

Queen's Pension Plan

Monthly Report



May 2020

FUND DETAILS

Total Assets (\$Mil)	2,143
Total Fees (%) ¹	0.43
Currency Hedging Policy	50% of USD and EUR exposure is hedged to CAD

¹ Excluding performance-based fees

MONTHLY COMMENTARY

The Queen's Pension Plan (QPP) returned 1.8% net of fees in May, bringing the cumulative net return for the 2019-20 plan year to 1.1%.

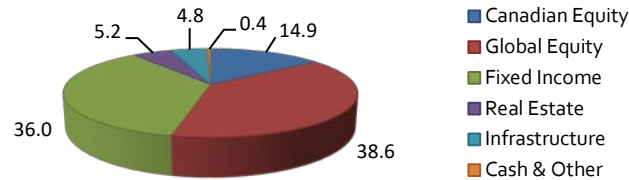
Equity markets continued to rebound in May and the S&P/TSX Composite Index advanced 3.0%. All 11 sectors posted positive returns with Information Technology (+14.6%), Consumer Discretionary (+8.4%) and Health Care (+5.6%) the top performing sectors. Real Estate (+0.2%), Utilities (+0.6%) and Financials (+0.7%) were the worst performers. In the U.S., the S&P 500 returned 4.8% (+4.3% in Canadian dollar terms) and all 11 sectors posted positive returns. The best performing sectors were Information Technology (+7.1%), Materials (+7.0%) and Communication Services (+6.0%). Outside North America, the MSCI World Index advanced 4.8%, the MSCI EAFE Index gained 4.1% and the MSCI Emerging Markets Index increased 0.7% in local currency terms (+4.4%, +3.9% and +0.3% in Canadian dollar terms, respectively).

The FTSE Canada Universe Bond Index returned 0.3% as bond yields were largely unchanged. Two-year yields slipped 2 basis points to 0.28% and ten-year yields lost 1 basis point, down to 0.53%. The Corporate sector of the Index gained 0.6%, while the Federal and Provincial sectors each advanced 0.2%. The Canadian dollar appreciated 0.9% against the U.S. dollar, closing the month at 72.5 cents U.S.

CAPITAL MARKET RETURNS (%) in CAD

	1 Month	1Year
S&P/TSX Composite Index	3.0	-2.1
S&P 500	4.3	15.4
MSCI World Ex-Canada Net	4.4	9.7
FTSE Canada Universe Bond	0.3	7.1
91 Day T-Bills	0.1	1.7

CURRENT ASSET MIX (%)



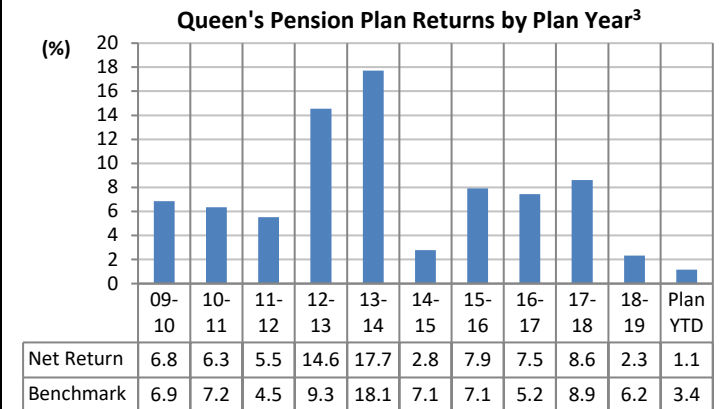
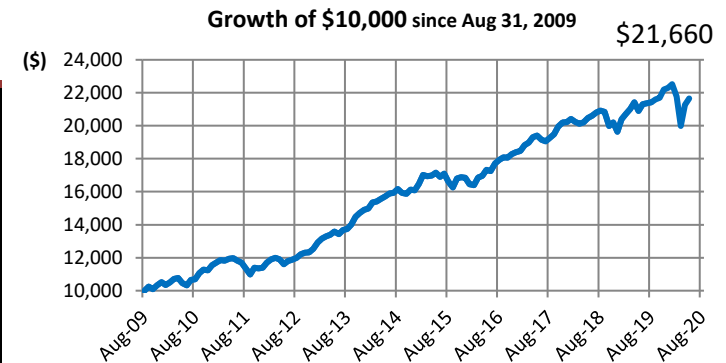
INVESTMENT MANAGERS

ASSET CLASS/MANAGER	BENCHMARK	TARGET (%)
Canadian Equity 16.0		
Burgundy Asset Management	S&P/TSX Composite Index	4.6
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)	MSCI/REALPAC	5.0
Infrastructure 5.0		
OMERS (Infrastructure)	Canadian CPI + 4%	5.0

PERFORMANCE ANALYSIS (NET)

Annualized Returns (%)	1 Month	1 Year	4 Year	10 Year
Net Return	1.8	3.6	5.7	7.5
Benchmark ²	2.3	6.2	6.9	7.9
Excess Return	-0.5	-2.6	-1.2	-0.4

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



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