Queen's Pension Plan

Monthly Report

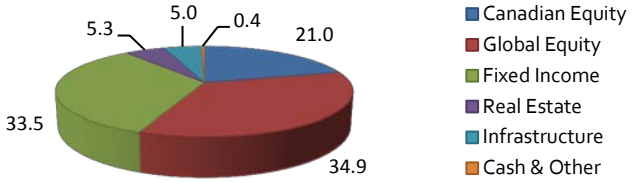
May 2016

FUND DETAILS

Total Assets ($Mil)	1,839
Total Fees (%)[1]	0.49
Currency Hedging Policy	50% of USD and EUR exposure is hedged to CAD

[1] *Excluding performance-based fees*

CURRENT ASSET MIX (%)



PERFORMANCE ANALYSIS (NET)

Annualized Returns (%)	1 Month	1 Year	4 Year	10 Year
Net Return	2.2	1.0	10.6	5.8
Benchmark[3]	2.0	0.7	10.0	6.0
Excess Return	0.2	0.3	0.6	-0.2

[3] *Calculated as the target-weighted average of investment manager benchmarks*

MONTHLY COMMENTARY

The Queen's Pension Plan (QPP) grew 2.2% net of fees in May, bringing the cumulative net return for the 2015-16 plan year[2] to 4.3%. The S&P/TSX grew by 1.0% over the month led by strong performance in the Financial and Energy sectors. The QPP's Canadian equity managers returned 1.7% in aggregate, outperforming the benchmark. Global markets had a bumpy start in May but ended on a strong note from an improvement in U.S. economic data. The QPP's global equity managers returned 5.0% in aggregate which was in line with the blended benchmark.

The FTSE/TMX Canada Universe Bond Index gained 0.9% on a total return basis. In aggregate, the QPP's fixed income managers returned 1.0% for the month which was 0.1% above the benchmark. During the month, the Bank of Canada held its overnight rate at 0.5%. The Canadian dollar depreciated 4.3% against the U.S. dollar to close the month at 76.3 cents U.S.

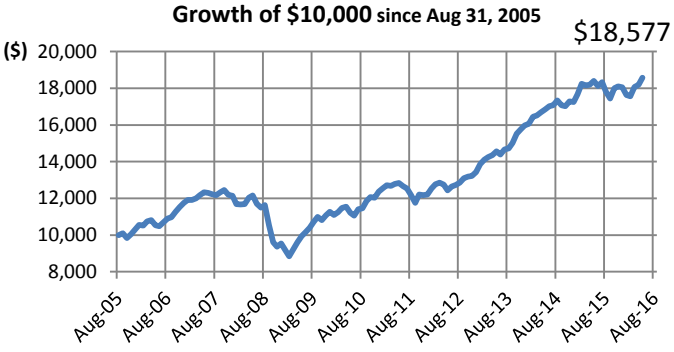
CAPITAL MARKET RETURNS (%) in CAD

	1 Month	1Year
S&P/TSX Composite Index	1.0	-3.3
S&P 500	6.3	6.6
MSCI World ex-Canada	5.3	1.4
FTSE TMX Cda Universe Bond	0.9	2.8
91 Day T-Bills	0.1	0.5

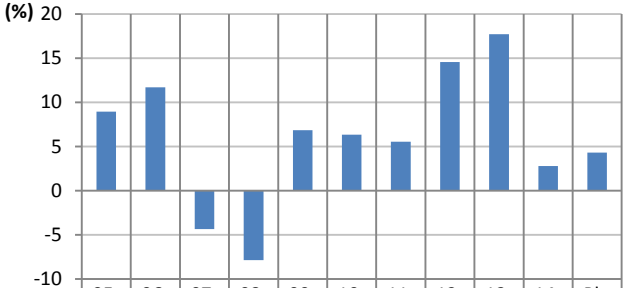
INVESTMENT MANAGERS

ASSET CLASS/MANAGER	BENCHMARK	TARGET (%)
Canadian Equity		**20.0**
Burgundy Asset Management	S&P/TSX Composite Index	8.7
Connor, Clark & Lunn	S&P/TSX Composite Index	4.4
Guardian Capital	S&P/TSX Composite Index	4.4
Letko, Brosseau & Associates	S&P/TSX Composite Index	2.6
Global Equity		**33.0**
Orbis Investments	MSCI World Index	10.0
Manning & Napier	MSCI ACWI Ex-Canada	9.3
State Street Global Advisors	MSCI World Ex-Canada	9.3
Letko, Brosseau & Associates	MSCI World Ex-Canada	4.4
Fixed Income		**37.0**
PIMCO	FTSE/TMX Canada Universe Bond	9.0
Connor, Clark & Lunn	FTSE/TMX Canada Universe Bond	8.0
TD Asset Management	FTSE/TMX Canada Universe Bond	8.0
Integrated Private Debt	FTSE/TMX Canada Universe Bond	7.0
Letko, Brosseau & Associates	FTSE/TMX Canada Universe Bond	5.0
Real Estate		**5.0**
OMERS (Oxford Properties)	FTSE EPRA/NAREIT Developed Index	5.0
Infrastructure		**5.0**
OMERS (Borealis Infrastructure)	Dow Jones Brookfield Global Infra.	5.0

Growth of $10,000 since Aug 31, 2005



Queen's Pension Plan Returns by Plan Year[2]



	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	Pln YTD
Net Return	8.9	11.7	-4.4	-7.9	6.8	6.3	5.5	14.6	17.7	2.8	4.3
Benchmark	8.4	9.4	0.0	-7.7	6.9	7.2	4.5	9.3	18.1	7.1	3.2

[2] *Plan Year is from September 1st to August 31st*