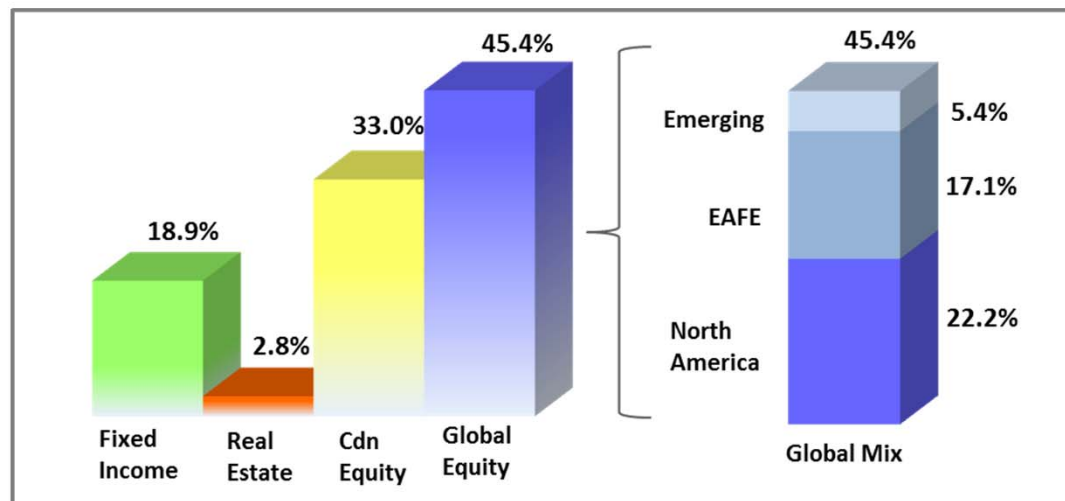


Newfoundland & Labrador Pooled Pension Fund

Quarterly Update – First Quarter Ended March 31, 2015

Asset Mix

Current



Asset Breakdown by Pension Plan

As of March 31, 2015, net assets in the five plans participating in the Province of Newfoundland and Labrador Pooled Pension Fund were as follows:

| Pension Plan | Net Assets (\$M) |
|---------------------------------------|------------------|
| Public Service Pension Plan | 5,611.1 |
| Teachers' Pension Plan | 3,139.0 |
| Uniformed Services Pension Plan | 191.8 |
| Members of the House of Assembly | 22.0 |
| Provincial Court Judges' Pension Plan | 7.5 |
| Total Assets | 8,971.6 |

Fund Performance and Global Market Index Returns at March 31, 2015 (\$CAD)

The primary objective of the Plan's investment portfolio is to maximize returns in order to secure the promised pension benefits of the Fund.

| | Quarter | YTD | Annualized Return to March 31, 2015 (%) | | |
|-------------------------------------|------------|------------|---|-------------|------------|
| | | | 1 Year | 4 year | 10 year |
| NL Pooled Pension Fund | 7.5 | 7.5 | 14.7 | 11.1 | 8.3 |
| <i>Policy Benchmark Return</i> | 6.7 | 6.7 | 13.5 | 9.9 | 7.4 |
| S&P / TSX Composite Index | 2.6 | 2.6 | 6.9 | 4.4 | 7.4 |
| S&P 500 | 10.4 | 10.4 | 29.4 | 22.0 | 8.5 |
| MSCI EAFE Index | 14.8 | 14.8 | 14.2 | 12.8 | 5.9 |
| MSCI All Country World Index | 12.0 | 12.0 | 21.6 | 15.7 | 7.5 |
| FTSE TMX Canada Universe Bond Index | 4.2 | 4.2 | 10.3 | 6.3 | 5.6 |
| ICREIM/IPD Cdn Property Index | 1.2 | 1.2 | 6.9 | 11.3 | 11.2 |

Note: The Policy Benchmark Return is defined as the return that would have been achieved had each individual asset allocation earned a return equivalent to their respective benchmark.

