



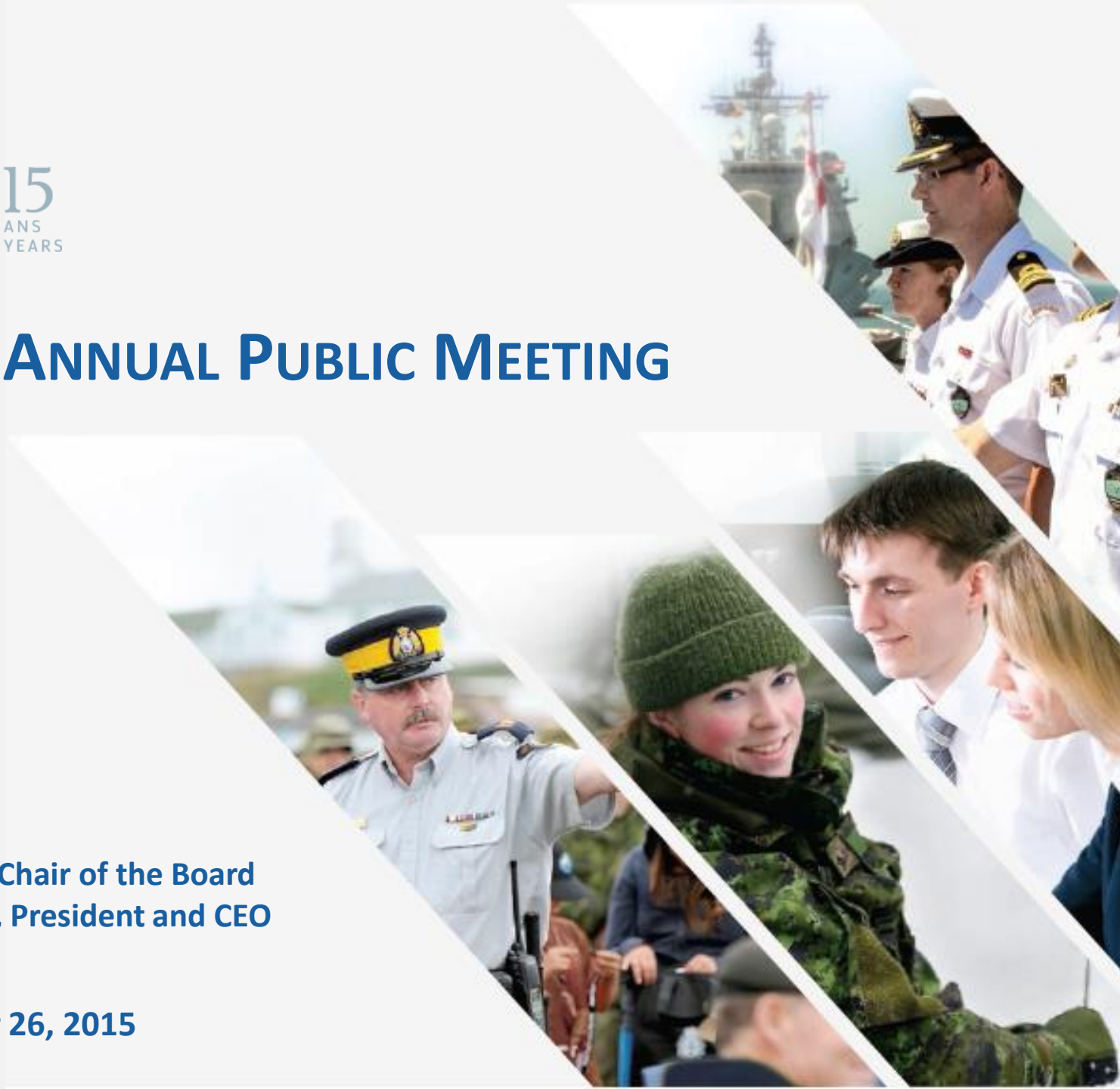
15
ANS
YEARS

ANNUAL PUBLIC MEETING

By

Michael P. Mueller, Chair of the Board
André Bourbonnais, President and CEO

Ottawa, November 26, 2015



MICHAEL P. MUELLER

CHAIR, BOARD OF DIRECTORS



ANDRÉ BOURBONNAIS

PRESIDENT AND CEO

