

Queen's Pension Plan

Monthly Report



February 2019

FUND DETAILS

Total Assets (\$Mil)	2,095
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 1.5% net of fees in February, bringing the cumulative return for the 2018-19 plan year to -1.1%.

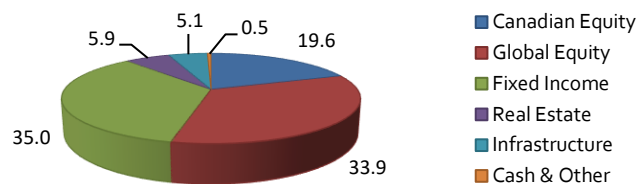
Equity markets continued to rebound in February. The S&P/TSX Composite Index returned 3.2% with 10 out of 11 sectors posting positive returns. The top performing sector was Information Technology (+8.4%), followed by Real Estate (+4.9%) and Energy (+4.8%) while Materials (-0.7%) and Consumer Discretionary (+0.2%) were the worst performers. In the U.S., the S&P 500 returned 3.2% (3.4% in Canadian dollar terms). All 11 sectors posted positive returns; the top three performing sectors were Real Estate, Information Technology and Industrials. Most global equity markets, too, posted positive returns. The MSCI World Index returned 3.1%, the MSCI EAFE advanced 2.6%, while the MSCI Emerging Markets was almost flat, advancing 0.1% in local currency terms (+3.3%, +2.9% and +0.5% in Canadian dollar terms, respectively).

The FTSE/TMX Canada Universe Bond Index advanced 0.2% in February. Canadian two-year yields were nearly flat, advancing 1 basis point to 1.78%, while ten-year yields increased 6 basis points, closing the month at 1.94%. The Provincial and Corporate sectors of the Index gained 0.3% each, while the Federal sector fell 0.1%. The Canadian dollar depreciated 0.2% against the U.S. dollar, closing the month at 75.9 cents U.S.

CAPITAL MARKET RETURNS (%) in CAD

	1 Month	1 Year
S&P/TSX Composite Index	3.2	6.9
S&P 500	3.5	7.6
MSCI World Ex-Canada Net	3.3	3.1
FTSE TMX Cda Universe Bond	0.2	3.6
91 Day T-Bills	0.1	1.5

CURRENT ASSET MIX (%)



INVESTMENT MANAGERS

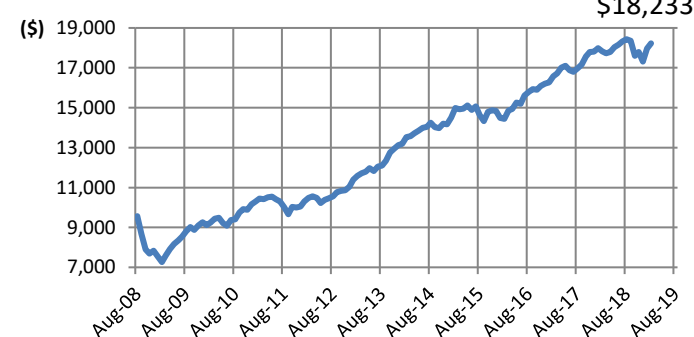
ASSET CLASS/MANAGER	BENCHMARK	TARGET (%)
Canadian Equity 20.0		
Burgundy Asset Management	S&P/TSX Composite Index	8.7
Connor, Clark & Lunn	S&P/TSX Composite Index	4.4
TD Asset Management	S&P/TSX Composite Index	4.4
Letko, Brosseau & Associates	S&P/TSX Composite Index	2.6
Global Equity 33.0		
Orbis Investments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

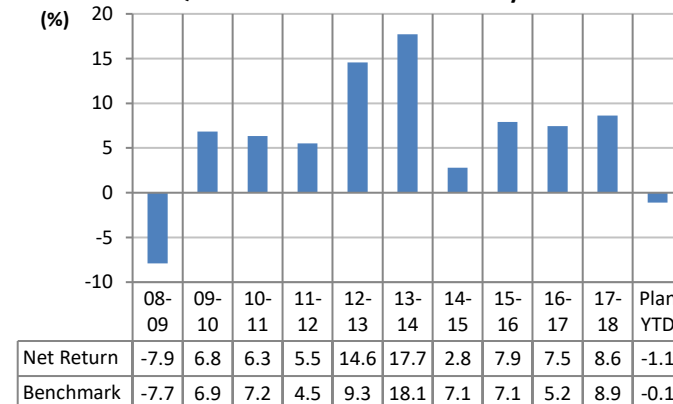
Annualized Returns (%)	1 Month	1 Year	4 Year	10 Year
Net Return	1.5	2.3	5.0	9.6
Benchmark ²	1.7	4.1	4.8	9.4
Excess Return	-0.2	-1.8	0.2	0.2

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	-1.1
Benchmark	-7.7	6.9	7.2	4.5	9.3	18.1	7.1	7.1	5.2	8.9	-0.1

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