the Board's objective must be to set a reasonable "threshold" level of compensation, which neutralizes compensation so that it is not a significant favourable or unfavourable influence on the decision of a candidate in joining the CPP Investments Board.

II. Public Purpose

Canadian governments established CPP Investments with a purpose to serve millions of contributors to the compulsory CPP program. Directors' compensation should reflect a purpose distinct from other commercial organizations oriented to profits and stock price.

- While Directors' compensation should reflect the reality that both the workload and time commitment of a CPP Investments Directorship, and the expertise and experience required are comparable to private sector directorships, the total pay opportunity for CPP Investments Directors should reflect our public purpose.

III. Time Commitment

The compensation structure should recognize the differential in time commitment among Directors.

- The Board must contemplate and design a compensation structure that takes into account the fact that the CPP Investments Board is a true 'working board' with significant time and travel requirements. Directors are expected to be continuously engaged on organizational matters well beyond preparing for, and participating in, frequent Board and Committee meetings. The structure should recognize the incremental time, travel and meeting commitments expected of each Director, Committee Chairs and the unique role of the Board Chairperson.

IV. Relative Benchmark

CPP Investments is a complex global investment management organization and is considered a peer relative to other major financial institutions and large companies globally.

- There is a highly competitive global market for top director talent and the Board must consider how candidates perceive the value proposition of being a CPP Investments Director to recruit and retain top governance talent. For compensation-benchmarking purposes, the Board should consider alternative directorship opportunities available to these candidates in four target talent markets: (1) Canadian pension funds and smaller Canadian asset managers; (2) TSX 100 boards and larger Canadian asset managers; (3) large Canadian banks and U.S./U.K. asset managers; and (4) global sovereign and pension funds.

V. Appropriate Discount to Benchmark

A full market-based level of compensation is not appropriate given CPP Investments' public purpose as described in Principle II.

- Upon review of the relative target talent markets for benchmarking purposes, an approximate 20% discount was applied during the review of compensation in fiscal 2024.

Board and committee meetings

There were eight regularly scheduled Board meetings in fiscal 2025, four of which were held in-person. The Board is of the view that its current mix of in-person and virtual Board meetings effectively balances the benefits of coming together regularly in-person while maintaining the flexibility and efficiency of virtual meetings.

In addition, there were four regularly scheduled Audit Committee meetings, four regularly scheduled Human Resources and Compensation Committee meetings, four regularly scheduled Governance Committee meetings, four regularly scheduled Risk Committee meetings, and six regularly scheduled Investment Strategy Committee meetings.

The table below shows the number of meetings that each Director attended in fiscal 2025 relative to the number of meetings he or she could have attended.

Board and committee meetings and attendance

Director	Board Meeting	Investment Strategy Committee ⁸	Audit Committee	Governance Committee	HRCC	Risk Committee
Dean Connor	9/9	8/8	5/5	5/5	7/7	5/5
Judith Athaide ¹	9/9	7/8	–	5/5	1/1	5/5
Sylvia Chrominska ²	9/9	8/8	3/3	5/5	7/7	5/5
Mark Evans	9/9	7/8	–	–	7/7	5/5
Ashleigh Everett ³	9/9	7/8	1/1	5/5	1/1	–
Tahira Hassan ⁴	9/9	8/8	5/5	5/5	1/1	–
Nadir Mohamed ⁵	8/8	6/7	–	3/4	6/6	–
John Montalbano ⁶	8/9	6/8	5/5	–	1/1	5/5
Barry Perry	9/9	7/8	5/5	–	7/7	–
Mary Phibbs ⁷	9/9	8/8	5/5	–	1/1	5/5
Boon Sim	9/9	8/8	5/5	–	7/7	–

1. Attended HRCC by invitation.

2. Attended Governance Committee and Audit Committee by invitation.

3. Attended Audit Committee by invitation.

4. Attended HRCC by invitation.

5. Ceased to be a director effective December 31, 2024.

6. Attended HRCC by invitation. Ex officio member of the Risk Committee.

7. Ex officio member of the Audit Committee.

8. Note that the Investment Strategy Committee is periodically called upon to meet on an exigent basis to consider developing transactional matters that are time sensitive. As a result, meetings in these circumstances sometimes proceed with a quorum of Directors rather than the full membership due to scheduling constraints, which explains why some Directors were not able to attend all Investment Strategy Committee meetings.

In addition to the standing Board committees, an ad hoc Director search committee continued to meet throughout fiscal 2025. This committee was formed in fiscal 2023 to carry out the search for a successor to Heather Munroe-Blum. Its mandate was expanded in fiscal 2024 to include the search for

a successor to Tahira Hassan, and its mandate was expanded further in fiscal 2025 to include the search for a successor to Nadir Mohamed. Membership of the committee in fiscal 2025 consisted of Sylvia Chrominska, Dean Connor, Ashleigh Everett (Chair) and Tahira Hassan.

Directors' compensation for fiscal 2025

Based on the fee schedule in effect and Directors' attendance, individual compensation for each Director for fiscal 2025 was as follows:

Director	Annual Retainer	Board and Committee Meeting Fees	Public Meeting Fees	Travel Fees	Total Remuneration
	(\$)	(\$)	(\$)	(\$)	(\$)
Dean Connor	330,000	11,000	–	1,000	342,000
Judith Athaide ¹	115,000	55,000	–	3,000	173,000
Sylvia Chrominska ²	115,000	81,000	–	2,000	198,000
Mark Evans	155,000	54,000	–	6,000	215,000
Ashleigh Everett ³	140,000	56,000	–	4,000	200,000
Tahira Hassan ⁴	115,000	65,000	–	1,000	181,000
Nadir Mohamed ⁵	86,250	44,000	–	–	130,250
John Montalbano ⁶	140,000	51,000	–	4,000	195,000
Barry Perry	140,000	54,000	–	4,000	198,000
Mary Phibbs ⁷	180,000	56,000	–	8,000	244,000
Boon Sim	155,000	56,000	–	8,000	219,000

1. Attended HRCC by invitation.

2. Attended Governance Committee and Audit Committee by invitation.

3. Attended Audit Committee by invitation.

4. Attended HRCC by invitation.

5. Ex officio member of the Audit Committee.

6. Attended HRCC by invitation. Ex officio member of the Risk Committee.

7. Ex officio member of the Audit Committee.

Diversity and inclusion

Board of Directors

CPP Investments believes that diversity, including gender diversity, is crucial to promoting the inclusion of different perspectives and contributing to Board effectiveness. The Board has adopted a written Board of Directors Diversity Policy. It reflects our long-standing belief that CPP Investments is best served by a Board with a wide array of skills, backgrounds, perspectives and ideas. For purposes of Board composition, diverse representation considerations include, but are not limited to, professional experience and expertise, age, gender, ethnicity, geographic background, disability status, sexual orientation and other personally defining dimensions.

The Board of Directors Diversity Policy applies to both the nomination of new candidates to serve as Directors as well as recommendations for existing Directors to be reappointed to the Board. Under the Policy, when assessing Board composition or identifying suitable candidates for appointment or reappointment, the Board or any search committee it establishes will have due regard to the benefits of ensuring diversity among the Directors.

Currently, five of 10 CPP Investments Directors (50%) identify as women. Currently, three of 10 Directors (30%) are members of visible minorities.

Any search firm engaged to assist the Board with the identification of candidates for nomination to the Board is directed to the Board of Directors Diversity Policy. The Governance Committee reviews the Board of Directors Diversity Policy and the Board's adherence to it annually.

Senior Management Team

The importance we place on diversity and inclusion in relation to our talent practices applies equally at the executive level. The Board regularly considers diversity in pipeline discussions for senior leadership positions and implements development plans for top-performing diverse senior talent. The Board considers gender and non-gender diversity dimensions when appointing CPP Investments Officers.

Currently 6 of 16 (38%) Senior Management Team members identify as women. Currently 3 of 16 (19%) of Senior Management Team members identify as members of visible minorities.

Conduct and culture

A culture of integrity and ethical conduct

The Board places utmost importance on fostering an inclusive culture of ethics and integrity throughout CPP Investments. It requires and expects Management to support the Board in setting the tone for a strong governance culture.

Code of Conduct and related policies

The Code of Conduct can be found on our [website](#). It outlines what is expected of everyone at CPP Investments and our accountability to each other.

The Code sets out strict criteria for the acceptance of any entertainment, gifts or favour. Such benefits must not create or appear to create a favoured position for actual or potential contractors or suppliers or any party with whom we do business.

It also deals with such matters as conflicts of interest, personal and professional conduct, confidentiality of proprietary information, and personal investments.

Related internal policies provide additional information on conflicts of interest and personal investments. These are intended to identify, manage and, where possible, eliminate conflicts of interest relating to Directors and employees. Conflicts of interest were anticipated in CPP Investments' legislation as a result of the need to recruit Directors and employees with financial and investment experience. Our policies are designed to ensure that Directors and employees act in the best interests of the organization. They must disclose any personal or business interests that might lead to a real, potential or perceived conflict of interest. Any involvement in relevant decision-making is prohibited, should those circumstances arise. Further, Directors are expected to resign from the Board if they take on executive responsibilities with an organization whose objectives and mandates may be, or might reasonably be perceived to be, in conflict with CPP Investments' objectives or mandate.

These policies also cover the personal trading of CPP Investments Directors and employees. They establish strict pre-clearance procedures and restrictions on personal trading in prescribed circumstances.

As part of the hiring process, new recruits must agree to comply with the Code of Conduct and related conduct policies. Collectively, these set a high standard for promoting ethical conduct and addressing conflicts of interest. Semi-annually, Directors and employees must reconfirm their compliance and employees must complete an online module to confirm their understanding of the Code and their ability to apply it in day-to-day decisions and actions. The Code also requires everyone at CPP Investments to report it if they become aware of a suspected breach.

Guiding Principles

Our Guiding Principles of Integrity, Partnership and High Performance are embedded in the Code of Conduct. CPP Investments holds annual sessions for all employees across all offices to renew their commitment to the Guiding Principles and to maintain the focus on this cornerstone of our culture.

When the Board hires or conducts annual performance reviews of the CEO, it considers the individual's leadership in promoting ethical conduct and championing a culture of Integrity, Partnership and High Performance. These factors are also relevant in the hiring and review of all employees.

Conduct Review Advisor

To augment the Code of Conduct, the Board of Directors has appointed an external Conduct Review Advisor to discuss Code of Conduct issues with Directors, employees and relevant third parties on a confidential basis. The Conduct Review Advisor also assists the Governance Committee with how the Code is applied and in reviewing it for any appropriate changes.

Sheila Block, a distinguished Canadian lawyer who has served as the Conduct Review Advisor for the prior seven years, retired from this position in January 2025. Following a thorough search for her successor, which was overseen by the Governance Committee, the Board appointed Sandra Barton as CPP Investments' new Conduct Review Advisor effective January 2, 2025. Ms. Barton is an esteemed Canadian litigation lawyer and was assessed by the Board as being eminently qualified for the Conduct Review Advisor role.

The Conduct Review Advisor submits a report and meets with the Board at least once a year to discuss their activities.

Board of Directors Biographies

as at March 31, 2025

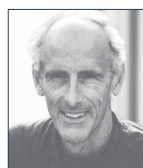


DEAN CONNOR, CHAIRPERSON^{1,2*,3*,4*,5*}

Corporate Director, Toronto, Ontario
Director since August 2021.
Chairperson, Board of Directors.
Chair, Investment Strategy Committee.

Board Chair for University Health Network. Former President & CEO of Sun Life Financial Inc. and President (Americas) of Mercer Human Resource Consulting. Qualified as a Fellow of the Society of Actuaries and the Canadian Institute of Actuaries. Honours Business Administration Degree from the Ivey Business School, University of Western Ontario.

More than four decades of global experience in financial services.



WILLIAM 'MARK' EVANS^{1,4,5}

Early-stage technology investor,
London, United Kingdom
Director since May 2019.

Works with early-stage technology entrepreneurs in the U.K., Europe, and North America. He has degrees in Economics from Queen's University and the University of Oxford.



JUDITH ATHAIDE^{1,3,5}

Corporate Executive, Corporate Director,
Calgary, Alberta
Director since November 2022.

Director of Kiwetinohk Energy and CEO of The Cogent Group Inc. She has held academic positions at the Universities of Alberta, Brandon, Calgary and Mount Royal. University of Manitoba B. Comm (Honours), University of Alberta Master of Business Administration and Bachelor of Science in Mechanical Engineering.

Experience in the broad energy sector, as a professional engineer and entrepreneur.

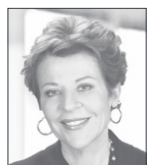


ASHLEIGH EVERETT^{1,3}

Corporate Executive, Corporate Director,
Winnipeg, Manitoba
Director since February 2017.
Chair, Governance Committee.

Director of The Wawanesa Mutual Insurance Company. Former Director of The Bank of Nova Scotia and Manitoba Telecom Services, President & Director of Royal Canadian Securities Limited, subsidiaries Royal Canadian Properties Limited, Domo Corporation Ltd., and L'Eau-1 Inc. Masters of Business Administration, Ivey Business School, University of Western Ontario.

Extensive board experience in the public finance, insurance, and telecom sectors and more than 35 years of senior management experience in private property development and retail business operations.



SYLVIA CHROMINSKA^{1,4,5}

Corporate Director, Stratford, Ontario
Director since September 2018.

Board member of the Stratford Perth Community Foundation. Senate member of the Stratford Festival. Former Director of Scotiabank (Trinidad and Tobago), Bank of Nova Scotia Jamaica, Emera Inc., Dofasco Inc. Wajax Inc. and Canadian Bankers Association. Honours Degree in Business Administration and Honorary Doctorate from Western University.

More than 30 years of banking experience, including executive positions in human resources and corporate credit risk, as well as extensive board experience.



TAHIRA HASSAN^{1,2,3}

Corporate Director, Toronto, Ontario
Director since February 2015.

Served as Non-executive Director of Brambles Limited, Ontario Shores Centre for Mental Health Sciences, Recall Holdings Limited, Dreyer's Grand Ice Cream Holdings Inc., Dairy Partners America and several other international management and association boards. Retired Senior Vice-President at Nestlé SA. Chartered Professional Accountant & Certified Management Accountant (Canada), Fellow of the Chartered Institute of Management Accountants (U.K.) and Chartered Global Management Accountant.

Over 45 years of business and board governance expertise, in multinational environments, including lived-in experiences in Canada, the U.K., Switzerland and Pakistan.

**JOHN MONTALBANO, CFA^{1,2,5*}**

Corporate Director, Vancouver, British Columbia
Director since February 2017.
Chair, Audit Committee.

