

# Shared Risk Plan for Academic Employees of UNB (AESRP) Investment Manager's Mid-Year Report

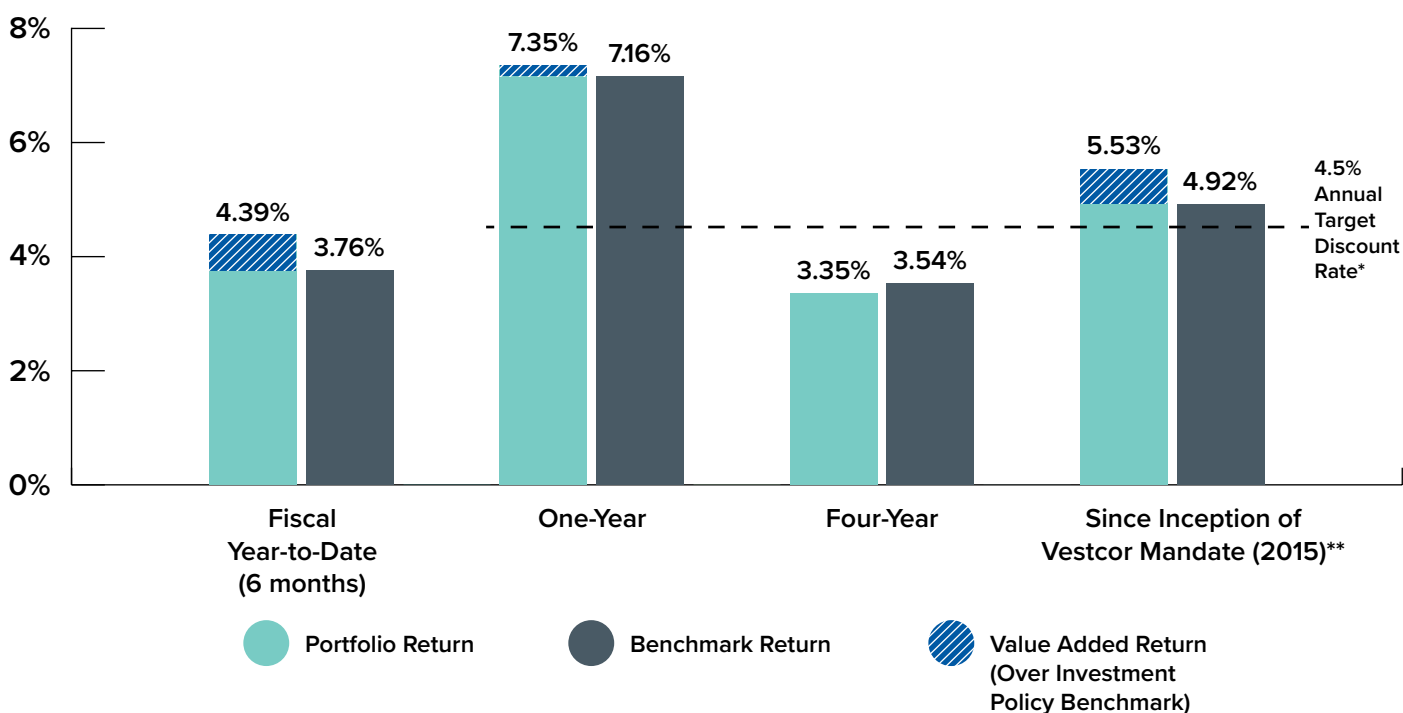
A snapshot of where your pension fund stands at December 31, 2023



Look for terms with a dotted underline in this Investment Report. You can find definitions of these terms and others relevant to the AESRP by scanning the code to the right with your mobile device, or by visiting [vestcor.org/glossary](https://vestcor.org/glossary).



## INVESTMENT RETURNS (AS AT DECEMBER 31, 2023)



We are pleased to report that the overall investment program earned a strong positive return of 4.39% for the first half of the 2024 fiscal year. Active investment management provided added value in excess of benchmarks with 0.63% of active return in the first half of the year.

The longer-term annualized return since Vestcor's investment management began on October 1, 2015 of 5.53% continues to exceed the benchmark return of 4.92%.

## INVESTMENT ASSETS

The fair value of the AESRP investment assets on December 31, 2023 was \$445.8 million, an increase of \$18.3 million from the fair value on June 30, 2023.

