CSSB The Civil Service Superannuation Board

2020 Annual Report

Civil Service Superannuation Board
Guiding Statements

Our Vision for the future:

A professional, sustainable pension plan, designed for the future of our members.

Our Mission and Purpose is:

To deliver to our plan members their pension entitlements.

We do this by:

- Acting **collaboratively** with each other, with employers and with the plan sponsor, constantly seeking **member-focussed outcomes**
- **Prudently investing and monitoring** plan assets
- Delivering **timely, accurate information** to members, allowing them to make educated, informed decisions
- Fostering a working environment that attracts & retains **motivated, talented people**

Our Values

In our relationships, decisions, words and actions, we are guided by the following values:

- Staying resolutely **member-focussed**; always seeking the **best outcomes** for our members;
- Acting with **integrity, professionalism** and **excellence**;
- Ensuring **transparency** and **accountability** to our members and other stakeholders;
- Pursuing and rewarding **innovation**, in the interests of best outcomes;
- Modelling and fostering **collaboration** and **respectful action** as the means of pursuing best member outcomes.

Contents

Cover photo - Lake Winnipeg, Hecla/Grindstone Provincial Park, MB

MINISTER RESPONSIBLE FOR THE CIVIL SERVICE

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

June 8, 2021

The Honourable Janice C. Filmon, C.M., O.M.
Lieutenant Governor of Manitoba
Room 235 Legislative Building
Winnipeg MB R3C 0V8

May It Please Your Honour:

As Minister Responsible, I have the privilege of presenting for the information of Your Honour, the 82nd Annual Report of The Manitoba Civil Service Superannuation Board for the calendar year ended December 31, 2020.

Respectfully submitted,

Honourable Reg Helwer
Minister of Central Services,
Minister Responsible for
The Civil Service Superannuation Act

CSSB The Civil Service Superannuation Board

1200–444 St. Mary Avenue
Winnipeg, Manitoba, Canada R3C 3T1
Phone: (204) 946-3200 | Fax: (204) 945-0237
Canada Toll Free: 1-800-432-5134

June 7, 2021

Honourable Reg Helwer
Minister of Central Services,
Minister Responsible for The Civil Service Superannuation Act

Sir:

In conformity with the provisions of The Civil Service Superannuation Act, I am pleased to forward to you, the Minister Responsible for The Civil Service Superannuation Act, the 82nd Annual Report of The Civil Service Superannuation Board.

This report covers the period January 1, 2020 to December 31, 2020 and includes a review of the Board's activities for that period as well as the Report of the Office of the Auditor General and attached audited financial statements for that period.

Respectfully submitted,

Al Morin, Chair
The Civil Service Superannuation Board

Board and Standing Committee Members

The Civil Service Superannuation Board

Chair

Al Morin
Retired, President and Chief Executive Officer
Assiniboine Credit Union

Employee Representatives

Ray Erb
Civil Service Representative
Retired, Manitoba Government & General Employees Union

Jody Gillis
Civil Service Representative
Red River College

Doug Troke
Civil Service Representative
Department of Finance

C. Reed Winstone
Manitoba Hydro Representative
Retired, Manitoba Hydro-Electric Board

Employer Representatives

Ed Balcewich
Investment Advisor, FMA, FSCI.

Normand Collet, MBA

Wayne D. McGimpsey, CPA, CA

Vacant

Finance and Audit Committee

Chair
Doug Troke - Employee Representative

Normand Collet - Employer Representative
Ray Erb - Employee Representative
Wayne McGimpsey - Employer Representative

HR and Governance Committee

Chair
Jody Gillis - Employee Representative

Ed Balcewich - Employer Representative
C. Reed Winstone - Employee Representative
Vacant

Investment Committee

Chair

A. Scott Penman *
Retired, Executive Vice-President and
Chief Investment Officer
Investors Group Inc.

Brian Allison *
Executive Vice-President, Chief Investment Officer
The Canada Life Assurance Company

Richard Brownscombe *
President
Montrose Mortgage Corporation Ltd.

Don Delisle ^
Assistant Deputy Minister of Finance
Province of Manitoba

Jody Gillis ^
Civil Service Representative

Elizabeth Marr, CFA *
Vice President and Director, Institutional Relationships
TD Asset Management

Al Morin ^
Chair
The Civil Service Superannuation Board

Bruce Schroeder ^
General Manager
The Civil Service Superannuation Board

The Investment Committee also manages the assets of the Manitoba Hydro Employer Fund and three Centra Gas portfolios. Manitoba Hydro appointed the following person as their representative to those committees in conjunction with the above members.

Susan Stephen
Treasurer
Manitoba Hydro-Electric Board

* Appointed based on investment expertise
^ Required by legislation

The Board has the fiduciary responsibility for the administration of the Plan and management of the investment funds in the best interest of all Plan members and beneficiaries. It is also responsible to:

- Ensure that staff fulfil the investment and administrative obligations set out in the Act and comply with the requirements of both the Pension Benefits Act of Manitoba and the Income Tax Act
- Delegate the day-to-day management to the General Manager and staff
- Provide overall direction and approval of policy items

These duties are vested in four members that are elected by participating employees and five members including a chair that are appointed by Government. The Board meets 10 to 12 times per year.

As the Plan trustee, the Board is required to:

- Manage The Civil Service Superannuation Fund (Fund) in accordance with the rules of the Plan, governing legislation, and common law in the interest of Plan members and their beneficiaries
- Obtain an actuarial valuation every three years
- Regularly review its investment policy
- Obtain an independent audit each year
- Prepare an Annual Report

The day-to-day management of investment assets and delivery of pension and insurance benefits is accomplished by a dedicated and diverse team consisting of approximately 50 staff members.

CSSB Management Team

Bruce Schroeder
General Manager

Dale Allen
Director, Management Information Systems

Patti Malbasa
Director, Communications and Client Services

Dawn Prokopowich
Director, Client Services Administration

Rick Wilson
Director, Finance and Investment Communications & Management Services

Peter Josephson, CFA
Chief Investment Officer

Ellement Consulting Group
Consulting Actuary

Fillmore Riley
Legal Counsel

Office of the Auditor General
Auditor

Your Pension Plan

Your Plan is a “defined benefit” plan which means that your pension is based on a formula that provides pension, disability, death and termination benefits for all eligible members. The formula is based on your years of service and average salary. While some employers prefund their share of pension benefits, others are obligated to fund their share when those pension benefits are paid.

The amount of pension a member will receive is not directly related to investment returns. Good investment returns are necessary to secure the Fund’s ability to continue to meet its current and future obligations to pay benefits, and are the major contributor to surplus.

A member may be eligible to retire as early as age 55. Unless the person is age 60 or older with 10 years of service, or has achieved the Rule of 80 (age plus service), there is a reduction for early retirement. Members who reach age 65 will receive an unreduced pension.

All employees who are employed full time are required to join the Plan. Seasonal and part-time employees are required to join after meeting an earnings test (when they have earned 25% of the Yearly Maximum Pensionable Earnings (YMPE) under the Canada Pension Plan in each of two successive calendar years).

HIGHLIGHTS

Financial

	2020 (*)	2019 (*)
Rate of Return on Investments	**9.02%**	13.66%
Investments at Market Value	**8,024,670**	7,797,819
Net Investment Income	**180,523**	241,797
Current Period Change in Fair Value of Investments	**476,907**	703,642
Employee Contributions	**153,640**	157,795
Employer Payments	**377,783**	319,688
The Province of Manitoba Unfunded Pension Liability Trust Account	**2,316,602**	2,265,796
Pension Payments	**564,111**	538,661
Refunds and Transfers	**253,176**	150,891
General Expenses - Net	**2,810**	2,658

* $Thousands unless otherwise noted

Membership

	2020	2019
Non-Retired Members	**30,097**	31,837
Retired Members and Other Recipients	**23,260**	22,744
Total Members	**53,357**	54,581

Other Plans Under Administration

Money Purchase Accounts Plan	**3,128**	3,177
Centra Gas^	**737**	757
Winnipeg Child and Family Services^	**222**	228
MLA's^	**88**	92
Legislative Assembly Pension Plan^	**125**	118
Total Membership (all Plans)	**57,657**	58,953

^ Active and Retired

Message from the Chair

Al Morin

On behalf of myself and the members of the Board, I am pleased to present the 2020 Annual Report for The Civil Service Superannuation Fund (Fund).

I would like to take a moment to recognize and thank the management and staff of The Civil Service Superannuation Board (CSSB) for their continued effort during these challenging times to provide timely and accurate information and service to the plan membership. Their dedication and hard work this past year has shown their commitment to our members and their pension benefits.

2020 was a challenging year for all Canadians as we continued to navigate the COVID-19 pandemic. The Province of Manitoba declared a “Code Red” on the Pandemic Response System on November 12, 2020 in an effort to slow down the transmission of COVID-19. Our Business Continuity Plan (BCP) has remained active since March of 2020 with the majority of the staff working remotely. The CSSB remains committed to providing services to our membership with as little disruption as possible. In-person meetings have transitioned to phone meetings and emails continue to be answered in a timely manner. Pre-Retirement Seminars are being offered online and members are able to view a recorded Pre-Retirement Seminar through their Online Services account at their convenience.

On October 14th, 2020, Bill 43, The Civil Service Superannuation Amendment Act, received Royal Assent in the Manitoba legislature, and came into effect immediately. The majority of the amendments were minor housekeeping changes to The Civil Service Superannuation Act. There were three changes that were more significant:

- A revised method for calculating the lump sum value of a pension resulting in a reduced lump sum amount payable. This reduction will have a direct positive impact on the funded status and the long-term sustainability of the pension fund.
- The timeline for making a decision to contribute during a maternity leave or paternity leave has been extended to 30 days after the end of the leave. This will allow greater flexibility for employees to make arrangements to contribute in respect of these leaves.
- Employee representatives on the Board will now be selected by the Superannuation and Insurance Liaison Committee rather than through an election process.

After a volatile start to investment returns at the beginning 2020 due to the pandemic, the Total Fund rebounded and returned 9.02% versus the policy benchmark return of 8.42% and 5.75% for the funds actuarial required rate of return. The outperformance was largely driven by positive relative returns to their respective benchmarks of our internal and external managers in public equites, fixed income, and alternatives.

The CSSB continues our commitment to ensure the health and safety of our staff and membership and as such, the CSSB office remains closed to the public. The Board wishes everyone a safe and healthy 2021 and looks forward to a return to normal operations.

Message from the General Manager

Bruce Schroeder

To state the obvious, 2020 was a difficult year for everyone. The impact of COVID-19 created wild swings in the investment markets which saw some indices down as much as 30% from early year highs. Throughout the wild swings our investment team did not panic, stuck to their processes and were able to achieve a solid return of 9.02% which exceeded our benchmark return of 8.42%. The 9.02% return also outperformed our actuarially required rate of 5.75%. Considering how the markets looked at the end of the first quarter this was a remarkable achievement.

The tumultuous year did not spare the administrative side of the operation which saw us move virtually all staff to work remotely in an extremely compressed time frame. In a matter of days, we had sourced the required hardware, changed our phone system to allow for staff to connect remotely and revamped our processes to accommodate staff to work from home. We credit the relatively smooth transition to a dedicated MIS team, accommodative staff and foresight in our disaster recovery/business continuity planning. The last several years we have dedicated substantial resources to disaster recovery/business continuity planning and it bore fruit in March of 2020. Although most of our planning revolved around a loss of office space scenario, the processes and procedures worked well for the application of having staff based at home. We discovered very few hiccups and for the most part the transition went exceedingly well.

The Province of Manitoba introduced Bill 43 in spring of 2020. The Bill amended The Civil Service Superannuation Act and presented its own unique set of challenges. Bill 43 involved several different changes that ranged from minor housekeeping amendments to a major change in the methodology with respect to the commuted value calculations. This change effects former members who choose to transfer their benefits out of the CSSF. The changes to the commuted value calculations were necessary to ensure that those former members who choose to transfer their benefits out of the plan upon termination or retirement are not being given an unfair advantage. The commuted value change makes the plan equitable for remaining members and former members since transfer amounts are now valued at the actuarially require rate of the plan. The actuarially required rate is the rate at which the actuary holds the liabilities of the plan. Details of the changes can be found on our website at cssb.mb.ca.

As is the case with all legislative amendments the timing of when or if the Bill would pass was fluid. The uncertainty of the status of the legislation placed a tremendous strain on our resources. Staff were required to plan, create and test the required calculation changes that were contained in the Bill but did not know the exact date or even if the changes would take place. The delay in the Bill passing from spring to fall had a substantial impact on staff workloads. Members concerned with the content of certain aspects of the bill inundated staff with questions and calculation requests which put a severe strain on resources. I am pleased to say staff handled the additional workloads admirably. While there was a slowdown in some services due to the extremely large number of requests, we continued to meet the requirements for providing information as set out in The Pension Benefits Act of Manitoba. We anticipate being back to normal processing times in the first half of 2021.

