

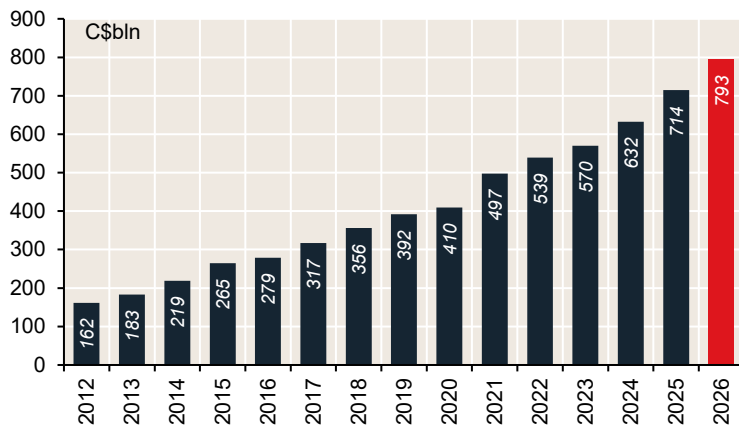
CPP Investments: Fiscal 2026 year in review

By Ethan Currie, Warren Lovely & Vy Le

CPP Investments closed the books on **fiscal 2026**, with the CPP Fund—a key element of Canada’s broad fiscal advantage—standing at \$793.3 billion as of March 31. The Fund has experienced substantial growth, expanding from \$714.4 billion one year prior. And the latest triennial Actuarial Report from last December (detailed [here](#)) points to a continued expansion (with the net asset curve pointed higher even after factoring in the announced reduction in the contribution rate for the Base CPP). Last year’s net return of 7.8% trailed the benchmark, given differences in relative exposure to public equities and tech. CPP Investments’ longer-term performance record nonetheless remains solid (and benchmark-beating). Asset diversification remains something of a hallmark, by both asset class and geography, with the Fund’s exposure to Canada remaining at 12%.

Chart 1: Yet again, CPP records strong net asset growth...

CPP net assets by fiscal year

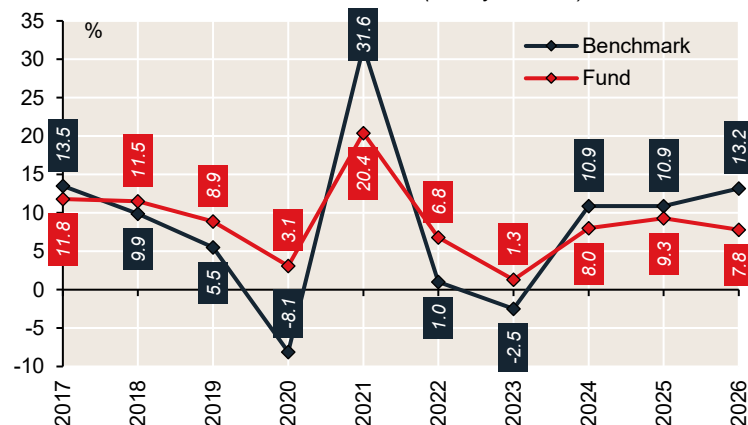


Source: NBC, CPPIB | Note: Combined height = total assets; as at fiscal year-end (31-Mar)

CPP’s net assets continue to accumulate, having nearly tripled in the last decade. Per the most recent Actuarial Report (which we covered in more detail [here](#)), that asset trajectory is pointed higher / steeper relative to prior guidance. We’d note that AR was based on the *current* (9.9%) contribution rate for the base CPP, and while a reduction in this rate (to 9.5%) would moderate asset growth, the Fund is nonetheless expected to continue to grow. In fact, it’s in part because of the underlying health / strength of the CPP that this contribution rate could be tapered down.

