

Queen's Pension Plan

Monthly Report



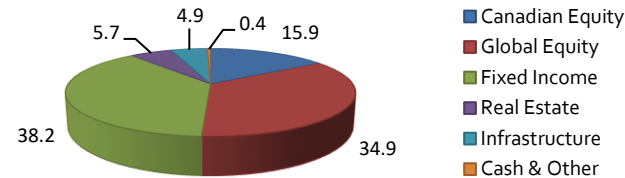
October 2019

FUND DETAILS

Total Assets (\$Mil)	2,171
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	0.5	3.6	5.4	7.5
Benchmark ²	0.5	12.0	7.1	8.1
Excess Return	0.0	-8.4	-1.7	-0.6

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

MONTHLY COMMENTARY

The Queen's Pension Plan (QPP) returned 0.5% net of fees in October, bringing the cumulative return for the 2019-20 plan year to 1.3%.

The S&P/TSX Composite Index returned -0.9% (+18.1% YTD) with only 3 out of 11 sectors posting positive returns - Materials (+2.9%), Industrials (+0.9%) and Financials (+0.4%). Health Care (-4.5%), Consumer Staples (-4.5%) and Energy (-4.3%) were the biggest detractors. In the U.S., the S&P 500 returned 2.2% in October, bringing the YTD return to +23.2% (+1.4% and +18.5%, respectively, in Canadian dollar terms). Health Care (+4.5%), Information Technology (+3.2%) and Communications (+2.4%) were the best performers. Outside North America, the MSCI Emerging Markets Index returned 4.2%, the MSCI EAFE Index gained 3.6% and the MSCI World Index advanced 2.6% in local currency terms (+3.5%, +2.8% and +1.8% in Canadian dollar terms, respectively).

The U.S. Federal Reserve cut its target interest rate by 25 basis points for the third time this year to 1.75%, whereas the Bank of Canada, again, kept its overnight rate unchanged. The FTSE Canada Universe Bond Index returned -0.2% in October as the Canadian yield curve became less inverted. Two-year yields decreased 6 basis points to 1.52% and ten-year yields increased 5 basis points to 1.42%. The Provincial sector of the Index decreased 0.4%, the Federal sector lost 0.1% and the Corporate sector was nearly flat. The Canadian dollar appreciated 0.6% against the U.S. dollar, closing the month at 76.0 cents U.S.

CAPITAL MARKET RETURNS (%) in CAD

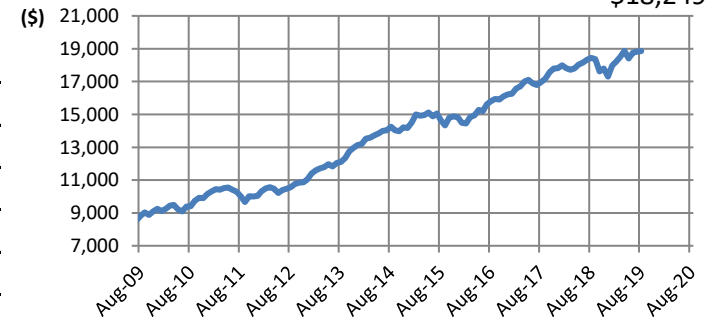
	1 Month	1 Year
S&P/TSX Composite Index	-0.9	13.3
S&P 500	1.4	14.4
MSCI World Ex-Canada Net	1.9	12.8
FTSE Canada Universe Bond	-0.2	10.2
91 Day T-Bills	0.1	1.7

INVESTMENT MANAGERS

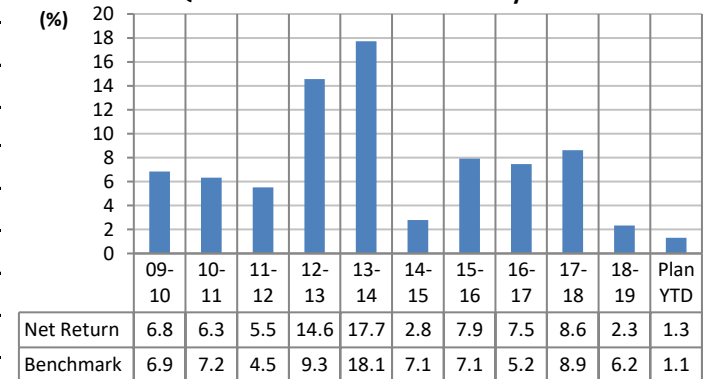
ASSET CLASS/MANAGER BENCHMARK TARGET (%)

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	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)	FTSE EPRA/NAREIT Developed Index	5.0
Infrastructure 5.0		
OMERS (Infrastructure)	Dow Jones Brookfield Global Infra.	5.0

Growth of \$10,000 since Aug 31, 2008 \$18,249



Queen's Pension Plan Returns by Plan Year³



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