



Annual Public Meeting

Ottawa, November 27, 2013



By

Cheryl Barker, Interim Chair of the Board
Gordon J. Fyfe, President & CEO

Cheryl Barker

Interim Chair, Board of Directors

Gordon J. Fyfe

President and CEO

Long-term Investment Strategy

- Diversification strategy began in FY2004.
- Take advantage of large cash inflows.
 - Facilitate investments in private, illiquid asset classes.
 - Ability to capture illiquidity premium (higher returns).
 - Better match to inflation-driven liabilities reduces funding risk.
 - Control timing of divestiture.
- Take advantage of size.
 - Economies of scale.
 - Internal management.

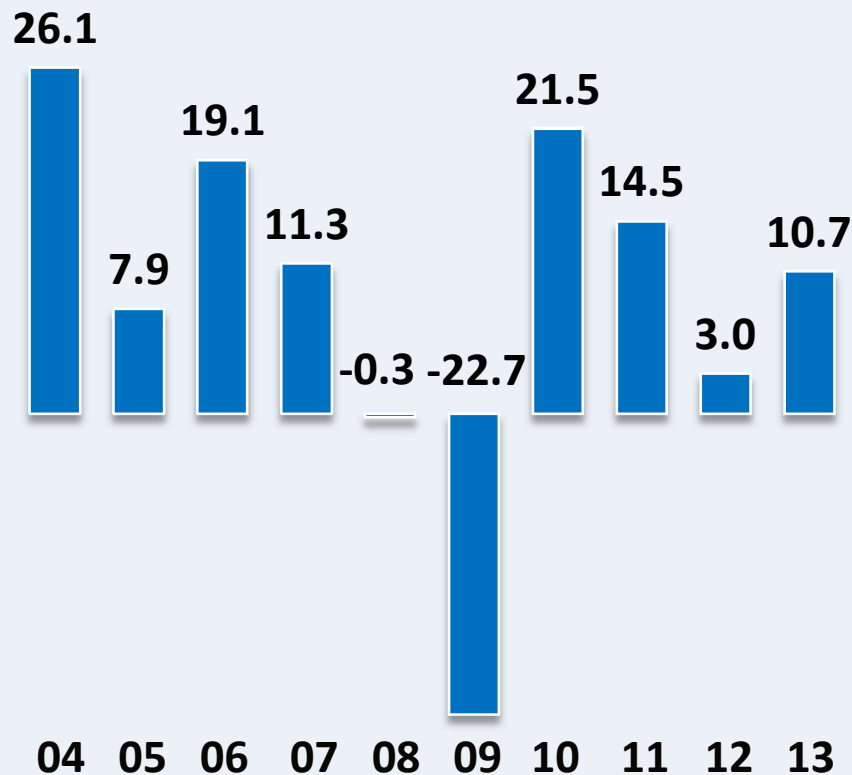
FY13 Highlights

- Total portfolio return of 10.7%.
- Investment income of \$7.0 billion after expenses.
- Value-added of \$1.4 billion above benchmark return of 8.6%.
- Consolidated net assets of \$76.1 billion.
- Four-year:
 - Annualized return of 12.2%;
 - Investment income of \$23.7 billion;
 - Value-added above benchmark of \$3.7 billion.