Chart 3: Visualizing CPP’s annual returns vs the benchmark

CPP Investments annual net nominal returns (fiscal year basis) vs benchmark



Source: NBC, CPPIB | Note: Year refers to FY end (i.e., 2026 at 31-Mar-26)

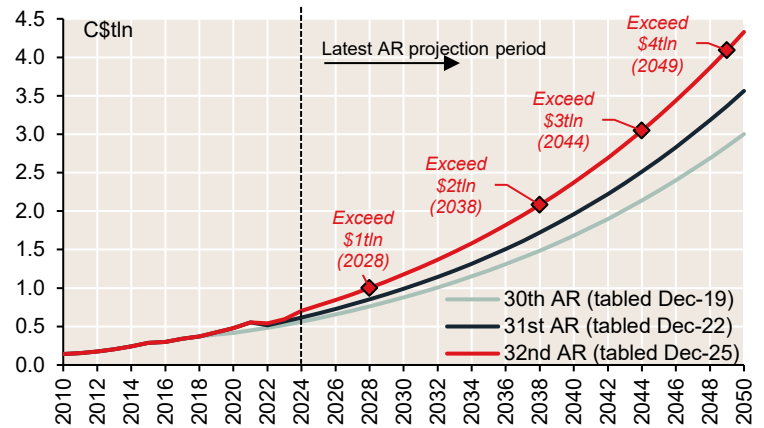
CPP has generated positive annual returns over the past decade, delivering a smoother ride compared to its benchmark portfolios. While (out-/under-) performance understandably varies year-to-year, CPP’s longer run track record stands out. A 10-year annualized return of 8.8% is not only benchmark-exceeding but ranks as one of the best performances globally (per [Global SWF](#)).

Meanwhile, **CPPIBC** is an increasingly vibrant and relevant debt issuer, with the Fund’s asset growth allowing for a growing stock of these AAA-rated securities (available across the curve in multiple currencies).

Coincidentally, CPP Investments’ annual report lands on the same day OSFI proposed 2027 liquidity guidelines, subject to consultation, including the planned creation of a new Level 1B HQLA category comprising (among other things) marketable securities of a “federal or provincial Crown corporation established by statute for the sole purpose of managing and investing public pension assets on behalf of the sponsoring government(s)”. OSFI’s liquidity guidelines will be explored separately in a future *Market View*.

Chart 2: ...which is set to continue (per 32nd actuarial report)

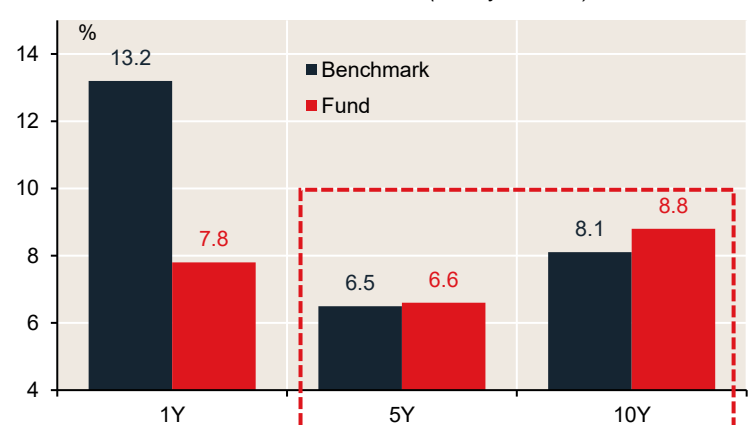
Actual / projected assets of CPP (Base + Add'l) via the latest Actuarial Reports



Source: NBC, OCA | Note: Projection period varies by AR

Chart 4: Outperformance a common theme over long run

CPP Investments annual net nominal returns (fiscal year basis) vs benchmark

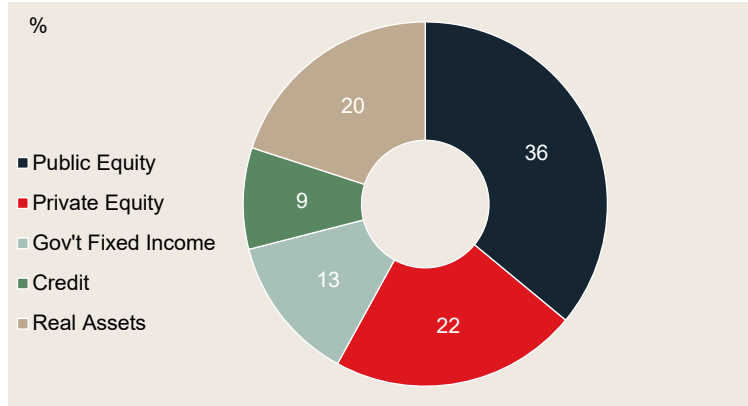


Source: NBC, CPPIB



Chart 5: Broadly diversified collection of assets...