Director of AbCellera Biologics, Manulife Financial, Eupraxia Pharmaceuticals, Rideau Hall Foundation and Windmill Microlending. Former roles: Vice Chairman of RBC Wealth Management, Chair of University of British Columbia, and CEO of RBC Global Asset Management. Chartered Financial Analyst. Leslie Wong Fellow of the UBC Portfolio Management Foundation. UBC BCom (Hons).

Over 30 years working in asset management and extensive senior management experience.

**MARY PHIBBS^{1,2*,5}**

Corporate Director, London, United Kingdom
Director since May 2017.
Chair, Risk Committee.

Senior Independent Director and Audit Chair of Just Group plc., non-executive Director of the Institute of Chartered Accountants in England and Wales (ICAEW). Former Chairperson of Virgin Money Unit Trust Managers Limited, former non-executive Director of Morgan Stanley International Limited, and former executive at Standard Chartered Bank plc. Bachelor of Science Honours from the University of Surrey. Fellow of the Institute of Chartered Accountants England and Wales and Fellow of Chartered Accountants Australia and New Zealand.

More than 40 years of international business, risk management and board experience.

**BARRY PERRY^{1,2,4}**

Corporate Director, Newfoundland & Labrador
Director since August 2021.
Chair, Human Resources and Compensation Committee.

Director of Royal Bank of Canada and director and Chair of the Audit Committee of Capital Power Corporation. Former President and CEO of Fortis and former Director of Fortis, ITC Holdings, UNS Energy, FortisBC Energy, FortisAlberta, Central Hudson Gas & Electric and Newfoundland Power. Bachelor of Commerce from Memorial University of Newfoundland. Member of the Association of Chartered Professional Accountants of Newfoundland and Labrador.

More than 30 years of executive and board experience in the utilities and manufacturing sector.

**BOON SIM^{1,2,4}**

Corporate Director, New York, NY, United States
Director since July 2020.

Managing Partner of Artius Capital Partners. Former Director of WorldPay Inc. and former senior executive at Temasek International, Credit Suisse Group and The First Boston Corporation. Member of the Yale University School of Management Board of Advisors. Master of Science in Engineering from Massachusetts Institute of Technology and Master of Private & Public Management from Yale University.

More than 30 years of global experience in the finance, asset management and technologies industries and expertise in a range of high-growth sectors.

Committee membership as of March 31, 2025:

- 1) Investment Strategy Committee
- 2) Audit Committee
- 3) Governance Committee
- 4) Human Resources and Compensation Committee
- 5) Risk Committee

* Ex officio member

Management's Responsibility for Financial Reporting

The Consolidated Financial Statements of Canada Pension Plan Investment Board (CPP Investments) have been prepared by Management and approved by the Board of Directors. Management is responsible for the integrity and reliability of the Consolidated Financial Statements and the financial information contained within the Annual Report. The Consolidated Financial Statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB) and the requirements of the *Canada Pension Plan Investment Board Act* (CPPIB Act) and the accompanying regulations. The financial information throughout the Annual Report is consistent with the Consolidated Financial Statements.

The Consolidated Financial Statements include certain amounts based on Management's judgments and best estimates where deemed appropriate. The material accounting policies used are disclosed in Note 1 to the Consolidated Financial Statements or in the Notes to which the accounting policies relate.

CPP Investments develops and maintains systems of internal control and supporting procedures designed to provide reasonable assurance that assets are safeguarded and that transactions are properly recorded, authorized and are in accordance with the CPPIB Act, the accompanying regulations, the by-laws and investment policies of CPP Investments. The internal control framework includes a strong corporate governance structure, an enterprise risk management framework that identifies, monitors and reports on key risks facing the organization, a Code of Conduct, conflict of interest procedures and other policies, as well as management authorities and procedures that guide decision-making. The controls also include the establishment of an organizational structure that provides a well-defined division of responsibilities and accountability, the selection and training of qualified staff and the communication of policies, management authorities and procedures throughout the organization. The systems of internal control are further supported by a compliance management system to monitor CPP Investments' compliance with legislation, policies, management authorities and procedures and by internal and external auditors who review and evaluate internal controls in accordance with their respective annual audit plans approved by the Audit Committee.



John Graham
President & Chief Executive Officer

Toronto, Ontario
May 14, 2025

Management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards as issued by the IASB, the CPPIB Act and accompanying regulations. Management assessed the effectiveness of our internal control over financial reporting as of March 31, 2025 as part of our CEO/CFO certification process as described on page 70 of Management's Discussion and Analysis in the Annual Report.

The Audit Committee assists the Board of Directors in discharging its responsibility to approve the Consolidated Financial Statements. The Audit Committee, consisting of independent directors, meets regularly with Management and the internal and external auditors to discuss the scope and findings of audits and other work they may be requested to perform from time to time, to review financial information and to discuss the adequacy of internal controls. The Audit Committee reviews the Consolidated Financial Statements and recommends them to the Board of Directors for approval.

CPP Investments' external auditor, Deloitte LLP, has conducted an independent audit of the Consolidated Financial Statements in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as it considers necessary to express an opinion in its Independent Auditor's Report. Deloitte LLP has also independently audited internal control over financial reporting. For the full form audit opinion on CPP Investments' internal control over financial reporting, please refer to our [website](#). The external auditor has full and unrestricted access to Management and the Audit Committee to discuss any findings related to the integrity and reliability of CPP Investments' financial reporting and the adequacy of internal control systems.



Kristina Fanjoy, CPA, CA
Senior Managing Director & Chief Financial Officer

Investment Certificate

The Canada Pension Plan Investment Board Act (CPPIB Act) requires that a certificate be signed by a director on behalf of the Board of Directors, stating that the investments of CPP Investments held during the year were in accordance with the CPPIB Act and CPP Investments' investment policies, standards and procedures. Accordingly, the Investment Certificate follows.



John Montalbano

Chair of the Audit Committee on behalf of the Board of Directors

Toronto, Ontario
May 14, 2025

The investments of CPP Investments, held during the year ended March 31, 2025, were in accordance with the CPPIB Act and CPP Investments' investment policies, standards and procedures.

Independent Auditor's Report

To the Board of Directors of Canada Pension Plan Investment Board

Opinion

We have audited the consolidated financial statements of Canada Pension Plan Investment Board ("CPP Investments"), which comprise the consolidated balance sheet as at March 31, 2025, and the consolidated statements of comprehensive income (loss), changes in net assets, and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of CPP Investments as at March 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards ("IASB").

We have also audited, in accordance with the standards for audits of internal control over financial reporting set out in the CPA Canada Handbook-Assurance, CPP Investments' internal control over financial reporting as of March 31, 2025, in accordance with criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated May 14, 2025, expressed an unqualified opinion on CPP Investments' internal control over financial reporting.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS").

Our responsibilities under those standards are further described in the Auditor's Responsibilities for the *Audit of the Financial Statements* section of our report. We are independent of CPP Investments in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing CPP Investments' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate CPP Investments or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing CPP Investments' financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within CPP Investments as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CPP Investments' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause CPP Investments to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Further, in our opinion, the transactions of CPP Investments and its subsidiaries that have come to our attention during our audit of the financial statements have been, in all material respects, in accordance with the *Canada Pension Plan Investment Board Act* ("CPPIB Act") and the by-laws, as the case may be.

Further, in our opinion, the record of investments kept by CPP Investments Management, pursuant to paragraph 39(1)(c) of the CPPIB Act fairly presents, in all material respects, the information required by the CPPIB Act.



Chartered Professional Accountants

Licensed Public Accountants

Toronto, Ontario

May 14, 2025

Consolidated Financial Statements and Notes

Consolidated Balance Sheet

(CAD millions)	As at March 31, 2025	As at March 31, 2024
Assets		
Cash and cash equivalents	\$ 7,781	\$ 9,631
Investments (Note 3)	923,978	800,075
Pending trades receivable (Note 3)	1,939	4,601
Premises and equipment	703	679
Other assets	82	95
Total assets	934,483	815,081
Liabilities		
Investment liabilities (Note 3)	216,101	170,648
Pending trades payable (Note 3)	2,543	10,832
Accounts payable and accrued liabilities	1,396	1,234
Total liabilities	220,040	182,714
Net assets	\$ 714,443	\$ 632,367
Net assets, represented by:		
Share capital	\$ –	\$ –
Accumulated net income and comprehensive income	492,138	432,353
Accumulated net transfers from the Canada Pension Plan	222,305	200,014
Net assets	\$ 714,443	\$ 632,367

The accompanying Notes are an integral part of these Consolidated Financial Statements.

On behalf of the Board of Directors



Dean Connor
Chairperson



John Montalbano
Chair of the Audit Committee

Consolidated Statement of Comprehensive Income (Loss)

(CAD millions)	For the years ended March 31,	
	2025	2024 ¹
Income:		
Interest income	\$ 9,636	\$ 7,793
Dividend income	8,740	9,064
Net (losses) on private investments (Note 1.7)	(1,572)	(4,091)
Net gains on public investments (Note 1.7)	12,601	22,670
Net gains on investment holding subsidiaries (Note 5)	40,924	19,986
Other	(702)	(623)
	69,627	54,799
Expenses:		
Personnel	1,166	1,087
General and administrative (Note 13)	590	530
Management fees	16	16
Performance fees	131	62
Transaction-related	405	248
Taxes	321	487
Financing	7,213	5,927
	9,842	8,357
Net income and comprehensive income	\$ 59,785	\$ 46,442

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

The accompanying Notes are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Changes in Net Assets

(CAD millions)	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	\$ 570,042
Total net income and comprehensive income			–	46,442	46,442
Canada Pension Plan transfers:					
Transfers from the Canada Pension Plan			–	65,595	65,595
Transfers to the Canada Pension Plan			–	(49,712)	(49,712)
As at March 31, 2024	10	\$	–	\$ 200,014	\$ 632,367
As at April 1, 2024	10	\$	–	\$ 200,014	\$ 632,367
Total net income and comprehensive income			–	59,785	59,785
Canada Pension Plan transfers:					
Transfers from the Canada Pension Plan			–	70,371	70,371
Transfers to the Canada Pension Plan			–	(48,080)	(48,080)
As at March 31, 2025	10	\$	–	\$ 222,305	\$ 714,443

The accompanying Notes are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Cash Flows

(CAD millions)	For the years ended March 31,	
	2025	2024
Cash flows from operating activities		
Net income and comprehensive income	\$ 59,785	\$ 46,442
Adjustments for non-cash items:		
Amortization of premises and equipment	89	76
Losses on debt financing liabilities (Note 11)	4,747	822
(Gains) losses from foreign exchange on cash and cash equivalents	(219)	127
Adjustments for net changes in operating assets and liabilities:		
(Increase) in investments	(123,903)	(109,070)
Decrease (increase) in pending trades receivable	2,662	(1,656)
Decrease (increase) in other assets	13	(2)
Increase in investment liabilities	36,709	22,623
(Decrease) increase in pending trades payable	(8,289)	9,233
Increase in accounts payable and accrued liabilities	162	172
Net cash flows (used in) operating activities	(28,244)	(31,233)
Cash flows from financing activities		
Transfers from the Canada Pension Plan	70,371	65,595
Transfers to the Canada Pension Plan	(48,080)	(49,712)
Proceeds from debt financing liabilities (Note 11)	19,206	24,166
Repayment of debt financing liabilities (Note 11)	(15,209)	(10,546)
Net cash flows provided by financing activities	26,288	29,503
Cash flows from investing activities		
Acquisition of premises and equipment	(113)	(228)
Net cash flows (used in) investing activities	(113)	(228)
Effect of exchange rate changes on cash and cash equivalents	219	(127)
Net (decrease) in cash and cash equivalents	(1,850)	(2,085)
Cash and cash equivalents at the beginning of the year	9,631	11,716
Cash and cash equivalents at the end of the year	\$ 7,781	\$ 9,631

The accompanying Notes are an integral part of these Consolidated Financial Statements.

Consolidated Schedule of Investment Portfolio

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 March 31, 2025	As at March 31, 2024
Equities		
Public equities	\$ 228,982	\$ 214,073
Private equities	228,440	208,549
Total equities	457,422	422,622
Debt		
Bonds	228,337	165,258
Other debt	51,975	49,157
Money market securities	487	7,710
Total debt	280,799	222,125
Investment funds	162,484	141,968
Investment receivables and Other		
Securities purchased under reverse repurchase agreements and cash collateral pledged on securities borrowed	18,525	12,143
Derivative assets	2,619	2,962
Other	7,224	4,909
Total investment receivables and Other	28,368	20,014
Total investments¹	\$ 929,073	\$ 806,729
Investment liabilities		
Securities and loans sold under repurchase agreements and cash collateral received on securities lent	113,349	72,141
Debt financing liabilities	80,798	73,122
Securities sold short	19,432	26,229
Derivative liabilities	5,719	3,647
Other	3,159	2,846
Total investment liabilities¹	222,457	177,985
Cash and cash equivalents ¹	\$ 8,731	\$ 10,426
Pending trades receivable ¹	2,021	4,840
Pending trades payable ¹	2,560	11,411
Net investments	\$ 714,808	\$ 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 Consolidated Balance Sheet presents all financial assets and liabilities held by investment holding subsidiaries as investments. This results in a difference of \$5,095 million (March 31, 2024 – \$6,654 million), \$6,356 million (March 31, 2024 – \$7,337 million), \$950 million (March 31, 2024 – \$795 million), \$82 million (March 31, 2024 – \$239 million) and \$17 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 Consolidated Balance Sheet. Refer to Notes 1.2, 3.1 and 3.2 for further details.

The accompanying Notes are an integral part of these Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

Note	Description	Page
1.	Summary of material accounting policies	105
2.	Investments and investment liabilities	108
3.	Fair value measurement	111
4.	Derivatives	121
5.	Net gains on investment holding subsidiaries	124
6.	Segment information	124
7.	Risk management	126
8.	Market risk	128
9.	Credit risk	130
10.	Liquidity and leverage risk	131
11.	Reconciliation of debt financing liabilities	134
12.	Financial instruments – rights of offset	134
13.	General and administrative expenses	135
14.	Related-party transactions	136
15.	Collateral	136
16.	Commitments	137
17.	Guarantees and indemnifications	137
18.	Base CPP and additional CPP	138

Corporate 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 a federal Crown corporation, all of the shares of which are issued to the Minister of Finance and held on behalf of His Majesty in right of Canada (Government of Canada). The issued and authorized share capital of CPP Investments is \$100 divided into 10 shares with a par value of \$10 each.

