

QUARTERLY INVESTMENT REPORT

March 31, 2022

Assets Under Management

as of March 31, 2022	\$ 59,331 million
as of December 31, 2021	\$ 61,648 million

Asset Mix

	Policy Asset Mix (%)	March 31, 2022 (CAD millions)	March 31, 2022 (%)	December 31, 2021 (CAD millions)	December 31, 2021 (%)
Fixed Income	26.5	17,518	29.5	18,947	30.7
Inflation Sensitive & Alternatives	33.0	15,424	26.0	14,422	23.4
Canadian Equity	7.0	4,298	7.2	4,322	7.0
Global Developed Equity	17.5	12,283	20.7	13,573	22.0
Emerging Markets Equity	5.0	2,799	4.7	3,034	4.9
Global Small Cap Equity	5.0	3,034	5.1	3,229	5.2
Private Equity	6.0	3,868	6.5	4,017	6.5
Overlays	0.0	107	0.2	104	0.2
	100.0	59,331	100.0	61,648	100.0

Performance Summary

		Q1 2022 (%)	YTD (%)	1 Year (%)	4 Year (%)
Without LAPP Downside Protection Strategy (DPS)	LAPP	(3.71)	(3.71)	8.95	6.89
	Policy Benchmark	(3.35)	(3.35)	4.33	6.37
	Excess Returns	(0.36)	(0.36)	4.62	0.52

With LAPP Downside Protection Strategy (DPS)	LAPP	(3.71)	(3.71)	8.95	6.97
	Policy Benchmark	(3.35)	(3.35)	4.33	6.37
	Excess Returns	(0.36)	(0.36)	4.62	0.60

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 of 2020.

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Investment Performance by Calendar Years (with LAPP Downside Protection)

Asset Category	Asset/Sub-Asset Category Benchmark	2022		Calendar Years		
		Q1 (%)	YTD (%)	2021 (%)	2020 (%)	2019 (%)
Total	Fund (including effects of DPS)	(3.7)	(3.7)	15.0	4.5	11.9
	Policy Benchmark	(3.4)	(3.4)	7.6	9.5	12.5
Fixed Income	Asset Category Total	(7.1)	(7.1)	(2.4)	11.0	9.6
	Asset Category Benchmark	(7.3)	(7.3)	(3.7)	10.2	9.2
	Short Term and Cash	0.1	0.1	0.2	0.9	1.9
	FTSE TMX Canada 91-day T Bill Index	0.1	0.1	0.2	0.9	1.7
	Universe Bonds	(7.0)	(7.0)	(2.4)	9.9	7.8
	FTSE TMX Canada Universe Bond Index	(7.0)	(7.0)	(2.5)	8.7	6.9
	Long Bonds ¹	(12.2)	(12.2)	(4.8)	13.0	12.8
	FTSE TMX Canada L.T. Govt. Bond Index	(12.0)	(12.0)	(5.1)	12.1	12.2
	Private Debt & Loan	1.7	1.7	8.5	5.9	4.4
	FTSE TMX Canada Universe Bond Index	0.1	0.1	(0.9)	8.7	6.9
	Private Mortgages	(2.6)	(2.6)	1.1	9.4	6.0
	Private Mortgage Estate Index ⁱ	(4.4)	(4.4)	(1.1)	8.7	6.9
Inflation Sensitive & Alternatives	Asset Category Total	1.5	1.5	16.6	(8.4)	6.0
	Asset Category Benchmark	2.4	2.4	7.5	1.6	5.3
	Real Estate	2.7	2.7	14.5	(13.1)	3.8
	Real Estate Index ⁱⁱ	2.7	2.7	8.0	(2.3)	4.6
	Canadian Real Estate	2.8	2.8	14.2	(14.0)	5.5
	Canadian Real Estate Index ⁱⁱⁱ	2.8	2.8	6.9	(5.2)	6.2
	Foreign Real Estate	2.4	2.4	15.0	(11.1)	0.1
	Foreign Real Estate Index ^{iv}	2.4	2.4	9.9	3.8	1.1
	Private Infrastructure	0.3	0.3	20.5	(2.3)	7.7
	Private Infrastructure Index ^v	2.0	2.0	6.8	6.1	6.2
	Renewable Resources	(0.2)	(0.2)	11.3	(5.5)	14.2
	Renewable Resources Index ^{vi}	2.0	2.0	6.8	6.1	6.2
Short Horizon	Asset Category Total	(4.5)	(4.5)	22.6	4.6	18.6
	Asset Category Benchmark	(4.8)	(4.8)	17.7	13.0	20.2
	Canadian Equity	3.4	3.4	30.5	(3.4)	20.8
	S&P/TSX Capped Composite Index	3.8	3.8	25.1	5.6	22.9
	Global Developed Equity	(5.8)	(5.8)	25.2	6.1	20.3
	MSCI World Index	(6.2)	(6.2)	20.8	13.9	21.2
	Emerging Markets	(8.0)	(8.0)	1.0	7.0	10.6
	MSCI Emerging Markets Index	(8.0)	(8.0)	(3.4)	16.2	12.4
	Small Cap Equity	(6.1)	(6.1)	22.8	4.8	17.2
	Small Cap Equity Index ^{vii}	(7.5)	(7.5)	14.8	13.9	19.8
Long Horizon	Private Equity	(3.3)	(3.3)	72.5	18.0	4.1
	CPI 1 month lagged + 650 bps (5-yr rolling average) ^{viii}	2.5	2.5	8.8	8.1	8.2
	Overlays	Opportunistic Investments	(4.2)	(4.2)	(8.4)	4.8

¹ The Long Bonds performance return was incorrectly inflated by 8 basis points for the quarter. The error was corrected on April 5, 2022, meaning the Long Bonds performance will be accurate for Q2 2022.

