



Annual Public Meeting

Ottawa, November 20, 2014

By

Michael P. Mueller, Chair of the Board

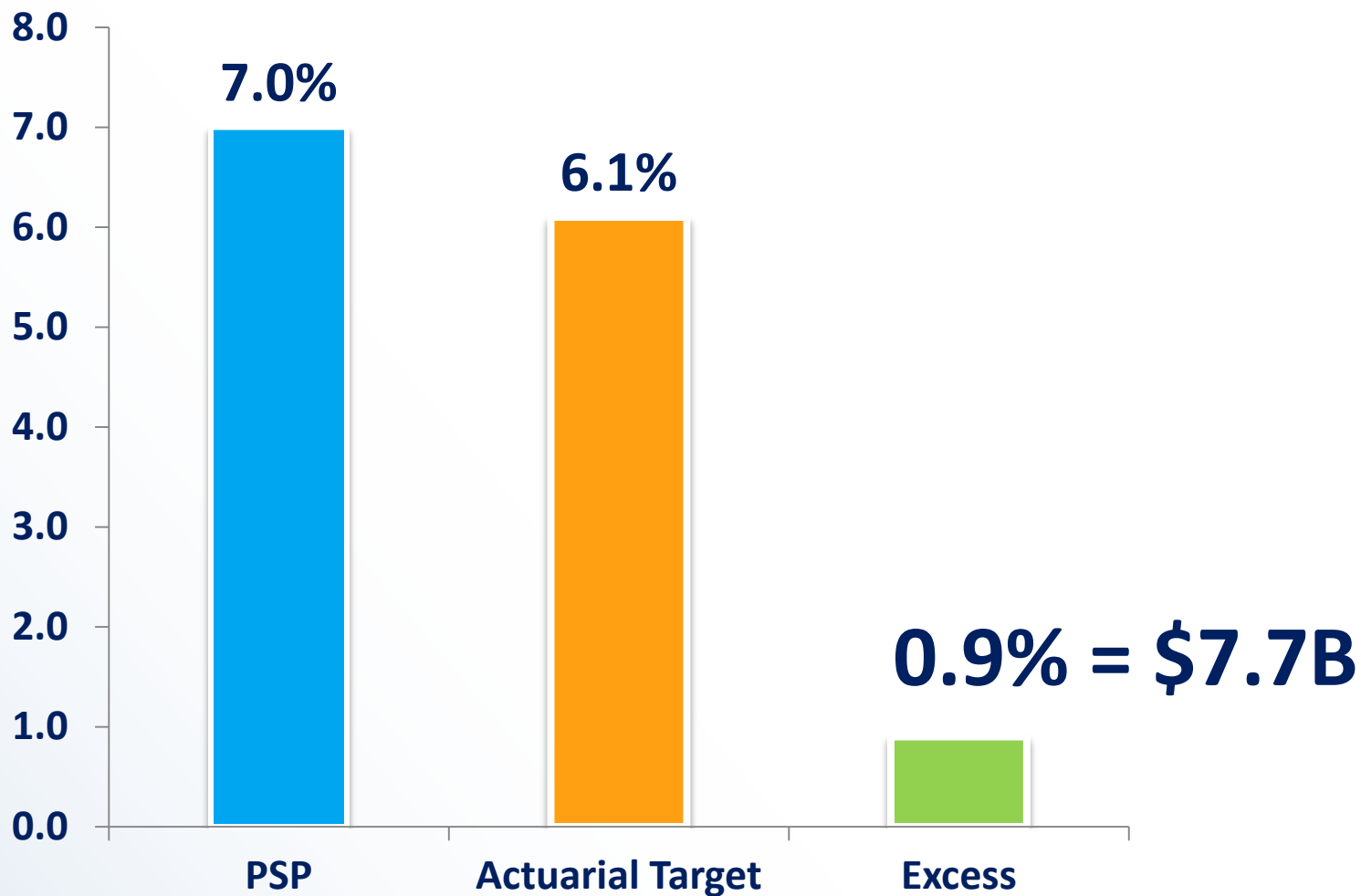
John Valentini, Interim President and CEO, and Chief Financial Officer



Michael P. Mueller

Chair, Board of Directors

10-Year Return Annualized, net



Responsible Investment



- Amended Responsible Investment Policy
 - Ensure that all environmental, social and governance (ESG) risks and opportunities are identified, monitored and mitigated.
 - Enhanced reporting to the Board.
- Signed United Nations-supported Principles for Responsible Investment Initiative (UNPRI).

Luxembourg

- PSP always complies with all relevant laws.
- We work openly and transparently with foreign authorities.
- We pay all legally required taxes.

Strategic Plan 2018



Scaling to \$200 billion

Agility and Robustness

One PSP

CEO Search Process



Board Appointments

- **Timothy Hodgson**

- Managing partner, Alignvest Management Corporation
- Former CEO, Goldman Sachs Canada
- Former Special Advisor to the Governor of the Bank of Canada

