Queen's Pension Plan
Monthly Report

August 2020

FUND DETAILS

Total Assets ($Mil) 2,272
Total Fees (%) 0.43
Currency Hedging Policy 50% of USD and EUR

CURRENT ASSET MIX (%)

Canadian Equity 4.6
Global Equity 15.5
Fixed Income 35.0
Real Estate 39.1
Real Estate 15.5
Cash & Other 5.1

PERFORMANCE ANALYSIS (NET)

Annualized Returns (%) 1 Month 1 Year 4 Year 10 Year
Net Return 2.2 7.7 6.5 8.0
Benchmark 1.4 8.9 7.3 8.2
Excess Return 0.8 -1.2 -0.8 -0.2

INVESTMENT MANAGERS

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

Real Estate
OMERS (Oxford Properties) MSCI/REALPAC 5.0

Infrastructure
OMERS (Infrastructure) Canadian CPI + 4% 5.0

INVESTMENT MANAGERS

The Queen's Pension Plan (QPP) returned 2.2% net of fees in August, bringing the total return for the 2019-20 plan year to 7.7%. Equity markets were generally higher in August as stocks continued to rally off of pandemic lows. The S&P/TSX Composite Index advanced 2.4% with six out of 11 sectors posting positive returns. Financials (+6.7%) and Industrials (+4.2%) were the top performing sectors while Health Care (-7.5%) and Consumer Staples (-4.7%) were the worst performers. In the U.S., the S&P 500 returned 7.2% (+4.3% in Canadian dollar terms) and eight out of 11 sectors posted positive returns. The best performing sectors were Information Technology (+11.8%) and Consumer Discretionary (+9.4%), whereas Utilities was the biggest detractor (-3.3%). Outside North America, the MSCI World Index advanced 6.3%, the MSCI EAFE Index gained 4.1% and the MSCI Emerging Markets Index increased 2.2% in local currency terms (+3.8%, +2.3% and -0.6% in Canadian dollar terms, respectively).

The FTSE Canada Universe Bond Index declined -1.1% as bond yields increased and the yield curve steepened. Two-year yields went up 2 basis points to 0.28% and ten-year yields rose 17 basis points to 0.63%. The Corporate sector of the Index lost 0.9%, the Federal sector decreased 0.9% and the Provincial sector fell 1.8%. The Canadian dollar appreciated 2.8% against the U.S. dollar, closing the month at 76.7 cents U.S.

The Queen's Pension Plan Returns by Plan Year

<table>
<thead>
<tr>
<th>Plan Year</th>
<th>09-10</th>
<th>10-11</th>
<th>11-12</th>
<th>12-13</th>
<th>13-14</th>
<th>14-15</th>
<th>15-16</th>
<th>16-17</th>
<th>17-18</th>
<th>18-19</th>
<th>19-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Return</td>
<td>6.8</td>
<td>6.3</td>
<td>5.5</td>
<td>14.6</td>
<td>17.7</td>
<td>2.8</td>
<td>7.9</td>
<td>7.5</td>
<td>8.6</td>
<td>2.3</td>
<td>7.7</td>
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<tr>
<td>Benchmark</td>
<td>6.9</td>
<td>7.2</td>
<td>4.5</td>
<td>9.3</td>
<td>18.1</td>
<td>7.1</td>
<td>7.1</td>
<td>5.2</td>
<td>8.9</td>
<td>6.2</td>
<td>8.9</td>
</tr>
</tbody>
</table>

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

Department of Investment Services

3 Excluding performance-based fees

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