

## Quarterly Financial Report

December 31, 2015

### Assets Under Management

as at December 31, 2015	\$34,306 million
as at September 30, 2015	\$32,547 million

### Valuation and Asset Mix

Policy Asset Mix	Dec. 31/15		Sept. 30/15		
	(\$ m)	(%)	(\$ m)	(%)	
Fixed Income	30.5%	10,157	29.6	9,843	30.2
Inflation Sensitive & Alternatives	32.0%	8,202	23.9	7,383	22.7
Canadian Equity	9.0%	3,640	10.6	3,731	11.5
Global Developed Equity*	16.0%	8,374	24.4	7,944	24.4
Emerging Markets Equity	3.5%	1,197	3.5	1,092	3.4
Global Small Cap Equity	3.0%	1,126	3.3	1,048	3.2
Private Equity	6.0%	1,320	3.8	1,318	4.0
Overlays	0.0%	291	0.8	187	0.6
	100%	34,306	100.0	32,547	100.0

\*Includes PAUS

### Performance Summary

	Q4 2015	Year to Date	1 Year	4 Years*
LAPP	4.5%	7.9%	7.9%	10.4%
Policy Benchmark	3.7%	6.7%	6.7%	10.0%
Excess Returns	0.8	1.2	1.2	0.4

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>4.5</b>	<b>7.9</b>	<b>11.4</b>	<b>11.3</b>	<b>11.1</b>
	<b>Policy</b>	3.7	6.7	12.9	11.0	9.5
	CPI (one month lag)	(0.2)	1.4	2.0	0.9	0.8
Fixed Income	<b>Asset Category Total</b>	<b>1.7</b>	<b>4.3</b>	<b>14.6</b>	<b>(2.8)</b>	<b>5.4</b>
	Asset Category Benchmark	1.6	4.1	14.5	(5.0)	3.9
	<b>Short Term and Cash</b>	<b>0.2</b>	<b>0.9</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>
	FTSE TMX Canada 91 day T Bill Index	0.1	0.6	0.9	1.0	1.0
	<b>Universe Bonds</b>	<b>1.0</b>	<b>4.1</b>	<b>9.8</b>	<b>0.6</b>	<b>7.5</b>
	FTSE TMX Canada Universe Bond Index	1.0	3.5	8.8	(1.2)	3.6
	<b>Long Bonds</b>	<b>2.1</b>	<b>4.1</b>	<b>18.8</b>	<b>(5.0)</b>	<b>5.3</b>
	FTSE TMX Canada L.T. Govt. Bond Index	1.9	4.5	17.9	(7.0)	4.0
	<b>Private Debt &amp; Loan</b>	<b>1.6</b>	<b>6.1</b>	<b>7.0</b>	-	-
	FTSE TMX Canada Universe Bond Index	1.0	3.5	8.8	-	-
	<b>Private Mortgages</b>	<b>0.8</b>	<b>5.1</b>	<b>9.9</b>	<b>0.4</b>	<b>4.7</b>
	FTSE TMX Canada Universe Bond Index	1.0	3.5	8.8	(1.2)	3.6
Inflation Sensitive & Alternatives	<b>Asset Category Total</b>	<b>5.9</b>	<b>8.3</b>	<b>8.3</b>	<b>6.6</b>	<b>10.5</b>
	Asset Category Benchmark	2.5	6.7	11.4	6.9	10.9
	<b>Real Return Bonds</b>	<b>0.8</b>	<b>3.0</b>	<b>13.5</b>	<b>(12.5)</b>	<b>3.1</b>
	FTSE TMX Canada Real Return Bond Index	0.7	2.8	13.2	(13.1)	2.9
	<b>Real Estate</b>	<b>5.6</b>	<b>8.7</b>	<b>8.5</b>	<b>12.3</b>	<b>15.4</b>
	IPD Cdn Bnchmk: Portfolios Valued > C\$1.5bn <sup>1</sup>	3.7	8.0	7.1	10.9	13.8
	<b>Private Income</b>	<b>12.5</b>	<b>13.9</b>	<b>7.3</b>	<b>4.2</b>	<b>7.7</b>
	Private Income Index <sup>2</sup>	1.6	5.8	20.7	17.7	10.9
	<b>Timberlands</b>	<b>1.9</b>	<b>4.2</b>	<b>(2.9)</b>	<b>28.3</b>	<b>(0.4)</b>
	Timberlands Index <sup>3</sup>	1.6	10.0	13.7	8.0	11.0
Short Horizon	<b>Asset Category Total</b>	<b>6.3</b>	<b>11.2</b>	<b>12.7</b>	<b>27.3</b>	<b>15.3</b>
	Asset Category Benchmark	5.5	8.2	12.2	24.8	11.6
	<b>Canadian Equity</b>	<b>(1.1)</b>	<b>(7.4)</b>	<b>12.4</b>	<b>15.2</b>	<b>12.1</b>
	S&P/TSX Capped Composite Index	(1.4)	(8.3)	10.6	13.0	8.2
	<b>Global Developed Equity</b>	<b>10.0</b>	<b>21.8</b>	<b>13.4</b>	<b>36.4</b>	<b>17.6</b>
	MSCI World Index	9.3	18.9	14.4	35.3	13.2
	<b>Emerging Markets</b>	<b>4.9</b>	<b>6.2</b>	<b>10.4</b>	<b>5.4</b>	<b>17.0</b>