- **Martin Glynn**

- Former President and CEO, HSBC Bank U.S.A. and HSBC Bank Canada



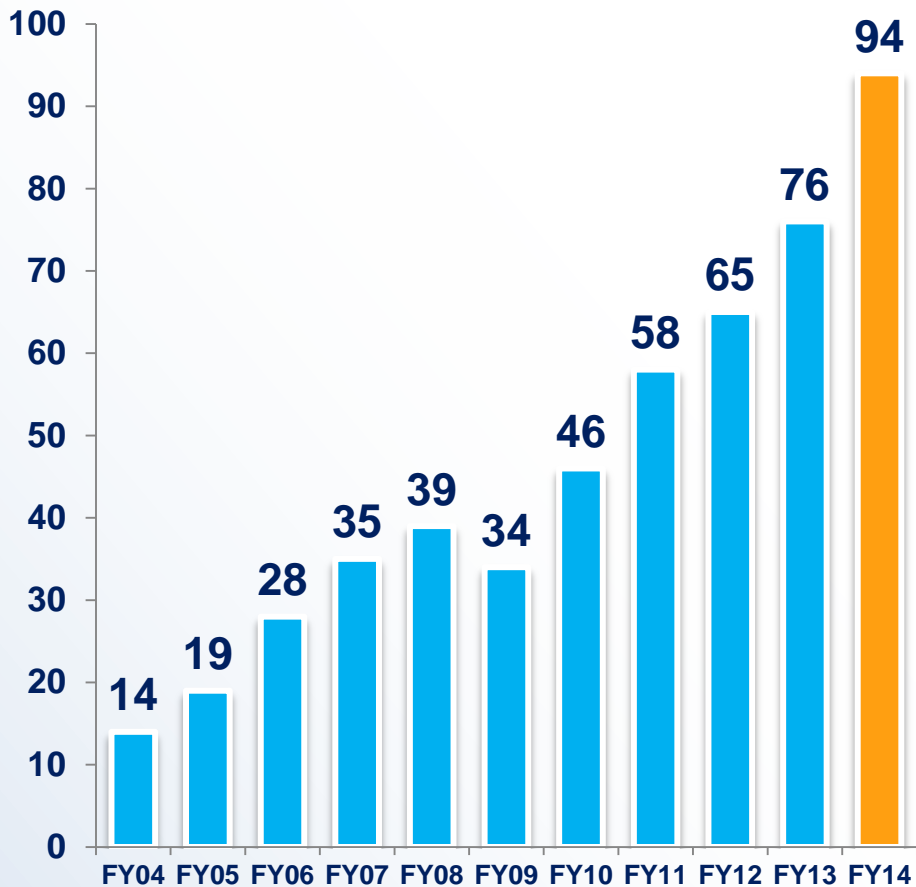
John Valentini

Interim President and CEO, and Chief Financial Officer

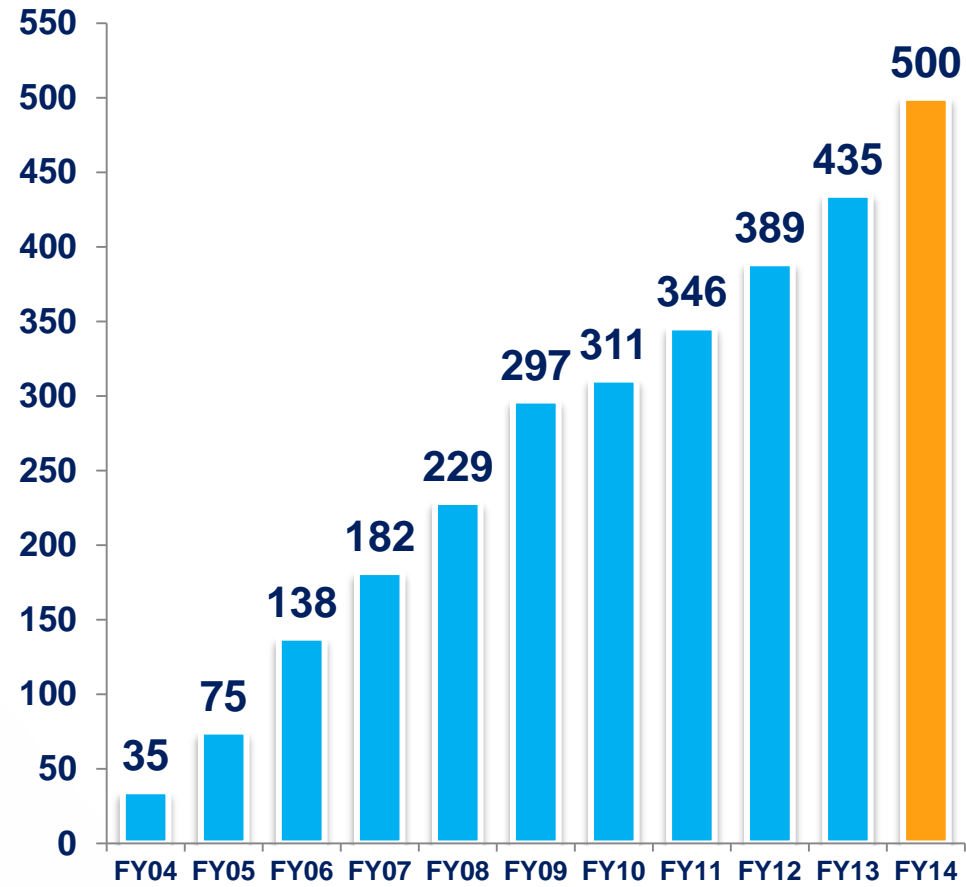
Significant Growth



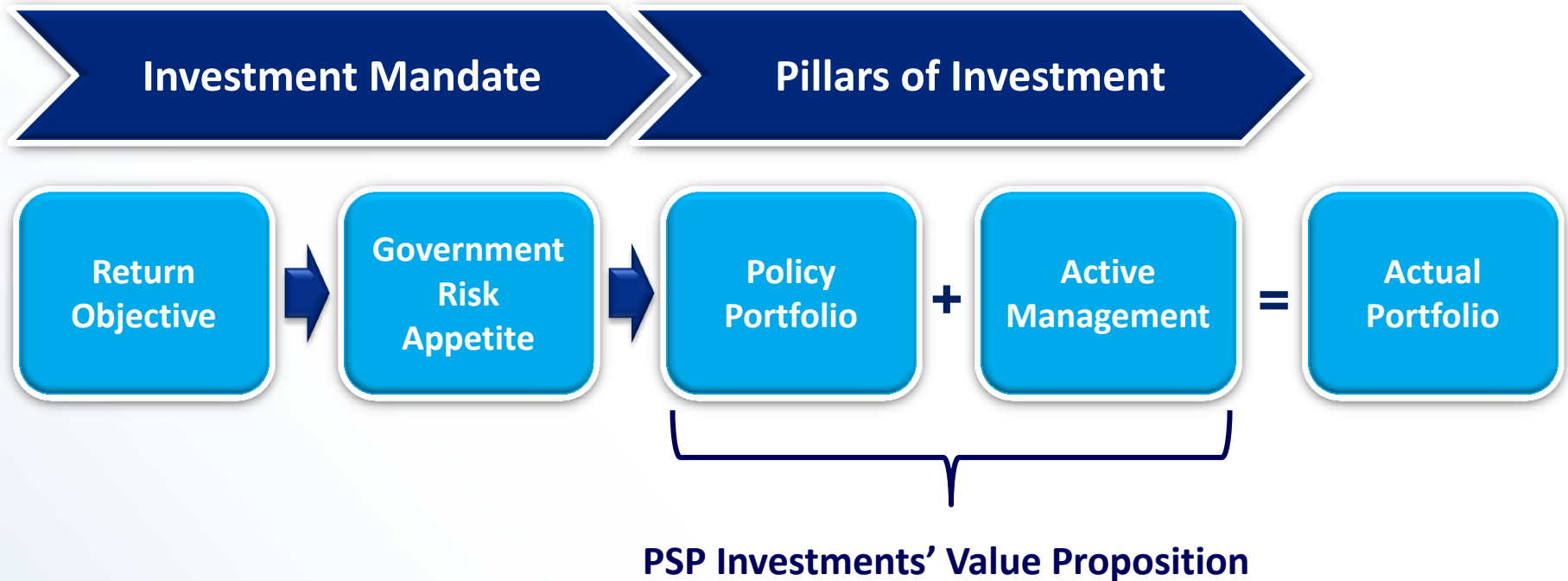
ASSETS



EMPLOYEES



