

**DALHOUSIE UNIVERSITY  
INVESTMENT COMMITTEE  
PENSION TRUST FUND and RETIREES' TRUST FUND TRUSTEES**

**ANNUAL REPORT TO  
Finance, Audit, Investment & Risk Committee, Board of Governors  
Endowment Funds  
Pension Trust Fund  
Retirees' Trust Fund**

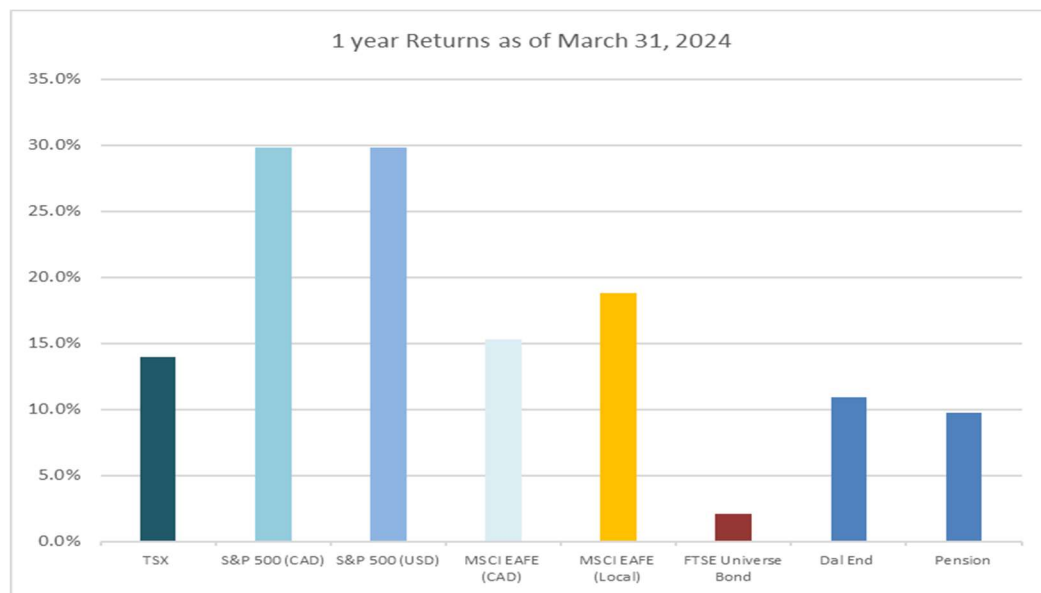
*June 2024*

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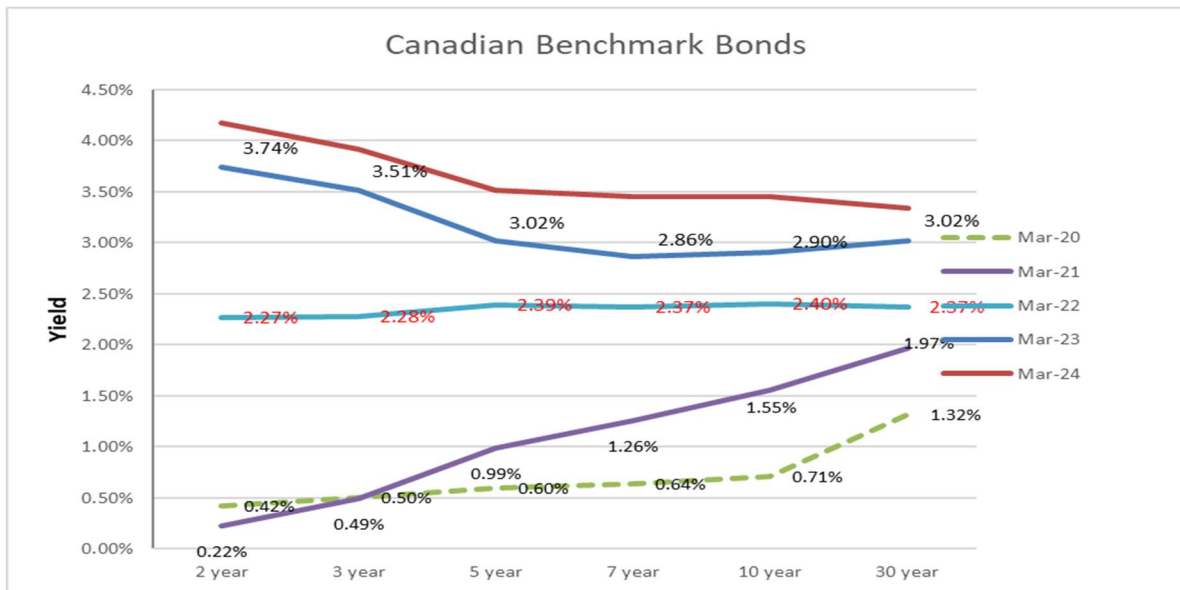
*Chair, Members of the Finance, Audit, Investment & Risk Committee:*

