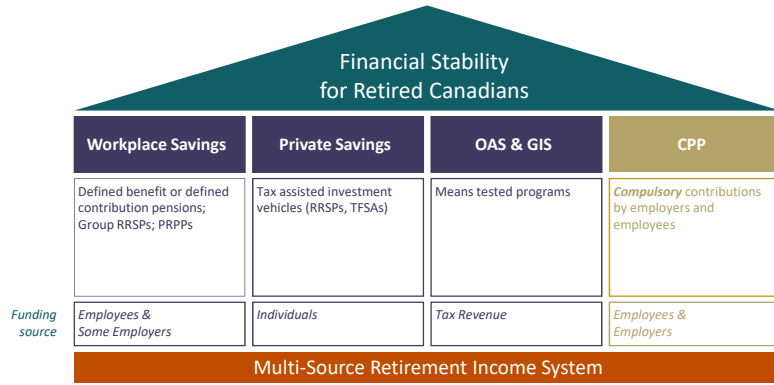
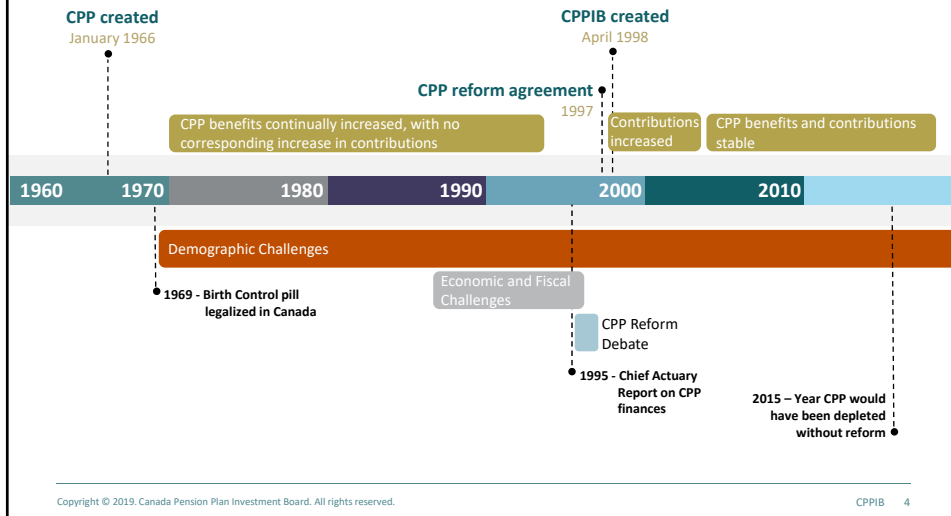
