



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 (CPP) and help sustain the pensions of 17 million CPP contributors and beneficiaries by investing CPP assets and maximizing returns without undue risk of loss.

The CPP Investment Board invests CPP assets, the funds not needed by the Canada Pension Plan to pay current benefits. Contributions are expected to exceed annual benefits paid through to the end of 2019, providing a 12-year period before a portion of the investment income is needed to help pay pensions. The Chief Actuary of Canada has projected that CPP assets will grow to approximately \$250 billion by 2016 and that the CPP, as constituted, is sustainable throughout the 75-year period of his report. 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.”*

In order to further diversify the portfolio of CPP assets, the CPP Investment Board is currently investing cash flows in a diversified portfolio of public equities, private equities, real estate, inflation-linked bonds, infrastructure and fixed income. Approximately \$65.1 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.

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.

NOT A SOVEREIGN WEALTH FUND

As a professional investment management organization operating in the private sector, the CPP Investment Board is not a sovereign wealth fund. Several key attributes distinguish it from the large pools of government assets under government direction generally identified as “sovereign”. CPP Fund assets are not government assets. They are contributed by employees and employers directly and are segregated from government assets. The maximum-strength governance model, including an independent board of qualified professionals with powers to oversee the investment policy, is designed to protect the CPP Investment Board from political interference. The organization operates with an investment-only, commercial, fiduciary mandate in which investment decisions are made without political direction and at arm’s length from governments, and without regard to regional, social or economic development considerations or any other non-investment objectives. The CPP Investment Board operates with extremely high levels of disclosure and transparency, including publishing its investment policy and public equity holdings on its website and reporting to Canadians in line with regulatory requirements for public companies.

Financial Highlights

CPP FUND FINANCIAL OVERVIEW

FOR THE YEAR ENDED MARCH 31 (\$ billions)

| | 2008 | 2007 |
|---|----------|----------|
| Net assets ¹ | \$ 122.7 | \$ 116.6 |
| Net contributions | 6.5 | 5.6 |
| Investment income net of operating expenses | (0.4) | 13.0 |

INVESTMENT PERFORMANCE (%)²

| | | |
|-------------------------------------|-------|------|
| Annual | (0.3) | 12.9 |
| Four-year annualized rate of return | 9.0 | 13.6 |

| INVESTMENT PORTFOLIO | (\$ billions) | (% of total) | (\$ billions) | (% of total) |
|--------------------------------------|---------------|--------------|---------------|--------------|
| Public equities | \$ 63.7 | 51.8% | \$ 67.5 | 57.8% |
| Private equities | 13.4 | 10.9 | 8.1 | 7.0 |
| Bonds | 30.2 | 24.6 | 29.2 | 25.0 |
| Other debt | 1.1 | 0.9 | – | – |
| Absolute return strategies | 1.5 | 1.3 | – | – |
| Real estate ³ | 6.9 | 5.6 | 5.7 | 4.9 |
| Inflation-linked bonds | 4.7 | 3.9 | 3.8 | 3.3 |
| Infrastructure | 2.8 | 2.2 | 2.2 | 1.9 |
| Money market securities ⁴ | (1.5) | (1.2) | 0.1 | 0.1 |
| | \$ 122.8 | 100% | \$ 116.6 | 100% |

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

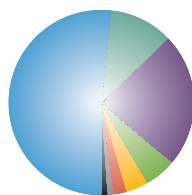
² Commencing in fiscal 2007, the rate of return reflects the performance of the investment portfolio, which excludes the Cash for Benefits portfolio.

³ Net of mortgage debt on real estate properties.

⁴ Includes amounts receivable/payable from pending trades, dividends receivable and accrued interest.

