

QUARTERLY INVESTMENT REPORT

December 31, 2023

Assets Under Management

as of December 31, 2023	\$63,196 million
as of September 30, 2023	\$60,467 million

Asset Mix

Policy Asset Mix	December 31, 2023		September 30, 2023	
	(%)	(CAD millions)	(%)	(CAD millions)
Fixed Income	26.5	17,486	27.7	15,352
Inflation Sensitive & Alternatives	33.5	20,672	32.7	19,023
Canadian Equity	6.0	3,912	6.2	4,074
Global Developed Equity	17.5	10,349	16.4	10,423
Emerging Markets Equity	5.0	3,213	5.1	2,843
Global Small Cap Equity	5.0	3,289	5.2	2,881
Private Equity	6.0	4,181	6.6	3,817
Overlays	0.0	92	0.1	114
	100.0	63,196	100.0	58,526

Performance Summary

	Q4 2023	YTD	1 Year	4 Year
	(%)	(%)	(%)	(%)
LAPP	4.35	7.63	7.63	5.30
Policy Benchmark	4.78	8.38	8.38	4.46
Excess Returns	(0.44)	(0.74)	(0.74)	0.84

Note: Performance net of fees

QUARTERLY INVESTMENT

December 31, 2023

Investment Performance by Calendar Years

Asset Category	Asset/Sub-Asset Category Benchmark	2023		Calendar Years		
		Q4 (%)	YTD (%)	2022 (%)	2021 (%)	2020 (%)
Total	Fund	4.3	7.6	(5.0)	15.0	4.5
	Policy Benchmark	5.4	9.0	(6.7)	7.6	9.5
Fixed Income	Asset Category Total	9.1	8.5	(12.3)	(2.4)	10.9
	Asset Category Benchmark	9.3	8.5	(13.0)	(3.6)	10.2
	Short Term and Cash	13	4.9	19	0.2	0.9
	FTSE TMX Canada 91-day T Bill Index	13	4.8	18	0.2	0.9
	Universe Bonds	8.5	7.7	(118)	(2.4)	9.9
	FTSE TMX Canada Universe Bond Index	8.3	6.7	(117)	(2.5)	8.7
	Long Bonds	15.4	9.6	(23.0)	(4.8)	13.0
	FTSE TMX Canada L.T. Govt. Bond Index	15.2	8.8	(22.6)	(5.1)	12.1
	Private Debt & Loan	2.5	9.5	6.2	8.5	5.9
	Private Debt & Loan Index ⁱ	2.0	118	(0.1)	(0.9)	8.7
	Private Mortgages	3.4	4.5	(5.0)	11	9.4
	Private Mortgage Estate Index ⁱⁱ	5.9	6.0	(6.1)	(11)	8.7
Inflation Sensitive & Alternatives	Asset Category Total	(2.3)	(1.0)	11.2	16.6	(8.4)
	Asset Category Benchmark	0.4	2.4	4.1	7.5	1.6
	Real Estate	(5.7)	(7.4)	4.2	14.5	(13.1)
	Real Estate Index ⁱⁱ	(17)	(4.1)	10	8.0	(2.3)
	Canadian Real Estate	(5.0)	(4.7)	7.3	14.2	(14.0)
	Canadian Real Estate Index ⁱⁱⁱ	(18)	0.0	12	6.9	(5.2)
	Foreign Real Estate	(6.7)	(110)	0.2	15.0	(112)
	Foreign Real Estate Index ^{iv}	(17)	(9.0)	0.7	9.9	3.8
	Private Infrastructure	(0.2)	3.9	18.5	20.5	(2.3)
	Private Infrastructure Index ^v	2.0	8.0	7.7	6.8	6.1
	Renewable Resources	14	2.7	215	113	(5.5)
	Renewable Resources Index ^{vi}	2.0	8.0	7.7	6.8	6.1
	Absolute Return Strategies	18	5.0	-	-	-
	Absolute Return Index	18	3.7	-	-	-
Public Equities	Asset Category Total	8.1	15.8	(9.6)	22.6	4.6
	Asset Category Benchmark	8.2	15.6	(11.1)	17.7	13.0
	Canadian Equity ⁱ	9.2	12.2	(4.5)	29.4	(18)
	S&P/TSX Capped Composite Index	8.1	118	(5.8)	25.1	5.6
	Global Developed Equity	8.3	20.7	(10.6)	25.2	6.1
	MSCI World Index	8.7	20.5	(12.2)	20.8	13.9
	Emerging Markets Equity ⁱ	5.5	7.7	(13.8)	13	7.6
	MSCI Emerging Markets Index	5.2	6.9	(14.3)	(3.4)	16.2
	Small Cap Equity	8.2	12.9	(7.8)	22.7	4.8
	Small Cap Equity Index ^{vii}	9.7	12.7	(12.9)	14.8	13.9
Private Equities	Private Equity	2.5	9.7	(6.0)	72.5	18.0
	CPI 1month lagged +650 bps (5-yr rolling average) ^{viii}	2.5	10.0	9.7	8.8	8.1
Overlays	Opportunistic Investments	(5.4)	(9.9)	18	(8.4)	4.8

