

# Queen's Pension Plan

## Monthly Report



June 2020

### FUND DETAILS

Total Assets (\$Mil)	2,177
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

### MONTHLY COMMENTARY

The Queen's Pension Plan (QPP) returned 1.7% net of fees in June, bringing the cumulative net return for the 2019-20 plan year to 2.8%.

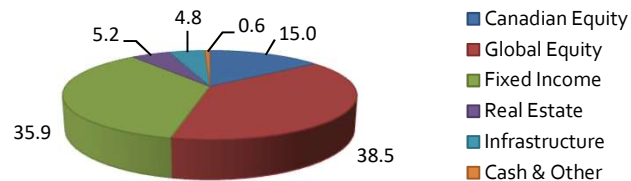
Most equity markets closed the quarter with positive June returns. The S&P/TSX Composite Index advanced 2.5%. Six out of 11 sectors posted positive returns with Information Technology (+13.5%), Materials (+4.3%) and Financials (+3.4%) the top performing sectors. Energy (-5.3%), Communication Services (-3.6%) and Health Care (-3.5%) were the worst performers. In the U.S., the S&P 500 returned 2.0% (+0.5% in Canadian dollar terms) and five out of 11 sectors posted positive returns. The best performing sectors were Information Technology (+7.1%) and Consumer Discretionary (+4.9%). Outside North America, the MSCI Emerging Markets Index advanced 6.7%, the MSCI EAFE Index gained 2.7% and the MSCI World Index increased 2.4% in local currency terms (+5.8%, +1.9% and +1.2% in Canadian dollar terms, respectively).

The FTSE Canada Universe Bond Index returned 1.7% as bond yields were largely unchanged. Two-year yields closed the month flat at 0.28% and ten-year yields fell 1 basis point to 0.52%. The Corporate sector of the Index gained 2.6%, the Provincial sector advanced 2.1% and the Federal sector rose 0.5%. The Canadian dollar appreciated 1.2% against the U.S. dollar, closing the month at 73.4 cents U.S.

### CAPITAL MARKET RETURNS (%) in CAD

	1 Month	1 Year
S&P/TSX Composite Index	2.5	-2.2
S&P 500	0.5	12.1
MSCI World Ex-Canada Net	1.1	7.6
FTSE Canada Universe Bond	1.7	7.9
91 Day T-Bills	0.0	1.6

### CURRENT ASSET MIX (%)



### INVESTMENT MANAGERS

ASSET CLASS/MANAGER	BENCHMARK	TARGET (%)
<b>Canadian Equity 16.0</b>		
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
<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

### PERFORMANCE ANALYSIS (NET)

Annualized Returns (%)	1 Month	1 Year	4 Year	10 Year
Net Return	1.7	3.4	6.3	7.9
Benchmark <sup>2</sup>	1.5	5.8	7.3	8.2
Excess Return	0.2	-2.4	-1.0	-0.3

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

