

All figures in Canadian dollars unless otherwise noted.

CPP Investments Net Assets Total \$675.1 Billion at Second Quarter Fiscal 2025

Second-Quarter Performance¹:

- Net assets increase by \$28.3 billion
- 10-year annualized net return of 9.1%

TORONTO, ON (November 15, 2024): Canada Pension Plan Investment Board ([CPP Investments](#)) ended its second quarter of fiscal 2025 on September 30, 2024, with net assets of \$675.1 billion, compared to \$646.8 billion at the end of the previous quarter.

The \$28.3 billion increase in net assets for the quarter consisted of \$23.1 billion in net income and \$5.2 billion in net transfers from the Canada Pension Plan (CPP).

The Fund, which consists of the base CPP and additional CPP accounts, maintained a 10-year annualized net return of 9.1%. For the quarter, the Fund's net return was 3.6%. Since its inception in 1999, and including the second quarter of fiscal 2025, CPP Investments has contributed \$461.7 billion in cumulative net income to the Fund.

For the six-month fiscal year-to-date period, the Fund increased by \$42.7 billion consisting of \$29.3 billion in net income, plus \$13.3 billion in net transfers from the CPP. For the period, the Fund's net return was 4.6%.

"Despite heightened market volatility during the quarter, our diversified investment portfolio delivered stable returns, with positive performance across asset classes and geographies," said John Graham, President & CEO. "The portfolio is performing as designed. Our focus remains on creating long-term value through market cycles in the best interests of CPP contributors and beneficiaries."

The Fund continued to deliver strong growth amid market uncertainties, including increasing concerns about potential economic and geopolitical events. Rising prices of U.S. equities largely lifted the Fund's performance during the quarter, while interest rate cuts in developed markets led to fixed income gains. Strong performance in infrastructure and credit investments further bolstered results, although foreign exchange had an overall negative impact due to the appreciation of the Canadian dollar against the U.S. dollar.

¹ Certain figures may not add up due to rounding.

Performance of the Base and Additional CPP Accounts

The base CPP account ended its second quarter of fiscal 2025 on September 30, 2024, with net assets of \$626.1 billion, compared to \$603.6 billion at the end of the previous quarter. The \$22.5 billion increase in net assets consisted of \$21.4 billion in net income and \$1.1 billion in net transfers from the base CPP. The base CPP account’s net return for the quarter was 3.5%, and the five-year annualized net return was 8.0%.

The additional CPP account ended its second quarter of fiscal 2025 on September 30, 2024, with net assets of \$49.0 billion, compared to \$43.2 billion at the end of the previous quarter. The \$5.8 billion increase in assets consisted of \$1.7 billion in net income and \$4.1 billion in net transfers from the additional CPP. The additional CPP account’s net return for the quarter was 3.7%, and the five-year annualized net return was 5.1%.

The additional CPP was designed with a different legislative funding profile and contribution rate compared to the base CPP. Given the differences in its design, the additional CPP has had a different market risk target and investment profile since its inception in 2019. As a result of these differences, we expect the performance of the additional CPP to generally differ from that of the base CPP.

Furthermore, due to the differences in its net contribution profiles, the additional CPP account’s assets are also expected to grow at a much faster rate than those in the base CPP account.

CPP Investments Net Nominal Returns ¹ (For the quarter ended September 30, 2024)		
Base CPP	Five-Year	8.0%
	10-Year	9.2%
Additional CPP	Five-Year	5.1%
	Since Inception	5.9%

¹ After CPP Investments expenses.

Long-Term Financial Sustainability

Every three years, the Office of the Chief Actuary of Canada, an independent federal body that provides checks and balances on the future costs of the CPP, evaluates the financial sustainability of the CPP over a long period. In the most recent triennial review published in December 2022, the Chief Actuary reaffirmed that, as at December 31, 2021, both the base and additional CPP continue to be sustainable over the long term at the legislated contribution rates.

The Chief Actuary’s projections are based on the assumption that, over the 75 years following 2021, the base CPP account will earn an average annual rate of return of 3.69% above the rate of Canadian consumer price inflation. The corresponding assumption is that the additional CPP account will earn an average annual real rate of return of 3.27%.

CPP Investments Net Real Returns^{1, 2} (For the quarter ended September 30, 2024)		
Base CPP	Five-Year	4.5%
	10-Year	6.5%
Additional CPP	Five-Year	1.6%
	Since Inception	2.5%

¹ After CPP Investments expenses.

² The real return is the return after the impact of inflation, defined as the Canadian Consumer Price Index, is taken into account.

CPP Investments continues to build a portfolio designed to achieve a maximum rate of return without undue risk of loss, while considering the factors that may affect the funding of the CPP and its ability to meet its financial obligations on any given day. The CPP is designed to serve today’s contributors and beneficiaries while looking ahead to future decades and across multiple generations. Accordingly, long-term results are a more appropriate measure of CPP Investments’ performance and plan sustainability.

