





Quarterly Investment Update

Fourth Quarter 2015






Market Update: A Quarter in Review

December 31, 2015





CANADIAN STOCKS

Large Cap	Small Cap	Growth	Value
-1.70%	-1.25%	-2.34%	-0.48%
			






INTERNATIONAL STOCKS

Large Cap	Small Cap	Growth	Value	Emerging
+8.56%	+10.64%	+10.59%	+6.46%	+4.36%
				

US STOCKS

Large Cap	Small Cap	Growth	Value
+10.98%	+7.41%	+11.03%	+9.29%
			

REAL ESTATE AND FIXED INCOME

Global REITs	1-Month T-Bills	Short-Term Bonds	Intermediate Bonds	Global Bonds (hedged)
+8.75%	+0.11%	+0.49%	+0.98%	-0.06%
				

Data is in Canadian dollars. Market segment (index representation) as follows: Canadian stocks: Large Cap (S&P/TSX 60), Small Cap (MSCI Canadian Small), Growth (MSCI Canadian Growth), Value (MSCI Canadian Value); US stocks: Large Cap (S&P 500), Small Cap (Russell 2000), Growth (Russell 3000 Growth), Value (Russell 3000 Value); International stocks: Large Cap (MSCI EAFE [net div]), Small Cap (MSCI EAFE Small Cap [net div]), Growth (MSCI EAFE Growth [net div]), Value (MSCI EAFE Value [net div]), Emerging Markets (MSCI Emerging [net div]); Real Estate: Global REITs (S&P Global REIT [net div]); Fixed Income: Canadian (Canadian 1-month T-bills), Short Term Bonds (FTSE TMX Canada Short-Term Bond), Intermediate Bonds (FTSE TMX Canada Universe Bond), Global Bonds-Hedged (Citigroup World Government Bond Index 1-5 Years [hedged to CAD]). Indexes are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Past performance does not guarantee future returns.

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Survey of Long-Term Performance

December 31, 2015

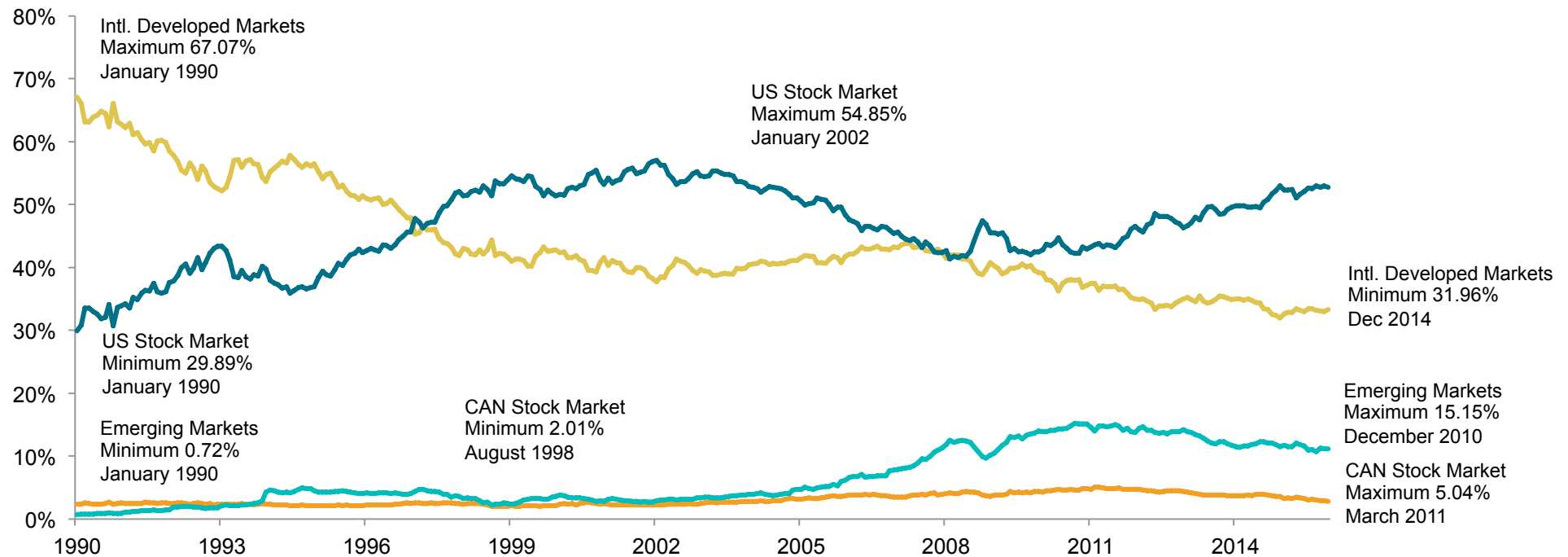
Asset Class	Index	Annualized (%)					Since Inception	Inception date
		1 Year	3 Years	5 Years	10 Years	20 Years		
CANADIAN STOCKS								
Large Cap	S&P/TSX 60	-7.76	5.46	2.88	4.67	8.20	8.29	Feb-87
Small Cap	MSCI Canadian Small	-13.34	-1.89	-3.58	2.97	6.97	8.00	Jul-90
Growth	MSCI Canadian Growth	-5.94	6.32	0.67	3.79	6.53	7.02	Jan-82
Value	MSCI Canadian Value	-12.39	1.57	2.10	4.40	9.66	10.48	Jan-82
US STOCKS								
Large Cap	S&P 500	20.76	28.60	20.19	9.14	8.27	11.31	Feb-51
Small Cap	Russell 2000	13.85	24.72	16.58	8.63	8.11	11.87	Jan-79
Growth	Russell 3000 Growth	25.17	30.27	20.97	10.34	7.56	11.37	Jan-79
Value	Russell 3000 Value	14.19	25.95	18.49	7.92	8.62	12.58	Jan-79
INTERNATIONAL STOCKS								
Large Cap	MSCI EAFE (net div.)	18.14	17.30	10.62	4.79	4.50	9.40	Jan-70
Small Cap	MSCI EAFE Small Cap (net div.)	31.43	23.40	13.69	6.38	5.64	6.94	Jan-93
Growth	MSCI EAFE Growth (net div.)	23.98	19.33	11.68	5.80	3.75	9.38	Jan-75
Value	MSCI EAFE Value (net div.)	12.34	15.21	9.49	3.70	5.11	12.03	Jan-75
Emerging Markets	MSCI Emerging Markets (net div.)	1.34	4.15	1.64	5.38	5.27	10.56	Jan-88
REAL ESTATE								
Global REITs	S&P Global REIT (net div.)	18.59	19.72	16.03	6.63	9.22	8.94	Jul-89
FIXED INCOME								
Canadian Bills	Canadian 1-Month T-Bills	0.56	0.81	0.85	1.57	2.59	6.31	Jun-73
Canadian Short-Term Bonds	FTSE TMX Canada Short-Term Bond	2.61	2.47	2.81	3.87	4.97	7.95	Jan-80
Canadian Bonds	FTSE TMX Canada Universe Bond	3.52	3.63	4.80	5.03	6.34	9.12	Jan-80
Global Bonds (hedged)	Citigroup World Government Bond Index 1-5 Years	1.45	1.89	2.34	3.18	4.18	6.46	Jan-85