Top 20 Public Equity Holdings at March 31, 2015

| Stock | Country | \$Million | % |
|------------------------------|---------------|-----------|------|
| TORONTO DOMINION BANK | Canada | 186 | 2.07 |
| ROYAL BANK OF CANADA | Canada | 163 | 1.82 |
| BANK OF NOVA SCOTIA | Canada | 130 | 1.45 |
| VALEANT PHARMACEUTICALS | Canada | 100 | 1.11 |
| CANADIAN NATIONAL RAILWAY | Canada | 90 | 1.00 |
| BROOKFIELD ASSET MGMT | Canada | 89 | 0.99 |
| CANADIAN NATURAL RESOURCES | Canada | 85 | 0.95 |
| MANULIFE FINANCIAL | Canada | 79 | 0.88 |
| MAGNA INTL | Canada | 75 | 0.84 |
| TELUS | Canada | 74 | 0.82 |
| CANADIAN PACIFIC RAILWAY | Canada | 71 | 0.79 |
| CANADIAN IMPERIAL BK OF COMM | Canada | 65 | 0.73 |
| SUNCOR ENERGY | Canada | 65 | 0.72 |
| LOBLAW COMPANIES | Canada | 63 | 0.70 |
| MARKEL CORP | United States | 60 | 0.66 |
| ROGERS COMMUNICATIONS | Canada | 58 | 0.65 |
| AMAZON.COM | United States | 57 | 0.63 |
| CGI GROUP | Canada | 51 | 0.56 |
| CANADIAN TIRE | Canada | 46 | 0.51 |
| ENBRIDGE | Canada | 45 | 0.50 |

Public Service Pension Plan Reform

On September 2, 2014, the Provincial Government and the five largest unions (AAHP, CUPE, IBEW, NAPE AND NLNU) representing employees of the Public Service Pension Plan (PSPP) signed an agreement that will ensure the sustainability of the PSPP. Highlights of this agreement include:

- Joint management of the PSPP and an equal sharing between Government and plan members in any future surpluses and deficits.
- The Provincial Government will pay \$2.685 billion, amortized over 30 years, to address the unfunded liability of the plan.
- Unions have agreed to plan changes with a value of approximately \$1.128 billion. These changes came into effect on January 1, 2015, and include increases to contribution rates, and changes to pension eligibility and eligibility for post-employment group health and life insurance benefits.
- Establishment of the Public Service Pension Fund Corporation as the administrator of the PSPP and Trustee of the PSPP Fund.
- The Pension Reform Agreement required the PSPP assets to be carved out of the NL Pooled Pension Fund (NLPPF) as of March 31, 2015 for regulatory reasons. As such, this will be the final quarterly report for the NLPPF as it existed prior to Pension Reform.

Investment Commentary

Canadian bond market returns continued to rally, with the FTSE TMX Canada Universe Bond Index posting a return of 4.2% for the quarter. As in Q4 2014, the Provincial and Municipal sectors both outperformed the index and Corporate and Federal bonds underperformed. Canadian equities achieved relatively strong gains in the first quarter, with the S&P/TSX Composite Index posting a 2.6% return. The majority of sectors managed to outperform the index, with the 45.1% return in the Health Care sector dwarfing the performance of all other sectors. Energy and Technology continued to post negative returns due to lower oil prices. Global equity markets rose for the eleventh consecutive quarter, with the MSCI All Country World Index posting a 12.0% return. This was largely driven by a rally in developed markets as a result of changes in monetary policy and positive economic data in Europe and Japan. The U.S. markets continued to post strong returns, driven by a strengthening U.S. dollar relative to the Canadian dollar and a cooperative Federal Reserve. The S&P 500 Index delivered a record high return of 10.4% for the quarter, with all market sectors showing positive returns this quarter. The ICREIM/IPD Canadian Property Index return was unchanged at 1.2% for the quarter, while the one year return increased to 6.9%.

For the quarter, the Newfoundland and Labrador Pooled Pension Fund had a positive return of 7.5%, outperforming its benchmark by 80 basis points. For the twelve months ended March 31, 2015, the Fund generated a 14.7% return, exceeding its benchmark by 1.2% due to strong performance by the Fund's Global equity investment managers and the positive impact of the decline in the Canadian dollar.