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CPP FUND ENDS FISCAL FIRST QUARTER AT \$129.7 BILLION

CPPIB continues to act on global investment opportunities

TORONTO, ON (August 11, 2010): The CPP Fund ended the first quarter of fiscal 2011 on June 30, 2010 at \$129.7 billion compared to \$127.6 billion at the end of fiscal 2010, on March 31, 2010.

The \$2.1 billion increase in assets after operating expenses this quarter was the result of contributions, which totaled \$3.8 billion in the first quarter, offset by an investment return of negative 1.3%, or negative \$1.7 billion. The investment result was primarily due to the decline in public equity markets, and this was reflected in CPPIB's public markets investment portfolio.

As global financial stimulus efforts tapered off and concern about economic conditions in Europe increased, many public equity market indices dropped significantly in the three-month period ended June 30, 2010. For example, the S&P 500 fell by 11.9%, and the TSX was down 6.2%.

“This was a challenging quarter for public equity markets around the world, many of which experienced double-digit declines,” said David Denison, President and CEO, CPP Investment Board. “This was also a quarter where the CPP Fund benefited from diversification into private equity, real estate, infrastructure and private debt holdings.”

For the five-year period ended June 30, 2010, the CPP Fund has generated an annualized investment rate of return of 3%, or \$13.8 billion of investment income. For the 10-year period ended June 30, 2010, the Fund has generated \$36.6 billion in investment income, reflecting an annualized rate of return of 5.1%.

Investment Portfolio Update

CPPIB investment teams were active on a broad range of transactions during the first quarter. Completed investments included the acquisition of ownership stakes in 1221 Avenue of the Americas and 600 Lexington Avenue in New York City, a U.S. shopping centre acquisition joint venture with Kimco Realty Corp., a property development joint venture in Australia with Goodman Group, and the acquisition of a 17.5% stake in oil sands developer Laricina Energy.

Transaction activity has continued since the end of the first quarter. In July, CPPIB submitted a conditional proposal to acquire Australian toll road operator Intoll Group, whose assets include a 30% interest in the 407 ETR in the Greater Toronto Area, and through an entity jointly owned by CPPIB and Onex, reached an agreement with Tomkins plc to acquire all of the issued and to be

issued share capital of Tomkins, a global engineering and manufacturing group. CPPIB also recently entered into a joint venture with U.K. property manager and developer Hammerson plc to acquire an office building at 10 Gresham Street in the City of London.

“We continue to focus on putting to work our comparative advantages including scale, predictable cash flows, and the long investment horizon of the CPP Fund to diversify our global portfolio,” said Mr. Denison. “We now have in place the resources and expertise to execute private asset transactions such as these most recent ones around the world.”

“Looking ahead, while we see a modest global recovery underway, we also see a number of challenges, particularly in international credit markets. Since access to credit markets remains a critical element in our ability to complete private asset transactions, we expect that they will continue to be difficult to execute throughout the balance of fiscal 2011. Notwithstanding these difficulties, this environment affords us opportunities to earn attractive risk adjusted returns, especially in the area of private debt. As a global organization, we also have the benefit of being able to invest in geographies that offer the best forward looking return characteristics on a risk adjusted basis and, as a result, we are continuing to pursue expansion of our investment activities into emerging markets,” Mr. Denison said.

At the end of June 2010, approximately 25% of the CPP Fund, or \$33 billion was invested in private assets.

Long-term sustainability

The CPP Fund is sustainable for the next 75 years, according to the most recent projection by the Chief Actuary of Canada. The report indicates that CPP contributions are expected to exceed annual benefits paid until 2021, providing an 11-year period before a portion of the investment income from the CPPIB will be needed to help pay pensions.

Asset Mix

- Equities represented 53.9% of the investment portfolio or \$69.9 billion. That amount consisted of 40.8% public equities valued at \$52.9 billion and 13.1% private equities valued at \$17.0 billion.
- Fixed income, which includes bonds, money market securities, other debt and debt financing liabilities, represented 32.0% or \$41.5 billion.
- Inflation-sensitive assets represented 14.1% or \$18.3 billion. Of those assets,
 - 6.1% consisted of real estate valued at \$7.9 billion
 - 4.7% was infrastructure assets valued at \$6.1 billion
 - 3.3% was inflation-linked bonds valued at \$4.3 billion.

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 17 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 June 30, 2010, the CPP Fund totaled \$129.7 billion. For more information about the CPP Investment Board, please visit www.cppib.ca.

For More Information

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