

Queen's Pension Plan

Monthly Report



October 2020

FUND DETAILS

Total Assets (\$Mil)	2,211
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 -1.6% net of fees in October, bringing the cumulative net return for the 2020-2021 plan year to -2.4%.

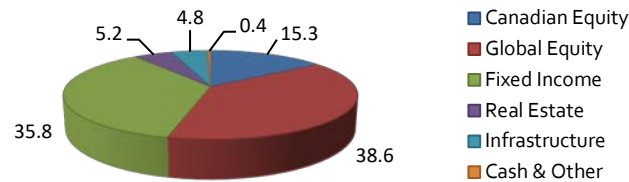
Equity markets posted losses in October as COVID-19 infections surged in Canada and globally, sparking fears of lockdowns and a slower economic rebound. The S&P/TSX Composite Index declined 3.1% as ten out of 11 sectors posted negative returns. Information Technology (-8.7%), Consumer Staples (-7.5%) and Energy (-4.6%) were the worst performers while Health Care (+7.4%) was the only sector to post a positive return. In the U.S., the S&P 500 fell 2.7% (-2.8% in Canadian dollar terms) and two sectors posted positive returns - Utilities (+5.0%) and Communication Services (+0.8%). The worst performing sector was Information Technology (-5.1%). Outside North America, the MSCI EAFE Index declined 3.9%, the MSCI World Index lost 3.0% and the MSCI Emerging Markets Index gained 1.5% in local currency terms (-4.2%, -3.2% and +1.9% in Canadian dollar terms, respectively).

The FTSE Canada Universe Bond Index declined 0.8% as bond yields increased and the yield curve steepened. Two-year yields rose 1 basis point to 0.26% and ten-year yields increased 9 basis points to 0.66%. The Federal sector of the Index decreased 0.5%, the Corporate sector lost 0.6% and the Provincial sector fell 1.1%. The Canadian dollar appreciated 0.2% against the U.S. dollar, closing the month at 75.1 cents U.S.

CAPITAL MARKET RETURNS (%) in CAD

	1 Month	1 Year
S&P/TSX Composite Index	-3.1	-2.3
S&P 500	-2.8	11.3
MSCI World Ex-Canada Net	-3.2	6.3
FTSE Canada Universe Bond	-0.8	6.5
91 Day T-Bills	0.0	1.1

CURRENT ASSET MIX (%)



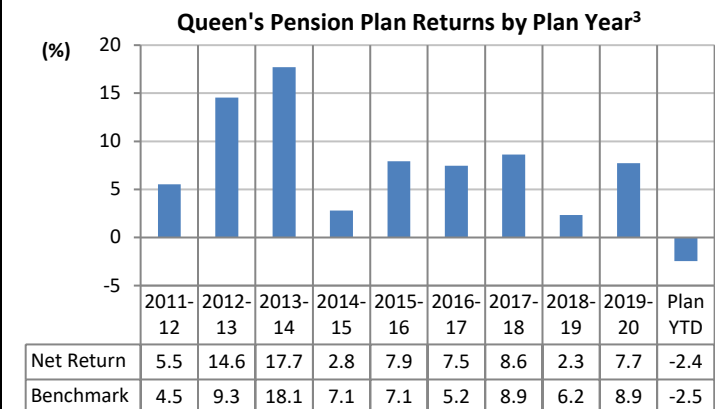
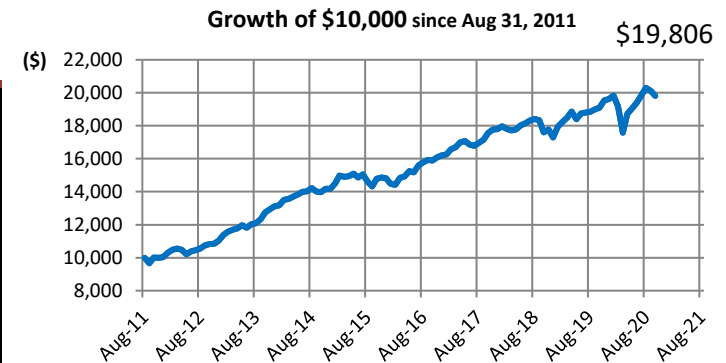
INVESTMENT MANAGERS

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	-1.6	3.7	5.7	7.2
Benchmark ²	-1.9	5.0	6.5	7.4
Excess Return	0.3	-1.3	-0.8	-0.2

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



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