

Queen's Pension Plan

Monthly Report



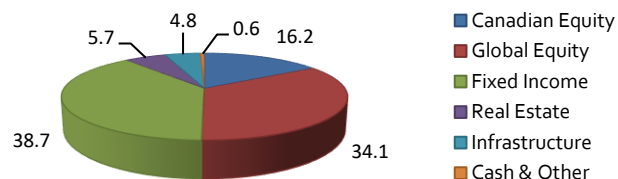
July 2019

FUND DETAILS

Total Assets (\$Mil)	2,147
Total Fees (%) ¹	0.43
Currency Hedging Policy	50% of USD and EUR exposure is hedged to CAD

¹ Excluding performance-based fees

CURRENT ASSET MIX (%)



PERFORMANCE ANALYSIS (NET)

Annualized Returns (%)	1 Month	1 Year	4 Year	10 Year
Net Return	0.3	2.7	5.7	8.2
Benchmark ²	0.5	7.3	5.9	8.2
Excess Return	-0.2	-4.6	-0.2	0.0

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

MONTHLY COMMENTARY

The Queen's Pension Plan (QPP) returned 0.3% net of fees in July, bringing the cumulative return for the 2018-19 plan year to 2.1%.

Equity markets continued to rebound in July. The S&P/TSX Composite Index returned 0.3% (+16.6% YTD) with 8 out of 11 sectors posting positive returns. The top performing sectors were Consumer Discretionary (+3.5%), Information Technology (+3.2%) and Materials (+2.3%). Health Care (-13.3%), Energy (-3.9%) and Telecommunications (-1.1%) detracted. In the U.S., the S&P 500 returned 1.4% in July, bringing the YTD return to +20.2% (+1.9% and +15.6% in Canadian dollar terms, respectively). Nine out of 11 sectors posted positive returns with Energy (-1.3%) and Health Care (-1.1%) the only exceptions. Global equity markets posted mixed returns. The MSCI World Index gained 0.5%, whereas the MSCI Emerging Markets Index lost 1.2% and the MSCI EAFE Index declined 1.3% in local currency terms (+1.0%, -0.7% and -0.8% in Canadian dollar terms, respectively).

The FTSE Canada Universe Bond Index returned 0.2% in July as bond yields increased and the Canadian yield curve became slightly more inverted. Two-year yields increased 8 basis points to 1.55% and ten-year yields increased 3 basis points to 1.49%. The Corporate sector of the Index gained 0.4%, Provincials advanced 0.2% and the Federal sector lost 0.1%. The Canadian dollar depreciated 0.5% against the U.S. dollar, closing the month at 76.1 cents U.S.

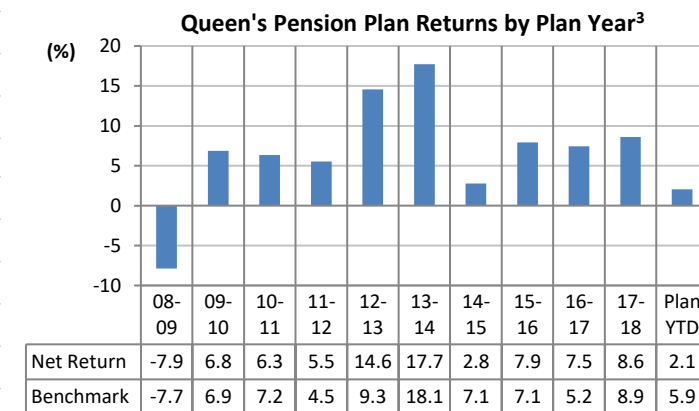
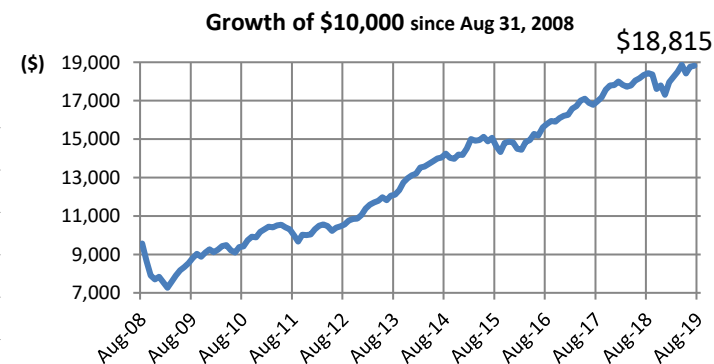
CAPITAL MARKET RETURNS (%) in CAD

	1 Month	1Year
S&P/TSX Composite Index	0.3	3.1
S&P 500	1.9	8.9
MSCI World Ex-Canada Net	1.0	4.6
FTSE Canada Universe Bond	0.2	8.3
91 Day T-Bills	0.2	1.7

INVESTMENT MANAGERS

ASSET CLASS/MANAGER BENCHMARK TARGET (%)

Canadian Equity			16.0
Burgundy Asset Management	S&P/TSX Composite Index		4.7
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		10.0
State Street Global Advisors	MSCI World Ex-Canada Net		27.0
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
Integrated Private Debt	FTSE Canada Universe Bond		2.0
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



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