FY13 Financial Highlights

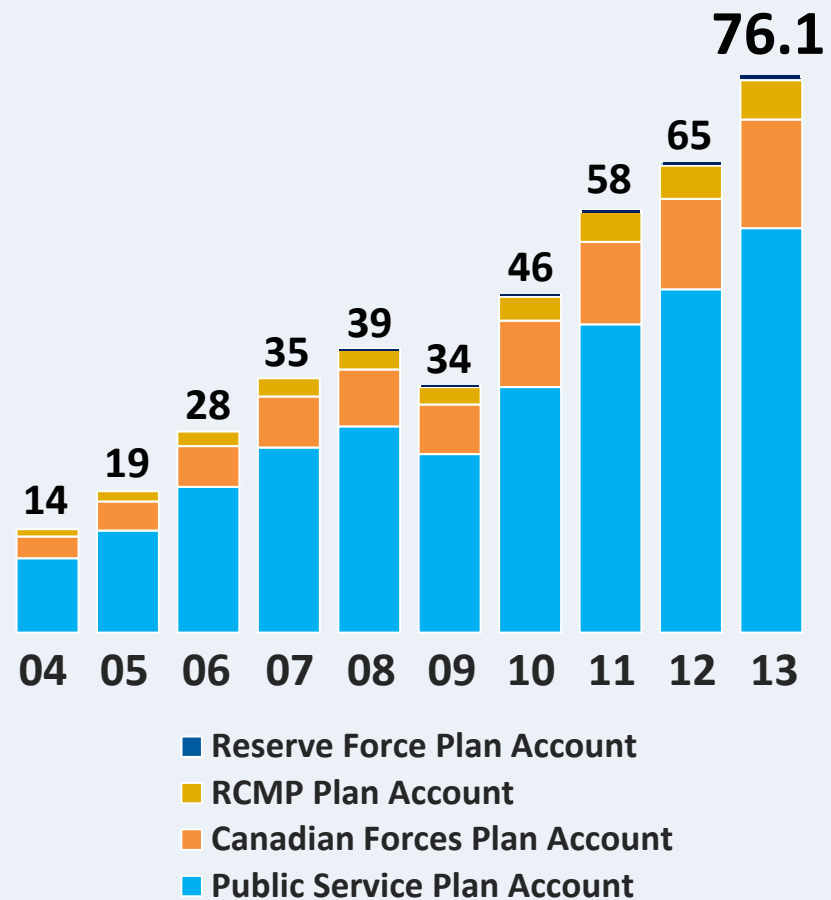
Annual Performance

As at March 31, 2013 (%)



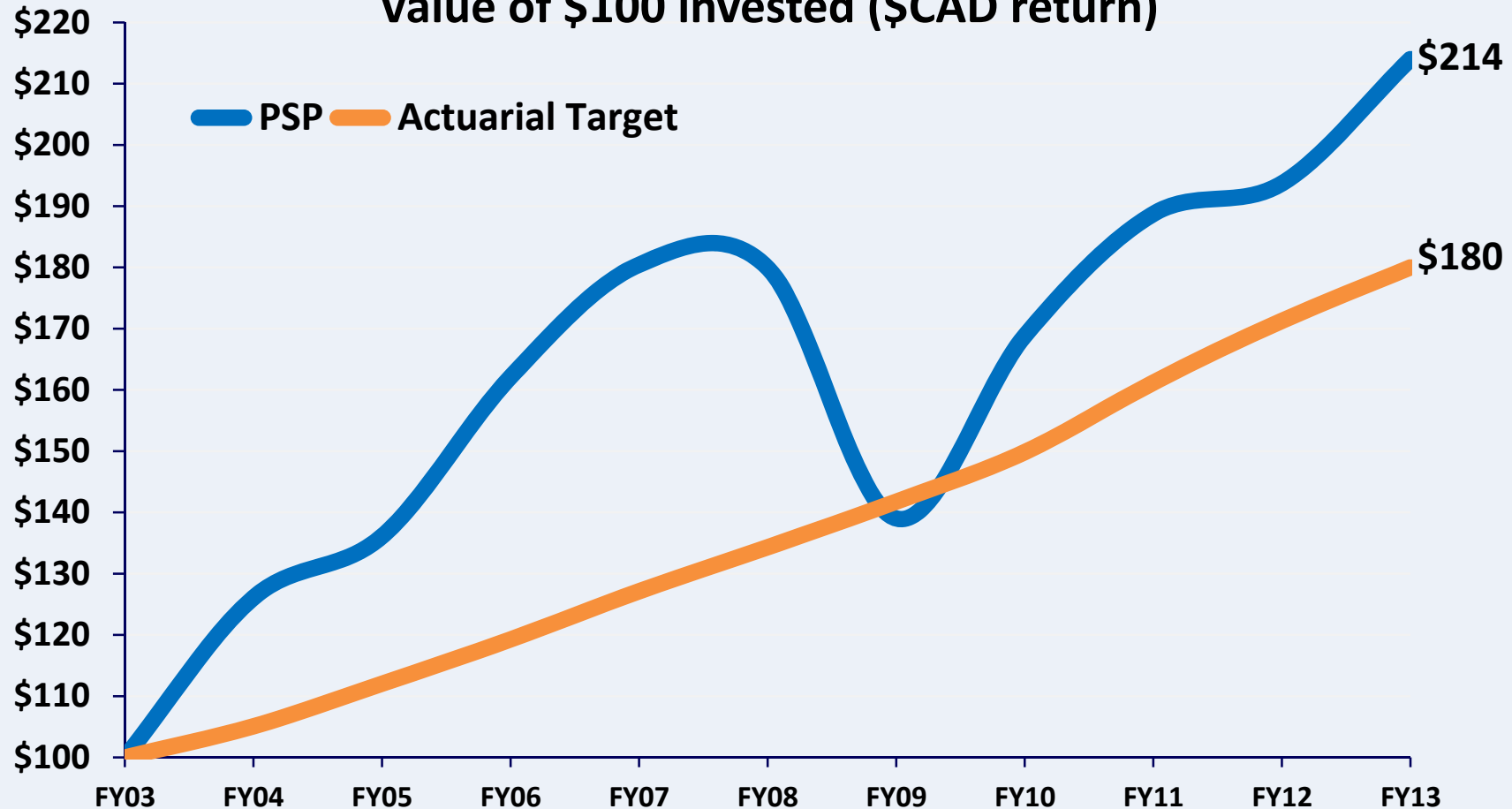
Changes in Net Assets

As at March 31, 2013 (billions \$)