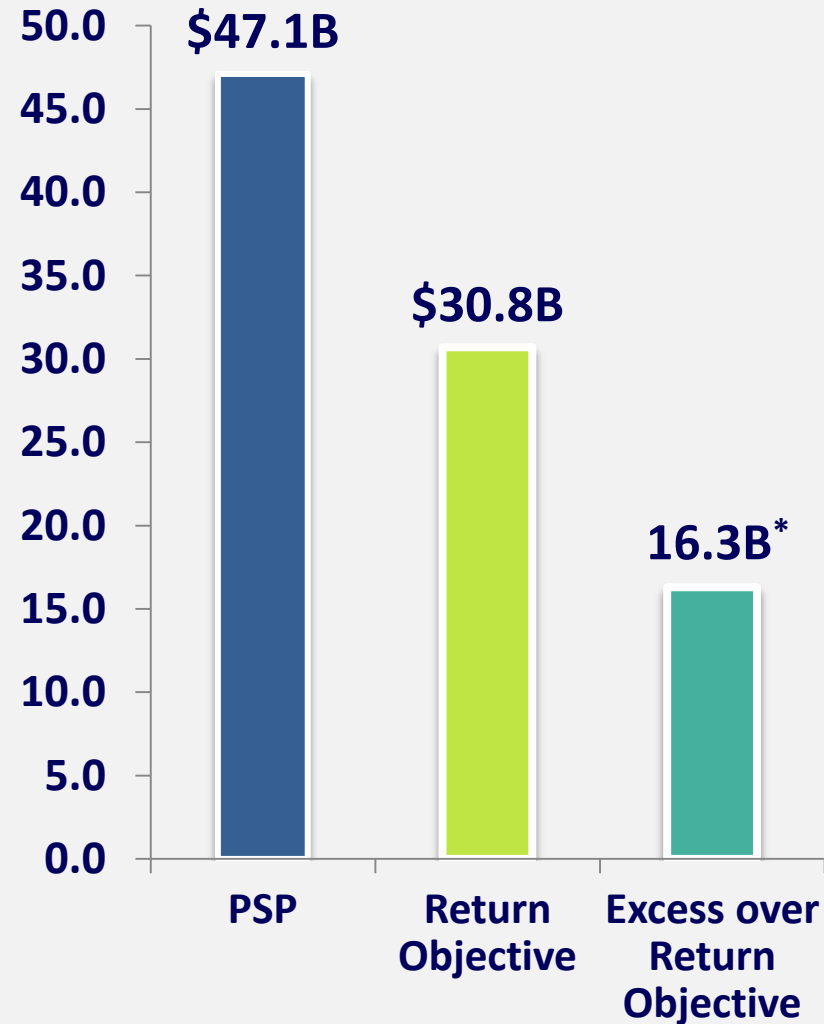


FY15 HIGHLIGHTS

- Total portfolio return: **14.5% (benchmark: 13.1%)**
- Value-added: **\$1.5B**
- Net investment income: **\$14.0B**
- Consolidated net assets: **\$112B**
- New investments / commitments in private markets: **\$10.6B**