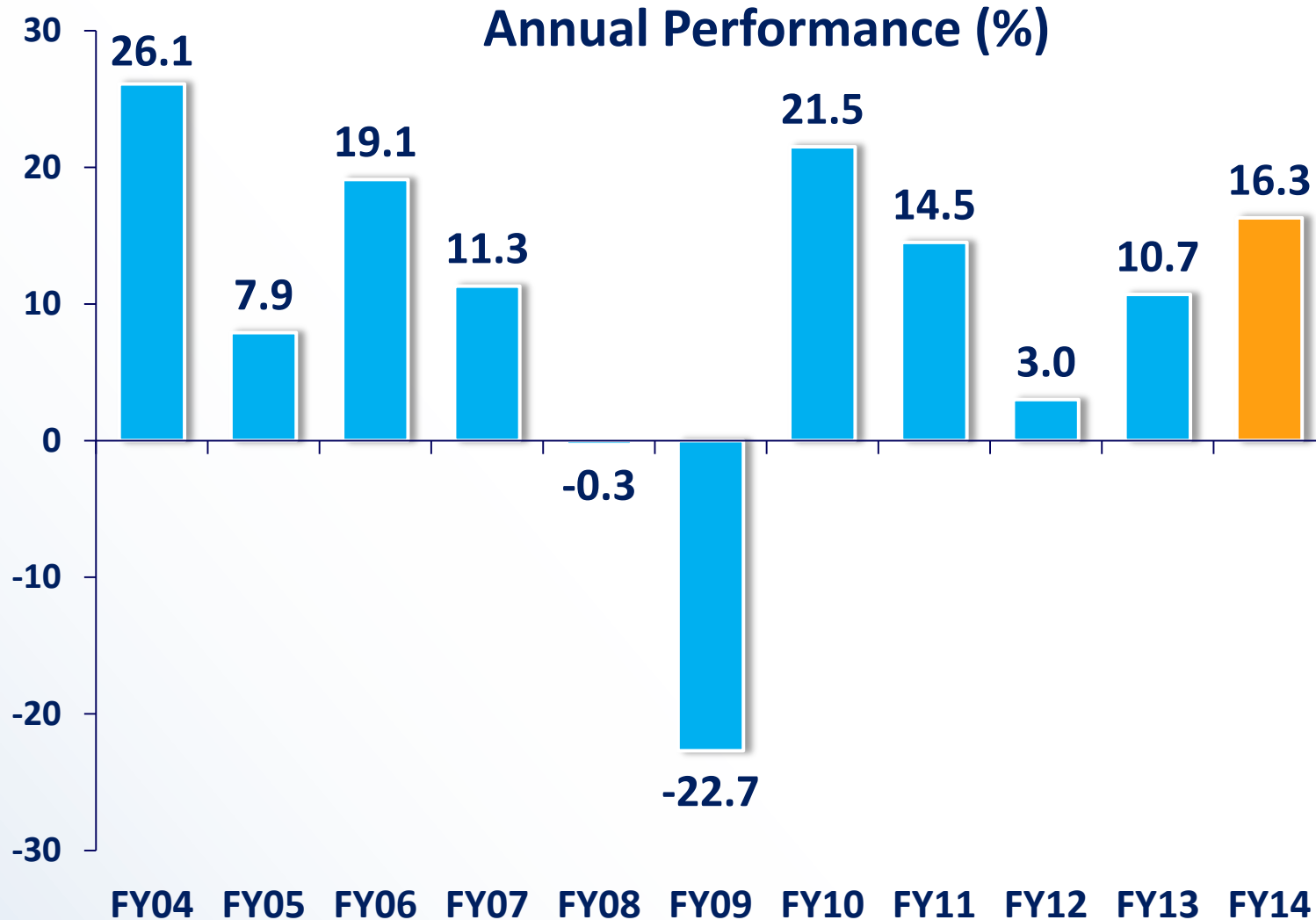
PSP Investments' Approach



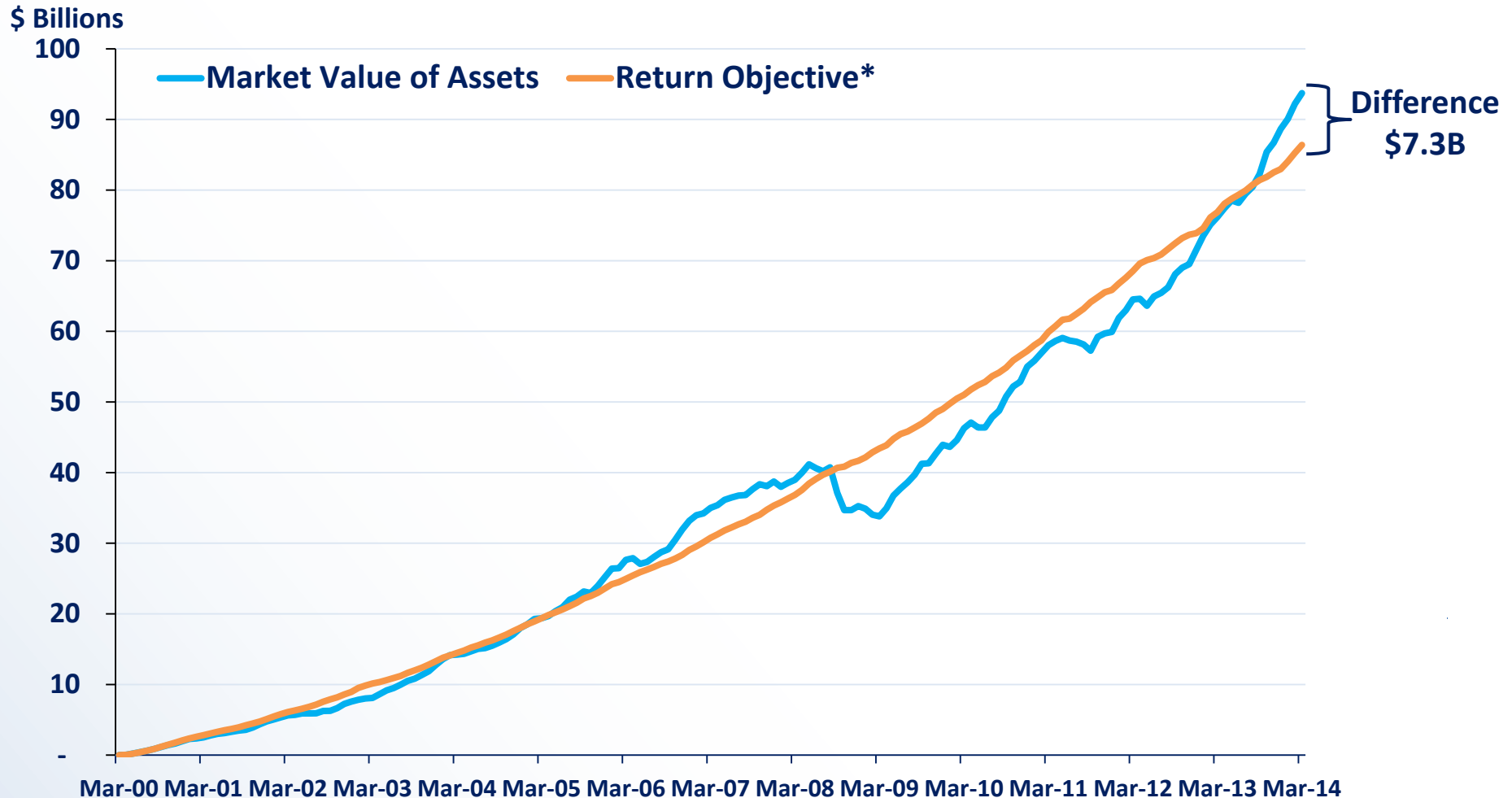
FY14 Highlights

- Total portfolio return: **16.3% (benchmark: 13.9%)**
- Value-added: **\$1.8B**
- Investment income: **\$12.6B**
- Consolidated net assets: **\$93.7B**
- Five-year:
 - Annualized return: **13.0%**
 - Value-added: **\$5.5B**