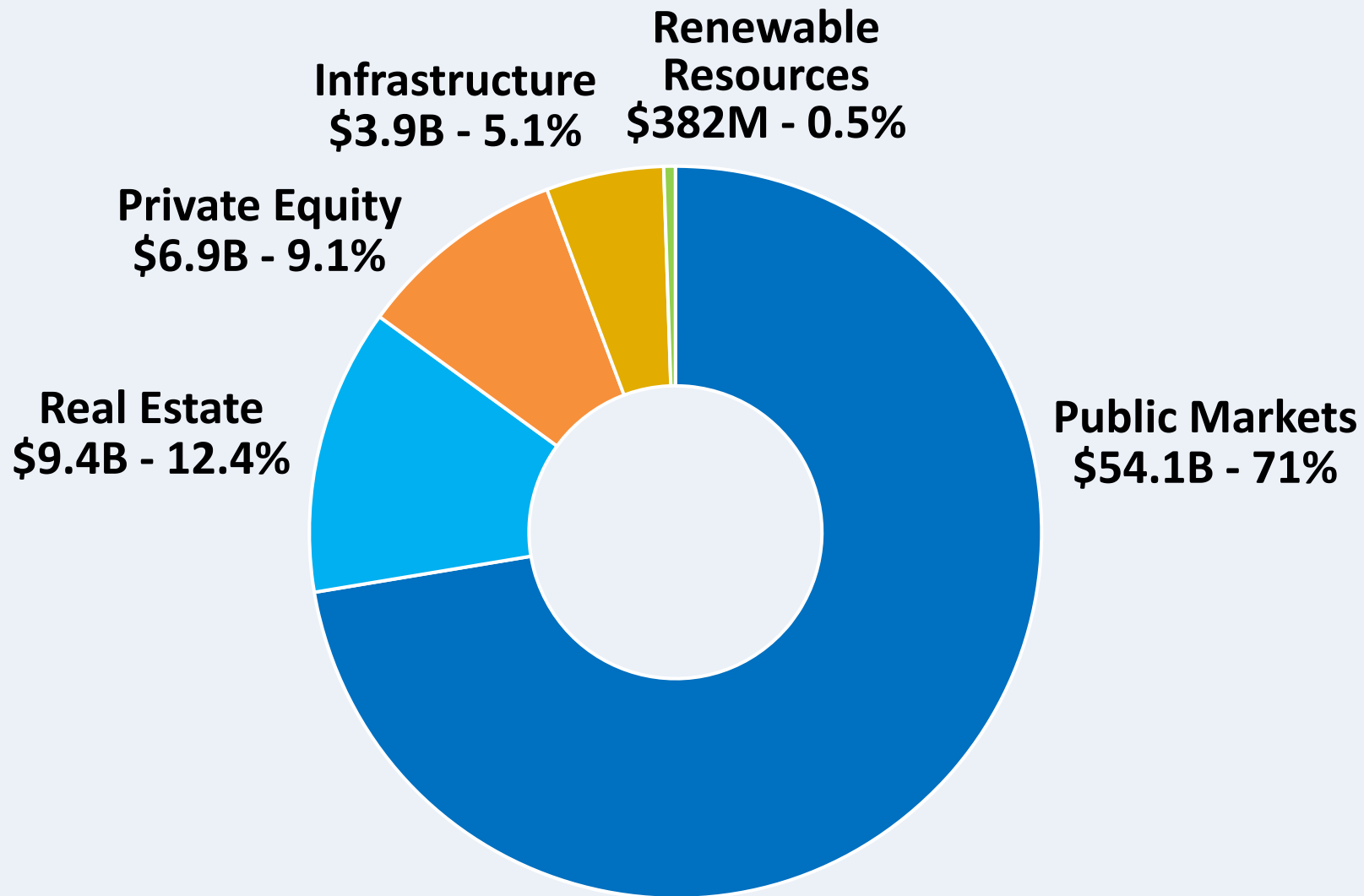
Portfolio Performance

Comparison with the actuarial target
Value of \$100 invested (\$CAD return)