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). It is responsible for managing amounts that are transferred to it under Sections 108.1 and 108.3 of the CPP Act in the best interests of CPP beneficiaries and contributors. CPP Investments received its first funds for investing purposes from the CPP in March 1999. CPP Investments' assets are to be invested in accordance with the CPPIB Act, the accompanying regulations and CPP Investments' investment policies with a view to achieving a maximum rate of return without undue risk of loss, having regard to the factors that may affect the funding of the CPP and the ability of the CPP to meet its financial obligations on any given business day.

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*. These legislative amendments increase the amount of CPP contributions and the corresponding retirement pensions and other benefits that are paid on CPP contributions made after 2018. 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. The assets attributable to the CPP's additional CPP account are accounted for separately from those of the base CPP account. Note 18 provides information on the net assets, net investments and net income of the base CPP account and additional CPP account. All references to "CPP Investments" mean base CPP and additional CPP together.

CPP Investments is exempt from Part I tax under paragraph 149(1)(d) of the *Income Tax Act* (Canada) on the basis that all of the shares of CPP Investments are owned by the Government of Canada. Further, all of CPP Investments' wholly owned subsidiaries are exempt from Part I tax.

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

CPP Investments' registered office is located at One Queen Street East, Toronto, Ontario, Canada.

The Consolidated Financial Statements were approved by the Board of Directors and authorized for issue on May 14, 2025.

1. Summary of material accounting policies

AT A GLANCE

This Note describes material accounting policies that are relevant to the Consolidated Financial Statements as a whole. Where an accounting policy is specific to one financial statement element, the policy is described in the Note to which it relates.

USE OF ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of the Consolidated Financial Statements requires Management to make estimates, judgments and assumptions that affect the amounts recognized for assets and liabilities, principally the valuation of financial instruments which are not actively traded. Uncertainty about these estimates, judgments and assumptions may result in outcomes that could require a material adjustment to the carrying amount of the affected assets or liabilities in the future.

On April 2, 2025, subsequent to the reporting date, the U.S. administration announced substantial and wide-ranging policy actions. These measures, including retaliatory actions already enacted by other countries and the potential for further trade-related developments, have introduced additional uncertainty into the global economic outlook. While no adjustments have been made to the Consolidated Financial Statements for events that transpired after March 31, 2025, in accordance with IAS 10 Events After the Reporting Period, CPP Investments has incorporated all available information as of March 31, 2025. CPP Investments is closely monitoring this and other related events and will incorporate any material developments in future reporting periods.

1.1 Basis of presentation

These Consolidated Financial Statements present the financial position and the financial performance of CPP Investments in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB).

CPP Investments qualifies as an investment entity as it meets the following definition of an investment entity outlined in IFRS 10, *Consolidated Financial Statements* (IFRS 10):

- Obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services. In the case of CPP Investments, there is one investor (more specifically, CPP Investments invests amounts transferred from the CPP that are not required to pay current CPP benefits), but the funds are invested in the best interests of a wide group of individuals being the contributors and beneficiaries of the CPP.
- Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both.
- Measures and evaluates the performance of substantially all of its investments on a fair value basis.

No significant judgments or assumptions were made in determining that CPP Investments meets the definition of an investment entity as defined in IFRS 10.

Statement of compliance

The Consolidated Financial Statements of CPP Investments have been prepared in accordance with IFRS Accounting Standards and the requirements of the CPIIB Act and the accompanying regulations.

1.2 Subsidiaries

CPP Investments qualifies as an investment entity and reports the results of its operations in accordance with IFRS 10. As a consequence, the Consolidated 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 Consolidated Financial Statements but instead are measured and reported at fair value through profit and loss (FVTPL) 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 determination of the fair value of the underlying investments and investment liabilities is based on the valuation techniques and related inputs described in Note 2.

1.3 Associates and joint ventures

An associate is an entity in which CPP Investments or its investment holding subsidiaries has the ability to exercise significant influence over its decision-making.

Investments in joint ventures are those arrangements where CPP Investments or its investment holding subsidiaries have joint control of the arrangements.

CPP Investments is an investment entity and measures investments in its associates and joint ventures at FVTPL in accordance with IAS 28 *Investments in Associates and Joint Ventures* (IAS 28) and IFRS 9.

1.4 Financial instruments

Classification

CPP Investments classifies its financial assets and financial liabilities, in accordance with IFRS 9 as follows:

Financial assets

Financial assets are either classified at FVTPL or at amortized cost. The classification depends on: (a) the business model for managing the financial assets and (b) the cash flow characteristics of the financial assets. Financial assets are classified at FVTPL on the basis that they are part of a portfolio of investments which is managed to maximize returns without undue risk of loss and whose performance is evaluated on a fair value basis in accordance with investment strategies and risk management of CPP Investments. Financial assets classified at FVTPL include investments in equities, debt, investment funds, securities purchased under reverse repurchase agreements, derivatives and other investment receivables. Financial assets carried at amortized cost include cash and cash equivalents, pending trades receivable, cash collateral pledged on securities borrowed and other assets.

Financial liabilities

Financial liabilities are either classified at FVTPL or at amortized cost. A financial liability is classified at FVTPL if it is classified as held for trading, or it is designated as such on initial recognition.

Financial liabilities held for trading and classified at FVTPL include derivative liabilities and securities sold short. Financial liabilities designated at FVTPL include debt financing liabilities, securities and loans sold under repurchase agreements and other investment liabilities. Financial liabilities at amortized cost include pending trades payable, cash collateral received on securities lent and accounts payable and accrued liabilities.

Recognition

CPP Investments recognizes a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the financial instrument. Financial assets and liabilities are recognized on a trade or settlement date basis depending on whether there is a time frame established by regulation or market convention for delivery of those assets and liabilities.

Derecognition

A financial asset is derecognized under the following situations: (a) when the contractual rights to receive the cash flows from the financial asset expire, (b) when CPP Investments has transferred the financial asset and substantially all the risks and rewards of the asset, or (c) when CPP Investments has neither retained substantially all risks and rewards nor control over the transferred asset.

CPP Investments derecognizes a financial liability when the obligation under the liability is discharged, cancelled or expires.

Initial measurement

Financial assets and financial liabilities are measured on initial recognition at fair value.

Subsequent measurement

After initial measurement, financial assets and financial liabilities continue to be measured at fair value or amortized cost. Subsequent changes in the fair value of those financial assets and financial liabilities classified at fair value are recorded as gains or losses on the Consolidated Statement of Comprehensive Income (Loss).

1.5 Functional and presentation currency

CPP Investments' functional and presentation currency is the Canadian dollar, which is the currency of the primary economic environment in which it operates. CPP Investments' performance is evaluated and its liquidity is managed in Canadian dollars. Therefore, the Canadian dollar is considered to be the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

1.6 Foreign currency translation

Transactions, including purchases and sales of investments, and income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. Investments and monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate at each Consolidated Balance Sheet date. Non-monetary items in a foreign currency are measured at historical cost and are translated using the exchange rates at the dates of the initial transactions.

Foreign currency transaction gains and losses on financial instruments classified at FVTPL are included with associated fair value gains and losses in the Consolidated Statement of Comprehensive Income (Loss).

1.7 Income

Interest

Interest income is recognized as earned and includes interest on bonds, other debt, money market securities and securities purchased under reverse repurchase agreements. Interest income also includes income received by CPP Investments from its investment holding subsidiaries.

Dividends

Dividend income includes income received from public investments. Dividend income from public investments is recognized on the ex-dividend date, which is when CPP Investments' right to receive the dividend has been established. Distributions received from investment funds and other private investments are recorded on the settlement date as either dividends, interest, gains or a return of capital. Dividend income also includes income received by CPP Investments from its investment holding subsidiaries.

Net gains (losses) on private investments and net gains (losses) on public investments

Net gains (losses) on private investments are composed of realized and unrealized gains (losses) from private equities, debt, debt securities sold short, investment receivables and investment liabilities excluding debt financing liabilities and exchange-traded derivatives. Net gains (losses) on public investments are composed of realized and unrealized gains (losses) from public equities, exchange-traded derivatives and public equities sold short. Interest and dividend expenses on bond and equity securities sold short are included in net gains (losses) on private and public investments, respectively.

Net gains (losses) on investment holding subsidiaries

Net gains (losses) on investment holding subsidiaries are composed of realized and unrealized gains (losses) from investments in investment holding subsidiaries.

1.8 Expenses

Personnel expenses

Personnel expenses include salaries, incentives, benefits, as well as compensation for contractors. Personnel expenses are expensed as incurred.

General and administrative expenses

General and administrative expenses include costs incurred for professional services, technology, data, premises and equipment, communications, auditor's remuneration, travel and directors' remuneration. General and administrative expenses are expensed as incurred.

Management fees

Management fees include payments to external managers who invest and manage capital committed by CPP Investments. Management fees are expensed as incurred.

Performance fees

Performance fees include payments to external managers when CPP Investments earns a return that exceeds a set rate of return. Performance fees are expensed as incurred.

Transaction-related expenses

Transaction-related expenses include incremental costs that are directly attributable to the acquisition, maintenance, restructuring or disposal of an investment. Such expenses include a variety of non-recurring expenses, including due diligence on potential investments, legal and tax advisory fees required to support transactions involving private market assets, or, in the case of public markets, custodial fees and commissions paid when trading securities. Transaction-related expenses are expensed as incurred.

Taxes

CPP Investments is exempt from income tax on its operations in Canada but is subject to taxes in a number of foreign jurisdictions and incurs indirect taxes. Taxes in the Consolidated Statement of Comprehensive Income (Loss) consists largely of taxes on dividends, interest income and capital gains related to investments in equities, debt and investment holding subsidiaries. The majority of these taxes are collected at source.

Withholding taxes, net of deductions for refundable amounts, are recognized at the same time as the related dividend or interest income. Refundable withholding tax is presented in the Consolidated Schedule of Investment Portfolio as Other investment receivables.

Other income tax, which is not collected at source, is recognized in the Consolidated Statement of Comprehensive Income (Loss) in the same period as the related income or gain. Deferred tax on capital gains generated on assets held directly by CPP Investments is recognized as a liability in the

Consolidated Balance Sheet within Investment Liabilities, based on the expected future payment when CPP Investments is in a gain position in the applicable market. Where the gains are generated by investment holding subsidiaries, the liabilities are netted within net asset values of the respective subsidiaries. Changes in deferred tax liabilities in the year are recorded as an expense or recovery within Taxes or Net gains (losses) on investment holding subsidiaries in the Consolidated Statement of Comprehensive Income (Loss).

All uncertain tax positions, such as disputed withholding tax refunds, are assessed each reporting period.

Financing expenses

Financing expenses include interest and other costs that are incurred when borrowing funds or securities. Financing expenses are composed of expenses from debt financing liabilities, securities and loans sold under repurchase agreements and securities lending and borrowing transactions. Gains and losses associated with debt financing liabilities and certain interest rate derivatives used as part of financing activities are also included in financing expenses. Financing expenses are expensed as incurred.

1.9 Future changes in accounting policies

CPP Investments regularly assesses the impact of new IFRS Accounting Standards, changes in existing standards or new interpretations that have been issued but are not yet effective for CPP Investments. There were no adoptions of newly issued IFRS Accounting Standards, changes in existing standards or new interpretations during the year ended March 31, 2025 that had a material impact on the Consolidated Financial Statements.

In August 2023, the IASB issued amendments to IAS 21, *The Effects of Changes in Foreign Exchange Rates* (IAS 21) to clarify when a currency is exchangeable into another currency, how a company estimates a spot rate when a currency lacks exchangeability, and the disclosures to provide in such cases. The amendments apply to annual reporting periods beginning on or after January 1, 2025 with early adoption permitted. CPP Investments does not expect the amendments to this standard to have a material impact on the Consolidated Financial Statements.

In May 2024, the IASB issued amendments to IFRS 7, *Financial Instruments: Disclosures* (IFRS 7) and IFRS 9 to clarify the derecognition of financial liabilities settled through electronic transfer and the classification of financial assets with environmental, social and governance-linked features. The amendments apply to annual reporting periods beginning on or after January 1, 2026 with early adoption permitted. CPP Investments is currently assessing the impact of the amendments to these standards.

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements* (IFRS 18). IFRS 18 replaces IAS 1 Presentation of Financial Statements and sets out requirements for the presentation and disclosure of information in the primary financial statements and notes. The standard applies to annual reporting periods beginning on or after January 1, 2027 and is to be applied retrospectively, with early adoption permitted. CPP Investments is currently assessing the impact of the new standard.

2. Investments and investment liabilities

AT A GLANCE

All investments and investment liabilities are measured at fair value.

This Note describes the types of investments and investment liabilities held by CPP Investments and its investment holding subsidiaries and explains how Management determines their fair value.

ACCOUNTING POLICY

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

CPP Investments manages the following types of investments and investment liabilities and determines fair value as described below.

2.1 Cash and cash equivalents

Cash includes cash on hand. Cash equivalents includes term deposits, commercial paper, bank accepted bills, deposit notes and treasury bills, all of which have a maturity date of 90 days or less from the acquisition date.

Fair value is determined using cost, which, together with accrued interest income, approximates fair value due to the short-term or floating rate nature of these assets.

2.2 Equities

Private equities

Private equities are composed of ownership in private companies. Private equity investments are generally made directly or through a co-investment structure.

Fair value for investments held directly is primarily determined using accepted industry valuation methods such as earnings multiples of comparable publicly traded companies or discounted cash flows. Significant inputs for these valuation methods include company-specific inputs such as earnings before interest, taxes, depreciation and amortization (EBITDA), earnings multiples of comparable publicly traded companies, projected cash flows, discount rates using current market yields of instruments with similar characteristics, net operating income, discount and terminal capitalization rates. Recent market transactions, where available, are also used.

Public equities

Public equities are composed of direct investments in securities and exchange-traded funds listed on public stock exchanges. Public equities include dividends receivable by CPP Investments. Fair value for publicly traded equities is based on quoted market prices.

2.3 Debt

Bonds

Bonds include government bonds issued by Canadian and foreign governments and corporate bonds.

Fair value for non-marketable Canadian provincial government bonds is calculated using discounted cash flows based on current market yields of instruments with similar characteristics. In the case of marketable bonds, fair value is based on quoted market prices.

Other debt

Other debt is composed of direct private debt, asset-backed securities, certain preferred shares and royalty-related income streams.

Fair value is based on quoted market prices, broker quotes or recent market transactions, if available. Where the quoted market price is not available, fair value is primarily calculated using discounted cash flows based on significant inputs such as projected cash flows and discount rates using current market yields of instruments with similar characteristics.

