



All figures in Canadian dollars unless otherwise noted.

CPP Fund Totals \$268.6 Billion at First Quarter Fiscal 2016

TORONTO, ON (August 14, 2015): The CPP Fund ended its first quarter of fiscal 2016 on June 30, 2015, with net assets of \$268.6 billion, compared to \$264.6 billion at the end of fiscal 2015. The \$4.0 billion increase in assets for the quarter consisted of a net investment loss of \$0.2 billion after all CPPIB costs and \$4.2 billion in net CPP contributions. The portfolio's gross investment return was flat for the quarter (0.01%), or -0.1% on a net basis.

"The CPP Fund held steady through the first quarter of fiscal 2016 despite broad declines in major global equity and fixed income markets. Amid these difficult market conditions, our private investment programs generated meaningful income exemplifying the benefits of building a resilient, broadly diversified portfolio," said Mark Wiseman, President & Chief Executive Officer, CPP Investment Board (CPPIB). "This was a busy quarter with more than 25 investments across multiple programs and international markets. We continue to assess and seize opportunities that fit our disciplined approach to produce long-term risk-adjusted returns."

The Canada Pension Plan's multi-generational funding and liabilities give rise to an exceptionally long investment horizon. To meet long-term investment objectives, CPPIB is building a portfolio and investing in assets designed to generate and maximize long-term risk-adjusted returns. Long-term investment returns are a more appropriate measure of CPPIB's performance than returns in any given quarter or single fiscal year.

Long-Term Sustainability

In the most recent triennial review released in December 2013, the Chief Actuary of Canada reaffirmed that, as at December 31, 2012, the CPP remains sustainable at the current contribution rate of 9.9% throughout the 75-year period of his report. The Chief Actuary's projections are based on the assumption that the Fund will attain a prospective 4.0% real rate of return, which takes into account the impact of inflation. CPPIB's 10-year annualized nominal rate of return of 7.6%, or 5.8% on a real rate of return basis, was comfortably above the Chief Actuary's assumption over this same period. These figures are reported net of all CPPIB costs to be consistent with the Chief Actuary's approach.

The Chief Actuary's report also indicates that CPP contributions are expected to exceed annual benefits paid until the end of 2022, after which a portion of the investment income from CPPIB will be needed to help pay pensions.



Asset Mix

For the period ending June 30, 2015 (\$ billions)		
	\$	%
Equities		
Public	85.4	31.8
Private	<u>47.6</u>	<u>17.7</u>
	133.0	49.5
Fixed Income	90.0	33.5
(includes bonds, money market securities, other debt and debt financing liabilities)		
Real Assets		
Real Estate	30.5	11.4
Infrastructure	<u>15.0</u>	<u>5.6</u>
	45.5	17.0
Total¹	268.5	100.0

¹ Excludes non-investment assets (such as premises and equipment) and non-investment liabilities, totalling \$0.1 billion for Q1 F2016. As a result, total assets will differ from the net assets figure of \$268.6 billion.

Q1 Investment Highlights:

Private Investments

- An affiliate of CPPIB Credit Investments Inc., a wholly owned subsidiary of CPPIB, signed an agreement with GE Capital to acquire 100% of the U.S. sponsor lending portfolio, Antares Capital, alongside Antares management, for a total consideration of approximately US\$12 billion. Antares is a leading lender to middle market private equity sponsors in the U.S.
- Committed \$102 million in a follow-on investment to Black Swan Energy (BSE), an oil and gas exploration and production company focused on the Western Canadian Basin, to help fund BSE's acquisition of Carmel Bay Exploration Ltd. and to support management's growth plan. Our total commitment to BSE to date is \$245 million.
- Acquired an additional 8% stake in Transportadora de Gas del Perú (TgP), previously held by SK Innovation and Corporación Financiera de Inversiones, for approximately US\$180 million. CPPIB is currently the largest shareholder of TgP with 44.8% of the shares, including this investment. TgP transports more than 95% of Peru's natural gas and natural gas liquids, which are used to generate approximately 50% of the country's electricity.



- Invested US\$100 million in the Moneda Deuda Latinoamericana fund, managed by Moneda Asset Management, a high-yield bond fund that primarily invests in U.S. dollar-denominated corporate credit throughout Latin America.
- Signed an agreement to acquire an approximate 12% stake, by investing £1.1 billion alongside Hutchison Whampoa, in the telecommunications entity that will be created by merging O2 U.K. and Three U.K.
- Acquired Informatica Corporation for approximately US\$5.3 billion, or US\$48.75 in cash per common share, alongside our partner, the Permira funds. Informatica is one of the world's top independent providers of enterprise data integration software.
- Invested US\$335 million in the senior secured notes of Global Cash Access, Inc. (GCA) through our Principal Credit Investments group. GCA is the leading provider of cash access solutions and related gaming and lottery products to the gaming sector.

Public Market Investments

- Invested US\$267 million to acquire approximately 1.9 million voting and non-voting ordinary shares of Enstar Group Limited (Enstar) from First Reserve, representing an economic ownership interest in Enstar of approximately 9.9%. Enstar is a global specialty insurance company and market leader in completing property and casualty run-off acquisitions.