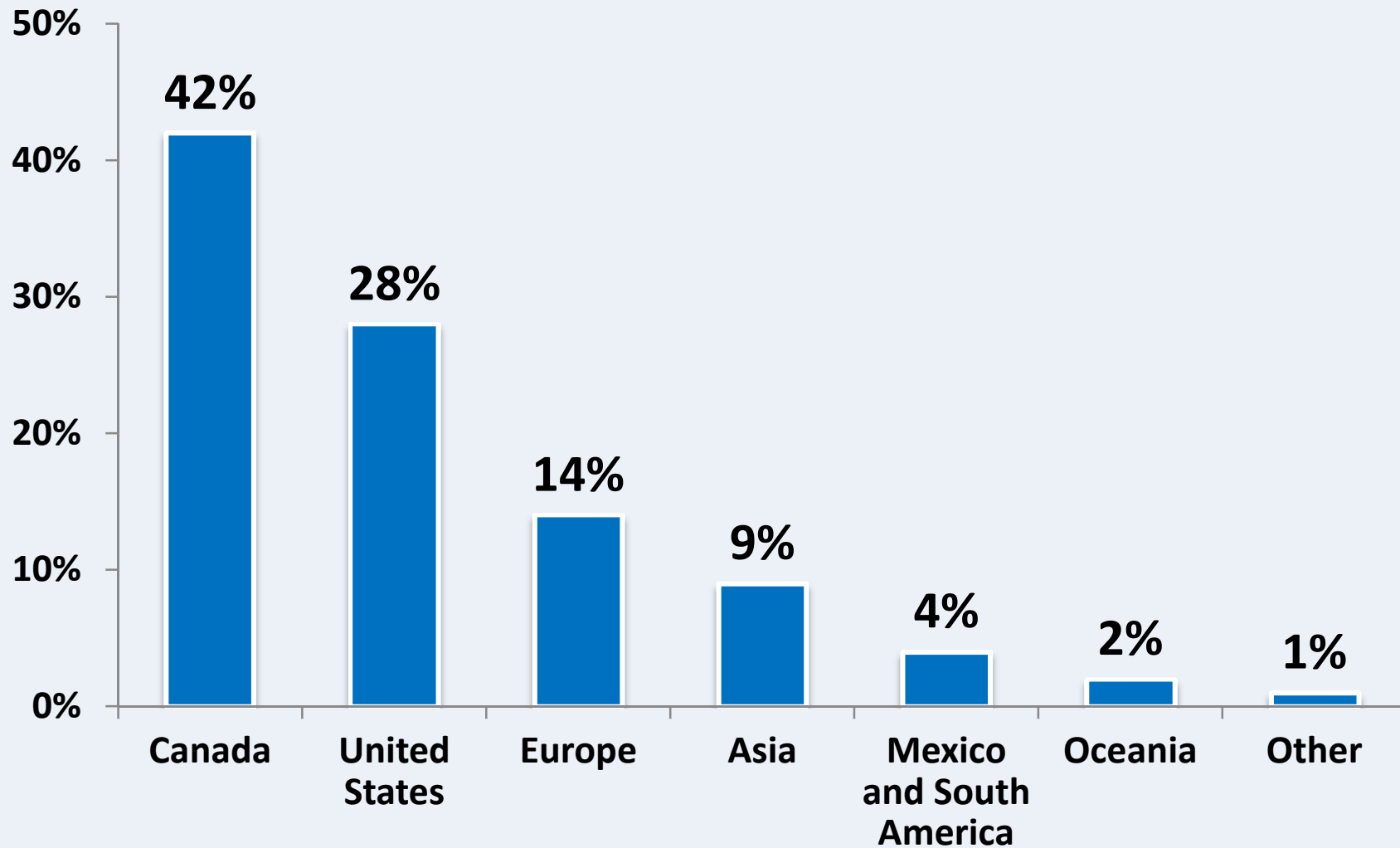


As at March 31, 2013. PSP Performance is net of fees.

Asset Mix by Investment Unit As at March 31, 2013 (%)



Geographic Diversification



As at March 31, 2013

Top Ten Holdings at March 31, 2013

Public Market Equities

Royal Bank of Canada
Toronto-Dominion Bank
Bank of Nova Scotia
Suncor Energy
Canadian National Railway
Bank of Montreal
Enbridge
BCE
Canadian Natural Resources Ltd
TransCanada Corp

