

## **CPPIB Acquires Partial Royalty Interest in KEYTRUDA® (pembrolizumab) from LifeArc**

*Acquisition supports CPPIB's global intellectual property program*

**Toronto, Canada (May 19, 2019):** Canada Pension Plan Investment Board's (CPPIB) wholly owned subsidiary CPPIB Credit Europe S.à r.l. has acquired a portion of LifeArc's royalty interests on worldwide sales of Keytruda®\* (pembrolizumab) for approximately US\$1.3 billion.

Keytruda is an anti-PD-1 therapy developed and commercialized by Merck (known as MSD outside the U.S. and Canada). The drug is approved for use in 85 countries worldwide, including Canada, the United States, European Union member countries and Japan.

"This investment in Keytruda provides us the opportunity to continue expanding CPPIB's global intellectual property program. Alternative assets related to intellectual property help to diversify the Fund through income streams that are typically uncorrelated to the broader capital markets," said John Graham, Senior Managing Director & Global Head of Credit Investments, CPPIB. "The acquisition of royalty interests from LifeArc for this market-leading cancer therapy provides stable, long-term cash flows."

CPPIB invests in rights for royalties, patents, trademarks and copyrights, primarily in the pharmaceutical and technology sectors. This transaction is an ideal investment for the global intellectual property program and Keytruda, an immunotherapy treatment indicated for use in a range of different cancer types, has shown strong sales growth worldwide.

The investment was made through CPPIB's Americas Structured Credit and Financials Group, which in addition to intellectual property, invests in portfolios of credit and other structured credit investments.

This transaction will also help make LifeArc one of the UK's leading medical research charities by size of investment and allows it to significantly expand its mission of advancing research that directly benefits human health.

Dr. Melanie Lee, CEO of LifeArc, said: "At LifeArc, we advance promising research into new health interventions for patients and the public benefit. This agreement with CPPIB allows us to increase our support for new approaches and collaborations and bolster access to our expertise and resources. Ultimately, we can support life sciences research and accelerate the development of new therapies, diagnostics and devices for those people in greatest need."

\* KEYTRUDA® is a registered trademark of Merck Sharp & Dohme Corp., a subsidiary of Merck & Co., Inc., Kenilworth, NJ, USA.

### **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 interests of 20 million contributors and beneficiaries. In order to build a diversified portfolio, 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, 2019, the CPP Fund totalled C\$392 billion. For more information about CPPIB, please visit [www.cppib.com](http://www.cppib.com) or follow us on [LinkedIn](#), [Facebook](#) or [Twitter](#).

### **About LifeArc**

LifeArc is a self-funded medical research charity. Our mission is to advance translation of early science into health care treatments or diagnostics that can be taken through to full development and made available to patients. We have been doing this for more than 25 years and our work has resulted in a diagnostic for antibiotic resistance and four licensed medicines.

Our success allows us to explore new approaches to stimulate and fund translation. We have our own drug discovery and diagnostics development facilities, supported by experts in technology transfer and intellectual property who also provide services to other organisations.

Our model is built on collaboration, and we partner with a broad range of groups including medical research charities, research organisations, industry and academic scientists. We are motivated by patient need and scientific opportunity.

Two funds help us to invest in external projects for the benefit of patients: our Philanthropic Fund provides grants to support medical research projects focused on the translation of rare diseases research and our Seed Fund is aimed at start-up companies focused on developing new therapeutics and biological modalities.

Find out more about our work on [www.lifearc.org](http://www.lifearc.org)

### **For more information:**

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