

# Queen's Pension Plan

## Monthly Report



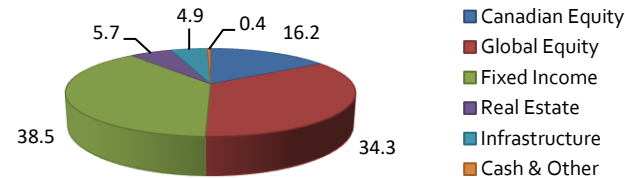
September 2019

### FUND DETAILS

Total Assets (\$Mil)	2,166
Total Fees (%) <sup>1</sup>	0.43
Currency Hedging Policy	50% of USD and EUR exposure is hedged to CAD

<sup>1</sup> Excluding performance-based fees

### CURRENT ASSET MIX (%)



### PERFORMANCE ANALYSIS (NET)

Annualized Returns (%)	1 Month	1 Year	4 Year	10 Year
Net Return	0.8	3.6	7.3	7.7
Benchmark <sup>2</sup>	0.6	7.6	7.5	7.8
Excess Return	0.2	-4.0	-0.2	-0.1

<sup>2</sup> Calculated as the target-weighted average of investment manager benchmarks

### MONTHLY COMMENTARY

The Queen's Pension Plan (QPP) returned 0.8% net of fees in September, which is the first month of the plan year. Equity markets were generally positive in September. The S&P/TSX Composite Index returned 1.7% (+19.1% YTD) with 5 out of 11 sectors posting positive returns. The top performing sectors were Financials (+6.8%), Energy (+5.6%) and Utilities (+3.3%). Health Care (-7.3%), Materials (-7.3%) and Information Technology (-7.1%) were the biggest detractors. In the U.S., the S&P 500 returned 1.9% in September, bringing the YTD return to +20.6% (+1.5% and +16.9%, respectively, in Canadian dollar terms). Financials (+4.2%), Utilities (+3.9%) and Energy (+3.4%) were the best performers, whereas Health Care (-0.6%) was the sole detractor. Outside North America, the MSCI EAFE Index returned 2.9%, the MSCI World Index gained 2.2% and the MSCI Emerging Markets Index advanced 1.9% in local currency terms (+2.5%, +1.8% and +1.6% in Canadian dollar terms, respectively).

The U.S. Federal Reserve cut the target interest rate by 25 basis points to 2.00% in September, whereas the Bank of Canada kept its overnight rate unchanged. The FTSE Canada Universe Bond Index returned -0.8% in September as bond yields increased. Two-year yields advanced 23 basis points to 1.58% and ten-year yields added 21 basis points to 1.37%. The Provincial sector of the Index decreased 1.0%, the Federal sector lost 0.9% and the Corporate sector declined 0.5%. The Canadian dollar appreciated 0.4% against the U.S. dollar, closing the month at 75.5 cents U.S.

### CAPITAL MARKET RETURNS (%) in CAD

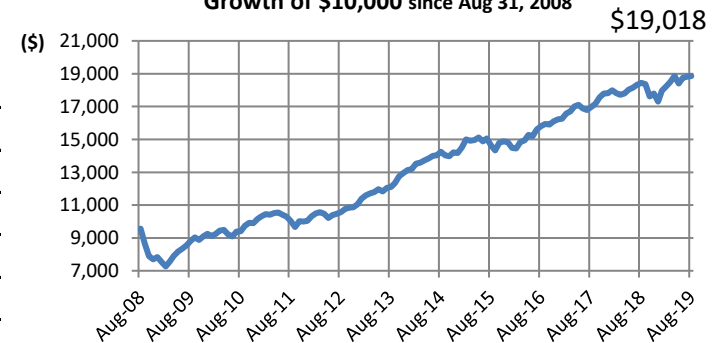
	1 Month	1 Year
S&P/TSX Composite Index	1.7	7.1
S&P 500	1.5	6.8
MSCI World Ex-Canada Net	1.8	4.3
FTSE Canada Universe Bond	-0.8	9.7
91 Day T-Bills	0.1	1.7

### INVESTMENT MANAGERS

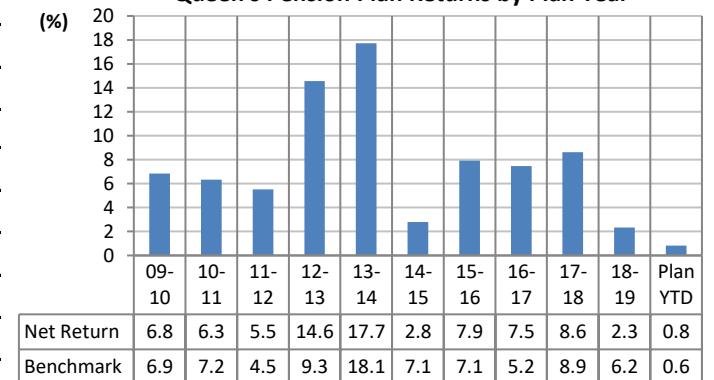
ASSET CLASS/MANAGER BENCHMARK TARGET (%)

ASSET CLASS/MANAGER	BENCHMARK	TARGET (%)
<b>Canadian Equity 16.0</b>		
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
<b>Global Equity 37.0</b>		
Orbis Investments	MSCI ACWI Net Index	5.0
State Street Global Advisors	MSCI World Ex-Canada Net	32.0
<b>Fixed Income 37.0</b>		
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
<b>Real Estate 5.0</b>		
OMERS (Oxford Properties)	FTSE EPRA/NAREIT Developed Index	5.0
<b>Infrastructure 5.0</b>		
OMERS (Infrastructure)	Dow Jones Brookfield Global Infra.	5.0

Growth of \$10,000 since Aug 31, 2008



Queen's Pension Plan Returns by Plan Year<sup>3</sup>



<sup>3</sup> Plan Year is from September 1st to August 31st