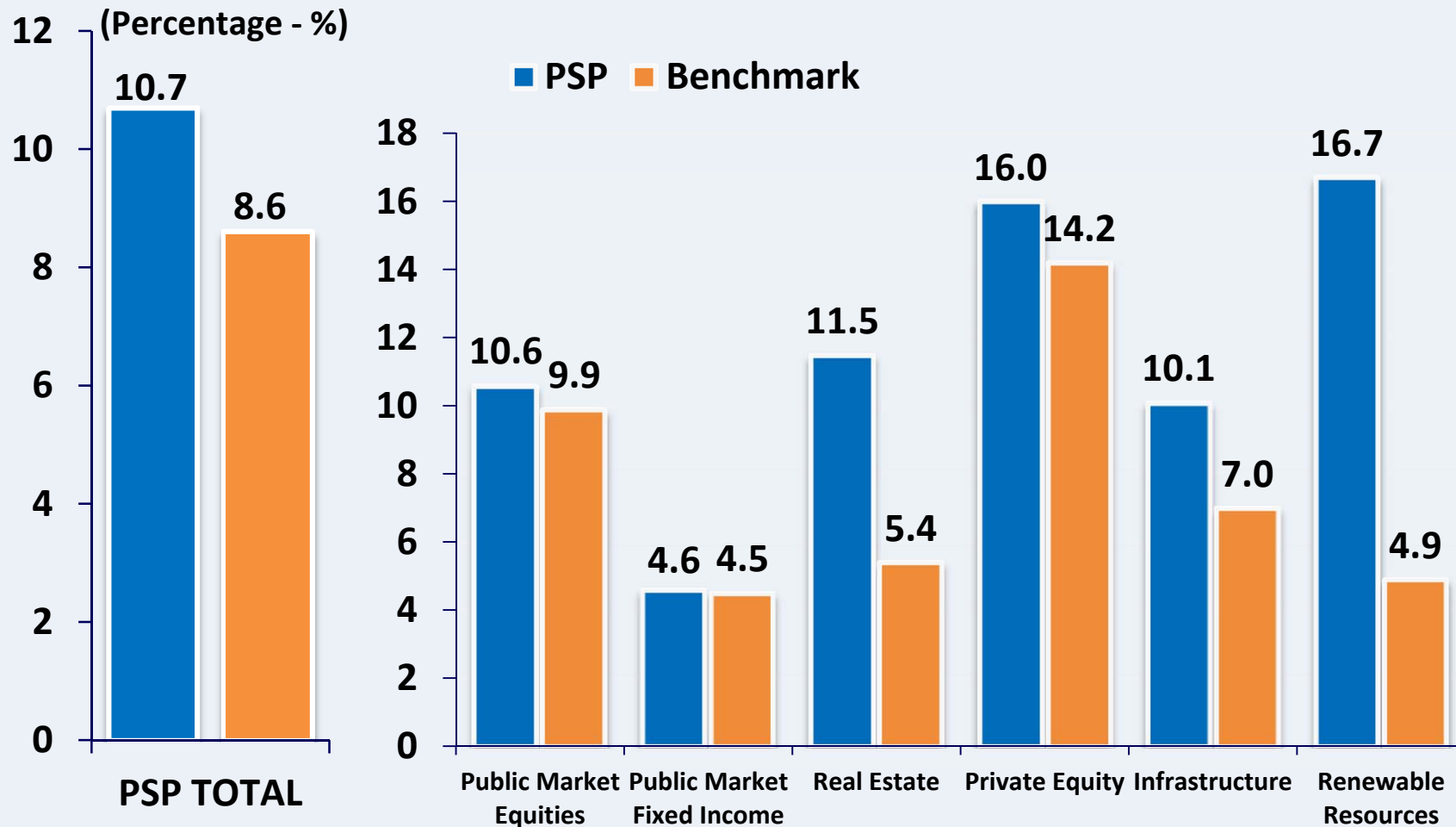
Total: \$5.2B

Private Market Investments

Revera
Telesat
SCG – CLP (Westin)
Gassled – Infragas
Kinetic Concepts Inc.
Bedford Funding I
Transelec
Charter Hall Office Trust
TD Canada Trust Building
H2O

Total: \$7.6B

All investment groups outperformed their respective benchmarks



