

Queen's Pension Plan

Monthly Report



February 2021

FUND DETAILS

Total Assets (\$Mil)	2,417
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 1.4% net of fees in February, bringing the cumulative net return for the 2020-2021 plan year to 7.2%.

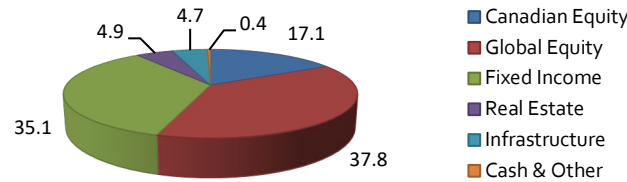
North American equities posted positive returns in February, supported by surging oil prices and brighter economic prospects. The S&P/TSX Composite Index returned 4.4% as seven out of 11 sectors posted positive returns. Information Technology (+9.9%), Energy (+9.1%) and Consumer Discretionary (+8.7%) were the best performers. Utilities (-5.1%) was the worst performing sector. In the U.S., the S&P 500 gained 2.8% (+1.8% in Canadian dollar terms). Seven sectors out of 11 posted positive returns with Energy (+22.7%) the best performer, followed by Financials (+11.5%) and Industrials (+6.9%). Outside North America, the MSCI World Index gained 2.7%, the MSCI EAFE Index advanced 2.6% and the MSCI Emerging Markets Index rose 1.0% in local currency terms (+1.7%, +1.3% and -0.1% in Canadian dollar terms, respectively).

The FTSE Canada Universe Bond Index declined 2.5% as bond yields surged across the curve. Two-year yields gained 15 basis points to 0.3% and ten-year yields climbed 51 basis point to 1.35%. The Provincial sector of the Index fell 3.2%, the Federal sector decreased 2.1% and the Corporate sector lost 2.0%. The Canadian dollar appreciated 0.7% against the U.S. dollar, closing the month at 78.8 cents U.S.

CAPITAL MARKET RETURNS (%) in CAD

	1 Month	1 Year
S&P/TSX Composite Index	4.4	14.7
S&P 500	1.8	23.8
MSCI World Ex-Canada Net	1.6	22.3
FTSE Canada Universe Bond	-2.5	1.1
91 Day T-Bills	0.0	0.6

CURRENT ASSET MIX (%)



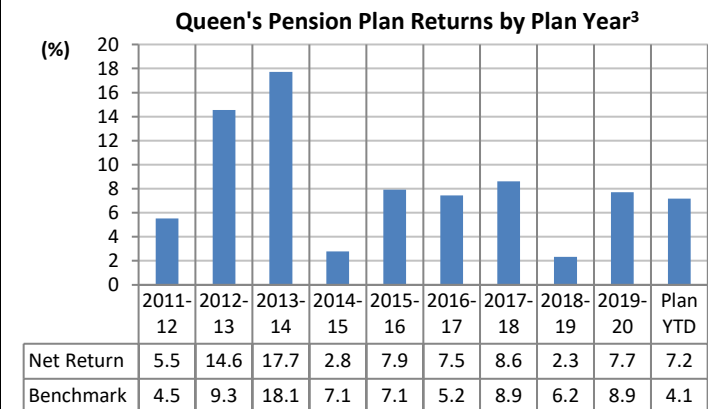
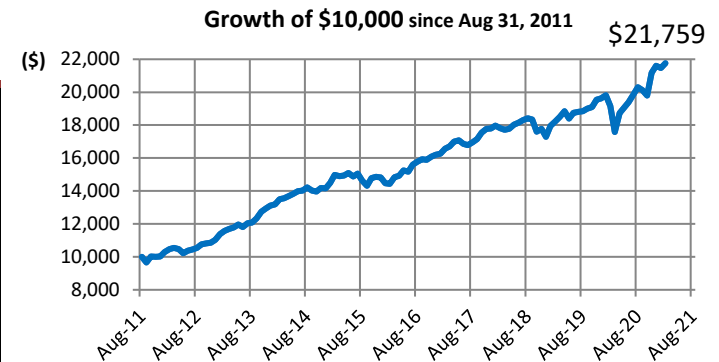
INVESTMENT MANAGERS

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	1.4	13.5	7.1	7.6
Benchmark ²	0.4	11.2	7.5	7.6
Excess Return	1.0	2.3	-0.4	0.0

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



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