

Queen's Pension Plan

Monthly Report



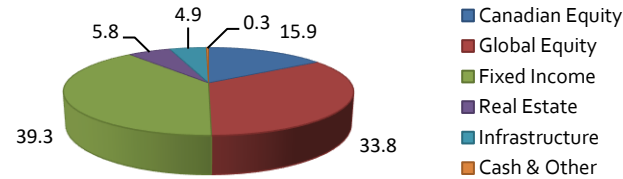
August 2019

FUND DETAILS

Total Assets (\$Mil)	2,150
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	2.3	6.5	7.9
Benchmark ²	0.3	6.2	6.9	8.0
Excess Return	0.0	-3.9	-0.4	-0.1

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 August, bringing the total return for the 2018-19 plan year to 2.3%. Most equity markets posted negative returns in August. The Canadian equity market stood out - the S&P/TSX Composite Index returned 0.4% (+17.1% YTD) with 7 out of 11 sectors posting positive returns. The top performing sectors were Information Technology (+7.7%), Materials (+5.8%) and Utilities (+4.8%). Health Care (-13.0%), Financials (-2.6%) and Industrials (-1.1%) detracted. In the U.S., the S&P 500 returned -1.6% in July, bringing the YTD return down to +18.3% (-0.4% and +15.1%, respectively, in Canadian dollar terms). Energy (-7.0%), Financials (-3.8%) and Materials (-1.7%) were the worst performers, whereas Utilities (+6.3%), Real Estate (+6.0%) and Consumer Staples (+2.9%) added value. Outside North America, the MSCI Emerging Markets Index dropped 4.9%, the MSCI EAFE Index lost 2.6% and the MSCI World Index declined 2.0% in local currency terms (-3.7%, -1.4% and -0.8% in Canadian dollar terms, respectively).

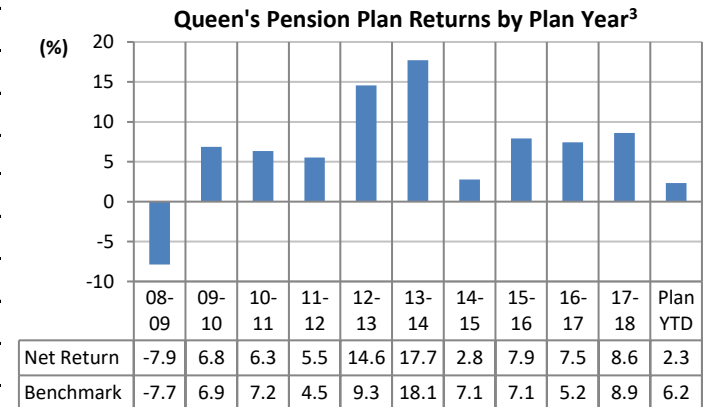
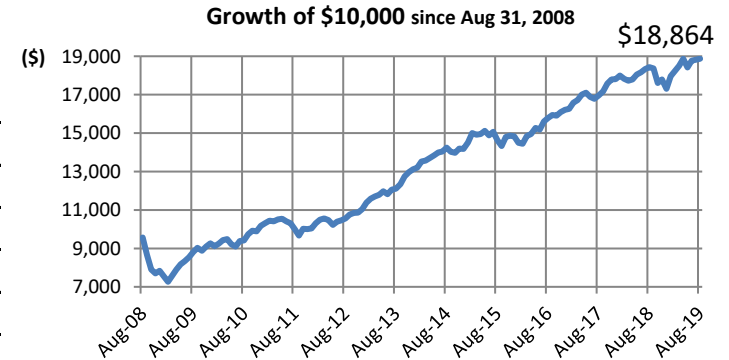
The FTSE Canada Universe Bond Index returned 1.9% in August as bond yields declined sharply and the Canadian yield curve further inverted. Two-year yields fell 20 basis points to 1.35% and ten-year yields dropped 33 basis points to 1.16%. The Provincial sector of the Index gained 2.5%, the Federal sector advanced 2.1% and the Corporate sector grew 1.2%. The Canadian dollar depreciated 1.1% against the U.S. dollar, closing the month at 75.2 cents U.S.

CAPITAL MARKET RETURNS (%) in CAD

	1 Month	1 Year
S&P/TSX Composite Index	0.4	4.4
S&P 500	-0.4	4.9
MSCI World Ex-Canada Net	-0.9	2.2
FTSE Canada Universe Bond	1.9	9.6
91 Day T-Bills	0.1	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