

QUARTERLY INVESTMENT REPORT
December 31, 2021

Assets Under Management

as of December 31, 2021	\$ 61,648 million
as of September 30, 2021	\$ 58,299 million

Asset Mix

	Policy Asset Mix (%)	December 31, 2021 (CAD millions)	September 30, 2021 (CAD millions)	
		(%)	(%)	(%)
Fixed Income	26.5	18,947	30.7	18,017
Inflation Sensitive & Alternatives	33.0	14,422	23.4	13,920
Canadian Equity	7.0	4,322	7.0	4,117
Global Developed Equity	17.5	13,573	22.0	12,628
Emerging Markets Equity	5.0	3,034	4.9	2,908
Global Small Cap Equity	5.0	3,229	5.2	3,132
Private Equity	6.0	4,017	6.5	3,455
Overlays	0.0	104	0.2	122
	100.0	61,648	100.0	58,299
				100.0

Performance Summary

		Q4 2021 (%)	YTD (%)	1 Year (%)	4 Year (%)
Without LAPP Downside Protection Strategy (DPS)	LAPP	5.47	14.96	14.96	8.22
	Policy Benchmark	3.57	7.58	7.58	7.53
	Excess Returns	1.89	7.37	7.37	0.68

With LAPP Downside Protection Strategy (DPS)	LAPP	5.47	14.96	14.96	8.22
	Policy Benchmark	3.57	7.58	7.58	7.53
	Excess Returns	1.89	7.37	7.37	0.68

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	2021		Calendar Years		
		Q4 (%)	YTD (%)	2020 (%)	2019 (%)	2018 (%)
Total	Fund (including effects of DPS)	5.5	15.0	4.5	11.9	2.0
	Policy Benchmark	3.6	7.6	9.5	12.5	1.0
	Asset Category Total	2.5	(2.4)	11.0	9.6	1.8
	Asset Category Benchmark	2.2	(3.7)	10.2	9.2	1.0
Fixed Income	Short Term and Cash	0.1	0.2	0.9	2.0	1.6
	FTSE TMX Canada 91-day T Bill Index	0.1	0.2	0.9	1.7	1.4
	Universe Bonds	1.2	(2.4)	9.9	7.8	1.9
	FTSE TMX Canada Universe Bond Index	1.5	(2.5)	8.7	6.9	1.4
	Long Bonds	4.6	(4.8)	13.0	12.8	0.9
	FTSE TMX Canada L.T. Govt. Bond Index	4.9	(5.1)	12.1	12.2	0.5
	Private Debt & Loan	2.3	8.5	5.9	4.4	4.0
	FTSE TMX Canada Universe Bond Index	(0.5)	(0.9)	8.7	6.9	1.4
	Private Mortgages	0.8	1.1	9.4	6.0	4.7
	Private Mortgage Estate Index ⁱ	(0.1)	(1.1)	8.7	6.9	1.4
Inflation Sensitive & Alternatives	Asset Category Total	7.4	16.6	(8.4)	6.0	12.9
	Asset Category Benchmark	2.6	7.5	1.6	5.3	8.1
	Real Estate	6.9	14.5	(13.1)	3.8	12.4
	Real Estate Index ⁱⁱ	3.2	8.0	(2.3)	4.6	9.5
	Canadian Real Estate	7.1	14.1	(14.0)	5.5	11.5
	Canadian Real Estate Index ⁱⁱⁱ	2.6	6.9	(5.2)	6.2	7.7
	Foreign Real Estate	6.5	15.0	(11.1)	0.1	14.7
	Foreign Real Estate Index ^{iv}	4.2	9.9	3.8	1.1	14.0
	Private Infrastructure	8.6	20.5	(2.3)	7.7	13.8
	Private Infrastructure Index ^v	1.8	6.8	6.1	6.2	6.2
Short Horizon	Renewable Resources	4.3	11.3	(5.5)	14.2	12.4
	Renewable Resources Index ^{vi}	1.8	6.8	6.1	6.2	6.2
	Asset Category Total	5.7	22.6	4.6	18.6	(4.8)
	Asset Category Benchmark	5.4	17.7	13.0	20.2	(3.6)
	Canadian Equity	6.9	30.5	(3.4)	20.8	(10.1)
	S&P/TSX Capped Composite Index	6.5	25.1	5.6	22.9	(8.9)
	Global Developed Equity	7.6	25.2	6.1	20.3	(1.8)
	MSCI World Index	7.5	20.8	13.9	21.2	(0.5)
	Emerging Markets	(1.0)	1.0	7.0	10.6	(8.2)
	MSCI Emerging Markets Index	(1.6)	(3.4)	16.2	12.4	(6.9)
Long Horizon	Small Cap Equity	3.0	22.8	4.8	17.2	(7.2)
	Small Cap Equity Index ^{vii}	1.9	14.8	13.9	19.8	(6.1)
Overlays	Private Equity	11.4	72.5	18.0	4.1	11.7
	CPI 1 month lagged + 650 bps (5-yr rolling average) ^{viii}	2.3	8.8	8.1	8.2	8.2
Overlays	Opportunistic Investments	(14.4)	(8.4)	4.8	17.0	4.6

