

Queen's Pension Plan

Monthly Report



November 2018

FUND DETAILS

Total Assets (\$Mil)	2,055
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 1.1% net of fees in November, bringing the cumulative return for the 2018-19 plan year to -3.5%.

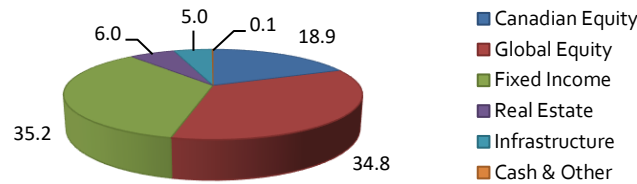
Equity markets rebounded in November on strong economic data, partially offsetting the sharp sell-off of the previous month. The S&P/TSX Composite Index advanced 1.4% with 9 out of 11 sectors posting positive returns. The top performers were Consumer Staples, Communication Services and Utilities while Health Care and Energy detracted. In the U.S., the S&P 500 advanced 3.7% (3.3% in Canadian dollar terms). Health Care, Real Estate and Materials were the best performers while Information Technology and Energy detracted. Global equity markets posted positive returns. The MSCI Emerging Markets index led the race, advancing 5.4% in Canadian dollar terms. The MSCI World and MSCI EAFE went up 2.4% and 1.1% in Canadian dollar terms, respectively.

The FTSE/TMX Canada Universe Bond Index advanced 1.0% in November as the yield curve flattened and bond yields decreased. Canadian two-year yields decreased 17 basis points and ten-year yields went down 22 basis points, closing the month at 2.16% and 2.27%, respectively. The Provincial sector of the Index was the lead performer, advancing 1.3%, closely followed by the Federal sector (+1.2%), while the Corporate sector gained 0.4%. The Canadian dollar depreciated 1.2% against the U.S. dollar, closing the month at 75.2 cents U.S.

CAPITAL MARKET RETURNS (%) in CAD

	1 Month	1 Year
S&P/TSX Composite Index	1.4	-2.5
S&P 500	3.3	9.6
MSCI World Ex-Canada Net	2.4	3.5
FTSE TMX Cda Universe Bond	1.0	-0.4
91 Day T-Bills	0.2	1.3

CURRENT ASSET MIX (%)



INVESTMENT MANAGERS

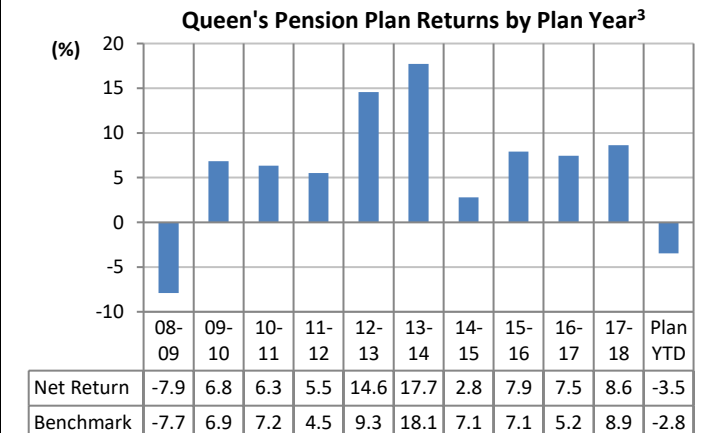
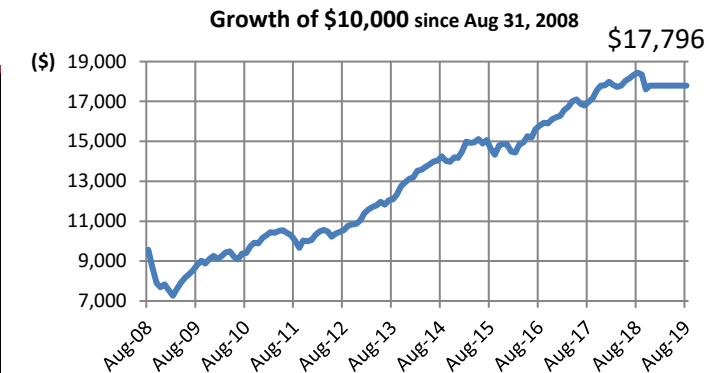
ASSET CLASS/MANAGER BENCHMARK TARGET (%)

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	1.1	0.0	5.8	8.7
Benchmark ²	1.2	1.2	6.0	8.3
Excess Return	-0.1	-1.2	-0.2	0.4

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



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