

Queen's Pension Plan

Monthly Report



Queen's
UNIVERSITY

December 2020

FUND DETAILS

Total Assets (\$Mil)	2,405
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 2.0% net of fees in December, bringing the cumulative net return for the 2020-2021 plan year to 6.4%.

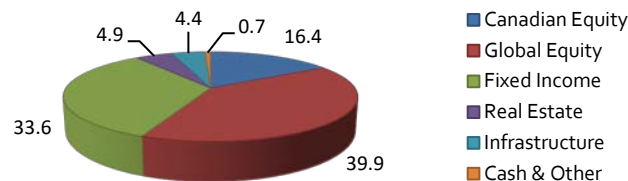
Equities finished the year on a strong note with gains in all major markets. The S&P/TSX Composite Index returned 1.7% (+5.6% for the year) as seven out of 11 sectors posted positive returns. Consumer Discretionary (+5.8%), Materials (+3.2%) and Information Technology (+3.1%) were the best performers while Health Care (-10.3%), Real Estate (-2.5%) and Communication Services (-0.7%) were the bottom three performing sectors. In the U.S., the S&P 500 gained 3.8% in December and 18.4% in 2020 (+2.1% and +16.3% in Canadian dollar terms). All sectors posted positive returns with Financials (+6.3%), Information Technology (+5.7%) and Energy (+4.4%) the best performers. Outside North America, the MSCI Emerging Markets Index climbed 6.1%, the MSCI World Index gained 3.5% and the MSCI EAFE Index advanced 2.5% in local currency terms (+5.6%, +2.5% and +2.9% in Canadian dollar terms, respectively).

The FTSE Canada Universe Bond Index returned 0.4% for the month (+8.7% in 2020) as the short end of the yield curve declined. Two-year yields lost 5 basis points to 0.20% and ten-year yields closed flat at 0.67%. The Corporate sector of the Index advanced 0.7%, the Provincial sector rose 0.4% and the Federal sector was flat. The Canadian dollar appreciated 1.8% against the U.S. dollar, closing the month at 78.5 cents U.S.

CAPITAL MARKET RETURNS (%) in CAD

	1 Month	1 Year
S&P/TSX Composite Index	1.7	5.6
S&P 500	2.1	16.3
MSCI World Ex-Canada Net	2.5	14.2
FTSE Canada Universe Bond	0.4	8.7
91 Day T-Bills	0.0	0.9

CURRENT ASSET MIX (%)



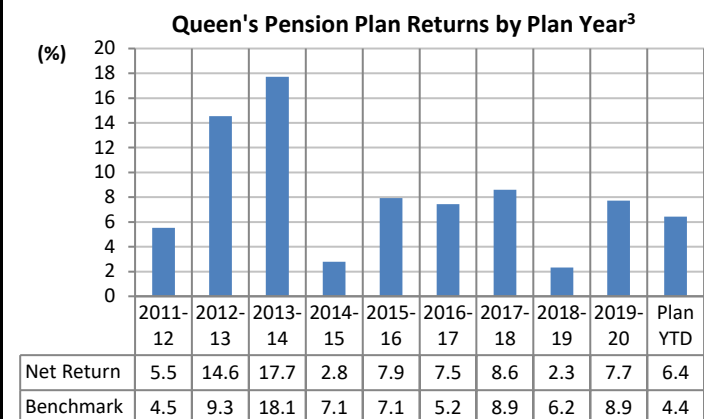
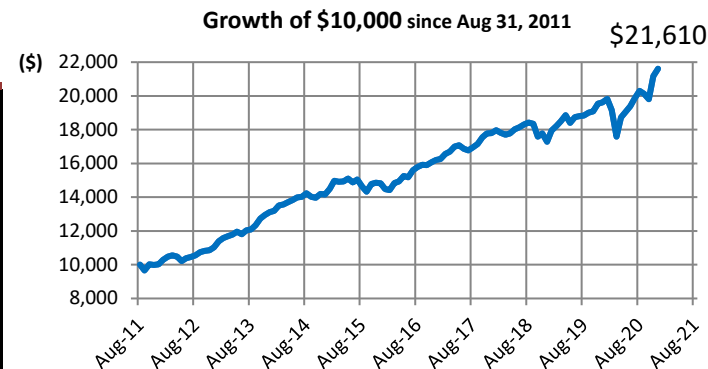
INVESTMENT MANAGERS

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	2.0	10.1	7.5	7.8
Benchmark ²	1.4	10.0	8.0	7.9
Excess Return	0.6	0.1	-0.5	-0.1

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



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