



LEADERSHIP, ADVOCACY AND SERVICE FOR MANITOBA'S PUBLIC SCHOOL BOARDS

**MSBA NON-TEACHING PENSION PLAN INFORMATION UPDATE**  
**March 26, 2020**

To all school divisions:

Re: COVID-19

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The global situation is quickly evolving, resulting in concerns over the performance of the non-teaching plan. Be assured that over the past number of years, our plan moved from investing with two asset managers, to eight managers, in an effort to diversify our funds and to ensure during difficult times such as this, we are not overly reliant on one asset class.

At this time, a key priority is to ensure that measures are in place to provide members with the same level of service, and that retirements continue to be processed in a timely manner.

Our plan was ranked 1<sup>st</sup> in our universe again in 2019, and it is a prime example of why diversification of investments is a good strategy. There will be a short-term impact to our total plan assets as a result of the current volatility in today's market. These are exceptional circumstances, and the situation is being monitored very closely. On 8 March 2020, Saudi Arabia initiated a price war with Russia, triggering a major fall in the price of oil. The price war was triggered in the midst of the 2019–20 coronavirus pandemic. Oil prices had already fallen 30% since the start of the year due to a drop in demand. The price war is one of the major causes of the currently ongoing global stock market crash.

In an effort to mitigate the impact of the economy in response to this crisis, governments and central banks all over the world have enacted fiscal and monetary stimulus measures to counteract the disruption caused by the coronavirus. The Federal Reserve has cut interest rates to record lows and the Bank of Canada has announced a number of measures to provide monetary stimulus, including lowering interest rates.

How quickly the virus will be contained is not known, and further volatility in the markets is expected. We remain confident that our investments are well positioned.

The most current rates are posted on the 10<sup>th</sup> working day of each month on the MSBA website at <http://www.mbschoolpension.ca/rates.php>.