

## Quarterly Financial Report

June 30, 2015

### Assets Under Management

as at June 30, 2015	\$32,862 million
as at March 31, 2015	\$32,884 million

### Valuation and Asset Mix

Policy Asset Mix	Jun. 30/15		Mar. 31/15	
	(\$ m)	(%)	(\$ m)	(%)
Fixed Income	10,516	32.2	10,576	32.2
Inflation Sensitive & Alternatives	7,235	22.0	7,058	21.5
Canadian Equity	3,780	11.5	3,859	11.7
Global Developed Equity*	7,434	22.6	7,476	22.7
Emerging Markets Equity	1,180	3.6	1,221	3.7
Global Small Cap Equity	1,115	3.4	1,105	3.4
Private Equity	1,295	3.9	1,342	4.1
Overlays	306	0.9	247	0.8
100%	32,862	100.0	32,884	100.0

\*Includes PAUS

### Performance Summary

	Q2 2015	Year to Date	1 Year	4 Years*
LAPP	-1.0%	5.1%	9.2%	10.7%
Policy Benchmark	-1.8%	4.8%	9.7%	10.2%
Excess Returns	0.8	0.3	(0.5)	0.5

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>(1.0)</b>	<b>5.1</b>	<b>11.4</b>	<b>11.3</b>	<b>11.1</b>
	<b>Policy</b>	(1.8)	4.8	12.9	11.0	9.5
	CPI (one month lag)	1.2	1.2	2.0	0.9	0.8
Fixed Income	<b>Asset Category Total</b>	<b>(3.1)</b>	<b>2.5</b>	<b>14.6</b>	<b>(2.8)</b>	<b>5.4</b>
	Asset Category Benchmark	(3.5)	2.5	14.5	(5.0)	3.9
	<b>Short Term and Cash</b>	<b>0.2</b>	<b>0.5</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>
	FTSE TMX Canada 91 day T Bill Index	0.2	0.4	0.9	1.0	1.0
	<b>Universe Bonds</b>	<b>(1.3)</b>	<b>2.7</b>	<b>9.8</b>	<b>0.6</b>	<b>7.5</b>
	FTSE TMX Canada Universe Bond Index	(1.7)	2.4	8.8	(1.2)	3.6
	<b>Long Bonds</b>	<b>(4.6)</b>	<b>2.7</b>	<b>18.8</b>	<b>(5.0)</b>	<b>5.3</b>
	FTSE TMX Canada L.T. Govt. Bond Index	(4.5)	2.5	17.9	(7.0)	4.0
	<b>Private Debt &amp; Loan</b>	<b>1.5</b>	<b>2.8</b>	<b>7.0</b>	-	-
	FTSE TMX Canada Universe Bond Index	(1.7)	2.4	8.8	-	-
<b>Private Mortgages</b>	<b>(0.6)</b>	<b>2.7</b>	<b>9.9</b>	<b>0.4</b>	<b>4.7</b>	
	FTSE TMX Canada Universe Bond Index	(1.7)	2.4	8.8	(1.2)	3.6
Inflation Sensitive & Alternatives	<b>Asset Category Total</b>	<b>(0.4)</b>	<b>3.6</b>	<b>8.3</b>	<b>6.6</b>	<b>10.5</b>
	Asset Category Benchmark	(1.2)	2.2	11.4	6.9	10.9
	<b>Real Return Bonds</b>	<b>(3.6)</b>	<b>3.6</b>	<b>13.5</b>	<b>(12.5)</b>	<b>3.1</b>
	FTSE TMX Canada Real Return Bond Index	(3.7)	3.4	13.2	(13.1)	2.9
	<b>Real Estate</b>	<b>0.7</b>	<b>2.7</b>	<b>8.5</b>	<b>12.3</b>	<b>15.4</b>
	IPD Cdn Bnchmk: Portfolios Valued > C\$1.5bn <sup>1</sup>	0.7	1.8	7.1	10.9	13.8
	<b>Private Income</b>	<b>(0.1)</b>	<b>5.9</b>	<b>7.3</b>	<b>4.2</b>	<b>7.7</b>
	Private Income Index <sup>2</sup>	(3.2)	0.9	20.7	17.7	10.9
<b>Timberlands</b>	<b>(1.8)</b>	<b>4.7</b>	<b>(2.9)</b>	<b>28.3</b>	<b>(0.4)</b>	
	Timberlands Index <sup>3</sup>	(1.7)	4.7	13.7	8.0	11.0
Short Horizon	<b>Asset Category Total</b>	<b>0.1</b>	<b>9.0</b>	<b>12.7</b>	<b>27.3</b>	<b>15.3</b>
	Asset Category Benchmark	(1.1)	7.7	12.2	24.8	11.6
	<b>Canadian Equity</b>	<b>(1.5)</b>	<b>0.7</b>	<b>12.4</b>	<b>15.2</b>	<b>12.1</b>
	S&P/TSX Capped Composite Index	(1.6)	0.9	10.6	13.0	8.2
	<b>Global Developed Equity</b>	<b>0.7</b>	<b>12.1</b>	<b>13.4</b>	<b>36.4</b>	<b>17.6</b>
	MSCI World Index	(1.1)	10.6	14.4	35.3	13.2
