

**special forces**  
**pension plan**

**Quarterly Investment Report**  
**December 31, 2015**

**Assets Under Management**

As at September 30, 2015: \$2,297.6 million  
As at December 31, 2015: \$2,417.6 million

**Asset Mix at December 31, 2015**

	Market Value (\$ millions)	Allocation	Long-Term Policy	Policy Ranges
Money Market	\$ 24.54	1.0%	1.0%	0 - 10%
Total Fixed Income	\$ 581.79	24.1%	24.0%	16 - 40%
Equities	\$ 1,302.62	53.9%	50.0%	22 - 76%
Inflation Sensitive & Alternatives	\$ 472.53	19.5%	25.0%	16 - 36%
Overlays	\$ 36.11	1.5%	0.0%	
<b>Fund Total</b>	<b>\$ 2,417.59</b>	<b>100%</b>	<b>100%</b>	

# Investment Performance ending December 31, 2015

Asset Category	Asset/Sub-asset Category Benchmark	2015		Calendar Years		
		QTD	YTD	2014	2013	2012
<b>Total</b>	<b>Fund</b>	<b>4.9</b>	<b>9.3</b>	<b>12.0</b>	<b>14.5</b>	<b>11.6</b>
	Policy	4.1	7.2	12.2	13.3	9.3
	CPI (one month lag)	<b>(0.2)</b>	<b>1.4</b>	<b>2.0</b>	<b>0.9</b>	<b>0.8</b>
<b>Money Market</b>	<b>Money Market</b>	<b>0.2</b>	<b>0.9</b>	<b>1.1</b>	<b>1.2</b>	<b>1.2</b>
	FTSE TMX Canada 91 day T-Bill Index	0.1	0.6	0.9	1.0	1.0
<b>Fixed Income</b>	<b>Asset Category Total</b>	<b>1.8</b>	<b>4.4</b>	<b>14.2</b>	<b>(2.4)</b>	<b>5.9</b>
	Asset Category Index Total	1.6	4.2	13.5	(4.4)	3.8
	<b>Public Bonds</b>	<b>1.0</b>	<b>4.1</b>	<b>9.8</b>	<b>0.6</b>	<b>7.5</b>
	FTSE TMX Canada Universe Bond Index	1.0	3.5	8.8	(1.2)	3.6
	<b>Public Long Bonds</b>	<b>2.1</b>	<b>4.1</b>	<b>18.8</b>	<b>(5.0)</b>	<b>5.3</b>
	FTSE TMX Canada Long Term All Government Bond Index	1.9	4.5	17.9	(7.0)	4.0
	<b>Private Debt &amp; Loan</b>	<b>1.6</b>	<b>6.1</b>	<b>7.0</b>	-	-
	FTSE TMX Canada Universe Bond Index	1.0	3.5	8.8	-	-
	<b>Private Mortgages</b>	<b>0.9</b>	<b>5.3</b>	<b>10.0</b>	<b>0.2</b>	<b>4.4</b>
FTSE TMX Canada Universe Bond Index	1.0	3.5	8.8	(1.2)	3.6	
<b>Inflation Sensitive</b>	<b>Asset Category Total</b>	<b>5.7</b>	<b>10.3</b>	<b>7.2</b>	<b>8.0</b>	<b>9.4</b>
	Asset Category Index Total	3.1	5.5	9.5	4.3	9.7
	<b>Real Return Bonds</b>	<b>0.8</b>	<b>3.0</b>	<b>13.5</b>	<b>(12.5)</b>	<b>3.1</b>
	FTSE TMX Canada Real Return Bond Index	0.7	2.8	13.2	(0.6)	6.6
	<b>Real Estate</b>	<b>5.0</b>	<b>9.2</b>	<b>8.3</b>	<b>12.2</b>	<b>15.3</b>
	IPD Canadian Benchmark: Portfolios Valued Over C\$1.5bn <sup>1</sup>	5.0	9.5	7.1	10.9	13.8
