The Queen’s Pension Plan (QPP) returned 3.8% net of fees in January, bringing the cumulative return for the 2018-19 plan year to -2.5%.

Equity markets bounced back in January on strong economic data from the U.S. The S&P/TSX Composite Index returned 8.7% with all 11 sectors posting positive returns. The top performing sector was Health Care (+43.3%), followed by Consumer Discretionary and Energy (+10.7% each) while Consumer Staples was the worst performer (+3.5%). In the U.S., the S&P 500 returned 4.1% (3.9% in Canadian dollar terms). Industrial, Energy and Communication Services were the best performers while Utilities and Real Estate detracted. Most global equity markets followed the U.S. lead and posted positive returns. The MSCI Emerging Markets index returned 8.8%, the MSCI World advanced 7.8% and the MSCI EAFE gained 6.6% in local currency terms (+4.6%, +3.7% and +2.5% in Canadian dollar terms, respectively).

The FTSE/TMX Canada Universe Bond Index advanced 1.3% in December as bond yields decreased. Canadian two-year yields decreased 9 basis points and ten-year yields went down 8 basis points, closing the month at 1.77% and 1.88%, respectively. The Provincial and Corporate sectors of the Index gained 1.7% each, while the Federal sector advanced 0.7%. The Canadian dollar appreciated 3.8% against the U.S. dollar, closing the month at 76.1 cents U.S.

The Queen’s Pension Plan Returns by Plan Year

[Graph showing growth of $10,000 since Aug 31, 2008 to $17,996]