

Queen's Pension Plan

Monthly Report



January 2019

FUND DETAILS

Total Assets (\$Mil)	2,068
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 3.8% net of fees in January, bringing the cumulative return for the 2018-19 plan year to -2.5%.

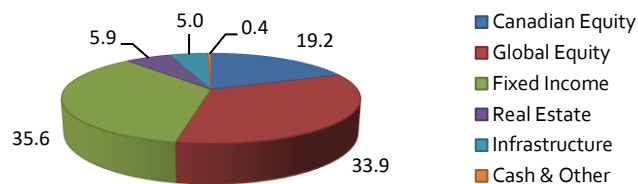
Equity markets bounced back in January on strong economic data from the U.S. The S&P/TSX Composite Index returned 8.7% with all 11 sectors posting positive returns. The top performing sector was Health Care (+43.3%), followed by Consumer Discretionary and Energy (+10.7% each) while Consumer Staples was 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.

CAPITAL MARKET RETURNS (%) in CAD

	1 Month	1 Year
S&P/TSX Composite Index	8.7	0.5
S&P 500	3.9	4.6
MSCI World Ex-Canada Net	3.5	0.1
FTSE TMX Cda Universe Bond	1.3	3.6
91 Day T-Bills	0.1	1.4

CURRENT ASSET MIX (%)



INVESTMENT MANAGERS

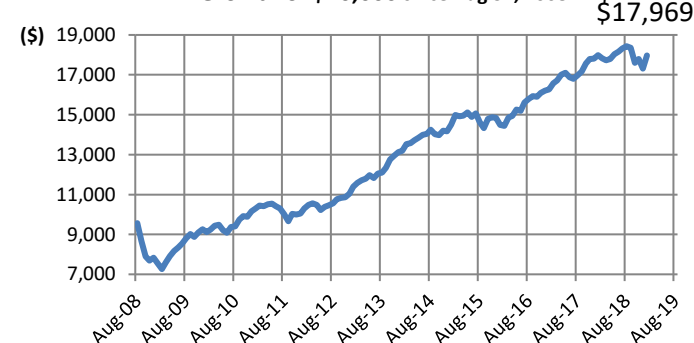
ASSET CLASS/MANAGER	BENCHMARK	TARGET (%)
Canadian Equity 20.0		
Burgundy Asset Management	S&P/TSX Composite Index	8.7
Connor, Clark & Lunn	S&P/TSX Composite Index	4.4
TD Asset Management	S&P/TSX Composite Index	4.4
Letko, Brosseau & Associates	S&P/TSX Composite Index	2.6
Global Equity 33.0		
Orbis Investments	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)

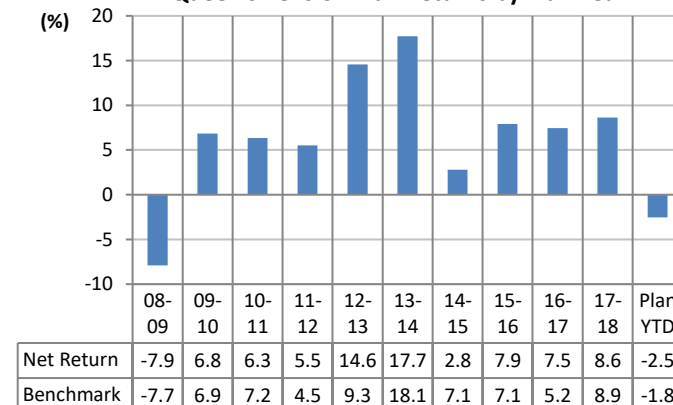
Annualized Returns (%)	1 Month	1 Year	4 Year	10 Year
Net Return	3.8	-0.1	5.5	9.1
Benchmark ²	3.4	2.2	5.1	8.7
Excess Return	0.4	-2.3	0.4	0.4

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

Growth of \$10,000 since Aug 31, 2008



Queen's Pension Plan Returns by Plan Year³



	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	Plan YTD
Net Return	-7.9	6.8	6.3	5.5	14.6	17.7	2.8	7.9	7.5	8.6	-2.5
Benchmark	-7.7	6.9	7.2	4.5	9.3	18.1	7.1	7.1	5.2	8.9	-1.8

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