



**University  
of Manitoba**

Semi-Annual Newsletter Issue 22

# GFT Pension Plan (1986)

June 30, 2022

## The Pension Committee Members as at June 30, 2022 are:

Mike Emslie (Chair)  
*Appointed by Position*

Jeff Leclerc (Vice Chair)  
*Appointed by the Board*

Darlene Smith (Secretary)  
*Appointed by Position*

Naomi Andrew  
*Appointed by Position*

Carla Buchanan  
*Appointed by the Board*

Robin Campbell  
*Appointed by the Board*

Dr. Aaron Chiu  
*Elected by Active Membership*

Maria Sabourin  
*Appointed by the Board*

Dr. David Stangeland  
*Appointed by the Board*

## Fund Facts

at June 30, 2022

Total Fund

**\$64.3 Million\***

\*a balance of cash and short-term investments is maintained to ensure liquidity for payment of pension benefits.

## Plan Governance

The Governance Document last reviewed and approved by the Board in March 2021, summarizes and explains the fiduciary duties and responsibilities of the Pension Committee. These include providing oversight of service providers, the Plan's investments, reporting, Plan governance, services to plan members and compliance with legislative requirements. For example, the Pension Committee is expected to exercise the degree of care, diligence, and skill in the administration of the Plan and the Plan's investments that a reasonable person would exercise in dealing with the property of another person. Pension Committee members sign a Code of Conduct and Conflict of Interest Disclosure Form annually. The Governance Document is reviewed at least once triennially.

## Your 2021 Pension Statement

Your Pension Statement was mailed to you on June 28. If you have any questions about your Pension Statement, or if you did not receive it, please contact the Pension Office at [Pension.Office@umanitoba.ca](mailto:Pension.Office@umanitoba.ca).

## Financial Highlights from 2021

	(\$ Thousands)
Contributions	2,372
Net investment income	8,394
Retirement benefits	-4,534
Other benefits (i.e., terminations)	-299
Net assets available for benefits at beginning of the year	65,584
Net assets available for benefits at the end of the year	71,517
Net rate of return for the calendar year 2021	12.91%
Active members as at December 31, 2021	668
Active members as at May 31, 2022	660

## Historical Pension Plan Performance (Gross) — June 30, 2022 (Annualized)

	YTD	1 Year	5 Years
Pension Plan Performance	-8.65%	-2.49%	6.68%
Policy Benchmark Performance**	-10.57%	-5.49%	5.27%
Value Added	1.92%	3.00%	1.41%
Plan Fees ^	-0.27%	-0.53%	-0.61%
Return applies to member accounts	-8.92%	-3.02%	6.07%

^ YTD plan fees are not annualized

\*\*Gross of investment management fees. Policy Benchmark = 17.5% S&P/TSX Composite Index + 12.5% S&P 500 Index (CAD) + 12.5% MSCI EAFE Gross Index (CAD) + 9.5% MSCI World Index (CAD) + 8.5% MSCI REALpac/IPD Canadian Property Index + 8.5% custom Infrastructure Benchmark + 24% FTSE Canada Bond Universe Index + 7% Mortgage Benchmark (60% FTSE Canada Short Term Bond Index and 40% FTSE Canada Mid Term Bond Index plus 50 basis point per annum).



# University of Manitoba GFT Pension Plan (1986)

## Six Month Commentary Ending June 30, 2022

Accelerating inflation, compounded by the Russia-Ukraine war, drove a correlated sell-off across fixed income and equities over the first half of 2022. Bonds did not provide a haven as global yields rose around an outlook of monetary tightening from central banks. In Canada, yields rose to over 3% while credit spreads widened, resulting in double digit losses for broad fixed income indices. Foreign equities also struggled as equities discounted higher rates and lower price-to-earnings ratios to start the year. As summer approached, global stock markets continued to struggle as fears turned towards slower earnings and economic growth.

Market returns for balanced investors were negative as the cross-asset sell-off provided very few areas of protection. The University of Manitoba GFT Pension Plan (1986) portfolio outperformed its benchmark over the first half of 2022, providing a modest cushion relative to stock and bond markets. Private alternative assets played an important role in stabilizing returns through the volatile period. Commercial mortgages continued to provide accretive yield while also providing less interest rate risk versus broad universe bonds. Real estate and Infrastructure both demonstrated diversification and inflation hedging benefits relative to equities and bonds, providing positive returns. Security selection was positive within Canadian equity. In foreign equity markets, growth underperformed value significantly, which created a headwind to security selection for the U.S. and International equity core components but resulted in outperformance from the global dividend strategy.

Effects from tighter monetary policy will likely begin to work through economic data throughout the last half of 2022. Equity markets have priced in higher rates and inflation but remain at risk from a potential slowdown or contraction in earnings. In evaluating relative risks across asset classes, fixed income appears to have less downside versus equities. At the same time, positioning remains cognizant of the potential for strong counter trend rallies in equities, which has resulted in a neutral asset mix posture relative to the benchmark. Going forward, the strategy will likely remain towards selling on market rallies or building towards an equity overweight if markets fall aggressively in pricing recession risks.

### Portfolio as at June 30, 2022

	Average Portfolio Weight <sup>1</sup>	Average Benchmark Weight <sup>1</sup>	Relative Benchmark Weight <sup>1</sup>
<b>Total Portfolio</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>
Cash & Equivalents	1.8	1.3	0.5
Fixed Income	21.7	23.4	-1.7
Mortgages	8.0	6.8	1.2
Equities	52.9	51.5	1.4
Canadian Equities	18.5	17.5	1.1
Foreign Equities	34.4	34.1	0.4
U.S. Equities	12.8	12.4	0.5
International Equities	11.8	12.4	-0.5
Global Equities	9.7	9.4	0.4
Real Estate	8.5	8.5	0.0
Infrastructure*	7.1	8.5	-1.4

\* TD Greystone Balanced Plus Fund invests in the TD Greystone Infrastructure Fund (Canada) LP II.

Source: TD Asset Management. Canadian dollars. Includes cash. May be subject to rounding. Assets presented are based on trade date accounting and include accruals. <sup>1</sup>Average weight from June 1, 2022 to June 30, 2022.

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