

QUARTERLY INVESTMENT REPORT

June 30, 2019

Assets Under Management

as at June 30, 2019	\$ 48,073 million
as at March 31, 2019	\$ 47,036 million

Asset Mix

	Policy Asset Mix	June 30, 2019		March 31, 2019	
		(CAD millions)	(%)	(CAD millions)	(%)
Fixed Income	30.5%	15,651	32.6	15,358	32.7
Inflation Sensitive & Alternatives	30.0%	12,619	26.3	11,782	25.0
Canadian Equity	8.0%	3,778	7.9	3,714	7.9
Global Developed Equity	15.0%	9,265	19.3	9,596	20.4
Emerging Markets Equity	5.5%	2,649	5.5	2,571	5.5
Global Small Cap Equity	5.0%	2,396	5.0	2,419	5.1
Private Equity	6.0%	1,446	3.0	1,331	2.8
Overlays	0.0%	269	0.6	265	0.6
	100%	48,073	100.0	47,036	100.0

Performance Summary

	Q2 2019	Year to Date	1 Year	4 Year
LAPP	1.88%	7.49%	6.78%	7.02%
Policy Benchmark	1.91%	8.14%	6.02%	6.45%
Excess Returns	(0.03%)	(0.66%)	0.76%	0.58%

Note: Performance net of fees

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Investment Performance by Calendar Years

Asset Category	Asset/Sub-Asset Category Benchmark	2019		Calendar Years		
		QTD	YTD	2018	2017	2016
Total	Fund	1.9	7.5	2.0	10.1	5.8
	Policy	1.9	8.1	1.0	9.0	6.0
Fixed Income	Asset Category Total	3.5	8.9	1.8	5.0	2.6
	Asset Category Benchmark	3.5	8.9	1.0	4.3	1.5
	Short Term and Cash	0.5	1.0	1.6	1.0	0.9
	FTSE TMX Canada 91 day T Bill Index	0.4	0.8	1.4	0.6	0.5
	Universe Bonds	2.7	7.2	1.9	3.3	3.3
	FTSE TMX Canada Universe Bond Index	2.5	6.5	1.4	2.5	1.7
	Long Bonds	4.8	12.4	0.9	7.6	2.4
	FTSE TMX Canada L.T. Govt. Bond Index	4.7	12.0	0.5	6.5	1.3
	Private Debt & Loan	1.0	1.8	4.0	2.3	4.4
	FTSE TMX Canada Universe Bond Index	2.5	6.5	1.4	2.5	1.7
	Private Mortgages	2.2	5.1	4.7	2.5	1.9
FTSE TMX Canada Universe Bond Index	2.5	6.5	1.4	2.5	1.7	
Inflation Sensitive & Alternatives	Asset Category Total	1.8	2.2	12.9	8.1	5.2
	Asset Category Benchmark	0.9	1.9	8.1	5.7	5.2
	Real Estate	0.3	0.4	12.4	9.1	4.3
	Real Estate Index ⁱ	0.3	0.9	9.5	7.0	5.8
	Canadian Real Estate	1.3	1.5	11.5	8.5	5.4
	Canadian Real Estate Index ⁱⁱ	1.3	2.5	9.5	7.0	5.8
	Foreign Real Estate	(1.8)	(1.9)	14.7	10.9	1.5
	Foreign Real Estate Index ⁱⁱⁱ	(1.8)	(1.9)	14.7	10.9	1.5
	Private Infrastructure	4.1	4.5	13.8	7.9	7.8
	Private Infrastructure Index ^{iv}	1.6	3.2	6.2	6.0	5.7
Renewable Resources	1.4	4.2	12.4	15.7	10.0	
Renewable Resources Index ^v	1.6	3.2	6.2	6.0	5.7	
Short Horizon	Asset Category Total	0.8	10.5	(4.8)	15.9	9.3
	Asset Category Benchmark	1.2	11.8	(3.6)	14.7	9.6
	Canadian Equity	2.1	14.7	(10.1)	10.5	20.3
	S&P/TSX Capped Composite Index	2.6	16.2	(8.9)	9.1	21.1
	Global Developed Equity	1.5	11.2	(1.7)	16.2	4.8
	MSCI World Index	1.7	11.9	(0.5)	14.4	3.8
	Emerging Markets	(2.0)	4.4	(8.2)	30.4	8.7
	MSCI Emerging Markets Index	(1.6)	5.8	(6.9)	28.3	7.3
Small Cap Equity	(1.0)	7.8	(7.2)	14.1	12.1	
Small Cap Equity Index ^{vi}	(0.3)	10.9	(6.1)	15.0	18.5	
Long Horizon	Private Equity	(0.8)	(0.6)	11.7	0.7	(2.2)
	CPI 1 month lagged + 650 bps (5-yr rolling average) ^{vii}	2.1	4.2	8.2	8.0	7.7
Overlays	Opportunistic Investments	0.8	7.1	4.6	8.3	1.8