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.
 As at March 31, 2013.

Public Markets

- Net assets of \$54.1B.
- Return of 9.8% compared to benchmark return of 8.5%.
- Investment income of \$4.7B.
- 65% of active strategies now managed internally.

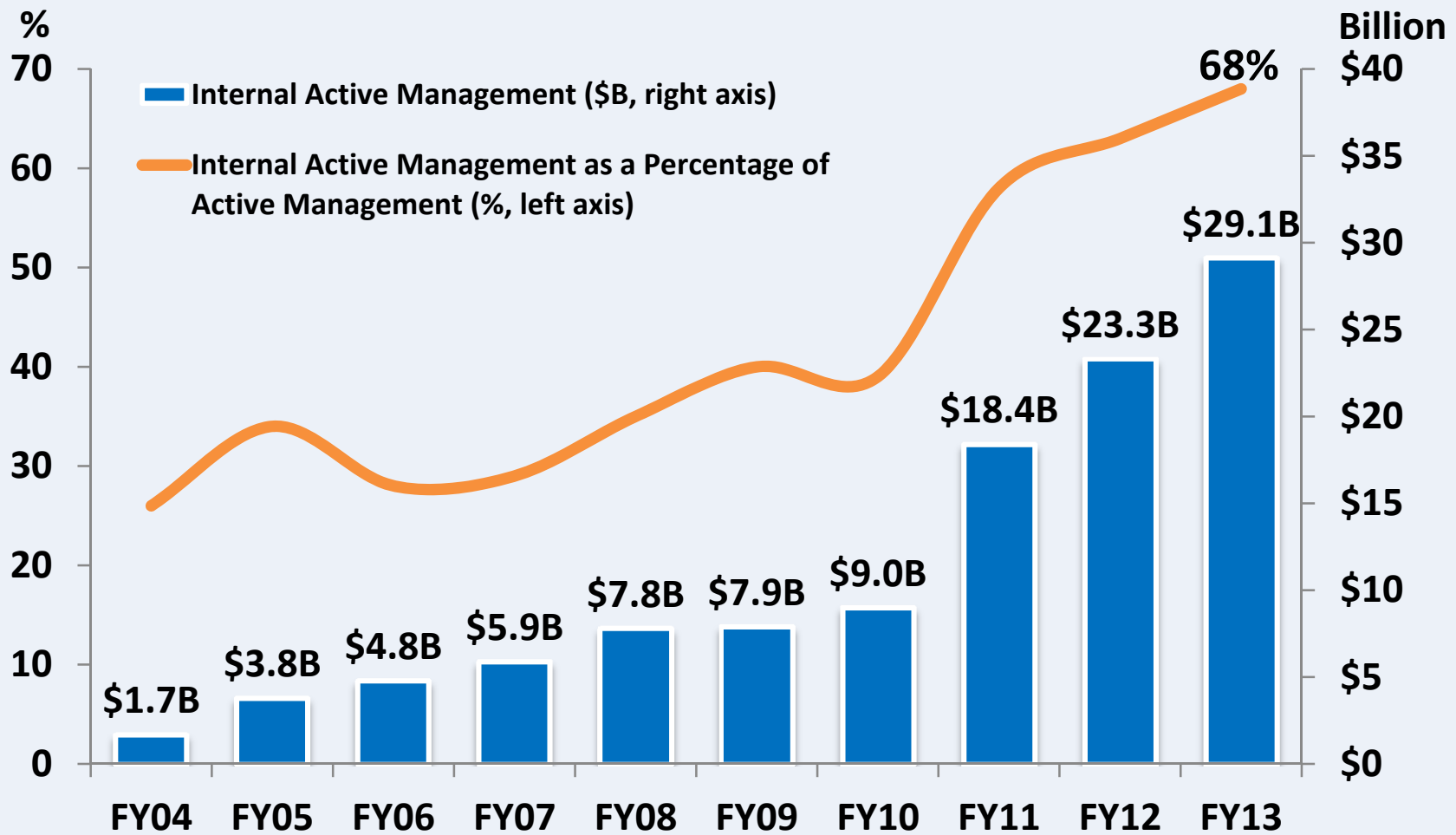
Portfolio and Benchmark Returns As at March 31, 2013

