

HIGHLIGHTS

La Caisse's role in Québec has evolved considerably since its creation. Today, it is focusing more than ever on the private sector, which drives the Québec economy, and in which la Caisse aims to further increase its presence.

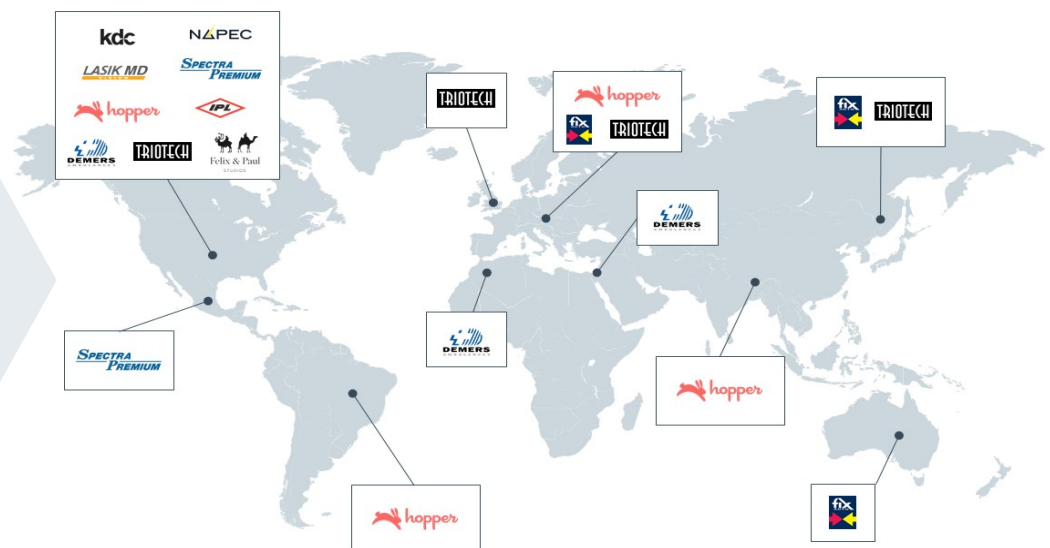
La Caisse works as an active partner in the growth and global expansion of Québec companies and takes on impactful projects, whether it be in real estate or infrastructure. It also focuses in particular on innovation and the next generation of leaders, to support SMEs well positioned to succeed in the new economy.

Growth and globalization

La Caisse targets companies of all sizes aiming to expand internationally or diversify their activities, or which have the potential to change traditional ways of doing things through operational and technological efficiency. Companies in which la Caisse is invested and that have completed acquisitions or impactful expansion projects to further their growth in 2016 include:

- Groupe Marcelle and its acquisition of Lise Watier, in which la Caisse's expertise and networks were leveraged;
- Fix Auto and the development of its network of franchisees in China and Australia, which was facilitated by la Caisse's teams and networks in these markets;
- Moment Factory and its creation of a new entity dedicated to permanent multimedia infrastructure in Québec and internationally, supported by la Caisse;
- Lasik MD, KDC and IPL supported by la Caisse in their acquisitions in the U.S.

Markets in which Quebec companies, supported by la Caisse, made acquisitions or expanded in 2016



In 2016, la Caisse took control of McInnis Cement to turn the cement project's operations around and complete its financing on schedule. The new leadership put in place strengthened expertise, enhanced productivity, increased the pace of construction and regained control over this major project. Today, the cement plant's construction phase is close to 95% complete. Certain operations, including the first deliveries of raw materials by ship and the operation of the crushing unit, have already been initiated. The first cement deliveries are expected in spring 2017.

Impactful projects

La Caisse has the capacity and expertise required to carry out major projects which, in addition to generating returns that meet its clients' needs, have a direct impact on Québec's economy.

In spring 2016, **CDPQ Infra**, a subsidiary of la Caisse, announced its integrated, electric, public transit network project to link downtown Montréal, the South Shore, the West Island, the North Shore and the airport. The Réseau électrique métropolitain (REM) will span 67 km, comprise 27 stations and operate 20 hours a day, seven days a week. Construction costs are estimated at \$5.9 billion, of which la Caisse plans to commit \$3.1 billion. Construction is scheduled to begin in 2017.

The project is expected to add \$3.7 billion to Québec's GDP. More than 8,500 direct and indirect jobs are expected to be created per year during the four-year construction phase. Once the network is in operation, more than 1,000 permanent jobs will be generated by the project. The REM could help reduce greenhouse gas emissions by more than 35,000 tonnes as of the first year of operation.

In real estate, **Ivanhoé Cambridge** and its partner Claridge announced their intention to invest \$100 million in medium-scale real estate projects in the Greater Montréal area. La Caisse's real estate subsidiary also continued with various construction and revitalization projects, including those at Carrefour de l'Estrie in Sherbrooke, Maison Manuvie and Fairmont The Queen Elizabeth hotel in Montréal, as well as at Place Ste-Foy and Quartier QB in Québec City, investments totalling over \$450 million.

In Gaspésie, la Caisse participated in the financing of the New Richmond wind farm project, investing close to \$60 million. New Richmond is in addition to three other wind farm projects financed by la Caisse in recent years in Québec, namely Parc des Moulins (Chaudières-Appalaches), Vents du Kempt (Bas-Saint-Laurent) and the construction of the Parcs éoliens de la Seigneurie de Beaupré (Capitale-Nationale).

Innovation and the next generation

In promising sectors such as green energy, new media and artificial intelligence, la Caisse aims to support SMEs with solid business plans and foster a culture of collaboration among the various industry stakeholders to strengthen their impact and accelerate their growth. Espace CDPQ, which brings together in a single hub key stakeholders from the entrepreneurial ecosystem and investment funds, is based on the idea that networks drive innovation. Espace CDPQ facilitates the pooling of expertise and the means to support Québec SMEs in their growth and global expansion.

In the new media industry, la Caisse made investments in Triotech, which designs, manufactures and markets rides based on a multi-sensorial experience; in Felix & Paul Studios, specialized in the creation of cinematic virtual reality experiences; and in Stingray, a leading multi-platform musical services provider. La Caisse also invested in Hopper, ranked among the top 10 mobile applications in the travel industry. Within the electric ecosystem, la Caisse reinvested in AddÉnergie to reinforce the company’s deployment plan, aimed at adding 8,000 new charging stations across Canada in the next five years, and invested in Spectra Premium, a North American leader in the manufacturing of systems for hybrid vehicles.

IN NUMBERS



Over the past five years, la Caisse’s new investments and commitments in Québec reached \$13.7 billion, with \$2.5 billion in 2016. These figures do not include the investment in Bombardier Transportation and la Caisse’s planned \$3.1 billion commitment to carry out the REM project. As at December 31, la Caisse assets in Québec totalled \$58.8 billion, of which \$36.9 billion were in the private sector.