

# Queen's Pension Plan

## Monthly Report



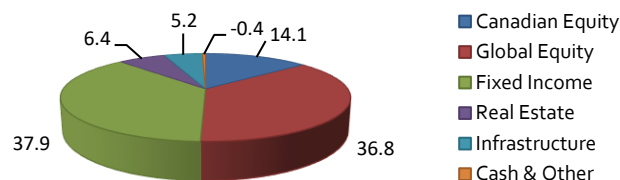
March 2020

### FUND DETAILS

Total Assets (\$Mil)	1,985
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	-8.2	-4.9	4.3	6.4
Benchmark <sup>2</sup>	-6.6	-0.7	5.3	6.8
Excess Return	-1.6	-4.2	-1.0	-0.4

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

### MONTHLY COMMENTARY

The Queen's Pension Plan (QPP) returned -8.2% net of fees in March, bringing the cumulative net return for the 2019-20 plan year to -6.7%.

Equities plunged in March with the S&P/TSX Composite Index down 17.4%. While all 11 sectors posted negative returns, Energy (-31.5%), Real Estate (-29.6%) and Consumer Discretionary (-26.1%) were the largest detractors. In the U.S., the S&P 500 lost 12.4% (-7.1% in Canadian dollar terms) and all 11 sectors posted negative returns. The worst performing sectors were Energy (-35.0%) and Financials (-21.5%). Outside North America, the MSCI Emerging Markets Index declined 12.9%, the MSCI World Index lost 12.8% and the MSCI EAFE Index dropped 12.4% in local currency terms (-10.3%, -7.9% and -8.0% in Canadian dollar terms, respectively).

The Bank of Canada cut its overnight rate three times during the month by a total of 150 basis points to 0.25%. The U.S. Federal Reserve made two rate cuts by the same total to a range of 0 - 0.25%. The FTSE Canada Universe Bond Index lost 2.0% despite sharp declines in bond yields. Two-year yields declined 72 basis points to 0.42% and ten-year yields decreased 41 basis points to 0.71%. The Federal sector of the Index gained 1.6%, the Provincial sector declined 2.8% and the Corporate sector dropped 5.4%. The Canadian dollar depreciated 5.3% against the U.S. dollar, closing the month at 70.5 cents U.S.

### CAPITAL MARKET RETURNS (%) in CAD

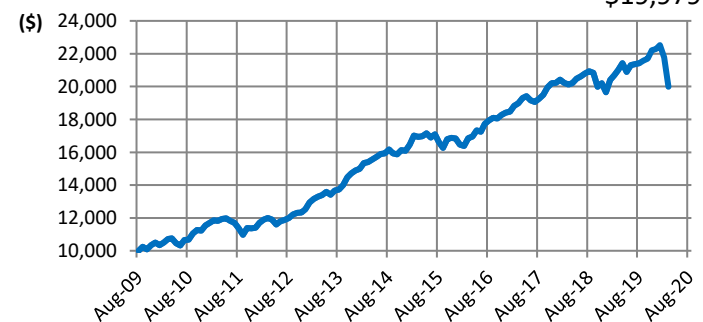
	1 Month	1 Year
S&P/TSX Composite Index	-17.4	-14.2
S&P 500	-7.1	-0.9
MSCI World Ex-Canada Net	-7.7	-4.2
FTSE Canada Universe Bond	-2.0	4.5
91 Day T-Bills	0.4	1.9

### INVESTMENT MANAGERS

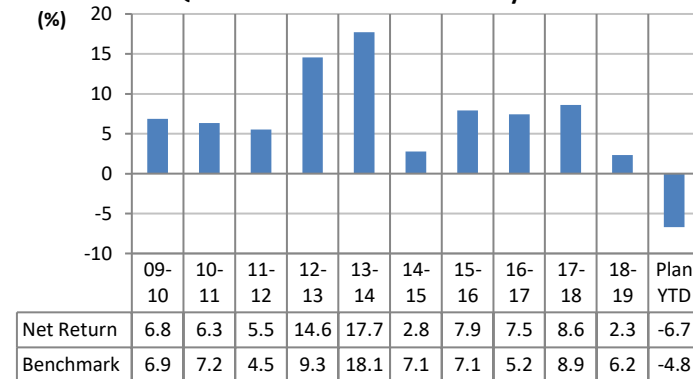
ASSET CLASS/MANAGER BENCHMARK TARGET (%)

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

### Growth of \$10,000 since Aug 31, 2009



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



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