

Portfolio Summary

Corporate Profile

The Canada Pension Plan Investment Board is a Crown corporation created by an Act of Parliament in December 1997. Its long-term goal is to contribute to the financial strength of the Canada Pension Plan by investing on behalf of 16 million CPP contributors and beneficiaries and by maximizing returns without undue risk of loss.

The CPP Investment Board invests the funds not needed by the CPP to pay current benefits. It is not expected to be required to contribute investment earnings to the CPP to help pay pensions until 2022. In order to build a diversified portfolio of CPP assets, the CPP Investment Board is currently investing cash flows in publicly traded stocks, private equities, real estate, inflation-linked bonds and infrastructure to balance the legacy government bond portfolio.

Our disclosure policy states that: *“Canadians have the right to know why, how and where we invest their Canada Pension Plan money, who makes the investment decisions, what assets are owned on their behalf and how the investments are performing.”*

By increasing the long-term value of funds available to the CPP, the CPP Investment Board will help the plan to keep its pension promise to Canadians.

With a mandate from the federal and provincial governments, the CPP Investment Board is accountable to Parliament and to the federal and provincial finance ministers who serve as the stewards of the CPP. Based in Toronto, the CPP Investment Board is governed and managed independently of the CPP and at arm’s length from governments.

For more information on the CPP Investment Board, visit our website at www.cppib.ca.

FINANCIAL HIGHLIGHTS

CPP Fund

FINANCIAL OVERVIEW For the year ended March 31 (\$ billions)	2006		2005	
Assets	\$	98.0	\$	81.3
Net contributions		3.6		4.5
Investment income		13.1		6.3

INVESTMENT PERFORMANCE (%)	2006		2005	
Annual		15.5		8.5
Five-year average rate of return		8.6		7.0

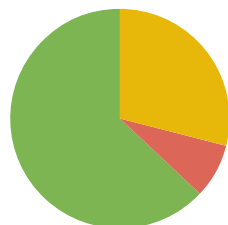
ASSETS	2006		2005	
	(\$ billions)	(% of total)	(\$ billions)	(% of total)
Public equities	\$ 57.3	58.5%	\$ 45.7	56.2%
Private equities	4.4	4.5	2.9	3.6
Bonds	27.2	27.7	28.6	35.3
Real estate	4.2 ¹	4.3	0.8	1.0
Inflation-linked bonds	4.0	4.0	–	–
Infrastructure	0.3	0.4	0.2	0.2
Cash and money market securities	0.6	0.6	3.1	3.7
	\$ 98.0	100%	\$ 81.3	100.0%

¹ Net of mortgage debt on real estate properties

CPP FUND

ASSET MIX (%)

As at March 31, 2006

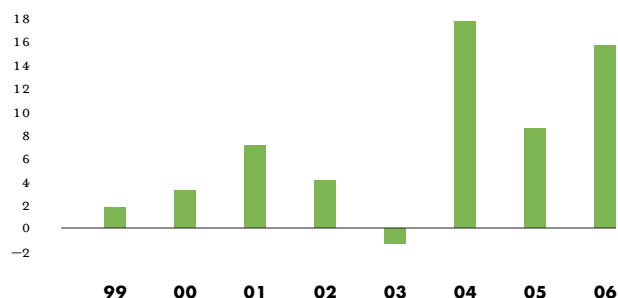


FIXED INCOME ●
REAL RETURN ASSETS ●
EQUITIES ●

CPP FUND

INVESTMENT RETURNS (%)

For the year ended March 31



THE NEAR-TERM ASSET-MIX TARGET

Fixed income assets include government bonds, cash and money market securities. Equities include public equities (which are publicly traded stocks) and private equities. Real return assets include inflation-linked bonds, infrastructure and real estate.

THREE-YEAR AVERAGE 13.8 PER CENT

Income earned on investments was 17.6 per cent in 2004, 8.5 per cent in 2005 and 15.5 per cent in 2006 for an average annual return of 13.8 per cent over three years.

SEVEN-YEAR REVIEW

For the year ended March 31 (\$ billions)	2006	2005	2004	2003	2002	2001	2000
CHANGE IN NET ASSETS							
Income							
Investment income	13.1	6.3	10.3	(1.1)	2.3	3.0	1.1
Net contributions	3.6	4.5	4.6	3.1	2.6	1.2	(1.3)
Increase in net assets	16.7	10.8	14.9	2.0	4.9	4.2	(0.2)

As at March 31 (\$ billions)	2006	2005	2004	2003	2002	2001	2000
NET ASSETS							
Equities							
Canada	29.1	27.7	22.6	11.7	10.0	5.0	2.0
Non-Canada	32.6	20.9	9.3	5.4	4.1	2.1	0.4
Real return assets							
Real estate	4.2	0.8	0.7	0.3	0.1	–	–
Infrastructure	0.3	0.2	–	–	–	–	–
Inflation-linked bonds	4.0	–	–	–	–	–	–
Nominal fixed income							
Bonds	27.2	28.6	30.2	31.0	32.6	35.3	35.8
Money market securities	0.6	3.1	7.7	7.2	6.8	6.3	6.3
Net assets	98.0	81.3	70.5	55.6	53.6	48.7	44.5

PERFORMANCE (%)							
Rate of return (annual)	15.5%	8.5%	17.6%	(1.5)%	4.0%	7.0%	3.2%