Data is in Canadian dollars. MSCI EAFE Small Cap Index return is price-only prior to January 1999 data inception. MSCI Emerging Markets Index return is gross dividends prior to January 1999 data inception. S&P Global REIT Index return is gross dividends prior to January 2001 data inception. S&P/TSX data provided by S&P/TSX. MSCI data copyright MSCI 2016, all rights reserved. The S&P data are provided by Standard & Poor's Index Services Group. Russell data copyright © Russell Investment Group 1995-2016, all rights reserved. Canadian fixed income data provided by FTSE TMX Global Debt Capital Markets Inc., all rights reserved. Citigroup bond indexes copyright 2016 by Citigroup. Indexes are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results.

Value of Stock Markets around the World

January 1990–December 2015

	Number of Countries	Number of Stocks	Total Value	Weights		
				December 31, 2015	Change from Previous Year	01/90-12/15 Average
Canada	1	321	1.24 Trillion	2.8%	↓ -16.2%	3.1%
United States	1	2,555	23.61 Trillion	52.7%	↑ +0.8%	46.4%
Developed Markets	21	3,121	14.93 Trillion	33.3%	↑ +2.2%	43.9%
Emerging Markets	23	2,719	5.00 Trillion	11.2%	↓ -5.1%	6.6%
Total	46	8,716	44.78 Trillion	100.0%		



Global market capitalization weights are not static; they change across time.

Data is in US dollars and values are beginning of month. The proxies for the Canadian and US equity markets are based on the respective country markets from the MSCI All Country World IMI Index. The international developed market proxy is the MSCI All Country World IMI ex USA ex Canada Index. The proxy for emerging markets is the MSCI All Country World IMI Index (Emerging Markets). MSCI data copyright MSCI 2016, all rights reserved.

The Randomness of Quarterly Returns

December 31, 2015

This table shows from top to bottom the highest returning asset classes each quarter over the last 15 quarters. Each asset class is color coded based on the legend below.

	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016
Highest Return	7.02	7.59	13.67	6.31	9.26	13.67	11.38	6.41	4.99	13.77	14.37	0.14	6.26	10.18	?
	4.07	6.59	10.18	2.52	6.25	9.01	6.12	4.16	1.31	9.16	13.00	0.02	0.66	8.75	?
	3.27	4.81	7.59	0.24	4.15	7.29	6.06	2.87	1.06	2.70	11.49	-0.71	0.15	8.56	?
	2.60	1.72	3.34	-0.14	3.58	5.00	4.76	1.99	0.71	0.70	11.01	-0.79	0.12	4.36	?
	1.24	1.21	0.69	-1.02	0.68	2.09	3.62	1.21	0.50	0.23	4.15	-1.26	-0.91	0.98	?
	0.96	0.59	0.68	-2.36	0.26	0.45	2.77	0.79	0.23	0.02	2.58	-1.63	-4.10	0.11	?
	0.23	0.30	0.44	-4.08	0.11	0.38	0.78	0.45	-0.59	-0.94	0.82	-1.71	-7.86	-0.06	?
Lowest Return	-0.21	0.24	0.21	-4.84	-2.23	0.24	0.20	0.23	-1.19	-1.47	0.20	-9.19	-12.28	-1.40	?

Canadian Stocks
US Stocks
International Developed Markets
Emerging Markets
Global REITs
Canadian 1-Month T-Bills
Canadian Bonds
Global Bonds

The lack of a pattern indicates that picking which asset classes will be the best or worst performers is virtually impossible.

