PSP INVESTMENTS POSTS STRONG PERFORMANCE FOR FISCAL YEAR 2017
NET RETURN OF 12.8% BRINGS NET ASSETS TO $135.6 BILLION

- **One-year total portfolio net return of 12.8% generated $15.2 billion of net income, net of all PSP Investments costs.**
- **Five-year annualized net return of 10.6%, which is 1.2% above the policy portfolio benchmark return.**
- **Ten-year net annualized return of 6.0% generated $13.7 billion of cumulative net investment gains over the return objective.**

Montréal, Canada (June 14, 2017) — The Public Sector Pension Investment Board (PSP Investments) announced today that its net assets under management reached $135.6 billion at the end of fiscal year 2017, compared to $116.8 billion the previous year, an increase of 16.1%. The one-year total portfolio net return of 12.8% created $15.2 billion of net income, net of all PSP Investments costs. This return continues to outperform the policy portfolio benchmark which generated 11.9% return. On a gross basis, the portfolio delivered a 13.2% return, compared to a 1.0% return in 2016.

"We couldn't be prouder of our team's accomplishments in bringing back double-digit returns and contributing to delivering the pension promises to the contributors and beneficiaries who dedicated their active lives to serving Canada," said André Bourbonnais, President and Chief Executive Officer at PSP Investments. "While substantial volatility and international uncertainty remain, we continue to pursue our objective of navigating market fluctuations with a long-term investment horizon and well-diversified global footprint."

Net assets increased by $18.8 billion in fiscal year 2017, attributable to net income, net of all PSP Investments costs of $15.2 billion and net contributions of $3.6 billion. All asset classes saw strong returns, with the exception of Private Equity.

Asset Class Performance Highlights

ASSETS CLASSES	NET ASSETS	ONE-YEAR RETURN	FIVE-YEAR RETURN	% OF TOTAL NET ASSETS**
Public Markets	$77.2B	16.0%	10.9%	56.9%
Real Estate	$20.6B	10.8%	12.3%	15.2%
Private Equity	$15.9B	(3.4)%	7.8%	11.7%
Infrastructure	$11.1B	14.4%	11.7%	8.2%
Natural Resources	$ 3.7B	19.5%	14.1%*	2.7%
Private Debt	$ 4.4B	27.5%	23.2%*	3.3%

(*) Since asset class inception | (**) This table excludes cash and cash equivalents

T. 514.937.2772
F. 514.937.3155
www.investpsp.ca

1250, boul. René-Lévesque Ouest, bureau 900
Montréal (Québec) Canada H3B 4W8

1250 René-Lévesque Blvd. West, Suite 900
Montréal, Québec, Canada H3B 4W8

As of March 31, 2017:

- **Public Markets** had net assets of $77.2 billion, an increase of $8.6 billion from fiscal year 2016, for a one-year return of 16.0%, compared to a benchmark of 14.9%. Despite political and economic uncertainty, gains in public equities were the strongest contributor to our absolute and relative rate of return during fiscal 2017. The largest contributor to overall performance came from the absolute return portfolio (internally and externally managed), which added close to $700 million. Going forward, PSP Investments and Public Markets will benefit from the newly created internal Global Equity Research and Investment platform, which will provide sector and company-specific research. The group also created a new absolute return strategy within Public Markets. Through the Global Investment Partnerships Portfolio, the group aims to establish itself as a key partner for all co-investments, structured and opportunistic transactions in both traditional public markets and non-traditional space between public and private markets.

- **Real Estate** had $20.6 billion in net assets, up by $0.2 billion from the previous fiscal year, resulting in a 10.8% one-year return versus 6.2% for the benchmark. In fiscal year 2017, the group completed new acquisitions in multi-residential properties in Canada and in industrial and retail assets in the U.S., while it disposed of non-strategic properties in Canada, the U.S., Europe and Australia. Real Estate continued to position Revera Inc., our seniors' retirement and healthcare platform, as a major operator of seniors' communities in Canada, the U.S. and the UK. Real Estate expanded the London Student Housing portfolio with Greystar UK and continued to grow our pan-European platform, SEGRO European Logistics Partnership (SELP), increasing the portfolio from 124 to 135 buildings through the acquisition of 14 assets for a purchase price of €265 million (CAD389 million), and the completion of eight developments at a further cost of €49 million (CAD72 million). SELP also successfully issued a €500 million (CAD720 million) unsecured bond listed on the Irish Stock Exchange. Real Estate also funded large, ongoing mixed-use and multi-family developments in the U.S., a large office development at 22 Bishopgate in London, as well as ongoing and new developments in Mexico, Colombia and China. The group established representation at our London office in order to better manage its total European portfolio of CAD$5.92 billion of net assets, build new relationships and originate new investment opportunities.

- **Private Equity** had net assets of $15.9 billion, $3.4 billion more than in fiscal year 2016, for a one-year return of (3.4) %, compared to a benchmark return of 9.3%. The group significantly expanded its global network of investment partnerships with like-minded investors, including traditional private equity funds. Private Equity also made new direct investments in the consumer and healthcare sectors, including the acquisition of significant interests in Team Health, a leading U.S. physician services organization; global advisory firm AlixPartners; Allflex Group, a global leader in animal intelligence and monitoring technologies for livestock, pets, fish and other species; and Keter Group, the world's largest maker of quality resin consumer products. The group also committed prior to year-end to acquire Cerba Healthcare, a leading European operator of clinical pathology laboratories and continued to build its presence in London with the hiring of a team of experienced and dedicated investment professionals.

