

## Quarterly Financial Report

March 31, 2015

### Assets Under Management

as at March 31, 2015	\$32,884 million
as at December 31, 2014	\$30,698 million

### Valuation and Asset Mix

Policy Asset Mix	Mar. 31/15		Dec. 31/14		
	(\$ m)	(%)	(\$ m)	(%)	
Fixed Income	30.5%	10,576	32.2	9,197	30.0
Inflation Sensitive & Alternatives	32.0%	7,058	21.5	6,818	22.2
Canadian Equity	9.0%	3,859	11.7	3,630	11.8
Global Developed Equity*	16.0%	7,476	22.7	7,270	23.7
Emerging Markets Equity	3.5%	1,221	3.7	1,131	3.7
Global Small Cap Equity	3.0%	1,105	3.4	992	3.2
Private Equity	6.0%	1,342	4.1	1,275	4.2
Overlays	0.0%	247	0.8	386	1.2
	100%	32,884	100.0	30,698	100.0

\*Includes PAUS

### Performance Summary

	Q1 2015	Year to Date	1 Year	4 Years*
LAPP	6.2%	6.2%	13.5%	11.3%
Policy Benchmark	6.8%	6.8%	15.4%	11.0%
Excess Returns	(0.6)	(0.6)	(1.9)	0.3

NOTE: Unaudited Performance net of fees.

