

# Q2 Fiscal 2024 Results

November 9, 2023

*All figures in Canadian dollars unless  
otherwise noted*

**CPP**  **Investments**



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# Financial Results

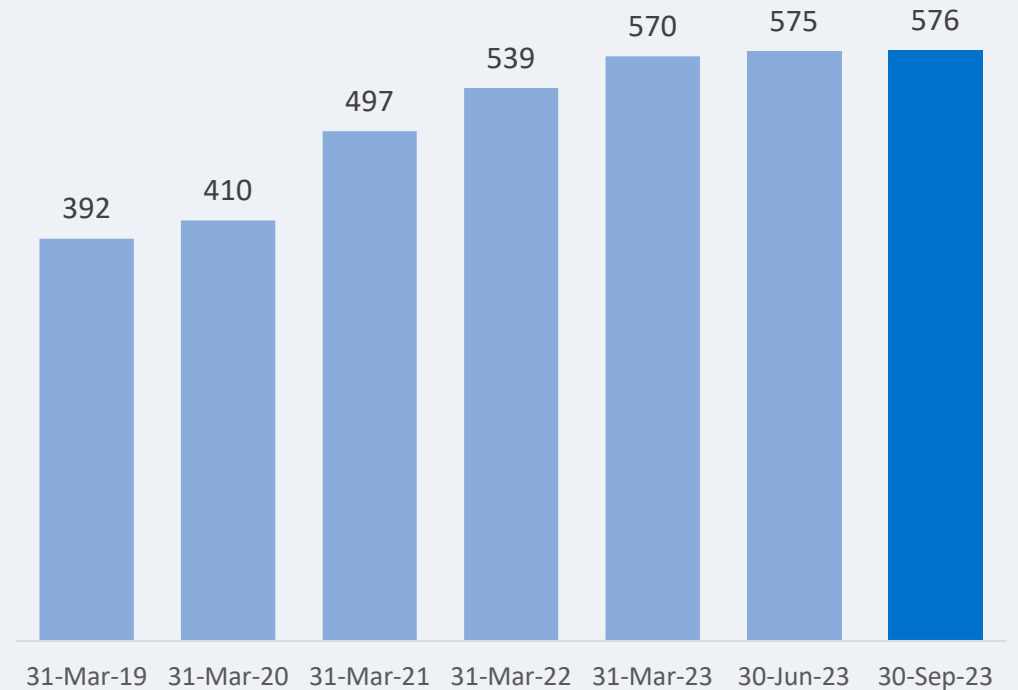


# Performance in Q2 F2024

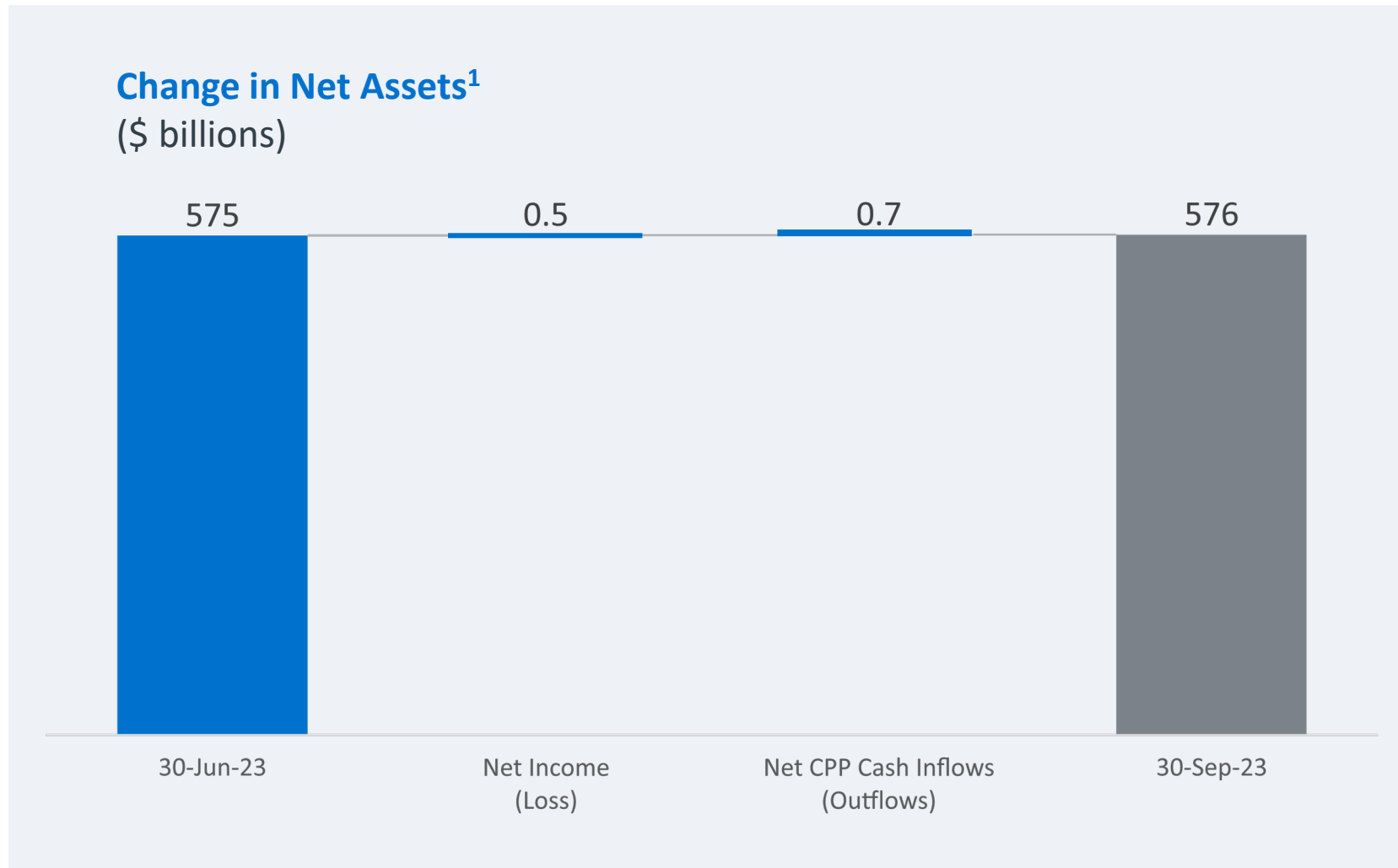
- Net assets increased by \$1 billion
- Diversified investment portfolio outperformed public equity and fixed income markets this quarter
  - Global equity markets broadly declined, and interest rates remained high
  - Fund recorded a net return of 0.1%
- Fund well-positioned for the long term despite challenging investment conditions

## Net Assets

\$ billions



# Quarterly Assets Change



Q2 F2024  
Net Return  
**0.1%**

<sup>1</sup> Numbers may not add up due to rounding

# Continued Strong Long-term Performance

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10-Year

**\$311B**

Cumulative Net Income

**9.6%**

Net Nominal Return

**6.9%**

Net Real Return<sup>1</sup>

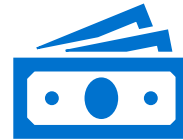
<sup>1</sup>Real rates are considered by the Office of the Chief Actuary of Canada to evaluate the financial sustainability of the base and additional CPP over the long term.

# Q2 F2024 Performance Drivers

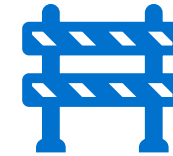
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Investments in credit and private equities drove positive performance in the quarter.



U.S. dollar-denominated assets contributed positively to results, benefiting from a strengthening U.S. dollar relative to the Canadian dollar.