**Market Overview & Summary**

2023 was a good year for global capital markets which ended with a very strong “everything rally” in the last two months as recessionary fears at the start of 2023 were replaced by the belief of a soft landing. The US stock market rally was interesting with the S&P 500 up 23% for the year but 7 stocks that have been dubbed the “Magnificent 7” which comprised of Alphabet, Apple, Meta, Microsoft, Nvidia and Tesla rose by 72%, accounting for over 60% of the Index’s gain. The equity rally continued into the first quarter of 2024 as markets continued to post impressive gains as optimism about the economy and inflation moderating lifted the mood. Dalhousie’s endowment fund and its pension plan earned 10.94% and 9.76% for the fiscal year ending March 31, 2024.



During the year Bank of Canada held rates steady at their levels not seen for 15 years. Toward the end of 2023 many felt that the Bank of Canada would pivot and start cutting rates early into 2024. The anticipated cuts didn’t last too long as in the first quarter of 2024 inflation continued to run elevated and the early cuts seemed too optimistic. The first rate cut did occur on June 5, 2024.



Annualized returns as of March 31, 2024	1 year	2 years	3 years	4 years	10 years
Canada -TSX	13.96%	3.95%	9.10%	16.99%	7.67%
U.S. -S&P 500, CAD	29.87%	13.98%	14.24%	19.93%	15.28%
U.S. -S&P 500, USD	29.89%	9.48%	11.50%	21.33%	12.96%
EAFE - CAD	15.29%	11.02%	7.36%	12.25%	6.95%
EAFE - local currency	18.83%	11.08%	9.43%	15.66%	7.66%
Canada Bonds - FTSE universe	2.10%	0.02%	-1.52%	-0.74%	2.01%
CPI	2.90%	3.60%	4.61%	4.00%	2.50%

The Dalhousie Funds' underperformed their benchmark during the one year period ending March 31, 2024. During the fiscal year Canadian equities and fixed income outperformed their benchmarks, while US equities and International equities underperformed. US equities on a whole underperformed the broad S&P 500 as small and mid cap space underperformed large cap. Despite having a relatively good return, real assets detracted from its benchmark, as the benchmark is T-Bills plus 6% during this higher than normal rate environment. The Funds' allocations to private equity detracted from performance due to weaker market valuations for the sector compared to its public equity benchmark plus a spread.

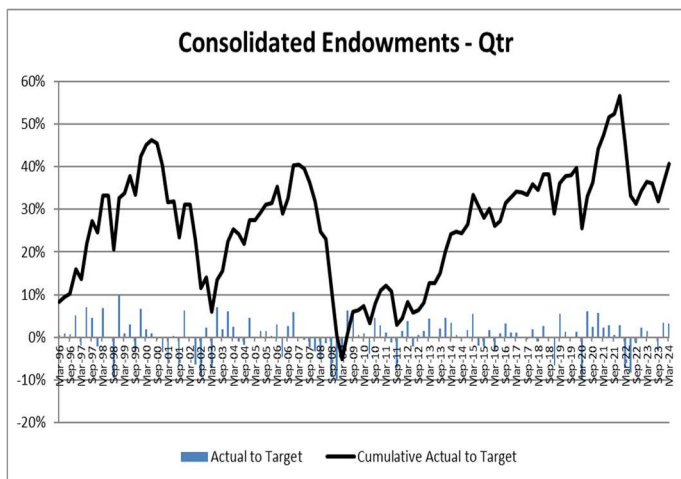
The endowments at Dalhousie are managed under a total rate of return ('TROR') investment approach along with a banded inflation spending model to provide stable and sustainable spending levels, while preserving the real purchasing power of the gifted capital. Chart 1 illustrates that over the last twenty-eight years, the endowment funds have achieved sustainable spending despite a number of significant downturns, as the return objective over time has been met. The bars depict the Funds' returns versus the objectives on a quarterly basis. The endowment return objective is the spend rate plus administrative fees plus inflation. Since 1995, the Funds' annualized return was 8.5% as compared to an annualized objective of 7.3%.

