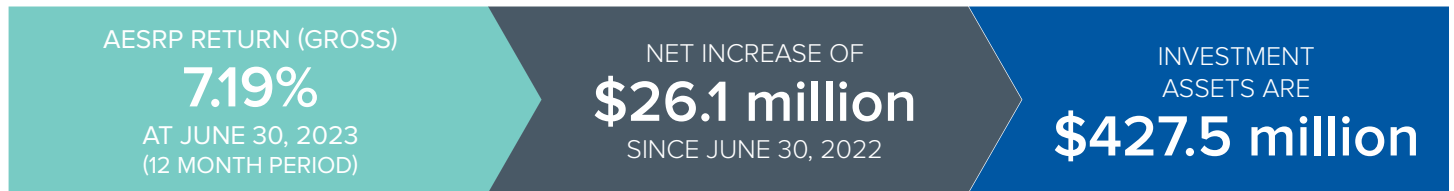


# Shared Risk Plan for Academic Employees of UNB (AESRP) Investment Manager's Report

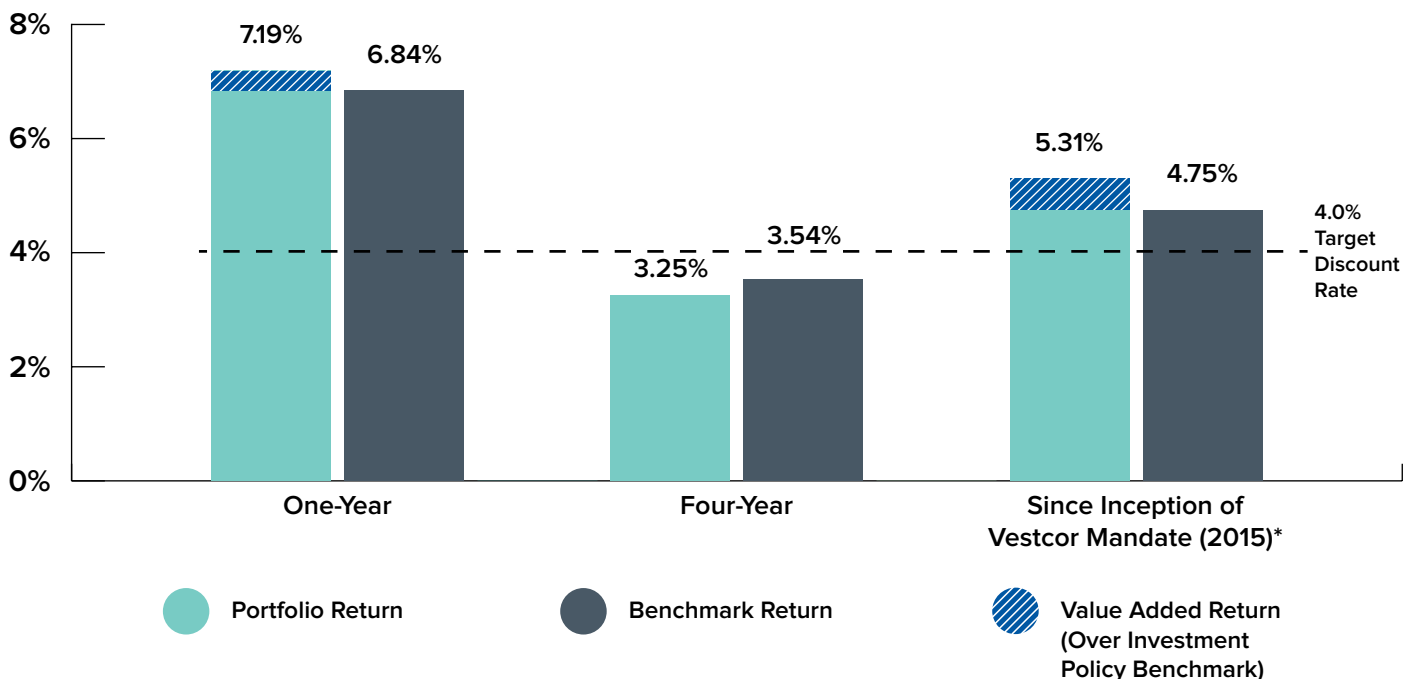
A snapshot of where your pension fund stands at June 30, 2023



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 JUNE 30, 2023)



In a strong reversal of what happened in 2022, the stock markets have rallied in the first half of 2023. We are pleased to report that the overall investment program earned a positive return of 7.19% for the 12 months ending June 30, 2023, outperforming its benchmark return of 6.84%.

