

Queen's Pension Plan

Monthly Report



July 2018

FUND DETAILS

Total Assets (\$Mil)	2,130
Total Fees (%) ¹	0.43
Currency Hedging Policy	50% of USD and EUR exposure is hedged to CAD

¹ Excluding performance-based fees

MONTHLY COMMENTARY

The Queen's Pension Plan (QPP) returned 0.9% net of fees in July, bringing the cumulative net return for the 2017-18 plan year to 8.0%.

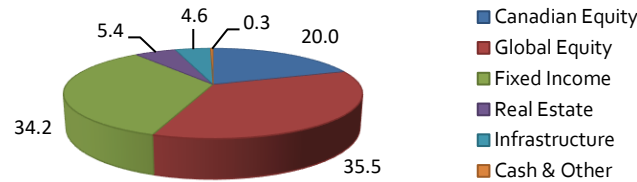
North American equity markets continued to deliver positive returns in July, benefitting from strong economic data and corporate Q2 results. The S&P/TSX Composite Index advanced 1.2%. Primary contributors were Machinery & Equipment, Utilities, and Financial Services, while the worst performers included Healthcare, Materials, and Technology. In the U.S., the S&P 500 advanced 3.7% (2.7% in Canadian dollar terms) with the top performers being Energy, Consumer Discretionary, and Technology. Global equity markets' returns were mostly positive, with Switzerland being the top performer (+6.5%) and New Zealand being the worst (-0.5%) within the MSCI World Index. The MSCI EAFE Index advanced 1.4% and the MSCI Emerging Market Index advanced 1.2% in Canadian dollar terms.

The FTSE/TMX Canada Universe Bond Index depreciated 0.7% in July as bond yields rose. Ten year Canadian yields increased 14 basis points to 2.31% while two year yields advanced 16 basis point to 2.07%. The Provincial, Federal and Corporate sectors of the index declined 1.0%, 0.6% and 0.5%, respectively. The Bank of Canada increased the benchmark interest rate by 25 basis points to 1.5% on July 12. The Canadian dollar appreciated 1.2% against the U.S. dollar, closing the month at 76.8 cents U.S.

CAPITAL MARKET RETURNS (%) in CAD

	1 Month	1 Year
S&P/TSX Composite Index	1.2	11.7
S&P 500	2.7	21.0
MSCI World Ex-Canada Net	2.1	16.7
FTSE TMX Cda Universe Bond	-0.7	2.0
91 Day T-Bills	0.1	1.0

CURRENT ASSET MIX (%)



INVESTMENT MANAGERS

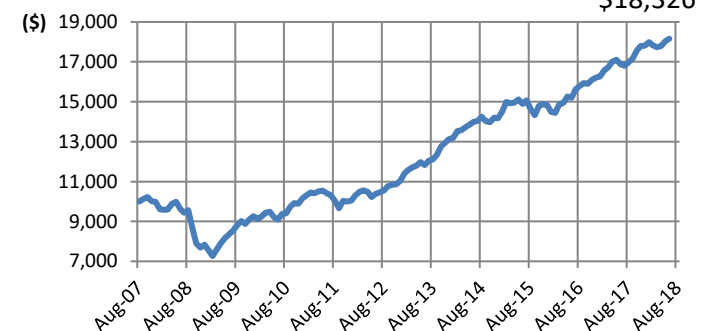
ASSET CLASS/MANAGER	BENCHMARK	TARGET (%)
Canadian Equity 20.0		
Burgundy Asset Management	S&P/TSX Composite Index	8.7
Connor, Clark & Lunn	S&P/TSX Composite Index	4.4
TD Asset Management	S&P/TSX Composite Index	4.4
Letko, Brosseau & Associates	S&P/TSX Composite Index	2.6
Global Equity 33.0		
Orbis Investments	MSCI World Index	10.0
State Street Global Advisors	MSCI World Ex-Canada Net	18.6
Letko, Brosseau & Associates	MSCI World Ex-Canada	4.4
Fixed Income 37.0		
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 5.0		
OMERS (Oxford Properties)	FTSE EPRA/NAREIT Developed Index	5.0
Infrastructure 5.0		
OMERS (Infrastructure)	Dow Jones Brookfield Global Infra.	5.0

PERFORMANCE ANALYSIS (NET)

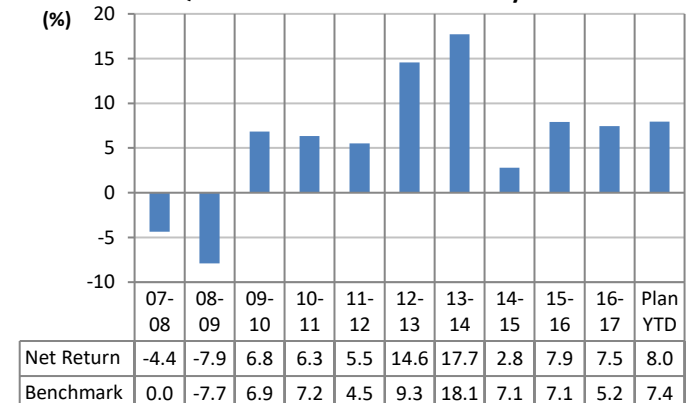
Annualized Returns (%)	1 Month	1 Year	4 Year	10 Year
Net Return	0.9	9.1	6.9	6.9
Benchmark ²	0.7	8.3	7.2	6.5
Excess Return	0.2	0.8	-0.3	0.4

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

Growth of \$10,000 since Aug 31, 2007



Queen's Pension Plan Returns by Plan Year³



	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	Plan YTD
Net Return	-4.4	-7.9	6.8	6.3	5.5	14.6	17.7	2.8	7.9	7.5	8.0
Benchmark	0.0	-7.7	6.9	7.2	4.5	9.3	18.1	7.1	7.1	5.2	7.4

³ Plan Year is from September 1st to August 31st