

Quarterly Financial Report

March 31, 2016

Assets Under Management

as at March 31, 2016 \$34,294 million
as at December 31, 2015 \$34,306 million

Valuation and Asset Mix

Policy Asset Mix	Mar. 31/16		Dec. 31/15	
	(\$ m)	(%)	(\$ m)	(%)
Fixed Income	10,425	30.4	10,157	29.6
Inflation Sensitive & Alternatives	8,706	25.4	8,202	23.9
Canadian Equity	3,700	10.8	3,640	10.6
Global Developed Equity*	7,617	22.2	8,374	24.4
Emerging Markets Equity	1,177	3.4	1,197	3.5
Global Small Cap Equity	1,075	3.1	1,126	3.3
Private Equity	1,284	3.7	1,320	3.8
Overlays	311	0.9	291	0.8
100%	34,294	100.0	34,306	100.0

*Includes PAUS

Performance Summary

	Q1 2016	Year to Date	1 Year	4 Years*
LAPP	-0.9%	-0.9%	0.7%	9.0%
Policy Benchmark	-0.4%	-0.4%	-0.3%	8.8%
Excess Returns	(0.5)	(0.5)	1.0	0.2

NOTE: Unaudited Performance net of fees.

Comparative Investment Performance by Calendar Years

Asset Category	Asset/Sub-asset Category	2016		Calendar Years		
	Benchmark	QTD	YTD	2015	2014	2013
Total	Fund	(0.9)	(0.9)	7.9	11.4	11.3
	Policy	(0.4)	(0.4)	6.7	12.9	11.0
	CPI (one month lag)	0.0	0.0	1.4	2.0	0.9
Fixed Income	Asset Category Total	2.1	2.1	4.3	14.6	(2.8)
	Asset Category Benchmark	2.1	2.1	4.1	14.5	(5.0)
	Short Term and Cash	0.2	0.2	0.9	1.2	1.2
	FTSE TMX Canada 91 day T Bill Index	0.1	0.1	0.6	0.9	1.0
	Universe Bonds	1.5	1.5	4.1	9.8	0.6
	FTSE TMX Canada Universe Bond Index	1.4	1.4	3.5	8.8	(1.2)
	Long Bonds	2.3	2.3	4.1	18.8	(5.0)
	FTSE TMX Canada L.T. Govt. Bond Index	2.4	2.4	4.5	17.9	(7.0)
	Private Debt & Loan	1.3	1.3	6.1	7.0	-
	FTSE TMX Canada Universe Bond Index	1.4	1.4	3.5	8.8	-
	Private Mortgages	1.4	1.4	5.1	9.9	0.4
	FTSE TMX Canada Universe Bond Index	1.4	1.4	3.5	8.8	(1.2)
Inflation Sensitive & Alternatives	Asset Category Total	1.3	1.3	8.3	8.3	6.6
	Asset Category Benchmark	1.1	1.1	6.7	11.4	6.9
	Real Return Bonds	2.2	2.2	3.0	13.5	(12.5)
	FTSE TMX Canada Real Return Bond Index	2.1	2.1	2.8	13.2	(13.1)
	Real Estate	0.7	0.7	8.7	8.5	12.3
	IPD Cdn Bnchmk: Portfolios Valued > C#1.5bn ¹	0.7	0.7	8.0	7.1	10.9
	Private Income	2.6	2.6	13.9	7.3	4.2
	Private Income Index ²	1.4	1.4	5.8	20.7	17.7
	Timberlands	(0.4)	(0.4)	4.2	(2.9)	28.3
	Timberlands Index ³	1.4	1.4	10.0	13.7	8.0
Short Horizon	Asset Category Total	(4.3)	(4.3)	11.2	12.7	27.3
	Asset Category Benchmark	(3.3)	(3.3)	8.2	12.2	24.8
	Canadian Equity	4.7	4.7	(7.4)	12.4	15.2
	S&P/TSX Capped Composite Index	4.5	4.5	(8.3)	10.6	13.0
	Global Developed Equity	(8.2)	(8.2)	21.8	13.4	36.4
	MSCI World Index	(7.2)	(7.2)	18.9	14.4	35.3
	Emerging Markets	(1.8)	(1.8)	6.2	10.4	5.4
MSCI Emerging Markets Index	(1.6)	(1.6)	2.0	6.6	4.0	
	Small Cap Equity	(5.0)	(5.0)	13.6	9.8	41.9
	Small Cap Equity Index ⁴	(1.4)	(1.4)	7.7	6.6	29.3
Long Horizon	Private Equity	(0.6)	(0.6)	(9.3)	7.3	2.0
	Private Equity Index ⁵	1.9	1.9	4.8	13.7	33.4
Overlays	Overlays	(2.8)	(2.8)	52.2	(28.3)	(0.0)