Money market securities

Money market securities include term deposits, commercial paper, bank accepted bills, deposit notes and treasury bills, all of which have a maturity date of over 90 days from the acquisition date.

Fair value is determined using cost, which, together with accrued interest income, approximates fair value due to the short-term or floating rate nature of these assets.

2.4 Investment funds

Investment funds include investments in externally managed hedge, private equity and private debt funds.

Fair value for fund investments is generally based on the net asset value as reported by the external administrators or managers of the funds.

2.5 Securities purchased under reverse repurchase agreements and securities and loans sold under repurchase agreements

ACCOUNTING POLICY

Securities purchased under reverse repurchase agreements represent the purchase of securities with a simultaneous agreement to sell them back at a specified price at a specified future date and are accounted for as an investment receivable. The purchased securities under these agreements are not recognized on the Consolidated Balance Sheet. The fair value of securities to be resold under reverse repurchase agreements is monitored and additional collateral is obtained, when appropriate, to protect against credit exposure. In the event of counterparty default, CPP Investments has the right to liquidate the collateral held.

Securities and loans sold under repurchase agreements are accounted for as collateralized borrowing because they represent the sale of securities with a simultaneous agreement to buy them back at a specified price at a specified future date. The securities and loans sold under these agreements continue to be recognized on the Consolidated Balance Sheet with any changes in fair value recorded as gain (loss) on investments and investment holding subsidiaries.

Interest earned on reverse repurchase agreements is included in interest income. Interest incurred on repurchase agreements is included in financing expenses.

Reverse repurchase and repurchase agreements are carried at the amounts at which the securities or loans were initially acquired or sold, which, together with accrued interest income or expense, approximate fair value due to the short-term nature or variable interest rate of these agreements.

2.6 Securities borrowed and lent

ACCOUNTING POLICY

Securities borrowing and lending agreements are transactions in which CPP Investments borrows securities from or lends securities to third parties.

Borrowed securities are not recognized on the Consolidated Balance Sheet. Lent securities remain on the Consolidated Balance Sheet as CPP Investments retains substantially all of the risks and rewards of ownership of the transferred securities.

Collateral received or pledged is generally in the form of cash, equities or fixed income securities. Cash collateral received is accounted for as an investment liability while equities and fixed income securities received as collateral are not recognized on the Consolidated Balance Sheet. Cash collateral pledged is accounted for as an investment receivable, while securities collateral pledged by CPP Investments in securities borrowing agreements remain on the Consolidated Balance Sheet. Costs relating to securities borrowing and lending are included in financing expenses.

2.7 Derivative assets and liabilities

A derivative is a financial contract, the value of which is derived from the value of underlying assets, indexes, interest rates, currency exchange rates or other market-based factors. Derivatives are transacted through regulated exchanges or negotiated in over-the-counter markets.

Fair value for exchange-traded derivatives, which includes futures, options and warrants, is based on quoted market prices. Fair value for over-the-counter derivatives, which includes forwards, swaps, options and warrants, is determined based on valuation techniques that make maximum use of inputs observed from markets such as option pricing models, discounted cash flows and consensus pricing from independent brokers and/or third-party vendors. Inputs used in these valuation techniques can include, but are not limited to, spot prices, price volatilities, currency exchange rates, interest rate curves and credit spreads. In determining fair value, consideration is also given to the credit risk of the counterparty.

CPP Investments uses the types of derivatives described below.

Futures and forwards

Futures are standardized contracts transacted on an exchange, whereas forwards are customized over-the-counter contracts negotiated between counterparties. Futures contracts may be cash-settled or require physical delivery of the underlying asset. Examples of futures and forwards are described below.

Equity futures are contractual obligations to purchase or sell a specified quantity of an equity index, a basket of stocks, or a single stock at a predetermined price and date in the future.

Foreign exchange forwards are contractual obligations negotiated between counterparties to purchase or sell a specified amount of foreign currencies at a predetermined price and date in the future.

Interest rate futures and forwards, including bond futures, are contractual obligations to purchase or sell a specified amount of an interest-rate-sensitive financial instrument(s) or index at a predetermined price and date in the future.

Commodity futures are contractual obligations to purchase or sell a specified quantity of a commodity, such as precious metals and energy-related products, at a predetermined price and date in the future.

Swaps

Swaps are over-the-counter contracts between two parties to exchange a series of cash flows. Examples of swaps are described below.

Equity-based swaps include equity swaps, volatility swaps, variance swaps and dividend swaps. Equity swaps are contracts where one counterparty agrees to pay or receive from the other, cash flows based on changes in the value of an equity index, a basket of stocks, or a single stock in exchange for a return based on a fixed or floating interest rate or the return on another instrument. Volatility and variance swaps are contracts where cash flows are exchanged based on the realized volatility or variance of an equity index, a basket of stocks, or a single stock compared to the fixed strike level specified in the contract. Dividend swaps are contracts where one party pays the other future dividend flows of a single stock or index in exchange for predefined fixed amounts at sequential intervals or at termination.

Interest rate-related swaps include bond swaps, interest rate swaps and cross-currency swaps. Bond swaps are contracts in which counterparties exchange the return on a bond, or group of such instruments, for the return on a fixed or floating interest rate or the return on another instrument. Interest rate swaps are contracts where counterparties exchange cash flows based on different interest rates applied to a notional amount in a single currency, with no exchange of a notional amount. Cross-currency swaps involve the exchange of both interest and notional amounts in two different currencies.

Credit default swaps are contracts that provide credit protection against a specified credit event such as the default or bankruptcy of the underlying financial instrument (referenced asset). The purchaser (buyer) pays a premium to the writer (seller) in return for payment, which is contingent on a credit event affecting the referenced asset. Credit default swaps require the writer to compensate counterparties for the decline in value of the referenced asset as a result of the occurrence of a specified credit event. The notional amount represents the maximum amount payable to these counterparties under these written credit default swap contracts.

Options and warrants

Options are contractual agreements where the seller (writer) gives the purchaser the right, but not the obligation, to buy or sell a specified amount of an equity, currency, interest rate, credit, commodity or other financial instrument at or before a specified future date at a predetermined price. The purchaser pays a premium to the seller for this right. Options can be transacted in standardized amounts on regulated exchanges or customized in over-the-counter markets. Call or put options may require the writer to sell or purchase the underlying asset at a fixed date or at any time within a fixed future period.

Warrants are transacted both over-the-counter and through exchanges. Under a warrant, the issuer gives the purchaser the right, but not the obligation, to buy a specified quantity of stock of the issuer at or before a specified future date at a predetermined price.

2.8 Debt financing liabilities

Debt financing liabilities consist of commercial paper payable, term debt, cash advances from prime brokers and loans to provide CPP Investments with funding. Commercial paper payable and cash advances from prime brokers is carried at the amount originally issued, which, together with accrued interest expense, approximates fair value due to the short-term nature of these liabilities. Fair value for term debt is based on quoted market prices. The fair value of loans is based on the discounted cash flows method or cost with accrued interest, where this approximates fair value.

2.9 Securities sold short

Securities sold short represent securities that are sold, but not owned, by CPP Investments. CPP Investments has an obligation to cover these short positions, which are accounted for as an investment liability based on the fair value of the securities sold. Collateral is pledged to the counterparty, as required. Fair value is based on quoted market prices.

2.10 Other investment receivables and liabilities

Other investment receivables include cash pledged as collateral on derivative transactions, deferred or contingent consideration receivable, investments funded in advance of settlement date and investment property. Investment property is property held directly by CPP Investments and its investment holding subsidiaries for capital appreciation or to earn rental income, or both. Other investment liabilities include deferred taxes, cash held as collateral on derivative transactions, deferred or contingent consideration payable and investment-related expense payables. Fair value of Other investment receivables and liabilities is based on the discounted cash flows method or cost with accrued interest, where this approximates fair value.

3. Fair value measurement

AT A GLANCE

In an active market, fair value is best evidenced by an independent quoted market price. In the absence of an active market, fair value can be significantly more complex and often subjective, requiring judgment.

This Note categorizes the fair value of investments and investment liabilities within the three levels of the fair value hierarchy. For fair value estimates that require significant judgment, the Note further provides the roll-forward of these investments during the year and the range of valuation techniques and inputs used.

Investments and investment liabilities owned by investment holding subsidiaries are held indirectly by CPP Investments. The fair value of each investment holding subsidiary is determined based on the fair value of the underlying investments held, net of any investment liabilities and pending trades together with its accumulated net income less dividends paid. Further detail on investment holding subsidiaries is provided in Note 3.2.

ACCOUNTING POLICY

The fair value of CPP Investments' investments and investment liabilities is categorized into the following fair value 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).

SIGNIFICANT ESTIMATES

Level 3 investments consist of instruments held at fair value that are not traded or quoted in active markets. Fair value is, therefore, determined using valuation techniques that use models with unobservable inputs while maximizing the use of inputs observed from markets. The resulting values are particularly judgmental. Refer to Note 3.4 and Note 3.5 for the valuation techniques used to determine the fair value of Level 3 investments and sensitivity analysis including reasonably possible alternative inputs.

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

(CAD millions)	As at March 31, 2025			
	Level 1 ⁴	Level 2 ⁴	Level 3	Total
Equities				
Public equities	\$ 214,294	\$ –	\$ –	\$ 214,294
Private equities	–	3,455	18,965	22,420
Total equities	214,294	3,455	18,965	236,714
Debt				
Bonds	175,039	50,729	–	225,768
Other debt	–	–	10,046	10,046
Money market securities	–	487	–	487
Total debt	175,039	51,216	10,046	236,301
Investment funds	–	26,862	363	27,225
Investment receivables and Other				
Securities purchased under reverse repurchase agreements and cash collateral pledged on securities borrowed	–	18,377	–	18,377
Derivative assets	–	2,600	–	2,600
Other ¹	–	2,819	–	2,819
Total investment receivables and Other	–	23,796	–	23,796
Investments in investment holding subsidiaries (Note 3.2)	–	–	399,942	399,942
Total investments	\$ 389,333	\$ 105,329	\$ 429,316	\$ 923,978
Investment liabilities				
Securities sold under repurchase agreements and cash collateral received on securities lent	–	113,102	–	113,102
Debt financing liabilities	76,179	463	–	76,642
Securities sold short	19,432	–	–	19,432
Derivative liabilities	74	5,645	–	5,719
Other ¹	–	879	327	1,206
Total investment liabilities	95,685	120,089	327	216,101
Cash and cash equivalents ^{2,3}	\$ –	\$ 7,535	\$ –	\$ 7,535
Pending trades receivable ²	–	1,939	–	1,939
Pending trades payable ²	–	2,543	–	2,543
Net investments	\$ 293,648	\$ (7,829)	\$ 428,989	\$ 714,808

(CAD millions)	As at March 31, 2024			
	Level 1 ⁴		Level 2 ⁴	
Equities				
Public equities	\$ 202,580	\$ 207	\$ –	\$ 202,787
Private equities	–	4,247	19,699	23,946
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 3.2)	–	–	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 \$2,815 million (March 31, 2024 – \$1,850 million). Included in Other investment liabilities is cash held as collateral on derivative transactions of \$738 million (March 31, 2024 – \$469 million).
2. Cash and cash equivalents, Pending trades receivable and Pending trades payable are measured at cost, which, together with accrued interest, approximates fair value.
3. Consists of cash and cash equivalents held directly by CPP Investments for investment purposes. In contrast, the Consolidated Balance Sheet presents cash and cash equivalents held directly by CPP Investments for both investment purposes and operating purposes, resulting in a difference of \$246 million (March 31, 2024 – \$228 million). For cash and cash equivalents held by the investment holding subsidiaries for investment purposes, refer to Note 3.2.
4. Transfers between levels in the fair value hierarchy are deemed to have occurred at the end of the reporting period. 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. During the year ended March 31, 2025, there were no transfers between Level 1 and Level 2 of investments or investment liabilities held directly by CPP Investments (during the year ended March 31, 2024 – nil).

3.2 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 March 31, 2025			
	Level 1	Level 2	Level 3	Total
Equities				
Public equities	\$ 14,688	\$ –	\$ –	\$ 14,688
Private equities	–	10,795	195,225	206,020
Total equities	14,688	10,795	195,225	220,708
Debt				
Bonds	–	2,500	69	2,569
Other debt	–	3,199	38,730	41,929
Total debt	–	5,699	38,799	44,498
Investment funds	–	38,349	96,910	135,259
Investment receivables and Other				
Securities purchased under reverse repurchase agreements	–	148	–	148
Derivative assets	–	–	19	19
Other ¹	–	215	4,190	4,405
Total investment receivables and Other	–	363	4,209	4,572
Total investments held by investment holding subsidiaries	\$ 14,688	\$ 55,206	\$ 335,143	\$ 405,037
Investment liabilities				
Loans sold under repurchase agreements	–	247	–	247
Debt financing liabilities	–	4,105	51	4,156
Other ¹	–	224	1,729	1,953
Total investment liabilities held by investment holding subsidiaries	–	4,576	1,780	6,356
Cash and cash equivalents ²	\$ –	\$ 1,196	\$ –	\$ 1,196
Pending trades receivable ²	–	82	–	82
Pending trades payable ²	–	17	–	17
Investments in investment holding subsidiaries	\$ 14,688	\$ 51,891	\$ 333,363	\$ 399,942

(CAD millions)	As at March 31, 2024			
	Level 1	Level 2	Level 3	Total
Equities				
Public equities	\$ 11,286	\$ –	\$ –	\$ 11,286
Private equities	–	9,944	174,659	184,603
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 \$2,554 million (March 31, 2024 – \$2,916 million) and deferred tax liabilities of \$1,691 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 cost, which, together with accrued interest, approximates fair value.

3.3 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 year ended March 31, 2025								
(CAD millions)	Fair value as at April 1, 2024	Gains (losses) included in net income (loss)	Purchases	Sales ²	Transfers into Level 3 ³	Transfers out of Level 3 ³	Fair value as at March 31, 2025	Change in unrealized gains (losses) on investments still held at March 31, 2025 ⁴
Equities								
Private equities	\$ 19,699	\$ 1,821	\$ 1,590	\$ (3,809)	\$ –	\$ (336)	\$ 18,965	\$ 1,614
Debt								
Other debt	10,211	268	11,036	(11,469)	–	–	10,046	278
Investment funds	633	92	–	(362)	–	–	363	157
Investments in investment holding subsidiaries¹	350,929	45,145	10,745	(6,877)	–	–	399,942	40,924
Total investments	\$ 381,472	\$ 47,326	\$ 23,371	\$ (22,517)	\$ –	\$ (336)	\$ 429,316	\$ 42,973
Investment liabilities								
Other	351	(24)	–	–	–	–	327	(24)
Net investments	\$ 381,121	\$ 47,350	\$ 23,371	\$ (22,517)	\$ –	\$ (336)	\$ 428,989	\$ 42,997

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 ³	Transfers out of Level 3 ³	Fair value as at March 31, 2024	Change in unrealized gains (losses) on investments still held at March 31, 2024 ⁴
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. Transfers are deemed to have occurred at the end of the reporting period. Transfers into and out of Level 3 are driven by changes in the availability of market observable inputs used to determine fair value.