Portfolios combining these various investments will avoid extreme returns.

Data is in Canadian dollars. Indexes represented as follows: Canadian stocks (S&P/TSX Composite Index), US stocks (Russell 3000 Index), International Developed Markets (MSCI EAFE Index), Emerging Markets (MSCI Emerging Markets Index), Global REIT (S&P Global REIT Index), Canadian 1-Month T-Bills, Canadian Bonds (FTSE TMX Canada Universe Bond Index), Global Bonds (Citigroup World Government Bond Index Canada 1-5 Years). Indexes are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results.





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Currency

December 31, 2015

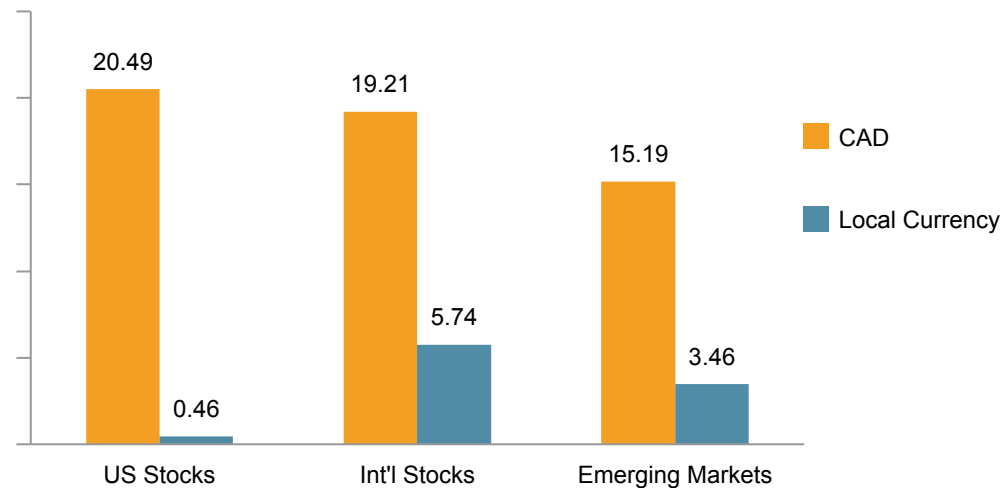
CHANGE IN FOREIGN EXCHANGE RATES (%)

FX/\$CAD

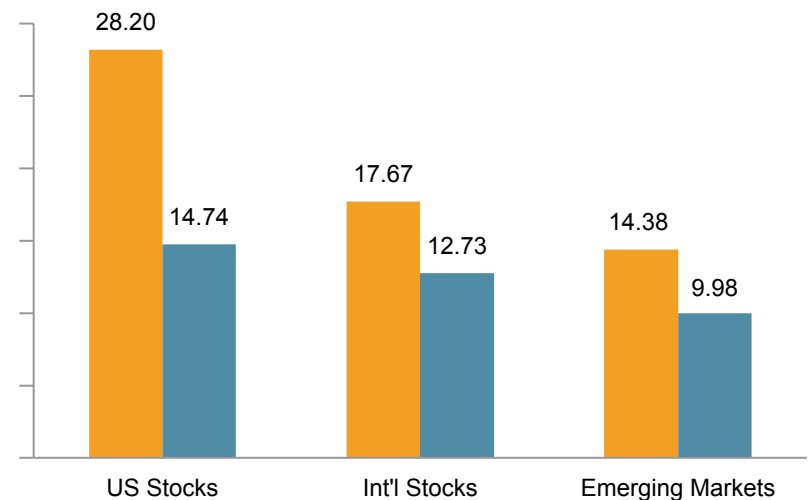
Currency	Q4 2015	One Year	Three Years
 \$ US Dollars	-4.39%	-16.29%	-28.01%
 € Euro	-1.45%	-6.71%	-12.66%
 £ Pounds	-1.80%	-11.63%	-20.72%
 ¥ Yen	-3.80%	-15.92%	0.02%

IMPACT OF CURRENCY FLUCTUATIONS

Annual Returns in CAD and Local Currency



Three-Year Annualized Returns in CAD and Local Currency





Data is in Canadian dollars. The market for the United States, International Developed Markets, and Emerging Markets is defined as: Russell 3000 Index, MSCI EAFE Index, and MSCI Emerging Markets Index, respectively. The S&P data are provided by Standard & Poor's Index Services Group. Russell data copyright © Russell Investment Group 1995-2016, all rights reserved. MSCI data copyright MSCI 2016, all rights reserved. Indexes are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results. FX Rates courtesy of Federal Reserve of New York.