The other principal endowment objective is the preservation of the real economic value of the capital. Since 1980, a full decade before TROR was fully adopted, the market value of the endowments in aggregate has stayed ahead of the indexed values on a fairly consistent basis as demonstrated by Chart 2. The endowments' market value is 37% ahead of the indexed target for this 44 year period.

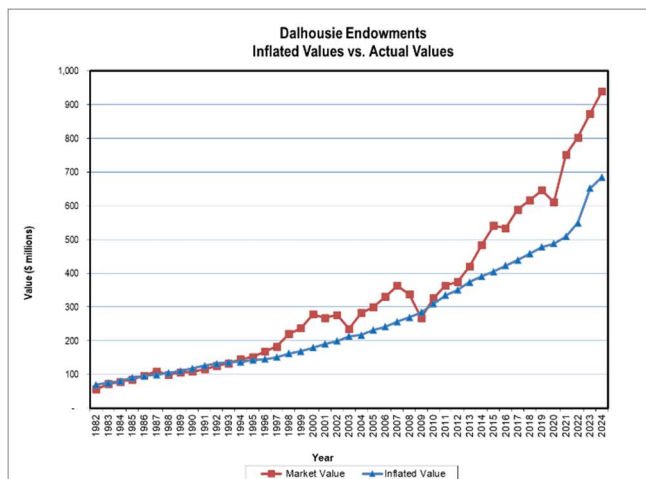
The obligations of the Dalhousie University Staff Pension Plan are supported by the combined assets of the Pension Trust Fund ("PTF") and the Retirees' Trust Fund ("RTF"). The following Charts 3 and 4 illustrate that the two funds have each met and exceeded their respective return targets over the last twenty-eight years to the Funds' most recent June 30, 2023 fiscal year-ends, despite volatility of the markets. The PTF had an annualized net return of 7.8% as compared to the actuarial target of 6.6% over this 28-year period. Likewise, the RTF was ahead of its 5.05% objective with a 7.5% annualized net return. The PTF and RTF

had to contend with the three major declines in equity markets during this period. The most recent actuarial valuation as at January 31, 2023 had a going concern excess of \$23 million. Solid returns in excess of their objective combined with an increased discount rate contributed to the surplus.

