The Queen’s Pension Plan (QPP) returned -0.8% net of fees in September, which is the first month of the plan year. Global equity markets’ recovery from the pandemic took a pause in September with stocks giving back some of their gains. The S&P/TSX Composite Index declined 2.1% as six out of 11 sectors posted negative returns. Energy (-11.7%), Health Care (-8.6%) and Financials (-7.7%) were the largest detractors while Consumer Staples (+7.3%), Utilities (+6.0%) and Industrials (+2.9%) were the best performers. In the U.S., the S&P 500 fell 3.8% (-1.4% in Canadian dollar terms) and only two out of 11 sectors posted positive returns: Materials advanced 1.1% and Utilities gained 0.8%. The worst performing sector was Energy (-14.6%). Outside North America, the MSCI World Index declined 2.9%, the MSCI Emerging Markets Index lost 1.6% and the MSCI EAFE Index decreased 1.0% in local currency terms (-1.0%, +0.9% and -0.1% in Canadian dollar terms, respectively).

The FTSE Canada Universe Bond Index advanced 0.3% as bond yields decreased across the yield curve. Two-year yields fell 3 basis points to 0.25% and ten-year yields declined 6 basis points to 0.57%. The Provincial and Federal sectors of the Index gained 0.4% each and the Corporate sector was nearly flat. The Canadian dollar depreciated 2.2% against the U.S. dollar, closing the month at 75.0 cents U.S.

### Monthly Commentary

**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, Brousseau & 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%

**Currency Hedging Policy**

- 50% of USD and EUR exposure is hedged to CAD

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1 Excluding performance-based fees

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

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