- **Infrastructure** had $11.1 billion in net assets, a $2.4 billion increase from the prior fiscal year, leading to a 14.4% one-year return, relative to the benchmark return of 5.2%. Our Infrastructure group deployed $2.6 billion in fiscal year 2017, including the acquisition of a portfolio of hydroelectric assets in New England, an additional interest in our Cubico renewable energy platform and 33% of Vantage Data Centers, in collaboration with external partners and also with our CIO group, and Private Equity and Real Estate asset classes. Moreover, with the completion of the split of Isolux Infrastructure Netherlands B.V. and Grupo Isolux Corsan, PSP Investments is now the sole shareholder of Isolux Infrastructure. Renamed ROADIS, it has a portfolio of 1,644 km of roads across nine concessions located in Brazil, India, Mexico, Spain and the U.S. and will serve as our new global road investment platform. Infrastructure also committed to four funds which invest in a wide variety of sectors and niche markets. The group established senior representation at PSP Investments' London office in order to extend our global reach for asset management, managing partner relationships and developing investment opportunities.

- **Natural Resources** had net assets of $3.7 billion, an increase of $1.2 billion from the previous fiscal year, for a one-year return of 19.5% versus the 5.3% benchmark. Income was driven by strong cash flows and valuation gains, primarily in timber and agriculture. Natural Resources also made five new investments in the U.S. and Australia and expanded four existing agricultural platforms. Net assets under management grew by $1.2 billion on a year-over-year basis, resulting primarily from $729 million in net deployments and valuation gains. Long-standing investments in timber continued to account for most investment income and assets under management.

- **Private Debt** funded net assets of $4.4 billion, up from $640 million the previous year, resulting in a 27.5% one-year return, compared to a benchmark of 12.4%. In fiscal year 2017, Private Debt committed across 30 transactions, including investments in first and second lien term loans, unitranche term loans, secured and unsecured bonds and a credit fund. Among them was a US$125 million (CAD 163 million) commitment to a Unitranche Term Loan in support of Advent's acquisition of Quala, North America's largest independent provider of tank trailer cleaning, ISO container depot services and IBC cleaning, testing and reconditioning services. Private Debt also facilitated our CIO group's commitment to a senior equity investment in Information Resources, Inc., a point-of-sale and marketing data aggregator for consumer packaged goods, over-the-counter healthcare companies and retailers in the U.S. and internationally. Private Debt portfolio diversification continued to improve in terms of geography, industry, equity sponsors and asset type. The group committed to the international expansion of PSP Investments by hiring four investment professionals in our London office.

PSP Investments' total cost ratio was 70.5 cents per $100 of average net investment assets in fiscal year 2017, compared to 63.0 cents in fiscal year 2016. The higher total cost ratio is part of our Vision 2021, to deliver better sustainable investment returns for our sponsors. It was due to higher operating expenses—mainly attributable to increased headcount required to deliver on our strategic plan objectives and the opening of two international offices— and a rise in management fees.

Other Corporate Highlights

Additional accomplishments during fiscal 2017:

- **Created a dedicated Responsible Investment group** and expanded our in-house capacity to identify and monitor environmental, social and governance (ESG) factors in investment decision-making. Our inaugural *Responsible Investment Report* can be consulted here.

- **Expanded our global footprint and reinforced the One PSP investment approach** by completing the staffing of our New York office and opening a European hub in London. These new offices will pursue private investment and private debt opportunities and improve access to local knowledge and market insights.

- **Increased operational agility.** Through its Public Markets group, PSP Investments created a centralized equity research platform to perform sector and stock analysis on a global basis. It directly feeds all internal active public equity mandates and provides sector expertise and support to all asset classes.

- **Continued the implementation of a flexible total fund approach** that allows investment teams to take advantage of opportunities that do not fit current asset classes. With the oversight of the Investment Committee, we created our Total Fund portfolios, which help optimize our ability to identify opportunities, deploy capital and improve the risk-return profile of the total fund. We also established a CIO group to seek greater total fund perspective and implemented a new compensation system aligned with total fund views.

- **Consolidated our approach to diversity and inclusion practices.** We see diversity as a key success factor and we are enabling our increasingly diverse workforce to reach their full potential and, as a team, to successfully deliver on PSP Investments' corporate business strategy, Vision 2021. The number of women in senior roles increased from 18.2% in 2015 to 30% in 2016, compared to a national availability rate of 27.4%. As a percentage of our workforce, members of visible minority groups increased from 15.4% in 2015 to 16.6% in 2016. Representation of group members within PSP Investments is consistent with the market availability rate of 14.8%.

"We believe that attracting a talented, high-performing workforce and building relationships with the strongest institutional partners worldwide is translating directly into results in our investments," Mr. Bourbonnais said. "Our vision is to be a leading global institutional investor that puts the interests of the contributors and beneficiaries at the heart of everything we do. I am proud of the progress that our employees and partners have made to bring this vision to life."

For more information on PSP Investments' fiscal year 2017 performance, visit http://www.investpsp.com/en/index.html.

About PSP Investments

The Public Sector Pension Investment Board (PSP Investments) is one of Canada's largest pension investment managers with $135.6 billion of net assets under management as of March 31, 2017. It manages a diversified global portfolio composed of investments in public financial markets, private equity, real estate, infrastructure, natural resources and private debt. Established in 1999, PSP Investments manages net contributions to the pension funds of the federal Public Service, the Canadian Forces, the Royal Canadian Mounted Police and the Reserve Force. Headquartered in Ottawa, PSP Investments has its principal business office in Montréal and offices in New York and London, their European hub. For more information, visit www.investpsp.com or follow us on Twitter @InvestPSP.

- 30 -

Media contact
Maria Constantinescu
PSP Investments
514-218-3795
media@investpsp.com