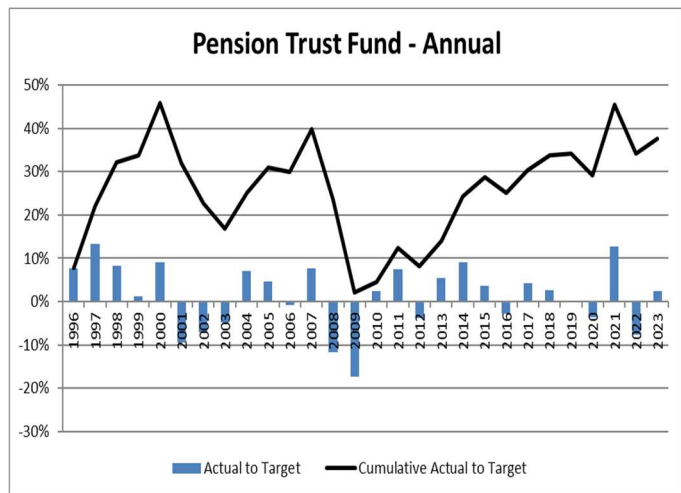
**Chart 1**



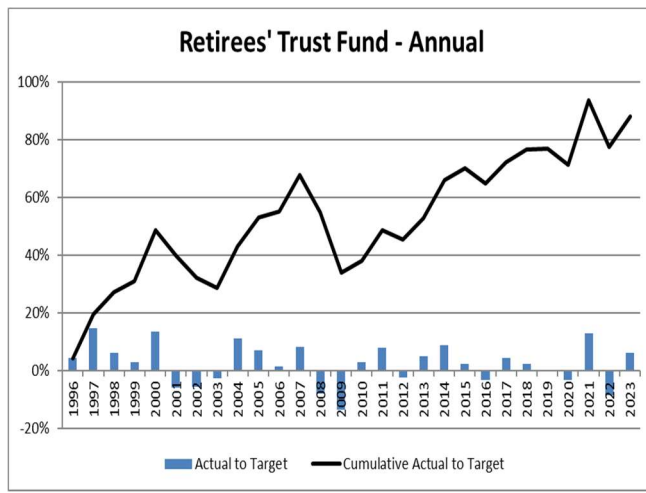
**Chart 2**



**Chart 3**



**Chart 4**



Each Fund's primary return objective is defined by its funding requirement – currently the endowment has a 4.75% real return target, while the PTF and RTF have targets of 6.60% and 5.05% respectively. The PTF target represents its actuarial discount rate, while the RTF's 5.05% represents the return hurdle required after which excess returns can be applied for pension indexation. As a result, each Fund has had its own distinct set of investment objectives that have yielded over time different asset mix policies for each Fund, and consequently different return results. With the growth of the RTF assets, its asset mix policy has drifted closer to that of the PTF to where they match today. However, the RTF's more recent policy allocation to private investments will require some time to be actually funded, thus return results will continue to differ from the PTF for a while.

The Committee and Trustees meet a number of times during the year to provide oversight and insight on the strategic direction of the Funds. The Committee and Trustees review investment performance each quarter, using a number of measures including each Fund's return requirement, investment policy benchmark, and to a lesser extent, peer universe comparisons. Each Fund's specific return requirement is obviously the most important measure over time. However, each Fund's investments are subject to the variations of market conditions, and as such, the investment policy benchmark is another important measure.

All three Funds made additional capital calls to private equity, private debt, private real estate, and private infrastructure strategies to continue to advance the new asset mix. The Committee and Trustees reviewed each Fund's investment risk as well as ESG assessment with the assistance of a semi-annual risk dashboard. Reviews are made at each of the investment manager, asset class and total fund levels.

During the year the committee decided to terminate a passive US Mid Cap strategy with SSGA. This was a full replication of the index. The fund was fully liquidated at the end of November 2023.

As of October 1, 2022 the Dalhousie Medical Research Foundation ("DMRF") was integrated with Dalhousie University. As part of the integration approximately \$72 million was transferred into the Fund. DMRF's asset mix is different from Dalhousie's Endowment Fund and as a result DMRF's SIP&P was included as an appendix to the Endowment Funds for the duration of the transition period.

Staff held in person annual reviews and continued with some virtual of each Fund's investment managers.

The members of the Investment Committee and Trustees for the past year are listed on the last page of this report.

## DALHOUSIE UNIVERSITY ENDOWMENT FUNDS

Dalhousie University has over 1,600 endowments that provide annual funding to the operating budget to support academic chairs and salaries, fellowships, scholarships, student bursaries, library enhancement, research, equipment and facilities. Investment returns from these endowed gifts plus \$2.2 million received from externally-held endowments supported program spending of \$32.4 million for 2023/24. With the inclusion of \$5.2 million of investment and related administrative costs, total 2023/24 spending was \$37.7 million.

During the past year, the University's Endowment Funds increased by \$64.9 million from \$880.5 to \$945.4 million. Market value appreciation totalled \$91.1 million of investment returns, and \$40.5 million was withdrawn for the year's spending allocations. \$14.3 million in new gifts and designated net transfers were received..

The endowment spending and associated investment policies are reviewed frequently to ensure that spending is kept at a sustainable level to enable preservation of the real economic value of the corpus and to provide an intergenerational equality balance. Dalhousie uses a banded inflation model that commences spending at 4.25% percentage of the gift and increases spending at the rate of inflation in subsequent years so long as the spending remains within a band of 3.75% to 5.00% of each endowment's market value.