Operational Highlights

Corporate development

- Hosted in-person public meetings in Ottawa, Regina, Winnipeg, Halifax, St. John’s, Charlottetown, Fredericton and Vancouver through October and November, with meetings in Calgary and Edmonton completed in the first quarter of fiscal 2025. Public meetings are held every two years across Canada, reflecting our continued accountability to the more than 22 million CPP contributors and beneficiaries by providing an accessible forum to ask questions of our senior leaders. A national virtual meeting will be held on November 21.

Executive announcements

- John Graham was appointed the new Chair of [FCLTGlobal’s](#) board of directors. FCLTGlobal is a non-profit organization, whose members are leading companies and investors worldwide, that develops actionable research and tools to build a long-term sustainable global economy. John has been a member of FCLTGlobal’s board since 2021. CPP Investments is the co-founder of FCLTGlobal having led the [joint initiative](#) that created FCLTGlobal in 2016.
- Richard Manley, Chief Sustainability Officer, was appointed to the inaugural Steering Committee of the [Greenhouse Gas Protocol](#), a non-governmental organization that supplies the world’s most widely used greenhouse gas (GHG) accounting standards. The Steering Committee will be the primary governing body of GHG Protocol, ensuring the standards continue to fulfil the needs of a rapidly changing GHG accounting and reporting landscape.

Second-Quarter Investment Highlights

Active Equities

- Exited our approximate 6% stake in Delhivery, India's largest integrated third-party logistics service provider. Net proceeds from the sale were C\$298 million. Our initial investment in the company was made in 2019.

Credit Investments

- Committed US\$73 million to Permira's financing to support its acquisition of PharmaCord, a patient services company in the U.S.
- Invested US\$74 million in the financing package to support Genstar Capital's investment in AffiniPay. Based in the U.S., AffiniPay is a leading provider of practice management software, integrated payments and embedded fintech for professionals.
- Invested US\$72 million in a mezzanine loan secured against a Class-A office building in the Mission Bay neighbourhood in San Francisco, CA.
- Invested in the first-lien credit facilities of Icon Group, Australia's leading cancer care provider, which is owned by EQT Infrastructure.
- Committed US\$298 million in a separately managed account managed by Heitman LLC, targeting bespoke junior capital solutions for select real estate assets in Asia Pacific.
- Committed up to US\$500 million to Hines Rialto Credit Partners, a commercial real estate credit fund focused on the U.S. office sector.
- Committed approximately C\$90 million to a mezzanine forward-flow agreement with HomeTree, a U.K. whole-market energy player. The loan will support HomeTree's expansion of its solar systems and heat pumps financing business.
- Invested US\$140 million in a commercial mortgage-backed security secured by the Bronx Terminal Market, a grocery-anchored retail power centre located in the Bronx neighbourhood of New York City, NY.
- Committed to invest up to £75 million in a mezzanine loan facility supporting ThinCats, an alternative lender to mid-sized businesses in the U.K.

Private Equity

- Committed US\$50 million to Kohlberg Investors X, which will invest in leading North American middle-market companies, and invested US\$50 million alongside Kohlberg in CLEARResult Consulting, Inc., a U.S.-based provider of energy efficiency, energy transition and sustainability services.
- Invested £40 million alongside Apax funds for a minority stake in Zellis Group. Zellis Group is a U.K.-based provider of payroll and HR software to customers in the U.K. and Ireland.

- Invested US\$209 million to acquire interests in five funds managed by PSG, a manager that invests in growth-stage software businesses.
- Invested US\$75 million in Gehl Foods, a U.S.-based developer and manufacturer of shelf-stable protein drinks, plant-based milks, soups, cheese sauces and chili for blue-chip brands, retailers and foodservice customers across North America, alongside Kainos Capital, a middle-market private equity firm.
- Committed US\$75 million to Radical Growth I, managed by Radical Ventures, an AI-focused venture and growth manager with offices in Toronto, San Francisco and London. The total commitment now stands at US\$204 million across various fundraising cycles since the initial investment in 2019.
- Committed approximately €550 million to acquire an approximate 20% stake in team.blue, a leading webhosting services provider and digital enabler for entrepreneurs and small- and medium-sized businesses across Europe.

Real Assets

- Allocated US\$500 million to a sidecar investment vehicle alongside PAG's SCREP VIII, which will enable individual direct investment on each fund investment. SCREP VIII will acquire investments in real estate and non-performing loans secured by commercial or residential properties in Asia Pacific.
- Completed a follow-on commitment of up to R\$2.2 billion (C\$532 million) to Brazilian water and sanitation company, Iguá Saneamento, to support its business growth related to its new major concession contract in the Brazilian state of Sergipe. We currently own a 61.4% stake in the company.
- Entered into a definitive agreement to acquire a 12% interest in AirTrunk, a leading Asia-Pacific data centre operator, as part of a transaction alongside Blackstone that values the business at an implied enterprise value of over A\$24 billion (C\$22 billion), including capital expenditures for committed projects.
- Invested US\$843 million in Tallgrass Energy, a leading energy infrastructure company with assets across 14 states in the U.S.
- Sold our stake in One Paramount 1, a Grade-A office development in Chennai, India. Net proceeds from the sale were US\$52 million. The initial investment was made in 2021 in a joint venture with RMZ Corp in India to hold and develop commercial real estate assets.