	<b>Canadian Real Estate</b>	<b>3.5</b>	<b>5.1</b>	<b>6.3</b>	<b>12.7</b>	<b>17.0</b>
	IPD Canadian Benchmark: Portfolios Valued Over C\$1.5bn <sup>1</sup>	3.5	7.9	7.1	10.9	13.8
	<b>Foreign Real Estate</b>	<b>10.7</b>	<b>26.6</b>	<b>16.6</b>	<b>9.7</b>	<b>3.5</b>
	IPD Canadian Benchmark: Portfolios Valued Over C\$1.5bn <sup>1</sup>	10.7	15.4	7.1	10.9	13.8
	<b>Private Infrastructure</b>	<b>18.0</b>	<b>26.7</b>	<b>8.1</b>	<b>4.4</b>	<b>8.1</b>
CPI + 450 bps (5-year rolling average) <sup>2</sup>	1.6	(0.8)	11.3	(0.6)	6.6	
<b>Timberlands</b>	<b>1.9</b>	<b>7.6</b>	<b>(2.9)</b>	<b>28.4</b>	<b>(0.4)</b>	
CPI + 450 bps (5-year rolling average) <sup>3</sup>	1.6	(0.8)	11.3	(0.7)	6.6	
<b>Equity</b>	<b>Asset Category Total</b>	<b>5.8</b>	<b>10.7</b>	<b>13.1</b>	<b>24.7</b>	<b>14.7</b>
	Asset Category Index Total	5.6	8.5	12.3	25.2	11.6
	<b>Canadian Equity</b>	<b>(1.1)</b>	<b>(7.4)</b>	<b>12.4</b>	<b>15.4</b>	<b>11.9</b>
	S&P/TSX Composite Index	(1.4)	(8.3)	10.6	13.0	7.2
	<b>Global Small Cap Equity</b>	<b>7.5</b>	<b>13.6</b>	-	-	-
	Global Small Cap Equity Index <sup>4</sup>	5.7	7.7	-	-	-
	<b>Total Foreign Equity</b>	<b>9.5</b>	<b>20.0</b>	<b>13.8</b>	<b>31.7</b>	<b>16.9</b>
	Foreign Equity Index <sup>5</sup>	8.7	16.7	13.5	31.1	13.6
	<b>Global Equity Master Pool (MSMP)</b>	<b>9.6</b>	<b>20.6</b>	<b>15.4</b>	<b>35.4</b>	<b>16.1</b>
	MSCI World Index (C\$)	9.3	18.9	14.4	31.1	13.6
	<b>Portable Alpha (PAUS)</b>	<b>11.8</b>	<b>26.9</b>	<b>10.1</b>	<b>43.6</b>	<b>24.2</b>
	MSCI World Index (C\$)	9.3	18.9	14.4	31.1	13.6
	<b>Life Settlements Co. (LSH)</b>	<b>3.9</b>	<b>3.9</b>	-	-	-
	MSCI World Index (C\$)	2.0	2.0	-	-	-
	<b>Emerging Markets</b>	<b>4.9</b>	<b>6.2</b>	<b>10.4</b>	<b>5.4</b>	<b>17.0</b>
	MSCI Emerging Markets Index	4.3	2.0	6.6	31.1	13.6
	<b>Private Equity</b>	<b>0.1</b>	<b>9.8</b>	<b>12.2</b>	<b>5.7</b>	<b>7.7</b>
	<b>Core Private Equity</b>	<b>3.7</b>	<b>21.3</b>	<b>23.5</b>	<b>7.4</b>	<b>5.3</b>
	<b>Relationship Investing</b>	<b>(10.7)</b>	<b>(55.6)</b>	<b>(31.4)</b>	<b>14.4</b>	<b>40.9</b>
	<b>Venture Capital</b>	<b>(4.5)</b>	<b>11.2</b>	<b>10.6</b>	<b>(5.8)</b>	<b>(0.4)</b>
MSCI All Country World Index Index	8.8	17.1	13.5	31.1	13.6	
<b>Overlays</b>	<b>Overlays</b>	<b>15.3</b>	<b>26.2</b>	<b>(13.3)</b>	<b>1.0</b>	<b>84.4</b>