### DALHOUSIE UNIVERSITY ENDOWMENT FUNDS

Manager	Asset Class	Market Value (\$ Millions)	
		March 31, 2024	March 31, 2023
Burgundy Asset Management	Canadian Equities	\$ 61.8	\$ 55.7
Montrusco Bolton	Canadian Equities – dividend growth	30.8	28.0
Fiera Capital Management	Canadian Equities	32.7	30.5
Ashford Capital Management	US Equities	38.8	34.4
Fiera Capital Management	US Equities – Large Cap	73.5	59.9
Wellington Management Canada LLC	US Equities – SMID	20.1	17.4
State Street Global Asset Management	US Equities – Mid Cap Index	0.0	22.5
Addenda Capital Inc.	NNA Equities	42.8	38.3
Burgundy Asset Management	NNA Equities	43.9	39.7
Fiera Capital	NNA Equities	59.0	54.6
CIBC Global Asset Management	Canadian Bond – Index	40.8	40.0
Addenda Capital Inc.	Canadian Bonds - active	27.8	26.8
BlackRock Asset Management	Canadian Bonds - active	31.3	30.4
Canso Investment Counsel	Canadian Bonds - active	40.1	38.3
Brookfield	Private Loans & Mortgage	3.0	4.1
Crestline	Private Debt	14.7	13.8
Commonfund Capital	Private Equity	111.8	103.7
JP Morgan	Private Equity	38.3	36.3
BMO F&C	Private Equity	12.5	14.4
Pantheon	Private Equity	0.7	0.9
Lazard Asset Management	Infrastructure securities	17.2	15.5
Macquarie	Infrastructure – Renewable Energy	14.8	9.5
JP Morgan	Infrastructure & Shipping	13.3	13.5
Commonfund	Infrastructure	9.8	7.7
Connor, Clark & Lunn	Infrastructure	4.1	0.7
CBRE	Global Public Real Estate	26.4	24.0
Brookfield	Global Real Estate	3.8	3.2
BentallGreenOak	Canadian Real Estate	13.8	14.6
Fiera	Canadian Real Estate	19.7	14.4
Crestpoint	Canadian Real Estate	9.8	7.2
Jarislowsky Fraser	Global Balanced	2.5	2.3
Dalhousie Medical Research Foundation (DMRF)	Other	84.2	76.8
	General*	1.6	1.4
<b>TOTAL ASSETS</b>		<b>945.4</b>	<b>880.5</b>

\* Includes other funds invested in a manner as specified by donor and cash in-transit.

### ENDOWMENT FUND PERFORMANCE

	Annualized Returns to			
	March 31, 2024		March 31, 2023	
	Fund	Benchmark**	Fund	Benchmark**
10 Years	8.63%	8.6%	9.3%	8.6%
4 Years	11.93%	12.2%	8.4%	7.6%
3 Years	7.68%	8.1%	12.3%	11.1%
2 Years	6.57%	8.6%	6.1%	4.6%
1 Year	10.94%	15.4%	2.4%	2.1%

\*\* The benchmark is the index return of the Fund's policy asset allocation.

**DALHOUSIE UNIVERSITY**  
**Pension Trust Fund**

The Pension Trust Fund's fiscal year commences on July 1<sup>st</sup>. For the first nine months of this fiscal year, the Pension Trust Fund's assets increased \$39.0 million from \$868.5 million to \$907.5 million. The Fund transferred \$59.1 million to the Retirees' Trust Fund for new retirements, disbursed \$3.6 million in benefit payments, and incurred \$4.1 million in expenses. Market appreciation accounted for an additional \$68.3 million. The Fund received \$37.5 million in new contributions.

