

Queen's Pension Plan

Monthly Report



January 2021

FUND DETAILS

Total Assets (\$Mil)	2,386
Total Fees (%) ¹	0.37
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 -0.7% net of fees in January, bringing the cumulative net return for the 2020-2021 plan year to 5.7%.

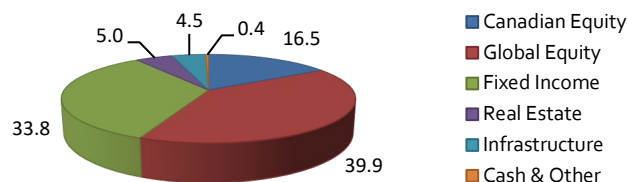
Equities had a strong start to the year but markets slid in the last week of January and most developed markets closed the month in negative territory. The S&P/TSX Composite Index returned -0.3% as only five out of 11 sectors posted positive returns. Health Care (+35.3%) was the best performer, followed by Energy (+2.7%) and Utilities (+2.6%). Consumer Staples (-5.3%) was the worst performing sector. In the U.S., the S&P 500 lost 1.0% (-0.7% in Canadian dollar terms). Four sectors out of 11 posted positive returns with Consumer Staples (-5.3%) the worst performer. Outside North America, the MSCI Emerging Markets Index gained 3.8%, the MSCI EAFE Index declined 0.4% and the MSCI World Index lost 0.8% in local currency terms (+3.4%, -0.8% and -0.7% in Canadian dollar terms, respectively).

The FTSE Canada Universe Bond Index declined 1.1% as the Canadian yield curve steepened. Two-year yields fell 5 basis points to 0.15% and ten-year yields gained 17 basis points to 0.84%. The Provincial sector of the Index fell 1.8%, the Federal sector decreased 0.9% and the Corporate sector lost 0.5%. The Canadian dollar depreciated 0.4% against the U.S. dollar, closing the month at 78.3 cents U.S.

CAPITAL MARKET RETURNS (%) in CAD

	1 Month	1 Year
S&P/TSX Composite Index	-0.3	3.5
S&P 500	-0.7	13.3
MSCI World Ex-Canada Net	-0.7	11.9
FTSE Canada Universe Bond	-1.1	4.4
91 Day T-Bills	0.0	0.7

CURRENT ASSET MIX (%)



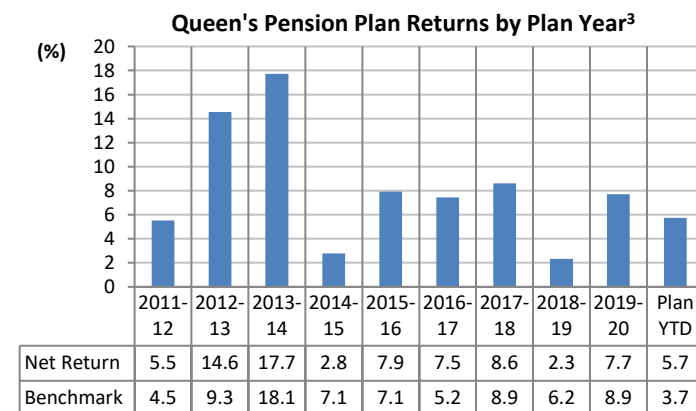
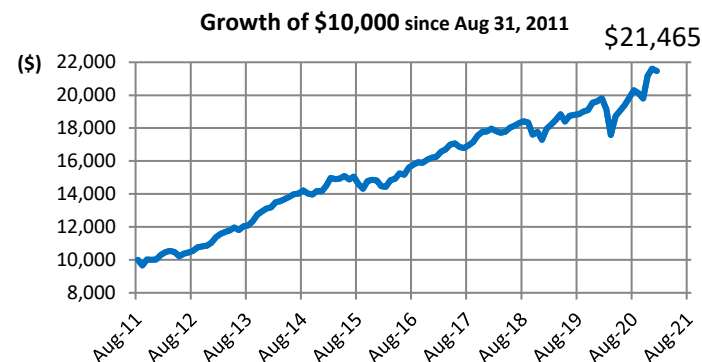
INVESTMENT MANAGERS

ASSET CLASS/MANAGER	BENCHMARK	TARGET (%)
Canadian Equity 16.0		
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 37.0		
Orbis Investments	MSCI ACWI Net Index	5.0
State Street Global Advisors	MSCI World Ex-Canada Net	32.0
Fixed Income 37.0		
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 5.0		
OMERS (Oxford Properties)	MSCI/REALPAC	5.0
Infrastructure 5.0		
OMERS (Infrastructure)	Canadian CPI + 4%	5.0

PERFORMANCE ANALYSIS (NET)

Annualized Returns (%)	1 Month	1 Year	4 Year	10 Year
Net Return	-0.7	8.3	7.2	7.6
Benchmark ²	-0.7	7.3	7.8	7.7
Excess Return	0.0	1.0	-0.6	-0.1

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



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