Asset Class	Portfolio Returns %	Benchmark Returns %	Value-added %
World Equity	10.6	9.9	0.7
Canadian Equity	6.7	6.1	0.6
US Large Cap Equity	18.1	15.8	2.3
EAFE Large Cap Equity	12.8	13.1	-0.3
Small Cap Equity	19.2	18.1	1.1
Emerging Markets Equity	4.9	3.6	1.3
Fixed Income	4.6	4.5	0.1
Fixed Income	3.4	3.3	0.1
World Inflation-Linked Bonds	7.0	7.0	0.0
Total			
All Public Markets Portfolios	9.8	8.5	1.3

Private Markets – Notable Investments

- Real Estate: \$3.1B of new investments, including 50 % of TD Canada Trust Tower
- Private Equity: joint purchase of London-based Cooper Gay Swett & Crawford, one of the world's largest wholesale insurance and reinsurance brokerage companies
- Infrastructure: Isolux Infrastructure

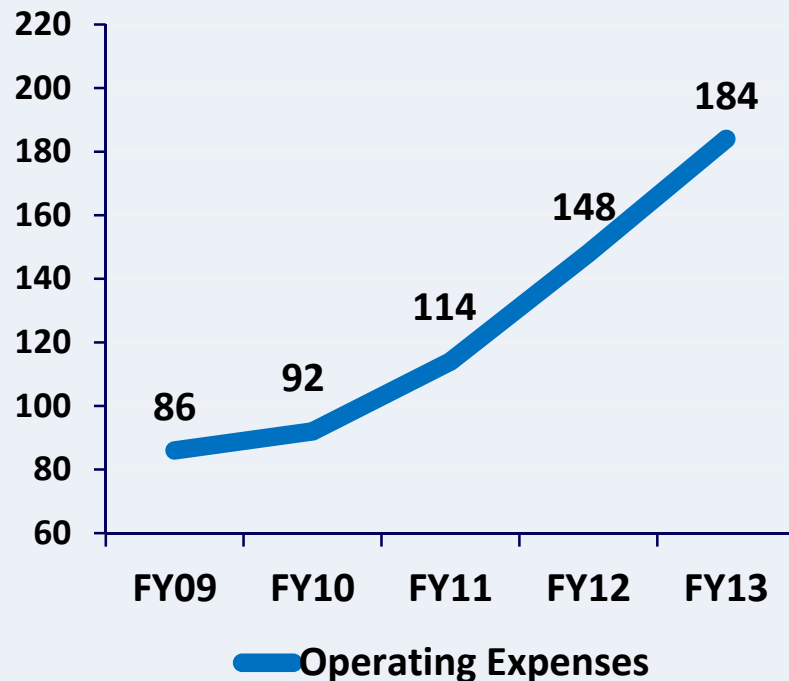
Internal Active Management



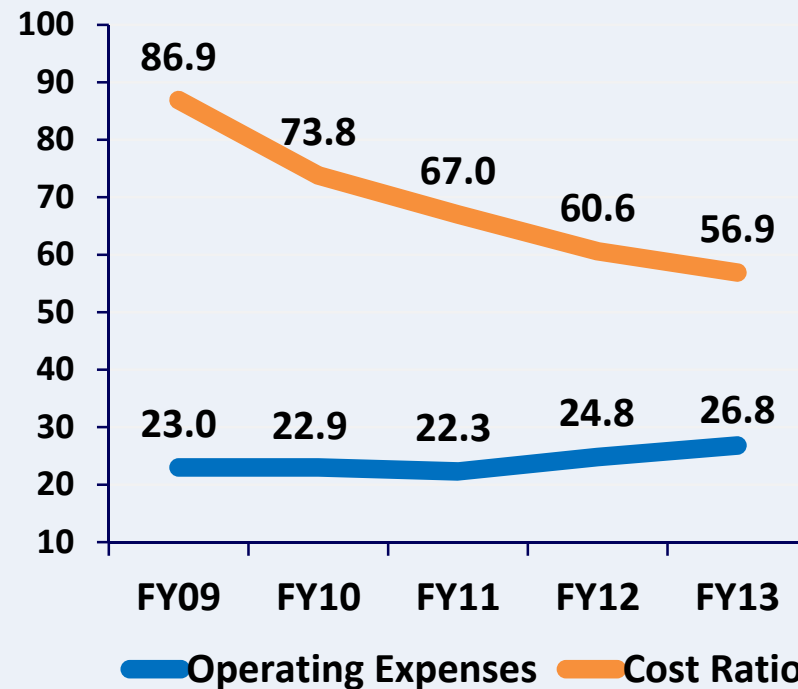
As at March 31, 2013.

Cost Management

Operating Expenses (M\$)



Cost Ratio and Operating Expenses (bps)



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

¹ Excludes performance fees.

As at March 31, 2013.

Preliminary Fiscal Year 2014 Results (As at September 30, 2013)

