NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Pension Funds Composite

Ten years ended March 31, 2014

Year Ended March 31	**Gross Return** %	**Benchmark Return** %	**Composite 3-Yr St Dev** %	**Benchmark 3-Yr St Dev** %	**Composite AUM** ***(in millions of $CAD)***	**Firm AUM** ***(in millions of $CAD)***
2014	**13.56**	**12.94**	**4.34**	**4.57**	**11,100.4**	**11,620.0**
2013	**9.08**	**8.27**	**4.34**	**4.56**	**10,100.0**	**10,100.0**
2012	**5.00**	**4.44**	**5.09**	**5.30**	**9,405.5**	**9,405.5**
2011	**10.42**	**9.88**	**10.13**	**10.43**	**9,085.8**	**9,085.8**
2010	**19.94**	**20.10**	**10.19**	**10.43**	**8,333.8**	**8,333.8**
2009	**(18.34)**	**(18.58)**			**7,026.0**	**7,026.0**
2008	**0.79**	**0.52**			**8,693.7**	**8,693.7**
2007	**8.68**	**8.00**			**8,708.3**	**8,708.3**
2006	**15.87**	**15.78**			**8,089.5**	**8,089.5**
2005	**8.51**	**8.14**			**7,046.1**	**7,046.1**

Composite Description

The Pension Funds composite includes all portfolios managed on behalf of public sector pension plans with the investment objective of annualized long-term returns that will exceed the actuarial return assumption for each plan, with the least amount of risk. The Pension Funds composite includes equity, fixed income, absolute return, real estate and private equity asset classes. There is no minimum portfolio size required for inclusion in the composite.

Composite Creation Date

The Pension Funds Composite was created December 1, 1996. The composite name was changed from Total Assets Under Management to Pension Funds Composite because of the addition of non-pension fund assets under management on December 31, 2013. A complete list and description of firm composites are available upon request.

NB Investment Management Corp.
Société de gestion des placements NB

NEW BRUNSWICK INVESTMENT MANAGEMENT CORPORATION

Pension Funds Composite

Ten Years Ended March 31, 2014

Firm Description

New Brunswick Investment Management Corporation ("NBIMC") is a Crown corporation of the Province of New Brunswick. NBIMC was created on March 11, 1996 pursuant to the *New Brunswick Investment Management Corporation Act* (the "Act') of the New Brunswick Legislature and assumed responsibility for the management of the assets of the Public Service Superannuation Fund, the Teachers' Pension Fund and the Judges' Superannuation Fund (collectively, the "Funds" and individually, the "Fund") effective April 1, 1996. On April 1, 1998, the assets of the Funds were transferred to unit trust funds established by NBIMC to facilitate the collective investment management and administration of the assets.

Effective April 1, 2008, separate unit trust funds were created to conduct foreign exchange hedging on behalf of each Fund, according to its investment policy. These foreign currency hedging overlay portfolios are passive in nature and do not attempt to profit from tactical foreign exchange views. On July 30, 2009, the board approved the elimination of the foreign currency hedging overlay asset class. Foreign currency hedging remains permissible.

At March 31, 2014, there were 25 active unit trust funds, each with a specific investment mandate. Each of the Funds holds units in the unit trust funds in accordance with its investment policy.

Compliance Statement

NBIMC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. NBIMC has been independently verified for the periods December 1, 1996 through March 31, 2014. The verification reports are available upon request.

Verification assesses whether the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. Verification does not ensure the accuracy of any specific composite presentation.

Calculation Methodology

Composite returns were calculated in Canadian dollars using the aggregate return method on a daily basis. Daily returns were linked geometrically to calculate periodic returns.

Results include dividends net of withholding taxes, interest, as well as realized and unrealized gains and losses as of the last business day of the fiscal year. Performance returns are expressed on a gross basis before deduction of investment management costs and custodial fees, but after all trading expenses.

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Ten Years Ended March 31, 2014

The composite performance presented in these schedules may not be indicative of future performance. Readers should also be aware that other performance calculation methods may produce different results, and that the results for specific accounts and for different periods may vary from composite returns presented. Comparisons of investment results should consider qualitative circumstances and should be made only to portfolios with generally similar objectives.

In the calculation and presentation of performance returns, NBIMC is not aware of any instances in which this presentation does not conform with the laws and regulations of any province or territory of Canada in which NBIMC operates.

Additional information regarding NBIMC's policies and procedures for calculating and reporting composite results is available upon request.

Number of Portfolios and Internal Dispersion

The internal dispersion measure and number of portfolios are not presented because there are five or fewer portfolios in the composite.