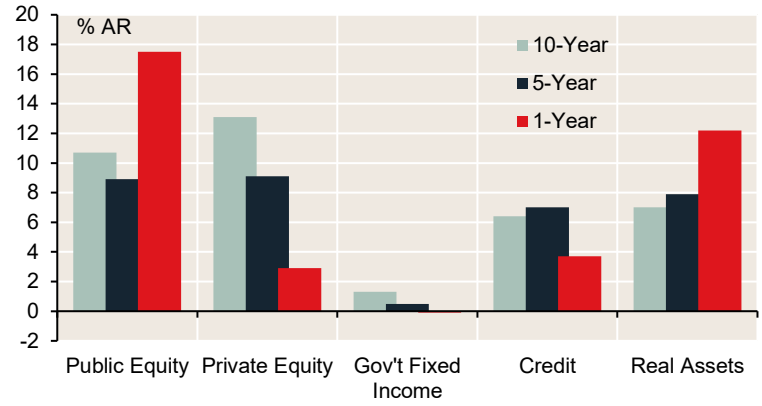
CPP Investments net assets by asset class (as at 31-Mar-2026)



Source: NBC, CPPIB

Chart 6: ...with public equities leading returns in fiscal '26

CPP Investments annualized net nominal returns by region to 31-Mar-2026

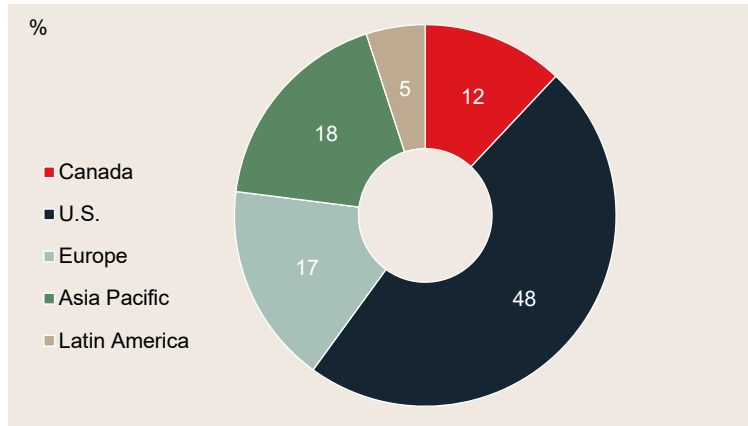


Source: NBC, CPPIB

The Fund remains well diversified across asset classes. Public equities, the largest allocation, delivered the strongest returns in fiscal 2026. The portfolio's one-year performance lag versus the benchmark reflects cyclical headwinds in private equity and real assets, while the benchmark benefited from greater exposure to tech and AI-driven equities. CPP Investments remains focused on disciplined, long-term investing which performs across scenarios, while also positioning for global change, focusing on trends like AI infrastructure, climate transition, and supply chain fragmentation.

Chart 7: Geographic diversification on display, too...

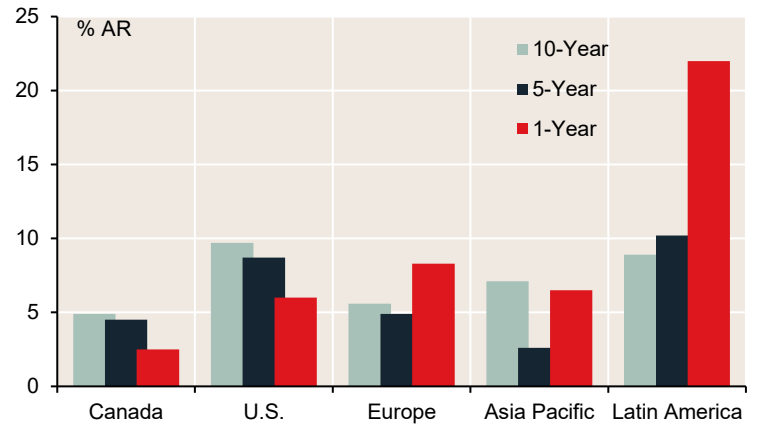
CPP Investments net assets by region (as at 31-Mar-2026)