 - Investment income: **\$36.5B**
 - Consolidated net assets **almost tripled**

Performance



Recent Investment Gains Erased Impact of Past Investment Losses



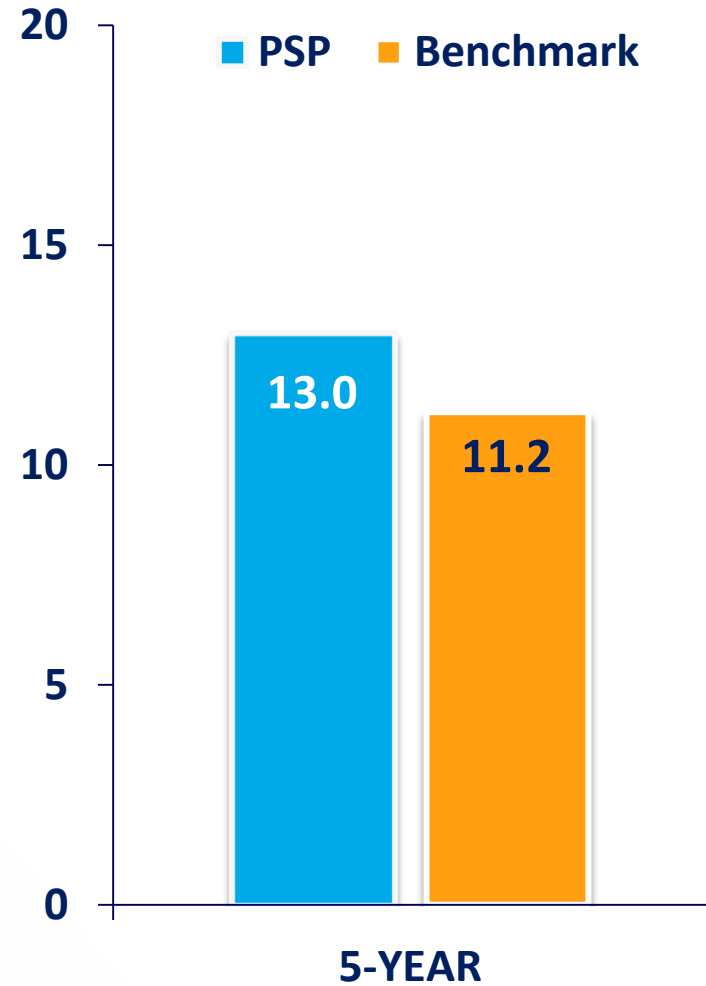
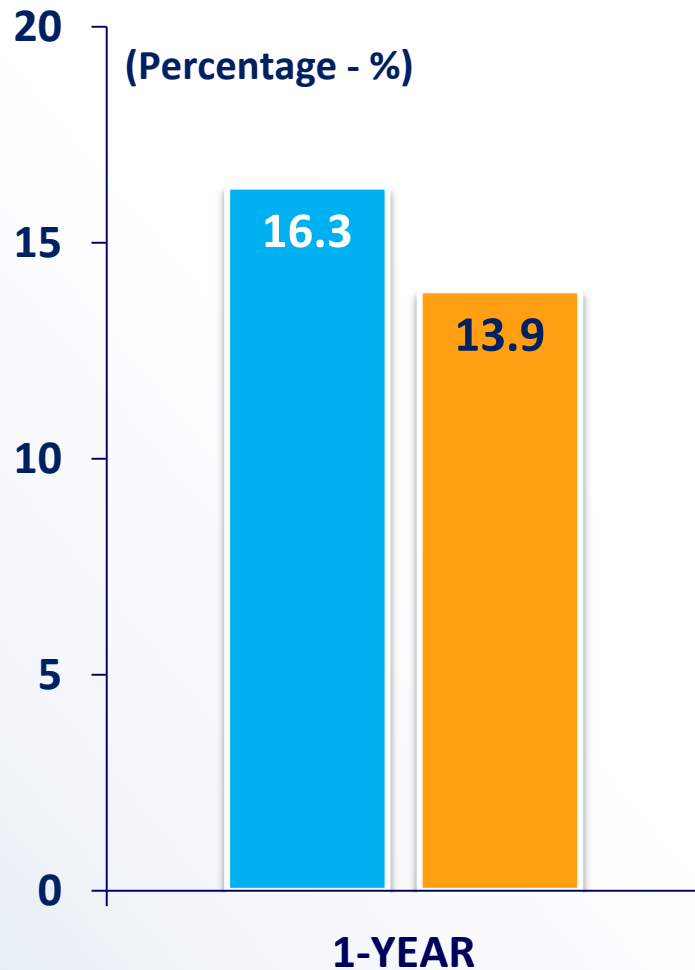
As at March 31, 2014. Market value of assets is net of all fees for comparison purposes.

