

Quarterly Investment Report
As at December 31, 2017

Assets Under Management

As at December 31, 2017 \$ 2,890.6 million
As at September 30, 2017 \$2724.7 million

Asset Mix as at December 31, 2017 (\$ millions)

	Market Value (\$ millions)	Allocation	Long-Term Policy	Policy Ranges
Money Market	\$ 27.6	1.0%	1.0%	0 - 10%
Total Fixed Income	\$ 729.7	25.2%	24.0%	16 - 40%
Equity	\$ 1,522.3	52.7%	50.0%	22 - 76%
Inflation Sensitive and Alternatives	\$ 577.6	20.0%	25.0%	16 - 36%
Overlays	\$ 33.3	1.2%	0.0%	-
Fund Total	\$ 2,890.6	100.0%	100.0%	

Investment Performance as at December 31, 2017

Asset Category	Asset / Sub-asset Category Benchmark	2017		Calendar Years		
		QTD	YTD	2016	2015	2014
Total Fund	Fund Net	5.00	10.91	6.83	9.32	12.03
	Policy	4.42	9.59	6.76	7.05	12.24
	CPI (1 month lag)	0.61	2.10	1.18	1.36	1.95
Money Market	Money Market FTSE TMX Canada 91 Day T-bill	0.29	0.94	0.86	0.92	1.06
		0.23	0.56	0.51	0.63	0.91
Fixed Income	Asset Category Total	4.11	5.90	2.74	4.42	14.15
	Asset Category Index Total	4.07	5.05	1.48	4.16	13.54
	Universe Bonds	1.92	3.27	3.34	4.13	9.78
	FTSE TMX Canada Universe Bond Index	2.02	2.52	1.66	3.52	8.79
	Canadian Long-Term Government Debt	5.43	7.60	2.37	4.14	18.84
	FTSE TMX Canada Long Term All Government Bond Index	5.30	6.50	1.34	4.48	17.88
	Private Debt & Loan	0.01	2.32	4.42	6.13	7.04
	FTSE TMX Canada Universe Bond Index	2.02	2.52	1.66	3.52	8.79
	Private Mortgages FTSE TMX Canada Universe Bond Index	1.77	2.43	1.45	5.25	10.04
		2.02	2.52	1.66	3.52	8.79
Inflation Sensitive	Asset Category Total	5.40	8.03	5.41	8.12	6.80
	Asset Category Index Total	2.57	5.09	5.10	4.74	9.54
	Real Return Bonds	3.84	1.26	3.44	3.03	13.45
	FTSE TMX Canada Real Return Bond Index	3.79	0.72	2.86	2.79	13.18
	Real Estate	5.45	9.00	4.58	7.83	8.03
	IPD Canadian Benchmark: Portfolios Valued Over C\$1.5bn	2.53	7.03	5.81	8.05	7.08
	Canadian Real Estate	5.54	8.48	5.41	5.08	6.35
	IPD Canadian Benchmark: Portfolios Valued Over C\$1.5bn	2.53	6.98	5.81	8.05	7.08
	Foreign Real Estate	5.14	10.93	1.49	19.02	15.04
	IPD Canadian Benchmark: Portfolios Valued Over C\$1.5bn	2.53	6.98	5.81	8.05	7.08
	Private Infrastructure	6.29	10.50	8.15	19.98	5.70
	CPI + 450 bps (5-year rolling average)	1.55	6.00	5.74	(0.75)	11.27
	Timberlands	7.11	16.77	10.04	4.20	(0.62)
	CPI + 450 bps (5-year rolling average)	1.55	6.00	5.74	(0.75)	11.27
Equity	Asset Category Total	5.30	14.56	9.42	10.75	13.01
	Asset Category Benchmark	5.31	13.56	9.87	8.47	12.25
	Canadian Equity	4.80	10.49	20.33	(7.43)	12.33
	S&P/TSX Composite Index	4.45	9.10	21.08	(8.32)	10.55
	Global Small Cap Equity	5.84	14.12	12.10	13.56	-
	Global Small Cap Equity Index	5.42	15.02	18.45	7.70	-
	Total Foreign Equity	6.00	18.03	5.48	19.99	13.83
	Foreign Equity Index5	5.95	16.06	4.32	16.73	13.52
	Global Equity Master Pool (MSMP)	6.20	16.55	3.39	20.55	15.37
	MSCI World Index (C\$)	5.70	14.36	3.79	18.89	14.39
	Life Settlements Co. (LSH)	(0.66)	10.70	4.68	-	-
	MSCI World Index (C\$)	5.70	14.36	3.79	-	-
	Emerging Markets	8.03	30.39	8.65	6.18	10.40
	MSCI Emerging Markets Index	7.63	28.26	7.34	2.04	6.62
	Private Equity	(0.45)	0.98	(3.84)	10.14	10.25
	Core Private Equity	(0.30)	1.69	12.62	21.16	23.55
	Relationship Investing	0.73	(15.59)	(60.87)	(55.54)	(31.34)
Venture Capital	(0.15)	2.85	(15.46)	11.20	9.61	
	MSCI All Country World Index Index	2.02	8.00	4.13	17.10	13.54
Overlays	Overlays	7.17	6.79	(2.28)	53.03	(7.26)