MSCI Emerging Markets Index	4.3	2.0	6.6	4.0	15.7	
	<b>Small Cap Equity</b>	<b>7.5</b>	<b>13.6</b>	<b>9.8</b>	<b>41.9</b>	<b>1.5</b>
	Small Cap Equity Index <sup>4</sup>	5.7	7.7	6.6	29.3	1.8
Long Horizon	<b>Private Equity</b>	<b>(3.4)</b>	<b>(9.3)</b>	<b>7.3</b>	<b>2.0</b>	<b>12.8</b>
	Private Equity Index <sup>5</sup>	6.7	4.8	13.7	33.4	18.9
Overlays	<b>Overlays</b>	<b>14.9</b>	<b>52.2</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>7.9</b>	<b>7.9</b>	<b>9.7</b>	<b>10.2</b>	<b>10.4</b>
	<b>Policy</b>	6.7	6.7	9.8	10.2	10.0
	CPI (one month lag)	1.4	1.4	1.7	1.4	1.3
Fixed Income	<b>Asset Category Total</b>	<b>4.3</b>	<b>4.3</b>	<b>9.3</b>	<b>5.1</b>	<b>5.2</b>
	Asset Category Benchmark	4.1	4.1	9.2	4.3	4.2
	<b>Short Term and Cash</b>	<b>0.9</b>	<b>0.9</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>
	FTSE TMX Canada 91 day T Bill Index	0.6	0.6	0.8	0.8	0.9
	<b>Universe Bonds</b>	<b>4.1</b>	<b>4.1</b>	<b>6.9</b>	<b>4.8</b>	<b>5.4</b>
	FTSE TMX Canada Universe Bond Index	3.5	3.5	6.1	3.6	3.6
	<b>Long Bonds</b>	<b>4.1</b>	<b>4.1</b>	<b>11.2</b>	<b>5.6</b>	<b>5.5</b>
	FTSE TMX Canada L.T. Govt. Bond Index	4.5	4.5	11.0	4.6	4.5
	<b>Private Debt &amp; Loan</b>	<b>6.1</b>	<b>6.1</b>	<b>6.6</b>		
	FTSE TMX Canada Universe Bond Index	3.5	3.5	6.1		
<b>Private Mortgages</b>	<b>5.1</b>	<b>5.1</b>	<b>7.5</b>	<b>5.1</b>	<b>5.0</b>	
	FTSE TMX Canada Universe Bond Index	3.5	3.5	6.1	3.6	3.6
Inflation Sensitive & Alternatives	<b>Asset Category Total</b>	<b>8.3</b>	<b>8.3</b>	<b>8.1</b>	<b>7.6</b>	<b>8.3</b>
	Asset Category Benchmark	6.7	6.7	9.0	8.3	8.9
	<b>Real Return Bonds</b>	<b>3.0</b>	<b>3.0</b>	<b>8.1</b>	<b>0.7</b>	<b>1.3</b>
	FTSE TMX Canada Real Return Bond Index	2.8	2.8	7.9	0.4	1.0
	<b>Real Estate</b>	<b>8.7</b>	<b>8.7</b>	<b>8.4</b>	<b>9.7</b>	<b>11.1</b>
	IPD Cdn Bnchmk: Portfolios Valued > C#1.5bn <sup>1</sup>	8.0	8.0	7.6	8.7	9.9
	<b>Private Income</b>	<b>13.9</b>	<b>13.9</b>	<b>9.2</b>	<b>7.5</b>	<b>7.6</b>
	Private Income Index <sup>2</sup>	5.8	5.8	13.0	14.5	13.6
<b>Timberlands</b>	<b>4.2</b>	<b>4.2</b>	<b>1.9</b>	<b>10.1</b>	<b>7.3</b>	
	Timberlands Index <sup>3</sup>	10.0	10.0	11.8	10.5	10.7
Short Horizon	<b>Asset Category Total</b>	<b>11.2</b>	<b>11.2</b>	<b>11.9</b>	<b>16.8</b>	<b>16.4</b>
	Asset Category Benchmark	8.2	8.2	10.2	14.8	14.0
	<b>Canadian Equity</b>	<b>(7.4)</b>	<b>(7.4)</b>	<b>2.0</b>	<b>6.2</b>	<b>7.7</b>
	S&P/TSX Capped Composite Index	(8.3)	(8.3)	0.7	4.6	5.5
	<b>Global Developed Equity</b>	<b>21.8</b>	<b>21.8</b>	<b>17.5</b>	<b>23.5</b>	<b>22.0</b>
	MSCI World Index	18.9	18.9	16.6	22.5	20.1
	<b>Emerging Markets</b>	<b>6.2</b>	<b>6.2</b>	<b>8.3</b>	<b>7.3</b>	<b>9.6</b>
	MSCI Emerging Markets Index	2.0	2.0	4.3	4.2	7.0
<b>Small Cap Equity</b>	<b>13.6</b>	<b>13.6</b>	<b>11.7</b>	<b>21.0</b>	<b>15.8</b>	
	Small Cap Equity Index <sup>4</sup>	7.7	7.7	7.2	14.1	10.9
Long Horizon	<b>Private Equity</b>	<b>(9.3)</b>	<b>(9.3)</b>	<b>(3.3)</b>	<b>(1.6)</b>	<b>1.8</b>
	Private Equity Index <sup>5</sup>	4.8	4.8	9.2	16.7	17.3
Overlays	<b>Overlays</b>	<b>52.2</b>	<b>52.2</b>	<b>14.1</b>	<b>9.2</b>	<b>26.0</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%.*