

Quarterly Financial Report

September 30, 2016

Assets Under Management

as at September 30, 2016	\$37,179 million
as at June 30, 2016	\$35,563 million

Valuation and Asset Mix

	Policy Asset Mix	Sept. 30/16		Jun. 30/16	
		(\$ m)	(%)	(\$ m)	(%)
Fixed Income	30.5%	11,474	30.9	10,941	30.8
Inflation Sensitive & Alternatives	32.0%	9,002	24.2	8,817	24.8
Canadian Equity	9.0%	3,887	10.5	3,798	10.7
Global Developed Equity*	16.0%	8,917	24.0	8,215	23.1
Emerging Markets Equity	3.5%	1,326	3.6	1,201	3.4
Global Small Cap Equity	3.0%	1,200	3.2	1,107	3.1
Private Equity	6.0%	1,123	3.2	1,236	3.5
Overlays	0.0%	248	0.7	248	0.7
	100%	37,178	100.0	35,563	100.0

*Includes PAUS

Performance Summary

	Q3 2016	Year to Date	1 Year	4 Years*
LAPP	3.6%	5.4%	10.2%	9.8%
Policy Benchmark	3.5%	6.3%	10.3%	9.9%
Excess Returns	0.1	(0.9)	(0.1)	(0.1)

NOTE: Unaudited Performance net of fees.

Comparative Investment Performance by Calendar Years

Asset Category	Asset/Sub-asset Category	2016		Calendar Years		
	Benchmark	QTD	YTD	2015	2014	2013
Total	Fund	3.6	5.4	7.9	11.4	11.3
	Policy	3.5	6.3	6.7	12.9	11.0
	CPI (one month lag)	(0.1)	1.3	1.4	2.0	0.9
Fixed Income	Asset Category Total	2.1	9.4	4.3	14.6	(2.8)
	Asset Category Benchmark	1.8	8.6	4.1	14.5	(5.0)
	Short Term and Cash	0.2	0.6	0.9	1.2	1.2
	FTSE TMX Canada 91 day T Bill Index	0.1	0.4	0.6	0.9	1.0
	Universe Bonds	1.8	6.6	4.1	9.8	0.6
	FTSE TMX Canada Universe Bond Index	1.2	5.3	3.5	8.8	(1.2)
	Long Bonds	2.5	11.1	4.1	18.8	(5.0)
	FTSE TMX Canada L.T. Govt. Bond Index	2.1	10.5	4.5	17.9	(7.0)
	Private Debt & Loan	1.6	4.0	6.1	7.0	0.0
	FTSE TMX Canada Universe Bond Index	1.2	5.3	3.5	8.8	(1.2)
Private Mortgages	1.2	5.2	5.1	9.9	0.4	
	FTSE TMX Canada Universe Bond Index	1.2	5.3	3.5	8.8	(1.2)
Inflation Sensitive & Alternatives	Asset Category Total	1.2	3.8	8.3	7.8	6.6
	Asset Category Benchmark	1.2	4.4	6.7	11.4	6.9
	Real Return Bonds	2.0	8.4	3.0	13.5	(12.5)
	FTSE TMX Canada Real Return Bond Index	1.9	7.8	2.8	13.2	(13.1)
	Real Estate	0.8	2.1	8.7	8.2	12.3
	IPD Cdn Bnchmk: Portfolios Valued > C#1.5bn ¹	0.8	3.3	8.0	7.1	10.9
	Private Income	0.9	4.3	13.9	4.6	4.2
	Private Income Index ²	1.2	4.2	5.8	20.7	17.7
Timberlands	3.2	2.8	4.2	(0.6)	28.3	
	Timberlands Index ³	1.2	4.2	10.0	13.7	8.0
Short Horizon	Asset Category Total	6.7	4.8	11.2	12.7	27.3
	Asset Category Benchmark	6.5	5.8	8.2	12.2	24.8
	Canadian Equity	5.1	15.0	(7.4)	12.4	15.2
	S&P/TSX Capped Composite Index	5.5	15.8	(8.3)	10.6	13.0
	Global Developed Equity	6.4	(0.3)	21.8	13.4	36.4
	MSCI World Index	6.1	(0.1)	18.9	14.4	35.3
	Emerging Markets	12.1	11.1	6.2	10.4	5.4
	MSCI Emerging Markets Index	10.3	9.8	2.0	6.6	4.0
Small Cap Equity	8.4	5.9	13.6	9.8	41.9	
	Small Cap Equity Index ⁴	7.4	13.5	7.7	6.6	29.3
Long Horizon	Private Equity	(1.8)	(3.1)	(9.3)	3.1	2.0
	CPI 1 month lagged + 650 bps (5-year rolling a	3.6	5.4	7.9	11.4	11.3
Overlays	Overlays	(4.3)	(15.6)	52.2	(15.1)	(0.0)