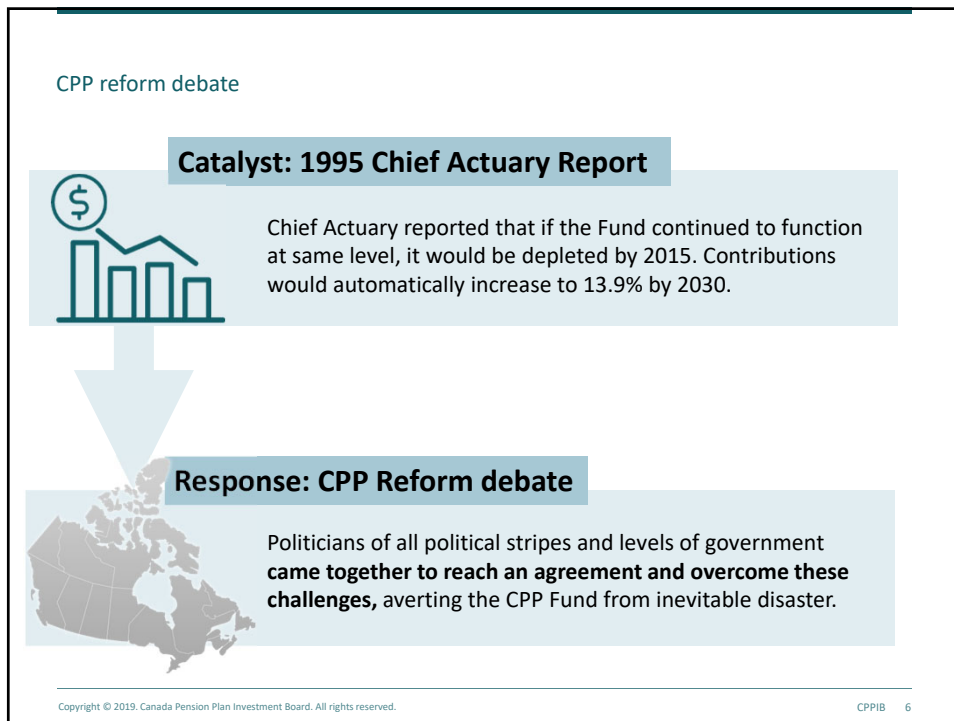
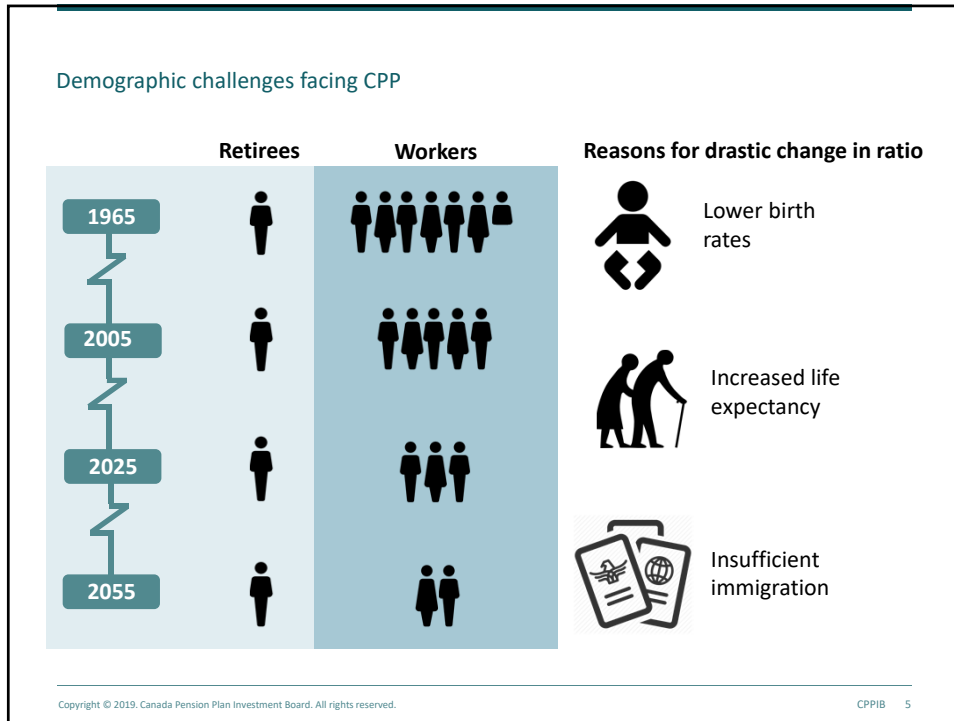