Source: NBC, CPPIB

Chart 8: ...with realized returns varied, as expected

CPP Investments annualized net nominal returns by region to 31-Mar-2026

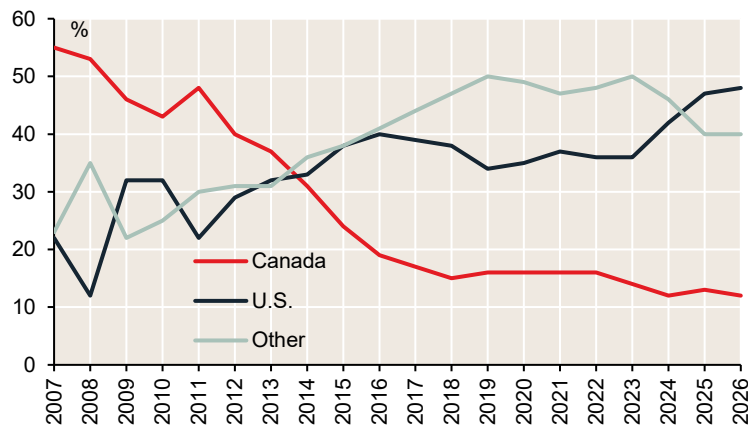


Source: NBC, CPPIB

The Fund is highly diversified geographically. At 2026 fiscal year end, roughly half of net assets were related to U.S.-based investment. Investment returns in Europe and LatAm were especially impressive relative to longer-run averages. Though domestic (Canadian) investment holds a lower share of the Fund, an all-time high of \$119.2 billion was recorded at 31-Mar-2026.

Chart 9: Non-Canada Fund exposure has climbed post-GFC

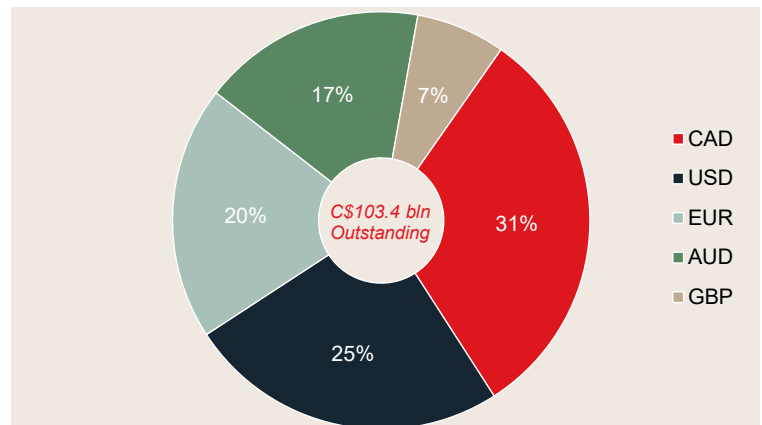
CPP Investments net assets by region



Source: NBC, CPPIB

Chart 10: CCY diversification displayed in bond stock, too

Currency distribution of outstanding CPPIBC bonds



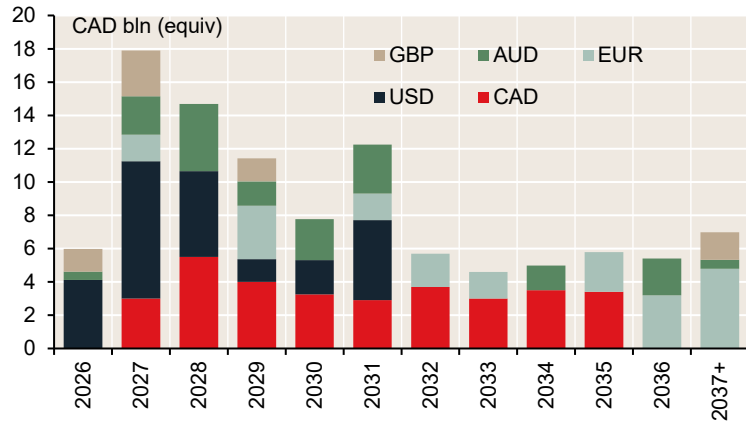
Source: NBC, Bloomberg | Note: Current issuer as defined by Bloomberg, as at 22-May-2026

Alongside impressive asset growth, CPP has become an increasingly prominent participant in the debt capital markets. And like Fund assets, the outstanding stock of CPP issues is diverse by nature. Bonds are offered up at different points on the curve, available in fixed / floating coupons, and in five core currencies (where liquid benchmarks remain the ongoing focus, more on that below).