\*The target discount rate was updated from 4.0% in the July 2023 valuation.

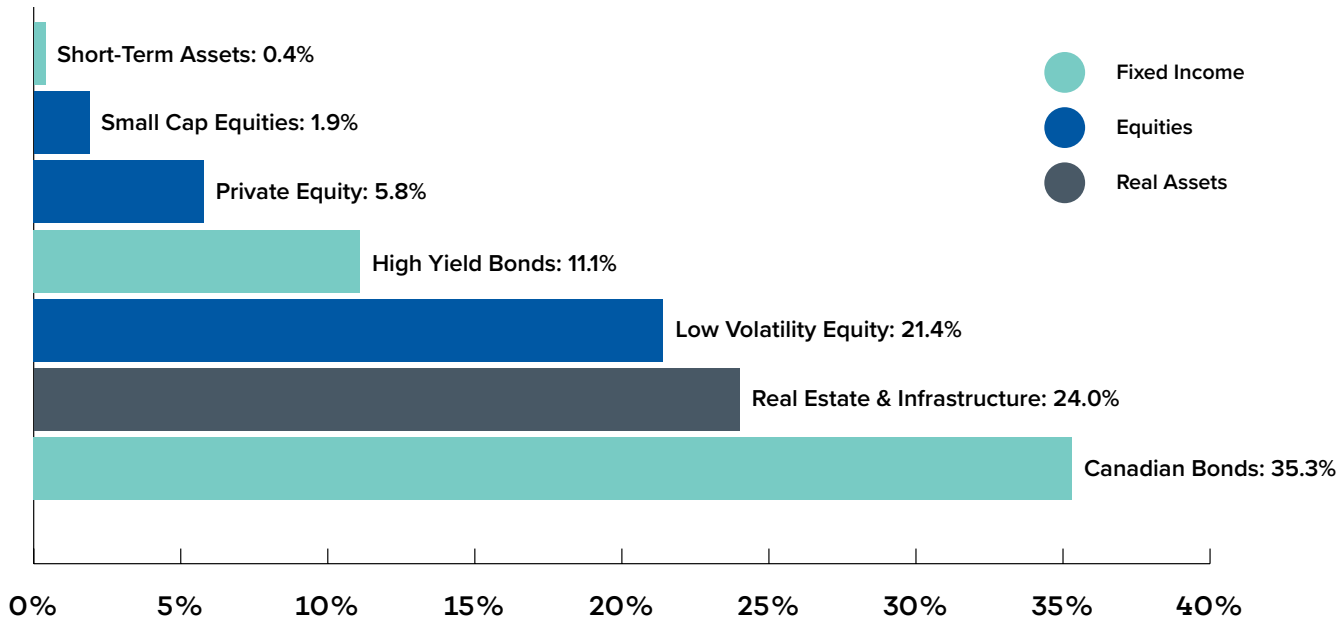
\*\*Including assets that had yet to be transitioned to Vestcor's management.

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## ASSET MIX

The chart below outlines the portfolio asset mix on December 31, 2023 and illustrates how well-diversified the Plan’s investment assets are.

### Asset Mix Breakdown as at December 31, 2023



As a result of the Board’s annual review of the investment policy, the AESRP’s investments are being transitioned to a new asset mix over the next 6 - 12 months. More information on the Board’s policies can be found in the [Investment Policy](#) available at [www.unb.ca/hr/pension](http://www.unb.ca/hr/pension), under “Understand your plan’s governance”.

## MARKET SNAPSHOT

2023 can be described as a year of significant bifurcation. Global stocks produced strong gains in 2023, but the significant concentration within U.S. equity markets – around a few technology companies – meant active managers had a challenging time adding additional value over and above benchmarks. Interest rates, especially over the medium term, experienced significant volatility throughout the second half of the year. As mid to long term interest rates fell in the last quarter this drove higher returns for bonds.

Inflation continued to decline throughout the early part of 2023 before stabilizing above 3% in the second half of 2023 for both Canada and the US. Overall, despite the significant volatility and pockets of uncertainty in certain markets, medium to long term return expectations for investors remain strong.

For more information, including a summary of the market outlook for this period, visit the Quarterly Market Updates provided by Vestcor at [vestcor.org/marketupdates](http://vestcor.org/marketupdates).