

## QUARTERLY INVESTMENT REPORT

### March 31, 2021

### Assets Under Management

as of March 31, 2021 \$ 54,128 million  
as of December 31, 2020 \$ 53,187 million

### Asset Mix

	Policy Asset Mix	March 31, 2021		December 31, 2020	
	(%)	(CAD millions)	(%)	(CAD millions)	(%)
Fixed Income	30.5	17,666	32.6	16,999	32.0
Inflation Sensitive & Alternatives	30.0	12,736	23.5	12,501	23.5
Canadian Equity	8.0	4,375	8.1	4,403	8.3
Global Developed Equity	15.0	10,751	19.9	11,116	20.9
Emerging Markets Equity	5.5	3,029	5.6	3,092	5.8
Global Small Cap Equity	5.0	2,932	5.4	2,808	5.3
Private Equity	6.0	2,495	4.6	2,115	4.0
Overlays	0.0	144	0.3	152	0.3
	100.0	54,128	100.0	53,187	100.0

### Performance Summary

		Q1 2021	YTD	1 Year	4 Year
		(%)	(%)	(%)	(%)
<b>Without LAPP Downside Protection Strategy (DPS)</b>	LAPP	1.59	1.59	17.94	6.61
	Policy Benchmark	(0.34)	(0.34)	15.14	7.02
	Excess Returns	1.93	1.93	2.79	(0.41)
<b>With LAPP Downside Protection Strategy (DPS)</b>	LAPP	1.59	1.59	13.62	6.69
	Policy Benchmark	(0.34)	(0.34)	15.14	7.02
	Excess Returns	1.93	1.93	(1.53)	(0.33)

Note: Performance net of fees

Note: The LAPP Downside Protection Strategy was put in place through the direction of LAPP Corporation in early 2020 with the intention of providing a measure of protection for the LAPP portfolio in the event of a market downturn. The strategy matured in mid-December

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**Investment Performance by Calendar Years (with LAPP Downside Protection)**

Asset Category	Asset/Sub-Asset Category Benchmark	2021		Calendar Years		
		Q1 (%)	YTD (%)	2020 (%)	2019 (%)	2018 (%)
Total	Fund (including effects of DPS)	1.6	1.6	4.5	11.9	2.0
	Policy Benchmark	(0.3)	(0.3)	9.5	12.5	1.0
Fixed Income	Asset Category Total	(6.8)	(6.8)	11.0	9.6	1.8
	Asset Category Benchmark	(7.1)	(7.1)	10.2	9.2	1.0
	Short Term and Cash	0.0	0.0	0.9	2.0	1.6
	FTSE TMX Canada 91-day T Bill Index	0.0	0.0	0.9	1.7	1.4
	Universe Bonds	(4.7)	(4.7)	9.9	7.8	1.9
	FTSE TMX Canada Universe Bond Index	(5.0)	(5.0)	8.7	6.9	1.4
	Long Bonds	(10.9)	(10.9)	13.0	12.8	0.9
	FTSE TMX Canada L.T. Govt. Bond Index	(11.4)	(11.4)	12.1	12.2	0.5
	Private Debt & Loan	1.5	1.5	5.9	4.4	4.0
	FTSE TMX Canada Universe Bond Index	(0.6)	(0.6)	8.7	6.9	1.4
	Private Mortgages	(1.3)	(1.3)	9.4	6.0	4.7
	Private Mortgage Estate Index <sup>i</sup>	(2.0)	(2.0)	8.7	6.9	1.4
Inflation Sensitive & Alternatives	Asset Category Total	1.6	1.6	(8.4)	6.0	12.9
	Asset Category Benchmark	1.0	1.0	1.6	5.3	8.1
	Real Estate	1.7	1.7	(13.1)	3.8	12.4
	Real Estate Index <sup>ii</sup>	0.2	0.2	(2.3)	4.6	9.5
	Canadian Real Estate	2.6	2.6	(14.0)	5.5	11.5
	Canadian Real Estate Index <sup>iii</sup>	0.9	0.9	(5.2)	6.2	7.7
	Foreign Real Estate	(0.0)	(0.0)	(11.1)	0.1	14.7
	Foreign Real Estate Index <sup>iv</sup>	(1.0)	(1.0)	3.8	1.1	14.0
	Private Infrastructure	1.5	1.5	(2.3)	7.7	13.8
	Private Infrastructure Index <sup>v</sup>	1.8	1.8	6.1	6.2	6.2
	Renewable Resources	1.1	1.1	(5.5)	14.2	12.4
	Renewable Resources Index <sup>vi</sup>	1.8	1.8	6.1	6.2	6.2
Short Horizon	Asset Category Total	6.9	6.9	4.6	18.6	(4.8)
	Asset Category Benchmark	4.7	4.7	13.0	20.2	(3.6)
	Canadian Equity	10.2	10.2	(3.4)	20.8	(10.1)
	S&P/TSX Capped Composite Index	8.1	8.1	5.6	22.9	(8.9)
	Global Developed Equity	5.5	5.5	6.1	20.3	(1.8)
	MSCI World Index	3.5	3.5	13.9	21.2	(0.5)
	Emerging Markets	2.9	2.9	7.0	10.6	(8.2)
	MSCI Emerging Markets Index	0.9	0.9	16.2	12.4	(6.9)
Long Horizon	Small Cap Equity	11.6	11.6	4.8	17.2	(7.2)
	Small Cap Equity Index <sup>vii</sup>	8.0	8.0	13.9	19.8	(6.1)
	Private Equity	16.8	16.8	18.0	4.1	11.7
Overlays	Opportunistic Investments	(1.8)	(1.8)	4.8	17.0	4.6
	CPI 1 month lagged + 650 bps (5-yr rolling average) <sup>viii</sup>	2.3	2.3	8.1	8.2	8.2

