

CANADA PENSION PLAN INVESTMENT BOARD

# INVESTING FOR GENERATIONS

First Quarter Fiscal 2020 Highlights

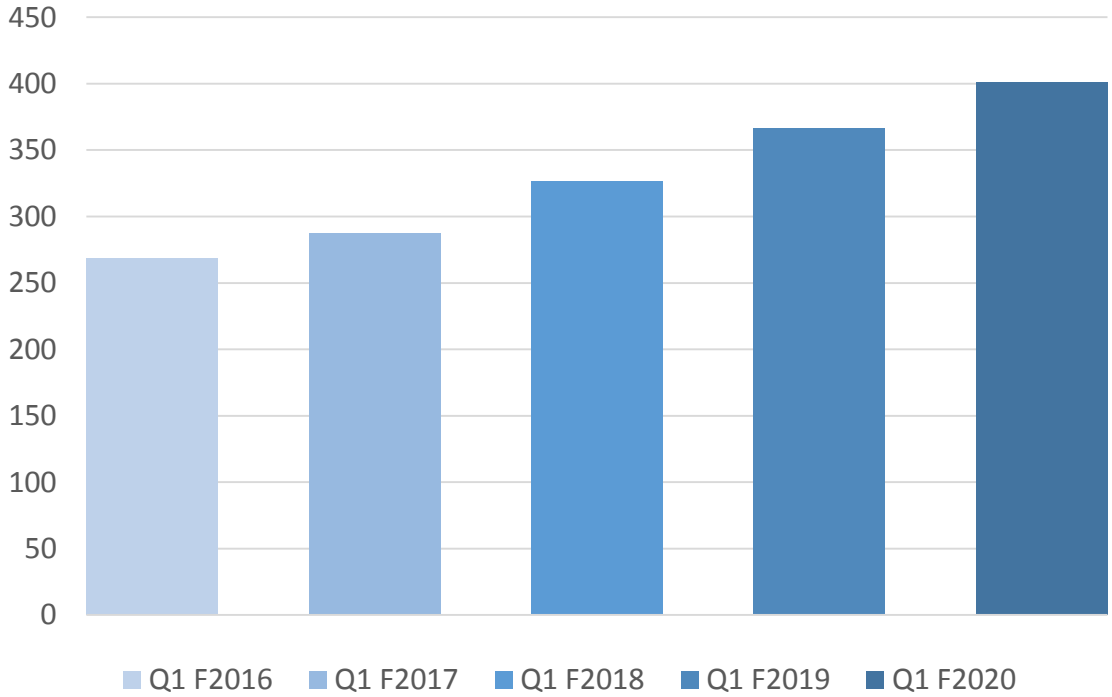


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# CPPIB GROWTH

(C\$ billions)



CPPIB reaches new high of

# \$400.6

## BILLION

in net assets (June 30, 2019)

# Fiscal 2020

## QUARTERLY PERFORMANCE HIGHLIGHTS

# Q1

### FINANCIAL RESULTS

- \$4.1 billion in net income after all CPPIB costs
- \$4.5 billion in net Canada Pension Plan (CPP) contributions
- Total increase in net assets of \$8.6 billion

### RETURNS

(NET OF ALL COSTS)

- 10-year and five-year returns of 10.5% each
- Fund returned 1.1% in the quarter

### FUND GROWTH

- Base CPP net assets of \$399.7 billion
- Additional CPP net assets of \$0.9 billion
- Total Fund reaches \$400.6 billion

# Fiscal 2020

## LONGER-TERM PERFORMANCE

Q1

5-year

Net Income

**\$152.7**  
BILLION

Net Nominal Return

**10.5%**

10-year

Net Income

**\$235.6**  
BILLION

Net Nominal Return

**10.5%**

# Fiscal 2020

## RESULTS DRIVERS

Q1

- Most investment departments contributed positively to financial results this quarter.
- Currency had an impact on the total return this quarter as the appreciation of the Canadian dollar across major currencies reduced the Fund's growth.