*Cash flows accumulated at the return objective.

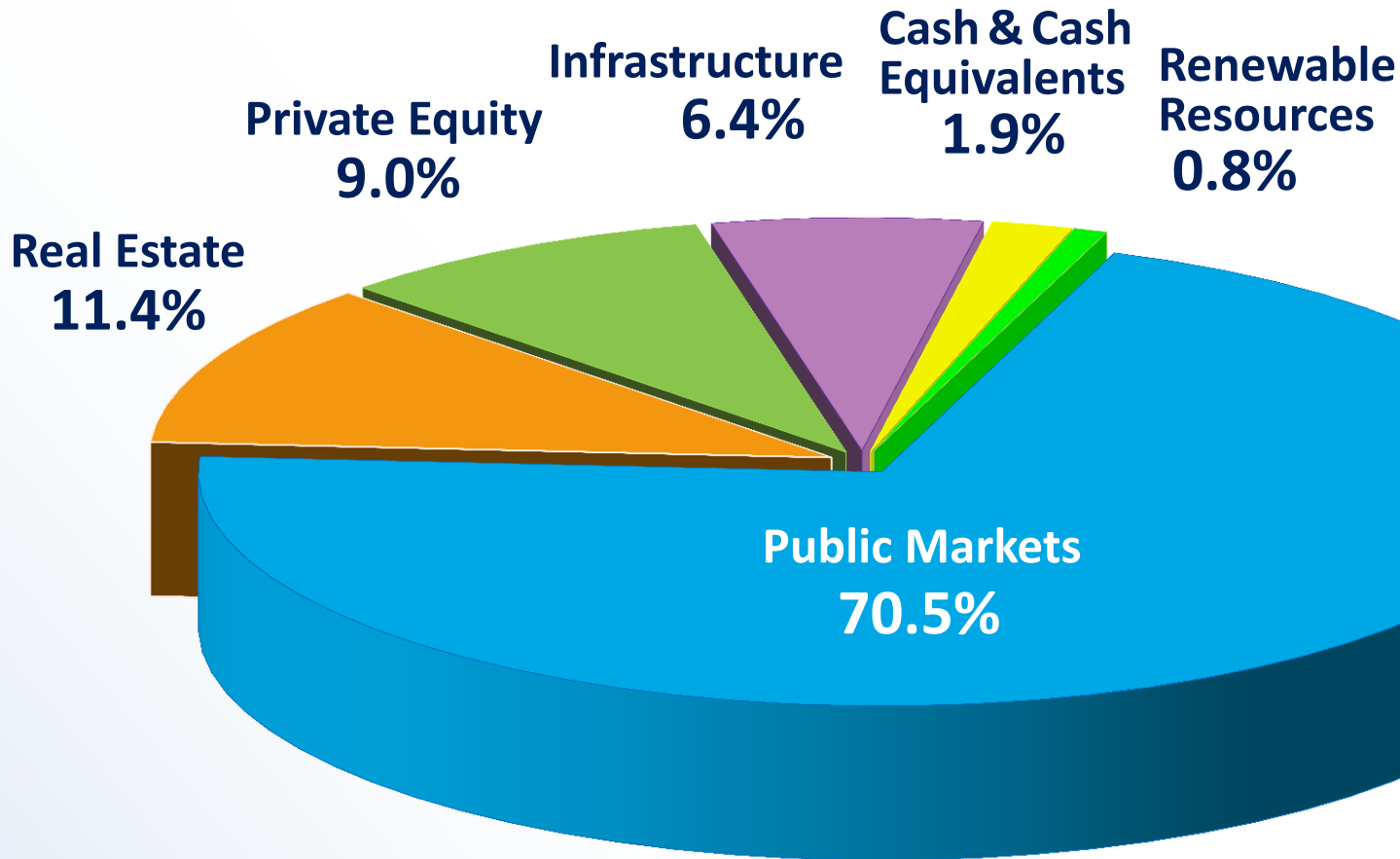
Performance Against Benchmark

\$1.8 billion of value added

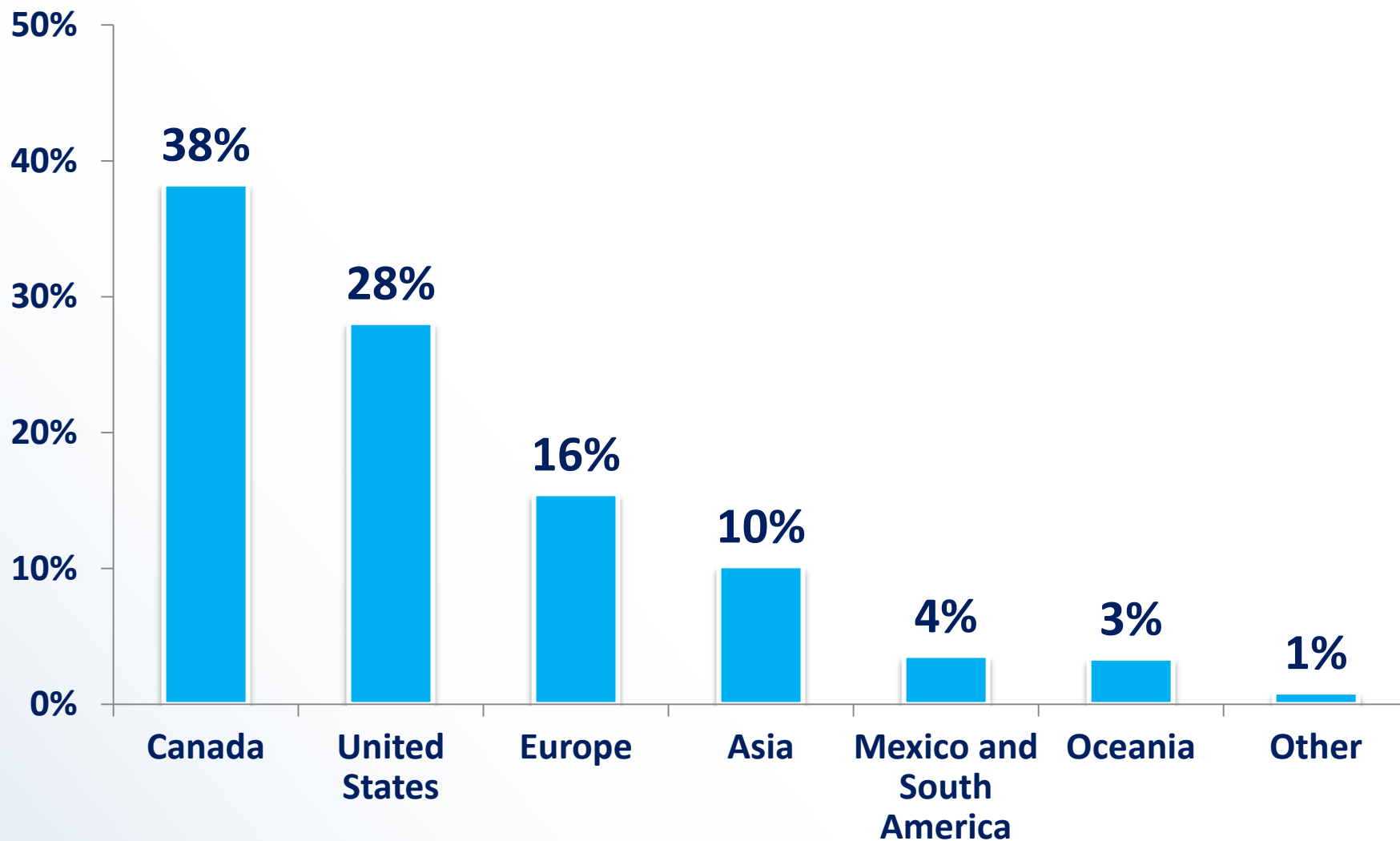
\$5.5 billion of value added



Asset Mix by Investment Unit



Geographic diversification



Top Ten Holdings at March 31, 2014

Public Market Equities

Royal Bank of Canada
Toronto-Dominion Bank
Bank of Nova Scotia
Suncor Energy Inc.