	<b>Emerging Markets</b>	<b>0.8</b>	<b>13.5</b>	<b>10.4</b>	<b>5.4</b>	<b>17.0</b>
MSCI Emerging Markets Index	(0.7)	11.0	6.6	4.0	15.7	
<b>Small Cap Equity</b>	<b>0.9</b>	<b>12.5</b>	<b>9.8</b>	<b>41.9</b>	<b>1.5</b>	
	Small Cap Equity Index <sup>4</sup>	0.5	9.8	6.6	29.3	1.8
Long Horizon	<b>Private Equity</b>	<b>(1.6)</b>	<b>6.2</b>	<b>7.3</b>	<b>2.0</b>	<b>12.8</b>
	Private Equity Index <sup>5</sup>	0.1	5.7	13.7	33.4	18.9
Overlays	<b>Overlays</b>	<b>3.5</b>	<b>(18.2)</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>5.1</b>	<b>9.2</b>	<b>12.7</b>	<b>11.5</b>	<b>10.7</b>
	<b>Policy</b>	4.8	9.7	13.1	11.5	10.2
	CPI (one month lag)	1.2	0.9	1.6	1.3	1.3
Fixed Income	<b>Asset Category Total</b>	<b>2.5</b>	<b>8.9</b>	<b>8.4</b>	<b>5.5</b>	<b>7.5</b>
	Asset Category Benchmark	2.5	9.3	7.8	4.2	7.0
	<b>Short Term and Cash</b>	<b>0.5</b>	<b>1.1</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>
	FTSE TMX Canada 91 day T Bill Index	0.4	0.9	0.9	0.9	1.0
	<b>Universe Bonds</b>	<b>2.7</b>	<b>6.8</b>	<b>6.9</b>	<b>5.5</b>	<b>6.4</b>
	FTSE TMX Canada Universe Bond Index	2.4	6.3	5.8	3.8	5.2
	<b>Long Bonds</b>	<b>2.7</b>	<b>11.1</b>	<b>10.1</b>	<b>6.0</b>	<b>8.7</b>
	FTSE TMX Canada L.T. Govt. Bond Index	2.5	11.0	9.0	4.5	7.9
	<b>Private Debt &amp; Loan</b>	<b>2.8</b>	<b>6.1</b>	-	-	-
	FTSE TMX Canada Universe Bond Index	2.4	6.3	-	-	-
Inflation Sensitive & Alternatives	<b>Asset Category Total</b>	<b>3.6</b>	<b>11.2</b>	<b>9.4</b>	<b>9.4</b>	<b>11.4</b>
	Asset Category Benchmark	2.2	11.9	9.9	10.1	11.1
	<b>Real Return Bonds</b>	<b>3.6</b>	<b>9.1</b>	<b>9.1</b>	<b>8.2</b>	<b>10.5</b>
	FTSE TMX Canada Real Return Bond Index	3.4	6.5	9.6	8.9	9.8
	<b>Real Estate</b>	<b>2.7</b>	<b>6.0</b>	<b>7.3</b>	<b>1.4</b>	<b>4.6</b>
	IPD Cdn Bnchmk: Portfolios Valued > C\$1.5bn <sup>1</sup>	1.8	5.6	6.9	1.0	4.3
	<b>Private Income</b>	<b>5.9</b>	<b>14.3</b>	<b>8.5</b>	<b>7.6</b>	<b>7.4</b>
	Private Income Index <sup>2</sup>	0.9	5.5	16.1	14.8	11.2
<b>Timberlands</b>	<b>4.7</b>	<b>3.3</b>	<b>13.2</b>	<b>8.4</b>	<b>7.5</b>	
	Timberlands Index <sup>3</sup>	4.7	9.2	13.0	10.8	10.2
Short Horizon	<b>Asset Category Total</b>	<b>9.0</b>	<b>12.2</b>	<b>19.9</b>	<b>19.5</b>	<b>13.9</b>
	Asset Category Benchmark	7.7	11.2	18.5	17.6	11.9
	<b>Canadian Equity</b>	<b>0.7</b>	<b>(0.2)</b>	<b>14.5</b>	<b>12.8</b>	<b>7.8</b>
	S&P/TSX Capped Composite Index	0.9	(1.2)	12.8	11.1	5.3
	<b>Global Developed Equity</b>	<b>12.1</b>	<b>17.9</b>	<b>22.6</b>	<b>23.3</b>	<b>17.7</b>
	MSCI World Index	10.6	18.9	22.2	22.3	16.4
	<b>Emerging Markets</b>	<b>13.5</b>	<b>17.1</b>	<b>16.2</b>	<b>13.9</b>	<b>6.7</b>
	MSCI Emerging Markets Index	11.0	11.2	13.5	11.0	5.0
<b>Small Cap Equity</b>	<b>12.5</b>	<b>13.1</b>	<b>23.9</b>	<b>24.5</b>	-	
	Small Cap Equity Index <sup>4</sup>	9.8	6.1	18.2	17.6	-
Long Horizon	<b>Private Equity</b>	<b>6.2</b>	<b>7.5</b>	<b>6.3</b>	<b>7.8</b>	<b>6.9</b>
	Private Equity Index <sup>5</sup>	5.7	12.1	18.8	20.9	15.4
Overlays	<b>Overlays</b>	<b>(18.2)</b>	<b>(37.6)</b>	<b>(16.8)</b>	<b>(7.6)</b>	<b>11.0</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%.*