We also began a redesign of our public website in 2020. We are excited the changes will be introduced in 2021 and look forward to providing a more modern user-friendly experience for our members. We also created an employer survey to determine where we could provide better and more comprehensive service to participating employers. Our year end process were streamlined and improved which will enable us to complete the member account updates quicker allowing us to provide annual employee pension statements on a more timely basis.

In 2021 we hope to be able to catch our breath and have a less eventful year. Although COVID-19 is still prevalent, and staff are for the most part working remotely we hope with the vaccine rollout to have a sense of normalcy return in the latter half of the year. As always, I would like to thank the Board for their continued support through a difficult year. I would especially like to thank staff for their dedication and perseverance is a year that I hope will not soon be repeated.

Investment Information

Guidelines and Practices

Policies and Procedures

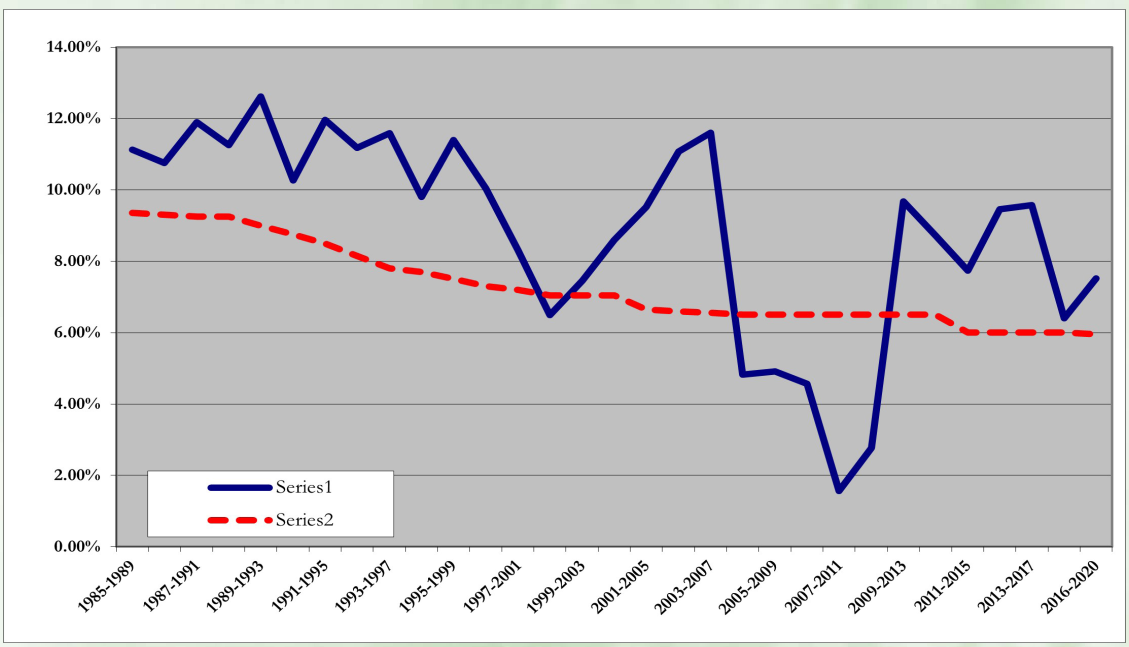
The Fund's Statement of Investment Policies and Procedures (SIP&P) guides the investment decision making process. This document is created by independent consultants and matches the Fund's assets with its liabilities, now and into the future. Upon its approval by the Board, this document is put into effect and is monitored for compliance. The SIP&P includes such things as appropriate asset mix limits, investment grade quality, holding limits, investment objectives, valuation procedures and investment management structure.

Asset mix is the single most important factor in determining pension fund performance. Different risk elements relating to market volatility and potential returns are factored into an investment decision. Investments that produce lower returns are generally a result of lower risk or volatility. In order to optimize returns and reduce investment volatility, Fund assets are diversified among the various asset classes and across the world's economic regions.

Long-term Success of Investment Policy

The ultimate success of the Fund's investment policy is measured by how well it meets the long-term obligations for its members. An actuarial valuation on the Fund is the best way to measure this obligation. Pension fund rates of return are sometimes measured in five-year periods to emphasize longer-term trends which are more relevant to pension funding, rather than short-term volatility. The following chart compares the Fund's five-year moving rate of return and the actuarially required rate (converted from three-year rates to five-year moving rates for comparison).

Five-Year Annualized Return



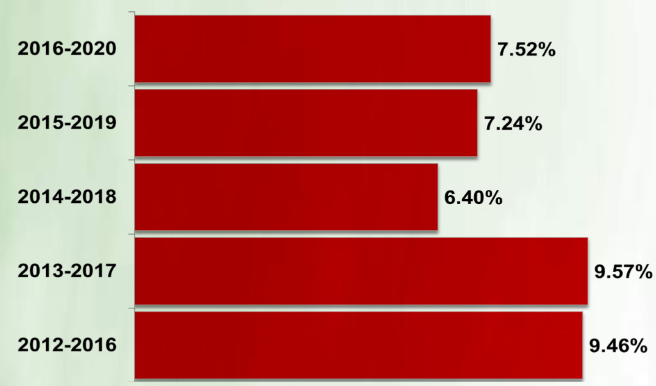
Policies and procedures that continue to guide or impact investment decisions include:

- Statement of Investment Policies and Procedures
- Investment Manager Mandates
- Proxy Voting Policy and Guidelines

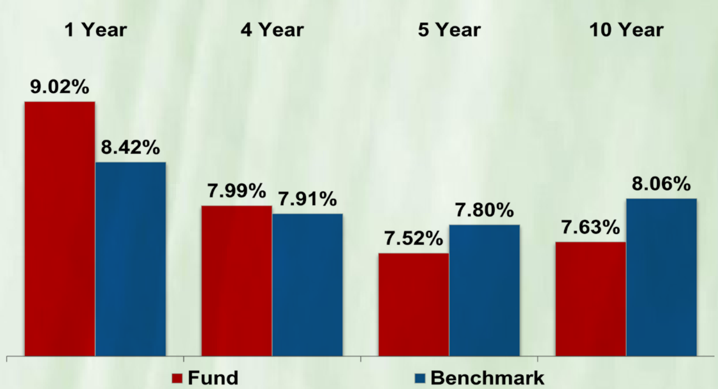
In 2020, global capital markets were extremely volatile yet, by the end, delivered impressive returns. Financial markets, economies and society were challenged by historically extraordinary events. Early in the year, we witnessed the onset of a once in a century global pandemic caused by the COVID-19 virus. This virus originated in China in late 2019 and to date there have been 90 million infections and 2 million deaths globally. To control the spread of COVID-19, in mid-March, world governments instituted an unprecedented lockdown of major portions of the global economy. This resulted in one of the most rapid and severe contractions in global economic activity in history. The reaction in financial markets was equally swift and sharp. In March, global equity markets dropped dramatically, and interest rates fell to historic lows. At their worst, global equity markets were down 30-40% from their February highs. In the U.S., the S&P500 went from a new high in late-February to a technically defined bear market in just 18 trading days. During March, in response to the expected severe decline in economic activity and financial market dislocations, global central banks moved quickly to implement aggressive monetary stimulus programs on a scale greater than those constructed during the great financial crisis. During the same period, world governments acted with the same sense of urgency and put in place massive fiscal spending programs, most of which went towards income replacement and to support businesses. In the U.S., the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, was a $2.2 trillion economic stimulus bill passed March 27, 2020. In all, these plans ranged from 10-40% of GDP and supported respective economies through the COVID-19 economic crisis. These actions also stabilized financial markets and provided support for equities to regain a portion of the losses from the March lows by the end of the quarter.

During the second quarter, global equity markets staged a dramatic recovery. This was driven by the combination of unprecedented monetary and fiscal stimulus, the gradual reopening of economies and optimism for a COVID-19 vaccine/treatment. In the U.S., equities went from having their worst quarterly decline since the great financial recession to their best quarterly return since 1998 and were up 40% from their March lows by the end of June. There was also positive news on the economic front in the U.S. and globally. The economic data released over the quarter was showing signs that the global economy had started to recover. This led to a growing consensus that the June quarter would be the worst of the pandemic-induced recession. Over the next several months, equity markets continued to grind higher despite the resurgence of COVID-19 in certain regions. This was supported by the expectation of further fiscal stimulus, global central bank assurances that monetary policy would remain accommodative for an extended period and continued improvement of the global economy. During the period, volatility remained though, as markets did experience several corrections in the 5-10% range. These were associated with investor concerns regarding rising COVID-19 cases in North America and Europe, the magnitude and timing of the additional U.S. stimulus, the outcome of the U.S. elections and the implications of a Biden victory and of a Blue Democrat sweep.

Total Fund Annualized Five-Year Rates of Return

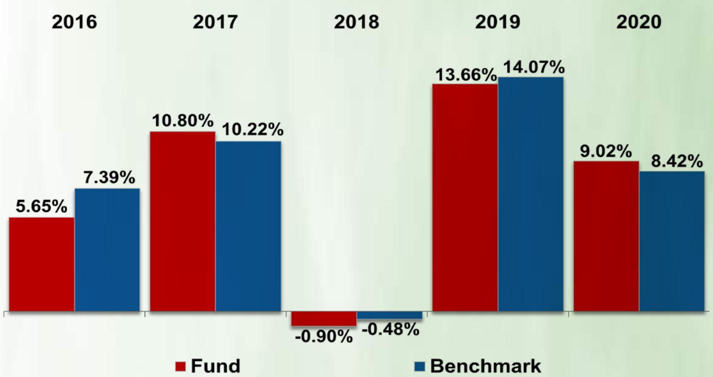


Annualized Rates of Return



In the final quarter of 2020, global equity markets surged higher with the U.S. equity market closing at an all-time high. It is interesting to note that over this period, the U.S., Canada, U.K., and Europe were experiencing the worst resurgence of the COVID-19 cases and lockdown restrictions since the outbreak of the pandemic in early spring. The four events that pushed markets higher and elevated investor optimism were the U.S. election results, the announcement that an effective vaccine had been developed, the finalization of the second major U.S. stimulus program and the belief that credit risk had been removed by the Federal Reserve while, at the same time, the U.S. Government was to provide unlimited stimulus as needed. Joe Biden had been elected President of the U.S., the democrats had retained control of the House of Representatives and the majority in the Senate would be decided in a runoff election for two seats in Georgia. While investors were concerned regarding the Biden agenda to raise taxes, the prospect of a significant increase in fiscal spending was viewed as extremely positive for markets and the economy. One week post the U.S. elections, Pfizer announced that a vaccine they had developed for COVID-19 was 95% effective, approval was just weeks away and distribution/vaccinations would begin before the end of the year. A similar announcement was made by Moderna a few weeks later. This news ignited markets as confidence soared that the end of the pandemic was in sight and normal activity/business would resume at some point in the new year. Finally, late in December, the U.S. congress passed, and the President signed, the second U.S. stimulus package totaling $900 Billion.

Total Fund Annualized Rates of Return versus Benchmark



For the year, because of swift actions by global central banks and governments, the unprecedented rapid development of a vaccine and the resolution of the U.S. elections, global equity markets provided healthy returns.

Over the year, the strength of the Canadian dollar versus the U.S. dollar had a negative impact on Non-Canadian investments of approximately 2%. For 2020, in Canadian dollar terms, the Dow Jones Industrial average gained 5.8%, the S&P500 advanced 16.1% and the technology-heavy NASDAQ composite surged 40.8%. The U.S. Mid Cap and Small Cap indices moved higher, with the S&P400 up 11.4% and the S&P600 gaining 9.1%. Domestically, the Canadian S&PTSX managed a 5.6% return as the energy and commodity sectors weighed on returns for most of 2020.

Global equity markets provided a similar range of returns. The MSCI all world ex Canada and the U.S. gained 9.5%, MSCI EAFE rose 5.9%, MSCI Europe added 4.1%, while emerging markets added 16.2%. In the Asia-Pacific region, the MSCI China had strong performance, advancing 27.5%, MSCI Japan advanced 12.5%, MSCI Hong Kong managed a 4.0% gain, while MSCI Australia rose 7.9%.

Regarding fixed income markets, the COVID-19 pandemic and the global economic shocks early in the year caused interest rates to plunge to historic lows. For a short period, volatility was extreme, and liquidity was under stress. The intervention of global central banks to dramatically lower interest rates near zero and restart massive quantitative easing (QE) programs eased both liquidity and capital market fears. The assurances from global central banks that rates would remain at these emergency levels for an extended period and QE would be maintained or increased as required, stabilized fixed income markets. As the economy began to recover in the second half of the year combined with the positive news on a vaccine, longer rates started to move modestly higher into year end. In the U.S., the 10-year yield fell to a low of 0.50% from 1.90% at the start of the year and closed 2020 at 0.91%. Similarly, in Canada the 10-year yield dropped to a low of 0.42% from 1.60% and closed the year at 0.67%. Overall, the decline in fixed income yields resulted in strong returns for debt markets in 2020.