Investment Performance as at December 31, 2017

Asset Category	Asset / Sub-asset Category Benchmark	Annualized Returns (Years)				
		1	2	3	4	10
Total Fund	Fund Net	10.91	8.85	9.01	9.76	6.99
	Policy	9.59	8.17	7.79	8.89	6.69
	CPI (1 month lag)	2.10	1.64	1.54	1.65	1.61
Money Market	Money Market	0.94	0.90	0.91	0.95	1.41
	FTSE TMX Canada 91 Day T-bill	0.56	0.53	0.57	0.65	1.01
Fixed Income	Asset Category Total	5.90	4.31	4.35	6.72	6.04
	Asset Category Index Total	5.05	3.25	3.55	5.96	5.64
	Universe Bonds	3.27	3.30	3.58	5.10	5.11
	FTSE TMX Canada Universe Bond Index	2.52	2.09	2.56	4.09	4.67
	Canadian Long-Term Government Debt	7.60	4.95	4.68	8.05	6.61
	FTSE TMX Canada Long Term All Government Bond Index	6.50	3.89	4.09	7.37	6.28
	Private Debt & Loan	2.32	3.36	4.28	4.96	-
	FTSE TMX Canada Universe Bond Index	2.52	2.09	2.56	4.09	-
Inflation Sensitive	Asset Category Total	8.03	6.71	7.18	7.09	7.69
	Asset Category Index Total	5.09	5.09	4.97	6.10	7.17
	Real Return Bonds	1.26	2.35	2.57	5.19	5.18
	FTSE TMX Canada Real Return Bond Index	0.72	1.79	2.12	4.78	5.98
	Real Estate	9.00	6.77	7.12	7.35	8.57
	IPD Canadian Benchmark: Portfolios Valued Over C\$1.5bn	7.03	6.42	6.96	6.99	8.17
	Canadian Real Estate	8.48	6.94	6.31	6.32	8.48
	IPD Canadian Benchmark: Portfolios Valued Over C\$1.5bn	6.98	6.39	6.94	6.97	2.53
	Foreign Real Estate	10.93	6.10	10.24	11.42	-
	IPD Canadian Benchmark: Portfolios Valued Over C\$1.5bn	6.98	6.39	6.94	6.97	-
Equity	Asset Category Total	14.56	11.96	11.56	11.92	6.93
	Asset Category Benchmark	13.56	11.70	10.62	11.02	6.65
	Canadian Equity	10.49	15.30	7.16	8.43	-
	S&P/TSX Composite Index	9.10	14.93	6.59	7.57	-
	Global Small Cap Equity	14.12	13.11	13.26	-	-
	Global Small Cap Equity Index	15.02	16.72	13.63	-	-
	Total Foreign Equity	18.03	11.58	14.32	14.19	7.90
	Foreign Equity Index5	16.06	10.03	12.22	12.54	7.27
	Global Equity Master Pool (MSMP)	16.55	9.78	13.26	13.78	11.70
	MSCI World Index (C\$)	14.36	8.95	12.16	12.72	10.42
Overlays	Life Settlements Co. (LSH)	10.70	7.65	-	-	-
	MSCI World Index (C\$)	14.36	8.95	-	-	-
	Emerging Markets	30.39	19.02	14.58	13.52	4.89
	MSCI Emerging Markets Index	28.26	17.34	12.00	10.63	9.65
	Private Equity	0.98	(1.46)	2.26	4.20	3.10
	Core Private Equity	1.69	7.02	11.54	14.43	10.12
	Relationship Investing	(15.59)	(42.53)	(47.24)	(43.65)	-
	Venture Capital	2.85	(6.75)	(1.12)	1.46	-
	MSCI All Country World Index Index	8.00	6.05	9.61	10.58	11.16
	Overlays	Overlays	6.79	2.15	16.88	10.32