



Corporate Profile

The Canada Pension Plan Investment Board is a professional investment management organization that invests the assets of the Canada Pension Plan (CPP) not required to pay current benefits. Created by an Act of Parliament in December 1997 as part of the successful CPP reforms, the organization's mandate is to help sustain the pensions of 17 million CPP contributors and beneficiaries by maximizing returns without undue risk of loss.

According to the latest report by the Chief Actuary of Canada, released in 2007, the CPP, as constituted, is sustainable throughout the report's 75-year projection period. The report indicates that CPP contributions are expected to exceed annual benefits paid until 2020, providing an 11-year period before a portion of the investment income from the CPP Investment Board is needed to help pay pensions. As a result, the CPP Fund will grow significantly between now and 2020. Beyond 2020 it will continue to grow, but at a slower rate, as a small portion of the investment income will be needed to help pay pensions. 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.

Our Disclosure Policy states: "*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.*" Our annual report, together with our website and quarterly financial result disclosures, help to make this information available to Canadians.

In order to continue diversifying the portfolio of CPP assets, the CPP Investment Board invests in public equities, private equities, real estate, inflation-linked bonds, infrastructure and fixed income instruments. Approximately \$48.0 billion is invested in Canada through a broadly diversified portfolio, while the rest is invested globally so that income from foreign investments flows back to Canada to help pay future pensions.

The CPP Investment Board is a Crown corporation that was specifically designed by the federal and provincial finance ministers to operate at arm's length from governments in the private-sector world of financial markets but with significant public accountability.

The organization is accountable to Parliament and to the federal and provincial finance ministers who serve as the stewards of the CPP. As an investment management organization operating in the private sector investing non-government assets, it is not a sovereign wealth fund. Several key attributes, including an arm's length governance model, independent board and investment-only mandate, distinguish the CPP Investment Board from the large pools of government assets under government direction generally identified as "sovereign".

Headquartered in Toronto, with offices in London and Hong Kong, 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)

	2009	2008
Net assets ¹	\$ 105.5	\$ 122.7
Net contributions	6.6	6.5
Investment income net of operating expenses	(23.8)	(0.4)

INVESTMENT PERFORMANCE (%)

Annual	(18.6)	(0.3)
Four-year annualized rate of return	1.4	9.0
Ten-year annualized rate of return	4.3	7.2

INVESTMENT PORTFOLIO

	(\$ billions)	(% of total)	(\$ billions)	(% of total)
Public equities	\$ 46.5	44.0%	\$ 63.7	51.8%
Private equities	14.1	13.4	13.4	10.9
Bonds	28.4	26.9	30.2	24.6
Other debt	1.8	1.7	1.1	1.0
Money market securities ²	(0.8)	(0.7)	—	—
Real estate ³	6.9	6.5	6.9	5.6
Inflation-linked bonds	4.1	3.9	4.7	3.9
Infrastructure	4.6	4.3	2.8	2.2
	\$ 105.6	100%	\$ 122.8	100%

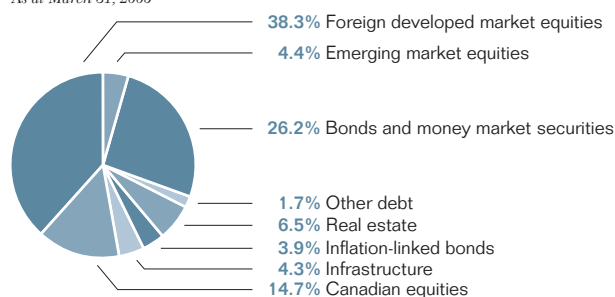
¹ Includes non-investment assets such as premises and equipment and non-investment liabilities.

² Includes amounts receivable/payable from pending trades, dividends receivable, accrued interest and absolute return strategies.

³ Net of debt on real estate properties.