Three Year Annualized Ex-Post Standard Deviation

The 3 year annualized ex-post standard deviation measures the variability of the composite and the benchmark returns over the preceding 36 month period. NBIMC prospectively adopted this disclosure requirement effective with its fiscal year ended March 31, 2010.

Sub-advisors

NBIMC enters into sub-advisory agreements whereby certain assets are managed by sub-advisors. Rates of return earned on assets managed by the sub-advisors are included in NBIMC's composite presentations for the ten years ended March 31, 2014 because NBIMC maintains full discretion over the use and choice of sub-advisors.

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Pension Funds Composite

Ten Years Ended March 31, 2014

Benchmark Description

The Pension Funds Composite blended benchmark is calculated daily using a blend of the asset class benchmarks, based on the beginning daily weights for the respective asset classes. Benchmark returns were calculated using the following indices and weights on March 31, 2014:

Index	Weight (%)
S&P/TSX Composite	20.6
S&P 500	14.1
MSCI EAFE	19.0
NAREIT Equity	2.6
S&P/TSX Capped Reit	2.0
CPI +4%	3.1
FTSE TMX Canada All Government Bond	17.2
FTSE TMX Canada All Corporate Bond	7.0
FTSE TMX Canada Real Return Bond	9.3
FTSE TMX Canada 91-Day T-Bill	4.7
Canadian Call Loan	0.4

Effective December 2005, the S&P/TSX Composite was replaced as a benchmark by the S&P/TSX Equity Index due to the planned introduction of income trust securities into the composite.

Effective January 2007, the S&P/TSX Equity Index was replaced as a benchmark by the S&P/TSX Composite Index following completion of extensive research regarding income trusts as a component of this index and due to the decline in the composition of the companies making up the S&P/TSX Equity Index.

Effective November 2007, the TSX Inc. renamed the Scotia McLeod bond benchmark index to the DEX All Government Bond Index, the Scotia McLeod 91-day T-bill index to the DEX 91-day T-bill index, and the Scotia McLeod Real Return Bond index to the DEX Real Return index.

Effective April 2008, Canadian dollar benchmarks were implemented for international exposure, in conjunction with a foreign exposure hedging overlay strategy for each Fund. The benchmark for the passive FX hedging overlay is equal to actual returns because the strategy does not attempt to profit from tactical foreign exchange views. The MSCI EAFE index replaced MSCI Europe and the NIKKEI 225; and the S&P500 replaced the Russell 2000.

On April 5, 2013, FTSE International Limited and TMX Datalinx's PC Bond unit announced a joint merger to create the FTSE TMX Global Debt Capital Markets ("FTSE TMX"). Effective January 2014, the "DEX" bond indices were renamed "FTSE TMX Canada".

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Ten years ended March 31, 2014

Derivative instruments and short positions

Futures contracts, forward foreign exchange contracts, exchange traded and over-the-counter options and swaps, and short positions are used in investment management activities.

These derivative instruments are used for various purposes, including:

- to simulate exposure to a particular market index, but with lower transaction costs;
- to enhance performance returns;
- to modify the cash flow characteristics of an investment; or
- to hedge against potential losses due to changes in foreign exchange rates or stock prices

In using derivative instruments, as described above, NBIMC has established investment criteria, policies and procedures over the extent and use of derivative instruments to manage performance returns and mitigate market risks such as foreign currency, interest rate and pricing risk.

Investment management fees

Results are presented gross of investment management fees. GIPS® require that fee levels be disclosed together with the accompanying schedules of composite performance results so that readers may measure the effect of fees on returns achieved.

Under the authority of the Act, NBIMC recovers its expenses from the Funds managed.

The following summarizes the actual expenses charged (in thousands of dollars) for the composite assets under management for the preceding ten years:

	Expenses			Average assets under management	
Year ended March 31	**NBIMC $**	**Third Party $**	**Total $**	**for the year $**	**Expenses** *(in basis points)*
2014	10,026	6,803	16,829	10,600,207	15.9
2013	8,923	3,479	12,402	9,752,744	12.7
2012	8,385	3,948	12,333	9,245,658	13.3
2011	8,083	3,599	11,682	8,709,808	13.4
2010	7,919	3,490	11,409	7,679,922	14.9
2009	7,496	3,984	11,480	7,859,875	14.6
2008	7,813	4,776	12,589	8,698,211	14.5
2007	6,730	4,553	11,283	8,399,321	13.4
2006	5,894	3,104	8,998	7,567,806	12.0
2005	5,708	3,140	8,848	6,801,052	13.0