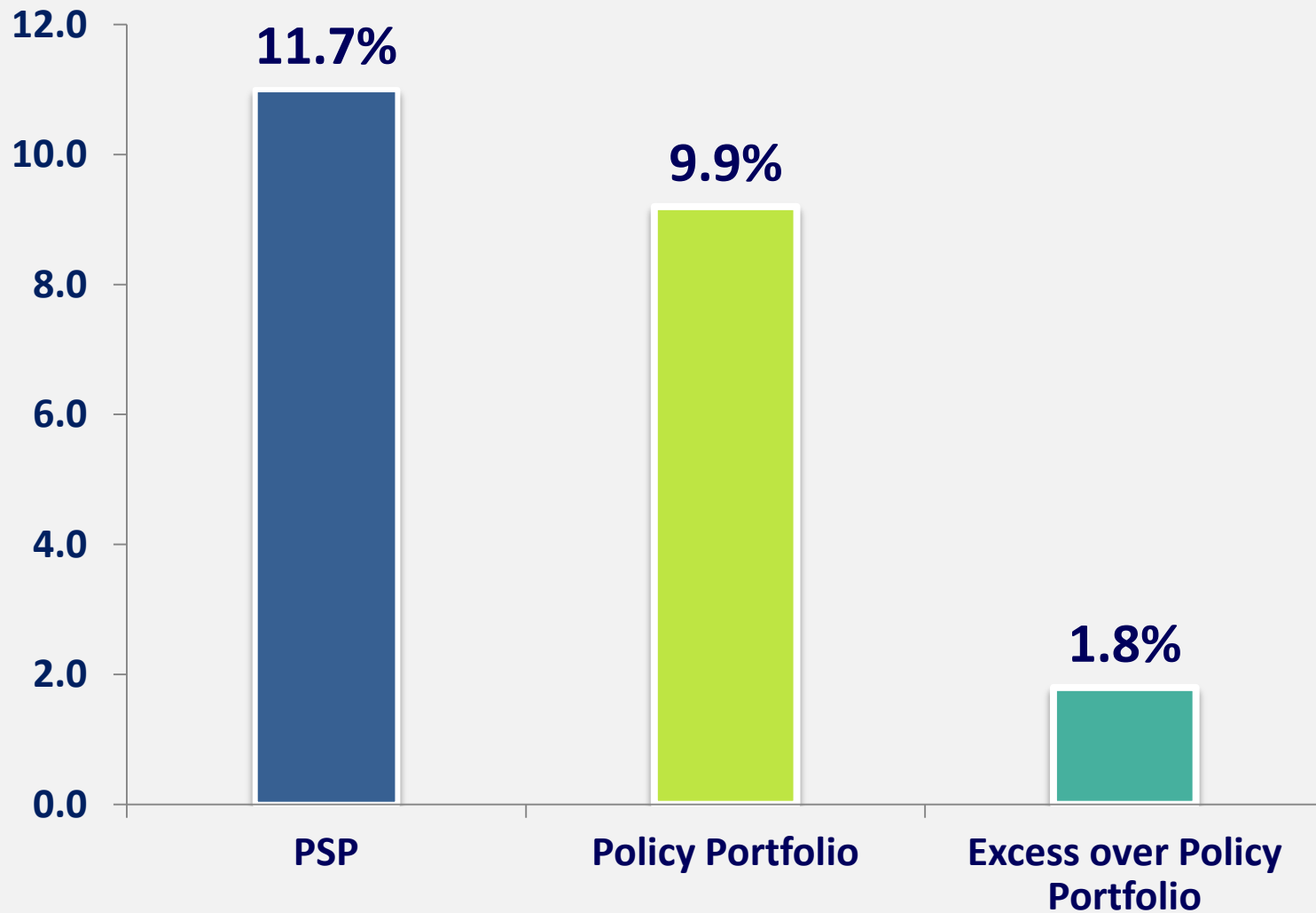
PSP INVESTMENTS HAS EXCEEDED THE RETURN OBJECTIVE OVER 10 YEARS

- 10-year annualized net return: **7.6%**
 - Return objective: **6.0%**
- Cumulative net investment gains above the return objective over 10 years: **\$16.3B***
- Cumulative 10-year investment income: **\$47.1B**



* Market value of assets, taking into account timing and size of contributions.

