

CDPQ announces the integration of its real estate subsidiaries

- Ivanhoé Cambridge and Otéra Capital will become investment groups within CDPQ and retain their respective brands in the markets
- Corporate services teams will be combined with CDPQ's teams
- Integration aims to ensure CDPQ is well positioned for the future by further leveraging the talent and expertise of the overall group

Montréal, January 24, 2024 – To support its strategy and optimize its activities, CDPQ today announced that it will integrate its real estate subsidiaries, Ivanhoé Cambridge and Otéra Capital. This decision is in line with the evolution of the real estate subsidiaries and numerous initiatives launched within the CDPQ group in recent years to implement best practices and achieve efficiency gains for CDPQ and its depositors.

The integration of the real estate subsidiaries will begin on January 29, 2024, and conclude within 18 to 24 months. The corporate services teams will report to those at CDPQ starting next week. The corporate services teams support the investment groups' activities on a daily basis, and include, for example, the finance, operations, digital technology, human resources, legal affairs, communications and risk management teams.

The subsidiaries' investment teams will also become CDPQ investment groups starting on April 29, 2024, and will continue to conduct their activities in the market under their respective brands, Ivanhoé Cambridge and Otéra Capital. The subsidiaries' investment partners and clients will pursue their business relationships in the normal course of activities.

In addition to the efficiency gains that are expected, the benefits of integrating the real estate subsidiaries into CDPQ are numerous, including:

- Increasing focus on investment expertise
- Maximizing business relationships and partnerships
- Consolidating our global presence across all asset classes and seeking investment opportunities that integrate them even more
- Harmonizing governance and increasing its effectiveness
- Strengthening analytical capacity
- Optimizing corporate services to benefit from the best talent and best practices of the three organizations
- Providing richer opportunities for talent development and mobility

At the conclusion of the integration—in the next 18 to 24 months—CDPQ expects to generate annual savings of around \$100 million through the synergies achieved in its processes, resources and systems.

“This integration stems from a vision of an integrated CDPQ that maximizes its impact and performance to offer our depositors the best service for the most efficient cost. It allows us to further leverage our subsidiaries’ deep real estate expertise and the best talent in corporate services from all three organizations to execute our strategy and position CDPQ well for the future. We want to work as one team—one CDPQ—and build on the unique know-how of our talent to create value for our depositors,” said Charles Emond, President and Chief Executive Officer of CDPQ.

“In recent years, Ivanhoé Cambridge has gradually transformed from the dual role of operating properties and making investments into an organization focused on its primary vocation—investing. Combining our abilities with those of the CDPQ group is the logical next step of this evolution, which will allow us to focus on what we do best—investing in real estate around the world. In a highly complex and competitive environment, the strength of the Ivanhoé Cambridge brand will be put to use in a more integrated way within CDPQ to benefit depositors,” noted Nathalie Palladitcheff, President and Chief Executive Officer of Ivanhoé Cambridge.

“Otéra Capital has evolved tremendously in recent years, particularly by growing our portfolio and diversifying our products and markets. We also multiplied collaboration opportunities in all sectors with our colleagues in the CDPQ group, which has greatly contributed to these advances made by our teams. This integration will allow us to continue moving in the same direction and to further leverage the expertise and strength of the entire CDPQ group,” added Rana Ghorayeb, President and Chief Executive Officer of Otéra Capital, who will continue to oversee the investment group and sit on the CDPQ Executive Committee.

Leadership and governance transition

As part of this integration, CDPQ will acquire all the interests held by minority shareholders in the share capital of Ivanhoé Cambridge and Otéra Capital, thereby becoming the sole shareholder.

Upon closing of the transaction to acquire the shares held by minority shareholders at the end of April, the governance of the real estate subsidiaries will be integrated into CDPQ. Nathalie Palladitcheff has decided to leave the CDPQ group when the transition period is concluded.

“Over four years ago, we began to significantly transform Ivanhoé Cambridge during a period of profound change in our industry. I’m very proud of the colossal work accomplished with my teams and our portfolio is well positioned for the future. Being able to put all our energies into our core profession—our real estate expertise—will be decisive for creating value in an environment that continues to be complicated,” said Nathalie Palladitcheff, President and Chief Executive Officer of Ivanhoé Cambridge.

“My transformation mandate will conclude at the end of the transition period in which I will be fully engaged. I would like to thank Charles for his trust and backing throughout this evolution, all of my teams for their deep commitment and my colleagues at CDPQ for their collaboration. On this journey we have taken together, we have always kept our depositors first in mind, because Ivanhoé Cambridge is an integral part of CDPQ. I’m privileged to have been able to make a contribution to this great institution,” she added.

“Since joining CDPQ, Nathalie has distinguished herself by her vision and strong leadership, which allowed her to take Ivanhoé Cambridge even further. The context in which she executed her mandate was marked by the dual challenge of the atypical environment caused by the pandemic and the profound transformation of the real estate sector. Appointed to lead our respective organizations within a few months of each other, we built a strong relationship based on trust and navigated these circumstances with a shared mindset: make courageous and demanding decisions. Nathalie accomplished a lot for CDPQ and our depositors by leading the transformation of the Ivanhoé Cambridge business model and by repositioning the portfolio toward promising sectors with her teams,” said Charles Emond, President and Chief Executive Officer of CDPQ. “During our discussions about the integration project, Nathalie shared with me her decision to leave our organization following the transition period. I would like to sincerely thank her for her continuous support and important contributions to achieving our strategy.”

The appointment of a new leader for the Real Estate investment group should be announced by the end of the transition period to ensure a gradual and orderly leadership transfer.

ABOUT CDPQ

At CDPQ, we invest constructively to generate sustainable returns over the long term. As a global investment group managing funds for public pension and insurance plans, we work alongside our partners to build enterprises that drive performance and progress. We are active in the major financial markets, private equity, infrastructure, real estate and private debt. As at June 30, 2023, CDPQ’s net assets totalled CAD 424 billion. For more information, visit cdpq.com, consult our [LinkedIn](#) or [Instagram](#) pages, or follow us on [X](#).

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