**DALHOUSIE UNIVERSITY**  
**PENSION TRUST FUND**

Manager	Asset Class	Market Value (\$ Millions)		
		March 31, 2024	June 30, 2023*	March 31, 2023
Burgundy Asset Management	Canadian Equities	\$ 53.9	\$ 46.7	\$ 50.0
Montrusco Bolton	Canadian Equities	23.1	21.3	23.1
Fiera Capital Management	Canadian Equities	30.3	26.8	26.0
Ashford Capital Management	US Equities	25.8	23.7	25.4
Fiera Capital	US Equities – Large Cap	51.8	44.3	47.0
Wellington Management Canada LLC	US Equities – SMID	15.9	13.8	13.7
State Street Global Asset Management	US Equities – Mid Cap	0.0	20.4	19.9
Addenda Capital Inc	NNA Equities	42.1	39.0	37.8
Burgundy Asset Management	NNA Equities	43.2	39.7	39.2
Fiera Capital	NNA Equities	52.8	46.0	45.0
CIBC Global Asset Management	Canadian Bond - Index	58.7	57.1	57.5
Addenda Capital Inc.	Canadian Bonds - active	34.9	33.8	33.7
BlackRock Asset Management	Canadian Bonds – active	48.0	46.2	46.6
Canso Investment Counsel	Canadian Bonds – active	43.8	41.5	42.2
Crestline	Private Debt	19.9	19.2	18.8
Brookfield	Private Loans & Mortgage	3.6	4.6	5.0
Commonfund Capital	Private Equity	112.3	106.1	105.2
JP Morgan	Private Equity	33.6	32.0	31.9
BMO F&C	Private Equity	13.9	16.4	16.9
Pantheon Ventures Ltd.	Private Equity	0.7	0.8	0.9
Lazard Asset Management	Infrastructure securities	22.3	20.6	20.2
Macquarie	Infrastructure – Renewable Energy	28.4	20.8	18.3
JP Morgan	Infrastructure & Shipping	15.8	16.1	16.0
Commonfund	Infrastructure	9.8	8.1	7.7
Connor, Clark & Lunn	Infrastructure	2.1	0.3	0.3
CBRE	Global Public Real Estate	41.9	37.3	37.9
Brookfield	Global Real Estate	10.3	9.2	8.8
BentallGreenOak	Canadian Real Estate	4.6	4.8	4.9
Fiera	Canadian Real Estate	27.7	27.5	27.2
Crestpoint	Canadian Real Estate	15.2	15.6	15.8
	Cash in Bank & Other	21.1	28.8	10.8
<b>TOTAL ASSETS</b>		<b>\$907.5</b>	<b>\$868.5</b>	<b>\$853.7</b>

**PENSION TRUST FUND PERFORMANCE**

	Annualized Returns to					
	March 31, 2024		June 30, 2023*		March 31, 2023	
	Fund	Benchmark**	Fund	Benchmark**	Fund	Benchmark**
10 Years	8.1%	8.0%	8.7%	8.1%	8.7%	7.9%
4 Years	10.7%	10.7%	7.5%	6.8%	7.9%	6.9%
3 Years	7.2%	7.3%	9.2%	6.9%	11.2%	9.6%
2 Years	5.8%	8.0%	4.0%	3.0%	6.2%	4.1%
1 Year	9.2%	13.9%	9.8%	13.4%	2.4%	2.4%

\*June 30 is the fiscal year end of the Pension Trust Fund

\*\* The benchmark is the index return of the Fund's policy asset allocation

**DALHOUSIE UNIVERSITY**  
**Retirees' Trust Fund**

For the first nine months of the Retirees' Trust Fund's fiscal year that commenced on July 1, 2023, its asset value increased from \$894.3 million to \$975.9 million, an increase of \$81.6 million. The Fund received \$59.1 million in transfers for new retirees from the Pension Trust Fund. Market value increases amounted to \$79.4 million for the period. For these nine months, it made \$53.2 million in benefit payments and incurred \$3.7 million in expenses.

**DALHOUSIE UNIVERSITY**  
**RETIRES' TRUST FUND**

Manager	Asset Class	Market Value (\$ Millions)		
		March 31, 2024	June 30, 2023*	March 31, 2023
Burgundy Asset Management	Canadian Equities	\$ 65.3	\$ 56.5	\$ 62.3
Montrusco Bolton	Canadian Equities	30.3	27.8	29.5
Fiera Capital	Canadian Equities	36.0	31.9	33.8
Ashford Capital Management	US Equities – Small Cap	36.6	33.5	35.0
Fiera Capital	US Equities – Large Cap	74.4	63.7	68.6
Wellington Management Canada LLC	US Equities – SMID	25.2	21.8	21.7
State Street Global Asset Management	US Equities – Mid Cap	0.0	30.2	39.2
Addenda Capital Inc	NNA Equities	42.6	39.5	38.2
Burgundy Asset Management	NNA Equities	43.2	39.7	39.1
Fiera Capital	NNA Equities	62.7	54.7	53.5
CIBC Global Asset Management	Canadian Bond - Index	57.7	56.1	36.5
Addenda Capital Inc	Canadian Bonds - active	36.3	35.3	35.1
BlackRock Asset Management	Canadian Bonds - active	51.8	49.9	50.3
Canso Investment Counsel	Canadian Bonds - active	50.2	47.6	48.7
Crestline	Private Debt	18.0	17.3	16.8
Brookfield	Private Loans & Mortgage	2.8	3.6	3.8
Commonfund Capital	Private Equity	82.2	74.0	72.0
BMO F&C	Private Equity	13.4	15.2	15.5
JP Morgan	Private Equity	22.4	20.0	19.4
Lazard Asset Management	Infrastructure securities	53.6	49.6	48.5
Macquarie	Infrastructure – Renewable Energy	12.5	9.1	8.0
JP Morgan	Infrastructure & Shipping	11.4	11.5	11.6
Commonfund	Infrastructure	9.8	8.1	7.7
Connor, Clark & Lunn	Infrastructure	2.1	0.3	0.3
CBRE	Global Public Real Estate	48.1	42.7	43.5
Brookfield	Global Real Estate	9.1	8.1	7.7
BentallGreenOak	Canadian Real Estate	4.6	4.8	4.9
Fiera	Canadian Real Estate	22.1	21.9	21.6
Crestpoint	Canadian Real Estate	13.3	13.7	13.8
	Cash in Bank & Other	38.2	6.2	7.4
<b>TOTAL ASSETS</b>		<b>\$975.9</b>	<b>\$894.3</b>	<b>\$894.0</b>