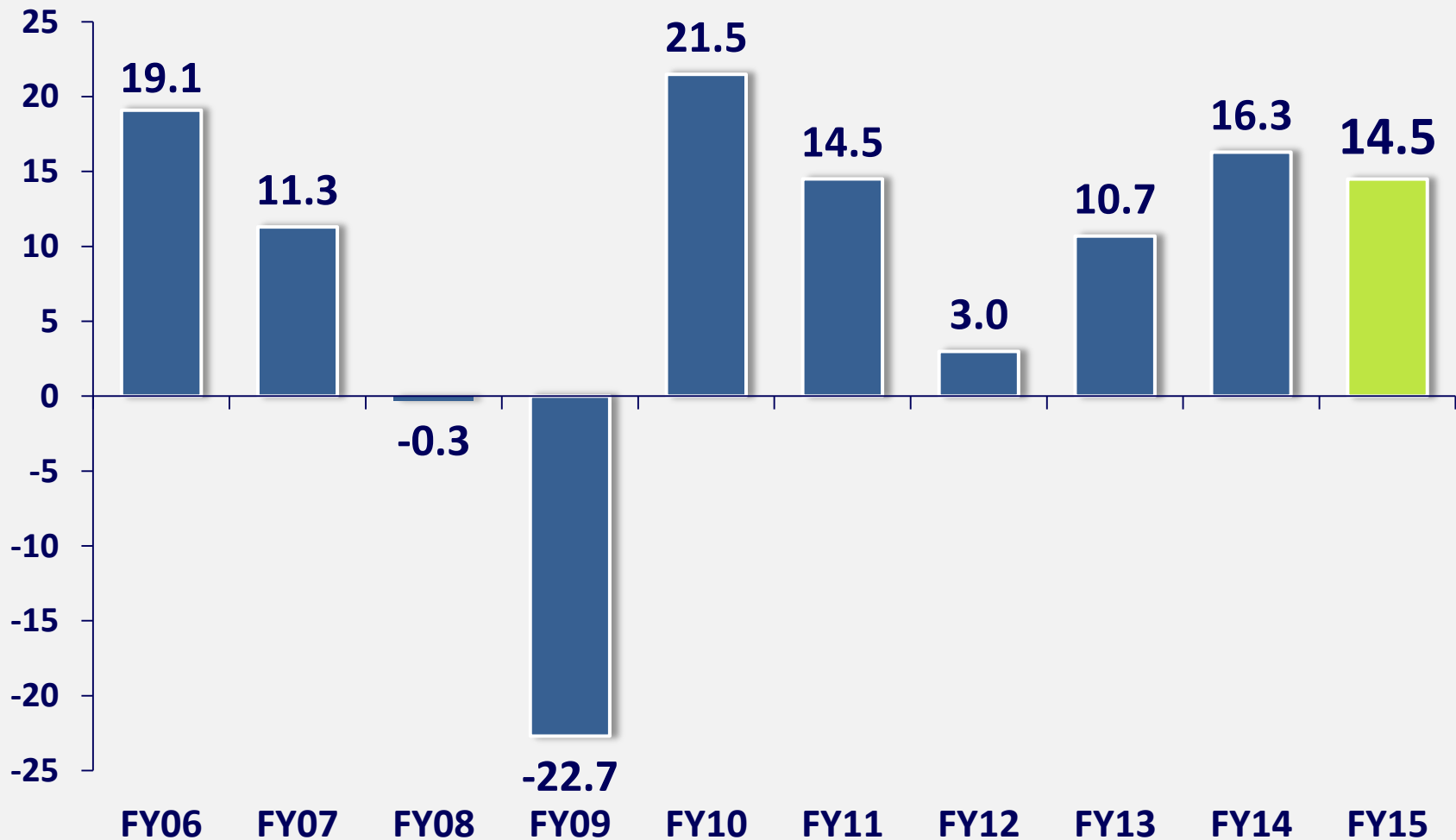
EXCESS RETURN OVER POLICY PORTFOLIO – 5 YEARS



As at March 31, 2015.

PERFORMANCE

Annual Performance (%)



CHIEF INVESTMENT OFFICER

- Daniel Garant has been appointed Chief Investment Officer.
- Shift to total portfolio approach will ensure a common vision of:
 - Portfolio construction; and
 - Global trends

PRIVATE INVESTMENTS

- Guthrie Stewart has been appointed Global Head of Private Investments.
- Private Investments combines Private Equity, Infrastructure and Natural Resources.

Key benefits:

- Establish best practices across similar asset classes.
- Foster synergies related to research and external business partners.
- Adopt a more consistent approach to decision-making.

DEBT AND CREDIT INVESTMENTS

- We have created a new Principal Debt and Credit Investments group, headed by David Scudellari.
- The new Private Debt unit will invest in private debt securities market:
 - Optimal time to enter this \$1 trillion market while it is still in transition.
 - Up to \$5 billion to be deployed in this market over the next few years.