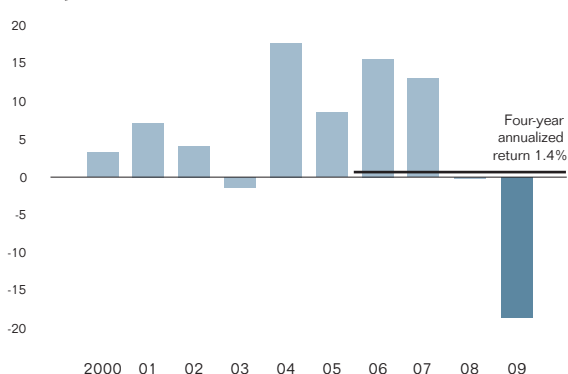
ASSET MIX

As at March 31, 2009



RATE OF RETURN (%)

For the year ended March 31



FOUR-YEAR ANNUALIZED RETURN 1.4 PER CENT

Income earned on investments was 15.5 per cent in 2006, 12.9 per cent in 2007, negative 0.3 per cent in 2008 and negative 18.6 per cent in 2009, for an annualized return of 1.4 per cent over the past four years.



Ten-Year Review

FOR THE YEAR ENDED MARCH 31

(\$ billions)	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
CHANGE IN NET ASSETS										
Income ¹										
Investment income	(23.6)	(0.3)	13.1	13.1	6.3	10.3	(1.1)	2.3	3.0	1.1
Operating expenses	(0.2)	(0.1)	(0.1)	–	–	–	–	–	–	–
Net contributions	6.6	6.5	5.6	3.6	4.5	4.6	3.1	2.6	1.2	(1.3)
Increase in net assets	(17.2)	6.1	18.6	16.7	10.8	14.9	2.0	4.9	4.2	(0.2)

AS AT MARCH 31 (\$ billions)	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
INVESTMENT PORTFOLIO										
Equities										
Canada	15.6	28.9	29.2	29.0	27.7	22.6	11.7	10.0	5.0	2.0
Foreign developed markets	40.4	47.5	46.1	32.7	20.9	9.3	5.4	4.1	2.1	0.4
Emerging markets	4.6	0.7	–	–	–	–	–	–	–	–
Fixed income										
Bonds	28.4	30.2	29.2	27.2	28.6	30.2	31.0	32.6	35.3	35.8
Other debt	1.8	1.1	–	–	–	–	–	–	–	–
Money market securities ²	(0.8)	–	0.4	0.6	3.1	7.7	7.2	6.8	6.3	6.3
Inflation-sensitive assets										
Real estate ³	6.9	6.9	5.7	4.2	0.8	0.7	0.3	0.1	–	–
Infrastructure	4.6	2.8	2.2	0.3	0.2	–	–	–	–	–
Inflation-linked bonds	4.1	4.7	3.8	4.0	–	–	–	–	–	–
INVESTMENT PORTFOLIO⁴	105.6	122.8	116.6	98.0	81.3	70.5	55.6	53.6	48.7	44.5

PERFORMANCE

Rate of return (annual) ⁵	-18.6%	-0.3%	12.9%	15.5%	8.5%	17.6%	-1.5%	4.0%	7.0%	3.2%
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¹ Included in the CPP Fund are certain specified CPP assets which were previously administered by the federal government and transferred to the CPP Investment Board over a period that began on May 1, 2004 and ended on April 1, 2007. Since April 1, 1999, the CPP Fund has earned \$23.8 billion in investment income net of operating expenses, which is comprised of \$8.6 billion from the CPP Investment Board and \$15.2 billion from assets historically administered by the federal government.

² Includes amounts receivable/payable from pending trades, dividends receivable, accrued interest and absolute return strategies.

³ Net of debt on real estate properties.

⁴ Excludes non-investment assets such as premises and equipment and non-investment liabilities.

⁵ Commencing in fiscal 2007, the rate of return reflects the performance of the investment portfolio which excludes the Cash for Benefits portfolio.