***“CPPIB’s investment programs performed well in the first quarter, achieving solid net income in local-dollar terms.*”**

***At the same time, the strengthening of the Canadian dollar against all major currencies in June dampened our returns overall, as the market responded to lower interest rate expectations in the U.S. and Europe.”***

**Mark Machin,**  
President & Chief Executive Officer,  
CPPIB

# Fiscal 2020

## QUARTERLY HIGHLIGHTS

Q1

- Solid financial results to start the fiscal year with a focus on long-term performance

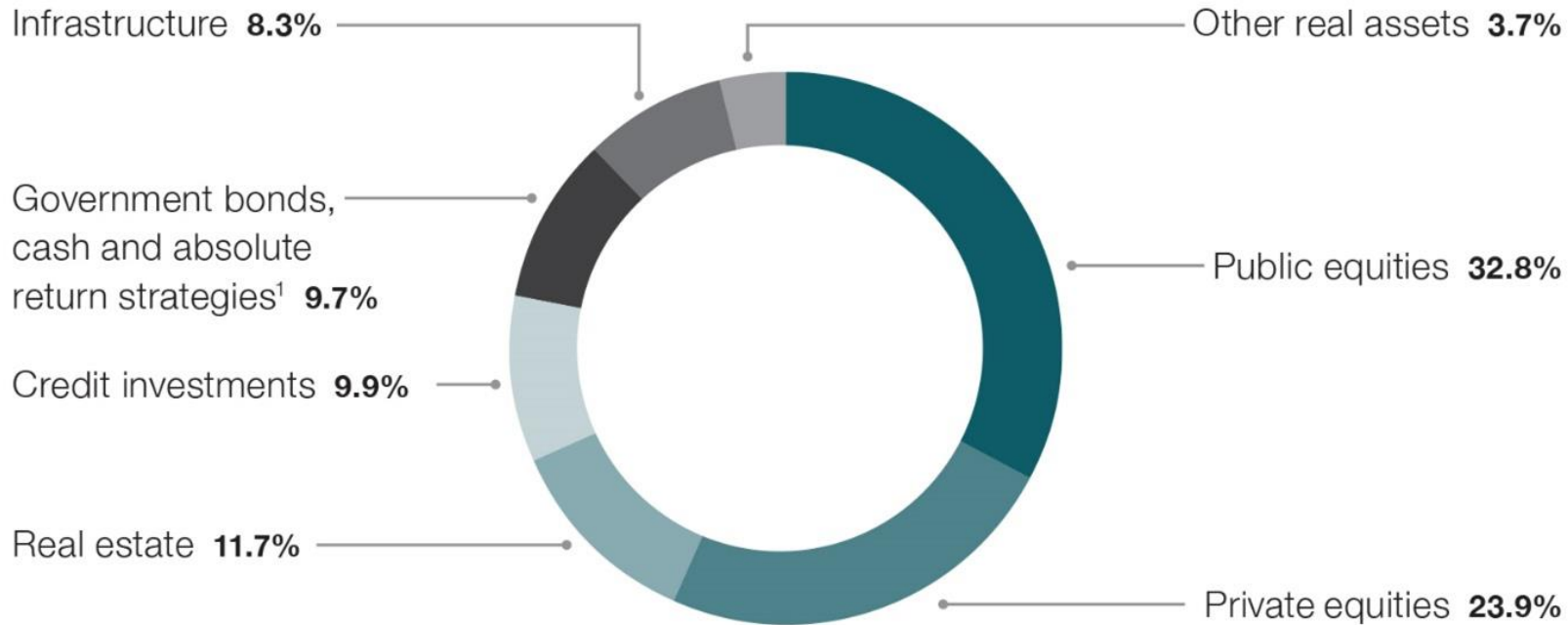
- Strong performance of global equity markets reflected in positive contributions from:
  - Total Portfolio Management
  - Private Equity
  - Active Equities

- Creating investment opportunities to support the growth of the CPP Fund in the best interests of 20 million contributors and beneficiaries