The longer-term annualized return since Vestcor's investment management began on October 1, 2015 of 5.31% continues to remain in excess of the 4.00% target discount rate set by the independent actuary. It also continues to exceed the benchmark return of 4.75%.

## INVESTMENT ASSETS

The fair value of the AESRP investment assets on June 30, 2023 was \$427.5 million, an increase of \$26.1 million from the fair value on June 30, 2022.

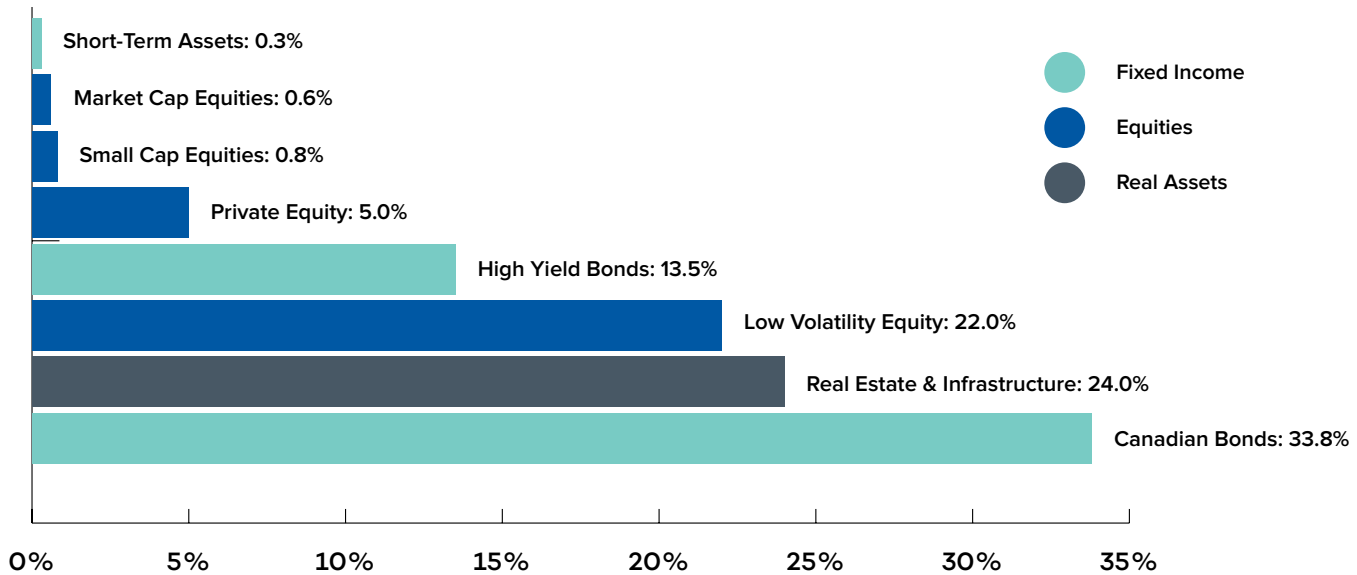
\*Including assets that had yet to be transitioned to Vestcor's management.

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

## ASSET MIX

The chart below outlines the portfolio asset mix on June 30, 2023 and illustrates how well-diversified the Plan's investment assets are.

### Asset Mix Breakdown as at June 30, 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 six 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

Despite ongoing geopolitical noise and the turmoil experienced in the banking industry earlier in 2023, the global economy has appeared to remain quite resilient with continued growth, low unemployment, and gradually moderating inflation.

Market gains have continued through the first half of 2023, although a significant amount of the outperformance has been concentrated in a few larger U.S. based technology companies resulting in a highly bifurcated market. Central banks have continued to tighten monetary policy in the form of higher short-term interest rates and there is some evidence to suggest the tighter policy framework is starting to influence the underlying economy. Slower growth should be expected in the coming quarters as central banks work to continue to bring inflation down to their long-term target.

Looking forward, while the short-term outlook remains uncertain and requires careful management, our portfolio continues to be well positioned to fund the obligations of the plan.

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).

Provided by:  
**VESTCOR**