Real Estate Investments

- Acquired a 60% ownership interest in Minto High Park Village, a multifamily rental property in Toronto, from Minto Properties Inc. (Minto) for approximately \$105 million. The property is located within the highly desirable High Park neighbourhood in Toronto, approximately 10 kilometres from the downtown core. Minto will continue to own a 40% interest in the property.
- SPREP Pte Ltd., a company formed in 2013 as part of a strategic alliance between CPPIB and Shapoorji Pallonji Group, entered into a definitive agreement to acquire 100% of the securities of Faery Estates Private Limited. Faery Estates is an Indian company which owns, operates and maintains SP Infocity IT Park in Chennai, India. The 2.7-million-square-foot property has been valued at approximately US\$220 million.
- Formed a joint venture with Intu Properties plc (Intu) through our wholly owned subsidiary CPP Investment Board Europe S.à r.l. to jointly own Puerto Venecia shopping centre in Zaragoza, Spain. CPPIB will acquire a 50% interest in the property valued at approximately €225 million. Puerto Venecia shopping centre is the leading regional retail and leisure destination for the Aragon and surrounding regions in north east Spain, is 1.3 million square feet in size, and is one of the country's top 10 shopping centres.



- Invested approximately €90 million in Citycon Oyj through the company's rights issue to partly finance its acquisition of the Norwegian shopping centre company Sektor Gruppen AS. This investment maintains our 15% equity stake in Citycon. Citycon is a leading owner, manager and developer of urban, grocery-anchored shopping centres in the Nordic and Baltic region.
- Entered into a 50/50 joint venture partnership with GIC to acquire the D-Cube Retail Mall in Seoul, South Korea, from Daesung Industries for a total consideration of US\$263 million. Completed in 2011, D-Cube Retail Mall is an income-generating, high-quality retail mall in a prime location. Since May 2015, the mall has been rebranded as Hyundai Department Store.
- Formed a strategic joint venture with Unibail-Rodamco, the second largest retail REIT in the world and the largest in Europe, to grow CPPIB's German retail real estate program. The joint venture was formed through CPPIB's indirect acquisition of a 46.1% interest in Unibail-Rodamco's German retail platform, mfi management fur immobilien AG (mfi), for €394 million. In addition, CPPIB has committed a further €366 million in support of mfi's financing strategies.

Investment highlights following the quarter end include:

- Formed a 45%/55% joint venture with Health Care REIT, Inc. to hold a portfolio of eight medical office buildings in Southern California, valued at US\$449 million. The majority of assets are located within the Golden Triangle district of Beverly Hills, California, a premier medical office market with attractive supply and demand characteristics.
- An affiliate of CPPIB Credit Investments Inc., a wholly owned subsidiary of CPPIB, entered into an agreement to provide a Senior Secured Term Loan in an amount of up to US\$650 million to Marina District Finance Company, Inc., which operates the Borgata Hotel Casino & Spa in Atlantic City, New Jersey, a leading entertainment destination resort.

Asset Dispositions:

- Following the quarter end, sold our 80% interest in Hürth Park to Deka Immobilien GmbH. Proceeds from the sale to CPPIB were approximately €95 million. Located in Hürth, Germany, the regional shopping centre was acquired in 2010 with joint venture partner LaSalle Investment Management.
- Signed an agreement, together with BC European Capital IX (BCEC IX), a fund advised by BC Partners, management and other co-investors, to sell a 70% stake in Cequel Communications Holdings, LLC (together with its subsidiaries, Suddenlink) to Altice S.A. Upon closing of the proposed sale, it is expected that BCEC IX and CPPIB will each receive proceeds of approximately US\$960 million and a vendor note of approximately US\$200 million. CPPIB and BCEC IX will each retain a 12% stake in the company.



Corporate Highlights:

- CPPIB Capital Inc., a wholly owned subsidiary of CPPIB, completed a \$1.0 billion debt offering of five-year, medium-term notes. CPPIB utilizes a conservative amount of short- and medium-term debt as one of several tools to manage our investment operations. Debt issuance gives CPPIB flexibility to fund investments that may not match our contribution cycle. Net proceeds from the private placement will be used by CPPIB for general corporate purposes.
- Patrice Walch-Watson joined CPPIB as Senior Managing Director, General Counsel & Corporate Secretary, and a member of the Senior Management Team. Ms. Walch-Watson joined CPPIB from Torys LLP where she was a Partner with expertise in mergers and acquisitions, corporate finance, privatization and corporate governance.

Five and 10-Year Returns^{1,2}

(for the period ending June 30, 2015)

	Investment Rate of Return (Nominal)	Investment Rate of Return (Real)	Investment Income³
5-Year Annualized	12.6%	10.6%	\$113.3 billion
10-Year Annualized	7.6%	5.8%	\$126.3 billion

¹ After all CPPIB costs.

² Rates of return are calculated on a time-weighted basis.

³ Dollar figures are cumulative.

About Canada Pension Plan Investment Board

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 on behalf of 18 million contributors and beneficiaries. In order to build a diversified portfolio of CPP 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, New York City and São Paulo, CPPIB is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At June 30, 2015, the CPP Fund totalled \$268.6 billion. For more information about CPPIB, please visit www.cppib.com.

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