



**CPP
INVESTMENT
BOARD**

WINNING CONDITIONS TO FOSTER AND ATTRACT LONG-TERM INVESTING

London, England (May 15, 2012) – In remarks today in London to the Canada-United Kingdom Chamber of Commerce, David Denison, President and Chief Executive Officer, Canada Pension Plan Investment Board (CPPIB) spoke of the important role that long-term investors can play in infrastructure, and the conditions which can attract pension funds.

Mr. Denison discussed the attributes that have enabled Canadian pension funds to become more prominent as global investors. Contrasting the Canadian funds with United Kingdom-based funds which are typically smaller and more numerous, Mr. Denison urged policymakers to consider efforts to consolidate small plans in order to build funds of sufficient scale and capability to become true long-horizon investors. “Absent this scale,” said Mr. Denison, “it is hard to envision the other necessary attributes for success as well, namely strong, professional governance, sophisticated internal capabilities and corresponding human resources policies and practices.” Mr. Denison noted that the number of long-horizon investment organizations in the world is small, and that policymakers need to be careful that their decisions do not unintentionally reduce the supply of long-term capital.

Mr. Denison also noted that in making investment decisions, long-term investors like the CPPIB assess all associated risks they are likely to face over the time horizon they intend to hold a given asset. He cautioned policymakers about the expansion of political, regulatory, and tax risks. Added Mr. Denison: “If we conclude that these kinds of risks within any country become significant enough to call into question the predictability and stability of cash flows that are at the heart of the investment rationale for infrastructure, our response will be very quick and rational – we will simply stop investing there.”

The full text of Mr. Denison’s speech is available at www.cppib.ca.

About The CPP Investment Board

The CPP Investment Board is a professional investment management organization that invests the funds not needed by the Canada Pension Plan to pay current benefits on behalf of 18 million Canadian contributors and beneficiaries. In order to build a diversified portfolio of CPP assets, the CPP Investment Board invests in public equities, private equities, real estate, inflation-linked bonds, infrastructure and fixed income instruments. Headquartered in Toronto, with offices in London and Hong Kong, the CPP Investment Board is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At December 31, 2011, the CPP Fund totaled \$152.8 billion. For more information about the CPP Investment Board, please visit www.cppib.ca.

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