## Comparative Investment Performance by Calendar Years

Asset Category	Asset/Sub-asset Category	2015		Calendar Years		
	Benchmark	QTD	YTD	2014	2013	2012
Total	<b>Fund</b>	<b>6.2</b>	<b>6.2</b>	<b>11.4</b>	<b>11.3</b>	<b>11.1</b>
	<b>Policy</b>	6.8	6.8	12.9	11.0	9.5
	CPI (one month lag)	(0.0)	(0.0)	2.0	0.9	0.8
Fixed Income	<b>Asset Category Total</b>	<b>5.8</b>	<b>5.8</b>	<b>14.6</b>	<b>(2.8)</b>	<b>5.4</b>
	Asset Category Benchmark	6.2	6.2	14.5	(5.0)	3.9
	<b>Short Term and Cash</b>	<b>0.3</b>	<b>0.3</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>
	FTSE TMX Canada 91 day T Bill Index	0.2	0.2	0.9	1.0	1.0
	<b>Universe Bonds</b>	<b>4.1</b>	<b>4.1</b>	<b>9.8</b>	<b>0.6</b>	<b>7.5</b>
	FTSE TMX Canada Universe Bond Index	4.2	4.2	8.8	(1.2)	3.6
	<b>Long Bonds</b>	<b>7.7</b>	<b>7.7</b>	<b>18.8</b>	<b>(5.0)</b>	<b>5.3</b>
	FTSE TMX Canada L.T. Govt. Bond Index	7.4	7.4	17.9	(7.0)	4.0
	<b>Private Debt &amp; Loan</b>	<b>1.3</b>	<b>1.3</b>	<b>7.0</b>	-	-
	FTSE TMX Canada Universe Bond Index	4.2	4.2	8.8	-	-
<b>Private Mortgages</b>	<b>3.3</b>	<b>3.3</b>	<b>9.9</b>	<b>0.4</b>	<b>4.7</b>	
FTSE TMX Canada Universe Bond Index	4.2	4.2	8.8	(1.2)	3.6	
Inflation Sensitive & Alternatives	<b>Asset Category Total</b>	<b>4.0</b>	<b>4.0</b>	<b>8.3</b>	<b>6.6</b>	<b>10.5</b>
	Asset Category Benchmark	4.0	4.0	11.4	6.9	10.9
	<b>Real Return Bonds</b>	<b>7.5</b>	<b>7.5</b>	<b>13.5</b>	<b>(12.5)</b>	<b>3.1</b>
	FTSE TMX Canada Real Return Bond Index	7.3	7.3	13.2	(13.1)	2.9
	<b>Real Estate</b>	<b>2.0</b>	<b>2.0</b>	<b>8.5</b>	<b>12.3</b>	<b>15.4</b>
	IPD Cdn Bnchmk: Portfolios Valued > C\$1.5bn <sup>1</sup>	2.1	2.1	7.1	10.9	13.8
	<b>Private Income</b>	<b>5.9</b>	<b>5.9</b>	<b>7.3</b>	<b>4.2</b>	<b>7.7</b>
	Private Income Index <sup>2</sup>	4.3	4.3	20.7	17.7	10.9
<b>Timberlands</b>	<b>6.6</b>	<b>6.6</b>	<b>(2.9)</b>	<b>28.3</b>	<b>(0.4)</b>	
Timberlands Index <sup>3</sup>	6.5	6.5	13.7	8.0	11.0	
Short Horizon	<b>Asset Category Total</b>	<b>8.8</b>	<b>8.8</b>	<b>12.7</b>	<b>27.3</b>	<b>15.3</b>
	Asset Category Benchmark	8.9	8.9	12.2	24.8	11.6
	<b>Canadian Equity</b>	<b>2.3</b>	<b>2.3</b>	<b>12.4</b>	<b>15.2</b>	<b>12.1</b>
	S&P/TSX Capped Composite Index	2.6	2.6	10.6	13.0	8.2
	<b>Global Developed Equity</b>	<b>11.3</b>	<b>11.3</b>	<b>13.4</b>	<b>36.4</b>	<b>17.6</b>
	MSCI World Index	11.9	11.9	14.4	35.3	13.2
	<b>Emerging Markets</b>	<b>12.6</b>	<b>12.6</b>	<b>10.4</b>	<b>5.4</b>	<b>17.0</b>
MSCI Emerging Markets Index	11.8	11.8	6.6	4.0	15.7	
<b>Small Cap Equity</b>	<b>11.5</b>	<b>11.5</b>	<b>9.8</b>	<b>41.9</b>	<b>1.5</b>	
Small Cap Equity Index <sup>4</sup>	9.2	9.2	6.6	29.3	1.8	
Long Horizon	<b>Private Equity</b>	<b>7.9</b>	<b>7.9</b>	<b>7.3</b>	<b>2.0</b>	<b>12.8</b>
	Private Equity Index <sup>5</sup>	5.6	5.6	13.7	33.4	18.9
Overlays	<b>Overlays</b>	<b>(21.0)</b>	<b>(21.0)</b>	<b>(28.3)</b>	<b>(0.0)</b>	<b>93.7</b>