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

3.4 Level 3 – Significant unobservable inputs

The table below presents the fair value of investments held directly 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 \$14,688 million (March 31, 2024 – \$11,286 million) and \$51,891 million (March 31, 2024 – \$43,395 million), respectively. Refer to Note 3.2 for further details on Level 1 and Level 2 investments relating to investment holding subsidiaries.

As at March 31, 2025						
Fair value of investments held by:						
(CAD millions)	CPP Investments	Investment holding subsidiaries	Primary valuation techniques used ³	Significant unobservable inputs	Range of input values ⁴	Weighted average ⁴
Public equities	\$ –	\$ 14,688	Quoted market price	–	–	–
Private equities	17,676	148,826	Earnings multiples of comparable companies	EBITDA multiple	9.8X-23.0X	16.0X
			Discounted cash flow	Discount rate	5.5%-14.6%	10.9%
				Terminal capitalization rate	5.1%-9.7%	6.6%
	1,289	57,194	Net asset value provided by investment manager	–	–	–
Debt						
Bonds	–	2,569	Quoted market prices or discounted cash flow using observable inputs	–	–	–
Direct private debt	1,209	39,256	Discounted cash flow	Discount rate	5.8%-17.9%	10.1%
	–	228	Net asset value provided by investment manager	–	–	–
Asset-backed securities	8,837	2,445	Comparable pricing	Price	37.7%-104.6%	97.8%
Investment funds	363	135,259	Net asset value provided by investment manager	–	–	–
Investment receivables and Other						
Securities purchased under reverse repurchase agreements	–	148	Discounted cash flow	–	–	–
Derivative assets	–	19	Option model	–	–	–
Other ¹	–	1,774	Cost with accrued interest	–	–	–
	–	2,631	Discounted cash flow	Discount rate	6.3%-8.5%	7.1%
				Terminal capitalization rate	4.3%-7.5%	6.1%
Investment liabilities						
Loans sold under repurchase agreements	–	247	Cost with accrued interest	–	–	–
Debt financing liabilities	–	4,156	Discounted cash flow	Discount rate	3.9%-11.2%	6.4%
Other ²	327	1,953	Amortized cost	–	–	–
Cash and cash equivalents	–	1,196	Cost with accrued interest	–	–	–
Pending trades net receivable/(payable)	–	65	Amortized cost	–	–	–
Total	\$ 29,047	\$ 399,942				

As at March 31, 2024⁵

(CAD millions)	Fair value of investments held by:		Primary valuation techniques used ³	Significant unobservable inputs	Range of input values ⁴	Weighted average ⁴
	CPP Investments	Investment holding subsidiaries				
Public equities	\$ –	\$ 11,286	Quoted market price	–	–	–
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	–	–	–
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	5.0%-13.9%	6.9%
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 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 updated to conform to the current year's presentation.

3.5 Sensitivity analysis of Level 3 financial instruments using reasonably possible alternative inputs

Changes in the unobservable inputs could result in a significantly higher or lower fair value measurement. The interrelationships of significant unobservable inputs identified in Note 3.4 are 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 3.1 and 3.2 are based on accepted industry valuation methods that may include the use of estimates made by Management, appraisers or both where significant judgement is required.

The tables below present a sensitivity analysis of the use of reasonable alternative inputs (with all other variables held constant).

3.5.1 Sensitivity analysis of Level 3 financial instruments held directly by CPP Investments

As at March 31, 2025						
(CAD millions)	Fair value of investments included in Level 3 of the fair value hierarchy held directly by CPP Investments:			Input changed	Impact to net investments	
	Gross amount of Level 3 exposure by instrument	Less: Amounts where instruments are excluded from sensitivity analysis ³	Balance subject to sensitivity analysis		Decrease in fair value	Increase in fair value
Private equities	\$ 18,965	\$ (1,289)	\$ 17,676	Discount rate/terminal capitalization rate EBITDA multiple	\$ (787)	\$ 875
					(11)	7
Debt						
Direct private debt	1,209	–	1,209	Discount rate	(115)	77
Asset-backed securities	8,837	(8,837)	–	n/a	–	–
Investment funds	363	(363)	–	n/a	–	–
Investments in investment holding subsidiaries¹	399,942	–	399,942	See Note 3.5.2	(7,741)	8,907
Investment liabilities						
Other ²	327	(327)	–	n/a	–	–
Total	\$ 428,989	\$ (10,162)	\$ 418,827		\$ (8,654)	\$ 9,866

As at March 31, 2024						
(CAD millions)	Fair value of investments included in Level 3 of the fair value hierarchy held directly by CPP Investments:			Input changed	Impact to net investments	
	Gross amount of Level 3 exposure by instrument	Less: Amounts where instruments are excluded from sensitivity analysis ³	Balance subject to sensitivity analysis		Decrease in fair value	Increase in fair value
Private equities	\$ 19,699	\$ (814)	\$ 18,885	Discount rate/terminal capitalization rate EBITDA multiple	\$ (1,036)	\$ 1,463
					(67)	80
Debt						
Direct private debt	1,062	–	1,062	Discount rate	(27)	132
Asset-backed securities	9,149	(9,149)	–	n/a	–	–
Investment funds	633	(633)	–	n/a	–	–
Investments in investment holding subsidiaries¹	350,929	–	350,929	See Note 3.5.2	(9,311)	10,089
Investment liabilities						
Other ²	351	(351)	–	n/a	–	–
Total	\$ 381,121	\$ (10,245)	\$ 370,876		\$ (10,441)	\$ 11,764

1. For sensitivity analysis of Level 3 financial instruments held by the investment holding subsidiaries, refer to Note 3.5.2.

2. Primarily includes deferred tax liabilities related to investments.

3. Level 3 financial instruments are excluded from the sensitivity analysis when net asset value is provided by an investment manager or where third-party pricing information is used as CPP Investments does not have access to the inputs and methodologies used to determine the fair value of the underlying investments.

3.5.2 Sensitivity analysis of Level 3 financial instruments held by investment holding subsidiaries

As at March 31, 2025						
(CAD millions)	Fair value of investments included in Level 3 of the fair value hierarchy held by investment holding subsidiaries:			Input changed	Impact to net investments	
	Gross amount of Level 3 exposure by instrument	Less: Amounts where instruments are excluded from sensitivity analysis ⁴	Balance subject to sensitivity analysis		Decrease in fair value	Increase in fair value
Private equities	\$ 195,225	\$ (57,194)	\$ 138,031	Discount rate/terminal capitalization rate EBITDA multiple	\$ (3,598)	\$ 4,439
					(3,578)	3,795
Debt						
Bonds	69	(69)	–	n/a	–	–
Direct private debt	36,285	(228)	36,057	Discount rate	(412)	490
Asset-backed securities	2,445	(2,445)	–	n/a	–	–
Investment funds	96,910	(96,910)	–	n/a	–	–
Investment receivables and Other						
Derivative assets	19	(19)	–	n/a	–	–
Other ¹	4,190	–	4,190	Discount rate/terminal capitalization rate	(153)	183
Investment liabilities						
Debt financing liabilities	51	–	51	Discount rate	–	–
Other ²	1,729	(1,729)	–	n/a	–	–
Level 1 and Level 2 net investments³	66,579	(66,579)	–	n/a	–	–
Total	\$ 399,942	\$ (221,715)	\$ 178,227		\$ (7,741)	\$ 8,907

As at March 31, 2024						
(CAD millions)	Fair value of investments included in Level 3 of the fair value hierarchy held by investment holding subsidiaries:			Input changed	Impact to net investments	
	Gross amount of Level 3 exposure by instrument	Less: Amounts where instruments are excluded from sensitivity analysis ⁴	Balance subject to sensitivity analysis		Decrease in fair value	Increase in fair value
Private equities	\$ 174,659	\$ (50,672)	\$ 123,987	Discount rate/terminal capitalization rate EBITDA multiple	\$ (3,930)	\$ 4,974
					(4,460)	3,964
Debt						
Bonds	69	(69)	–	n/a	–	–
Direct private debt	32,481	(296)	32,185	Discount rate	(690)	876
Asset-backed securities	1,318	(1,318)	–	n/a	–	–
Investment funds	86,341	(86,341)	–	n/a	–	–
Investment receivables and Other						
Derivative assets	–	–	–	n/a	–	–
Other ¹	2,923	–	2,923	Discount rate/terminal capitalization rate	(231)	275
Investment liabilities						
Debt financing liabilities	51	–	51	Discount rate	–	–
Other ²	1,492	(1,492)	–	n/a	–	–
Level 1 and Level 2 net investments³	54,681	(54,681)	–	n/a	–	–
Total	\$ 350,929	\$ (191,885)	\$ 159,044		\$ (9,311)	\$ 10,089

1. Primarily includes investment properties.

2. Primarily includes deferred tax liabilities related to investments.

3. Level 1 and Level 2 net investments held by investment holding subsidiaries are excluded from the sensitivity analysis as their fair values are based on quoted prices in active market (Level 1) or valued using observable inputs (Level 2).

4. Level 3 financial instruments are excluded from the sensitivity analysis when net asset value is provided by an investment manager or where third-party pricing information is used as CPP Investments does not have access to the inputs and methodologies used to determine the fair value of the underlying investments.

4. Derivatives

AT A GLANCE

CPP Investments enters into a variety of derivatives to manage its exposure to currency exchange, credit, interest and other market risks, and to obtain the exposure in its assets and asset classes.

The fair values, notional amounts and contractual maturities of all derivative financial instruments are set out in Notes 4.1 and 4.2. Through these breakdowns, information is provided regarding the extent to which different types of derivatives are used.

4.1 Fair value of derivatives

Derivatives generate positive or negative value, as the value of underlying assets, indexes, interest rates, currency exchange rates or other market-based factors change such that the previously contracted terms of the derivative transactions have become more or less favourable than what can be negotiated under current market conditions for contracts with the same terms and remaining period to expiry.

The derivative-related market risk is a component of the total portfolio market risk, which is managed through the Risk Policy described in Note 7.

The maximum exposure to credit risk is represented by the positive fair value of the derivative and is normally a small fraction of the contract’s notional amount. Negotiated over-the-counter derivatives that are not centrally cleared generally present greater credit exposure than exchange-traded contracts. Credit risk on exchange-traded or centrally cleared contracts is limited because these transactions are either executed on regulated exchanges or settled through well-capitalized clearing houses that assume the obligation of the writer of a contract and guarantee their performance.

Strategy
Management's Discussion and Analysis
Compensation Discussion and Analysis
Governance
Consolidated Financial Statements and Notes

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

(CAD millions)	As at March 31, 2025		As at March 31, 2024	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Equity contracts				
Futures	\$ –	\$ –	\$ 3	\$ –
Swaps	1,745	(1,928)	1,806	(1,730)
Options:				
Over-the-counter – purchased	5	–	1	–
Over-the-counter – written	–	(133)	–	(114)
Warrants ¹	19	–	5	–
Total equity contracts	1,769	(2,061)	1,815	(1,844)
Foreign exchange contracts				
Foreign exchange forwards	430	(3,043)	701	(1,135)
Options:				
Over-the-counter – purchased	42	–	43	–
Over-the-counter – written	–	(47)	–	(36)
Total foreign exchange contracts	472	(3,090)	744	(1,171)
Interest rate contracts				
Futures	–	–	–	–
Swaps	14	(280)	7	(396)
Options:				
Exchange-traded – written	–	(9)	–	(7)
Over-the-counter – purchased	344	–	315	–
Over-the-counter – written	–	(179)	–	(112)
Total interest rate contracts	358	(468)	322	(515)
Credit contracts				
Credit default swaps:				
Over-the-counter – purchased	–	(7)	2	(25)
Over-the-counter – written	17	(3)	77	(2)
Options:				
Over-the-counter – purchased	3	–	2	–
Over-the-counter – written	–	(25)	–	(18)
Total credit contracts	20	(35)	81	(45)
Commodity contracts				
Futures	–	–	–	–
Options:				
Exchange-traded – purchased	–	–	–	–
Exchange-traded – written	–	(65)	–	(72)
Total commodity contracts	–	(65)	–	(72)
Total	\$ 2,619	\$ (5,719)	\$ 2,962	\$ (3,647)

1. Reflects positive fair values of \$19 million (March 31, 2024 – \$5 million) relating to warrants transacted by investment holding subsidiaries.

4.2 Notional amounts of derivatives by terms to maturity

Notional amounts of derivatives represent the contractual amounts to which a rate or price is applied for computing the cash flows to be exchanged. The notional amounts are used to determine the gains/losses and fair value of the contracts. They are not recorded as assets or liabilities on

the Consolidated Balance Sheet. Notional amounts do not necessarily represent the amount of potential market risk or credit risk arising from derivatives.

The terms to maturity of the notional amounts for derivatives held by CPP Investments and its investment holding subsidiaries are as follows:

(CAD millions)	Terms to maturity							Total
	As at March 31, 2025						As at March 31, 2024	
	Within 1 year	1 to 5 years	6 to 10 years	Over 10 years	Total			
Equity contracts								
Futures	\$ 3,670	\$ –	\$ –	\$ –	\$ 3,670		\$ 5,525	
Swaps	108,961	823	–	–	109,784		122,237	
Options:								
Over-the-counter – purchased	1,756	–	–	–	1,756		1,212	
Over-the-counter – written	8,857	–	–	–	8,857		8,165	
Warrants¹	–	132	15	81	228		197	
Total equity contracts	123,244	955	15	81	124,295		137,336	
Foreign exchange contracts								
Foreign exchange forwards	148,761	–	–	–	148,761		137,642	
Options:								
Over-the-counter – purchased	1,639	2,866	–	–	4,505		1,639	
Over-the-counter – written	15,567	–	–	–	15,567		13,949	
Total foreign exchange contracts	165,967	2,866	–	–	168,833		153,230	
Interest rate contracts								
Futures	48,975	19	–	–	48,994		59,629	
Swaps	112,112	95,277	29,549	14,571	251,509		184,286	
Options:								
Exchange-traded – written	3,632	–	–	–	3,632		3,099	
Over-the-counter – purchased	14,335	–	–	–	14,335		11,611	
Over-the-counter – written	14,349	–	–	–	14,349		11,557	
Total interest rate contracts	193,403	95,296	29,549	14,571	332,819		270,182	
Credit contracts								
Credit default swaps:								
Over-the-counter – purchased	65	18,358	1,118	665	20,206		33,589	
Over-the-counter – written	101	42,796	2,165	–	45,062		73,250	
Options:								
Over-the-counter – purchased	4,549	–	–	–	4,549		2,761	
Over-the-counter – written	17,560	–	–	–	17,560		18,042	
Total credit contracts	22,275	61,154	3,283	665	87,377		127,642	
Commodity contracts								
Futures	9,224	–	–	–	9,224		8,062	
Options:								
Exchange-traded – purchased	–	8	–	–	8		–	
Exchange-traded – written	2,376	–	–	–	2,376		2,099	
Total commodity contracts	11,600	8	–	–	11,608		10,161	
Total	\$ 516,489	\$ 160,279	\$ 32,847	\$ 15,317	\$ 724,932	\$ 698,551		

1. Includes \$226 million (March 31, 2024 – \$196 million) relating to warrants transacted by investment holding subsidiaries.