MSCI Country Returns in Canadian Dollars and Local Currency

December 31, 2015

FOURTH QUARTER 2015 RETURNS

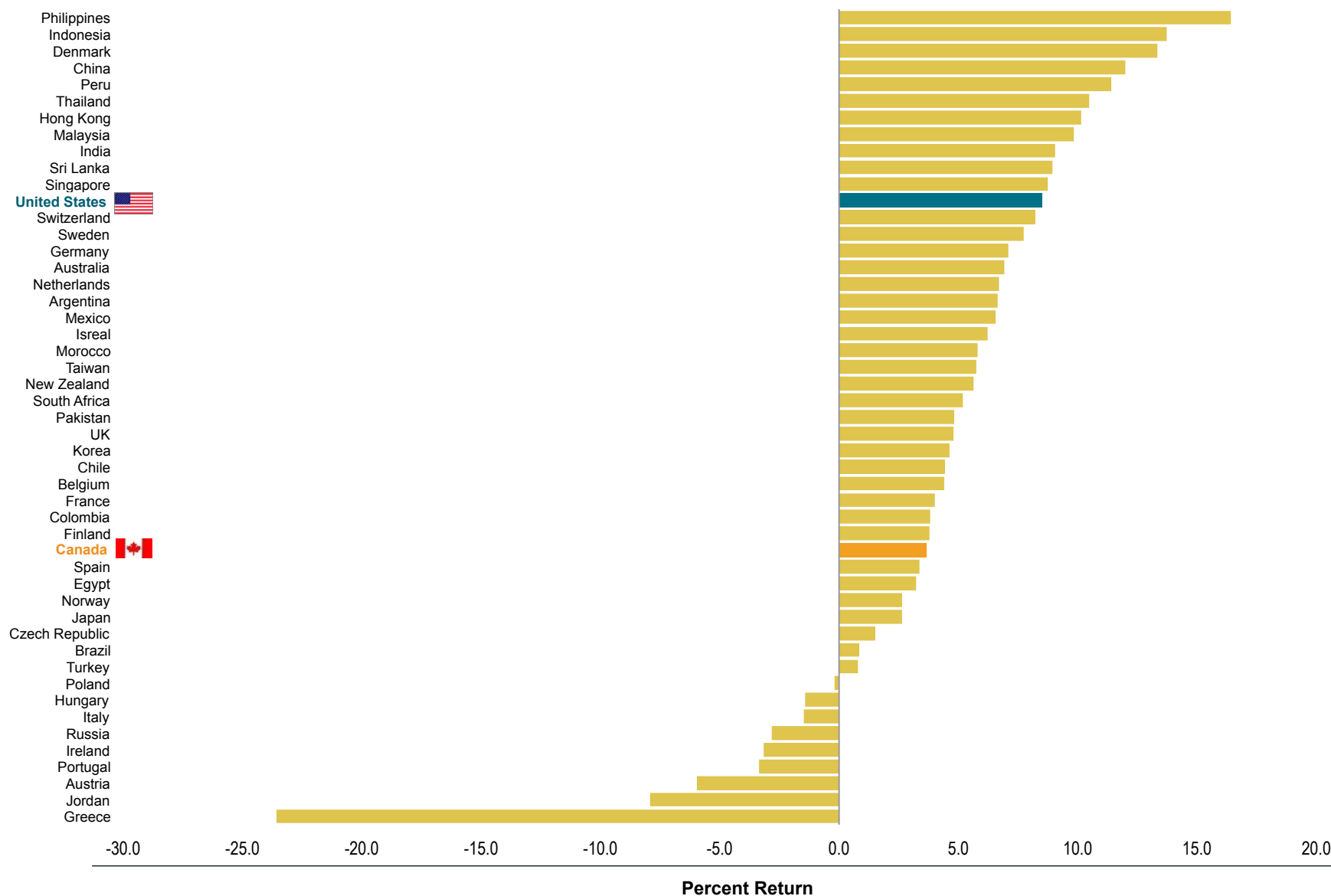
	Return in CAD	Return in Local Currency	Impact of Currency
1. Ireland	25.06%	12.79%	12.27%
2. Indonesia	24.34%	12.92%	11.42%
.			
 13. United States	10.15%	6.31%	3.84%
.			
.			
 38. Canada	-1.45%	-1.45%	0.00%
.			
.			
45. Greece	-9.05%	-9.80%	0.75%
46. United Arab Emirates	-9.21%	-12.37%	3.16%

ONE YEAR RETURNS IN CAD AND LOCAL CURRENCY

	Return in CAD	Return in Local Currency	Impact of Currency
1. Hungary	60.74%	49.42%	11.32%
2. Denmark	49.29%	38.97%	10.33%
.			
.			
 15. United States	20.68%	0.62%	20.05%
.			
.			
 39. Canada	-9.07%	-9.07%	0.00%
.			
45. Brazil	-30.31%	-13.52%	-16.79%
46. Greece	-38.72%	-43.08%	4.36%

MSCI Country Returns

Country Rankings—Ten-Year Annualized Returns as of December 31, 2015



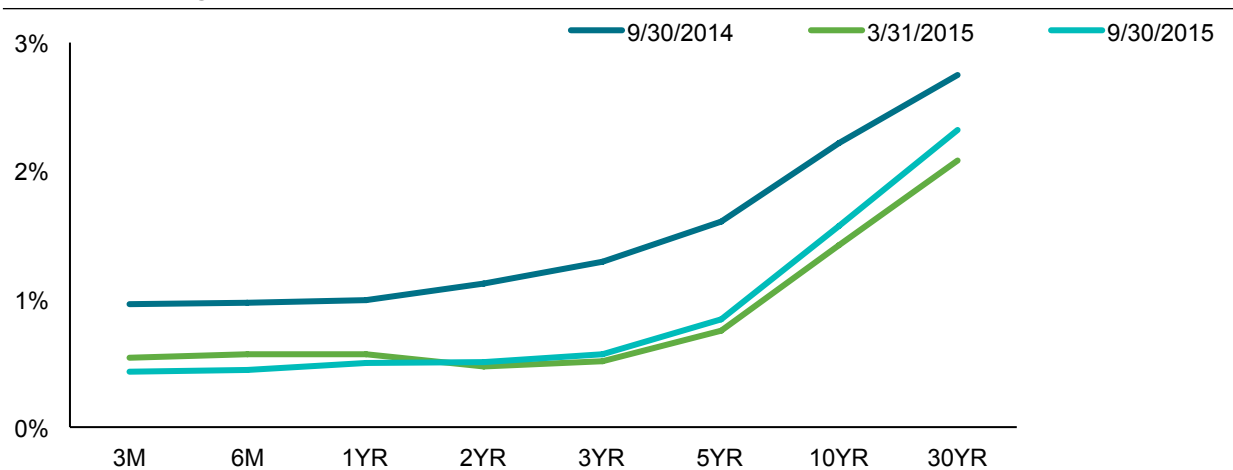
Data in Canadian dollars gross of fees. MSCI data copyright MSCI 2016, all rights reserved. Indexes are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results.

