



CPP: Where Is Your Money Invested?

Description

The Canada Pension Plan (CPP) is one of the world's most robust government-controlled retirement schemes. Unlike other countries, Canada's pension pot is wisely invested and well funded, which means anyone paying into the scheme today can expect a payout when they get old.

That said, the average Canadian taxpayer has no clue where or how their CPP contributions are invested. If you're a taxpayer or a pensioner, here's what you need to know.

CPP investment portfolio

The CPP investment board is a group of professionals who've been managing these critical assets for 75 years. Over the past ten years, their nominal returns have been 9.9% on average annually. Last year, they generated 3.1% in net return and assets under management have surged to \$409.6 billion.

In short, every Canadian can sleep well knowing their retirement is secured by the government. The portfolio is also well-diversified across private equities, direct credit securities, real estate, emerging market assets and infrastructure. However, the largest allocation (28%) is to public equities.

Here are two Canadian stocks the [CPP investment board](#) holds right now.

CPP stocks

The taxman's portfolio includes Montreal-based consulting firm **WSP Global** ([TSX:WSP](#)) and specialty food manufacturer **Premium Brands Holdings** ([TSX:PBH](#)). Both could be considered safe value investments that you should consider adding to your personal portfolio too.

Premium Brands Holdings has shrugged off the retail apocalypse triggered by COVID-19. While retailers that rely heavily on foot traffic have capitulated, the specialty food manufacturing and distribution company has remained resilient. The stock is already up by more than 50% from 2020 lows and looks set to finish the year at one-year highs.

PBH has survived the onslaught in the retails sector by focusing on niche food items and products that continue to elicit strong demand amid the pandemic. The company also boasts of a robust portfolio made up of Audrey's, Conte Food, and Expresco.

The niche product line and brands have allowed the company to profit from a loyal customer base affirmed by substantial cash flows. In the third quarter, revenue was up 13.7% to \$1.1 billion. Organic growth was up to 12.5% from 9.1%. Besides, the company reported a record EBITDA of \$93.5 million. It also reported record adjusted earnings per share of \$1.07 a share.

WSP Global

Meanwhile, WSP stock has nearly doubled in value since early-2020. After a 90% plus rally and currently flirting with record highs.

The company's stellar performance stems from the fact that its core business revolves around helping government agencies and private firms manage infrastructure projects. The company offers professional consulting services in the U.S, Canada, Europe, and the Middle East. Its core business revolves around advising, planning, designing, and managing projects around rail transit aviation, highways, and bridges.

At a time when most companies in the sector were reporting a double-digit decline in revenues owing to COVID-19 disruptions, WSP Global reported \$2.1 billion in net revenues, a mere 0.4% decline. Backlog as of September was at 11.6 months high of \$8.5 billion as net earnings attributable to shareholders rose 11.3% to \$104.3 million or \$0.92 a share.

Bottom line

The CPP's track record as a savvy investor makes their portfolio holdings noteworthy. Investors should take a closer look at WSP Global and PBH.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:PBH (Premium Brands Holdings Corporation)
2. TSX:WSP (WSP Global)

PARTNER-FEEDS

1. Business Insider

2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Investing

Date

2025/08/17

Date Created

2021/01/09

Author

vraisinghani

default watermark

default watermark