



Caisse de dépôt et placement
du Québec

Address by Pierre Brunet, Chairman

Montréal, November 21, 2008
Check against delivery

Good afternoon,

We are going through highly unusual circumstances that we believe call for clarification of a number of matters.

The Caisse is currently under considerable pressure to deviate from its governance rules and to publish an interim report for the current year.

I would like to remind you of a number of principles regarding this matter.

The Caisse is an important financial institution, in fact one of the most important in Canada.

It is an independent financial institution, with specific governance rules that regulate and assure its independence.

It has a Board of Directors, of which two-thirds of the members are independent and which makes decisions regarding its priorities.

The Caisse must at all times preserve its integrity as a financial institution that is independent and governed according to rules that are clear and foreseeable, rather than random. In particular, this is important to maintain the confidence of the markets and of the institutions with which it does business.

It is not in the interest of the Caisse, or its depositors, to take action that could deviate from the rules that have always governed it, including in a period as turbulent as the one we are experiencing.

Moreover, the Caisse has always published complete, audited figures.

A significant portion of the Caisse's investments, such as its real estate and private equity holdings, are subject to year-end valuation by independent committees, in a highly regulated process that ensures the integrity thereof.

To publish interim data would therefore mean publishing incomplete, unaudited figures.

In addition, the Caisse is an institution that manages for the long term, with a horizon of at least 10 years. Thus even though the current crisis is acute, it has to be put in perspective, and only at the end of the cycle will we be able to measure its specific impacts.

To provide some background, I think it is important to bear in mind that the Caisse de dépôt et placement du Québec is an important institution for Québec. It is one of the few Québec financial institutions that have such scope and stature in the global arena.

Throughout its history, and even more so in recent years, the Caisse has risen into the ranks of the best fund managers, not only in Canada but also on the international scene. The Caisse de dépôt et placement du Québec is a respected institution that has an excellent reputation everywhere.

That being said, at this time we have no reason to draw conclusions about the performance that the Caisse will record in 2008 in relation to its peers, which face exactly the same challenge as it.

In other words, regardless of the results that we record at year-end, they will be situated in an overall context in which all the fund managers in Canada and in the rest of the world will have to meet the same challenges. At year-end, we'll see how the Caisse has fared. But we won't be able to see that until it happens.

It is important to remember that, since September, the global equity markets have been extremely volatile (there were more than 15 days of extreme volatility (+/- 4%) in October; there have been only 38 in the past 50 years).

To cite another example, over the past 138 years there have been only 11 monthly declines of more than 15%, like the one we saw in October, and only three since 1929.

In these circumstances, the Caisse's priority is also to remain highly focused on the specific challenges that this crisis represents and to avoid distractions as much as possible, for as long as the situation persists.

And now a word about Mr. Guay's absence.

In recent weeks, Mr. Guay has accomplished a great deal of work but has also established clear priorities for everyone.

As you know, he has had to take a break on the advice of his physician, but the priorities are specific, and business will continue normally under the interim management of Fernand Perreault.

Mr. Guay plans to be back on December 10. That is still his schedule, and there has been no change in that regard.

Mr. Guay has the confidence of the Board of Directors and plans to resume his professional activities as President and Chief Executive Officer on the scheduled date.

I would now ask Mr. Perreault to provide an update on matters that are more management-related.