

Quarterly Financial Report

June 30, 2016

Assets Under Management

as at June 30, 2016	\$35,563 million
as at March 31, 2016	\$34,294 million

Valuation and Asset Mix

Policy Asset Mix	Jun. 30/16		Mar. 31/16		
	(\$ m)	(%)	(\$ m)	(%)	
Fixed Income	30.5%	10,941	30.8	10,425	30.4
Inflation Sensitive & Alternatives	32.0%	8,817	24.8	8,706	25.4
Canadian Equity	9.0%	3,798	10.7	3,700	10.8
Global Developed Equity*	16.0%	8,215	23.1	7,617	22.2
Emerging Markets Equity	3.5%	1,201	3.4	1,177	3.4
Global Small Cap Equity	3.0%	1,107	3.1	1,075	3.1
Private Equity	6.0%	1,236	3.5	1,284	3.7
Overlays	0.0%	248	0.7	311	0.9
	100%	35,563	100.0	34,294	100.0

*Includes PAUS

Performance Summary

	Q2 2016	Year to Date	1 Year	4 Years*
LAPP	2.7%	1.8%	4.5%	9.7%
Policy Benchmark	3.0%	2.6%	4.4%	9.7%
Excess Returns	(0.3)	(0.8)	0.1	0.0

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	2.7	1.8	7.9	11.4	11.3
	Policy	3.0	2.6	6.7	12.9	11.0
	CPI (one month lag)	1.3	1.3	1.4	2.0	0.9
Fixed Income	Asset Category Total	4.9	7.1	4.3	14.6	(2.8)
	Asset Category Benchmark	4.5	6.7	4.1	14.5	(5.0)
	Short Term and Cash	0.2	0.4	0.9	1.2	1.2
	FTSE TMX Canada 91 day T Bill Index	0.1	0.3	0.6	0.9	1.0
	Universe Bonds	3.2	4.8	4.1	9.8	0.6
	FTSE TMX Canada Universe Bond Index	2.6	4.0	3.5	8.8	(1.2)
	Long Bonds	5.9	8.4	4.1	18.8	(5.0)
	FTSE TMX Canada L.T. Govt. Bond Index	5.6	8.1	4.5	17.9	(7.0)
	Private Debt & Loan	1.1	2.3	6.1	7.0	-
	FTSE TMX Canada Universe Bond Index	2.6	4.0	3.5	8.8	-
Private Mortgages	2.5	3.9	5.1	9.9	0.4	
FTSE TMX Canada Universe Bond Index	2.6	4.0	3.5	8.8	(1.2)	
Inflation Sensitive & Alternatives	Asset Category Total	1.2	2.6	8.3	8.3	6.6
	Asset Category Benchmark	1.5	2.8	6.7	11.4	6.9
	Real Return Bonds	3.9	6.2	3.0	13.5	(12.5)
	FTSE TMX Canada Real Return Bond Index	3.7	5.8	2.8	13.2	(13.1)
	Real Estate	0.6	1.3	8.7	8.5	12.3
	IPD Cdn Bnchmk: Portfolios Valued > C\$1.5bn ¹	0.6	1.7	8.0	7.1	10.9
	Private Income	0.7	3.4	13.9	7.3	4.2
	Private Income Index ²	1.6	3.0	5.8	20.7	17.7
Timberlands	0.0	(0.4)	4.2	(2.9)	28.3	
Timberlands Index ³	1.6	3.0	10.0	13.7	8.0	
Short Horizon	Asset Category Total	2.7	(1.8)	11.2	12.7	27.3
	Asset Category Benchmark	2.8	(0.6)	8.2	12.2	24.8
	Canadian Equity	4.5	9.4	(7.4)	12.4	15.2
	S&P/TSX Capped Composite Index	5.1	9.8	(8.3)	10.6	13.0
	Global Developed Equity	2.0	(6.3)	21.8	13.4	36.4
