

Canada Pension Plan Investment Board and Sound Point Capital Management Form Partnership in CLO Equity

TORONTO, CANADA — September 24, 2018— [Canada Pension Plan Investment Board](#) (CPPIB) announced today that its wholly-owned subsidiary, CPPIB Credit Investments Inc. (CPPIB Credit), is broadening its portfolio through new investments in equity tranches of collateralized loan obligations (CLOs) alongside experienced CLO asset managers.

CPPIB Credit's initial partnership in CLO equity investing will be with Sound Point Capital Management, LP (Sound Point), a New York-based credit-focused asset manager. CPPIB Credit will invest US\$285 million in a newly established investment vehicle used to purchase equity in Sound Point's CLOs over the next several years.

A CLO is a securitization vehicle holding a diversified portfolio of actively managed corporate loans. The CLO asset class has exhibited solid long-term returns through the economic cycle. Since the popularization of cash-flow CLOs in the early 2000s, historical performance of CLO equity tranches has been favourable compared to that of subordinated tranches of other structured credit asset classes. CLO investments help to diversify CPPIB's portfolio in pursuit of better risk-adjusted returns when compared to traditional fixed income and equities.

"CLO equity is an attractive asset class that enables us to further broaden and diversify our overall Credit Investments portfolio, and offers a compelling source of risk-adjusted returns for the Fund," said John Graham, Senior Managing Director & Global Head of Credit Investments, CPPIB. "We are pleased to launch a CLO partnership with Sound Point, a top-tier manager with a demonstrated ability to consistently perform, a strong credit culture and operational expertise. We look forward to identifying more potential partners with unique offerings for this multi-manager CLO Equity strategy."

"Sound Point is thrilled to have CPPIB as a strategic partner in our CLO business. Their investment allows us to continue our commitment to expanding our best-in-class CLO platform. CPPIB has earned their reputation as a premier investment firm, and we look forward to a long and mutually beneficial partnership," said Steve Ketchum, Founder and Chief Investment Officer of Sound Point.

At June 30, 2018, CPPIB's Credit Investments department had a portfolio that totalled C\$25.6 billion with a variety of investments across North America, Europe, Latin America and Asia Pacific. These global programs include structured credit and financials, leveraged finance, public credit, real assets credit and intellectual property-backed investments.

About CPPIB Credit Investments Inc.

CPPIB Credit Investments Inc., a wholly-owned subsidiary of CPPIB, comprises six investment groups – Americas Structured Credit & Financials, Americas Leveraged Finance, Public Credit, Real Assets Credit, European Credit and APAC Credit. With investments and more than 75 professionals in North America, Europe, Latin America and Asia Pacific, CPPIB's Credit Investments department focuses on providing financing solutions across the credit spectrum and capital structure.

CPPIB's Americas Structured Credit and Financials group is responsible for non-investment grade structured credit, capital solutions for financial institutions and intellectual property-backed investments.

About Canada Pension Plan Investment Board

Canada Pension Plan Investment Board (CPPIB) is a professional investment management organization that invests the funds not needed by the Canada Pension Plan (CPP) to pay current benefits on behalf of 20 million contributors and beneficiaries. In order to build a diversified portfolio of CPP assets, CPPIB invests in public equities, private equities, real estate, infrastructure and fixed income instruments. Headquartered in Toronto, with offices in Hong Kong, London, Luxembourg, Mumbai, New York City, São Paulo and Sydney, CPPIB is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At June 30, 2018, the CPP Fund totalled C\$366.6 billion. For more information about CPPIB, please visit www.cppib.com or follow us on [LinkedIn](#), [Facebook](#) or [Twitter](#).

About Sound Point Management LP

Sound Point Capital Management, LP is a \$19 billion asset management firm founded in 2008 by Stephen Ketchum. Sound Point has expertise across various credit strategies, including collateralized loan obligations, leveraged loans, stressed and distressed credit, commercial real estate and direct loan origination. Sound Point manages money on behalf of institutions, pensions, foundations, insurance companies, wealth management firms, family offices and high net worth individuals across a spectrum of liquid and illiquid credit alternatives, including commingled funds, long-only vehicles, collateralized loan obligations and managed accounts. Founder and Chief Investment Officer, Stephen Ketchum, brings over 27 years of experience in credit investing, structuring and advisory, and leads a team of 33 investment professionals with deep experience in the credit markets. Sound Point's investment team is supported by an institutionalized operational team and infrastructure and is enhanced through its partnership with Stone Point Capital and Dyal Capital Partners, the two minority stake holders in the Firm. Sound Point is headquartered in New York City with offices in London. For more information, please refer to the Sound Point website at www.soundpointcap.com.

For more information:

CPPIB

Darryl Konynenbelt
Director, Global Media Relations
416-972-8389
dkonynenbelt@cppib.com