## Comparative Investment Performance by Annualized Years

Asset Category	Asset/Sub-asset Category	2015 YTD	Annualized Years			
	Benchmark		1	2	3	4
Total	<b>Fund</b>	<b>6.2</b>	<b>13.5</b>	<b>12.8</b>	<b>11.9</b>	<b>11.3</b>
	<b>Policy</b>	6.8	15.4	13.6	12.1	11.0
	CPI (one month lag)	(0.0)	1.0	1.1	1.1	1.5
Fixed Income	<b>Asset Category Total</b>	<b>5.8</b>	<b>16.0</b>	<b>8.4</b>	<b>7.7</b>	<b>9.3</b>
	Asset Category Benchmark	6.2	16.9	7.6	6.7	8.8
	<b>Short Term and Cash</b>	<b>0.3</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>
	FTSE TMX Canada 91 day T Bill Index	0.2	0.9	1.0	1.0	1.0
	<b>Universe Bonds</b>	<b>4.1</b>	<b>10.5</b>	<b>6.5</b>	<b>6.9</b>	<b>7.4</b>
	FTSE TMX Canada Universe Bond Index	4.2	10.3	5.4	5.1	6.3
	<b>Long Bonds</b>	<b>7.7</b>	<b>21.2</b>	<b>10.4</b>	<b>9.0</b>	<b>11.0</b>
	FTSE TMX Canada L.T. Govt. Bond Index	7.4	20.7	8.9	7.6	10.3
	<b>Private Debt &amp; Loan</b>	<b>1.3</b>	<b>6.9</b>	-	-	-
	FTSE TMX Canada Universe Bond Index	4.2	10.3	-	-	-
Inflation Sensitive & Alternatives	<b>Asset Category Total</b>	<b>4.0</b>	<b>11.2</b>	<b>9.4</b>	<b>9.4</b>	<b>11.4</b>
	Asset Category Benchmark	4.0	11.9	9.9	10.1	11.1
	<b>Real Return Bonds</b>	<b>7.5</b>	<b>14.8</b>	<b>4.2</b>	<b>3.6</b>	<b>6.6</b>
	FTSE TMX Canada Real Return Bond Index	7.3	14.5	3.7	3.2	6.3
	<b>Real Estate</b>	<b>2.0</b>	<b>9.8</b>	<b>10.9</b>	<b>11.7</b>	<b>14.4</b>
	IPD Cdn Bnchmk: Portfolios Valued > C\$1.5bn <sup>1</sup>	2.1	7.9	9.2	10.4	11.6
	<b>Private Income</b>	<b>5.9</b>	<b>14.2</b>	<b>8.7</b>	<b>8.4</b>	<b>7.8</b>
	Private Income Index <sup>2</sup>	4.3	17.4	17.2	15.7	12.5
	<b>Timberlands</b>	<b>6.6</b>	<b>4.7</b>	<b>14.6</b>	<b>9.0</b>	<b>11.5</b>
	Timberlands Index <sup>3</sup>	6.5	16.5	12.0	11.3	11.3
Short Horizon	<b>Asset Category Total</b>	<b>8.8</b>	<b>15.5</b>	<b>20.2</b>	<b>17.8</b>	<b>13.4</b>
	Asset Category Benchmark	8.9	15.8	19.4	16.2	11.6
	<b>Canadian Equity</b>	<b>2.3</b>	<b>7.9</b>	<b>13.1</b>	<b>11.9</b>	<b>6.9</b>
	S&P/TSX Capped Composite Index	2.6	6.9	11.4	9.6	4.1
	<b>Global Developed Equity</b>	<b>11.3</b>	<b>18.9</b>	<b>24.5</b>	<b>21.6</b>	<b>17.3</b>
	MSCI World Index	11.9	21.7	25.5	21.4	16.6
	<b>Emerging Markets</b>	<b>12.6</b>	<b>20.3</b>	<b>13.6</b>	<b>10.8</b>	<b>6.0</b>
	MSCI Emerging Markets Index	11.8	15.2	11.1	8.6	4.7
Long Horizon	<b>Small Cap Equity</b>	<b>11.5</b>	<b>14.3</b>	<b>24.8</b>	<b>20.4</b>	-
	Small Cap Equity Index <sup>4</sup>	9.2	8.6	17.8	14.4	-
Overlays	<b>Private Equity</b>	<b>7.9</b>	<b>15.1</b>	<b>6.7</b>	<b>8.1</b>	<b>8.7</b>
	Private Equity Index <sup>5</sup>	5.6	17.9	20.3	19.3	15.5
<b>Overlays</b>	<b>Overlays</b>	<b>(21.0)</b>	<b>(41.3)</b>	<b>(19.7)</b>	<b>14.4</b>	<b>8.3</b>

1. *IPD Large Institutional Index: one quarter lag.*
2. *Private Income Index: S&P Global Infrastructure (Hedged C\$)+1%*
3. *Timberlands Index: 50% DEX Real Return Bond/50% MSCI World (Hedged C\$)+1.5%*
4. *Small Cap Equity Index: 1/3 S&P/TSX Small + 2/3 MSCI Small Cap.*
5. *Private Equity Index: MSCI World (Hedged C\$)+3%.*