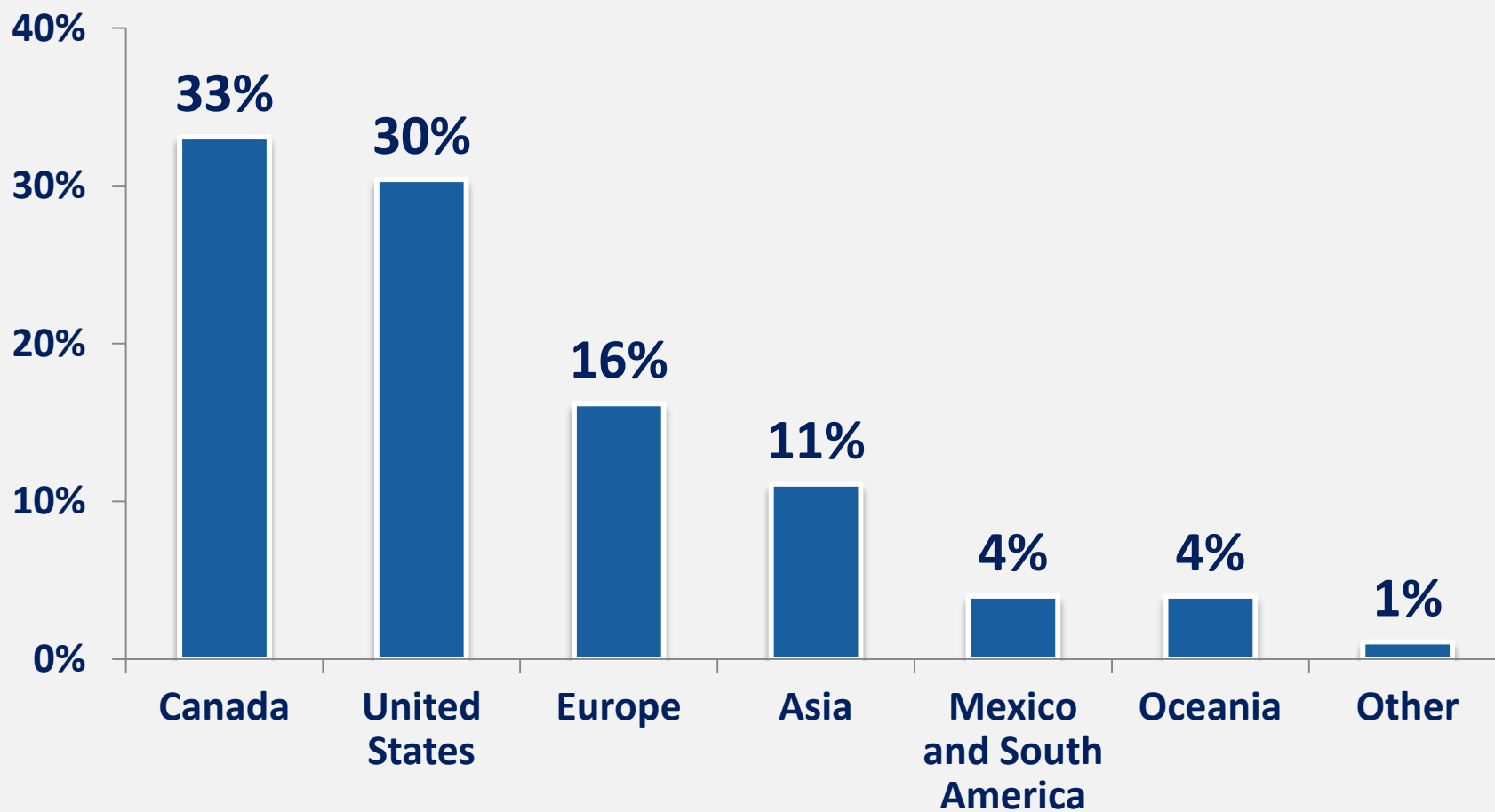
EXPANDING PSP INVESTMENTS' GLOBAL FOOTPRINT

- New York office just launched; London will follow shortly.
- Asia will be next, probably in 2017.

Key benefits:

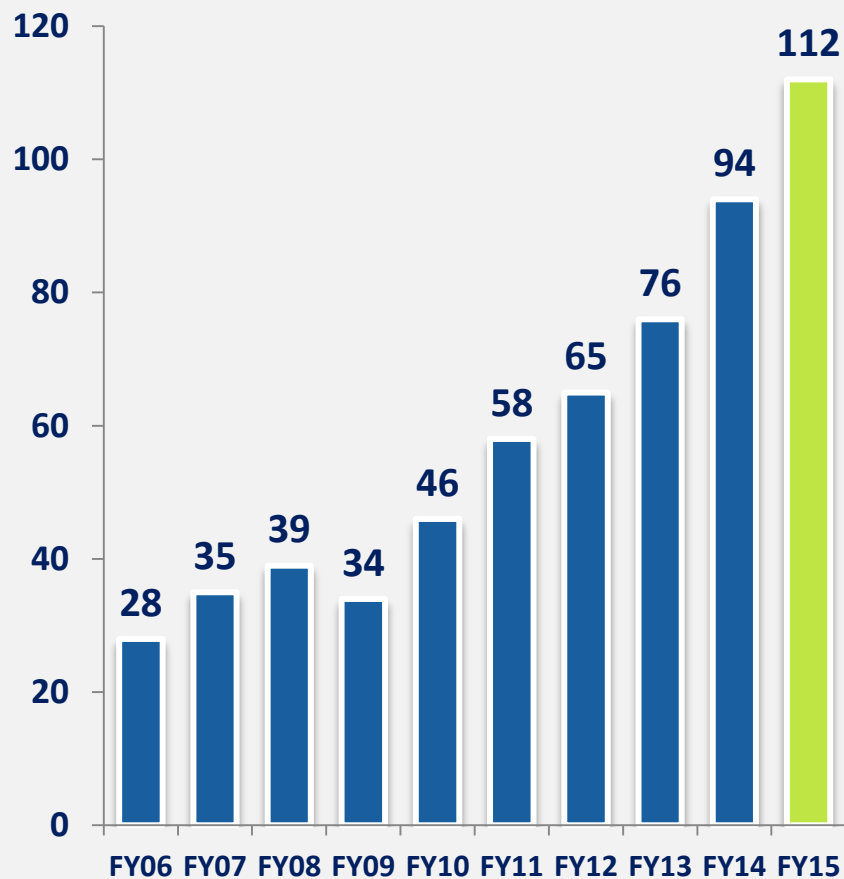
- Overcome culture, language and local knowledge challenges.
- Proximity is key to building relationships with potential and existing investment partners and investment monitoring.
- Broader talent pool; new opportunities for current employees.

Geographic Diversification

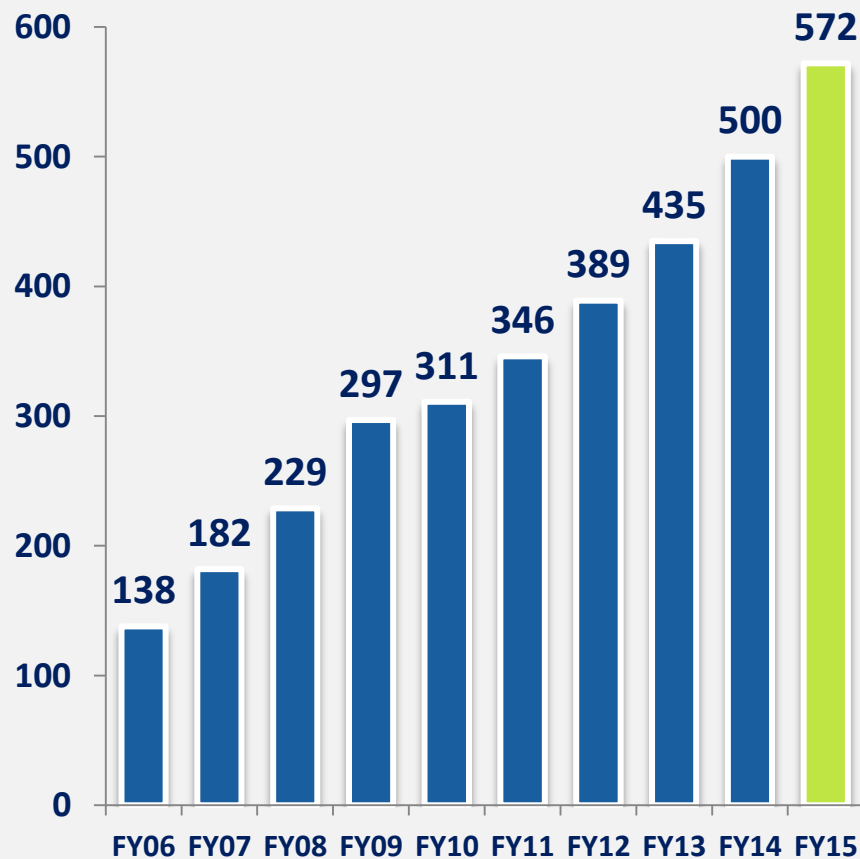


Significant Growth

ASSETS (\$B)