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### Investment Performance by Annualized Years (with LAPP Downside Protection)

Asset Category	Asset/Sub-Asset Category Benchmark	2021 Annualized Years				
		YTD (%)	1 (%)	2 (%)	3 (%)	4 (%)
Total	Fund (including effects of DPS)	1.6	13.6	6.2	6.3	6.70
	Policy Benchmark	(0.3)	15.1	7.5	7.1	7.0
Fixed Income	Asset Category Total	(6.8)	3.2	3.8	4.8	4.5
	Asset Category Benchmark	(7.1)	0.6	3.1	4.2	3.9
	Short Term and Cash	0.0	0.4	1.2	1.4	1.3
	FTSE TMX Canada 91-day T Bill Index	0.0	0.2	1.1	1.2	1.1
	Universe Bonds	(4.7)	5.5	4.0	4.7	4.0
	FTSE TMX Canada Universe Bond Index	(5.0)	1.6	3.0	3.8	3.2
	Long Bonds	(10.9)	0.9	2.9	4.6	4.9
	FTSE TMX Canada L.T. Govt. Bond Index	(11.4)	(2.6)	2.1	3.9	4.1
	Private Debt & Loan	1.5	6.0	5.5	5.0	4.4
	FTSE Canada Short-Term Overall Index	(0.6)	6.3	5.4	5.4	4.3
	Private Mortgages	(1.3)	5.6	5.5	5.9	4.9
Private Mortgage Estate Index <sup>i</sup>	(2.0)	4.9	4.7	4.9	4.0	
Inflation Sensitive & Alternatives	Asset Category Total	1.6	(3.6)	(0.9)	3.0	4.5
	Asset Category Benchmark	1.0	0.8	3.4	4.5	5.2
	Real Estate	1.7	(7.9)	(4.3)	0.2	2.7
	Real Estate Index <sup>ii</sup>	0.2	(3.9)	0.8	2.9	4.4
	Canadian Real Estate	2.6	(6.0)	(3.6)	0.9	2.8
	Canadian Real Estate Index <sup>iii</sup>	0.9	(3.6)	0.1	2.6	3.7
	Foreign Real Estate	(0.0)	(11.4)	(5.6)	(1.5)	2.9
	Foreign Real Estate Index <sup>iv</sup>	(1.0)	(4.3)	2.3	3.4	5.8
	Private Infrastructure	1.5	2.7	3.2	6.7	6.6
	Private Infrastructure Index <sup>v</sup>	1.8	6.3	6.3	6.3	6.2
Renewable Resources	1.1	(5.2)	3.1	5.9	8.7	
Renewable Resources Index <sup>vi</sup>	1.8	6.3	6.3	6.3	6.2	
Short Horizon	Asset Category Total	6.9	47.3	10.0	7.8	8.5
	Asset Category Benchmark	4.7	41.6	13.4	10.8	10.5
	Canadian Equity	10.2	50.4	7.0	6.7	5.7
	S&P/TSX Capped Composite Index	8.1	44.3	11.2	10.2	8.0
	Global Developed Equity	5.5	42.6	10.9	9.2	9.7
	MSCI World Index	3.5	36.0	14.0	11.9	11.3
	Emerging Markets	2.9	45.9	6.9	2.4	7.0
	MSCI Emerging Markets Index	0.9	39.9	10.8	5.6	9.2
Small Cap Equity	11.6	59.8	12.2	7.6	8.6	
Small Cap Equity Index <sup>vii</sup>	8.0	60.2	15.1	10.6	10.9	
Long Horizon	Private Equity	16.8	39.9	19.7	16.8	12.7
	Private Equity Index <sup>viii</sup>	2.3	8.3	8.3	8.3	8.2
Overlays	Opportunistic Investments	(1.8)	17.0	6.5	6.0	8.8

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- <sup>i</sup> Private Mortgage Index: 60% FTSE Canada Short Term Bond Index & 40% FTSE Canada Mid Term Bond Index + 50 bps.
  - <sup>ii</sup> Real Estate Index: A blend of the IPD Large Institutional Index and MSCI Global Region Property Index.
  - <sup>iii</sup> Canadian Real Estate Index: IPD Large Institutional Index.
  - <sup>iv</sup> Foreign Real Estate Index: MSCI Global Region Property Index.
  - <sup>v</sup> Private Infrastructure Index: CPI + 450 bps (5-year rolling average), effective August 1, 2015. Prior to this time, the benchmark was S&P Global Infrastructure (Hedged C\$) +1%.
  - <sup>vi</sup> Renewable Resources Index: CPI + 450 bps (5-year rolling average), effective August 1, 2015. Prior to this time, the benchmark was 50% FTSE TMX Canada Real Return Bond / 50% MSCI World Index (Hedged C\$) + 1.5%.
  - <sup>vii</sup> Small Cap Equity Index: 1/3 S&P/TSX Small Cap Index + 2/3 MSCI Small Cap Index.
  - <sup>viii</sup> Private Equity Index: CPI + 650 bps (5-year rolling average), effective January 1, 2016. Prior to this time, the benchmark was MSCI World (Hedged C\$) + 3%.