Canadian National Railway Co.
State Street Corp
Bank of Montreal
Canadian Natural Resources Ltd
Valeant Pharmaceuticals
American International Group

Total: \$5.9B

Private Market Investments

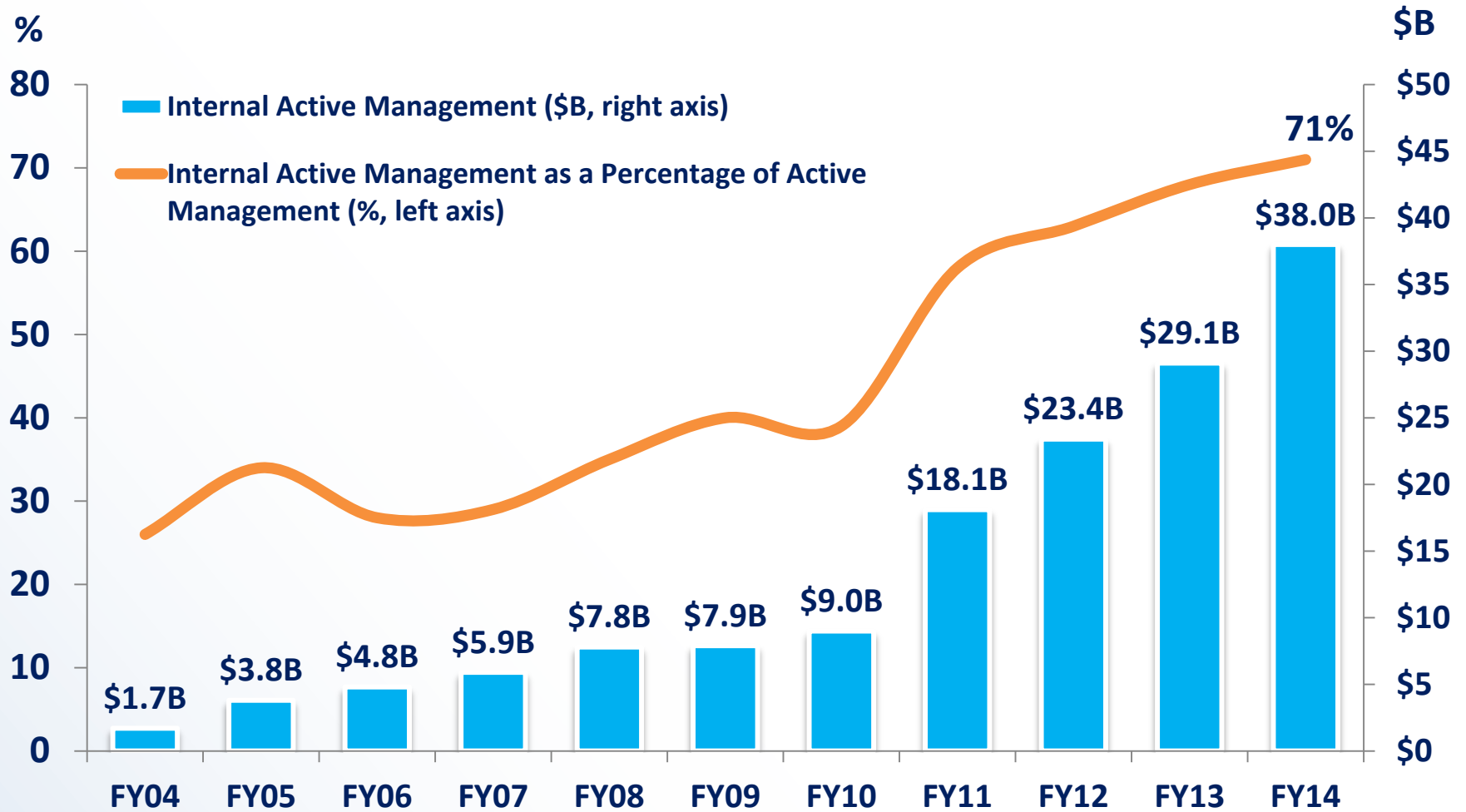
Revera Inc.
Telesat Holdings
AviAlliance GmbH
Kinetic Concepts, Inc.
Isolux Infrastructure
Kaingaroa Forest
Transelec S.A.
Sydney Airport
Infragas Norge AS
Charter Hall Office Trust

