

# Queen's Pension Plan

## Monthly Report



August 2020

### FUND DETAILS

Total Assets (\$Mil)	2,272
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

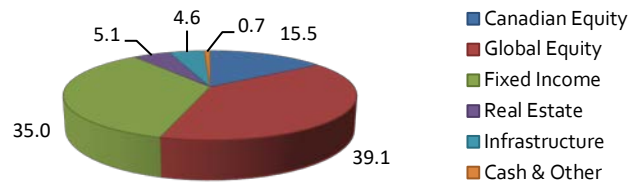
The Queen's Pension Plan (QPP) returned 2.2% net of fees in August, bringing the total return for the 2019-20 plan year to 7.7%. Equity markets were generally higher in August as stocks continued to rally off of pandemic lows. The S&P/TSX Composite Index advanced 2.4% with six out of 11 sectors posting 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 (-3.1%). 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 0.5%, 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.

### CAPITAL MARKET RETURNS (%) in CAD

	1 Month	1 Year
S&P/TSX Composite Index	2.4	3.8
S&P 500	4.3	19.6
MSCI World Ex-Canada Net	3.8	15.0
FTSE Canada Universe Bond	-1.1	5.9
91 Day T-Bills	0.0	1.4

### CURRENT ASSET MIX (%)



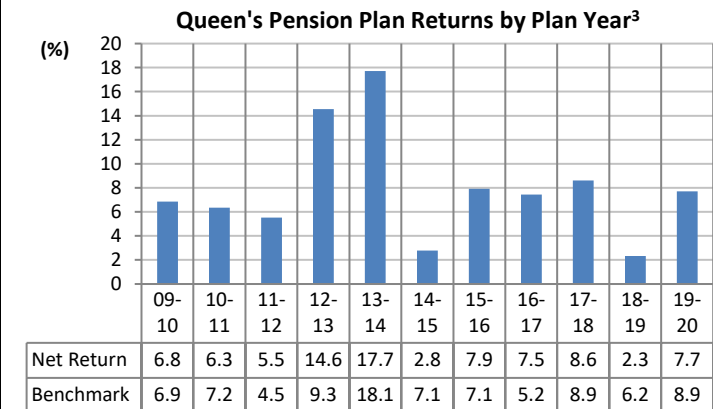
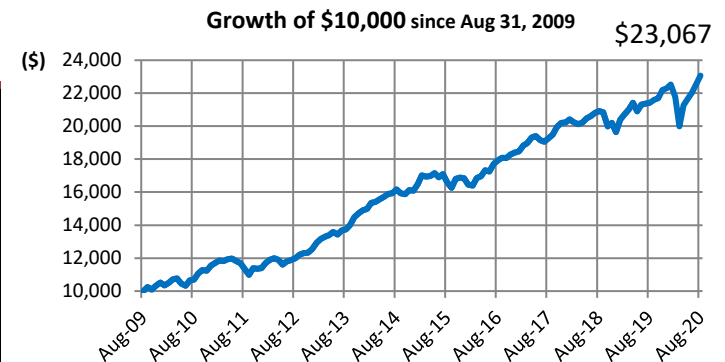
### INVESTMENT MANAGERS

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	2.2	7.7	6.5	8.0
Benchmark <sup>2</sup>	1.4	8.9	7.3	8.2
Excess Return	0.8	-1.2	-0.8	-0.2

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



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