As reported by the FTSE TMX, the universe index gained 8.7%, the short-term index added 5.3%, the mid-term index advanced 10.1% while the long-term index rose 11.9%. The CSSB's custom fixed income benchmark returned 9.8% for the year.

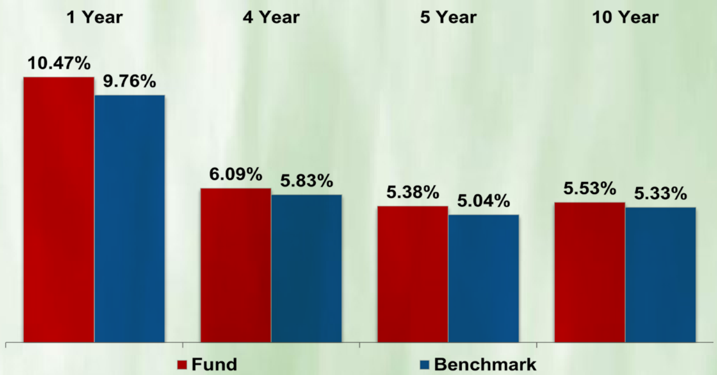
Cash and Cash Equivalents

Cash remains a relatively small portion of the Fund. Active management added 5 basis points (bps) with a return of 0.91% compared to the FTSE TMX Canada 91 Day T-Bill return of 0.86%.

Bonds and Debentures

Interest rates around the world sharply declined in 2020 in response to the outbreak of the COVID-19 global pandemic. Throughout March and April global central banks took extraordinary steps to stabilize the financial system through a combination of decreasing policy rates to their effective lower bounds and the immediate rolling out of various emergency lending facilities and asset purchase programs. As well governments quickly moved to provide fiscal stimulus and support payments to offset the impacts from the lockdowns that would occur in various waves throughout the year. The extraordinary amount of liquidity and support resulted in a quick recovery in confidence in financial markets and credit spreads tightened for the balance of the year.

Annualized Bonds & Debentures Rate of Return



Overall, the Canadian Bond Universe Index returned 8.68% while the long portion of that universe returned 11.90%. Long federal debt outperformed with a return of 13.07% compared to 11.62% for long provincial debt and 11.12% for long corporate debt.

The Bond portfolio outperformed by 71 bps with a return of 10.47% versus 9.76% for the benchmark. The outperformance was mainly due to increased corporate and provincial weightings after spreads widened materially in March.

Real Return

Products such as Index-Linked Mortgages remain a designated vehicle to fund the Cost-of-Living Account for future benefits. Real return investments earned 6.44% in 2020 compared to 3.38% for the benchmark.

Total Equity

For the year, because of swift actions by global central banks and governments, the unprecedented rapid development of a vaccine and the resolution of the U.S. elections, global equity markets provided healthy returns. Over the year, the strength of the Canadian dollar versus the U.S. dollar had a negative impact on Non-Canadian investments of approximately 2%. For 2020, in Canadian dollar terms, the Dow Jones Industrial average gained 5.8%, the S&P500 advanced 16.1% and the technology-heavy NASDAQ composite surged 40.8%. The U.S. Mid Cap and Small Cap indices moved higher, with the S&P400 up 11.4% and the S&P600 gaining 9.1%. Domestically, the Canadian S&PTSX managed a 5.6% return as the energy and commodity sectors weighed on returns for most of 2020.

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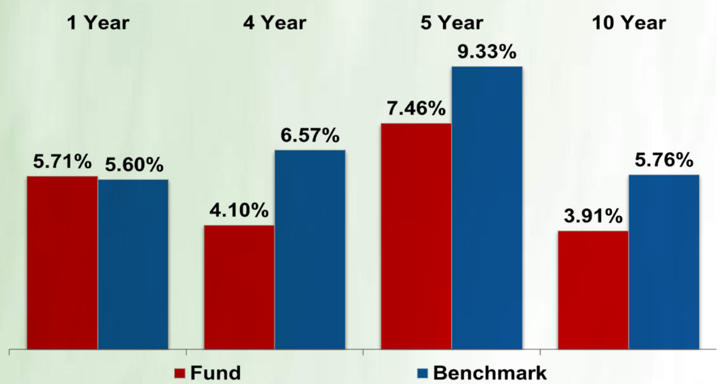
Canadian Equities

While the year 2020 proved tumultuous from a health, psychological and economic standpoint, capital markets did what they do best – persevered and discounted a better future. From the lows in March, Canadian equities marched higher alongside global peers, with the S&P/TSX Composite gaining 5.6% on the year. The internally managed Canadian Equity Fund returned 5.9%, outperforming the benchmark by 32 basis points.

Gains on the TSX were paced by the Information Technology and Materials sectors while Energy and Health Care put in substantially negative returns for the year. Of note, e-commerce innovator, Shopify, dominated the Canadian index, gaining 180% during 2020, becoming Canada's most valuable company by market cap when it overtook the Royal Bank of Canada in May.

Annualized Canadian Equity Rates of Return



U.S. Equity

2020 was a volatile year for both U.S. and global equity markets as the global economy absorbed and then worked through the financial ramifications of COVID-19.

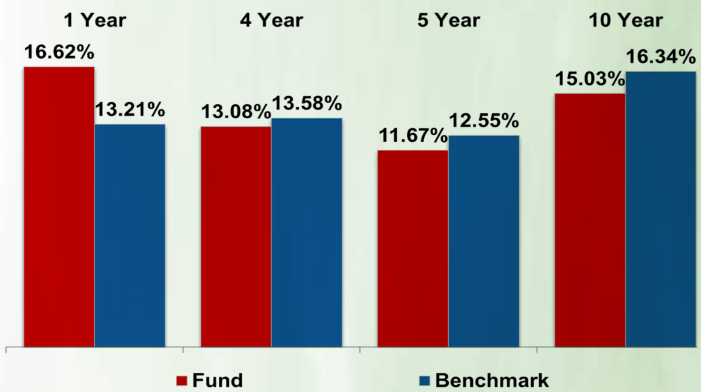
We have allocations to four different mandates within U.S. equities providing us with diversification.

As at the end of 2020:

- 63.8% U.S. Large Cap Equity Fund ($1.226 Billion)
- 10.9% U.S. Low Volatility Dividend Fund ($210 Million)
- 8.3% U.S. Midcap Equity Index Fund ($159 Million)
- 17.0% U.S. S&P 500 Index Fund ($326 Million)

2020 was another strong year for equity markets with the S&P 500 increasing 16.32% in CAD (18.4% in USD). Our internally managed U.S. Large Cap Equity portfolio finished ahead of the S&P 500 by 343 basis points returning 19.75% in CAD.

Annualized U.S. Equity Rates of Return



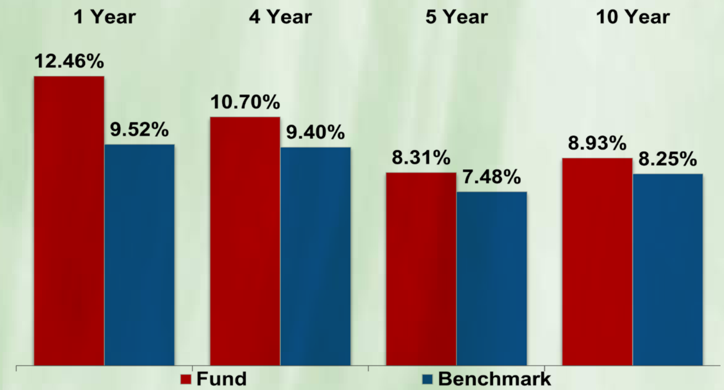
This performance increases the Canadian dollar trailing 5-year return for the internally managed U.S. Large Cap Equity Portfolio to 12.76% per year for five years. Overall, the combined return for all our U.S. Equity programs was 16.62% in 2020 (CAD) and the 5-year return for all U.S. mandates combined increased to 11.67% per year for 5 years (CAD).

We maintain cautious positioning into 2021 as the market multiple is at the higher end of historical ranges and the market appears to be pricing in a global synchronous recovery. Given this outlook we remain focused on companies that rely less on global economic improvement and favour companies that are more reliant on both internal execution and secular changes.

Non-North American Equity

The Non-North American equity portfolio returned 12.46% compared to its benchmark return of 9.52%, outperforming by 294 bps. The fund's Asia Pacific mandate returned 23.01% while the emerging markets mandate returned 14.98%. The Non-North American portfolio is overweight in both emerging markets and Asia Pacific adding significant value. However, the fund's emerging markets manager underperformed the MSCI emerging markets benchmark by 1.25%. The Asia Pacific fund manager outperformed their benchmark by 3.55%. The EAFE manager outperformed the MSCI EAFE index by 1.90% while the internal international portfolio underperformed by 1.26%.

Annualized Non-North American Rates of Return



Private Equity

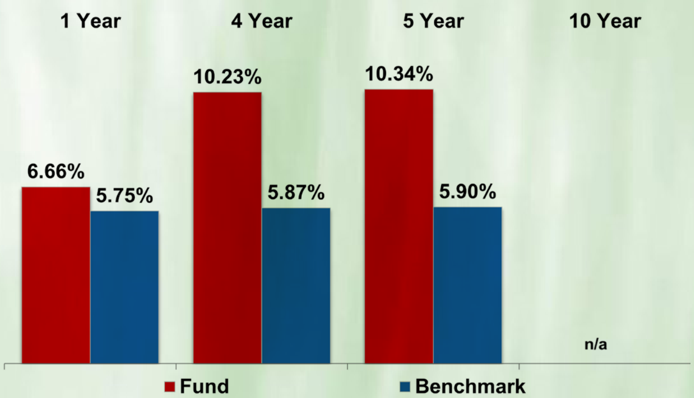
We are in the process of building out the Private Equity program consisting of buyout and secondary fund commitments. The intention remains to grow the program to 3% of assets (this is the current Policy Target weight) over the next five years. At year end 2020 we had one commitment to Brookfield Capital Partners V (BCP V) and one co-investment to Clarios, the #1 global supplier of lead acid batteries. BCP V is approximately 60% committed to six high quality assets and continues to look for attractive opportunities. Subsequent to year end we made a commitment to the Veritas Capital Middle Market Fund, which marks our second partnership in the Private Equity program. Veritas is the leading Private Equity firm in the Aerospace and Defense sector. BCP V returned 21% against a benchmark of 0%, while Clarios continues to be held at cost.

Infrastructure

It was another busy year in the infrastructure group and performance was strong considering the impact of the COVID-19 pandemic. Overall, the group of funds and co-investments managed to outperform the 5.75% benchmark by gaining 6.66%. Total dollars invested is approximately $740 million.

Investments include:
- Borealis
- Brookfield Infrastructure III
- InstarAGF - AMPORTS
- InstarAGF - Essential Infrastructure Fund
- InstarAGF – Essential Infrastructure Fund II
- InstarAGF – Steel Reef
- InstarAGF - Project Wrangler
- Northleaf NICP II
- Northwest Parkway

Annualized Infrastructure Rates of Return

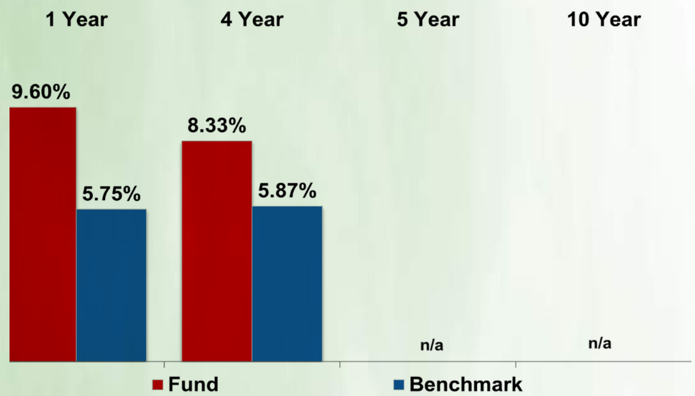


Private Credit

2020 was a successful year for the Private Credit program, which is in its fifth year and beginning to mature as we execute on the strategy. The NAV for the program is in excess of $520 million, with $167 million attributed to Antares. Overall, the Private Credit program generated a return of 9.60% versus the actuarial required rate of return benchmark, which currently sits at 5.75%. 2020 was a good year for the program considering the challenging economic environment.

Investments include:
- Antares
- Brookfield Real Estate Finance Fund V
- Carlyle Credit Opportunities Fund
- Grosvenor True North II
- Northleaf Private Credit Fund I
- Northleaf Private Credit Fund II
- Sagard Credit Partners

Annualized Private Credit Rates of Return



Hedging Program

On September 28th, 2018 we began passively hedging the U.S. dollar portion of the Alternative Assets by entering into a forward agreement matched to the most current valuations. We roll our forwards on a quarterly basis, updating our hedge amount according to the most recent valuations available and move to immediately hedge new funding as they are called by our counterparties. The currency hedging is to reduce volatility in these asset classes, which totaled $567 million USD at the end of the year, growing from $295 million at the beginning of the program as we continue to expand our Alternative Asset program. The cost of the hedge is offset by the accrued interest from an allocated bond and marked deficits are funded with Repurchase Agreements utilizing the same bond holding. As of our quarterly roll at the end of Q4, the program has moved into a surplus position, where we invest the excess cash in Money Market products to generate a small return to further offset costs of the program.

