

**This regulation was adopted by the Board of Directors of the  
Caisse de dépôt et placement du Québec on December 15, 2006**

**Regulation respecting the determination of financial instruments or contracts of a financial instruments or contracts of a financial nature and the framework for their use by the Caisse de dépôt et placement du Québec**

**An Act respecting the Caisse de dépôt et placement du Québec  
(R.S.Q., c. C-2, ss. 23, 33.1)**

1. Instruments or contracts of a financial nature are used by the Caisse de dépôt et placement du Québec (the « Fund ») within a prudent and reasonable investment management framework, taking into account the mission of the Fund, the investment policies of the depositors, the moneys received on deposit, the investment policy of each of the Fund's specific portfolios and the depositors' expectation of return reflected in the added value sought and the allocation of assets.

O.C. 765-93, s. 1; BD.2006-12-15, s. 1

2. More specifically, instruments or contracts of a financial nature may be used within the following framework:
  - (a) the hedging of investments, in whole or in part, in order to protect the yield notably against interest rate and exchange rate fluctuations, credit spreads, stock prices (movements in markets), commodity prices and volatility;
  - (b) the application of investment strategies based on the evolution of interest rate and exchange rate fluctuations, credit spreads, stock prices (movements in markets), commodity prices and volatility;
  - (c) the application of asset allocation strategies in the short and long term;
  - (d) the optimization of returns on moneys received on deposit.

O.C. 765-93, s. 2; BD.2006-12-15, s. 2, 3 and 4.

3. The board of directors shall determine annually, one or more risk limits on the instruments or contracts of a financial nature that notably take into account the elements mentioned in section 1 of this Regulation.

O.C. 765-93, s. 3; BD.2006-12-15, a. 5.

4. The Fund may also acquire, hold, sell, invest in or conclude :
- (a) short sale contracts or short sales of shares or bonds;
  - (b) investment instruments composed of or broken down from shares, bonds and other securities which the Fund may acquire;
  - (c) agreements or contracts concerning interest rates or currency exchange rates;
  - (d) agreements or contracts concerning commodities, goods and metals;
  - (e) securities lending and borrowing agreements;
  - (f) reverse repurchase agreements;
  - (g) volatility swaps;
  - (h) variance swaps.

O.C. 765-93, s. 4; BD.2006-12-15, a. 16.

5. (*Omitted*).

O.C. 765-93, s. 5.

O.C. 765-93, 1993 G.O. 2, 3134  
BD.2006-12-15