Queen's Pension Plan
Monthly Report

FUND DETAILS

- Total Assets ($Mil): 2,405
- Total Fees (%): 0.43
- Currency Hedging Policy: 50% of USD and EUR exposure is hedged to CAD

CURRENT ASSET MIX (%)

- Canadian Equity: 33.6%
- Global Equity: 16.4%
- Fixed Income: 4.4%
- Real Estate: 4.9%
- Infrastructure: 39.9%
- Cash & Other

INVESTMENT MANAGERS

- **Canadian Equity**
  - Burgundy Asset Management: S&P/TSX Composite Index 4.6%
  - Connor, Clark & Lunn: S&P/TSX Composite Index 4.4%
  - TD Asset Management: S&P/TSX Composite Index 3.4%
  - Letko, Brosseau & Associates: S&P/TSX Composite Index 3.6%

- **Global Equity**
  - Orbis Investments: MSCI ACWI Net Index 5.0%
  - State Street Global Advisors: MSCI World Ex-Canada Net 32.0%

- **Fixed Income**
  - PIMCO: FTSE Canada Universe Bond 10.0%
  - Connor, Clark & Lunn: FTSE Canada Universe Bond 9.5%
  - TD Asset Management: FTSE Canada Universe Bond 9.5%
  - Sun Life Investment Mgmt: FTSE Canada Corporate Universe Bond 6.0%
  - Fiera Private Debt: FTSE Canada Universe Bond 2.0%

- **Real Estate**
  - OMERS (Oxford Properties): MSCI/REALPAC 5.0%

- **Infrastructure**
  - OMERS (Infrastructure): Canadian CPI + 4%

CAPITAL MARKET RETURNS (% in CAD)

- **1 Month**
  - S&P/TSX Composite Index: 1.7%
  - FTSE Canada Universe Bond: 0.4%
  - 91 Day T-Bills: 0.0%
  - S&P 500: 2.1%
  - MSCI World Ex-Canada Net: 2.5%

- **1 Year**
  - S&P/TSX Composite Index: 5.6%
  - FTSE Canada Universe Bond: 8.7%
  - 91 Day T-Bills: 0.9%
  - S&P 500: 16.3%
  - MSCI World Ex-Canada Net: 14.2%

PERFORMANCE ANALYSIS (NET)

- Annualized Returns (%)
  - Net Return: 2.0%
  - Benchmark: 1.4%
  - Excess Return: 0.6%
  - 1 Month: 1.7%
  - 1 Year: 5.6%
  - 4 Year: 7.5%
  - 10 Year: 7.8%

MONTHLY COMMENTARY

The Queen’s Pension Plan (QPP) returned 2.0% net of fees in December, bringing the cumulative net return for the 2020-2021 plan year to 6.4%. Equities finished the year on a strong note with gains in all major markets. The S&P/TSX Composite Index returned 1.7% (+5.6% for the year) as seven out of 11 sectors posted positive returns. Consumer Discretionary (+5.8%), Materials (+3.2%) and Information Technology (+3.1%) were the best performers while Health Care (-10.3%), Real Estate (-2.5%) and Communication Services (-0.7%) were the bottom three performing sectors. In the U.S., the S&P 500 gained 3.8% in December and 18.4% in 2020 (+2.1% and +16.3% in Canadian dollar terms). All sectors posted positive returns with Financials (+6.3%), Information Technology (+5.7%) and Energy (+4.4%) the best performers. Outside North America, the MSCI Emerging Markets Index climbed 6.3%, the MSCI World Index gained 3.5% and the MSCI EAFE Index advanced 2.5% in local currency terms (+5.6%, +2.5% and +2.9% in Canadian dollar terms, respectively).

The FTSE Canada Universe Bond Index returned 0.4% for the month (+8.7% in 2020) as the short end of the yield curve declined. Two-year yields lost 5 basis points to 0.20% and ten-year yields closed flat at 0.67%. The Corporate sector of the Index advanced 0.7%, the Provincial sector rose 0.4% and the Federal sector was flat. The Canadian dollar appreciated 1.8% against the U.S. dollar, closing the month at 78.5 cents U.S.

Department of Investment Services