# Fiscal 2020

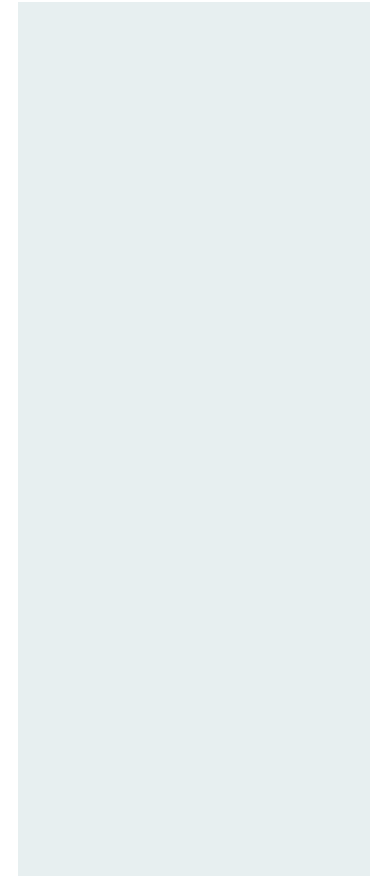
## ASSET MIX

As at June 30, 2019



1. Net of external debt issuances.

# Q1





# Fiscal 2020

## ASSETS BY INVESTMENT DEPARTMENT

Q1

INVESTMENT DEPARTMENT	PRIVATE EQUITY	REAL ASSETS	CREDIT INVESTMENTS	ACTIVE EQUITIES	CAPITAL MARKETS AND FACTOR INVESTING	TOTAL PORTFOLIO MANAGEMENT
INVESTMENT GROUPS	Direct Private Equity	Energy & Resources	Americas Leveraged Finance	Active Fundamental Equities	External Portfolio Management	Portfolio Design
	Private Equity Funds	Infrastructure	Americas Structured Credit and Financials	Fundamental Equities Asia	Financing, Collateral & Trading	Active Portfolio Management
	Secondaries	Portfolio Value Creation	APAC Credit	Relationship Investments	Macro Strategies	Balancing Portfolio Management
	Private Equity Asia	Power & Renewables Real Estate	European Credit Public Credit Real Assets Credit	Sustainable Investing Thematic Investing	Quantitative Strategies and Risk Premia Research and Innovation Group	Portfolio Engineering
	Assets at <b>C\$90.1 billion</b>	Assets at <b>C\$94.9 billion</b>	Assets at <b>C\$40.0 billion</b>	Assets at <b>C\$1.2 billion*</b>	Assets at <b>C\$0.2 billion*</b>	Assets at <b>C\$173.9 billion</b>

As at June 30, 2019

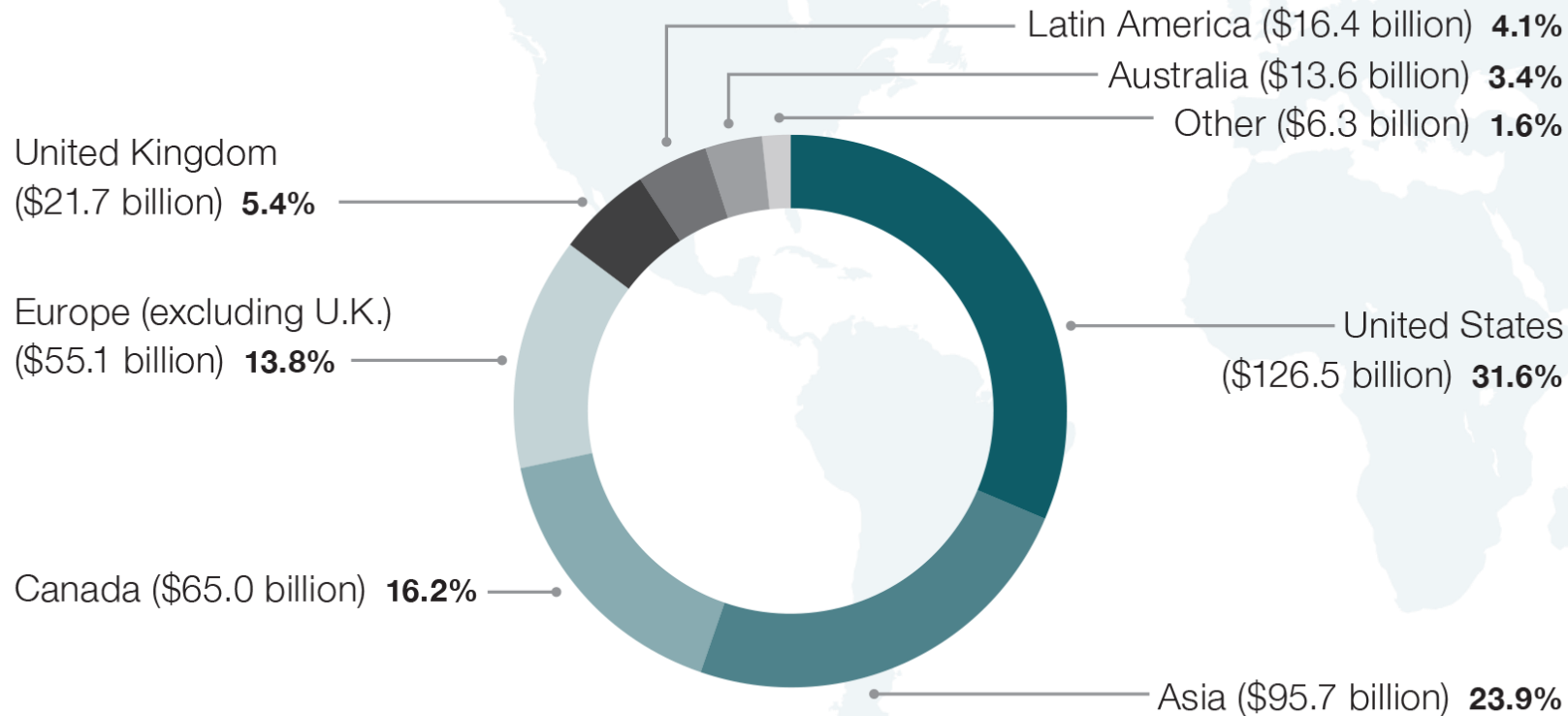
\*The Active Equities and Capital Markets and Factor Investing departments have assets under management of C\$63.2 billion and C\$66.5 billion respectively, which differ from their market values. This methodology is more indicative of portfolio size for certain active strategies and enables greater comparability with long-only investments.

