



PRESS RELEASE

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THE CAISSE VEHEMENTLY DENIES MISLEADING AND ALARMING CONCLUSIONS IN REPORT

Montréal, April 16, 2010 – A story broadcasted last night on a television channel claimed that Québecers' savings entrusted to the Caisse de dépôt et placement could suffer losses greater than those of 2008, if that year's conditions were to reoccur. The Caisse's management wishes to state categorically that the conclusions drawn by the story are false for the following reasons:

- During 2009, the Caisse introduced, as part of its program to strengthen risk management, a Value at Risk (VaR) calculation with a 99% confidence level over a historical period of 1,300 days.
- By applying this methodology, calculation results cannot estimate, based on a specific event like that of fall 2008, losses a portfolio would suffer if such an event reoccurred.
- This methodology aims to estimate portfolio risk by annualizing its potential losses (i.e., assuming the reinvestment of losses throughout the year to maintain the same level of risk). Bottom line: this methodology replicates the effects of the most adverse events on the portfolio several times a year.
- It is inappropriate to make a link between the 99% VaR calculation and a specific historical event. This is not the objective of this methodology. It aims to provide the Caisse's managers with a way to assess and manage portfolio risk.
- All estimates show that the Caisse's current risk is well below the \$40 billion loss of 2008, let alone the \$50 billion cited in the story.
- In 2009, the Caisse also adopted risk management best practices and mechanisms, such as daily VaR calculations, daily liquidity and stress-test monitoring and a greater degree of manoeuvrability through, for instance, the significant reduction of its liabilities and the curtailment of its financial engineering activities. These new measures and initiatives provide greater capacity and flexibility to manage such a crisis and significantly limit the consequences of as extreme an event.

ABOUT THE CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC

The Caisse de dépôt et placement du Québec is a financial institution that manages funds primarily for public and private pension and insurance plans. At December 31, 2009, it held \$131.6 billion of net assets. As one of the leading institutional fund managers in Canada, the Caisse invests in the main financial markets as well as in private equity and real estate. For more information: www.lacaisse.com.

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SOURCE AND INFORMATION:

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