5. Net gains on investment holding subsidiaries

AT A GLANCE

Wholly owned subsidiaries that are managed by CPP Investments to hold investments are referred to as investment holding subsidiaries. Income and expenses borne by the investment holding subsidiaries are presented below and comprise the net gains on investment holding subsidiaries in accordance with IFRS 10.

(CAD millions)	For the years ended March 31,	
	2025	2024
Income:		
Interest income	\$ 4,535	\$ 4,182
Dividend income	6,910	6,639
Net gains on private investments	31,271	13,803
Net gains on public investments	3,260	569
Other	209	225
	46,185	25,418
Expenses:		
Transaction-related	325	179
Taxes	412	(91)
Financing	303	378
	1,040	466
Net gains before dividends and interest paid to CPP Investments:	45,145	24,952
Dividends paid to CPP Investments	3,800	4,449
Interest paid to CPP Investments	421	517
Net gains on investment holding subsidiaries	\$ 40,924	\$ 19,986

6. Segment information

ACCOUNTING POLICY

CPP Investments has six investment departments for which the operating results are regularly reviewed for resource allocation and performance assessment purposes. These departments represent operating segments under IFRS 8, *Operating Segments*. Segment results include items that are directly attributable to a segment as well as those that are allocated on a reasonable basis.

6.1 Investment segments

CPP Investments' purpose is to manage amounts transferred to it under Sections 108.1 and 108.3 of the CPP Act in the best interests of CPP beneficiaries and contributors. This requires investing its assets with a view to achieving a maximum rate of return without undue risk of loss. Investments are managed by six departments as described below.

- **Total Fund Management** – Responsible for designing and recommending CPP Investments' strategic and tactical portfolios and compositional targets, capital allocations to investment strategies in conjunction with the Chief Investment Officer, and the management of exposures, leverage, and liquidity to those targets. As part of these activities, Total Fund Management manages a completion portfolio diversified across asset classes and geographic exposures. Total Fund Management and the Chief Investment Officer lead the ongoing execution of the Total Portfolio Investment Framework and ensure that its active and balancing investing activities, alongside the other investment departments, collectively produce a total portfolio that seeks to maximize long-term returns without undue risk of loss.
- **Capital Markets and Factor Investing** – Includes both externally managed hedge funds and internally managed active strategies that invest globally in public equities, fixed income, currencies, and commodities.
- **Active Equities** – Invests in global public and soon-to-be-public companies, leveraging long-term fundamental research to generate unique company-specific insights. Active Equities also allocates to external fundamental managers where it can add value to CPP Investments through strategic partnerships.
- **Credit Investments** – Invests in both public and private credit and credit-like products globally. This includes investments across corporate, consumer and real assets credit along the credit rating spectrum, with the exception of local currency government bonds.
- **Private Equity** – Invests in a wide range of private equity assets globally, both indirectly through externally managed funds and directly alongside partners. Private Equity seeks return premiums by investing in less-liquid assets and focusing on long-term value creation through commitments to funds, secondary markets, and direct investments in private companies.
- **Real Assets** – Invests in real estate, infrastructure, as well as both conventional and renewable energy assets globally. Its portfolio delivers a broad range of exposures, income and capital growth to CPP Investments, while also providing cash flows that increase with inflation over time.

6.1.1 Net income (loss) by investment segment

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

For the year ended March 31, 2025								
(CAD millions)	Total Fund Management	Capital Markets and Factor Investing	Active Equities	Credit Investments	Private Equity	Real Assets	Adjustment	Total
Income (loss):	\$ 30,320	\$ 3,451	\$ 1,250	\$ 11,980	\$ 14,303	\$ 13,199	\$ (4,876)	\$ 69,627
Expenses¹:								
Personnel	113	132	171	180	249	321	–	1,166
General and administrative	76	80	115	83	110	126	–	590
Management fees ²	118	665	5	33	778	161	(1,744)	16
Performance fees ²	4	1,286	–	16	899	18	(2,092)	131
Transaction-related ³	135	33	64	69	139	290	(325)	405
Taxes ³	136	7	110	35	28	417	(412)	321
Financing ³	7,256	–	–	196	20	44	(303)	7,213
	\$ 7,838	\$ 2,203	\$ 465	\$ 612	\$ 2,223	\$ 1,377	\$ (4,876)	\$ 9,842
Net income	\$ 22,482	\$ 1,248	\$ 785	\$ 11,368	\$ 12,080	\$ 11,822	\$ –	\$ 59,785

For the year ended March 31, 2024								
(CAD millions)	Total Fund Management	Capital Markets and Factor Investing	Active Equities	Credit Investments	Private Equity	Real Assets	Adjustment	Total
Income (loss):	\$ 22,308	\$ 5,300	\$ 3,004	\$ 8,571	\$ 15,974	\$ 3,546	\$ (3,904)	\$ 54,799
Expenses¹:								
Personnel	99	119	164	151	250	304	–	1,087
General and administrative	75	63	109	67	100	116	–	530
Management fees ²	23	566	14	19	647	180	(1,433)	16
Performance fees ²	–	913	–	2	936	216	(2,005)	62
Transaction-related ³	106	29	61	60	65	106	(179)	248
Taxes ³	198	9	102	86	19	(18)	91	487
Financing ³	5,927	–	–	260	108	10	(378)	5,927
	\$ 6,428	\$ 1,699	\$ 450	\$ 645	\$ 2,125	\$ 914	\$ (3,904)	\$ 8,357
Net income	\$ 15,880	\$ 3,601	\$ 2,554	\$ 7,926	\$ 13,849	\$ 2,632	\$ –	\$ 46,442

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).

6.1.2 Net investments by investment segment

Net investments ¹							
(CAD millions)	Total Fund Management	Capital Markets and Factor Investing	Active Equities	Credit Investments	Private Equity	Real Assets	Total
As at:							
March 31, 2025	\$ 340,478	\$ 604	\$ 24	\$ 80,484	\$ 146,485	\$ 146,733	\$ 714,808
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 \$365 million (March 31, 2024 – \$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.

6.2 Geographic information

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

Net investments ¹						
(CAD millions)	Canada	U.S.	Asia Pacific	Europe	Latin America	Total
As at:						
March 31, 2025	\$ 87,135	\$ 339,417	\$ 120,177	\$ 132,978	\$ 35,101	\$ 714,808
March 31, 2024	\$ 73,930	\$ 267,548	\$ 133,528	\$ 117,829	\$ 39,764	\$ 632,599

1. Net investments excludes net corporate liabilities of \$365 million (March 31, 2024 – \$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.

7. Risk management

AT A GLANCE

The base CPP Investment Portfolio and additional CPP Investment Portfolio (collectively the Investment Portfolios) are exposed to a variety of investment risks which are managed through the Risk Policy. The underlying risk categories, exposures and the related risk management techniques are described in the following Notes:

- Note 8 – Market risk
- Note 9 – Credit risk
- Note 10 – Liquidity and leverage risk

Any references to the investment activities and risk exposures of CPP Investments also include those of its unconsolidated investment holding subsidiaries.

CPP Investments remains within all risk limits established by its Board of Directors, including limits related to market, credit, liquidity and leverage risks.

7.1 Introduction

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 7.2 and 10.1.

Upper and lower risk limits are included within the Policy, and these govern the amount of total investment risk that CPP Investments can take in the Investment Portfolios. CPP Investments monitors potential investment losses in the Investment Portfolios daily and reports to the Board of Directors on at least a quarterly basis. The Market Risk Target (previously called the Reference Portfolio) for each of the base CPP Investment Portfolio and additional CPP Investment Portfolio is assessed using an equity/debt risk equivalence ratio, which is the proportion of equity versus debt in a simple two-asset class representation of Canadian Government Bonds and Global Public Equities (including Canada) that would give the same market and credit risk as that of the applicable Investment Portfolio. Each Investment Portfolio's ratio must be within the Board of Directors' approved risk limits.

7.1.1 Independent risk oversight

The Risk department within CPP Investments reports to the Chief Risk Officer. The function is responsible for assessing, monitoring and ensuring management of the Investment Portfolios is consistent with the established risk appetites. This oversight is exercised through independent control and support functions. Investment departments are accountable for managing risk within prescribed risk appetites.

7.1.2 Investment risk measures

A suite of measures is used to estimate the risk of loss from small, moderate and significant market moves over various time horizons. In addition to industry standard market and credit risk models, CPP Investments uses proprietary models to assess potential losses to the portfolio over longer time horizons. Furthermore, a number of investment strategy specific risk measures are tracked that are related to the specific nature of the strategy.

7.1.3 Stress scenario analysis

To complement the suite of potential loss measures used to monitor the Investment Portfolios, CPP Investments further examines the potential impact of extreme but plausible adverse market events. Scenario analysis considers the effect of various market stress events, including potential geopolitical or adverse economic events, using a bottom-up approach that considers the effect of parameter shocks across the entire portfolio. These assessments are reported to both Senior Management and the Board of Directors.

7.1.4 Model validation

The model validation function within the Risk department independently validates strategically important portfolio construction and risk management models as well as valuation methodologies within the main investment systems. A risk-based approach is used to establish the frequency and depth of the validation activities, with increased focus on higher risk models.

7.2 Total fund risk

A suite of risk measures is used within CPP Investments to monitor and assess the risk profile of 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 class representation of Canadian Government Bonds and Global Public Equities (including Canada) that would give the same market 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%, with associated limits of 80%-90%, while the additional CPP Investment Portfolio target level is set at 55%/45%, with associated limits of 50%-60%.
- **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 10.

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.

		As at March 31, 2025	As at March 31, 2024 ³
	Limits	base CPP	base CPP
Market risk ¹	80–90%	84%	82%
One-year potential investment loss ^{1,2}	14–18%	17%	16%

		As at March 31, 2025	As at March 31, 2024 ³
	Limits	additional CPP	additional CPP
Market risk ¹	50–60%	53%	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 year's presentation.

7.2.1 Stress scenarios and results

As part of CPP Investments' risk management practices, the Risk department performs historical stress tests and scenario analysis to assess the impact of potential events. The Risk department also identifies possible portfolio vulnerabilities that may not be fully captured by standard risk measures and models. These include how severe market and geopolitical events could affect the Investment Portfolios. Stress scenarios are hypothetical events that are highly dependent on assumptions. These assumptions will vary based on different factors such as macro-economic variables, market conditions or geopolitical events. The Risk department runs various scenario analyses to assess CPP Investments' ability to manage potential risks and seeks to ensure potential losses are broadly consistent with risk appetite.

Below are examples of scenarios that are run and monitored on a regular basis:

- **A repeat of the Global Financial Crisis (GFC) of 2008** – In this scenario, CPP Investments applies changes observed in relevant market parameters during the period of April 2008 to March 2009, as an instantaneous shock to the Investment Portfolios. This includes the foreign currency gains typically realized in market stresses, where the Canadian dollar depreciates against the U.S. dollar. CPP Investments estimates if an event like the GFC were to recur, it would result in losses of approximately 11% or \$77 billion.

- **Inflation and rates** – In this scenario, CPP Investments applies changes observed during the 2022 interest rate hike cycle. During that time, bonds and equities sold off in tandem as central banks rapidly raised interest rates to seek to bring inflation under control. CPP Investments estimates that if an event like the 2022 rate hike cycle were to recur, it would result in losses of approximately 8% or \$59 billion.

Ad hoc analysis is also performed on various plausible stress scenarios based on current global events, such as inflation shocks, potential impacts of economic and regulatory policies, the U.S. administration's policy actions, China-U.S. geopolitical tensions, and bank credit crisis scenarios. The resulting potential loss estimates are monitored and considered in the context of CPP Investments' stated risk appetites.

8. 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, which includes equity prices, interest rates, credit spreads and currency exchange rates.

CPP Investments uses a tiered structure of limits to govern market risk by controlling the size of risk exposures. Limits include the use of equity/debt risk equivalence ratios of the two Investment Portfolios as well as various limits to reduce the probability of the individual investment departments' market risks growing faster than originally anticipated. Market risk is also incorporated as a component of the potential investment loss measure in Note 7.2. These measures are supplemented with drawdown or reported loss thresholds that highlight any public market strategies that are experiencing losses greater than their estimated market risk levels. More granular limits are also used in certain cases that are investment strategy specific and are tailored to the way that the strategies are managed on a daily basis. Examples of such granular limits and measures include: DV01 which measures the possible loss/gain in the investment strategy as a result of a 1 basis point increase/decrease in interest rate yield curves, and divergence limits that track the risks against the limits' respective benchmarks.

Investment departments are expected to stay within their limits but are allowed to request increases to management level limits. Any limit excesses are processed according to established escalation guidelines.

Market risk includes equity risk, interest rate risk, credit spread risk and currency risk. The sensitivity of these risks is summarized in each respective Note.

8.1 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. The table below presents the instantaneous loss on public equity investments resulting from a 1% decrease in the S&P 500 Index, with all other variables held constant. This calculation assumes that equities other than the S&P 500 Index would move in accordance with their historical behaviour conditional on a 1% decrease in the S&P 500 Index.

(CAD millions)	As at March 31, 2025		As at March 31, 2024	
	Impact of 1% decrease in the S&P 500 Index			
Loss on public equity investments	\$	1,957	\$	1,699

8.2 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.