# Fiscal 2020

## GLOBAL DIVERSIFICATION BY REGION

Q1

As at June 30, 2019



# EXPANDING OUR GLOBAL FOOTPRINT

- In June 2019, we opened a workspace in San Francisco to better access investment opportunities and deepen relationships within the world's leading technology ecosystem.



# POSITIONED FOR LONG-TERM GLOBAL GROWTH

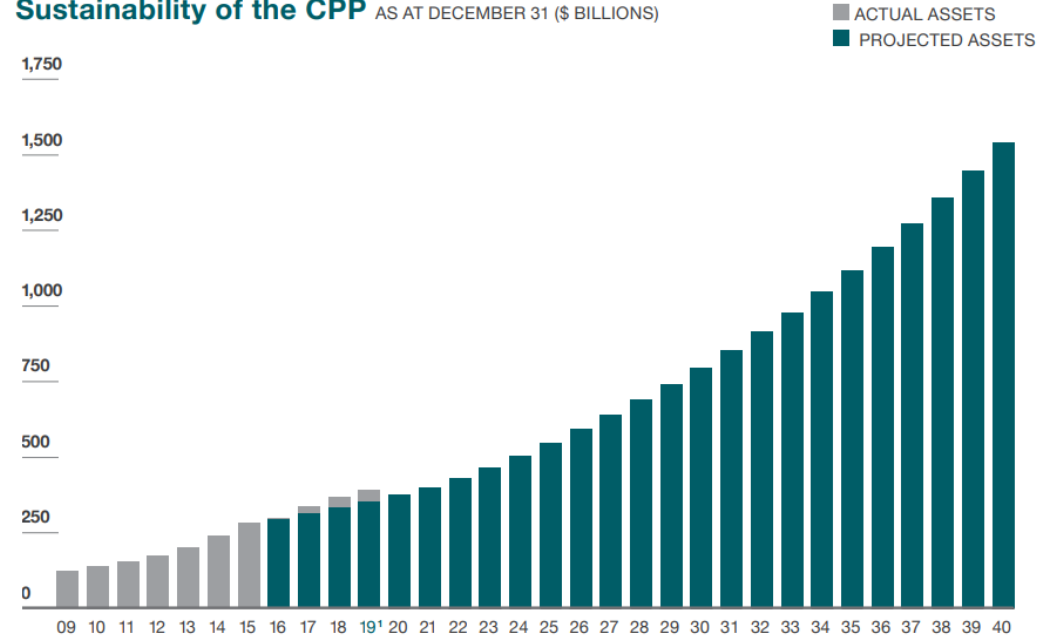
**\$545  
BILLION**

Projected CPP Fund  
assets by 2025\*

**\$1.5  
TRILLION**

Projected CPP Fund  
assets by 2040\*

**Sustainability of the CPP** AS AT DECEMBER 31 (\$ BILLIONS)



**75+**  
YEARS OF CPP  
SUSTAINABILITY

**20+**  
MILLION  
CONTRIBUTORS  
AND BENEFICIARIES

The most recent triennial report by the Chief Actuary of Canada indicated that the CPP is sustainable over a 75-year projection period.

Projections of the CPP Fund, being the combined assets of the base and additional CPP accounts, are based on the nominal projections from the 29th Actuarial Report supplementing the 27th and 28th Actuarial Reports on the Canada Pension Plan as at December 31, 2015.

<sup>1</sup> Represents actual total Fund assets as at March 31, 2019.

\*Projections of the CPP Fund, being the combined assets of the base and additional CPP accounts, are based on the nominal projections from the 29th Actuarial Report, supplementing the 27th and 28th Actuarial Reports on the Canada Pension Plan as at December 31, 2015. These figures have been rounded.

# About CPPIB

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 in the best interest of 20 million contributors and beneficiaries. In order to build diversified portfolios of 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, San Francisco, São Paulo and Sydney. CPPIB is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At June 30, 2019, the CPP Fund totalled \$400.6 billion.

For more information about CPPIB, please visit [www.cppib.com](http://www.cppib.com) or follow us on [LinkedIn](#), [Facebook](#) or [Twitter](#).

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