Comparative Investment Performance by Annualized Years

Asset Category	Asset/Sub-asset Category	2016	Annualized Years			
	Benchmark	YTD	1	2	3	4
Total	Fund	(0.9)	0.7	6.9	8.6	9.0
	Policy	(0.4)	(0.3)	7.2	8.7	8.8
	CPI (one month lag)	0.0	1.4	1.2	1.2	1.2
Fixed Income	Asset Category Total	2.1	0.7	8.1	5.7	5.9
	Asset Category Benchmark	2.1	0.1	8.2	5.0	5.0
	Short Term and Cash	0.2	0.8	1.0	1.1	1.1
	FTSE TMX Canada 91 day T Bill Index	0.1	0.5	0.7	0.8	0.9
	Universe Bonds	1.5	1.5	5.9	4.8	5.5
	FTSE TMX Canada Universe Bond Index	1.4	0.8	5.4	3.9	4.0
	Long Bonds	2.3	(1.0)	9.5	6.4	6.4
	FTSE TMX Canada L.T. Govt. Bond Index	2.4	(0.3)	9.7	5.7	5.5
	Private Debt & Loan	1.3	6.1	6.5	-	-
	FTSE TMX Canada Universe Bond Index	1.4	0.8	5.4	-	-
Private Mortgages	1.4	3.2	6.6	5.1	5.3	
FTSE TMX Canada Universe Bond Index	1.4	0.8	5.4	3.9	4.0	
Inflation Sensitive & Alternatives	Asset Category Total	1.3	7.7	8.0	7.9	8.2
	Asset Category Benchmark	1.1	4.3	7.7	7.8	8.5
	Real Return Bonds	2.2	(2.0)	6.1	2.1	2.1
	FTSE TMX Canada Real Return Bond Index	2.1	(2.2)	5.8	1.7	1.8
	Real Estate	0.7	8.5	8.3	9.5	10.5
	IPD Cdn Bnchmk: Portfolios Valued > C#1.5bn ¹	0.7	7.5	7.2	8.3	9.4
	Private Income	2.6	16.5	11.0	8.4	8.2
	Private Income Index ²	1.4	2.9	9.9	12.2	12.4
Timberlands	(0.4)	1.4	2.3	9.5	6.6	
Timberlands Index ³	1.4	4.7	10.4	9.5	9.6	
Short Horizon	Asset Category Total	(4.3)	(2.2)	6.3	12.2	12.4
	Asset Category Benchmark	(3.3)	(3.9)	5.5	11.0	10.8
	Canadian Equity	4.7	(5.2)	1.1	6.6	7.3
	S&P/TSX Capped Composite Index	4.5	(6.6)	(0.0)	5.0	5.3
	Global Developed Equity	(8.2)	0.5	9.3	15.9	16.0
	MSCI World Index	(7.2)	(1.4)	9.5	15.8	15.2
	Emerging Markets	(1.8)	(7.4)	5.6	6.2	5.9
	MSCI Emerging Markets Index	(1.6)	(10.2)	1.8	3.5	3.5
Small Cap Equity	(5.0)	(3.3)	5.2	14.6	14.0	
Small Cap Equity Index ⁴	(1.4)	(2.8)	2.7	10.5	9.8	
Long Horizon	Private Equity	(0.6)	(10.6)	(3.9)	(3.0)	0.4
	Private Equity Index ⁵	1.9	1.1	9.2	13.5	14.5
Overlays	Overlays	(2.8)	18.9	14.5	12.9	35.2

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%.*