

# Queen's Pension Plan

## Monthly Report



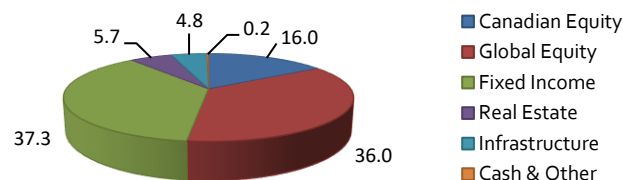
January 2020

### FUND DETAILS

Total Assets (\$Mil)	2,244
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	1.0	10.4	8.2	8.1
Benchmark <sup>2</sup>	1.8	13.9	8.3	8.3
Excess Return	-0.8	-3.5	-0.1	-0.2

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

### MONTHLY COMMENTARY

The Queen's Pension Plan (QPP) returned 1.0% net of fees in January, bringing the cumulative net return for the 2019-20 plan year to 5.2%.

Equity markets posted mixed returns in January. The S&P/TSX Composite Index returned +1.5% with 7 out of 11 sectors posting positive returns. Information Technology (+9.4%), Utilities (+7.6%) and Industrials (+4.5%) were the best performers. Health Care was the biggest detractor (-2.6%). In the U.S., the S&P 500 was nearly flat in January (+2.0% in Canadian dollar terms). Six out of 11 sectors posted positive returns. Utilities (+6.6%) and Information Technology (+3.9%) were the best performers. Energy was the worst performing sector (-11.2%). Outside North America, the MSCI World Index declined 0.2%, the MSCI EAFE Index lost 1.2% and the MSCI Emerging Markets Index dropped 3.3% in local currency terms (+1.4%, -0.1% and -2.8% in Canadian dollar terms, respectively).

The FTSE Canada Universe Bond Index gained 2.9% in January as bond yields fell and the yield curve inverted. Two-year yields declined 26 basis points to 1.43% and ten-year yields plummeted 43 basis points to 1.27%. The Provincial sector of the Index gained 3.6%, the Corporate sector advanced 2.7% and the Federal sector rose 2.6%. The Canadian dollar depreciated 1.8% against the U.S. dollar, closing the month at 75.6 cents U.S.

### CAPITAL MARKET RETURNS (%) in CAD

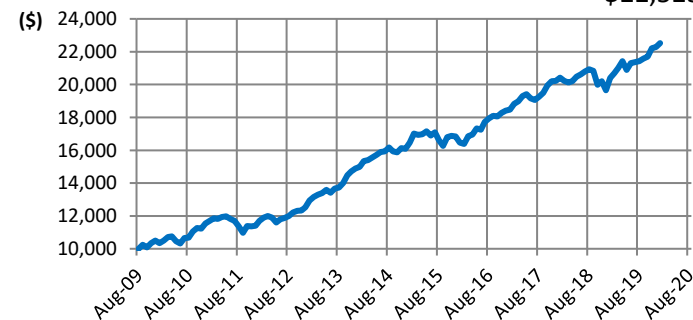
	1 Month	1 Year
S&P/TSX Composite Index	1.7	15.0
S&P 500	2.0	22.5
MSCI World Ex-Canada Net	1.4	18.8
FTSE Canada Universe Bond	2.9	8.5
91 Day T-Bills	0.1	1.7

### INVESTMENT MANAGERS

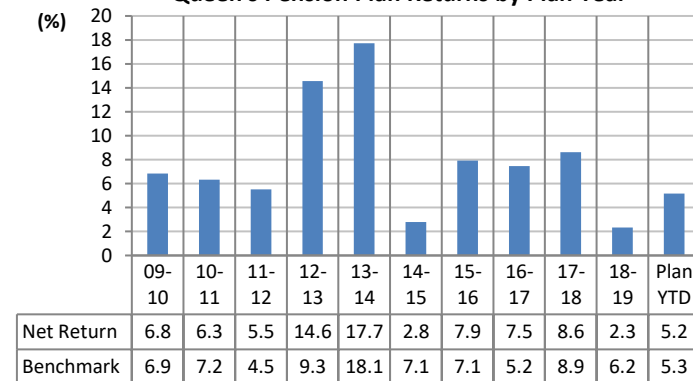
ASSET CLASS/MANAGER      BENCHMARK      TARGET (%)

<b>Canadian Equity</b>		<b>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</b>		<b>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</b>		<b>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
Fiera Private Debt	FTSE Canada Universe Bond	2.0
<b>Real Estate</b>		<b>5.0</b>
OMERS (Oxford Properties)	MSCI/REALPAC	5.0
<b>Infrastructure</b>		<b>5.0</b>
OMERS (Infrastructure)	Canadian CPI + 4%	5.0

Growth of \$10,000 since Aug 31, 2009      \$22,523



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



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