EMPLOYEES



UPCOMING FIVE-YEAR STRATEGIC PLAN



PRELIMINARY FISCAL YEAR 2016 RESULTS

(AS AT SEPTEMBER 30, 2015)

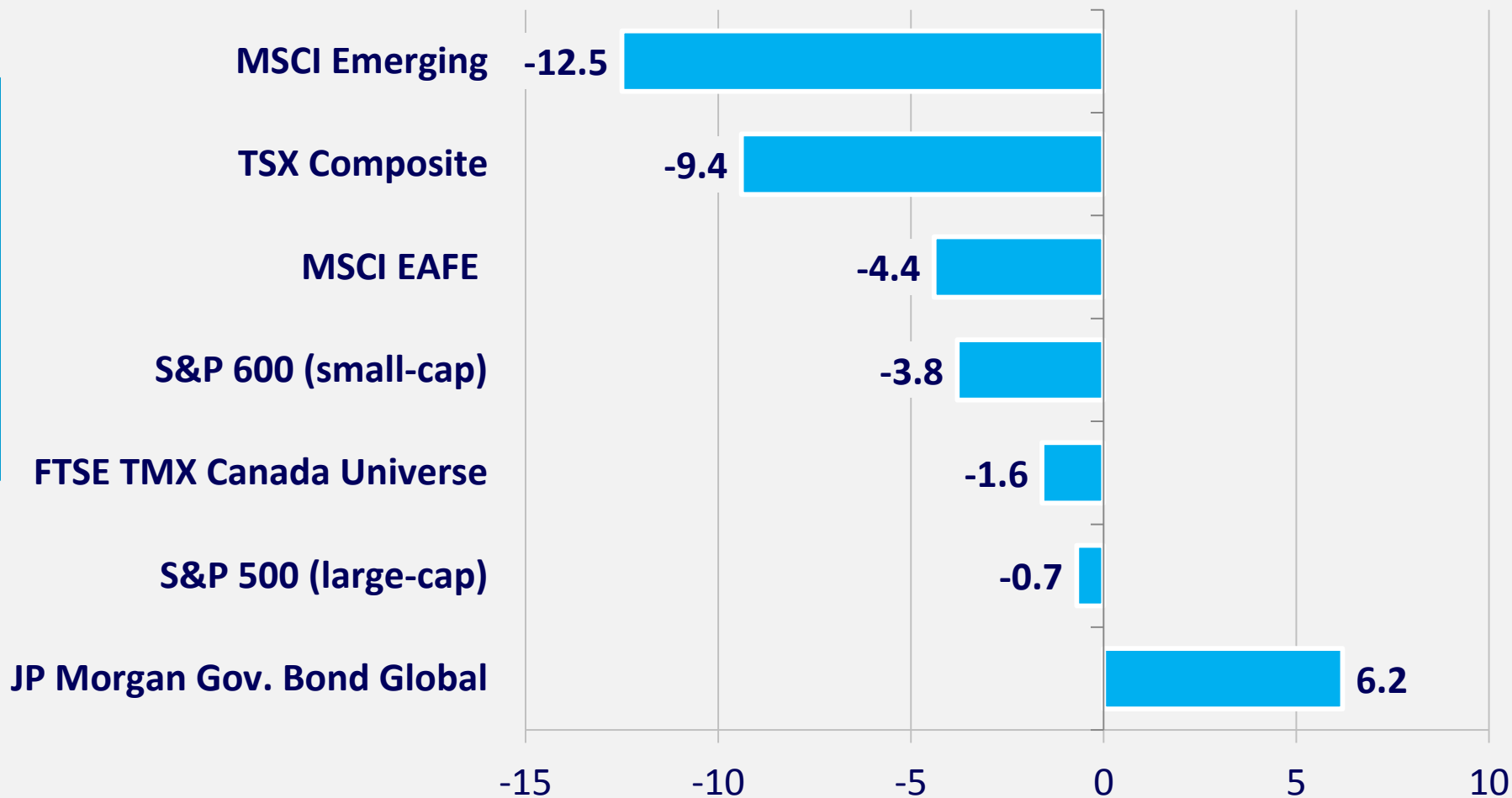


FY2016 – FIRST SIX MONTHS

- Investment return: **-1.8%**
- Net assets: **\$112 billion**
- Contributions: **\$2.1 billion**