CPP - A key pillar of the Canadian retirement system



A brief history of the CPP





### Myths around CPP

- 66% of Canadians are either unsure or agree that the CPP will be out of money by the time they retire
- In addition, 56% of Canadians are worried that the CPP Funds are being raided by government
- An unwarranted lack of confidence, given the Chief Actuary's assessment and the fact that CPPIB operates at arm's length from government



### Financial Literacy

- Maximum CPP payment amount in 2019 for someone retiring at 65 was \$13,854.96
- Average amount for new beneficiaries was \$8,203.80 per year
- Important Canadians aware of this so they can know where they stand with regard to their retirement goals



### Latest CPP Reform

- Federal government and provinces reached deal in 2016 to expand CPP
- Once mature, the **CPP Enhancement** will increase the maximum CPP retirement pension by about 50 percent to around \$20,000 in today's dollar terms
- The enhancement will be fully funded and designed so each generation pays for its own benefits
- The gradual 7-year phase-in began on January 1, 2019

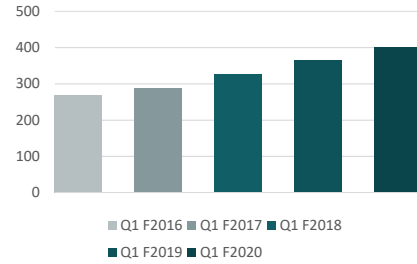


## CPP INVESTMENT BOARD

- Today CPPIB manages more than \$400 billion
- More than 1,600 employees
- Offices include Toronto, London, Hong Kong, New York and Mumbai
- Assets range from stocks and bonds to real estate and infrastructure
- Ranked as world's 8<sup>th</sup> largest pension fund
- 10.5% Net Annualized Return as of June 30, 2019

## FSSIE GROWTH

(C\$ billions)



FSSIE #ndfkhv#h#z #\*ljk#ri  
**\$400.6**  
**BILLION**  
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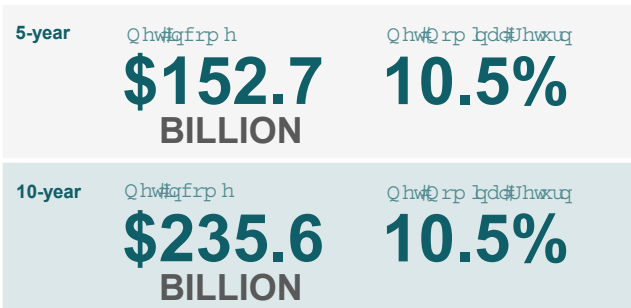
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## LONGER-TERM PERFORMANCE

Q1



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## Sustainability

- Every three years, the Office of the Chief Actuary independently reviews the financial state of the CPP
- Life expectancy, rising number of pensioners and the investment returns of the CPP Fund are all taken into account
- The Chief Actuary's latest report confirms the CPP is financially sustainable for the next 75 years

**75+** YEARS  
DURATION OF  
CPP SUSTAINABILITY

## Ensuring CPPIB's long-term success

CPPIB pursues an investment strategy designed to maximize returns for the best interest of all CPP contributors and beneficiaries.



## Governance

CPPIB's governance structure is globally recognized as a best practice for national pension plans. We operate at arm's length from government and our management team reports to an independent, professional board of directors. Our mandate is to invest the assets of the CPP Fund to achieve a maximum rate of return without undue risk of loss. In achieving this, CPPIB is required to take into account the factors that might affect the funding of the Canada Pension Plan, and to manage the Fund in the best interests of contributors and beneficiaries.

### AAA Rating

"... Well developed corporate governance and risk management frameworks; and an experienced management team."