Total: \$8.8B

Notable Investments

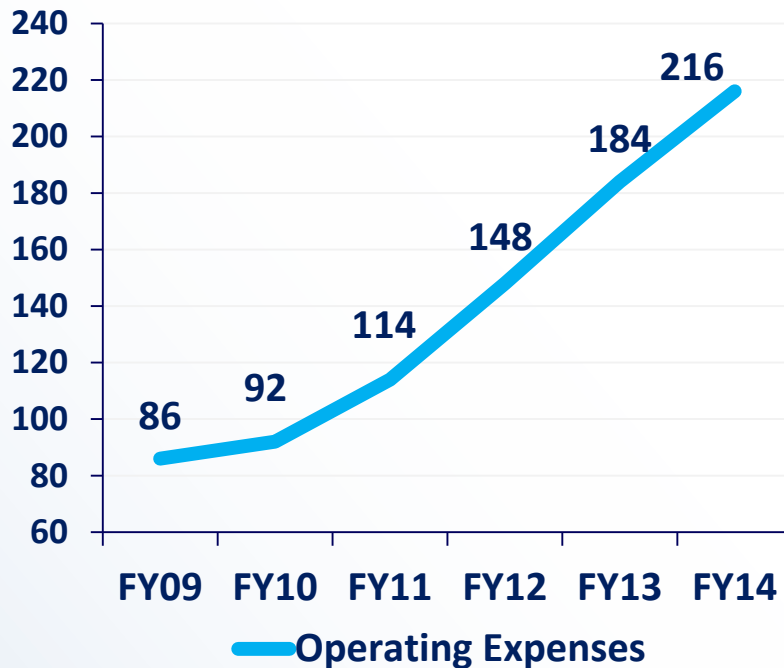
- Real Estate: SEGRO Logistics and 1250 René-Lévesque
- Private Equity: investment in ING Life Korea with MBK Partners
- Infrastructure: investment with partners in TDF (French communication towers infrastructure)
- Renewable Resources: investments in various platforms (cattle, farmland and dairy)
- Public Markets: Investment in XPO Logistics by the Value Opportunity Portfolio group

Internal Active Management

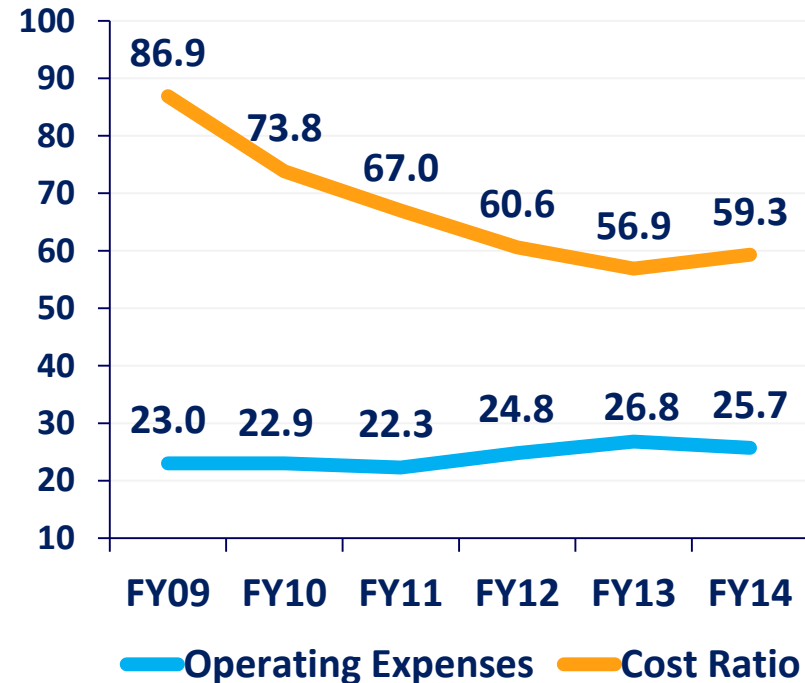


Cost Management

Operating Expenses (M\$)



Cost Ratio and Operating Expenses (bps)



Cost Ratio = Operating Expenses + Transaction Costs + External Management Fees¹

¹ Excludes performance fees.