Bond Returns

December 31, 2015

Index	Return (%)		
	Q4 2015	One Year	Three Years Annualized
Canadian 1-Month T-Bills	0.11%	0.56%	0.81%
FTSE TMX Canada Short-Term Bond Index	0.49%	2.61%	2.47%
FTSE TMX Canada Mid-Term Bond Index	0.98%	4.86%	4.39%
FTSE TMX Canada Long-Term Bond Index	1.63%	3.80%	4.59%
FTSE TMX Canada Universe Bond Index	0.98%	3.52%	3.63%
Citigroup World Government Bond Index 1-5 Years (hedged to CAD)	-0.06%	1.45%	1.89%

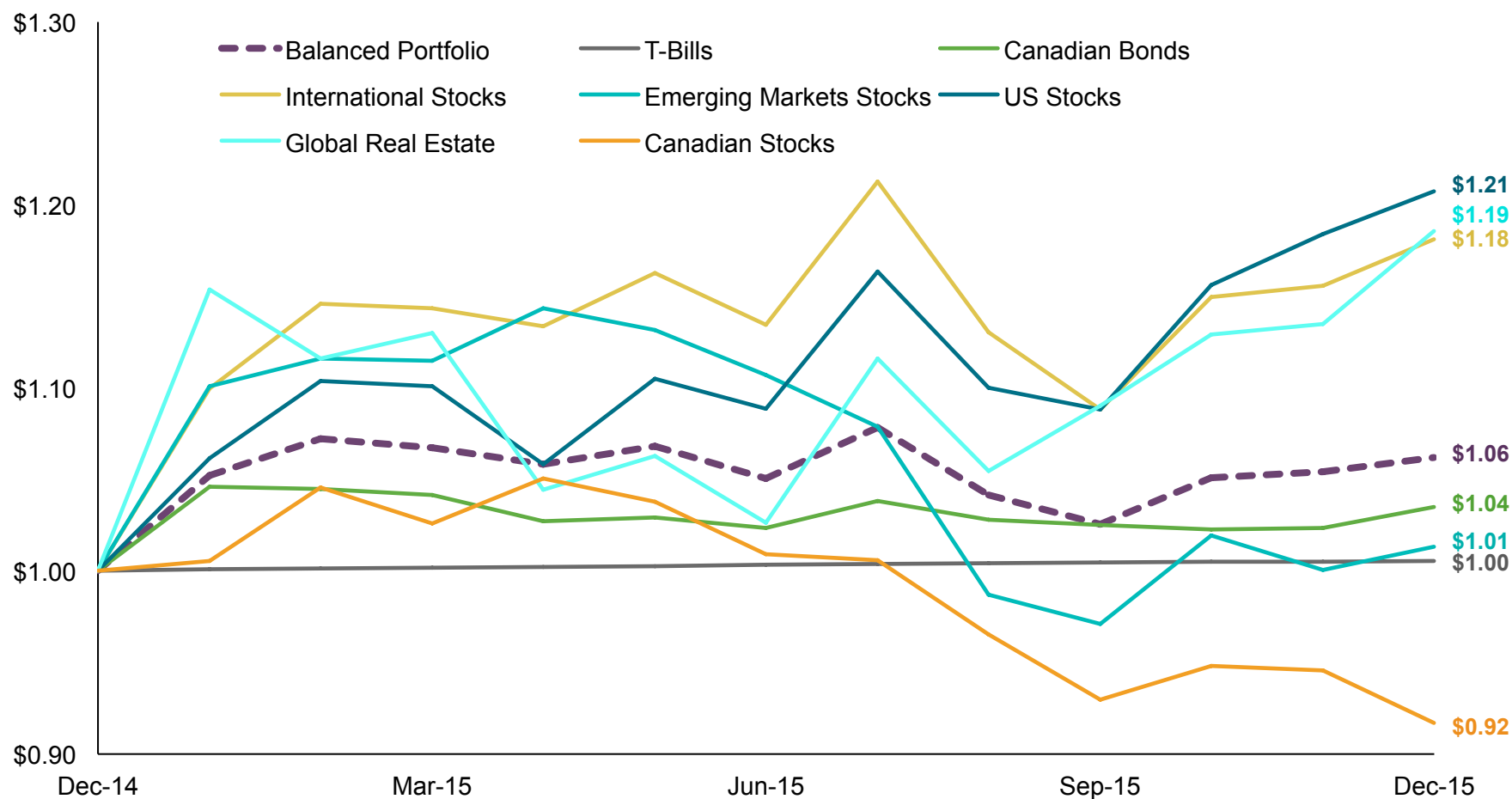
CAN Treasury Yield Curve



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Growth of Wealth

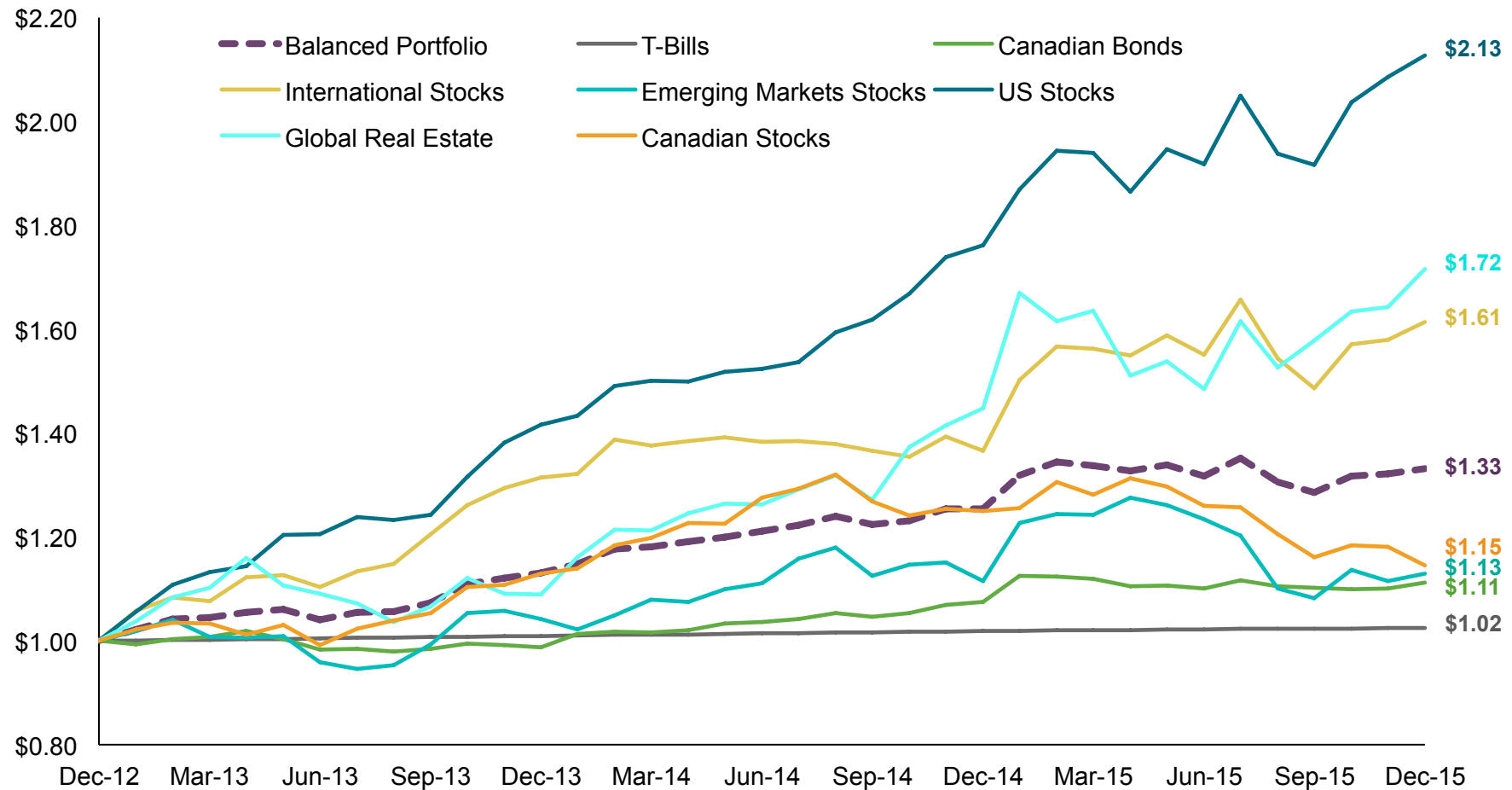