QUARTERLY INVESTMENT REPORT

December 31, 2023

Comparative Investment Performance by Annualized Years

Asset Category	Asset/Sub-Asset Category Benchmark	2023	Annualized Years			
		YTD (%)	1 (%)	2 (%)	3 (%)	4 (%)
Total	Fund	7.6	7.6	1.1	5.6	5.3
	Policy Benchmark	9.0	9.0	0.8	3.0	4.6
Fixed Income	Asset Category Total	8.5	8.5	(2.4)	(2.4)	0.8
	Asset Category Benchmark	8.5	8.5	(2.9)	(3.1)	0.1
	Short Term and Cash	4.9	4.9	3.4	2.3	2.0
	FTSE TMX Canada 91-day T Bill Index	4.8	4.8	3.3	2.2	1.9
	Universe Bonds	7.7	7.7	(2.5)	(2.5)	0.5
	FTSE TMX Canada Universe Bond Index	6.7	6.7	(2.9)	(2.8)	(0.0)
	Long Bonds	9.6	9.6	(8.1)	(7.0)	(2.4)
	FTSE TMX Canada L.T. Govt. Bond Index	8.8	8.8	(8.3)	(7.2)	(2.7)
	Private Debt & Loan	9.5	9.5	7.9	8.1	7.5
	Private Debt & Loan Index ⁱ	11.8	11.8	5.7	3.4	4.7
	Private Mortgages	4.5	4.5	(0.4)	0.1	2.4
	Private Mortgage Estate Index ⁱⁱ	6.0	6.0	(0.2)	(0.5)	1.7
Inflation Sensitive & Alternatives	Asset Category Total	(1.0)	(1.0)	4.9	8.7	4.1
	Asset Category Benchmark	2.4	2.4	3.3	4.6	3.9
	Real Estate	(7.4)	(7.4)	(17)	3.4	(10)
	Real Estate Index ⁱⁱⁱ	(4.1)	(4.1)	(16)	15	0.6
	Canadian Real Estate	(4.7)	(4.7)	11	5.3	0.1
	Canadian Real Estate Index ^{iv}	0.0	0.0	0.6	2.6	0.6
	Foreign Real Estate	(110)	(110)	(5.6)	0.9	(2.3)
	Foreign Real Estate Index ^v	(9.0)	(9.0)	(4.3)	0.2	1.1
	Private Infrastructure	3.9	3.9	110	14.0	9.7
	Private Infrastructure Index ^{vi}	8.0	8.0	7.9	7.5	7.2
	Renewable Resources	2.7	2.7	117	116	7.0
	Renewable Resources Index ^{vii}	8.0	8.0	7.9	7.5	7.2
	Absolute Return Master Pool (ABSRP)	5.0	-	-	-	-
	Absolute Return Index ⁷	3.7	-	-	-	-
Public Equities	Asset Category Total	15.8	15.8	2.3	8.7	7.6
	Asset Category Benchmark	15.6	15.6	1.4	6.6	8.1
	Canadian Equity	12.2	12.2	3.5	11.5	8.0
	S&P/TSX Capped Composite Index	11.8	11.8	2.6	9.6	8.6
	Global Developed Equity	20.7	20.7	3.9	10.5	9.4
	MSCI World Index	20.5	20.5	2.8	8.5	9.8
	Emerging Markets Equity	7.7	7.7	(3.6)	(2.0)	0.3
	MSCI Emerging Markets Index	6.9	6.9	(4.3)	(4.0)	0.7
	Small Cap Equity	12.9	12.9	2.0	8.5	7.6
	Small Cap Equity Index ^{viii}	12.7	12.7	(0.9)	4.1	6.4
Private Equities	Private Equity	9.7	9.7	1.5	21.1	20.3
	Private Equity Index ^{ix}	10.0	10.0	9.9	9.5	9.2
Overlays	Opportunistic Investments	(9.9)	(9.9)	(4.2)	(5.6)	(3.1)

- i. Effective January 1, 2022, 40% S&P/LSTA Leveraged Loan Index + 40% S&P European Leveraged Loan Index + 0.90% (CAD hedged). From January 1, 2021, to December 31, 2021, the benchmark was the FTSE Canada Short Term Overall Bond Index. Prior to this date, the benchmark was the FTSE Canada Universe Bond Index.
 - ii. Effective January 1, 2021, 60% FTSE Canada Short-Term Overall Bond Index + 40% FTSE Canada Mid-Term Overall Bond Index + 50 bps. Prior to this date, the benchmark was the FTSE Canada Universe Bond Index.
 - iii. Real Estate Index: A blend of the MSCI REALpac Canadian All Property Index - Large Institutional Subset and MSCI Global Region Property Index, one quarter lagged.
 - iv. Canadian Real Estate Index: MSCI REALpac Canadian All Property Index - Large Institutional Subset, one quarter lagged.
 - v. Foreign Real Estate Index: MSCI Global Region Property Index, one quarter lagged.
 - vi. Private Infrastructure Index: CPI + 450 bps (5-year rolling average for CPI).
 - vii. Renewable Resources Index: CPI + 450 bps (5-year rolling average for CPI).
 - viii. Small Cap Equity Index: MSCI World Small Cap Index.
 - ix. Private Equity Index: CPI + 650 bps (5-year rolling average for CPI).
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