Comparative Investment Performance by Annualized Years

Asset Category	Asset/Sub-asset Category	Annualized Years				
	Benchmark	YTD	1	2	3	4
Total	Fund	5.4	10.2	7.7	10.2	9.8
	Policy	6.3	10.3	8.3	10.4	9.9
	CPI (one month lag)	1.3	1.1	1.2	1.5	1.4
Fixed Income	Asset Category Total	9.4	11.3	9.0	9.4	6.3
	Asset Category Benchmark	8.6	10.3	8.8	8.9	5.3
	Short Term and Cash	0.6	0.8	0.9	1.0	1.1
	FTSE TMX Canada 91 day T Bill Index	0.4	0.5	0.6	0.7	0.8
	Universe Bonds	6.6	7.6	6.7	7.0	5.5
	FTSE TMX Canada Universe Bond Index	5.3	6.3	5.8	6.0	4.1
	Long Bonds	11.1	13.4	10.5	11.2	7.0
	FTSE TMX Canada L.T. Govt. Bond Index	10.5	12.6	10.4	10.6	6.0
	Private Debt & Loan	4.0	5.6	6.1	0.0	0.0
	FTSE TMX Canada Universe Bond Index	5.3	6.3	5.8	6.0	4.1
Inflation Sensitive & Alternatives	Asset Category Total	3.8	9.9	7.8	8.5	7.6
	Asset Category Benchmark	4.4	7.1	7.2	8.7	8.3
	Real Return Bonds	8.4	9.2	6.3	7.6	2.6
	FTSE TMX Canada Real Return Bond Index	7.8	8.6	6.0	7.2	2.2
	Real Estate	2.1	7.8	7.9	8.6	9.1
	IPD Cdn Bnchmk: Portfolios Valued > C#1.5bn ¹	3.3	7.2	7.2	7.8	8.9
	Private Income	4.3	17.3	10.2	8.8	7.9
	Private Income Index ²	4.2	5.9	7.1	11.8	12.4
Timberlands	2.8	4.7	4.3	8.5	8.6	
Timberlands Index ³	4.2	5.9	8.6	10.6	9.4	
Short Horizon	Asset Category Total	4.8	11.4	8.3	13.2	14.7
	Asset Category Benchmark	5.8	11.6	8.1	12.1	13.4
	Canadian Equity	15.0	13.7	2.5	8.9	9.1
	S&P/TSX Capped Composite Index	15.8	14.2	2.3	8.0	7.8
	Global Developed Equity	(0.3)	9.7	11.1	15.7	18.1
	MSCI World Index	(0.1)	9.2	11.5	14.9	17.5
	Emerging Markets	11.1	16.5	9.3	10.7	10.0
	MSCI Emerging Markets Index	9.8	14.5	5.3	7.9	7.3
Small Cap Equity	5.9	13.9	10.4	14.4	18.4	
Small Cap Equity Index ⁴	13.5	20.0	11.3	12.7	14.6	
Long Horizon	Private Equity	(3.1)	(6.4)	(9.3)	(3.7)	(1.0)
	Private Equity Index ⁵	5.7	12.8	7.5	11.3	14.8
Overlays	Overlays	(15.6)	(3.1)	5.3	6.3	7.8

1. *IPD Large Institutional Index: one quarter lag.*
2. *Private Income Index: S&P Global Infrastructure (Hedged C\$)+1%*
3. *Timberlands Index: 50% DEX Real Return Bond/50% MSCI World (Hedged C\$)+1.5%*
4. *Small Cap Equity Index: 1/3 S&P/TSX Small + 2/3 MSCI Small Cap.*
5. *Private Equity Index: MSCI World (Hedged C\$)+3%*