**RETIRES' TRUST FUND PERFORMANCE**

	Annualized Returns to					
	March 2024		June 30, 2023*		March 31, 2023	
	Fund	Benchmark**	Fund	Benchmark**	Fund	Benchmark**
10 Years	7.4%	7.7%	7.8%	7.6%	7.7%	7.4%
4 Years	11.3%	10.7%	7.2%	6.7%	7.5%	6.8%
3 Years	7.3%	7.2%	8.9%	6.9%	11.6%	9.7%
2 Years	6.7%	8.0%	4.0%	3.0%	5.9%	4.0%
1 Year	10.3%	13.9%	11.9%	13.4%	3.3%	2.3%

\*June 30 is the fiscal year end of the Retirees' Trust Fund

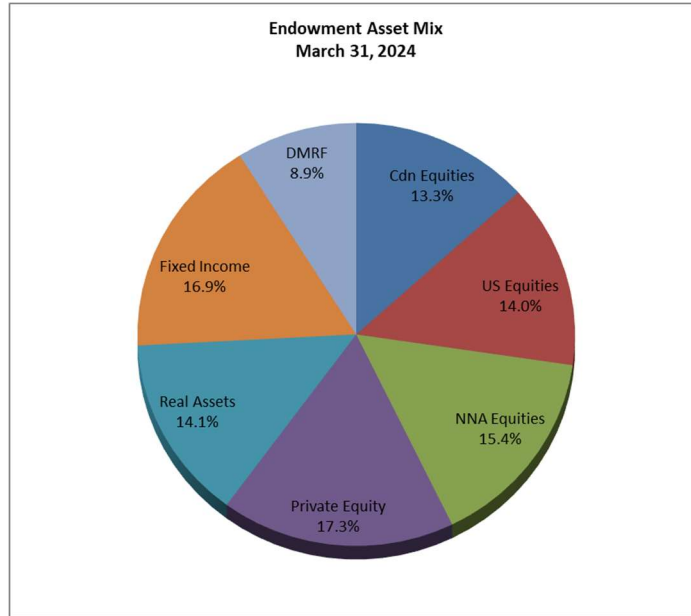
\*\* The benchmark is the index return of the Fund's policy asset allocation

**APPENDIX A**  
**Investment Objectives & Asset Mix**

**Endowment Objectives:**

- **Maintain and preserve the real economic value of the endowment capital;**
- **Optimize spending levels that achieve objective #1 and that provides for:**
  - ✓ **annual spending stability in real terms**
  - ✓ **minimizes the risk of declines in year-to-year spending levels**
- **Moderate growth (1%) of endowment corpus via capital appreciation once objectives #1 and #2 are satisfied**