ASSET MIX

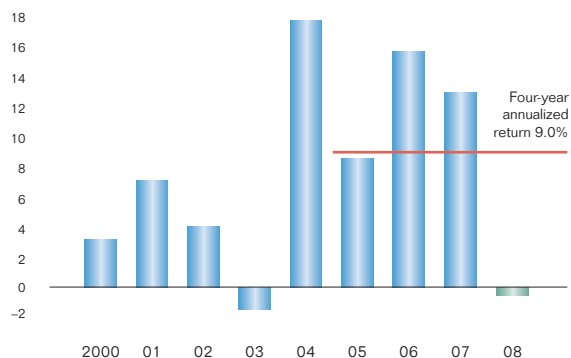
As at March 31, 2008



| |
|---|
| 51.8% Public equities |
| 10.9% Private equities |
| 23.4% Bonds and money market securities |
| 5.6% Real estate |
| 3.9% Inflation-linked bonds |
| 2.2% Infrastructure |
| 1.3% Absolute return strategies |
| 0.9% Other debt |

CPP FUND INVESTMENT RETURNS (%)

For the year ended March 31



FOUR-YEAR ANNUALIZED RETURN 9.0 PER CENT

Income earned on investments was 8.5 per cent in 2005, 15.5 per cent in 2006, 12.9 per cent in 2007 and negative 0.3 per cent in 2008, for an annualized return of 9.0 per cent over the past four years.

Ten-Year Review

FOR THE YEAR ENDED MARCH 31

| (\$ billions) | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 |
|-----------------------------|-------|-------|------|------|------|-------|------|------|-------|------|
| CHANGE IN NET ASSETS | | | | | | | | | | |
| Income | | | | | | | | | | |
| Investment income | (0.3) | 13.1 | 13.1 | 6.3 | 10.3 | (1.1) | 2.3 | 3.0 | 1.1 | – |
| Operating expenses | (0.1) | (0.1) | – | – | – | – | – | – | – | – |
| Net contributions | 6.5 | 5.6 | 3.6 | 4.5 | 4.6 | 3.1 | 2.6 | 1.2 | (1.3) | – |
| Increase in net assets | 6.1 | 18.6 | 16.7 | 10.8 | 14.9 | 2.0 | 4.9 | 4.2 | (0.2) | – |

| AS AT MARCH 31 (\$ billions) | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 |
|---|--------------|-------|-------|------|-------|-------|------|------|------|------|
| INVESTMENT PORTFOLIO | | | | | | | | | | |
| Equities | | | | | | | | | | |
| Canada | 28.9 | 29.2 | 29.1 | 27.7 | 22.6 | 11.7 | 10.0 | 5.0 | 2.0 | – |
| Foreign | 48.2 | 46.4 | 32.6 | 20.9 | 9.3 | 5.4 | 4.1 | 2.1 | 0.4 | – |
| Fixed income | | | | | | | | | | |
| Bonds | 30.2 | 29.2 | 27.2 | 28.6 | 30.2 | 31.0 | 32.6 | 35.3 | 35.8 | 39.2 |
| Other debt | 1.1 | – | – | – | – | – | – | – | – | – |
| Money market securities ¹ | (1.5) | 0.1 | 0.6 | 3.1 | 7.7 | 7.2 | 6.8 | 6.3 | 6.3 | 5.5 |
| Absolute return strategies | 1.5 | – | – | – | – | – | – | – | – | – |
| Inflation-sensitive assets | | | | | | | | | | |
| Real estate ² | 6.9 | 5.7 | 4.2 | 0.8 | 0.7 | 0.3 | 0.1 | – | – | – |
| Inflation-linked bonds | 4.7 | 3.8 | 4.0 | – | – | – | – | – | – | – |
| Infrastructure | 2.8 | 2.2 | 0.3 | 0.2 | – | – | – | – | – | – |
| Investment portfolio³ | 122.8 | 116.6 | 98.0 | 81.3 | 70.5 | 55.6 | 53.6 | 48.7 | 44.5 | 44.7 |
| PERFORMANCE | | | | | | | | | | |
| Rate of return (annual) ⁴ | -0.3% | 12.9% | 15.5% | 8.5% | 17.6% | -1.5% | 4.0% | 7.0% | 3.2% | – |

¹ Includes amounts receivable/payable from pending trades, dividends receivable and accrued interest.

² Net of mortgage debt on real estate properties.

³ Excludes non-investment assets such as premises and equipment and non-investment liabilities.

⁴ Commencing in fiscal 2007, the rate of return reflects the performance of the investment portfolio which excludes the Cash for Benefits portfolio.