

# Queen's Pension Plan

## Monthly Report



March 2019

### FUND DETAILS

Total Assets (\$Mil)	2,124
Total Fees (%) <sup>1</sup>	0.43
Currency Hedging Policy	50% of USD and EUR exposure is hedged to CAD

<sup>1</sup> Excluding performance-based fees

### MONTHLY COMMENTARY

The Queen's Pension Plan (QPP) returned 1.5% net of fees in March, bringing the cumulative return for the 2018-19 plan year to 0.4%.

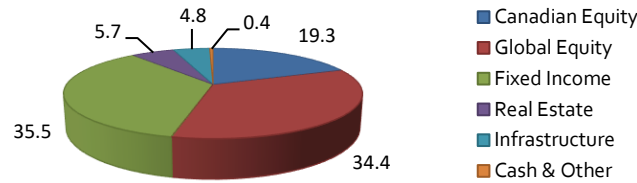
Equity markets wrapped up the last month of Q1 2019 on a positive note. The S&P/TSX Composite Index returned 1.0% (+13.3% YTD) with 8 out of 11 sectors posting positive returns. The top performing sector was Information Technology (+5.6%), followed by Utilities (+4.6%) and Real Estate (+3.8%) while Financials (-1.2%), Consumer Discretionary (-1.0%) and Energy (-0.3%) were the worst performers. In the U.S., the S&P 500 returned 1.9% in March, up 13.6% YTD (3.4% and 11.2% in Canadian dollar terms, respectively). 10 out of 11 sectors posted positive returns; the only sector to have a negative return was Financials (-1.2%). Most global equity markets, too, posted positive returns. The MSCI World Index returned 1.4%, the MSCI Emerging Markets advanced 0.8% and the MSCI EAFE gained 0.7% in local currency terms (+2.8%, +2.3% and +2.2% in Canadian dollar terms, respectively).

The FTSE/TMX Canada Universe Bond Index soared 2.4% in March as bond yields dropped across the Canadian yield curve. Canadian two-year yields decreased 23 basis points to 1.55% and ten-year yields fell 32 basis points, closing the month at 1.62%. The Provincial sector of the Index gained 3.1%, Corporate advanced 2.0% and the Federal sector rose 1.9%. The Canadian dollar depreciated 1.5% against the U.S. dollar, closing the month at 74.8 cents U.S.

### CAPITAL MARKET RETURNS (%) in CAD

	1 Month	1 Year
S&P/TSX Composite Index	1.0	8.1
S&P 500	3.4	13.5
MSCI World Ex-Canada Net	2.9	7.8
FTSE TMX Cda Universe Bond	2.4	5.3
91 Day T-Bills	0.1	1.5

### CURRENT ASSET MIX (%)



### INVESTMENT MANAGERS

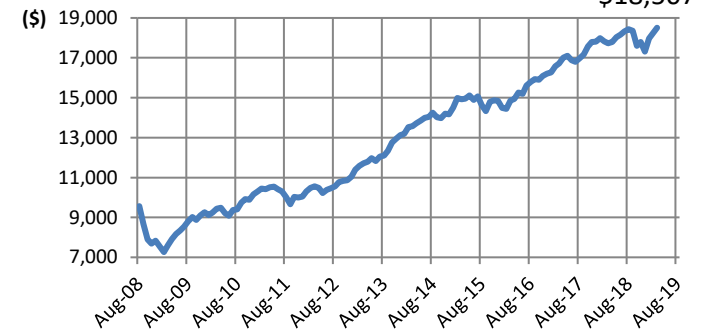
ASSET CLASS/MANAGER	BENCHMARK	TARGET (%)
<b>Canadian Equity 20.0</b>		
Burgundy Asset Management	S&P/TSX Composite Index	8.7
Connor, Clark & Lunn	S&P/TSX Composite Index	4.4
TD Asset Management	S&P/TSX Composite Index	4.4
Letko, Brosseau & Associates	S&P/TSX Composite Index	2.6
<b>Global Equity 33.0</b>		
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
<b>Fixed Income 37.0</b>		
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
<b>Real Estate 5.0</b>		
OMERS (Oxford Properties)	FTSE EPRA/NAREIT Developed Index	5.0
<b>Infrastructure 5.0</b>		
OMERS (Infrastructure)	Dow Jones Brookfield Global Infra.	5.0

### PERFORMANCE ANALYSIS (NET)

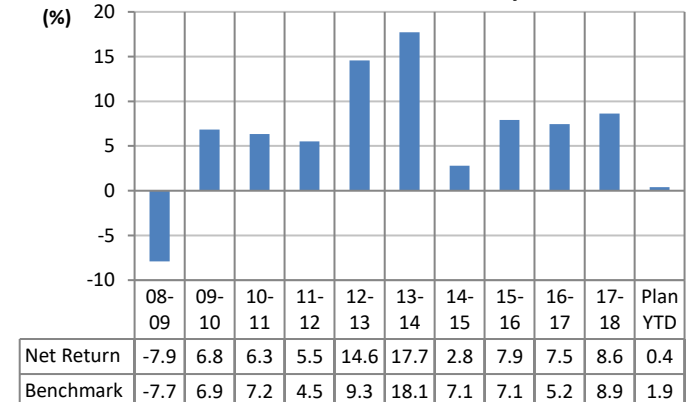
Annualized Returns (%)	1 Month	1 Year	4 Year	10 Year
Net Return	1.5	4.4	5.5	9.3
Benchmark <sup>2</sup>	2.0	6.5	5.4	9.0
Excess Return	-0.5	-2.1	0.1	0.3

<sup>2</sup> 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 Year<sup>3</sup>



	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	0.4
Benchmark	-7.7	6.9	7.2	4.5	9.3	18.1	7.1	7.1	5.2	8.9	1.9

<sup>3</sup> Plan Year is from September 1st to August 31st