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Disappointing performance by the Caisse de dépôt et placement: the Minister of Finance wants the Caisse's management to explain the results before a parliamentary committee

Québec, February 25, 2009 – The Minister of Finance and Minister responsible for Infrastructure, Monique Jérôme Morget, has reacted to the financial results for 2008 unveiled today by the Caisse de dépôt et placement du Québec. Following five years of exceptional returns, the Caisse suffered a 25% loss last year. “Clearly, I am very disappointed,” the Minister of Finance said.

However, Ms. Jérôme-Forget noted that 2008 was marked by a global financial crisis and that, historically, there has always been a recovery from periods of high volatility. “It is important that the Caisse’s results not be judged based on a single year since its depositors have a long-term investment horizon. A substantial portion of the Caisse’s losses are “paper losses”, not actual losses realized in 2008,” the Minister added.

Since it was formed, the Caisse has achieved an average annual rate of return of 8.3%.

“The Caisse remains a world-class institution, with 43 years of history behind it and the talent of hundreds of dedicated employees. However, to rebound strongly, it will have to draw lessons from its counter-performance in 2008,” Minister Jérôme-Forget indicated.

The Minister of Finance considers that the management of the Caisse must explain the results obtained in 2008, in particular its management of ABCP, before parliamentarians.

“It is important that Quebecers understand what happened, in particular regarding the Caisse’s holdings of almost \$13 billion of asset-backed commercial paper, which even the Caisse has acknowledged was a mistake,” the Minister of Finance pointed out.

“Consequently, I want the management of the Caisse, as well as its former President and CEO, Henri-Paul Rousseau, to explain themselves before a parliamentary committee. Discussions will take place in the next few hours with the opposition parties in the National Assembly to set a date for the committee’s hearings,” Minister Jérôme-Forget said.

“I am also confirming that the government will soon appoint the new nouveau Chairman of the Board of Directors of the Caisse as well as new members of the board. The new board will also move quickly to identify the next President and CEO of the Caisse,” the Minister added.

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