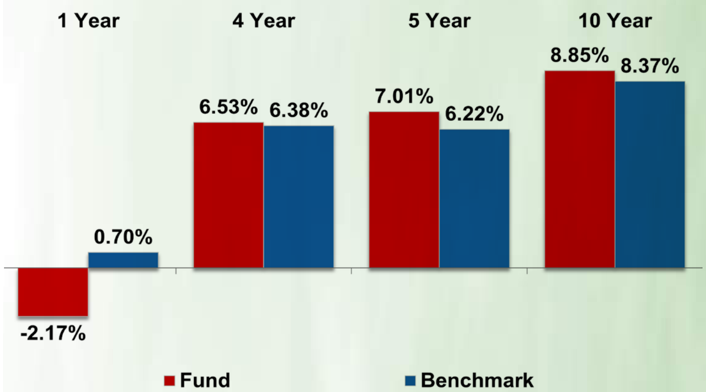
Real Estate

The real estate portfolio returned -2.17% during 2020 compared to a 0.70% return on the IPD index. The underperformance can be attributed to our weighting in enclosed malls which suffered with COVID related restrictions across the various provinces they are located. Essential service retail, which includes grocery and drug store anchored properties, continued to demonstrate resilience. Industrial and multi-family remain attractive targets for investors as the underlying fundamentals are very healthy. With many employees working from home throughout the year the future for office properties remains a bit more uncertain.

By geography, all major markets across Canada have been impacted by COVID and various pandemic restrictions. As the year progressed, we saw improvements in real estate investment markets and property fundamentals. With vaccines continuing to roll-out we are confident that real estate will regain its footing and continue to offer positive returns going forward.

We are focused on off-market transactions to acquire real estate at attractive valuations and undertake select development opportunities where risk adjusted returns are appropriate.

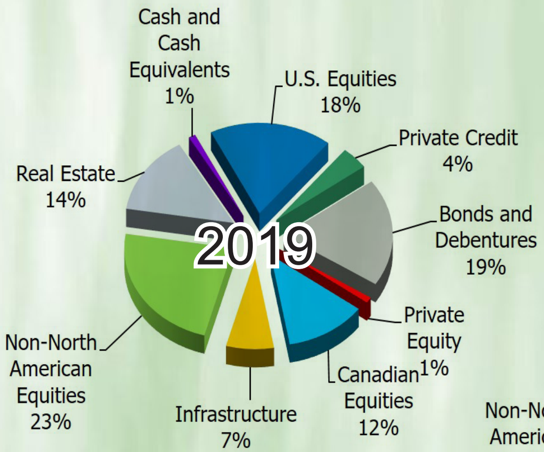
Annualized Real Estate Rates of Return

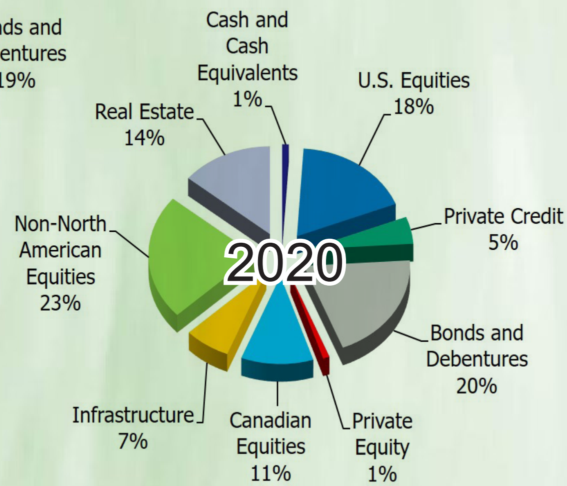


Total Fund

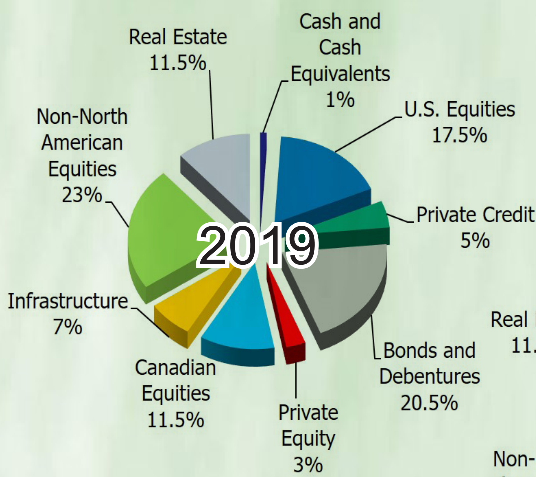
For 2020, the Total Fund returned 9.02% versus the policy benchmark return of 8.42% and 5.75% for the fund's actuarial required rate of return. The outperformance was largely driven by positive relative returns to their respective benchmarks of our internal and external managers in public equites, fixed income, and alternatives. In terms of asset allocation, the fund's overweight in real estate and underweight in fixed income detracted from performance in 2020.

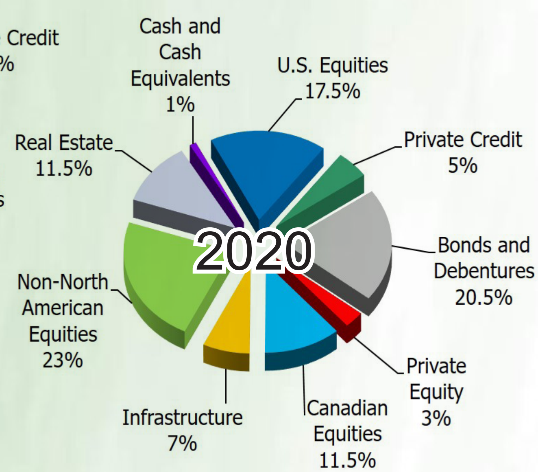
Fund Investments





Investment Policy Normal Allocation





FUND INVESTMENTS

	2020(*)	2019(*)
Contractual Investments		
Cash and Short-term	**125,041**	83,696
Bonds and Debentures	**1,535,116**	1,547,261
Mortgages	**6,837**	8,869
Public Equity Investments		
Canadian Equities	**900,096**	947,431
U.S. Equities	**1,478,866**	1,378,927
Non-North American Equities	**1,875,733**	1,809,294
Non-Public Equity Investments		
Real Estate	**1,090,219**	1,106,864
Private Equity	**29,514**	28,858
Infrastructure	**576,674**	553,203
Private Credit	**406,574**	333,416
Total Investments	**8,024,670**	7,797,819

* $Thousands

Strategy and Outlook

As we move into 2021, given we expect global monetary and fiscal policies to remain highly accommodative, the control and containment of COVID-19 remains the most important determinant for the global economic outlook.

The strong rebound in global economic activity experienced from the depressed levels in the first half of 2020 lost some momentum over the last quarter of the year. During this period, the rapid surge in COVID-19 cases in North America, the U.K., Europe and Japan led to reimposition of quarantine measures in the regions. This third wave of rising infections is particularly concerning as it has resulted in the discovery of new variants of COVID-19, which are significantly more transmissible (up to 70%) versus the original strain and potentially more severe. The lockdown measures are less stringent than those imposed last spring, as manufacturing and construction were not included.

However, the impact on the service and consumer sectors, including the travel and leisure sectors, in these regions is expected to continue to moderate economic activity early in the new year. Despite these concerns, late in the fourth quarter, the announcement, approval and deployment of effective vaccines for COVID-19 is expected to mark a turning point in the battle to control the virus.

Globally, mass vaccination programs have been rolled out with the target of immunizing significant portions of populations by mid-2021. This and the expected peak in the current wave of infections sets the foundation for global economies to gradually, safely and fully-reopen throughout 2021-2022.

Overall, the combination of these developments, stimulative monetary and fiscal policies and pent-up consumer demand suggests a strong recovery in global economic activity in 2021. Global real GDP is forecast to grow close to 5% after contracting almost 4% in 2020.

In the U.S., the economy has hit a soft patch in some sectors due to the significant rise in COVID-19 infections and new lockdown restrictions. The service sectors, retail, travel, leisure, hospitality, and airlines are the most impacted, while manufacturing and housing have remained solid. Recent economic data have shown an increase in unemployment insurance claims, while the consumer sector and retail spending have softened. It is interesting to note this occurred while the U.S. personal savings rate is near a record high, totaling almost $1 Trillion.

The political landscape has changed dramatically since the November election; Joe Biden is now the President of the United States and the Democrats control the House and while the Democrats and Republicans have a split share of the Senate, the Vice President represents a tie breaking vote. This will have broad implications over the next few years for U.S. policy concerning trade, foreign relations, regulation, climate change, the environment, taxes, and fiscal spending. However, over the short-term, the Biden administration has stated its top priorities are the COVID crisis and the U.S. economy. Regarding the latter, the Biden plan calls for an additional $1.9 Trillion in additional fiscal stimulus to support the unemployed, business, state, and local governments. This is in addition to the $900 Billion in fiscal spending approved by the Trump administration in late 2020. Regarding the COVID-19 crisis, President Biden has committed to provide all the required resources for the swift, efficient distribution and administration of the vaccine. On the monetary policy front, the Federal Reserve has committed to a zero-interest rate policy until 2023 and to maintain quantitative easing at levels that economic conditions dictate. Given our view that the current wave of COVID-19 cases crests in Q1 2021, the vaccine rollout is successful, and policy remains stimulative, we expect U.S. economic activity to strengthen over the year. For 2021, the consensus estimate for U.S. Real GDP is close to 4% after losing 3% in 2020.

China, the world's second largest economy, has experienced a true U-shaped recovery from the pandemic induced plunge in global economic activity early in 2020. Chinese authorities provided strong support throughout the period adding liquidity to the financial system, major infrastructure projects and direct cash injections to consumers to stimulate spending. Importantly, China was extremely successful in containing and controlling the COVID-19 virus. This allowed their economy to reopen quickly and remain open and operating without further disruption.

In the final quarter of 2020, China's economy grew by better than 6.5% as the recovery continued to strengthen and broaden out. For the year 2020, China's real GDP advanced 2.3% and will be the only major economy expected in positive territory. In fact, China's real GDP and many other economic indicators are above pre-pandemic levels.

Going forward, we expect a strong performance for China's economy in 2021. Many of the stimulative polices from the past year will continue to be a tailwind for growth over the near term. This will support the industrial and construction sectors for a while longer. The consumer sector, which had been lagging, is showing signs of recovery. The labour markets have improved, wages are rising, and savings are plentiful, all of which will support domestic consumption. The manufacturing sector, industrial production and export sectors are poised to continue to recover further as other world economies fully reopen.

While the outlook for China's economy is optimistic, there are reasons for concern. Given the strong economic recovery, authorities may start to gradually withdraw some of the emergency stimulus and liquidity measures. Recently, there have been reports of sporadic COVID-19 outbreaks in some provinces close to Beijing, which may require increased containment restrictions. Finally, the current spike in virus cases in other major economies may moderate global demand over the short term. Despite these concerns, the current consensus estimates for China's real GDP in 2021 is a robust 8.0%.

For the balance of emerging markets, economic activity should rebound sharply in 2021. This will be supported by the strong Chinese economy, a weaker U.S. dollar, firming commodity prices, continued accommodative fiscal and monetary policies and a recovery in global demand. For the year, real GDP growth in emerging market economies is forecast to expand close to 6%.

The economic recovery in Europe suffered a significant setback in the first fiscal quarter of 2020. The rise in COVID-19 cases over the period forced governments to tighten social distancing measures and restrict activity. These actions have, once again, increased uncertainty and dampened consumer and business confidence. Economic activity lost momentum over the period and this trend has continued into the new year. The consumer and services sectors are the most challenged by the recent negative pandemic developments. However, the manufacturing and export sectors should continue to gradually recover as they are correlated to Chinese economic activity which remains positive. Given the economic backdrop, the European Central Bank (ECB) enhanced its monetary policy support and increased the pandemic emergency purchase program (QE) by $610B to a total of $2.3Trillion. In addition, the ECB relaxed terms on long-term funding for banks to stimulate lending, kept interest rates unchanged and stated they were prepared to do more if economic conditions worsen. On the fiscal side, the European Union (EU) finally approved its largest fiscal spending plan ever, totaling $2.2Trillion. Importantly, Brexit is no longer an issue as the U.K. and the EU entered into a trade agreement by the December 31, 2020 deadline, avoiding a major economic disruption.

Over the short-term, European economic activity is expected to struggle. Looking out further, with the mass vaccination program in place we anticipate a reduction in the virus risk and a strong rebound in economic activity. Real GDP in the Euro Area is forecast to strengthen post a first quarter dip and grow over 3% for the year.