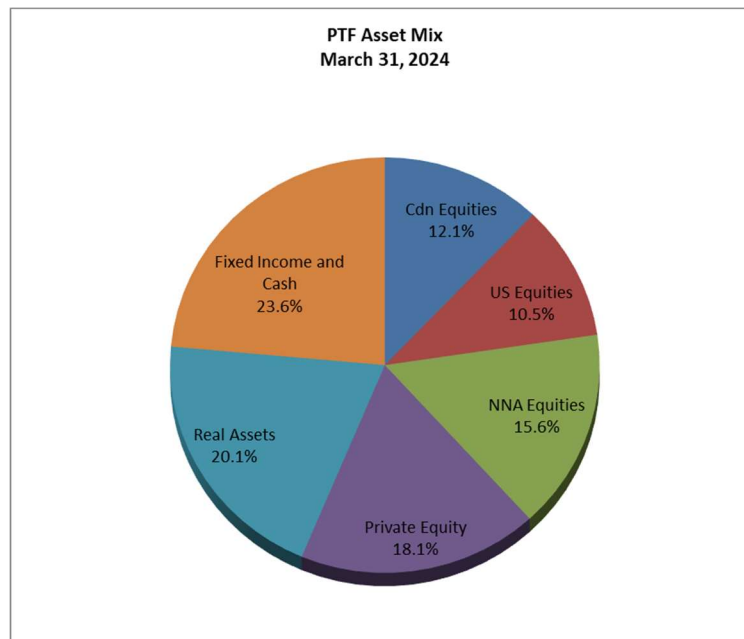
**Target: CPI + 4.75%**



**Pension Trust Fund Objectives:**

- **Fully funded obligations - Achieve and maintain a funded ratio of 100%;**
- **Stabilize contribution ratios;**
- **With #1 and #2 satisfied, reduce contribution rates.**

**Target: Actuarial Assumption of 6.60%**

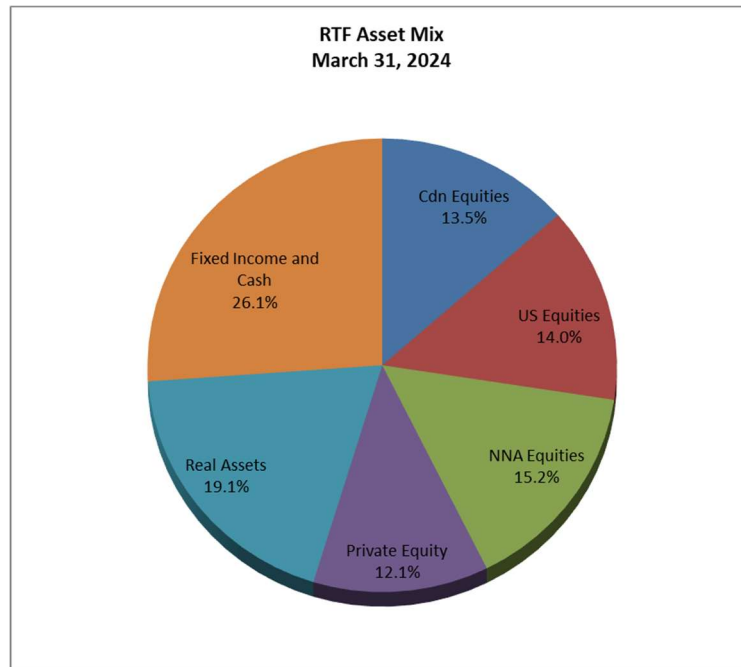




**Retirees' Trust Fund Objectives:**

- *Meet the current pension promise;*
- *Provide pension indexation – a secondary objective to #1;*
- *Avoid the requirement for supplemental sponsor funding.*

**Target: 5.05%**



**DALHOUSIE UNIVERSITY  
INVESTMENT COMMITTEE  
TRUSTEES OF THE PENSION & RETIREES' FUNDS  
2023-24**

		<u>Investment Committee</u>	<u>Pension Trust Fund</u>	<u>Retirees' Trust Fund</u>
Mr. Paul Beesley -Chair	Board Representative / Nominee	√	√	√
Mr. Level Chan	Board Nominee	√	√	√
Mr. Paul Conrod	Non-Board, External	√	√	√
Mr. Aubrey Palmeter	Non-Board, External	√	√	√
Dr. Greg Hebb	Senate Nominee	√	√	√
Mr. Jonathan Shapiro	DFA Nominee		√	√
Mr. Andrew Cochrane	Nominee, Retiree			
Ms. Gitta Kulczycki (Vice-President, Finance & Administration)	Senior Officer for Liaison and Member	√	√	√
Ms. Cheryl Earle (CFO and Asst Vice-President, Financial Services)	Internal Appointment	√		

Support:

Secretary/Staff: Ms. Nancy-Beth Foran (Treasurer)

Consultant: Mr. Bob Mitchell