

Queen's Pension Plan

Monthly Report



September 2020

FUND DETAILS

Total Assets (\$Mil)	2,250
Total Fees (%) ¹	0.43
Currency Hedging Policy	50% of USD and EUR exposure is hedged to CAD

¹ Excluding performance-based fees

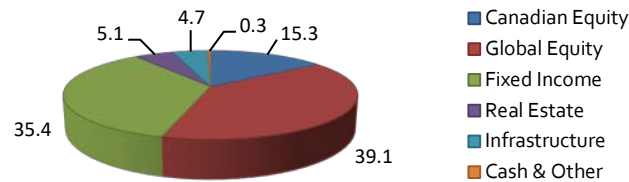
MONTHLY COMMENTARY

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 (-3.7%) 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.

CAPITAL MARKET RETURNS (%) in CAD

	1 Month	1 Year
S&P/TSX Composite Index	-2.1	0.0
S&P 500	-1.4	16.2
MSCI World Ex-Canada Net	-1.0	11.9
FTSE Canada Universe Bond	0.3	7.1
91 Day T-Bills	0.0	1.3

CURRENT ASSET MIX (%)



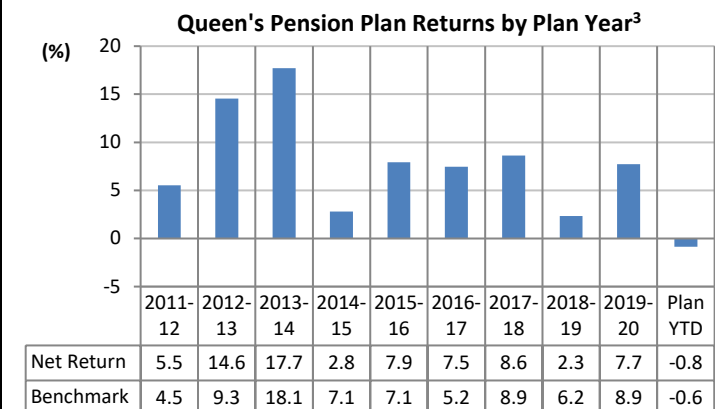
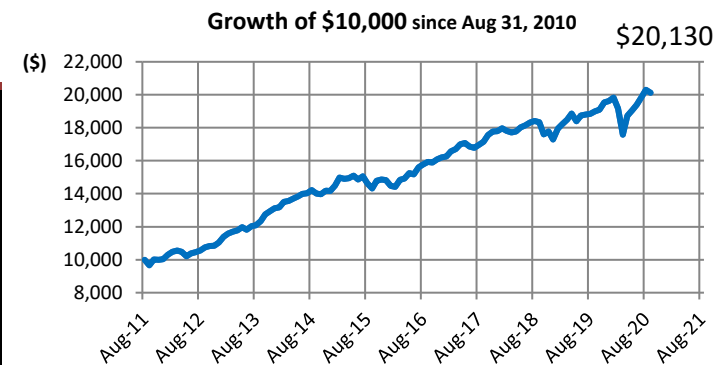
INVESTMENT MANAGERS

ASSET CLASS/MANAGER	BENCHMARK	TARGET (%)
Canadian Equity 16.0		
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 37.0		
Orbis Investments	MSCI ACWI Net Index	5.0
State Street Global Advisors	MSCI World Ex-Canada Net	32.0
Fixed Income 37.0		
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 5.0		
OMERS (Oxford Properties)	MSCI/REALPAC	5.0
Infrastructure 5.0		
OMERS (Infrastructure)	Canadian CPI + 4%	5.0

PERFORMANCE ANALYSIS (NET)

Annualized Returns (%)	1 Month	1 Year	4 Year	10 Year
Net Return	-0.8	6.8	6.3	7.6
Benchmark ²	-0.6	7.6	7.0	7.8
Excess Return	-0.2	-0.8	-0.7	-0.2

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



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