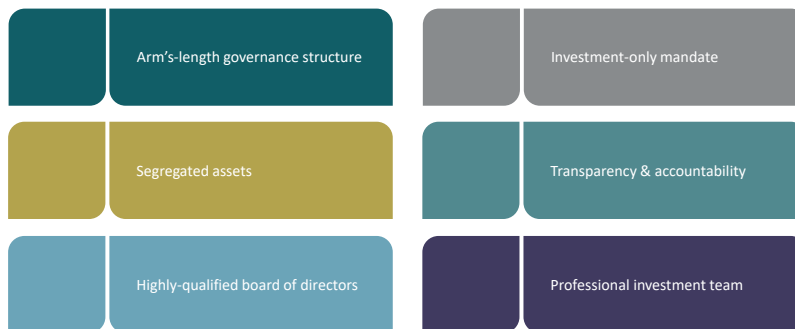
- Standard & Poor's

### International Recognition for Governance



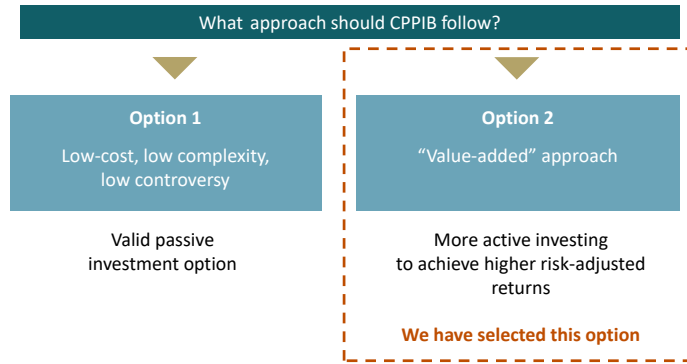
"Maple Revolutionaries"  
(March 3, 2012)

## A professional investment management organization

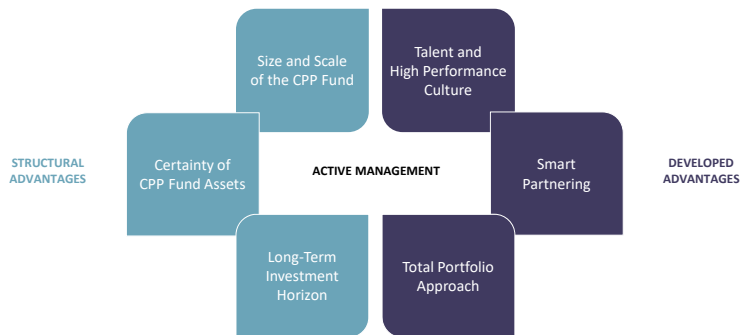




Two strategic options



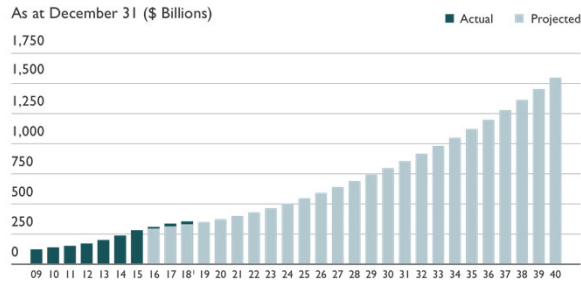
Our active management strategy is built on our comparative advantages



### Long investment horizon

- A long investment horizon gives us advantages over other investors, shaping our perspective on opportunities, risk and resilience through turbulent markets
- By investing for the next quarter century – not the next quarter – we can undertake and profit from investments that others cannot

#### CPP Fund Asset Projections — Growing and Sustainable



1. Table modified by CPPIB to show fiscal 2018 actual assets under management, as at March 31, 2018.

### Infrastructure Investments

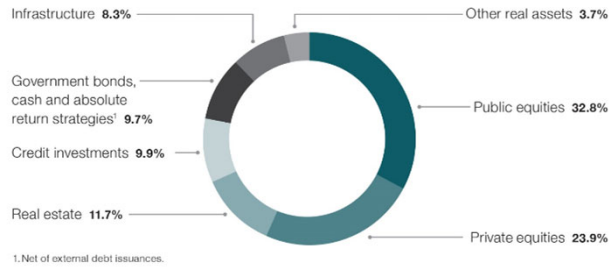


# Investor 353

## ASSET MIX

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As at June 30, 2019



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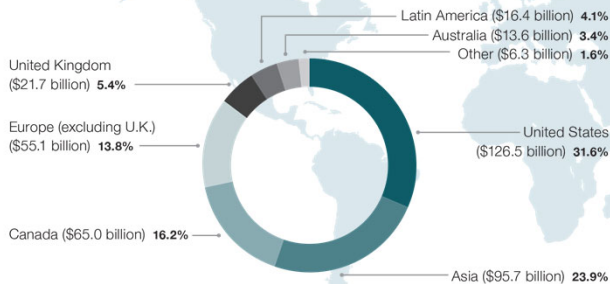
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## GLOBAL DIVERSIFICATION BY REGION

Q1

As at June 30, 2019



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## EXPANDING OUR GLOBAL FOOTPRINT

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CPP  
 INVESTMENT  
 BOARD

Thank you for your time  
 Questions?

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