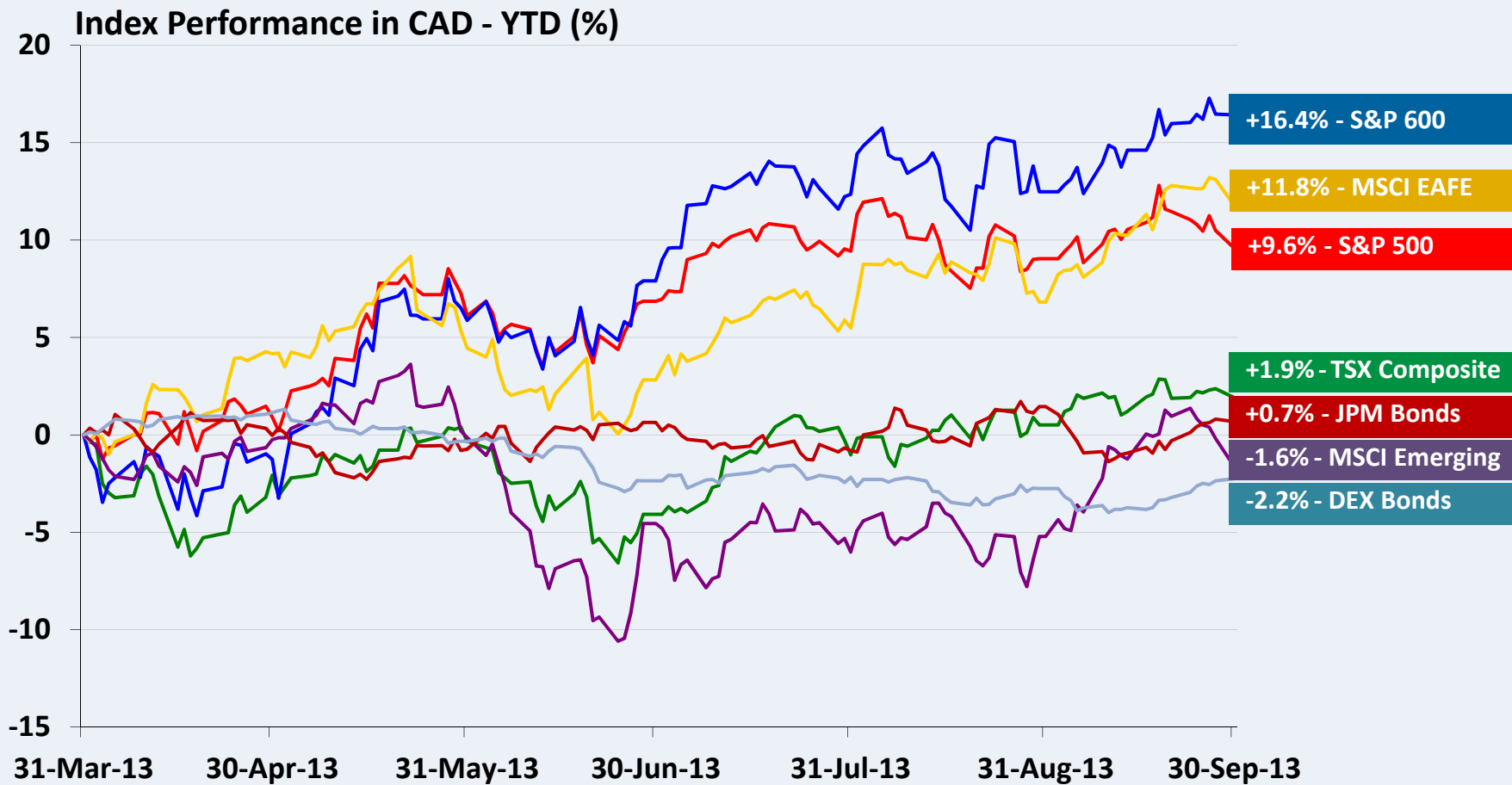
FY2014 – First Six Months

- Investment return: **4.56%**
- Net assets: **\$82.3 billion**
- Investment income: **\$3.6 billion**
- Contributions: **\$2.7 billion**

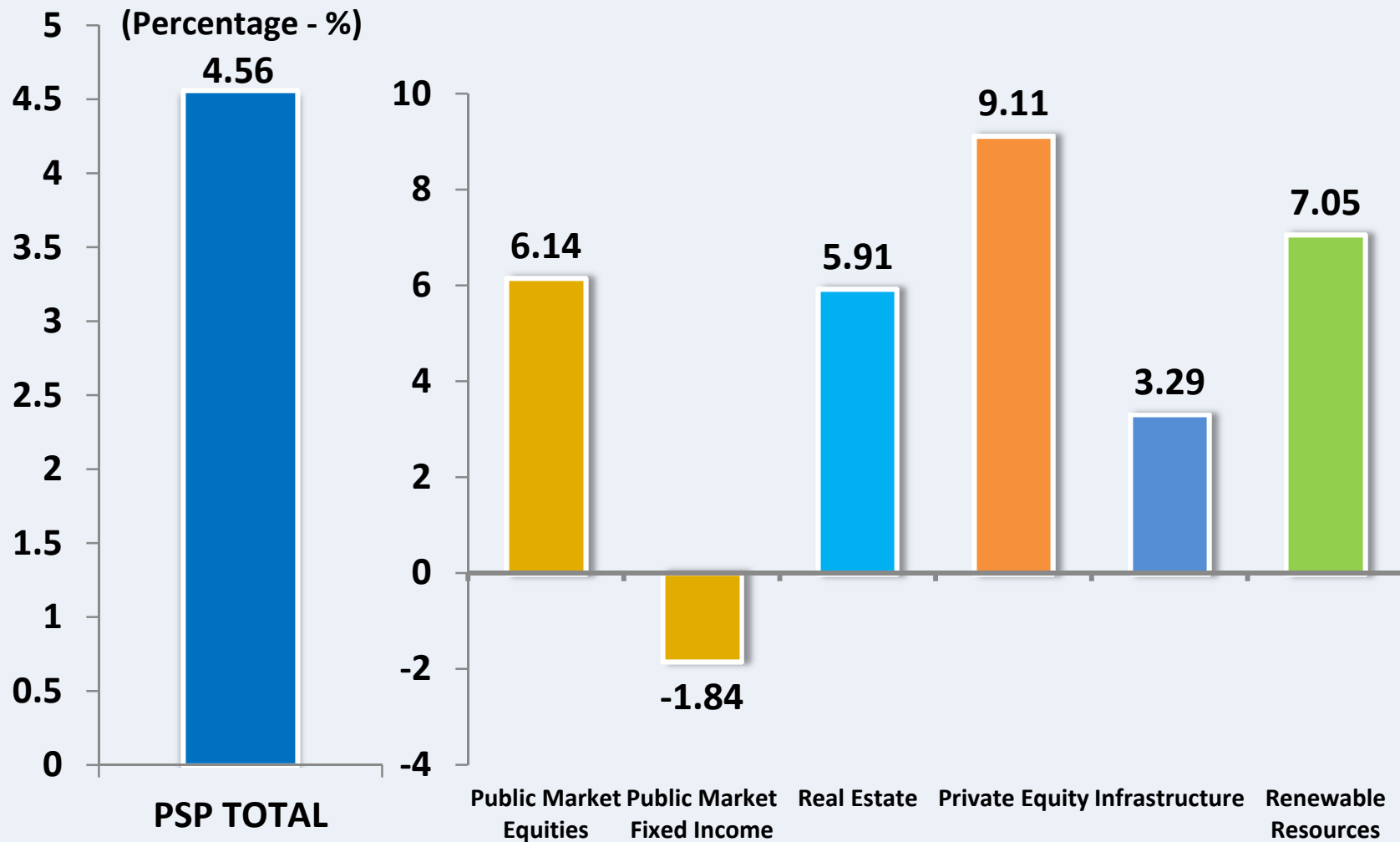
As at September 30, 2013.

FY2014 – First Six Months

Performance of Major World Indices



FY2014 – First Six Months



Public Equity: Canadian Eq., U.S. Large Cap Eq., EAFE Eq., Emerging Eq., Small Cap Eq.
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QUESTIONS