Queen's Pension Plan
Monthly Report
May 2020

FUND DETAILS

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

CURRENT ASSET MIX (%)

Canadian Equity 36.0
Global Equity 5.2
Fixed Income 4.8
Real Estate 0.4
Infrastructure 14.9
Cash & Other 38.6

PERFORMANCE ANALYSIS (NET)

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

INVESTMENT MANAGERS

ASSET CLASS/MANAGER BENCHMARK TARGET (%)

Canadian Equity
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
Orbis Investments MSCI ACWI Net Index 5.0
State Street Global Advisors MSCI World Ex-Canada Net 32.0

Fixed Income
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

INCOME/Other
OMERS (Oxford Properties) MSCI/REALPAC 5.0

INFRASTRUCTURE
OMERS (Infrastructure) Canadian CPI + 4% 5.0

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 performers. 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 1 Year
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

Growth of $10,000 since Aug 31, 2009

Plan YTD
Queen’s Pension Plan Returns by Plan Year

Net Return
Benchmark 6.8 6.3 5.5 14.6 17.7 2.8 7.9 7.5 8.6 2.3 1.1

PLAN YTD

Department of Investment Services

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