

# Queen's Pension Plan

## Monthly Report



June 2021

### FUND DETAILS

Total Assets (\$Mil)	2,551
Total Fees (%) <sup>1</sup>	0.37
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 1.8% net of fees in June, bringing the cumulative net return for the 2020-2021 plan year to 13.9%.

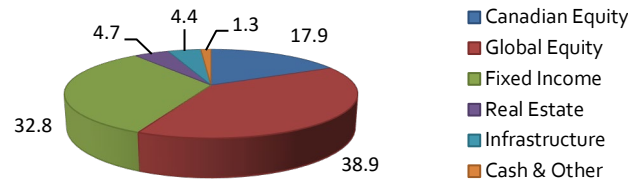
Equity markets maintained positive momentum in June, supported by the economic reopening and increasing consumer spending. The S&P/TSX Composite Index advanced 2.5% with ten out of 11 sectors posting positive returns. Information Technology (+18.9%) was the best performing sector, followed by Energy (+5.8%) and Real Estate (+3.9%) while Materials (-6.4%) was the only sector to post a negative return. In the U.S., the S&P 500 returned 2.3% (+4.9% in Canadian dollar terms). Six out of 11 sectors posted positive returns with Information Technology (+6.9%), Energy (+4.5%) and Consumer Discretionary (+3.8%) the best performers. Outside North America, the MSCI World Index gained 2.4%, the MSCI EAFE Index advanced 1.4% and the MSCI Emerging Markets Index rose 0.9% in local currency terms (+4.1%, +1.4% and +2.7% in Canadian dollar terms, respectively).

The FTSE Canada Universe Bond Index returned 1.0% as the Canadian yield curve flattened. Two-year yields gained 13 basis points to 0.45% and ten-year yields lost 10 basis points to 1.39%. The Provincial sector of the Index advanced 1.5%, the Corporate sector gained 0.8% and the Federal sector rose 0.5%. The Canadian dollar depreciated 2.6% against the U.S. dollar, closing the month at 80.7 cents U.S.

### CAPITAL MARKET RETURNS (%) in CAD

	1 Month	1 Year
S&P/TSX Composite Index	2.5	33.9
S&P 500	4.9	28.0
MSCI World Ex-Canada Net	4.1	26.2
FTSE Canada Universe Bond	1.0	-2.4
91 Day T-Bills	0.0	0.2

### CURRENT ASSET MIX (%)



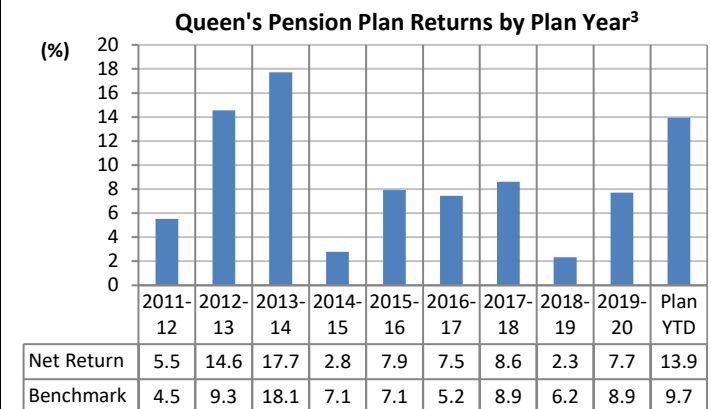
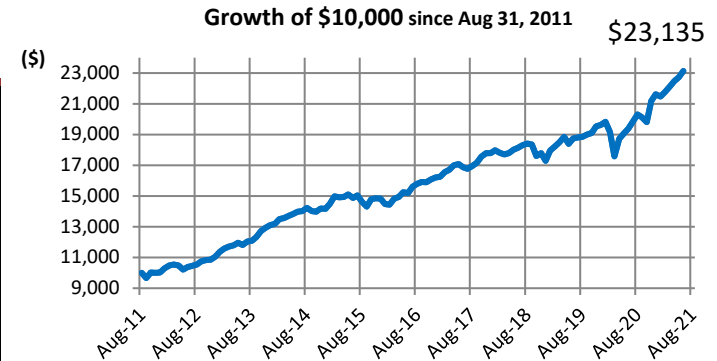
### INVESTMENT MANAGERS

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	1.8	19.4	8.2	8.3
Benchmark <sup>2</sup>	2.2	13.9	8.3	8.2
Excess Return	-0.4	5.5	-0.1	0.1

<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