To date, the recovery in Japan's economy has not been as robust versus other developed countries and continues to face headwinds. While previously successful in controlling the spread of the virus, over the past few months the pandemic has worsened considerably, and the Prime Minister reinstated a state of emergency. These actions will weigh on domestic consumption and business activity early in 2021. The recovery in the manufacturing and trade sectors has been a source of economic strength given the strong rebound in their primary markets of China and South East Asia. However, the export sector is likely to weaken until the current COVID restrictions are lifted in their second largest export market, the U.S. As the recovery has lost momentum, Japan's government has approved additional fiscal spending programs of almost $400B. This takes the combined pandemic related stimulus to almost $3Trillion. As well, the Bank of Japan remains ultra-accommodative with yield control to keep rates low and unlimited bond buying capacity. Given these aggressive support programs, and despite the current COVID headwinds, the Bank of Japan expects real GDP to sharply recover in 2021 and grow close to 4%.

Domestically, Canada, as with other parts of the world, is experiencing a surge in COVID-19 cases which will dampen economic activity in the short-run. However, Canada's economy has demonstrated its ability to recover quickly when global economies reopen. Given that the prospect of this has improved with the early discovery of a safe and effective vaccine to defeat the COVID-19 virus, we expect a sharp return to growth later this year. Optimism for global growth in 2021 has lifted commodity prices across the board which will benefit the resource-based Canadian economy over the coming months. Oil prices, for example, have risen from the mid-$30 per barrel range to over $50 per barrel since the fourth quarter of 2020. The recovery in the manufacturing and trade sectors will follow the trajectory of the U.S. and global economies and strengthen over the balance of the year. The consumer sector could experience a surge when restrictions are lifted, given pent-up demand, higher savings rates and an improving labour market.

Fiscal and monetary policy will remain highly supportive throughout the period. The Bank of Canada recently suggested they may make a "micro" cut in rates, implying short rates are not going up anytime soon. On the fiscal front, to date, the Federal government has spent over $200 Billion on COVID related programs and has stated it is prepared to do more if required. The Canadian economy is expected to regain momentum later this year with real GDP expanding close to 5% from a decline of over 6% in 2020.

While our base case is that the global economy is expected to regain momentum in 2021, there are risks to the forecast. On the downside, the consumer may be slow to re-engage due to lingering fears of the virus, the vaccine may not be as effective against new variants, the global vaccination program may not be as successful and herd immunity may not be reached as swiftly as expected. There is also an upside surprise scenario whereby if the vaccine is highly successful in controlling the virus, consumer behavior quickly returns to normal and there is a surge in consumer demand. This, combined with the significant amounts of stimulus and liquidity in the system, has the potential to result in a much stronger global economic recovery than currently anticipated.

Regarding capital markets, we continue to favour equities over fixed income. Global equity markets have proven to be extremely resilient given the economic disruption due to the COVID-19 pandemic. The performance of world equity markets from the lows last March have been impressive and the uptrend has continued early in 2021. Currently, global equity markets are trading at all-time highs as investors have been prepared to look through the surge in COVID-19 infections, short-term economic concerns, and the riots and political disfunction in Washington D.C. However, valuations are stretched and investor enthusiasm in some areas of the market has become extreme. While corporate earnings are expected to rebound by 25% in 2021, much of this increase appears to be priced into the market at current levels. With the recent rally, even the value of cyclical sectors of the market has moved to the high end of historical valuation levels. A further headwind for valuation is the potential for longer term interest rates to move higher as the economy strengthens. While irrational exuberance may be taking equity earnings' multiples to record levels, in some portions of the equity market, there are even signs of irrational speculation. Retail participation has increased significantly, option call buying is at record levels and initial public stock offerings have surged in value. In addition, special purpose acquisition corporations (SPACS), generally blind pools of capital sponsored by successful investors, have flooded the market, raising billions of dollars. We have also witnessed individual securities skyrocket simply because they were promoted by online chat groups looking for market inefficiencies. While these are all signs of an overheated equity market, liquidity and momentum can drive prices well beyond reasonable expectations.

The recent election of President Biden and Democratic control of the House and Senate has been embraced by markets given the expectation of further fiscal stimulus. The administration has already laid out a new $1.9 Trillion fiscal spending plan for immediate approval. However, to fast track the proposal through congress the Democrats would require 60 votes in the Senate. Given their slim majority, with the vote of the Vice President breaking deadlocks, they would need some Republican support which may result in a compromise or delay in implementation. Regardless, it seems highly probable to expect increased fiscal spending over the near term. For now, at least, market participants are prepared to overlook the fact that fiscal spending programs eventually need to be funded through higher personal and corporate taxes and the printing of money to fund these programs may well lead to inflationary pressures as well. Social unrest has not subsided with the recent confirmation of the Biden Presidency and this may represent some instability as well moving forward.

Given these concerns and the magnitude and duration of the current market recovery, it would not be unexpected to see a period of consolidation or, potentially, a 5 to 10% correction in markets. For the balance of the year, we anticipate equity markets will be volatile, with returns in the 7 to 10% range.

In terms of regional allocation, equity markets in the rest of the world are heavily influenced by what happens in the United States. As we expect the global economy to recover in 2021, it is likely that more economically sensitive equity markets such as Europe, Emerging Markets, and Canada will show stronger performance for a short period. However, given how important technology is to equity markets in the U.S. (the five largest tech companies now represent 25% of the S&P500) and the fact that these companies represent the truest form of earnings growth, the best chance for long term capital appreciation in equities over the long-term remains in the U.S.

Concerning fixed income markets, our outlook has not materially changed. The Federal Reserve and Bank of Canada have stated their intentions to keep administered rates at the zero bound until at least 2023. Further, they are determined to keep monetary policy at highly accommodative levels until inflation sustainably exceeds their target of 2%. The Federal Reserve officially shifted to an average inflation targeting regime which means that they will let inflation exceed their target for some time to make up for past shortfalls. Therefore, the short end of the yield curve will remain well anchored at historically low levels as inflation has been well below target for most of the past decade. We expect longer term interest rates as well as the shape of the yield curve to increase modestly as economic activity recovers. However, markets will be volatile with directional moves highly sensitive to economic activity, inflation expectations, the trend of the virus, and the success of the vaccine.

Early in 2021, 10-year yields have moved modestly higher by 20 bps in Canada and 25 bps in the U.S. to 0.85% and 1.15%, respectively. This was due to Democratic promises of a large immediate fiscal stimulus bill and the expectations of increased spending and increased deficits over the longer term. However, we suspect that should rates rise too far too fast, this would cause the Fed to implement additional actions to control the level of longer-term rates in order to prevent higher rates from causing a tightening of financial conditions that could threaten or stunt the recovery. This could include extending the weighted average maturity of their QE program (buying of longer dated bonds to drive the long end of the yield curve down).

Our view continues to be that over the long-term, with rates near historically low levels, there is little value in the Canadian bond market. However, we remain close to our benchmark weight for liquidity and defensive purposes.

Regarding our Alternative portfolios, we will continue to regularly monitor the status of our holdings with management. Given the recovery in equity markets and economic activity, the outlook has materially improved for these assets. There are, and will continue to be, pockets of weakness especially those related to travel; however, the long-term risk appears to remain low. Concerning our Real Estate portfolio, the retail and office sectors remain challenged due to ongoing social distancing measures with malls and office buildings expected to gradually reopen, and individuals just beginning the process of re-engaging. The residential and industrial sectors have performed relatively well through the COVID-19 crisis and their outlook remains stable.

Membership Information

Member Services

The Board offers the following services to members and their families, financial planners, solicitors, etc.:

1. Individual Meetings

Members can meet with Board staff in Winnipeg and rural areas to discuss pension and insurance benefits. Members are encouraged to bring anyone they wish to these meetings, like a spouse or financial planner.

2. Pre-Retirement Planning Seminars

The Board offers half-day sessions designed for employees who are beginning to plan for retirement. They are presented in major centres throughout Manitoba for groups of 15 to 50 people, and members are encouraged to bring their spouses. The focus of these seminars is on pension and insurance benefits offered through the Board.

3. Employee Pension and Insurance Seminars

The employee information seminars focus on pension and insurance benefits, such as eligibility, entitlement to benefits, family protection, disability, death, relationship separation, etc. They are provided at the invitation of the Government or participating employers.

4. Personal and General Inquiries

Board staff are available to answer questions by way of phone and written communication.

5. Electronic Communications

The Board's website and Online Services allow members to view general information and obtain detailed personalized information at their convenience.

Staff are available to meet your information needs with respect to enrolment, retirement, disability, termination and pension projections for estate and retirement planning.

We ask that you have your personal identification number (PIN), social insurance number (SIN), or employee number ready when calling the office and that you make an appointment prior to visiting to assist us in serving you better.

Governance

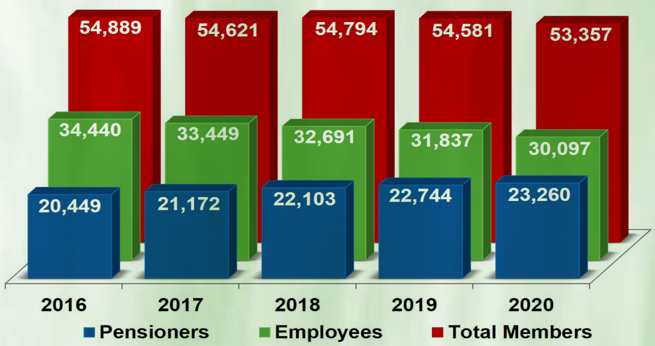
The Board and sub-committees regularly receive management certified compliance reports and informational material to assist with oversight requirements. In addition, the Board reviews and formally approves the minutes of all subcommittee meetings.

The Board is currently conducting a review of its governance processes. The results of the review will form the foundation of future Board policies and procedures.

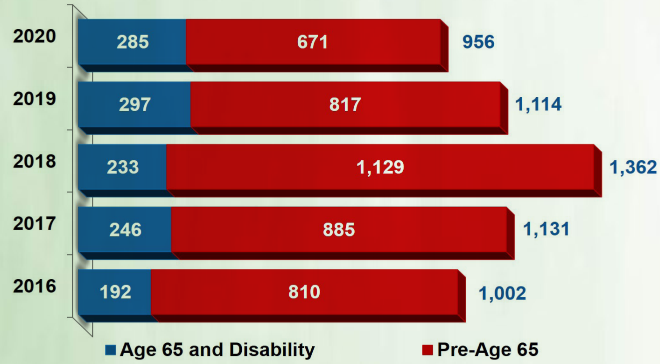
MEMBERS/RETIREMENTS

During 2020
- Total members decreased by 1,224 to 53,357
- Employees/former employees participating in the Fund decreased by 1,740 to 30,097
- Pensioners/beneficiaries increased by 516 to 23,260

Total Members



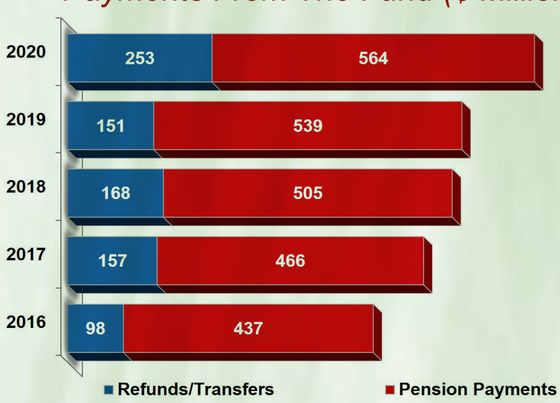
Retirements



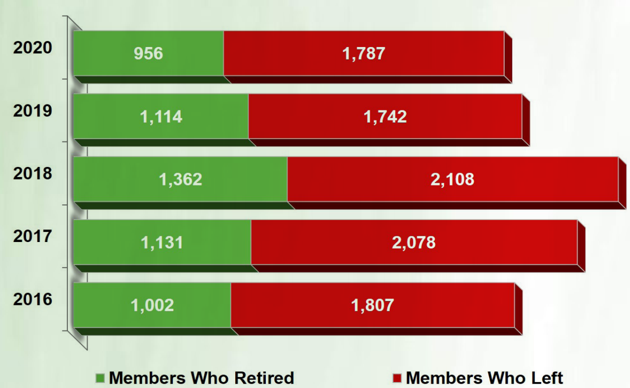
PAYING YOUR BENEFITS

During 2020
- 23,260 pensioners/beneficiaries were receiving pension benefits at the end of the year
- $564 million was paid in pensions

Payments From The Fund ($ Millions)



Former Contributors



Employee Contributions/Employer Payments

During 2020
- Employees contributed $154 million to the Fund compared to $158 million in 2019
- Employers paid $378 million to the Fund compared to $320 million in 2019

Employees and Employers share the cost of the plan.
- 89.8% of your contributions fund basic pension and beneficiary benefits
- 10.2% of your contributions are allocated for cost-of-living benefits

Employer payments include:
- Approximately 50% of pensions paid and transfer values for terminations, relationship separations, and deaths for payment-funding employers
- Payments made by prefunding employers

Contributions and Payments ($ Millions)

An employee contributes to the pension plan at one rate on salary up to his or her Canada pensionable earnings, and at a different rate on salary over of his or her Canada pensionable earnings. Canada pensionable earnings is the salary an employee receives in a year that does not exceed the Yearly Maximum Pensionable Earnings under the Canada Pension Plan. The Yearly Maximum Pensionable Earnings for 2021 is $61,600.