	MSCI World Index	1.4	(5.9)	18.9	14.4	35.3
	Emerging Markets	0.9	(0.9)	6.2	10.4	5.4
	MSCI Emerging Markets Index	1.1	(0.5)	2.0	6.6	4.0
Small Cap Equity	2.9	(2.3)	13.6	9.8	41.9	
Small Cap Equity Index ⁴	7.2	5.7	7.7	6.6	29.3	
Long Horizon	Private Equity	(0.8)	(1.4)	(9.3)	3.1	2.0
	Private Equity Index ⁵	2.0	3.9	4.8	13.7	33.4
Overlays	Overlays	(9.3)	(11.8)	52.2	(15.1)	(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	1.8	4.5	6.9	9.9	9.7
	Policy	2.6	4.4	7.1	10.2	9.7
	CPI (one month lag)	1.3	1.5	1.2	1.5	1.3
Fixed Income	Asset Category Total	7.1	8.9	8.9	8.6	6.3
	Asset Category Benchmark	6.7	8.4	8.8	8.0	5.2
	Short Term and Cash	0.4	0.8	0.9	1.0	1.1
	FTSE TMX Canada 91 day T Bill Index	0.3	0.5	0.7	0.8	0.8
	Universe Bonds	4.8	6.2	6.5	6.7	5.7
	FTSE TMX Canada Universe Bond Index	4.0	5.2	5.7	5.6	4.1
	Long Bonds	8.4	9.9	10.5	10.0	7.0
	FTSE TMX Canada L.T. Govt. Bond Index	8.1	10.2	10.6	9.4	5.9
	Private Debt & Loan	2.3	5.6	5.8	-	-
	FTSE TMX Canada Universe Bond Index	4.0	5.2	5.7	-	-
Inflation Sensitive & Alternatives	Private Mortgages	3.9	6.4	6.6	6.6	5.3
	FTSE TMX Canada Universe Bond Index	4.0	5.2	5.7	5.6	4.1
	Asset Category Total	2.6	9.2	7.9	8.3	7.9
	Asset Category Benchmark	2.8	6.9	6.9	8.8	8.5
	Real Return Bonds	6.2	5.6	5.8	6.7	2.4
	FTSE TMX Canada Real Return Bond Index	5.8	5.3	5.5	6.3	2.0
	Real Estate	1.3	8.3	8.0	8.7	9.8
IPD Cdn Bnchmk: Portfolios Valued > C#1.5bn ¹	1.7	7.2	7.0	7.8	9.0	
Private Income	Private Income	3.4	16.4	11.3	8.5	7.8
	Private Income Index ²	3.0	7.9	6.7	13.3	13.0
	Timberlands	(0.4)	2.3	2.4	9.1	6.6
Timberlands Index ³	3.0	8.2	8.7	11.3	10.1	
Short Horizon	Asset Category Total	(1.8)	0.3	6.0	12.9	14.3
	Asset Category Benchmark	(0.6)	(0.2)	5.4	11.9	12.9
	Canadian Equity	9.4	0.6	0.2	9.6	9.6
	S&P/TSX Capped Composite Index	9.8	(0.2)	(0.7)	8.3	8.2
	Global Developed Equity	(6.3)	1.8	9.6	15.2	17.5
	MSCI World Index	(5.9)	1.1	9.7	14.8	16.6
	Emerging Markets	(0.9)	(7.3)	4.2	7.8	8.2
MSCI Emerging Markets Index	(0.5)	(8.5)	0.9	5.6	5.7	
Small Cap Equity	Small Cap Equity	(2.3)	(1.3)	5.6	14.9	17.5
	Small Cap Equity Index ⁴	5.7	3.7	4.9	13.1	13.9
Long Horizon	Private Equity	(1.4)	(10.6)	(6.9)	(2.9)	0.3
	Private Equity Index ⁵	3.9	3.0	7.5	13.3	16.1
Overlays	Overlays	(11.8)	12.0	10.2	10.4	11.3

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%.*