Transaction Highlights Following the Quarter

- Completed a US\$250 million anchor investment in the Antares Private Credit Fund, which holds Antares-originated loans to private companies in the U.S.
- Completed the acquisition of Keywords Studios, a leading international video games service provider, alongside EQT and Temasek. We invested approximately US\$515 million for a 24.5% stake in the company.
- Committed US\$200 million in aggregate across CVC Growth Partners III and CVC Growth Partners III Co-Investment vehicles, which will invest in middle-market growth-oriented software and tech-enabled business services companies in U.S. and Europe.
- Formed a new single-family rental housing joint venture in the U.K. with Kennedy Wilson, a global real estate investment company. We have initially committed £500 million for a 90% stake in the joint venture.
- Signed definitive share purchase agreements in Nord Anglia Education for an enterprise value of US\$14.5 billion, together with a consortium of global institutional investors. We have been invested in Nord Anglia, a leading international school organization, since 2017. We will reinvest a portion of our stake in support of the acquisition.
- Completed a follow-on investment of US\$8 million in Eruditus as part of the company's Series F funding round. Eruditus partners with more than 80 top universities globally to provide accessible, high-quality education through its courses, degree programs, professional certificates, and senior executive program.
- Invested US\$86 million to acquire an 8% stake in Infocom, a leading online comic platform in Japan, alongside Blackstone Asia.
- Invested US\$100 million for an approximate 5% stake in Perficient, a leading provider of end-to-end digital strategy, design and engineering services for global enterprises, alongside EQT Private Capital Asia. Based in the U.S., Perficient has global operations in 40 locations across Asia, the U.S and Latin America, with 28% of delivery staff based in India.
- Committed KRW 437.5 billion (C\$443 million) in a separately managed account managed by ESR Kendall Square, targeting credit solutions for logistics assets in South Korea.
- Invested US\$25 million in Cytovale through a Series D funding round, alongside Sands Capital. Based in California, Cytovale is a commercial-stage medical diagnostics company focused on launching IntelliSep, a hospital-based diagnostic tool that rapidly risk-stratifies patients based on their probability of having sepsis.
- Invested SEK 1,150 million (C\$150 million) in the Holdco facilities of Open Infra, a fibre-to-the-home developer, owner and operator across Sweden and Germany.

- Committed US\$300 million in the first-lien term loan issued by Salamanca Infrastructure LLC, which owns in-construction midstream energy assets in the U.S.
- Invested €600 million through a private placement for a 1.3% interest in the public shares of Denmark-based DSV A/S to support the funding of DSV's acquisition of Schenker AG. This acquisition enhances the Company's position as a world leading player within the global transport and logistics industry.
- Signed a joint venture agreement with Equinix, Inc., a digital infrastructure company, and GIC with the intent to jointly raise more than US\$15 billion in capital. We have made an initial equity allocation of up to US\$2.4 billion and will control a 37.5% equity interest. The joint venture will develop state-of-the-art Equinix xScale data centres in the U.S. to serve the unique core workload deployment needs of the world's largest cloud service providers, including hyperscalers, which are key players in the AI ecosystem.
- Invested US\$100 million in Bain Capital's financing facility to support its acquisition of PowerSchool. Headquartered in the U.S., PowerSchool is a leader in K-12 administrative software and cloud-based solutions, serving educators in more than 90 countries.
- Invested US\$115 million alongside funds managed by Apollo Management in Stone Canyon Industries Holdings' financing to extend their investments in Morton Salt and Reddy Ice. Morton Salt is the largest, pure-play vertically integrated salt company globally and Reddy Ice is the largest player in the North American packaged ice market.

About CPP Investments

Canada Pension Plan Investment Board (CPP Investments™) is a professional investment management organization that manages the Fund in the best interest of the more than 22 million contributors and beneficiaries of the Canada Pension Plan. In order to build diversified portfolios of assets, investments are made around the world in public equities, private equities, real estate, infrastructure and fixed income. Headquartered in Toronto, with offices in Hong Kong, London, Mumbai, New York City, San Francisco, São Paulo and Sydney, CPP Investments is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At September 30, 2024, the Fund totalled C\$675.1 billion. For more information, please visit www.cppinvestments.com or follow us on [LinkedIn](#), [Instagram](#) or on X [@CPPInvestments](#).

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