

Canada Pension Plan Investment Board and Challenger Partner to Invest in Real Estate Debt in Australia and New Zealand

Toronto, Canada/Sydney, Australia (July 31, 2018) – [Canada Pension Plan Investment Board](#) (CPPIB) today announced that its wholly owned subsidiary, CPPIB Credit Investments Inc., has agreed to participate in A\$500 million of seed lending to a newly established fund with Challenger Investment Partners (CIP) to invest in middle-market real estate loans in Australia and New Zealand. CIP will source and manage investments on behalf of the fund.

“This partnership marks our first real estate debt investment in Australia and New Zealand,” says Geoffrey Souter, Managing Director, Head of Private Real Estate Debt, CPPIB. “We believe these markets offer compelling investment opportunities and we look forward to exploring these together with CIP.”

The fund will look to provide alternative financing to owners of well-located properties in key gateway cities across Australia and New Zealand. CIP will originate senior and subordinated loans, backed by stabilized, transitional and development assets.

“This new partnership with CIP is a further step in the expansion of CPPIB’s investment activities into new asset classes across Asia-Pacific,” says Suyi Kim, Senior Managing Director & Head of Asia Pacific, CPPIB. “This region offers CPPIB attractive investment opportunities supported by strong fundamentals, and it remains a high priority for our growth.”

“CIP is very pleased to work with CPPIB, a leading player in real estate debt globally,” says Gerard Hargraves, Head of Real Estate Debt, CIP. “CPPIB’s selection of CIP as manager is a tangible endorsement of CIP’s position in originating and managing real estate debt assets for leading institutions and we look forward to working with CPPIB in deploying the A\$500 million into high-quality real estate transactions.”

About CPPIB Credit Investments Inc.

CPPIB Credit Investments Inc., a wholly owned subsidiary of CPPIB, is comprised of CPPIB’s Principal Credit Investments (PCI) group and its Private Real Estate Debt group. CPPIB’s Private Real Estate Debt group invests directly in diverse types of real estate debt including first-mortgages, b-notes, mezzanine loans, preferred equity and single-asset commercial mortgage-backed securities (CMBS). With 11 debt professionals based in Toronto, London and Hong Kong, the group targets positions from C\$50 million to over C\$500 million that are backed by high-quality real estate and feature a tenor, leverage profile or an asset specific consideration that requires a customized solution. Since its formation in 2010, the group has invested or committed more than C\$10 billion into commercial real estate credit transactions.

About Canada Pension Plan Investment Board

Canada Pension Plan Investment Board (CPPIB) is a professional investment management organization that invests the funds not needed by the Canada Pension Plan (CPP) to pay current benefits on behalf of 20 million contributors and beneficiaries. In order to build a diversified portfolio of CPP assets, CPPIB invests in public equities, private equities, real estate, infrastructure and fixed income instruments. Headquartered in Toronto, with offices in Hong Kong, London, Luxembourg, Mumbai, New York City, São Paulo and Sydney, CPPIB is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At March 31, 2018, the CPP Fund totalled C\$356.1 billion. For more information about CPPIB, please visit www.cppib.com or follow us on [LinkedIn](#), [Facebook](#) or [Twitter](#).

About Challenger Investment Partners

Challenger Investment Partners (CIP) originates and manages assets for leading global and Australian institutions. It is an institutional manager that works with clients on global opportunities across fixed income investments, real estate investments and derivative strategies. CIP's clients include leading global and Australian institutions, including Challenger Life.

At March 31, 2018, CIP had approximately A\$19 billion in assets under management. It is wholly-owned by Challenger Limited, an ASX-listed life insurance company, which has A\$78.6 billion in assets under management (as at March 31, 2018). CIP has been an active real estate lender for over 20 years.

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