One Year as of December 31, 2015



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Growth of Wealth

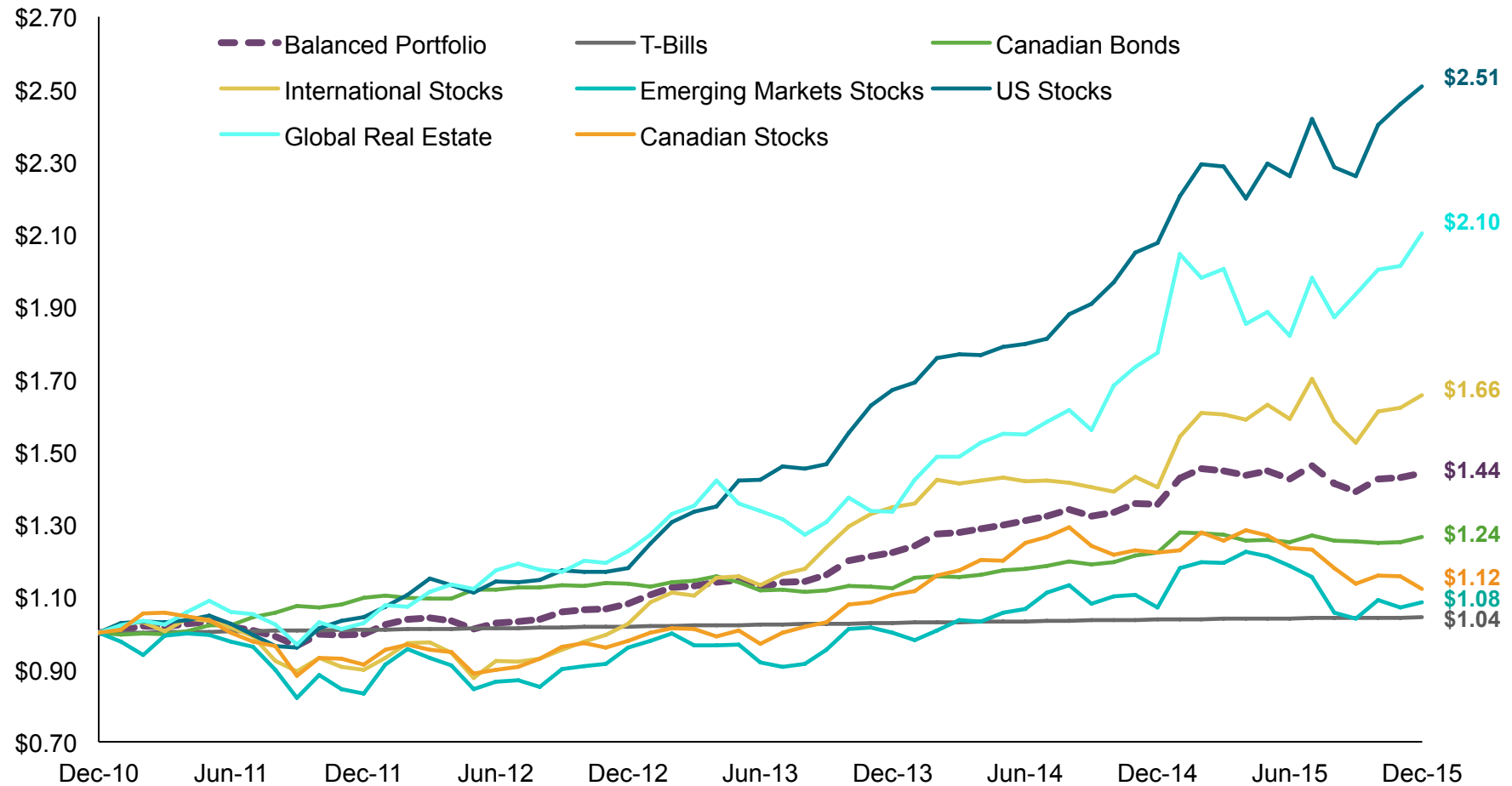
Three Years as of December 31, 2015



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Growth of Wealth

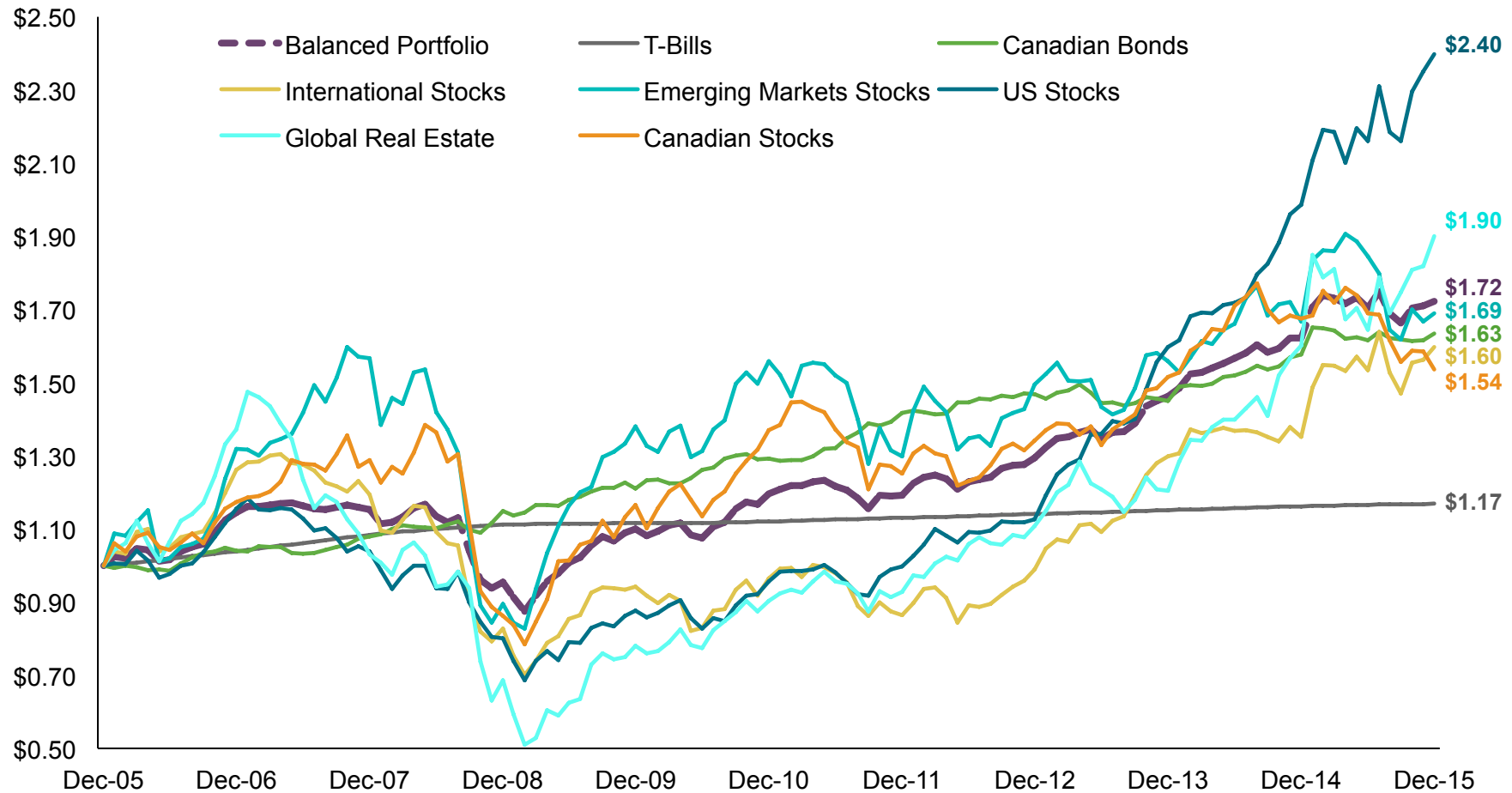
Five Years as of December 31, 2015