1. IPD Canadian Benchmark: Large Institutional Index (one quarter lag)

2. Private Infrastructure Index: Prior to October 1, 2015, the benchmark was a combination of FTSE TMX Universe Bond, FTSE TMX Long Term Gov't Bond, FTSE

3. Timberlands Index: Prior to October 1, 2015, the benchmark was a combination of FTSE TMX Universe Bond, FTSE TMX Long Term Gov't Bond, FTSE TMX Rec

## Investment Performance ending December 31, 2015

Asset Category	Asset/Sub-asset Category Benchmark	Annualized Years				
		1	2	3	4	8
<b>Total</b>	<b>Fund</b>	<b>9.3</b>	<b>10.7</b>	<b>11.9</b>	<b>11.8</b>	<b>6.5</b>
	Policy	7.2	9.7	10.9	10.5	6.3
	CPI (one month lag)	1.4	1.7	1.4	1.3	1.6
<b>Money Market</b>	<b>Money Market</b>	<b>0.9</b>	<b>1.0</b>	<b>1.1</b>	<b>1.1</b>	<b>1.5</b>
	FTSE TMX Canada 91 day T-Bill Index	0.6	0.8	0.8	0.9	1.1
<b>Fixed Income</b>	<b>Asset Category Total</b>	<b>4.4</b>	<b>9.2</b>	<b>5.2</b>	<b>5.4</b>	<b>6.5</b>
	Asset Category Index Total	4.2	8.7	4.2	4.1	6.2
	<b>Public Bonds</b>	<b>4.1</b>	<b>6.9</b>	<b>4.8</b>	<b>5.4</b>	5.6
	FTSE TMX Canada Universe Bond Index	3.5	6.1	3.6	3.6	5.3
	<b>Public Long Bonds</b>	<b>4.1</b>	<b>11.2</b>	<b>5.6</b>	<b>5.5</b>	<b>7.0</b>
	FTSE TMX Canada Long Term All Government Bond Index	4.5	11.0	4.6	4.5	6.9
	<b>Private Debt &amp; Loan</b>	<b>6.1</b>	<b>6.6</b>	-	-	-
	FTSE TMX Canada Universe Bond Index	3.5	6.1	-	-	-
	<b>Private Mortgages</b>	<b>5.3</b>	<b>7.6</b>	<b>5.1</b>	<b>4.9</b>	<b>6.5</b>
	FTSE TMX Canada Universe Bond Index	3.5	6.1	3.6	3.6	5.3
<b>Inflation Sensitive</b>	<b>Asset Category Total</b>	<b>10.3</b>	<b>8.7</b>	<b>8.5</b>	<b>8.7</b>	<b>8.2</b>
	Asset Category Index Total	5.5	7.5	6.4	7.2	7.8
	<b>Real Return Bonds</b>	<b>3.0</b>	<b>8.1</b>	<b>0.7</b>	<b>1.3</b>	<b>5.9</b>
	FTSE TMX Canada Real Return Bond Index	2.8	7.9	5.0	5.4	7.1
	<b>Real Estate</b>	<b>9.2</b>	<b>8.7</b>	<b>9.9</b>	<b>11.2</b>	<b>9.2</b>
	IPD Canadian Benchmark: Portfolios Valued Over C\$1.5bn <sup>1</sup>	9.5	8.3	9.2	10.3	8.8
	<b>Canadian Real Estate</b>	<b>5.1</b>	<b>5.7</b>	<b>8.0</b>	<b>10.2</b>	<b>8.9</b>
	IPD Canadian Benchmark: Portfolios Valued Over C\$1.5bn <sup>1</sup>	7.9	7.5	8.6	9.9	8.6
	<b>Foreign Real Estate</b>	<b>26.6</b>	<b>21.5</b>	<b>17.4</b>	<b>13.8</b>	-
	IPD Canadian Benchmark: Portfolios Valued Over C\$1.5bn <sup>1</sup>	15.4	11.1	11.1	11.7	-
	<b>Private Infrastructure</b>	<b>26.7</b>	<b>17.0</b>	<b>12.7</b>	<b>11.5</b>	<b>9.1</b>
	CPI + 450 bps (5-year rolling average) <sup>2</sup>	(0.8)	5.1	3.2	4.0	7.0
<b>Timberlands</b>	<b>7.6</b>	<b>2.3</b>	<b>10.3</b>	<b>7.5</b>	<b>4.8</b>	
CPI + 450 bps (5-year rolling average) <sup>3</sup>	(0.8)	5.1	3.1	4.0	6.6	
<b>Equity</b>	<b>Asset Category Total</b>	<b>10.7</b>	<b>11.9</b>	<b>16.0</b>	<b>15.7</b>	<b>5.7</b>
	Asset Category Index Total	8.5	10.3	15.1	14.2	5.4
	<b>Canadian Equity</b>	<b>(7.4)</b>	<b>2.0</b>	<b>6.3</b>	<b>7.7</b>	<b>3.4</b>
	S&P/TSX Composite Index	(8.3)	0.7	4.6	5.3	2.1
	<b>Global Small Cap Equity</b>	<b>13.6</b>	-	-	-	-
	Global Small Cap Equity Index <sup>4</sup>	7.7	-	-	-	-
	<b>Total Foreign Equity</b>	<b>20.0</b>	<b>16.9</b>	<b>21.6</b>	<b>20.4</b>	<b>7.0</b>
	Foreign Equity Index <sup>5</sup>	16.7	15.1	20.2	18.5	6.6
	<b>Global Equity Master Pool (MSMP)</b>	<b>20.6</b>	<b>17.9</b>	<b>23.5</b>	<b>21.6</b>	-
	MSCI World Index (C\$)	18.9	16.6	21.3	19.3	-
	<b>Portable Alpha (PAUS)</b>	<b>26.9</b>	<b>18.2</b>	<b>26.1</b>	<b>25.6</b>	-
	MSCI World Index (C\$)	18.9	16.6	21.3	19.3	-
	<b>Life Settlements Co. (LSH)</b>	-	-	-	-	-
	MSCI World Index (C\$)	-	-	-	-	-
	<b>Emerging Markets</b>	<b>6.2</b>	<b>8.3</b>	<b>7.3</b>	<b>9.6</b>	<b>1.6</b>
	MSCI Emerging Markets Index	2.0	4.3	12.6	12.8	-
	<b>Private Equity</b>	<b>9.8</b>	<b>11.0</b>	<b>9.2</b>	<b>8.8</b>	<b>4.5</b>
	<b>Core Private Equity</b>	<b>21.3</b>	<b>22.4</b>	<b>17.2</b>	<b>14.1</b>	<b>10.9</b>
	<b>Relationship Investing</b>	<b>(55.6)</b>	<b>(44.8)</b>	<b>(29.6)</b>	<b>(16.3)</b>	-
	<b>Venture Capital</b>	<b>11.2</b>	<b>10.9</b>	<b>5.0</b>	<b>3.6</b>	-
MSCI All Country World Index Index	17.1	15.3	20.4	18.6	12.5	
<b>Overlays</b>	<b>Overlays</b>	<b>26.2</b>	<b>4.6</b>	<b>3.4</b>	<b>19.5</b>	<b>(1.0)</b>