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Investment Performance by Annualized Years (with LAPP Downside Protection)

Asset Category	Asset/Sub-Asset Category Benchmark	2022		Annualized Years		
		YTD (%)	1 (%)	2 (%)	3 (%)	4 (%)
Total	Fund (including effects of DPS)	(3.7)	9.0	11.3	7.1	7.0
	Policy Benchmark	(3.4)	4.3	9.6	6.4	6.4
Fixed Income	Asset Category Total	(7.1)	(2.7)	0.2	1.6	2.9
	Asset Category Benchmark	(7.3)	(3.8)	(1.6)	0.7	2.1
	Short Term and Cash	0.1	0.2	0.3	0.8	1.1
	FTSE TMX Canada 91-day T Bill Index	0.1	0.3	0.3	0.8	1.0
	Universe Bonds	(7.0)	(4.7)	0.2	1.0	2.3
	FTSE TMX Canada Universe Bond Index	(7.0)	(4.5)	(1.5)	0.5	1.6
	Long Bonds ²	(12.2)	(6.2)	(2.7)	(0.3)	1.8
	FTSE TMX Canada L.T. Govt. Bond Index	(12.0)	(5.8)	(4.2)	(0.6)	1.4
	Private Debt & Loan	1.7	8.7	7.3	6.6	5.9
	FTSE Canada Short-Term Overall Index	0.1	(0.3)	3.0	3.5	3.9
	Private Mortgages	(2.6)	(0.2)	2.7	3.6	4.4
	Private Mortgage Estate Index ⁱ	(4.4)	(4.4)	0.7	1.9	2.7
Inflation Sensitive & Alternatives	Asset Category Total	1.5	16.6	6.1	4.6	6.3
	Asset Category Benchmark	2.4	8.9	4.8	5.2	5.6
	Real Estate	2.7	15.6	3.2	1.9	3.8
	Real Estate Index ⁱⁱ	2.7	10.6	3.1	4.0	4.8
	Canadian Real Estate	2.8	14.4	3.7	2.0	4.1
	Canadian Real Estate Index ⁱⁱⁱ	2.8	8.9	2.5	2.9	4.2
	Foreign Real Estate	2.4	17.8	2.2	1.6	3.0
	Foreign Real Estate Index ^{iv}	2.4	13.6	4.4	5.9	5.9
	Private Infrastructure	0.3	19.0	10.6	8.2	9.7
	Private Infrastructure Index ^v	2.0	7.0	6.7	6.6	6.4
Short Horizon	Renewable Resources	(0.2)	9.9	2.1	5.3	6.9
	Renewable Resources Index ^{vi}	2.0	7.0	6.7	6.6	6.4
	Asset Category Total	(4.5)	9.5	27.0	9.8	8.2
	Asset Category Benchmark	(4.8)	7.1	23.1	11.3	9.9
	Canadian Equity	3.4	22.4	35.7	11.9	10.5
	S&P/TSX Capped Composite Index	3.8	20.2	31.7	14.2	12.6
	Global Developed Equity	(5.8)	11.8	26.3	11.2	9.8
	MSCI World Index	(6.2)	9.4	22.0	12.4	11.3
Long Horizon	Emerging Markets	(8.0)	(9.7)	14.8	1.0	(0.8)
	MSCI Emerging Markets Index	(8.0)	(11.9)	11.0	2.6	0.9
	Small Cap Equity	(6.1)	3.3	28.5	9.2	6.5
Overlays	Small Cap Equity Index ^{vii}	(7.5)	(1.7)	25.5	9.2	7.4
	Private Equity	(3.3)	42.8	41.3	26.9	22.8
	Private Equity Index ^{viii}	2.5	9.0	8.7	8.6	8.4
Overlays	Opportunistic Investments	(4.2)	(10.7)	2.2	0.4	1.5

² The Long Bonds performance return was incorrectly inflated by 8 basis points for the quarter. The error was corrected on April 5, 2022, meaning the Long Bonds performance will be accurate for Q2 2022.

- i Private Mortgage Index: 60% FTSE Canada Short Term Bond Index & 40% FTSE Canada Mid Term Bond Index + 50 bps.
- ii Real Estate Index: A blend of the IPD Large Institutional Index and MSCI Global Region Property Index.
- iii Canadian Real Estate Index: IPD Large Institutional Index.
- iv Foreign Real Estate Index: MSCI Global Region Property Index.
- v 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%.
- vi 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%.
- vii Small Cap Equity Index: 1/3 S&P/TSX Small Cap Index + 2/3 MSCI Small Cap Index.
- viii 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%.