Cost-of-Living Adjustment (COLA)

- 10.2% of employee contributions and prefunding employer payments go to a separate account to fund COLA
- The account funds approximately half the COLA increase while employers pay their share
- Pensioners and beneficiaries receive an annual increase to a maximum of ⅔ of the increase in the Canadian Consumer Price Index (CPI)
- The COLA paid July 1, 2020 was 1.50%

Cost-of-Living Account

The Board is concerned with the future viability of COLA. COLA is limited to the extent that the COLA account is, in the opinion of our actuary, able to pay for approximately one half of the increases. The employer pays for the remainder of the increases. The Board is concerned that the COLA account will not be able to continue to provide increases of ⅔ of the increase in the Canadian Consumer Price Index. Concerned members should contact the Pension and Insurance Liaison Committee.

Funding of Pension Benefits

The Fund's net assets available for benefits are primarily funded by:

- Investment income
- Employee contributions
- Employer payments

These assets are used to finance the payment of the Fund's portion of the basic pension, the indexing benefits, and the employers' share for several prefunding employers. The majority of employers are payment funding and defer payment of their share of pension benefits until the benefit is paid.

The Fund consists of two separate accounts:

1. Basic Benefits Account

- Finances the Fund's share of the basic pension benefit calculated as at a specific date (i.e. retirement, termination or death)

2. Indexing Benefits Account

- Has been specifically established to finance the Fund's share of cost-of-living benefits paid to members
- 10.2% of employee contributions and prefunding employer payments are credited annually to this account

The cost-of-living benefit payments are limited to the extent that the Indexing Benefits Account is able to finance its share of each increase. Legislation limits the maximum annual cost-of-living adjustment to ⅔ of the increase in the CPI until the account can prefund anticipated adjustments for the next 20 years.

The net assets available to finance pension benefits, the obligations for pension benefits, and any surplus in the Basic Benefits Account and the funds available to finance future cost-of-living adjustments as at December 31, 2020 are summarized below.

	Fund (*)	Payment Funding Employers (*)	Obligations Total (*)
1. Net Assets Available (Net of Actuarial Reserves)			
Basic Benefits Account	4,857,551		
Indexing Benefits Account	626,743		
Total	5,484,294		
2. Actuarial Obligations for Pension Benefits			
Basic Benefits Account (Excluding future benefits)	5,595,824	4,248,116	9,843,940
Indexing Benefits Account	392,989	363,074	756,063
Total	5,988,813	4,611,190	10,600,003
3. Actuarial Position/Funds Available			
Basic Benefits Account	(738,273)	(4,248,117)	(4,986,390)
Indexing Benefits Account (funds available to finance future adjustments)	233,754	(363,073)	(129,319)
Deficit	(504,519)	(4,611,190)	(5,115,709)

* $Thousands

Refer to the Audited Financial Statements for additional information.

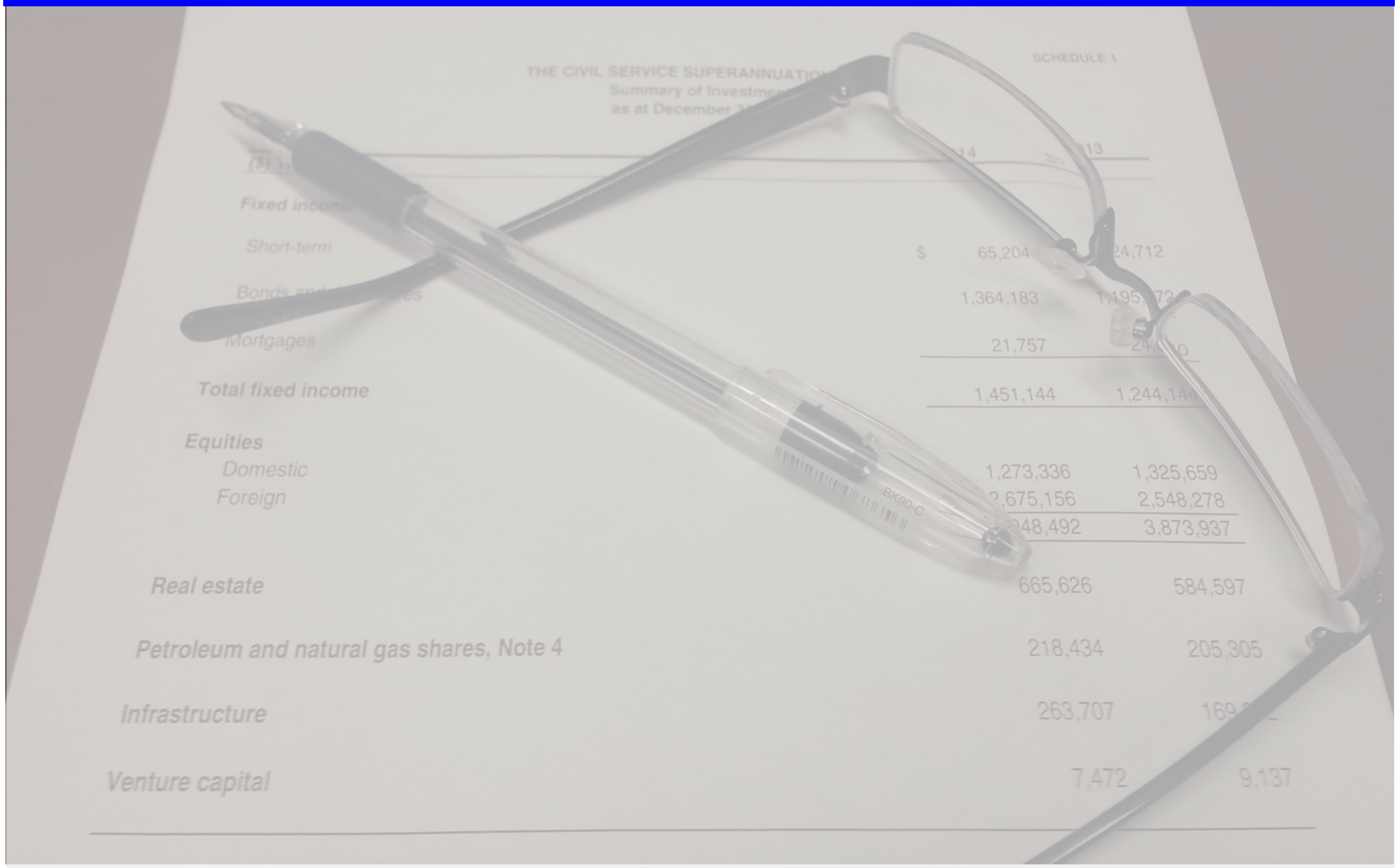
Five-Year Comparative Statistics

		2016 (*)	2017 (*)	2018 (*)	2019 (*)	**2020(*)**
Investments	**Rate of Return**	5.65%	10.80%	(0.90)%	13.66%	**9.02%**
	Market Value	7,077,658	7,561,547	7,199,516	7,797,819	**8,024,670**
Contributions and Payments	**Employee Contributions**	165,787	164,100	161,003	157,795	**153,640**
	Employer Payments	251,374	288,584	312,795	319,688	**377,783**
	Total	417,161	452,684	473,798	477,483	**531,423**
Payments from the Fund	**Pension Benefits Paid**	437,233	466,122	505,303	538,661	**564,111**
	Refunds and Transfers	97,803	156,450	167,985	150,891	**253,176**
Expenses	**Administrative, net before recoveries from payment funding employers**	3,867	3,908	4,273	4,520	**4,823**
	Investment, net	6,708	7,782	11,003	11,881	**11,981**

* $Thousands unless otherwise noted

		2016	2017	2018	2019	**2020**
Membership	**Non-Retired Members**	34,097	33,449	32,691	31,837	**30,097**
	Pensioners and Other Recipients	20,793	21,172	22,103	22,744	**23,260**
	Total Members	54,890	54,621	54,794	54,581	**53,357**
	Refunded/Transferred Members	1,807	2,078	2,108	1,742	**1,787**
	Retirements	1,002	1,131	1,362	1,114	**956**

Financial Information



MANAGEMENT RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of The Civil Service Superannuation Fund are the responsibility of management and have been prepared in accordance with Canadian accounting standards for pension plans, as stated in the notes to the financial statements. Management maintains internal controls to provide reasonable assurance of the reliability and accuracy of the financial information and to safeguard the assets of the Fund. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to May 27, 2021.

The firm of Ellement Consulting Group has been appointed as consulting actuary for the Fund. The role of the actuary is to complete the triennial actuarial valuations of the Fund in accordance with actuarial practice and estimate the obligations for benefits for inclusion in the annual financial statements.

The Auditor General performs an independent audit of the financial statements in accordance with Canadian generally accepted auditing standards. The resulting opinion is set out in the Auditor's Report attached to the financial statements.

Ultimate responsibility for the financial statements rests with the members of the Civil Service Superannuation Board. The Board established a Finance and Audit Committee to meet with Board staff and representatives of the Auditor General. It is the responsibility of the Finance and Audit Committee to review the financial statements, ensure that each group has properly discharged its respective responsibilities and make a recommendation to the Board regarding approval of the financial statements. The auditors have full and unrestricted access to the Board and to the Finance and Audit Committee.

The Board has reviewed and approved these financial statements.

On behalf of Management,

Bruce Schroeder
General Manager

Rick Wilson
Director, Finance

Auditor General
MANITOBA

INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of Manitoba

To the Civil Service Superannuation Board

Opinion

We have audited the financial statements of the Civil Service Superannuation Fund (CSSF) which comprise the statement of financial position as at December 31, 2020, and the statements of changes in net assets available for benefits, the statement of changes in pension obligations and the statement of changes in surplus (deficit) for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the CSSF as at December 31, 2020, and the changes in its net assets available for benefits, the changes in its pension obligations and the changes in its surplus (deficit) for the year then ended in accordance with Canadian accounting standards for pension plans.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the CSSF in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for pension plans, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the CSSF's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate the CSSF or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the CSSF's financial reporting process.

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Auditor General
MANITOBA

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CSSF's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the CSSF's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the CSSF to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Original Signed by
Tyson Shtykalo

Winnipeg, Manitoba
May 27, 2021

Tyson Shtykalo, CPA, CA
Auditor General

EXHIBIT A

THE CIVIL SERVICE SUPERANNUATION FUND
Statement of Financial Position
as at December 31, 2020

($) Thousands	2020	2019
Assets		
Investments, Schedule 1 and Note 2(b)	$ 8,024,670	$ 7,797,819
Capital assets	455	320
Prepaid expenses	308	258
Debt due from the Province of Manitoba, Note 4	1,826	1,826
Receivables, Note 5	9,423	10,254
Accrued dividends and interest	12,779	14,287
Total assets	8,049,461	7,824,764
Liabilities		
Accounts payable and accrued liabilities	20,078	16,430
The Province of Manitoba Unfunded Pension Liability Trust Account, Note 6	2,316,602	2,265,796
Manitoba Hydro Enhanced Benefit Trust Account, Note 7	39,873	36,641
Correctional Officers' Trust Account, Note 8	16,474	14,660
Employer Trust Accounts, Note 9	124,245	114,332
Money Purchase Accounts Plan, Note 10	47,895	44,408
Total liabilities	2,565,167	2,492,267
Net assets available for benefits, Exhibit B	**$ 5,484,294**	**$ 5,332,497**
Pension Obligations and Deficit		
Actuarial value of pension obligations, Exhibit C, Note 11	$ 10,600,003	$ 10,359,827
Deficit, Exhibit D, Note 1(b), 11, 12 and 19	(5,115,709)	(5,027,330)
Pension obligations and deficit	**$ 5,484,294**	**$ 5,332,497**

The accompanying notes and schedules are an integral part of these financial statements.

Approved on behalf of the Board

Chairperson of the Board

Chairperson, Finance and Audit Committee

THE CIVIL SERVICE SUPERANNUATION FUND
Statement of Changes in Net Assets Available for Benefits
For the year ended December 31, 2020

($) Thousands	Basic Benefits Account	Indexing Benefits Account	2020 Total	2019 Total
Increase in assets				
Contributions, Schedule 2, Note 1(b) and 13				
Employees	$ 138,135	$ 15,505	$ 153,640	$ 157,795
Employers	342,178	35,605	377,783	319,688
Total contributions	480,313	51,110	531,423	477,483
Net investment income, Schedule 3	129,895	50,628	180,523	241,797
Current period change in fair value of investments, Note 14	476,907	-	476,907	703,642
Other	78	-	78	78
Total increase in assets	1,087,193	101,738	1,188,931	1,423,000
Decrease in assets				
Benefits paid, Note 15	493,262	70,849	564,111	538,661
Refunds and transfers, Note 16	253,176	-	253,176	150,891
Administrative expenses, net, Note 17	2,810	-	2,810	2,658
Interest allocations to various trust accounts and Money Purchase Accounts Plan, Note 18	217,037	-	217,037	304,639
Total decrease in assets	966,285	70,849	1,037,134	996,849
Increase in net assets	120,908	30,889	151,797	426,151
Net assets available for benefits, beginning of year	4,736,643	595,854	5,332,497	4,906,346
Increase in net assets	120,908	30,889	151,797	426,151
Net assets available for benefits, end of year, Exhibit A	**$ 4,857,551**	**$ 626,743**	**$ 5,484,294**	**$ 5,332,497**

The accompanying notes and schedules are an integral part of these financial statements.

