



**Press Release
For Immediate Release**

PSP Investments Reports Fiscal Year 2012 Results

Montréal, July 19, 2012 – The Public Sector Pension Investment Board (PSP Investments) announced today that its consolidated net assets increased by \$6.5 billion, or 11%, to a record level of \$64.5 billion during the fiscal year ended March 31, 2012 (fiscal year 2012). PSP Investments generated investment income of \$1.7 billion after expenses and received \$4.7 billion in net contributions. The total portfolio return for fiscal year 2012 was 3.0%, exceeding the Policy Portfolio benchmark return of 1.6%. For the three-year period since the financial crisis of 2008-2009, PSP Investments achieved an annualized return of 12.7%, generating \$16.5 billion in investment income and \$2.4 billion of value added, over and above benchmark returns.

The overall performance for fiscal year 2012 was driven primarily by strong results in Fixed Income portfolios, Real Estate, US Large Cap Equity and Private Equity, and was partially offset by the negative performance of public equities in the Canadian, European and Emerging markets. Over the course of the year, PSP Investments reduced its exposure to Public Market equities and increased its exposure to the Private Market and Real Return asset classes.

“PSP Investments delivered a solid performance in fiscal year 2012, in the most volatile investment environment since the financial crisis of 2008-2009,” said Gordon J. Fyfe, President and Chief Executive Officer. “In terms of relative performance, a majority of our portfolios outperformed their respective benchmarks, highlighted by performances from Real Estate, Public Markets equities and Fixed Income portfolios which surpassed their benchmarks by a good margin.”

For fiscal year 2012, returns on Public Markets Equities ranged from negative 9.8% for the Canadian Equity portfolio to 11.4% for the US Large Cap Equity portfolio. The Fixed Income portfolio generated a return of 10.1% while the return for the World Inflation-Linked Bonds portfolio was 15.3% for fiscal year 2012.

In Private Markets, the Real Estate and Private Equity portfolios posted strong investment returns of 13.4% and 7.7%, respectively. The Infrastructure portfolio earned an investment return of 2.7% while the newly created Renewable Resources asset class recorded an investment return of 5.1% for fiscal year 2012.

The asset mix as at March 31, 2012 was as follows: Public Markets Equities 51.0%, Private Equity 10.0%; Nominal Fixed Income and World Inflation-Linked Bonds 22.0%; Real Estate 10.9%, Infrastructure 5.6% and Renewable Resources 0.5%.

For more information about PSP Investments’ fiscal year 2012 performance, consult PSP Investments’ Annual Report available at www.investpsp.ca.

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About PSP Investments

The Public Sector Pension Investment Board (PSP Investments) is one of Canada's largest pension investment managers with \$64.5 billion of assets under management as of March 31, 2012. Its highly-skilled and dedicated team of professionals manages a diversified global portfolio including public equities, private equity, bonds and other fixed-income securities, real estate, infrastructure and renewable resources. PSP Investments is a Crown corporation established to manage employer and employee net contributions since April 1, 2000, to the pension funds of the federal Public Service, the Canadian Forces and the Royal Canadian Mounted Police, and since March 1, 2007, of the Reserve Force. PSP Investments' head office is located in Ottawa, Ontario, and its principal business office is in Montréal, Québec. For more information about PSP Investments, visit www.investpsp.ca.

- 30 -

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