Gains were offset by losses in fixed income due to continued high interest rates and weak performance in public equities as global markets declined.

# Net Investments By Investment Department

At September 30, 2023

## TOTAL FUND MANAGEMENT

Ensures investing activities collectively produce a total portfolio that maximizes long-term returns without taking undue risk

Net Investments: **\$234.6 billion**

## CAPITAL MARKETS AND FACTOR INVESTING

Ensures CPP Investments has the flexibility to efficiently gain access to a broad array of sources of return in public equities, fixed income securities, currencies, commodities, derivatives and externally managed funds on a global basis

AUM\*: **\$63.9 billion**

## ACTIVE EQUITIES

Invests globally in public companies, leveraging long-term fundamental research to generate unique company-specific insights

AUM\*: **\$68.0 billion**

## CREDIT INVESTMENTS

Manages public and private credit investments globally, investing in credit and credit-like products across the capital structure

Net Investments: **\$60.3 billion**

## PRIVATE EQUITY

Invests in global private equity suitable for large, patient and knowledgeable investors

Net Investments: **\$146.5 billion**

## REAL ASSETS

Consists of investments in real estate, infrastructure, and sustainable energies sectors

Net Investments: **\$132.5 billion**

\*The Capital Markets and Factor Investing and Active Equities departments have market values that differ from their asset values. The Assets Under Management (AUM) figures, as shown above, use a methodology more indicative of portfolio size for certain active strategies and enable greater comparability with long-only investments.