EXHIBIT C

THE CIVIL SERVICE SUPERANNUATION FUND
Statement of Changes in Pension Obligations
For the year ended December 31, 2020

($) Thousands	Fund	Payment Funding Employers	2020 Total	2019 Total
Basic Benefits Account				
Pension obligations, beginning of year	$ 5,447,800	$ 4,153,012	$ 9,600,812	$ 9,434,381
Change in pension obligations				
Experience loss	113,184	106,185	219,369	35,627
Benefits accrued	133,055	97,750	230,805	228,425
Benefits paid	(404,260)	(342,178)	(746,438)	(624,525)
Interest accrued on benefits	306,045	233,347	539,392	526,904
Change in actuarial assumptions	-	-	-	-
	148,024	95,104	243,128	166,431
Pension obligations, end of year	**$ 5,595,824**	**$ 4,248,116**	**$ 9,843,940**	**$ 9,600,812**
Indexing Account				
Pension obligations, beginning of year	$ 394,523	$ 364,492	$ 759,015	$ 684,515
Change in pension obligations				
Experience (gain)	(5,796)	(5,355)	(11,151)	(11,984)
Benefits accrued, Note 11(b)	20,278	18,734	39,012	111,431
Benefits paid	(36,826)	(34,023)	(70,849)	(65,027)
Interest accrued on benefits	20,810	19,226	40,036	40,080
Change in actuarial assumptions	-	-	-	-
	(1,534)	(1,418)	(2,952)	74,500
Pension obligations, end of year	**$ 392,989**	**$ 363,074**	**$ 756,063**	**$ 759,015**
Combined				
Pension obligations, beginning of year	$ 5,842,323	$ 4,517,504	$ 10,359,827	$ 10,118,896
Change in pension obligations	146,490	93,686	240,176	240,931
Pension obligations, end of year, Exhibit A	**$ 5,988,813**	**$ 4,611,190**	**$ 10,600,003**	**$ 10,359,827**

The accompanying notes and schedules are an integral part of these financial statements.

THE CIVIL SERVICE SUPERANNUATION FUND
Statement of Changes in Surplus (Deficit)
For the year ended December 31, 2020

($) Thousands	Fund	Payment Funding Employers	2020 Total	2019 Total
Basic Benefits Account				
Deficit, beginning of year	$ (711,157)	$ (4,153,013)	$ (4,864,170)	$ (5,068,860)
Increase in net assets	120,908	-	120,908	371,121
Change in pension obligations	(148,024)	(95,104)	(243,128)	(166,431)
	(27,116)	(95,104)	(122,220)	204,690
Deficit, end of year	**$ (738,273)**	**$ (4,248,117)**	**$ (4,986,390)**	**$ (4,864,170)**
Indexing Account				
Surplus (deficit), beginning of year	$ 201,331	$ (364,491)	$ (163,160)	$ (143,690)
Increase in net assets	30,889	-	30,889	55,030
Change in pension obligations	1,534	1,418	2,952	(74,500)
	32,423	1,418	33,841	(19,470)
Surplus (deficit), end of year	**$ 233,754**	**$ (363,073)**	**$ (129,319)**	**$ (163,160)**
Combined				
Deficit, beginning of year	(509,826)	(4,517,504)	(5,027,330)	(5,212,550)
Change during the year	5,307	(93,686)	(88,379)	185,220
Deficit, end of year, Exhibit A, Note 19	**$ (504,519)**	**$ (4,611,190)**	**$ (5,115,709)**	**$ (5,027,330)**

The accompanying notes and schedules are an integral part of these financial statements.

($) Thousands

1. Description of Plan

The following description of the Civil Service Superannuation Plan (the "Plan") is a summary only. For more complete information reference should be made to the Civil Service Superannuation Act (the "Act").

(a) General

The Civil Service Superannuation Board (the "Board") and the Civil Service Superannuation Fund (the "Fund") were established under the Act in May 1939. The Board is responsible for administering the Act. The Act defines the basis of funding and the operation of the Plan as a defined benefit plan, which provides pension benefits to employees of the Government of the Province of Manitoba and its agencies participating in the Plan.

(b) Funding

The Act requires that employees contribute 8.0% of pensionable earnings up to the Canada Pension Plan (CPP) maximum pensionable earnings and 9.0% of pensionable earnings above that maximum. In accordance with the Act, 89.8% of the employee contributions are allocated to the Basic Benefits Account and 10.2% are allocated to the Indexing Benefits Account. The prefunding employer contribution rate is .9% less than the employee on pensionable earnings up to the Canada Pension Plan (CPP) maximum pensionable earnings and the same as the employee on Pensionable Earnings above that maximum.

Under provisions of the Act, payment funding employers defer contributing their share of employee pension benefits until they are billed for 50% of the benefit payments processed. However, payment funding employers are not billed for the cost of the pension formula improvement implemented in 2000. Prefunding employers similarly do not contribute toward the 2000 pension formula improvement.

The Fund's net assets available for benefits are primarily comprised of investments derived from contributions from employees and prefunding employers together with investment income. These assets are intended to finance the Fund's portion of the Plan's actuarially determined obligation for pension benefits accruing to employees for service to the date of these financial statements. The payment funding employers' portion of the obligation for pension benefits, as shown on Exhibit C and disclosed in Note 11, is unfunded.

The cost-of-living benefit payments are limited to the extent that the amount in the separate Indexing Benefits Account is actuarially able to finance one-half of that payment. Legislation limits the maximum annual adjustment to two-thirds of the increase in Consumer Price Index (Canada) until the Indexing Benefits Account can pre-fund anticipated adjustments for the next twenty years.

(c) Pension Calculation

The lifetime pension calculation equals:

(i) 2% of a member's best five-year average pensionable earnings multiplied by pensionable service.

(ii) minus .4% of the average CPP maximum pensionable earnings for the same period multiplied by pensionable service since January 1, 1966.

The lifetime pension is subject to an overall maximum of 70% of the average earnings described in (i) above. Some pensions for members retiring prior to age 60 are subject to an early retirement reduction.

($) Thousands

(d) Excess Contributions

On termination, retirement, or death, if a member's contributions plus interest (less 10.2% allocated to the Indexing Benefits Account) exceed 50% of the commuted value of the pension for service after December 31, 1984, the excess contributions are payable to the member or the member's estate.

(e) Retirement

A member is eligible to retire as early as age 55.
All members must commence pension benefits no later than the last day of the calendar year in which the member attains 71 years of age.
Eligible members of the Province of Manitoba's Corrections Component may retire as early as age 50 if age plus years of qualifying service is greater than or equal to 75.

(f) Disability Pensions

A member with ten or more years of qualifying service is eligible to apply for a disability pension.

(g) Death Benefits Pre-retirement

Upon the death of an active member, a survivor's benefit is payable to a spouse or partner or the member's estate when there is no survivor.

(h) Death Benefits Post-retirement

A death refund is payable to the estate of a pensioner or survivor where such pensions have not been paid to the full extent of the member's contributions plus interest.

(i) Withdrawal Refunds

Upon application and subject to lock-in provisions, withdrawal refunds are payable when a member ceases to be employed by a participating employer. Members may choose to leave their contributions in the Plan as a vested member.

(j) Income Taxes

The Plan is a Registered Pension Trust as defined in the Income Tax Act and is not subject to income taxes.

(k) Money Purchase Accounts Plan

The Board administers and maintains a separate Money Purchase Accounts Plan on a trust basis as provided for in the Act.

2. Significant Accounting Policies

The significant accounting policies are summarized below:

(a) Basis of Presentation

The financial statements are prepared on a going-concern basis as a separate financial reporting entity, in accordance with Canadian accounting standards for pension plans. The Fund has selected Part II (accounting standards for private enterprises) of the CPA Canada Handbook for issues not directly addressed by these standards. In accordance with these standards, statements prepared include the statement of financial position, the statement of changes in net assets available for benefits, the statement of changes in pension obligations and the statement of changes in surplus (deficit). They are prepared to assist participants and others in reviewing the financial activities for the fiscal year.

(b) Investments

Investments are presented on a non-consolidated basis even when an investment is in an entity over which the Plan has control or can exercise significant influence. Investments are recorded at fair value on a trade date basis. Fair values of investments are determined as follows:

Fixed Income

(i) Short-term investments are valued at cost, which approximates market and short-term equivalents are valued at market by independent sources.

(ii) Bonds and debentures are valued at market by independent sources.

(iii) Index-linked mortgages are valued at amortized cost, which approximates fair value.

Equities

(i) Publicly traded securities are valued at year end market prices as listed on the appropriate stock exchange.

(ii) Pooled equity funds are valued at market by the external manager based on the fair value of the underlying assets.

Other Investments

(i) Real estate investments are valued at fair value based on the most recent appraisals or external managers' valuations of the underlying properties.

(ii) Petroleum and natural gas shares are valued at fair value based on the discounted present value of proven petroleum and natural gas reserve information provided by external managers or are reflected at cost, which approximates fair value, until such information is available.

(iii) Private equity, Infrastructure, and Private credit investments are valued at the fair value of the underlying investments as established by the external managers or at cost, which approximates fair value, when no valuation has been prepared.

(c) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for pension plans requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the year. Actual results could differ from those estimates. Items requiring the use of significant estimates include Level 3 investments and Obligations for pension benefits.

($) Thousands

(d) Foreign Currency Translation

Transactions denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing on the dates of the transactions. The foreign currency translation of these transactions (except for any foreign currency translation related to the acquisition of investments) is included in investment income or the current period change in fair value of investments (net realized gains or losses on the sale of investments) or administrative expenses.

The fair value of investments denominated in foreign currencies is translated into Canadian dollars at the exchange rate in effect at year-end and the resulting change from the translation at acquisition (or the prior year end) is included in the current period change in fair value of investments (net unrealized market gains or losses).

(e) Forward Contracts

A forward contract is a contractual obligation to buy or sell a specified amount of foreign currency at a predetermined future date and exchange rate. Forward contracts are recorded at fair value which is the estimated amounts that the Fund would receive or pay to terminate the contracts at the reporting date. Realized and unrealized gains or losses on forward contracts are recognized with the current period change in fair value of investments.

(f) Equipment

Computer equipment costing less than $15 and all furniture purchases are charged to operations in the year of acquisition. Mid-range computer equipment cost is amortized over 5 years and microcomputer equipment cost is amortized over 3 years.

(g) Related Party Transactions

The Plan's sponsor and administrator (and their close family members) are related parties of the Civil Service Superannuation Fund. The sponsor of the Plan is the Government of the Province of Manitoba and the administrator of the Plan is the management of the Civil Service Superannuation Board (CSSB).

CSSB management and their close family members include board members, external committee members and senior management, as well as their spouses, and any controlled business or business subject to significant influence.

All related party transactions are recorded at the exchange amount. Material transactions, in aggregate, and balances are disclosed separately.

(h) Net Investment Income and Current Period Change in Fair Value of Investments

Dividend income is recognized based on the ex-dividend date; interest income and income from real estate, infrastructure, private equity, private credit, and security lending are recognized on the accrual basis as earned. Investment management expenses, transaction costs, and interest allocated to employee future benefit obligations are reductions to gross investment income. Current period change in fair value of investments includes both realized and unrealized gains and losses. Unrealized gains and losses are recognized only when the fair value of the investment is based on a quoted market price in an active market or a valuation using appropriate valuation techniques is performed and approved by management.

($) Thousands

3. Risk Management

The fair value of investments is exposed to market risk (interest rate risk, currency risk and price risk), credit risk, and liquidity risk.

(a) Market Risk

Interest Rate Risk

Interest rate risk refers to the impact of interest rate changes on the Fund's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Fund's assets and liabilities. The value of the Fund's assets is affected by changes in interest rates.

The Fund's exposure to interest rate risk is concentrated in its investments in bonds and debentures. To properly manage the Fund's interest rate risk, appropriate guidelines on the weighting and duration for bonds and debentures are set and monitored by the Fund's Investment Committee.

The Fund has invested approximately 21% (2019 – 21%) of its assets in fixed income securities as at December 31, 2020 which generated a rate of return of 10.47% (2019 – 9.36%). The returns on fixed income securities are particularly sensitive to changes in nominal interest rates. As at December 31, 2020, if prevailing interest rates were raised or lowered by 100 basis points, with all other factors held constant, fixed income investments would likely have decreased or increased respectively by approximately $160,232 (2019 - $156,473). The Fund's interest rate sensitivity was determined based on portfolio weighted duration.