Chart 11: CPPIBC's well developed maturity profile

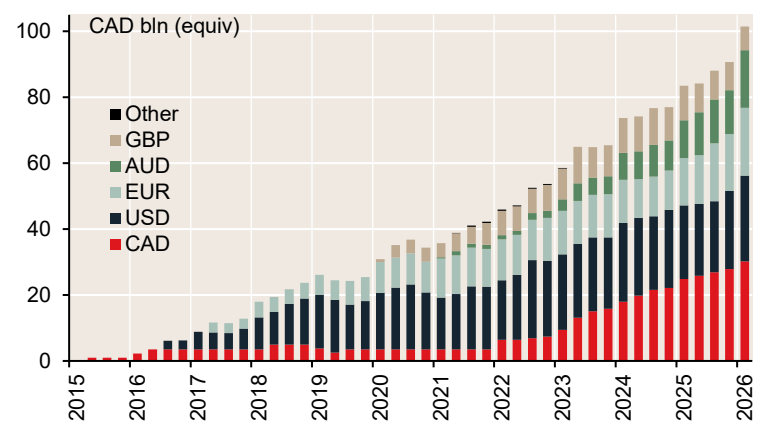
Debt distribution by currency & maturity year of outstanding CPPIBC bonds



Source: NBC, Bloomberg | Note: Current issuer as defined by Bloomberg, as at 22-May-2026

Chart 12: Bond stock increasingly diverse and liquid

Debt outstanding by currency at quarter-end since program inception (2015)

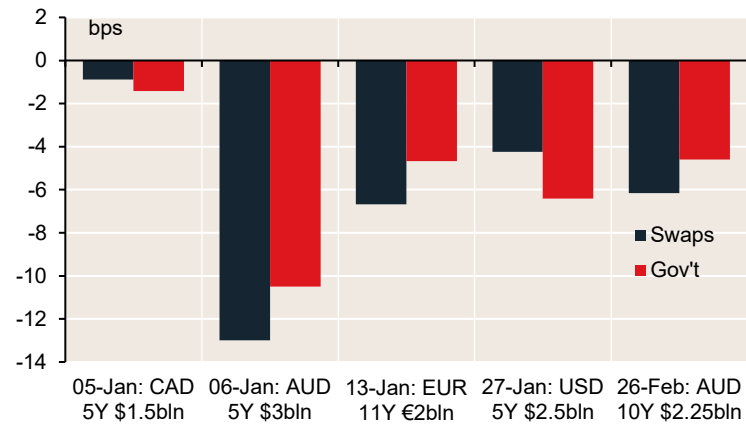


Source: NBC, Bloomberg | Note: Labels denote FY-end (i.e., last bar is at 31-Mar-2026)

Outstanding CPPIBC bonds amount to over \$100 bln (CAD equivalent), with issues available across tenors and five 'core' currencies. An issuer since 2015, CPP Investment deal volumes have grown substantially, led by benchmark transactions (which will continue to be in focus, CAD sourcing expected to be ~50%). Growth in the debt stock is projected to move alongside Fund growth.

Chart 13: Benchmark deals met with ample demand...

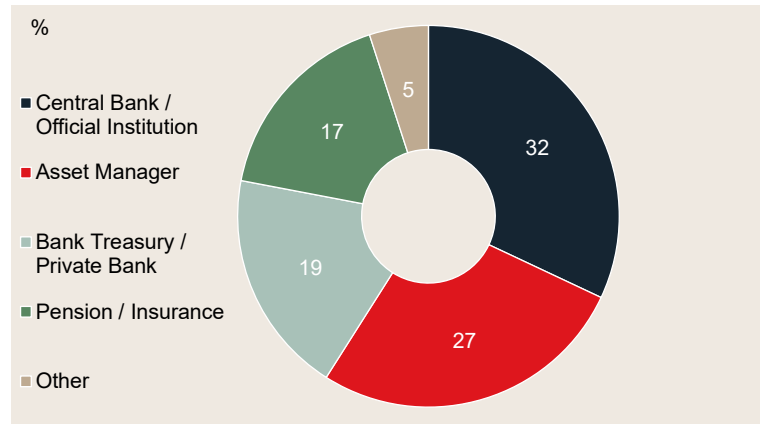
Spread compression from NI levels on select calendar 2026 CPPIBC bond deals