8.2.1 Interest rate risk sensitivity

The primary measure CPP Investments uses to assess interest rate sensitivity for investments directly impacted by interest rate changes is DV01. Notwithstanding, interest rate changes of greater magnitudes are also computed for informational purposes assuming a parallel shift in the interest rate curve. With all other variables held constant, the impact of a 100 basis point increase in nominal risk-free rates on the value of investments directly impacted by interest rate changes are as follows:

(CAD millions)	As at March 31, 2025	As at March 31, 2024
	Impact of increase of 100 basis points on net investments ²	
Maturity		
Within 1 year	\$ (165)	\$ (153)
1 to 5 years	(5,054)	(3,187)
6 to 10 years	(5,743)	(3,741)
Over 10 years	(11,882)	(8,849)
Total	\$ (22,844)	\$ (15,930)

1. Certain comparatives have been updated to conform to the current year's presentation.

2. This sensitivity only applies to debt instruments and interest-rate-sensitive derivatives priced directly from an interest rate curve. This estimate does not include the impact of the shift on other instruments such as public equities, private equities or real assets, such as real estate or infrastructure, which may have a variable interest rate sensitivity.

For investments that are directly sensitive to interest rates, the sensitivity to various countries' risk-free rates is as follows:

Region	As at March 31, 2025	As at March 31, 2024
U.S.	39%	39%
Europe	22	20
Canada	16	16
Japan	12	12
United Kingdom	9	9
China	–	1
Other	2	3
Total	100%	100%

As part of ongoing monitoring, CPP Investments performs stress testing with sensitivities beyond the 100 basis points, with the interest rate sensitivities tailored to specific scenarios such as inflation and China/U.S. geopolitical tensions to better assess the estimated financial impact. Refer to Note 7.2.1 for further details on the stress scenarios and results.

8.3 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.

(CAD millions)	As at March 31, 2025	As at March 31, 2024
	Impact of 1 basis point widening of credit spread	
Decrease in net investments ¹		
AAA	11.6	5.2
AA	37.9	16.5
A	5.8	14.3
BBB	8.9	12.3
BB	4.2	3.6
B	9.3	7.4
CCC and below	2.8	3.5
Total	80.5	62.8

1. Excludes the financial benefit to CPP Investments of credit spreads widening by 1 basis point on its term debt. Including these would reduce the sensitivity to \$47 million (March 31, 2024 – \$33 million).

8.4 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.

8.4.1 Currency risk exposures

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

(CAD millions)	As at March 31, 2025		As at March 31, 2024	
Currency	Net exposure	% of total ¹	Net exposure	% of total ¹
U.S. dollar	\$ 448,207	63%	\$ 367,899	58%
Euro	45,504	6	34,895	6
Indian rupee	16,595	2	15,962	3
Japanese yen	15,249	2	24,774	4
Other	30,532	5	55,736	8
Total foreign exposure	556,087	78	499,266	79
Canadian dollar	158,721	22	133,333	21
Total	\$ 714,808	100%	\$ 632,599	100%

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

With all other variables and underlying values held constant, a 10% appreciation/depreciation of the Canadian dollar against all other currencies would result in a decrease/increase in net investment by \$55,609 million (March 31, 2024 – \$49,927 million).

9. 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 Consolidated Schedule of Investment Portfolio represent the maximum direct credit risk exposure at the Consolidated Balance Sheet date.

9.1 Counterparty exposures

The fair value of debt securities and over-the-counter derivatives exposed to credit risk held directly by CPP Investments and its investment holding subsidiaries, by credit rating category and without taking account of any collateral held or other credit enhancements, is as follows:

(CAD millions)								
As at March 31, 2025								
Credit rating	Bonds ¹	Cash equivalents ¹	Money market securities ¹	Reverse repurchase agreements ¹	Over-the-counter derivatives	Other debt ^{1,2}	Total	% of Total ³
AAA	\$ 78,206	\$ –	\$ –	\$ –	\$ –	\$ 6,536	\$ 84,742	28%
AA	99,536	2,690	239	3,759	670	1,563	108,457	36
A	29,565	2,281	248	13,802	1,810	1,375	49,081	16
BBB	12,607	–	–	148	119	5,277	18,151	6
BB	6,259	–	–	–	–	6,250	12,509	4
B	1,436	–	–	–	–	19,656	21,092	7
CCC/CC/D	728	–	–	–	–	8,248	8,976	3
Total	\$ 228,337	\$ 4,971	\$ 487	\$ 17,709	\$ 2,599	\$ 48,905	\$ 303,008	100%

(CAD millions)								
As at March 31, 2024 ⁴								
Credit rating	Bonds ¹	Cash equivalents ¹	Money market securities ¹	Reverse repurchase agreements ¹	Over-the-counter derivatives	Other debt ^{1,2}	Total	% of Total ³
AAA	\$ 50,292	\$ 134	\$ –	\$ –	\$ –	\$ 6,630	\$ 57,056	24%
AA	60,726	2,033	6,172	3,028	753	1,175	73,887	31
A	33,557	3,611	1,538	7,749	2,100	1,136	49,691	21
BBB	10,347	–	–	–	100	2,253	12,700	5
BB	7,364	–	–	–	–	6,353	13,717	6
B	2,584	–	–	167	–	20,580	23,331	10
CCC/CC/D	388	–	–	–	–	5,694	6,082	3
Total	\$ 165,258	\$ 5,778	\$ 7,710	\$ 10,944	\$ 2,953	\$ 43,821	\$ 236,464	100%

1. Includes accrued interest.

2. Includes direct investments in private debt and asset-backed securities.

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

4. Certain comparatives have been updated to conform to the current year's presentation.

In addition to the above, the Investment Portfolios are indirectly exposed to credit risk on the underlying holdings of fund investments.

CPP Investments limits credit risk on over-the-counter contracts through a variety of means, including dealing only with authorized counterparties that meet the minimum credit rating and limiting the maximum exposures to any individual counterparty, and the use of master netting agreements and collateral.

Credit risk exposure is mitigated on certain financial assets and financial liabilities, which have conditional offset rights in the event of default, insolvency, or bankruptcy. For securities purchased under reverse repurchase agreements, securities and loans sold under repurchase agreements and over-the-counter derivatives, collateral is collected from or pledged to counterparties to manage credit exposure (see Note 15).

In addition, in the event of default, amounts with a specific counterparty are settled on a net basis under master netting and collateral agreements, such as the Global Master Repurchase Agreement and the International Swaps and Derivatives Association Netting Agreements (see Note 12).

9.2 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 March 31, 2025		As at March 31, 2024	
	base CPP	additional CPP	base CPP	additional CPP
Credit value-at-risk	3.3%	2.3%	3.3%	2.3%

10. Liquidity and leverage risk

10.1 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 one-month period.

	Limit	As at	As at
		March 31, 2025	March 31, 2024 ²
Liquidity coverage ratio ¹	1.0x	6.9x	5.0x

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

2. Certain comparatives have been updated to conform to the current year'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 10.2.

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 March 31, 2025 and March 31, 2024.

(CAD millions)	As at		As at	
	March 31, 2025		March 31, 2024	
Unsecured credit facilities held	\$	1,500	\$	1,500

10.2 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 March 31, 2025	As at March 31, 2024
Recourse leverage:			
base CPP	45%	36.3%	31.6%
additional CPP	30	23.0	19.2

As at March 31, 2025 recourse and limited recourse leverage amounted to \$251,736 million and \$4,788 million, respectively (March 31, 2024 – \$194,829 million and \$5,812 million, respectively).

10.3 Terms to maturity

10.3.1 Terms to maturity of non-derivative investments held directly by CPP Investments

(CAD millions)	Terms to maturity							
	As at March 31, 2025						As at March 31, 2024	
	Within 1 year	1 to 5 years	6 to 10 years	Over 10 years	Total ¹	Average effective yield ²	Total ¹	Average, effective yield ²
Non-marketable bonds								
Canadian provincial government	\$ 871	\$ 1,076	\$ 902	\$ 10,368	\$ 13,217	3.9%	\$ 14,435	4.4%
Marketable bonds								
Government of Canada	–	8,203	5,117	5,611	18,931	3.1	10,855	3.5
Canadian provincial government	554	2,364	3,115	7,307	13,340	4.0	8,577	4.3
Canadian government corporations	–	2,756	1,996	267	5,019	3.1	4,941	3.9
Foreign government	3,428	45,052	29,271	70,784	148,535	3.6	107,632	3.2
Corporate bonds	640	9,535	12,586	3,965	26,726	4.9	14,978	5.4
Other debt								
Private debt	–	–	1,209	–	1,209	6.3	1,062	6.7
Asset-backed securities	–	1,753	4,256	2,828	8,837	5.9	9,149	6.4
Securities purchased under reverse repurchase agreements	17,561	–	–	–	17,561	3.9	10,777	5.1
Cash collateral pledged on securities borrowed	816	–	–	–	816	n/a	1,199	n/a
Total	\$ 23,870	\$ 70,739	\$ 58,452	\$ 101,130	\$ 254,191	3.8%	\$ 183,605	3.7%

1. Represents fair value.

2. Total average effective yield excludes certain investments for which the average effective yield is not applicable.

10.3.2 Terms to maturity of non-derivative investments held by investment holding subsidiaries

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

	Terms to maturity							
	As at March 31, 2025 ¹						As at March 31, 2024	
(CAD millions)	Within 1 year	1 to 5 years	6 to 10 years	Over 10 years	Total ¹	Average effective yield	Total ¹	Average effective yield ²
Marketable bonds								
Corporate bonds	\$ 41	\$ 1,719	\$ 809	\$ –	\$ 2,569	9.2%	\$ 3,840	8.1%
Other debt								
Private debt	2,482	23,134	9,650	2,443	37,709	10.0	35,693	11.5
Asset-backed securities	–	252	1,218	975	2,445	4.9	1,318	4.9
Securities purchased under reverse repurchase agreements	–	148	–	–	148	6.7	167	6.0
Total	\$ 2,523	\$ 25,253	\$ 11,677	\$ 3,418	\$ 42,871	9.4%	\$ 41,018	10.5%

1. Represents fair value.

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

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

	Terms to maturity							
	As at March 31, 2025						As at March 31, 2024	
(CAD millions)	Within 1 year	1 to 5 years	6 to 10 years	Over 10 years	Total contractual amount	Weighted average interest rate ³	Total contractual amount	Weighted average interest rate ^{3,4}
Securities sold under repurchase agreements	\$ 108,791	\$ 485	\$ –	\$ –	\$ 109,276	3.0%	\$ 67,791	3.7%
Debt financing liabilities	9,616	43,154	20,050	6,820	79,640	2.8	72,349	2.6
Cash collateral received on securities lent	5,307	–	–	–	5,307	n/a	5,197	n/a
Securities sold short ^{1,2}	19,432	–	–	–	19,432	n/a	26,229	n/a
Total	\$ 143,146	\$ 43,639	\$ 20,050	\$ 6,820	\$ 213,655	2.8%	\$ 171,566	2.7%

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.

4. Certain comparatives have been updated to conform to the current year's presentation.

10.3.4 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.

	Terms to maturity							
	As at March 31, 2025						As at March 31, 2024	
(CAD millions)	Within 1 year	1 to 5 years	6 to 10 years	Over 10 years	Total contractual amount	Weighted average interest rate	Total contractual amount	Weighted average interest rate¹
Loans sold under repurchase agreements	\$ 246	\$ –	\$ –	\$ –	\$ 246	6.9%	\$ 230	7.9%
Debt financing liabilities	1,490	1,522	1,003	111	4,126	6.5	4,960	7.1
Total	\$ 1,736	\$ 1,522	\$ 1,003	\$ 111	\$ 4,372	6.5%	\$ 5,190	7.2%

1. Certain comparatives have been updated to conform to the current year's presentation.

11. Reconciliation of debt financing liabilities

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

(CAD millions)	For the years ended March 31,	
	2025	2024
Balance, beginning of year	\$ 67,898	\$ 53,456
Proceeds	19,206	24,166
Repayments	(15,209)	(10,546)
Non-cash changes in fair value ¹	4,747	822
Balance, end of year	\$ 76,642	\$ 67,898

1. Includes foreign exchange losses of \$3,051 million (March 31, 2024 – losses of \$31 million).

12. Financial instruments – rights of offset

ACCOUNTING POLICY

Financial assets and financial liabilities are offset and the net amount reported in the Consolidated Financial Statements if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

The following table presents the effect of offsetting for derivatives and repurchase and reverse repurchase agreements that are subject to master netting arrangements or similar agreements that meet the criteria for offsetting. The table also presents the amounts that are subject to enforceable netting arrangements but do not qualify for offsetting. Amounts that do not qualify for offsetting includes agreements that only permit outstanding transactions with the same counterparty

to be offset in an event of default or occurrence of certain predetermined events.

For certain derivatives, the gross amounts subject to netting arrangements include the daily settlement of variation margin which is netted against the fair value of the derivatives. As a result, these derivatives are not subject to netting arrangements and are not included in the table below.

(CAD millions)	As at March 31, 2025						
	Gross amounts subject to netting arrangements	Less: Amounts offset in Consolidated Financial Statements	Net amount presented in the Consolidated Schedule of Investment Portfolio	Less: Amounts subject to master netting or similar arrangements but not presented net			Net exposure
				Subject to agreements	Securities and cash collateral ³		
Securities purchased under reverse repurchase agreements ¹	\$ 17,709	\$ –	\$ 17,709	\$ (3,323)	\$ (14,386)		\$ –
Cash collateral on securities borrowed	816	–	816	–	(816)		–
Derivative assets ²	2,619	–	2,619	(2,300)	(319)		–
Total investment receivables and Other	\$ 21,144	\$ –	\$ 21,144	\$ (5,623)	\$ (15,521)		\$ –
Securities and loans sold under repurchase agreements ¹	\$ 108,042	\$ –	\$ 108,042	\$ (3,323)	\$ (104,719)		\$ –
Cash collateral on securities lent	5,307	–	5,307	–	(5,307)		–
Derivative liabilities	5,719	–	5,719	(2,300)	(3,419)		–
Total investment liabilities	\$ 119,068	\$ –	\$ 119,068	\$ (5,623)	\$ (113,445)		\$ –

As at March 31, 2024								
(CAD millions)	Gross amounts subject to netting arrangements	Less: Amounts offset in Consolidated Financial Statements	Net amount presented in the Consolidated Schedule of Investment Portfolio	Less: Amounts subject to master netting or similar arrangements but not presented net		Subject to agreements	Securities and cash collateral ³	Net exposure
Securities purchased under reverse repurchase agreements ¹	\$ 10,944	\$ –	\$ 10,944	\$ (5,309)		\$ (5,635)	\$ –	
Cash collateral on securities borrowed	1,199	–	1,199	–		(1,199)	–	
Derivative assets ²	2,962	–	2,962	(2,121)		(841)	–	
Total investment receivables and Other	\$ 15,105	\$ –	\$ 15,105	\$ (7,430)		\$ (7,675)	\$ –	
Securities and loans sold under repurchase agreements ¹	\$ 66,944	\$ –	\$ 66,944	\$ (5,309)		\$ (61,635)	\$ –	
Cash collateral on securities lent	5,197	–	5,197	–		(5,197)	–	
Derivative liabilities	3,647	–	3,647	(2,121)		(1,526)	–	
Total investment liabilities	\$ 75,788	\$ –	\$ 75,788	\$ (7,430)		\$ (68,358)	\$ –	

1. Includes \$148 million (March 31, 2024 – \$167 million) relating to Securities purchased under reverse repurchase agreements and \$247 million (March 31, 2024 – \$230 million) relating to Loans sold under repurchase agreements transacted by investment holding subsidiaries.

