

HIGHLIGHTS

In Québec, la Caisse primarily focuses on the private sector where its investments now total \$42.5 billion, which is more than a 50% increase over the past five years. The strategy for this sector is to support well-established Québec companies and develop new companies in promising fields. By applying the three pillars of its strategy – growth and globalization, impactful projects and innovation, and the next generation – la Caisse seeks to help build and enhance strong Québec companies while implementing projects and initiatives that contribute to Québec’s economic vitality in a sustainable way.

Growth and globalization

During 2017, la Caisse supported Québec businesses of all sizes in their efforts to grow locally and internationally. From SMEs to large businesses, international expansion projects financed by la Caisse included:

- Cogeco Communications and the acquisition, by its American subsidiary Atlantic Broadband, of a company in the U.S. that enables it to reach more than 230,000 new households (\$585-million investment);
- Eddyfi Technologies, an industrial inspection equipment and software developer, and its acquisition of a company in the United Kingdom (\$36.5-million investment);
- Groupe Solmax, a manufacturer of geosynthetic products, and its acquisition of a major U.S. competitor that enabled it to become the world leader in its industry (\$117-million investment);
- Glutenberg Holding Company, a gluten-free beer producer that is expanding, notably into the U.S. (\$2.5-million investment through the Fonds Espace CDPQ);
- Osisko’s acquisition of a portfolio of mining royalties from Orion Mine Finance Group, which includes royalties from a mine in Chile (\$200-million investment);
- SNC-Lavalin and its acquisition of WS Atkins, one of the U.K.’s largest design, engineering and project management consultancies (\$1.9-billion investment by la Caisse, including a \$1.5-billion loan secured by the value of SNC-Lavalin’s interest in the Highway 407 ETR project).

Markets where select Québec companies supported by la Caisse made acquisitions or expanded in 2017



Impactful projects

During the year, **CDPQ Infra**, a subsidiary of la Caisse, reached several key milestones in the implementation of the Réseau express métropolitain (REM) project, including confirming investments from the governments of Québec and Canada. More recently, CDPQ Infra announced the winning consortia, as well as the route and budget that will allow the project to break ground in the spring of 2018 and enter into service in the summer of 2021.

Ivanhoé Cambridge, la Caisse's real estate subsidiary, achieved several milestones in its plan for downtown Montréal by inaugurating two large projects: Maison Manuvie, an ultra-modern office building home to Manulife's Québec headquarters, and the Fairmont The Queen Elizabeth hotel, which has been repositioned following more than \$140 million in renovations. Ivanhoé Cambridge has also begun \$400 million worth of revitalization work on the Place Ville Marie Esplanade and at the Montréal Eaton Centre, an iconic shopping destination at the heart of the downtown commercial area. In Québec City, it launched phase three of the Quartier QB residential project located near Université Laval and continued development work on Place Ste-Foy.

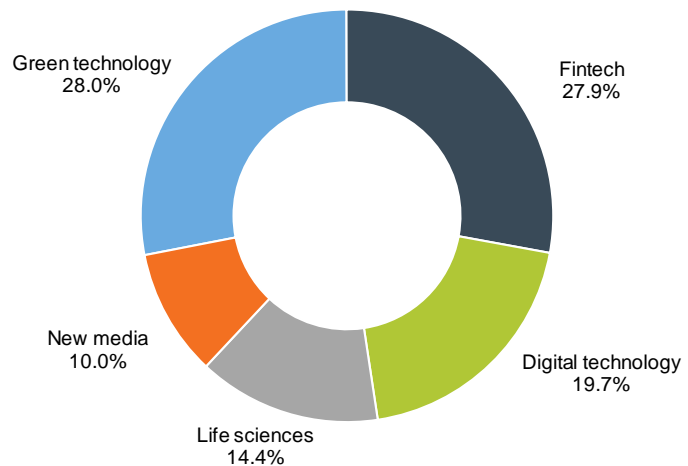
In the renewable energy sector, la Caisse financed the Mont Sainte-Marguerite windfarm in the Chaudière-Appalaches region and invested close to \$615 million in Innergex Renewable Energy and Boralex. Both companies are recognized internationally for their industry expertise.

Innovation and the next generation

To support the Québec economy's digital and technological transformation, la Caisse partners with the most innovative Québec companies that offer the best solutions and services in their industries. Investments made during 2017 include Lightspeed, eStruxture, Pivotal Payments and TrackTik, as well as commitments to two funds – Real Ventures and Novacap TMT – targeting emerging technology, artificial intelligence and new media companies. La Caisse, alongside Desjardins Group, also announced the creation of a \$75-million fund to support the growth and development of new financial technology companies.

Espace CDPQ, which brings together key players from investment funds and the entrepreneurial ecosystem, finalized its expansion in 2017. Today, it houses 16 tenant partners. In 2017, the 11 Espace CDPQ venture capital and investment firms collectively made approximately 100 investments and reinvestments in Québec. These development organizations have supported close to 400 new entrepreneurs, intrapreneurs and businesses, particularly through mentoring.

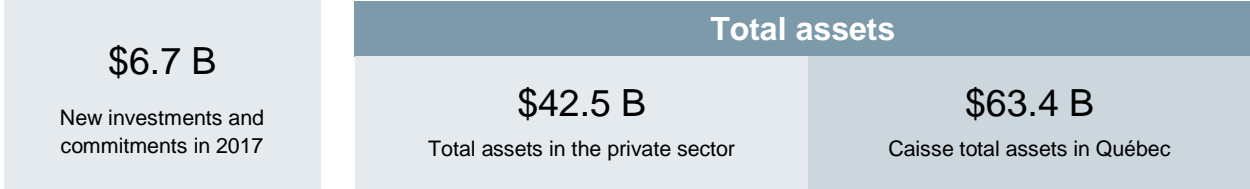
**La Caisse's Private Equity holdings*
in promising new economy sectors**
Sector share as a % the total



*Excluding Fixed Income, Equity Markets, Infrastructure and Real Estate holdings.

Each year, Espace CDPQ holds more than 60 major events about growth, globalization and innovation to create networking opportunities for sector stakeholders and to maximize their visibility among SMEs.

IN NUMBERS



During the past five years, la Caisse’s assets in the private sector have increased by more than 50% to \$42.5 billion on \$63.4 billion of total assets. New investments and commitments in Québec companies totalled \$17.5 billion over five years and \$6.7 billion in 2017. This large amount is in part due to the \$1.9 billion in financing provided to support a major international acquisition by SNC-Lavalin, and to the \$2.0 billion in transactions and private equity investments, particularly in Cogeco Communications, Couche-Tard and Osisko.

La Caisse’s commitment to the REM is not included in these amounts since the project’s budget was only confirmed in 2018.

5-year trend in la Caisse's total assets in Québec's private sector
As at December 31 – in \$ billions