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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)	15.0	15.0	9.6	10.4	8.2
	Policy Benchmark	7.5	7.5	8.5	9.8	7.5
Fixed Income	Asset Category Total	(2.4)	(2.4)	4.1	5.9	4.8
	Asset Category Benchmark	(3.7)	(3.7)	3.1	5.1	4.0
	Short Term and Cash	0.2	0.2	0.6	1.0	1.2
	FTSE TMX Canada 91-day T Bill Index	0.2	0.2	0.5	0.9	1.1
	Universe Bonds	(2.4)	(2.4)	3.6	5.0	4.2
	FTSE TMX Canada Universe Bond Index	(2.5)	(2.5)	2.9	4.2	3.5
	Long Bonds	(4.8)	(4.8)	3.7	6.6	5.2
	FTSE TMX Canada L.T. Govt. Bond Index	(5.1)	(5.1)	3.2	6.1	4.7
	Private Debt & Loan	8.5	8.5	7.2	6.3	5.7
	FTSE Canada Short-Term Overall Index	(0.9)	(0.9)	3.8	4.8	3.9
Inflation Sensitive & Alternatives	Private Mortgages	1.1	1.1	5.2	5.5	5.3
	Private Mortgage Estate Index ⁱ	(1.1)	(1.1)	3.7	4.7	3.9
	Asset Category Total	16.6	16.6	3.4	4.2	6.3
	Asset Category Benchmark	7.5	7.5	4.5	4.8	5.6
	Real Estate	14.5	14.5	(0.3)	1.1	3.8
	Real Estate Index ⁱⁱ	8.0	8.0	2.7	3.4	4.9
	Canadian Real Estate	14.1	14.1	(0.9)	1.2	3.7
	Canadian Real Estate Index ⁱⁱⁱ	6.9	6.9	0.7	2.5	3.8
	Foreign Real Estate	15.0	15.0	1.1	0.8	4.1
	Foreign Real Estate Index ^{iv}	9.9	9.9	6.8	4.9	7.1
Short Horizon	Private Infrastructure	20.5	20.5	8.5	8.2	9.6
	Private Infrastructure Index ^v	6.8	6.8	6.5	6.4	6.3
	Renewable Resources	11.3	11.3	2.6	6.3	7.8
	Renewable Resources Index ^{vi}	6.8	6.8	6.4	6.4	6.3
	Asset Category Total	22.6	22.6	13.3	15.0	9.7
	Asset Category Benchmark	17.7	17.7	15.3	16.9	11.4
	Canadian Equity	30.5	30.5	12.3	15.1	8.2
	S&P/TSX Capped Composite Index	25.1	25.1	14.9	17.5	10.3
	Global Developed Equity	25.2	25.2	15.3	16.9	12.0
	MSCI World Index	20.8	20.8	17.3	18.6	13.5
Long Horizon	Emerging Markets	1.0	1.0	3.9	6.1	2.4
	MSCI Emerging Markets Index	(3.4)	(3.4)	6.0	8.1	4.1
Overlays	Small Cap Equity	22.8	22.8	13.4	14.7	8.8
	Small Cap Equity Index ^{vii}	14.8	14.8	14.4	16.1	10.1
	Private Equity	72.5	72.5	42.7	28.4	24.0
	Private Equity Index ^{viii}	8.8	8.8	8.5	8.4	8.3
	Opportunistic Investments	(8.4)	(8.4)	11.8	9.0	10.2

- 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%.