



**University
of Manitoba**

Semi-Annual Newsletter Issue 24

GFT Pension Plan (1986)

June 30, 2023

The Pension Committee Members as at June 30, 2023 are:

Mike Emslie (Chair)

Appointed by Position

René Ouellette (Vice Chair)

Appointed by Position

Naomi Andrew

Appointed by Position

Carla Buchanan

Appointed by the Board

Robin Campbell (Secretary)

Appointed by the Board

Dr. Aaron Chiu

Elected by Active Membership

Your 2022 Pension Statement

Your Pension Statement was uploaded for the first time to Employee Self Service (ESS) on May 31, 2023. <https://vip.umanitoba.ca> In future years, all Pension Statements for years 2022 and later will be accessible in ESS. If you have been unable to access your Pension Statement, please contact the Pension Office for assistance at Pension.Office@umanitoba.ca.

Keeping Your Address Up-to-Date

Please ensure that if you have had a change of address, you update it in Employer Self Service. (link above) If you are leaving the University, you may contact the Pension Office (link above) to advise us of your new mailing address and email address for us to correspond with you about your pension settlement. Needing to locate plan members without accurate addresses is time consuming and difficult.

[GFT Pension Plan \(1986\) Website](#)

Financial Highlights from 2022

	(\$ Thousands)
Contributions	2,513
Net investment income	-3,095
Retirement benefits	-6,590
Other benefits (i.e., terminations)	-854
Net assets available for benefits at beginning of the year	71,517
Net assets available for benefits at the end of the year	63,491
Net rate of return for the calendar year 2022	-4.28%
Active members as at December 31, 2022	660
Active members as at May 31, 2023	656

Fund Facts

at June 30, 2023

Total Fund

\$64.60 Million*

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

Historical Pension Plan Performance (Gross) — June 30, 2023 (Annualized)

	YTD	1 Year	5 Years
Pension Plan Performance	4.48%	10.12%	6.94%
Policy Benchmark Performance**	6.03%	11.31%	5.93%
Value Added [^]	-1.55%	-1.19%	1.01%
Plan Fees	-0.30%	-0.63%	-0.60%
Return applies to member accounts	4.18%	9.49%	6.34%

[^] 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, 2023

U.S. markets rallied on a more optimistic outlook for the economy. The narrative turned towards a softer landing with a belief that an AI fueled productivity boost and a resilient labour market will prevent a severe recession, despite higher interest rates. Returns from the U.S. were positive although notably concentrated within the largest capitalization stocks. Canadian and international equity markets were also higher to start the year. Government of Canada 10-yr bond yields, despite being relatively unchanged through 2023, were quite volatile as the market's focus has oscillated between expectations of a soft landing, persistent inflation and a recession.

Portfolio returns are positive to start the year although lagging the benchmark. Stock selection effects were positive in the U.S. equity portfolio, which benefitted from holding Nvidia. Manager effects within global equities detracted as the dividend focused strategy did not own some of the high performing mega-cap growth names. Off-benchmark exposure to mainland China equities, which underperformed broader international markets, was also a drag to benchmark relative returns.

Real assets continue to provide strong diversification to the portfolio. Tactically, the portfolio has used cash flows to modestly reduce real estate exposure, while continuing to hold infrastructure at benchmark weights.

Our view has been that markets will oscillate between expectations for a soft landing (optimistic), persistent inflation, and a recession (pessimistic). We view this oscillation as reflective of later cycle dynamics where modest shifts in expectations can also drive larger shifts in asset prices. We believe that in coming quarters, expectations will shift away from the more optimistic outlook towards a view for either higher interest rates for longer or a recession, both of which would likely result in negative stock market returns. Timing the end of the cycle can be difficult and, as a result, the strategy going forward is to continue trading ranges in rates and equities. A neutral posture will allow market movements to position the portfolio defensively if economic and market data confirm recession risks are rising.

Portfolio as at June 30, 2023

	Average Portfolio Weight ¹	Average Benchmark Weight ¹	Relative Benchmark Weight ¹
Total Portfolio	100.0	100.0	0.0
Cash & Equivalents	1.1	1.3	-0.2
Fixed Income	22.9	23.4	-0.5
Mortgages	7.2	6.8	0.4
Equities	52.6	51.5	1.1
Canadian Equities	17.9	17.5	0.5
Foreign Equities	34.6	34.1	0.6
U.S. Equities	13.0	12.4	0.7
International Equities	12.3	12.4	-0.1
Global Equities	9.4	9.4	0.0
Real Estate	7.7	8.5	-0.8
Infrastructure*	8.5	8.5	0.0

* 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. 1 Average weight from June 1, 2023 to June 30, 2023.

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