

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%	
Fund Total	\$ 2,417.59	100%	100%	

Investment Performance ending December 31, 2015

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

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