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Growth of Wealth

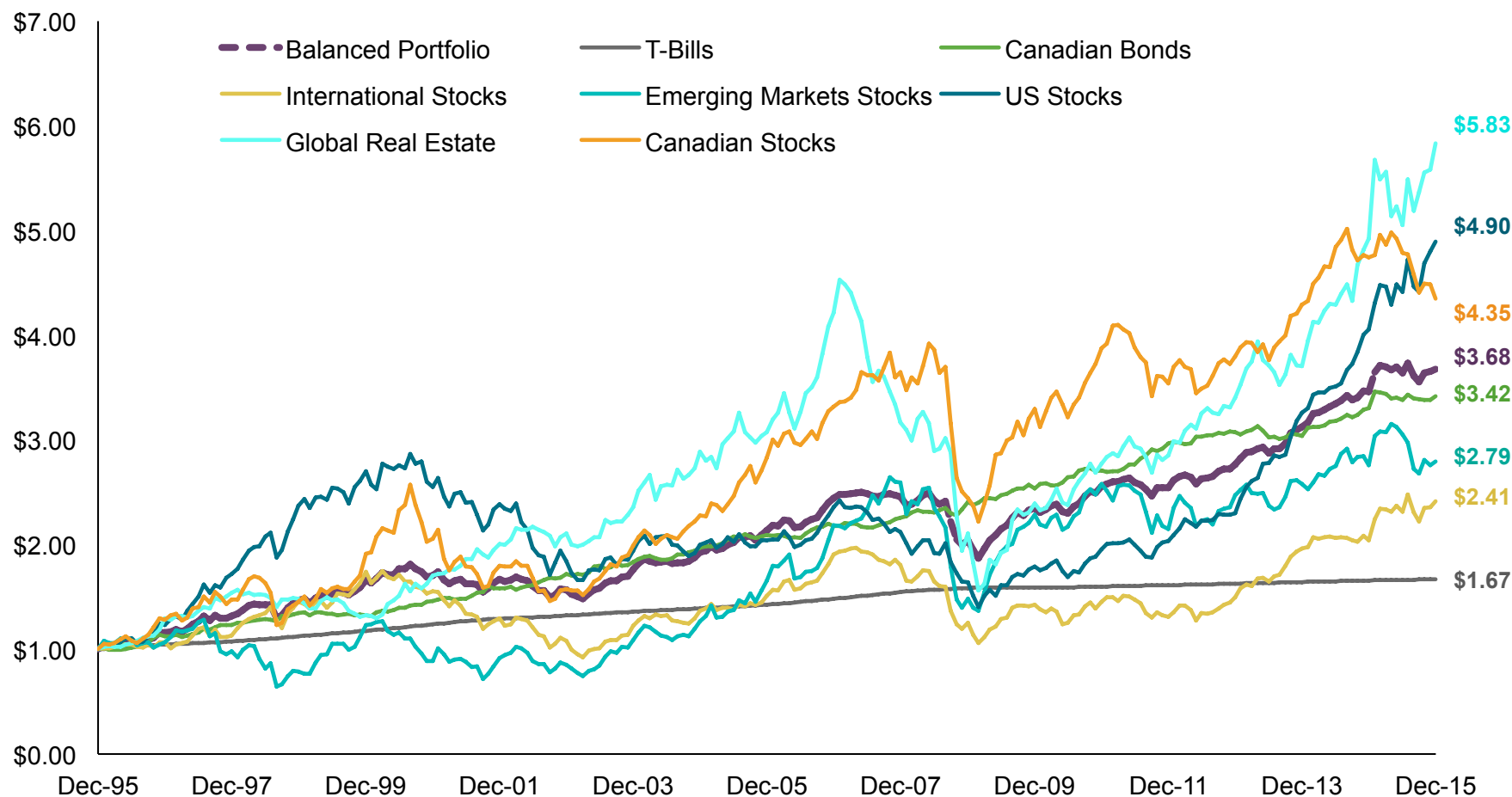
Ten Years as of December 31, 2015



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Growth of Wealth

Twenty Years as of December 31, 2015



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