

Queen's Pension Plan

Monthly Report



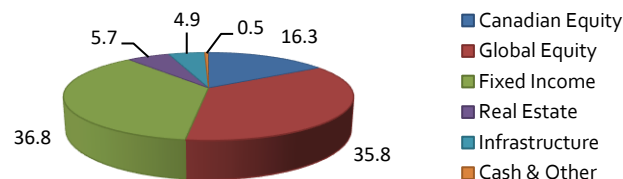
December 2019

FUND DETAILS

Total Assets (\$Mil)	2,223
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	0.4	13.5	7.3	7.8
Benchmark ²	-0.1	15.6	7.4	7.9
Excess Return	0.5	-2.1	-0.1	-0.1

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

MONTHLY COMMENTARY

The Queen's Pension Plan (QPP) returned 0.4% net of fees in December, bringing the cumulative net return for the 2019-20 plan year to 4.1%.

Most equity markets continued to advance in December. The S&P/TSX Composite Index returned +0.5% (+22.9% in 2019) with 5 out of 11 sectors posting positive returns. Energy (+6.3%), Materials (+4.9%) and Information Technology (+3.2%) were the best performers. Consumer Staples was the biggest detractor (-5.0%). In the U.S., the S&P 500 was up +3.0% in December and returned +31.5% for the full year (+0.6% and +24.8%, respectively, in Canadian dollar terms). Ten out of 11 sectors posted positive returns. Energy (+5.8%), Information Technology (+4.4%) and Utilities (+3.1%) were the best performers. The only sector to post a negative return was Industrials (-0.2%). Outside North America, the MSCI Emerging Markets Index returned 5.8%, the MSCI World Index gained 2.3% and the MSCI EAFE Index advanced 1.4% in local currency terms (+5.0%, +0.6% and +0.8% in Canadian dollar terms, respectively).

The FTSE Canada Universe Bond Index returned -1.2% in December, following an increase in bond yields across the curve. Two-year yields advanced 11 basis points to 1.69% and ten-year yields surged 24 basis points to 1.70%. The Provincial sector of the Index decreased 1.8%, the Federal sector lost 1.1% and the Corporate sector declined 0.5%. The Canadian dollar appreciated 2.3% against the U.S. dollar, closing the month at 77.0 cents U.S.

CAPITAL MARKET RETURNS (%) in CAD

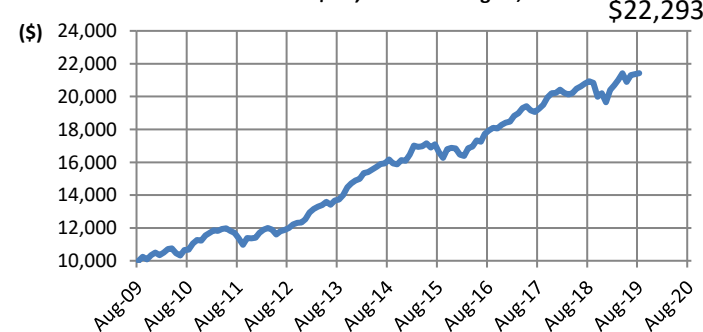
	1 Month	1 Year
S&P/TSX Composite Index	0.5	22.9
S&P 500	0.6	24.8
MSCI World Ex-Canada Net	0.6	21.2
FTSE Canada Universe Bond	-1.2	6.9
91 Day T-Bills	0.2	1.7

INVESTMENT MANAGERS

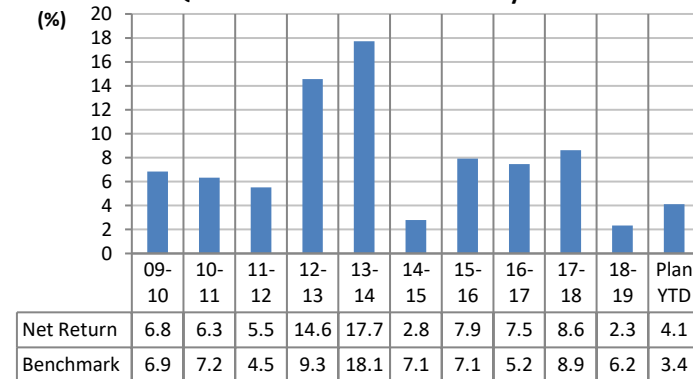
ASSET CLASS/MANAGER BENCHMARK TARGET (%)

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	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, 2009



Queen's Pension Plan Returns by Plan Year³



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