Queen's Pension Plan
Monthly Report
January 2017

FUND DETAILS
Total Assets ($Mil) 1,940
Total Fees (%) 0.49
Currency Hedging Policy 50% of USD and EUR

MONTHLY COMMENTARY
The Queen’s Pension Plan (QPP) returned 0.3% net of fees in January, bringing the cumulative net return for the 2016-17 plan year to 3.0%.

The S&P/TSX Composite Index advanced 0.9% during the month led by Materials (+9.3%) and Financials (+2.3%). The Energy sector (-5.5%) reversed lower with WTI Crude Oil down close to 2%. In the U.S., equities registered positive returns in U.S. dollar terms amid optimism over the U.S. administration’s plans for tax cuts and higher infrastructure spending.

The FTSE/TMX Canada Universe Bond Index declined 0.1% during the month. The 10 year Canadian yield rose by 4 basis points to 1.76%. Corporate bonds outperformed the index as credit spreads continued to tighten. Global yields also rose, although U.S. rates were unmoved. The Bank of Canada kept the overnight rate unchanged but stated that ‘a rate cut is on the table.’ The Canadian dollar strengthened 3.2% against the U.S. dollar to close the month at 76.9 cents U.S.

INVESTMENT MANAGERS

Canadian Equity
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
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
PIMCO FTSE/TMX Canada Universe Bond 8.0
Connor, Clark & Lunn FTSE/TMX Canada Universe Bond 7.0
TD Asset Management FTSE/TMX Canada Universe Bond 7.0
Sun Life Investment Mgmt FTSE/TMX Canada Corporate Bond 6.0
Letko, Brosseau & Associates FTSE/TMX Canada Universe Bond 5.0
Integrated Private Debt FTSE/TMX Canada Universe Bond 4.0

Real Estate
OMERS (Oxford Properties) FTSE EPRA/NAREIT Developed Index 5.0
Infrastructure 5.0
OMERS (Borealis Infrastructure) Dow Jones Brookfield Global Infra. 5.0

CAPITAL MARKET RETURNS (%) in CAD

S&P/TSX Composite Index 0.9 23.6
S&P 500 -0.9 11.2
MSCI World ex-Canada -0.5 8.7
FTSE TMX Cda Universe Bond -0.1 1.2
91 Day T-Bills 0.0 0.5

GROWTH OF $10,000 SINCE AUG 31, 2006

Queen’s Pension Plan Returns by Plan Year

1 Excluding performance-based fees

2 Calculated as the target-weighted average of investment manager benchmarks

Pln YTD