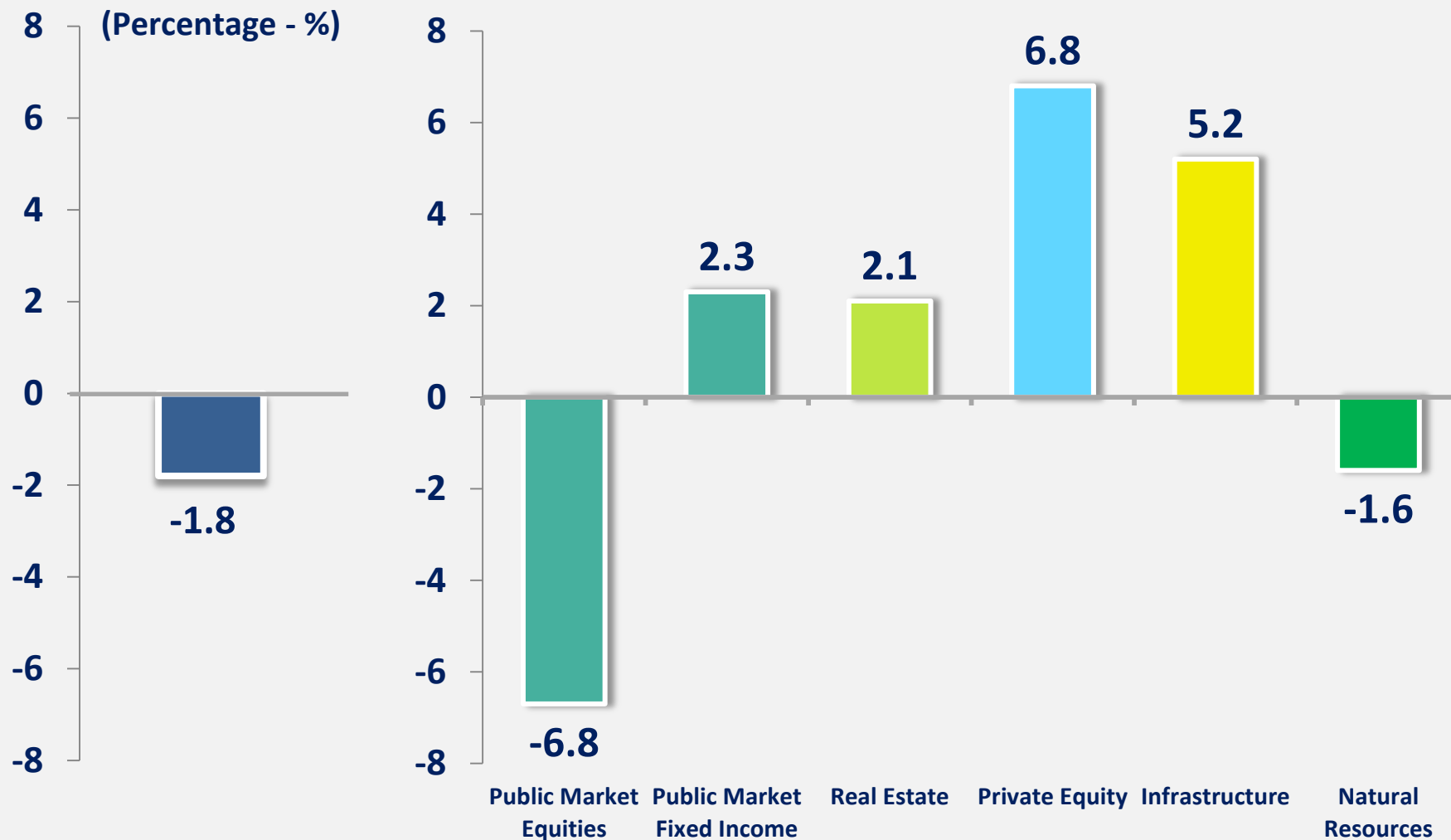
INDEX PERFORMANCE

Performance of Major World Indices (%)
 (As at September 30, 2015, in \$CAD)



From April 1, 2015 to September 30, 2015.

FY2016 – FIRST SIX MONTHS



As at September 30, 2015.

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