2. Includes \$19 million (March 31, 2024 – \$5 million) relating to warrants transacted by investment holding subsidiaries.

3. Securities and cash collateral exclude over-collateralization. Certain amounts of collateral are restricted from being sold or repledged in the normal course of business. Refer to Note 15 for the collateral disclosure.

13. General and administrative expenses

General and administrative expenses consist of the following:

(CAD millions)	For the years ended March 31,	
	2025	2024 ²
Professional services	\$ 166	\$ 150
Information technology	135	125
Amortization of premises and equipment	89	76
Data services	83	77
Premises and equipment	45	43
Travel and accommodation	21	24
Communication	20	24
Auditor's remuneration	9	8
Directors' remuneration	2	2
Other ¹	20	1
Total	\$ 590	\$ 530

1. Includes unrealized foreign exchange losses on corporate assets and liabilities of \$19 million (March 31, 2024 – gains of \$1 million).

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

14. Related-party transactions

Related parties of CPP Investments include unconsolidated subsidiaries, joint ventures and associates. All related-party investments are measured at fair value.

Unconsolidated subsidiaries include 247 wholly owned investment holding subsidiaries (see Note 1.2) (March 31, 2024 – 245) managed by CPP Investments. The 247 investment holding subsidiaries are incorporated as follows: 174 in Canada (March 31, 2024 – 173), 29 in the U.S. (March 31, 2024 – 29), 20 in Australia (March 31, 2024 – 20), six in Hong Kong (March 31, 2024 – six), and 18 in other jurisdictions (March 31, 2024 – 17). CPP Investments provides financial or other support to these investment holding subsidiaries to fund their day-to-day operations and investment activities under loan agreements or shareholders' resolutions, as needed.

In addition, CPP Investments owns interests in unconsolidated subsidiaries that are themselves investments. These investments, some of which may be wholly owned, are controlled through ownership rights directly or indirectly by CPP Investments. CPP Investments holds, or indirectly holds, investments in

associates and joint ventures which are also related parties of CPP Investments.

Related-party transactions consist of investments and income primarily in public and private equities, bonds, other debt, funds, infrastructure and real estate. These transactions are measured at fair value and will, therefore, have the same impact on net assets and net income as those investment transactions with unrelated parties.

Related-party transactions with consolidated subsidiaries are eliminated upon consolidation.

14.1 Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of CPP Investments, consisting of the Senior Management Team and the Board of Directors.

Compensation of key management personnel of CPP Investments is as follows:

(CAD millions)	For the years ended March 31,	
	2025	2024
Short-term employee compensation and benefits	\$ 30	\$ 26
Other long-term compensation and benefits	23	19
Total	\$ 53	\$ 45

15. Collateral

Collateral transactions are conducted to support investment activities under terms and conditions that are common and customary to collateral arrangements. These arrangements may be transacted by CPP Investments or its investment holding subsidiaries in their normal course of business

15.1 Collateral held and pledged directly by CPP Investments

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

(CAD millions)	As at March 31, 2025	As at March 31, 2024
Third-party assets held as collateral on¹:		
Reverse repurchase agreements	\$ 17,525	\$ 10,809
Derivative transactions	738	469
Securities lent ^{2,3}	7,574	6,654
Total	\$ 25,837	\$ 17,932
Own and third-party assets pledged as collateral on:		
Repurchase agreements	108,026	66,822
Securities borrowed ^{3,4}	23,055	28,000
Derivative transactions	13,106	15,147
Debt financing liabilities	1,176	1,113
Total	\$ 145,363	\$ 111,082

1. The fair value of collateral sold or repurchased as at March 31, 2025 was \$3,124 million (March 31, 2024 – \$3,503 million).

2. The fair value of securities lent as at March 31, 2025 was \$7,379 million (March 31, 2024 – \$6,589 million).

3. Cash collateral payable on the Consolidated Balance Sheet of \$5,307 million (March 31, 2024 – \$5,197 million) consists of collateral receivable of nil and collateral payable of \$5,307 million that qualify for netting (March 31, 2024 – nil and \$5,197 million, respectively).

4. The fair value of securities borrowed as at March 31, 2025 was \$18,090 million (March 31, 2024 – \$23,430 million) of which \$17,097 million (March 31, 2024 – \$23,048 million) was used for short selling activity.

15.2 Supplemental information on collateral relating to investment holding subsidiaries

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

(CAD millions)	As at March 31, 2025	As at March 31, 2024
Third-party assets held as collateral on¹:		
Reverse repurchase agreements	\$ 147	\$ 167
Total	\$ 147	\$ 167
Own and third-party assets pledged as collateral on:		
Repurchase agreements	330	399
Securities borrowed ^{2,3}	22,492	17,367
Derivative transactions ³	2,043	2,130
Private equities ⁴	14,294	12,474
Debt financing liabilities	8,665	10,284
Total	\$ 47,824	\$ 42,654

1. The fair value of collateral sold or repledged as at March 31, 2025 was nil (March 31, 2024 – nil).
2. The fair value of securities borrowed as at March 31, 2025 was \$12,960 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.

16. 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 March 31, 2025, the

unfunded commitments for CPP Investments and its investment holding subsidiaries totalled \$752 million (March 31, 2024 – \$994 million) and \$62,648 million (March 31, 2024 – \$57,000 million), respectively.

17. Guarantees and indemnifications

17.1 Guarantees

As part of certain investment transactions, CPP Investments and its investment holding subsidiaries agreed to guarantee, as at March 31, 2025, up to \$141 million (March 31, 2024 – \$190 million) and \$7,118 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.

17.2 Indemnifications

CPP Investments provides indemnifications to its officers, directors, certain others and, in certain circumstances, to various counterparties and other entities. CPP Investments may be required to compensate these indemnified parties for costs incurred as a result of various contingencies such as changes in laws, regulations and litigation claims. The contingent nature of these indemnification agreements prevents CPP Investments from making a reasonable estimate of the maximum potential payments CPP Investments could be required to make. To date, CPP Investments has not received any material claims nor made any material payments pursuant to such indemnifications.

18. Base CPP and additional CPP

AT A GLANCE

As a result of legislative amendments in December 2016, the CPP Act defines two separate parts of the CPP:

1. base CPP – the part of the CPP that existed before January 1, 2019; and
2. additional CPP – the additional part of the CPP that came into effect on January 1, 2019.

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

18.1 Changes in net assets

Pursuant to Sections 108.1 and 108.3 of the CPP Act, the CPPIB Act and an administrative agreement between the Government of Canada and CPP Investments, amounts not required to meet specified obligations of the CPP are transferred weekly to CPP Investments. The funds originate from employer and employee contributions to the CPP.

CPP Investments remits cash to the CPP as required, including the periodic return, on at least a monthly basis, of funds required to meet CPP benefits and expenses. The accumulated transfers from/to the CPP and its two parts, the base CPP and additional CPP, as well as their accumulated net income since inception, are as follows:

(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	–	–	–	44,460	1,982	46,442	46,442
Transfers from CPP	52,541	13,054	65,595	–	–	–	65,595
Transfers to CPP	(49,368)	(344)	(49,712)	–	–	–	(49,712)
As at March 31, 2024	\$ 164,361	\$ 35,653	\$ 200,014	\$ 429,470	\$ 2,883	\$ 432,353	\$ 632,367
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	–	–	–	55,825	3,960	59,785	59,785
Transfers from CPP	54,267	16,104	70,371	–	–	–	70,371
Transfers to CPP	(48,071)	(9)	(48,080)	–	–	–	(48,080)
As at March 31, 2025	\$ 170,557	\$ 51,748	\$ 222,305	\$ 485,295	\$ 6,843	\$ 492,138	\$ 714,443

18.2 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 March 31, 2025			As at March 31, 2024		
	base CPP	additional CPP	Total	base CPP	additional CPP	Total
Net investments	\$ 656,188	\$ 58,620	\$ 714,808	\$ 594,044	\$ 38,555	\$ 632,599
Cash and cash equivalents held for operating purposes	244	2	246	222	6	228
Premises and equipment	671	32	703	657	22	679
Other assets	78	4	82	92	3	95
Accounts payable and accrued liabilities	1,329	67	1,396	1,184	50	1,234
Net assets	\$ 655,852	\$ 58,591	\$ 714,443	\$ 593,831	\$ 38,536	\$ 632,367

18.3 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 March 31, 2025 ¹		
	base CPP	additional CPP	Total
Equities			
Public equities	\$ 216,614	\$ 12,368	\$ 228,982
Private equities	216,101	12,339	228,440
Total equities	432,715	24,707	457,422
Debt			
Bonds	196,205	32,132	228,337
Other debt	49,168	2,807	51,975
Money market securities	461	26	487
Total debt	245,834	34,965	280,799
Investment funds	153,708	8,776	162,484
Investment receivables and Other			
Securities purchased under reverse repurchase agreements and cash collateral pledged on securities borrowed	17,547	978	18,525
Derivative assets	2,477	142	2,619
Other	6,850	374	7,224
Total investment receivables and Other	26,874	1,494	28,368
Total investments	\$ 859,131	\$ 69,942	\$ 929,073
Investment liabilities			
Securities and loans sold under repurchase agreements and cash collateral received on securities lent	107,227	6,122	113,349
Debt financing liabilities	76,434	4,364	80,798
Securities sold short	18,382	1,050	19,432
Derivative liabilities	5,385	334	5,719
Other	2,988	171	3,159
Total investment liabilities	210,416	12,041	222,457
Cash and cash equivalents	\$ 7,984	\$ 747	\$ 8,731
Pending trades receivable	1,788	233	2,021
Pending trades payable	2,299	261	2,560
Net investments	\$ 656,188	\$ 58,620	\$ 714,808

(CAD millions)	As at March 31, 2024 ¹		
	base CPP	additional CPP	Total
Equities			
Public equities	\$ 205,819	\$ 8,254	\$ 214,073
Private equities	200,508	8,041	208,549
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 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 Consolidated Schedule of Investment Portfolio, which is different from that of the Consolidated Balance Sheet. Refer to the Consolidated Schedule of Investment Portfolio for further details.

18.4 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:

(CAD millions)	For the years ended March 31,					
	2025			2024 ¹		
	base CPP	additional CPP	Total	base CPP	additional CPP	Total
Income:						
Interest income	\$ 8,550	\$ 1,086	\$ 9,636	\$ 7,121	\$ 672	\$ 7,793
Dividend income	8,508	232	8,740	8,926	138	9,064
Net (losses) gains on private investments	(2,111)	539	(1,572)	(3,895)	(196)	(4,091)
Net gains on public investments	11,989	612	12,601	21,860	810	22,670
Net gains on investment holding subsidiaries	38,780	2,144	40,924	19,112	874	19,986
Other	(522)	(180)	(702)	(602)	(21)	(623)
	65,194	4,433	69,627	52,522	2,277	54,799
Expenses:						
Personnel	1,106	60	1,166	1,049	38	1,087
General and administrative	556	34	590	510	20	530
Management fees	15	1	16	15	1	16
Performance fees	125	6	131	60	2	62
Transaction-related	386	19	405	241	7	248
Taxes	307	14	321	471	16	487
Financing	6,874	339	7,213	5,716	211	5,927
	9,369	473	9,842	8,062	295	8,357
Net income and comprehensive income	\$ 55,825	\$ 3,960	\$ 59,785	\$ 44,460	\$ 1,982	\$ 46,442

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

Ten-year Review^{1,2}

	For the year ended March 31									
(\$ billions)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
CHANGE IN NET ASSETS										
Net income	59.8	46.4	7.8	34.4	83.9	12.1	32.0	36.7	33.4	9.1
Net contributions	22.3	15.9	22.9	7.7	3.7	5.5	3.8	2.7	4.3	5.2
Increase in net assets	82.1	62.3	30.7	42.1	87.6	17.6	35.8	39.5	37.7	14.3
NET ASSETS	714.4	632.3	570.0	539.3	497.2	409.6	392.0	356.1	316.7	278.9
(\$ billions)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public Equities	207.1	176.7	137.3	146.6	144.5	112.7	130.1	139.9	120.1	103.9
Private Equities	209.3	197.6	190.7	169.8	153.1	116.9	106.4	81.5	67.3	54.3
Government Bonds	109.1	76.0	70.3	40.2	48.1	47.6	38.9	37.6	47.5	45.9
Credit	78.8	79.2	68.2	85.7	67.4	50.8	35.8	22.6	17.6	17.0
Real Estate	48.5	49.7	51.9	48.7	43.0	46.5	47.5	46.1	40.1	36.7
Infrastructure	62.0	53.4	51.9	48.4	41.2	35.1	33.3	28.6	24.3	21.3
Net Investments	714.8	632.6	570.3	539.4	497.3	409.6	392.0	356.3	316.9	279.1
Non-Investment Assets (Liabilities)	(0.4)	(0.2)	(0.3)	(0.1)	(0.1)	–	–	(0.2)	(0.2)	(0.2)
Net Assets	714.4	632.3	570.0	539.3	497.2	409.6	392.0	356.1	316.7	278.9
Net Assets – base CPP	655.8	593.8	546.2	526.7	490.9	407.3	391.6	356.1	316.7	278.9
Net Assets – additional CPP	58.6	38.5	23.8	12.6	6.3	2.3	0.4	–	–	–
NET RETURN (%)										
base CPP	9.3%	8.1%	1.4%	6.9%	20.5%	3.1%	8.9%	11.5%	11.8%	3.4%
additional CPP	8.5%	5.7%	0.3%	2.8%	11.6%	4.2%	5.0%	–	–	–
TOTAL FUND	9.3%	8.0%	1.3%	6.8%	20.4%	3.1%	8.9%	11.5%	11.8%	3.4%

1. The net asset table aligns with the Asset Class Mix within the Management's Discussion & Analysis.

2. Certain figures may not add up due to rounding.

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