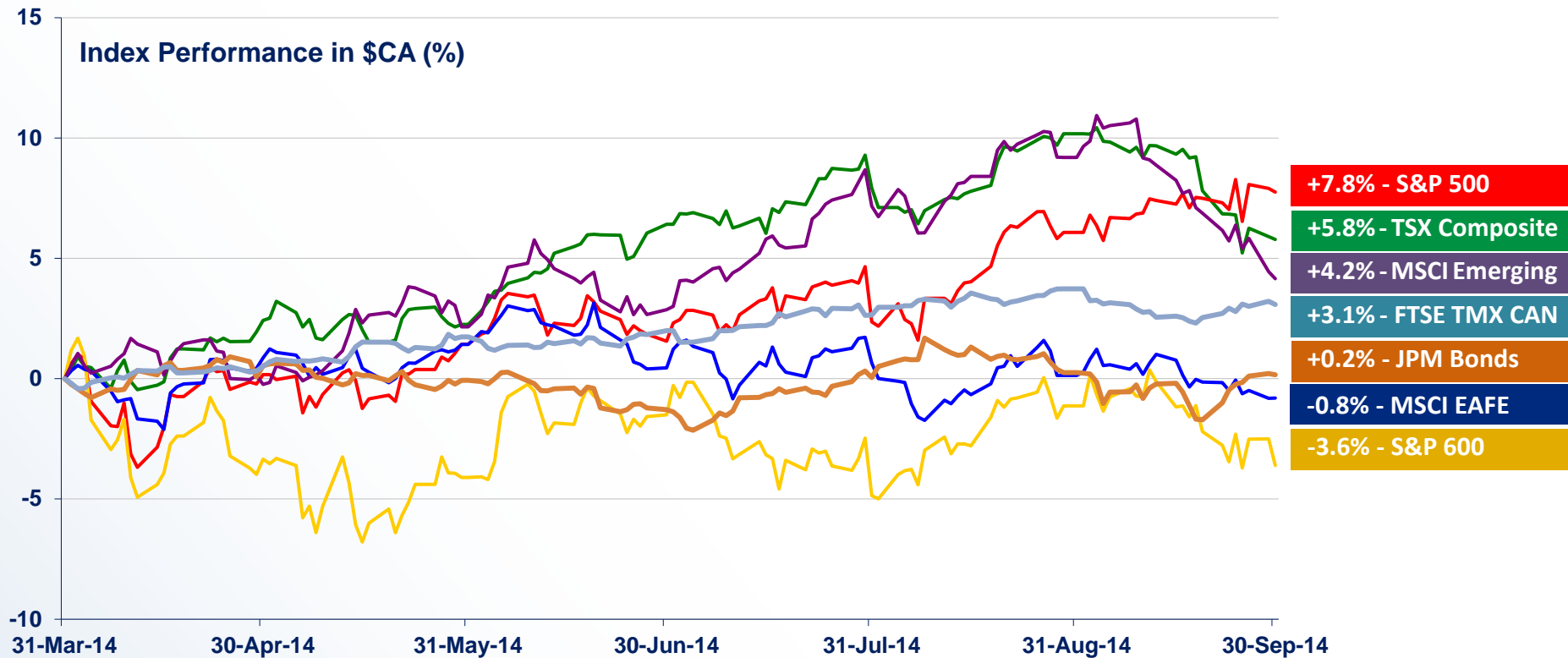
Preliminary Fiscal Year 2015 Results (As at September 30, 2014)

FY2015 – First Six Months

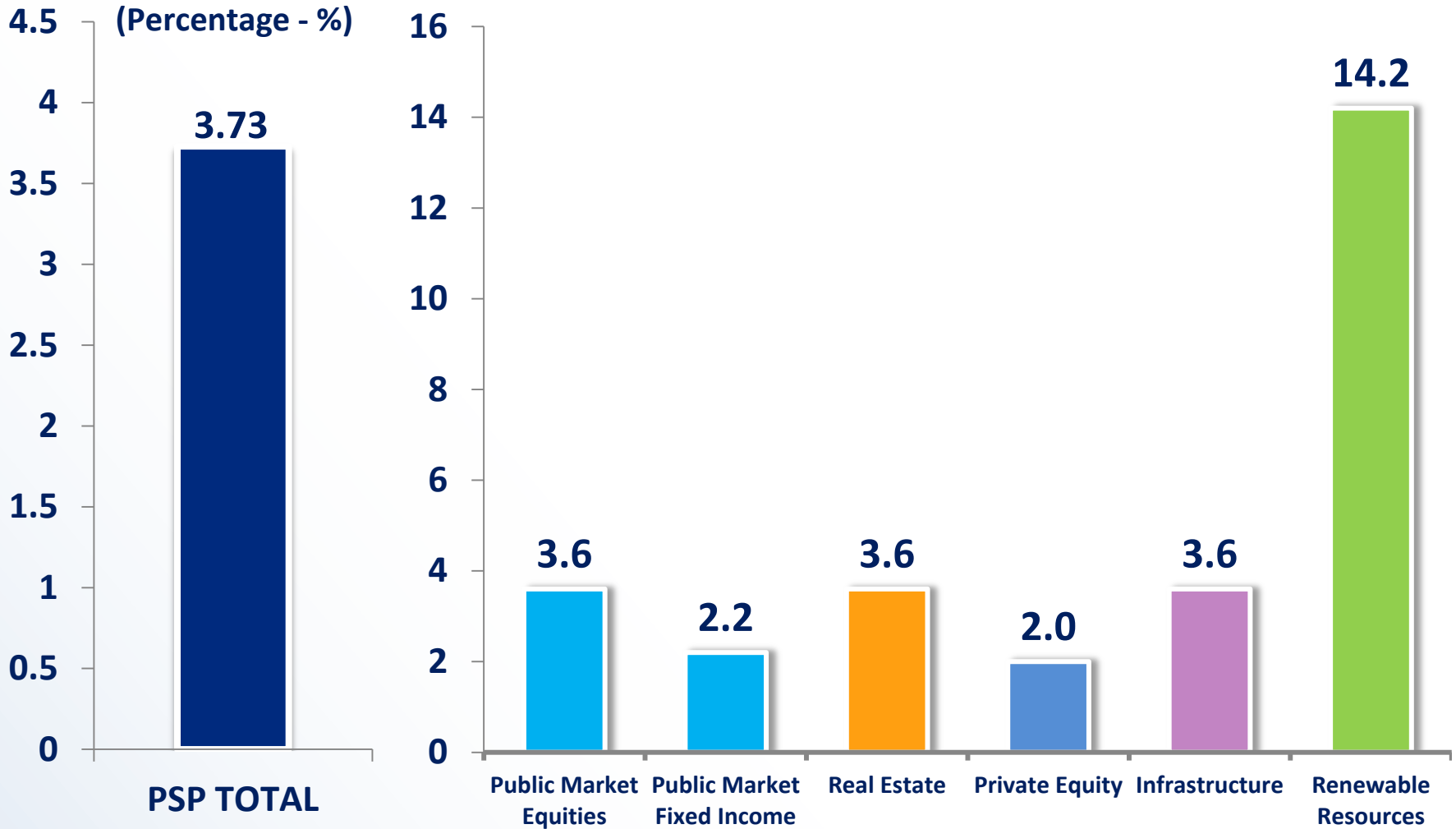
- Investment return: **3.7%**
- Net assets: **\$99.5 billion**
- Investment income: **\$3.5 billion**
- Contributions: **\$2.4 billion**
- Total cost ratio: **25.8 basis points**

Index performance

Performance of Major World Indices



FY2015 – First Six Months



Public Equity: Canadian Eq., U.S. Large Cap Eq., EAFE Eq., Emerging Eq., Small Cap Eq.
Public Fixed Income: Domestic Bonds, Global bond, Real Return bonds.



QUESTIONS