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Investment Performance by Annualized Years

Asset Category	Asset/Sub-Asset Category Benchmark	2019				
		YTD	1	2	3	4
Total	Fund	7.5	6.8	7.4	7.9	7.0
	Policy	8.1	6.0	6.7	7.1	6.4
Fixed Income	Asset Category Total	8.9	9.6	5.6	3.7	5.0
	Asset Category Benchmark	8.9	9.3	5.1	3.0	4.3
	Short Term and Cash	1.0	1.9	1.6	1.4	1.2
	FTSE TMX Canada 91 day T Bill Index	0.8	1.6	1.3	1.0	0.9
	Universe Bonds	7.2	8.2	4.7	3.6	4.3
	FTSE TMX Canada Universe Bond Index	6.5	7.4	4.0	2.7	3.3
	Long Bonds	12.4	12.1	7.1	4.9	6.1
	FTSE TMX Canada L.T. Govt. Bond Index	12.0	11.6	6.5	4.0	5.5
	Private Debt & Loan	1.8	3.5	3.6	3.4	4.0
	FTSE TMX Canada Universe Bond Index	6.5	7.4	4.0	2.7	3.3
	Private Mortgages	5.1	8.1	4.9	3.4	4.1
	FTSE TMX Canada Universe Bond Index	6.5	7.4	4.0	2.7	3.3
Inflation Sensitive & Alternatives	Asset Category Total	2.2	12.2	10.6	8.5	8.7
	Asset Category Benchmark	1.9	5.8	6.6	5.9	6.2
	Real Estate	0.4	8.8	10.0	8.3	8.3
	Real Estate Index ⁱ	0.9	5.5	7.3	7.0	7.2
	Canadian Real Estate	1.5	10.7	9.9	8.5	7.7
	Canadian Real Estate Index ⁱⁱ	2.5	6.6	7.2	6.9	7.2
	Foreign Real Estate	(1.9)	4.8	10.5	7.7	9.9
	Foreign Real Estate Index ⁱⁱⁱ	(1.9)	4.8	10.5	7.7	9.9
	Private Infrastructure	4.5	17.6	11.6	10.2	11.7
	Private Infrastructure Index ^{iv}	3.2	6.2	6.1	6.0	6.5
Renewable Resources	4.2	12.3	14.5	14.4	11.2	
Renewable Resources Index ^v	3.2	6.2	6.1	6.0	6.6	
Short Horizon	Asset Category Total	10.5	1.7	6.8	10.7	8.0
	Asset Category Benchmark	11.8	3.6	7.8	10.9	8.0
	Canadian Equity	14.7	1.6	6.2	7.8	6.0
	S&P/TSX Capped Composite Index	16.2	3.9	7.1	8.4	6.2
	Global Developed Equity	11.2	4.0	8.4	12.4	9.7
	MSCI World Index	11.9	5.6	9.0	12.0	9.2
	Emerging Markets	4.4	(1.7)	4.0	11.1	6.2
	MSCI Emerging Markets Index	5.8	0.5	5.0	10.9	5.7
	Small Cap Equity	7.8	(5.1)	3.7	9.4	6.6
Small Cap Equity Index ^{vi}	10.9	(3.4)	6.0	10.3	8.6	
Long Horizon	Private Equity	(0.6)	4.8	6.2	3.5	(0.2)
	Private Equity Index ^{vii}	4.2	8.2	8.1	8.0	6.8
Overlays	Opportunistic Investments	7.1	8.3	11.8	11.8	11.9

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- ⁱ Real Estate Index: A blend of the IPD Large Institutional Index and MSCI Global Region Property Index, one quarter lag. Due to the time lag in receiving Real Estate Index data, the pool is benchmarked against the Canadian and Foreign Real Estate portfolio returns for the period between April 1, 2019 and March 31, 2019.
 - ⁱⁱ Canadian Real Estate Index: IPD Large Institutional Index: one quarter lag. Due to the time lag in receiving IPD Large Institutional All Property Index data, the pool is benchmarked against the Canadian Real Estate portfolio returns for the period between April 1, 2019 and June 30, 2019.
 - ⁱⁱⁱ Foreign Real Estate Index: MSCI Global Region Property Index, one quarter lag. Due to the time lag in receiving MSCI Global Region Property Index data, the pool is benchmarked against the Foreign Real Estate portfolio returns for the period between April 1, 2019 and June 30, 2019.
 - ^{iv} 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%.
 - ^v 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%.
 - ^{vi} Small Cap Equity Index: 1/3 S&P/TSX Small Cap Index + 2/3 MSCI Small Cap Index.
 - ^{vii} 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%.