



CPP INVESTMENT BOARD REPORTS FISCAL FIRST QUARTER PERFORMANCE RESULTS

TORONTO, ON (August 9, 2013): The CPP Fund ended the first quarter of its 2014 fiscal year on June 30, 2013 with net assets of \$188.9 billion, compared to \$183.3 billion at the end of the previous quarter. The \$5.6 billion increase in assets for the quarter consisted of \$1.9 billion in net investment income after operating costs and \$3.7 billion in net CPP contributions. The portfolio delivered a gross investment return of 1.1% for the quarter.

“Overall we would characterize the quarter as relatively turbulent compared to recent reporting periods. Interest rates rose significantly as bond markets fell, while volatility increased across major equity markets producing mixed returns,” said Mark Wiseman, President & Chief Executive Officer, CPP Investment Board (CPPIB). “A balanced portfolio, diverse assets, global reach, and exposure to privately-held investments contributed to our results. Importantly, we remain disciplined and focused on the long term, while continuing to invest in the people and processes required to create enduring value for current and future beneficiaries of the CPP.”

Investment highlights during the fiscal first quarter include:

Private Investments

- Completed a €175 million investment in ista International GmbH alongside CVC Capital Partners and ista management. Headquartered in Essen, Germany, ista is the world leader in sub-metering, the measurement of energy and water consumption and related cost allocation for multi-occupant properties.

Real Estate Investments

- Expanded our 50%/50% Canadian joint venture with Oxford Properties Group with the addition of two regional malls, one contributed by each partner. As part of the transaction, CPPIB acquired a 50% interest in Upper Canada Mall in Newmarket, Ontario and Oxford acquired a 50% interest in Les Galeries de la Capitale in Quebec City.
- Formed a 50%/50% joint venture with Hammerson to acquire a 33.3% stake in Bullring Shopping Centre for £307 million. Located in Birmingham, Bullring is one of the U.K.'s top ten retail destinations with 167 tenants including high-quality fashion and catering brands.
- Formed the Tokyo Office Venture with GE Capital Real Estate (GECRE) to invest in mid-size offices in key Central Business District sub-markets of Tokyo, Japan. CPPIB and GECRE will initially invest a combined equity amount of up to JPY40 billion (US\$403 million) on a 49%/51% basis respectively.

Investment highlights following the quarter end include:

Public Market Investments

- Entered into an agreement with TORC Oil & Gas Ltd. for a \$170 million private placement to enable TORC to acquire significant assets in south-eastern Saskatchewan and convert to a dividend-paying model. TORC is a Calgary based junior oil and gas producer focusing on light oil producing assets.

Real Estate Investments

- Agreed to acquire a 27.6% interest in Aliansce Shopping Centers S.A. (Bovespa: ALSC3) for an equity amount of US\$480 million. Based in Rio de Janeiro, Aliansce is one of Brazil's top real estate operating companies, focused on the ownership, management and development of enclosed shopping centres.
- Formed two 50%/50% joint ventures:
 - A regional mall joint venture with Ivanhoé Cambridge, whereby Ivanhoé Cambridge acquired a 50% interest in Carrefour de l'Estrie from CPPIB. CPPIB will continue to own 50% of Carrefour de l'Estrie, the largest shopping centre in Quebec's Eastern Townships region.
 - A partnership with Hermes Real Estate Investment Management Limited, on behalf of the BT Pension Scheme (BTPS), that will initially include eight Central London office assets from BTPS' existing portfolio. The portfolio currently comprises 550,000 square feet of high-quality offices, retail and ancillary accommodation.
- Agreed to commit an additional US\$400 million of equity to its China logistics joint venture with Goodman Group, Goodman China Logistics Holding (GCLH). This increases CPPIB's committed equity allocation to US\$1.2 billion. GCLH was formed in 2009 and has invested in 17 logistics projects across seven Chinese markets.

Long-Term Sustainability

In the latest triennial review released in November 2010, the Chief Actuary of Canada reaffirmed that the CPP remains sustainable at the current contribution rate of 9.9% throughout the 75-year period of his report. The Chief Actuary's projections are based on the assumption that the Fund will attain a 4% real rate of return, which takes into account the impact of inflation. CPPIB's 10-year annualized nominal rate of return of 6.9%, or 5.0% on a real rate of return basis, is above the Chief Actuary's prospective 4% real rate of return assumption.

The Chief Actuary's report also indicates that CPP contributions are expected to exceed annual benefits paid until 2021, when a portion of the investment income from CPPIB will be needed to help pay pensions.

The Chief Actuary is currently undertaking a triennial review of the CPP as at December 31, 2012, and is expected to release his report in late calendar 2013.

Asset Mix

For the period ending June 30, 2013 (\$ billions)		
	\$	%
Equities		
Public	60.0	31.8
Private	<u>33.5</u>	<u>17.7</u>
	93.5	49.5
Fixed Income	63.4	33.6
(includes bonds, money market securities, other debt and debt financing liabilities)		
Real Assets		
Real Estate	20.9	11.1
Infrastructure	<u>11.0</u>	<u>5.8</u>
	31.9	16.9
Total¹	188.8	100.0

¹ Excludes non-investment assets such as premises and equipment and non-investment liabilities

Five and 10-Year Returns¹

(for the period ending June 30, 2013)

	Investment Rate of Return (Nominal)	Investment Rate of Return (Real)	Investment Income ²
5-Year Annualized	4.2%	2.9%	\$35.4 billion
10-Year Annualized	6.9%	5.0%	\$76.1 billion

¹ Before CPPIB operating costs.

² Dollar figures are cumulative.

Note: All figures in Canadian dollars unless otherwise noted.



About CPP 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 18 million Canadian 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 London and Hong Kong, CPPIB is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At June 30, 2013, the CPP Fund totalled \$188.9 billion. For more information about CPPIB, please visit www.cppib.com.

For More Information

Linda Sims
Director, Media Relations
(416) 868-8695
lsims@cppib.com