Source: NBC, Bloomberg | Note: Deal size expressed in local currency, sorted by deal date

Chart 14: ...attracting diverse investor base

CPPIBC average investor distribution since bond program inception

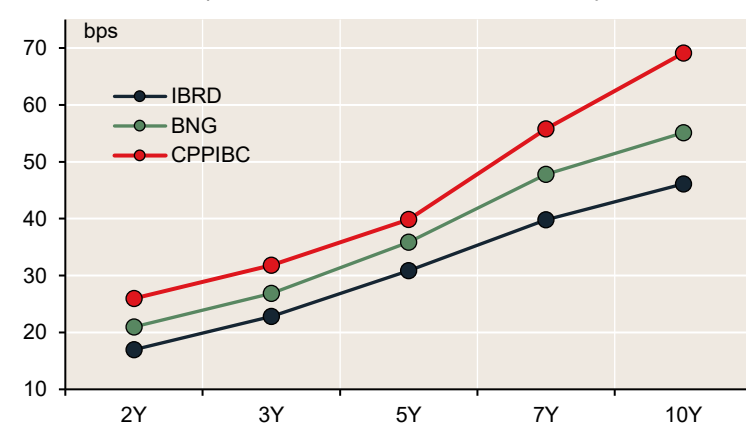


Source: NBC, CPPIB

More recent benchmark transactions from the issuer (i.e., those in calendar 2026) have been met with impressive investor demand. Q4 (i.e., Jan-26 to Mar-26) saw the largest quarterly issuance volume in program history, with record orderbooks across USD, EUR, and AUD deals. All those deals managed significant oversubscription and subsequently tightened from new issue levels. Since the issuance program kicked off, CPPIBC bonds have been allocated to a diverse (and increasingly large) investor base, including official money, asset manager, and bank treasury accounts.

Chart 15: AAA-rated CPPIBC bonds offer pick to other SSAs

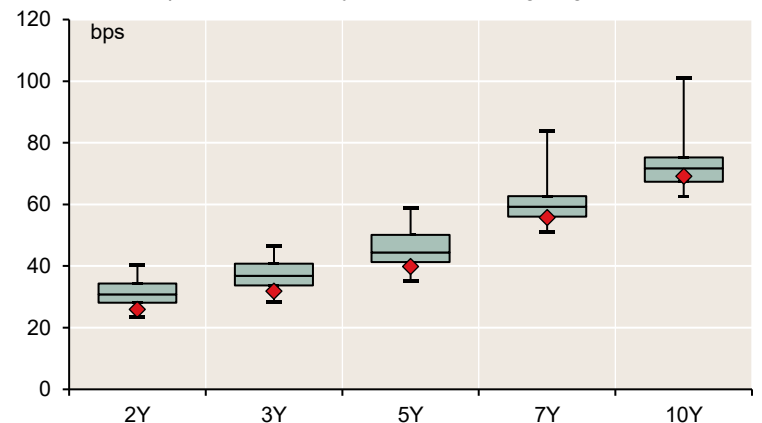
Current USD SOFR spread indications for select SSA issuers, by tenor



Source: NBC

Chart 16: Spread compression notable (w/ scope to richen)

CPPIBC SOFR spread indications by tenor—12M trading range



Source: NBC | Note: Marker denotes current level; box represents 2nd and 3rd quartiles

CPPIBC yield spreads trade in-line Canadian provinces and, despite a AAA rating, offer up an attractive yield pick (especially out the curve) vs other high-quality SSA credit. Spreads have performed well over the past year, compressing on a G-basis and tightening against swaps, too (though incremental yield here is admittedly loftier). We remain constructive on SSA names—CPP in particular.



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