# Corporate & Investment Highlights



# Corporate Developments

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## Board appointments

- Welcomed the designation of Dean Connor as Chairperson of the Board of Directors, effective October 27, 2023. Mr. Connor succeeded Heather Munroe-Blum, CPP Investments' Chairperson since 2014, whose final term as Chairperson and Director expired in October. Mr. Connor has served on the Board since August 2021.
- Welcomed Nadir Mohamed to the Board of Directors. Appointed in October 2023, Mr. Mohamed is the retired President and Chief Executive Officer of Rogers Communications Inc. He brings extensive business leadership experience to the Board, as well as expertise in stakeholder management, enterprise risk management and cultivating talent.
- Welcomed the reappointments of Ashleigh Everett, John Montalbano, Mary Phibbs, and Boon Sim as Directors of the Board for three-year terms effective October 2023.

## Executive announcements

- Manroop Jhooty was appointed Senior Managing Director & Head of Total Fund Management. In this role, Mr. Jhooty is responsible for the Total Fund Management department where he leads the balancing and financing portfolio, which is invested in global public securities, as well as balance sheet management, tactical positioning, trading and portfolio design. Mr. Jhooty joined CPP Investments in 2019.

# Published our 2023 Report on Sustainable Investing

## Report Highlights:

- Focuses on our active ownership and engagement to deliver results across the investment life cycle, including voting on over 43,000 portfolio company agenda items across 4,277 meetings
- Progressing towards our net-zero commitment across all scopes by 2050
- Achieved carbon neutrality for internal operations across Scope 1, 2 and 3 (business travel) emissions sources for fiscal 2023
- Investment in green and transition assets rose to \$79 billion as of March 31, 2023, advancing toward our goal to invest at least \$130 billion by 2030
- Updated Policy on Sustainable Investing expanded to define business-relevant sustainability factors
- Applied our decarbonization investment approach on more than 10 existing and new assets



# Investment Highlights:

## Credit Investments:



Completed a multi-year forward flow agreement with Exeter Finance LLC, a U.S. indirect auto finance company, to acquire up to US\$200 million per year in residual certificates of auto loan receivables securitizations.



Invested US\$150 million in Cornerstone OnDemand's incremental first-lien term loan. Based in the U.S., Cornerstone OnDemand is a global leader in learning and talent management software-as-a-service solutions.



Received net proceeds of US\$581 million from the sales of U.S. oil and natural gas mineral and royalty interests owned by LongPoint Minerals, LLC and LongPoint Minerals II, LLC, which CPP Investments owns stakes of 72% and 44% respectively.

## Real Assets:



Invested US\$500,000 in Mombak, a Brazil-based venture-backed carbon removal startup investment manager focused on reforesting the Amazon, and committed up to US\$30 million to The Amazon Restoration Fund.



Announced a new partnership with Amsterdam-based Power2X, in which we will invest an initial €130 million to accelerate the growth of Power2X as a development platform and fund green molecule projects.



# Investment Highlights:

## Private Equity:

### Northleaf

Committed C\$200 million to the Canadian private equity market through an evergreen Canadian mid-market mandate managed by Northleaf Capital Partners, a Toronto-headquartered global private markets investment firm.



Invested US\$40 million in Redwood Materials Inc., a U.S. company developing a closed-loop supply chain for lithium-ion batteries, through an equity funding round.



Committed €500 million to CVC Capital Partners IX, L.P., which focuses on control and shared-control buyouts across industries primarily in Europe and the Americas.



Exited our 2016 commitment to STAR Capital Partners III through a secondary transaction, generating net proceeds of €96 million. STAR Capital is a mid-market, U.K.-based private equity firm focused on buyout and growth opportunities.



Exited our co-investment in Vistra, a leading provider of trust, fund and corporate services based in Hong Kong with a resilient, scalable, and enterprise-wide technology platform. Net proceeds from the sale were approximately C\$155 million. Our original investment was made in 2015 alongside BPEA EQT.