Currency Risk

Currency risk relates to the possibility that foreign currency-denominated investments will change in value due to future fluctuations in foreign exchange rates. The impacts can be positive or negative and can be significant given the volatility of foreign exchange rates. CSSB management and external managers hedge some of the Fund's currency exposure in invested assets using forward contracts. As at December 31, 2020, the notional amount of all forward contracts held by the Fund was $654,222 (2019 - $578,547) with unrealized gains (losses) of $(307) (2019 - $4,896).

The Fund's exposure in cash and investments to foreign currencies, net of hedging, reported in Canadian dollars is shown below:

As at December 31, 2020		Actual Currency Exposure	Percentage
Canadian dollar	$	4,339,879	54.1%
US dollar		1,976,454	24.6
Euro		341,898	4.3
Japanese yen		264,607	3.3
Hong Kong dollar		201,581	2.5
Pound sterling		184,286	2.3
South Korean won		113,756	1.4
Australian dollar		107,843	1.3
Indian rupee		103,003	1.3
Taiwan new dollar		77,617	1.0
Other currencies		313,746	3.9
Total investments	$	8,024,670	100.0%

A 10 percent increase or decrease in exchange rates, net of hedging, with all other variables held constant, would result in a change in unrealized gains (losses) of $368,479 (2019 - $349,026).

($) Thousands

Price Risk

Price risk is the risk that the value of an investment will fluctuate as a result of a change in market conditions (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market. The Fund's equity and private market investments are sensitive to market fluctuations. To assist in mitigating the impact of price risk, the Board has established appropriate guidelines on asset diversification to address specific security, geographic, sector and investment manager risks which they monitor on a regular basis. A decline or increase of 10 percent in fair values of equities and private market investments, with all other variables held constant, will impact the Fund's investments by an approximate loss or gain of $635,768 (2019 - $615,799).

(b) Credit Risk

Credit risk is the risk of loss from the failure of a counter party to discharge its contractual obligations. At December 31, 2020, the Fund's maximum credit risk exposure relating to bonds and debentures, cash and short-term investments and mortgages totaled $1,666,994 (2019 - $1,639,826), receivables of $9,423 (2019 - $10,254) and accrued interest of $6,734 (2019 - $6,916) totaled $1,683,151 (2019 - $1,656,996). The Fund's Investment Committee limits credit risk by concentrating on high quality securities and adhering to a Statement of Investment Policies and Procedures. The Policy establishes investment ownership limits and acceptable credit ratings. In the case of bonds and debentures, all bonds must be rated BBB- or higher at the time of purchase.

All transactions in listed securities are settled upon delivery using approved investment managers. The risk of default is considered minimal, as delivery of securities sold is only made once the investment manager has received payment. Payment is made on a purchase once the securities have been received by the investment manager. The trade will fail if either party fails to meet its obligation.

The breakdown of the Fund's bonds and debentures portfolio by credit rating from various rating agencies is presented below:

Credit Rating	2020 Fair Value		2019 Fair Value	
AAA	$ 211,269	14.8%	$ 388,156	26.4%
AA	177,565	12.4	119,006	8.1
A	892,098	62.5	842,356	57.3
BBB+	107,021	7.5	113,373	7.7
BBB and lower	39,933	2.8	7,639	0.5
	1,427,886	100.0%	1,470,530	100.0%
Cash and short-term	107,230		76,731	
Total bonds and debentures	$ 1,535,116		$ 1,547,261	

Credit risk associated with contributions receivable is minimized due to their nature. Contributions are collected from participating members through the payroll process. No provision for doubtful contributions receivable has been recorded in either 2020 or 2019.

($) Thousands

(c) Liquidity Risk

Liquidity risk is the possibility that investments of the Fund cannot be readily converted into cash when required to meet contractual obligations. The Fund may be subject to liquidity constraints because of insufficient volume in the markets for the securities of the Fund or other securities may be subject to legal or contractual restrictions on their resale. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active public market and can be readily sold. Although market events could lead to some investments becoming illiquid, the diversity of the Fund's portfolio and current contribution levels should ensure that liquidity is available for benefit payments.

The term to maturity and related market values of fixed income investments are as follows:

Term to Maturity	2020	2019
Less than one year	$ 233,439	$ 161,675
One to five years	287,138	340,701
Over five years	1,146,417	1,137,450
Total fixed income investments	$ 1,666,994	$ 1,639,826

(d) Fair Value

The following is a summary of the inputs used in the measurement of the fair value of the Fund's investments based on the fair value hierarchy:

	Level 1 Quoted Prices in Active Markets	Level 2 Significant Other Observable Inputs	Level 3 Significant Unobservable Inputs	Total 2020
Assets				
Cash	$ 19,269	$ -	$ -	$ 19,269
Short-term	-	250,026	-	250,026
Bonds and debentures	-	1,427,886	-	1,427,886
Mortgages	-	6,837	-	6,837
Equities	3,542,564	680,587	-	4,223,151
Real estate	-	-	1,084,739	1,084,739
Infrastructure	-	-	576,674	576,674
Private equity	-	-	29,514	29,514
Private credit	-	-	406,574	406,574
Total investments, Schedule 1	$ 3,561,833	$ 2,365,336	$ 2,097,501	$ 8,024,670

($) Thousands

	Level 1 Quoted Prices in Active Markets	Level 2 Significant Other Observable Inputs	Level 3 Significant Unobservable Inputs	Total 2019
Assets				
Cash	$ 14,629	$ -	$ -	$ 14,629
Short-term	-	206,133	-	206,133
Bonds and debentures	-	1,470,528	-	1,470,528
Mortgages	-	8,869	-	8,869
Equities	3,396,166	683,798	-	4,079,964
Real estate	-	-	1,102,219	1,102,219
Infrastructure	-	-	553,203	553,203
Petroleum and natural gas	-	-	9,077	9,077
Private equity	-	-	19,781	19,781
Private credit	-	-	333,416	333,416
Total investments, Schedule 1	$ 3,410,795	$ 2,369,328	$ 2,017,696	$ 7,797,819

All securities in Level 1 can be traded in an active market. During the year ended December 31, 2020, no equity investments were transferred from Level 1 to Level 2.

During the year ended December 31, 2020, the reconciliation of investments measured at fair value using unobservable inputs (Level 3) is presented as follows:

	Real estate	Infrastructure	Petroleum & natural gas	Private equity	Private credit	Total
Beginning Balance	$ 1,102,219	$ 553,203	$ 9,077	$ 19,781	$ 333,416	$ 2,017,696
Purchases	57,462	23,596	-	8,112	77,013	166,183
Sales and withdrawals	(41,794)	-	-	-	-	(41,794)
Capitalized income	35,108	-	-	-	-	35,108
Return of capital	-	(1,105)	-	(83)	(19,972)	(21,160)
Dividend	(777)	(32,323)	(21)	(500)	(9,541)	(43,162)
Change in unrealized appreciation/ (depreciation)	(67,479)	33,303	(9,056)	2,204	25,658	(15,370)
Ending Balance	$ 1,084,739	$ 576,674	$ -	$ 29,514	$ 406,574	$ 2,097,501

($) Thousands

Section 3.29 of the Manitoba Pension Benefits Act Regulation requires disclosure of each investment asset that has a fair value greater than one percent of the fair value of the investment assets of the fund. As at December 31, 2020, the Fund held the following investments that met this classification:

ISHARES MSCI Japan ETF	$ 94,226
ISHARES Core S&P 500 ETF	$ 248,358
ISHARES Core S&P / TSX CAPPED	$ 173,416
ISHARES Russell Mid Cap ETF	$ 121,880
Borealis Infrastructure Fund	$ 322,459
Northleaf Star Investor Corp.	$ 129,552
Marathon M-L Investment Fund	$ 681,333

(e) Securities Lending

The Fund is entered into a securities lending program through the lending agent, State Street Trust Company Canada. Under the program, the Fund will lend various securities in its possession to borrowers approved by the lending agent. The loans can be secured by either securities or cash collateral. The Fund has risks under this program including borrower default and reinvestment risk, mitigated by an indemnification clause in the securities lending agreement with State Street Bank and Trust Company.

4. Debt due from the Province of Manitoba

Under Section 24(1) of the Act, the Province of Manitoba assumed an accrued liability of $1,826 (2019 - $1,826) for its employees and pensioners as at May 1, 1939. The Province of Manitoba pays semi-annual interest at 4% per annum on this amount.

5. Receivables

	2020	2019
Contributions receivable		
Employers	$ 726	$ 547
Employees	1,026	128
	1,752	675
Other receivables	7,671	9,579
	$ 9,423	$ 10,254

($) Thousands

6. The Province of Manitoba Unfunded Pension Liability Trust Account

The Province has established a fund for the purpose of accumulating funds for the eventual retirement of the Province's unfunded pension obligation.

Under the terms of a March 6, 2001 agreement between the Province and the Board, the Province established a fund with the Board and the Province is making the required contributions to this fund. As well, the Province is making contributions to this fund that is related to the Special Operating Agencies unfunded pension liabilities. Contributions received by the Board from the Province are held by the Board (as invested assets) in trust for and on behalf of the Province and are invested by the Board on behalf of the Province. The contributions received are not assets of the Plan and accordingly, they are accounted for by the Fund in the Unfunded Pension Liability Trust Account. This trust account earns investment income at a rate of return equal to the rate of return earned by the Fund. The Board receives an investment management fee for its services. The contributions made by the Province to the Board do not reduce the pension benefit obligations and deficit of the Fund.

The Trust Agreement was amended effective December 31, 2008, to make the trust irrevocable. Accordingly, the assets in the Trust Account can not be used for any purposes other than to fund the payment of pension benefits for which the Province is responsible and to pay the costs and expenses that are directly attributable to the administration of the Trust Account.

In October 2007, The Financial Administration Act was amended to allow for withdrawals from the fund to pay, or fund the payment of, pension benefits for which the Province is responsible.

A continuity schedule of this trust account is as follows:

	2020	2019
Contributions received	$ 94,722	$ 93,552
Interest earned	200,079	281,006
Pension and refund payments made	(235,283)	(198,735)
Investment management fees charged	(8,712)	(8,662)
Change during the year	50,806	167,161
Balance, beginning of year	2,265,796	2,098,635
Balance, end of year	$ 2,316,602	$ 2,265,796

($) Thousands

7. Manitoba Hydro Enhanced Benefit Trust Account

Effective January 1, 2012, Manitoba Hydro employees with pensionable service after May 31, 2006 are eligible for an additional benefit. The Enhanced Hydro Benefit Plan enhances the formula used in calculating pension benefits from 1.6% to 1.7% of earnings up to the Canada Pension Plan average Yearly Maximum Pensionable Earnings at the time of retirement. Manitoba Hydro will fund the enhanced pension benefit through contributions to a trust account that will be used to fund the additional benefit to employees. A continuity schedule of this trust account is as follows:

	2020	2019
Contributions received	$ 2,126	$ 2,172
Interest earned	3,341	4,371
Pension and refund payments made	(2,090)	(1,406)
Investment management fees charged	(145)	(134)
Change during the year	3,232	5,003
Balance, beginning of year	36,641	31,638
Balance, end of year	$ 39,873	$ 36,641

8. Correctional Officers' Trust Account

Effective November 19, 1996 employees who are members of the Province of Manitoba's Corrections Component are required to contribute an additional 1% of pensionable earnings. These additional contributions are credited to this trust account and are intended to fund the additional pension benefits for eligible employees who may retire as early as age 50 with no reduction for early retirement providing the total of age and qualifying service equals 75 or greater. A continuity schedule of this trust account is as follows:

	2020	2019
Contributions received	$ 1,385	$ 1,389
Interest earned	1,296	1,705
Pension and refund payments made	(859)	(744)
Expenses paid	(8)	(7)
Change during the year	1,814	2,343
Balance, beginning of year	14,660	12,317
Balance, end of year	$ 16,474	$ 14,660

($) Thousands

9. Employer Trust Accounts

The Fund is responsible for providing enhanced benefits enacted in the 1992 legislation agreed to by the Employee Liaison Committee and the Employer Pension Advisory Committee. These benefits are 100% financed from the Fund's net assets available for benefits. To facilitate this funding, trust accounts were established for payment funding employers participating in the Fund for their share of the actuarial valuation of these future benefit enhancements. Specific contributions from eligible employees are being transferred to the applicable trust account. A continuity schedule of this trust account is as follows:

	2020	2019
Contributions	$ 12	$ 13
Interest earned	9,901	13,545
Change during the year	9,913	13,558
Balance, beginning of year	114,332	100,774
Balance, end of year	$ 124,245	$ 114,332

10. Money Purchase Accounts Plan

Effective January 2, 1985 a separate Money Purchase Accounts Plan was established to enhance the portability of pensions. Contributors include employees, recipients of superannuation allowances, annuities, or pensions payable under the Act, or persons on whose behalf the Board is required or requested to transfer moneys to this Plan. Refunds are made upon written request by the contributor. Administrative costs are recovered by the Board. A continuity schedule of this liability account is as follows:

	2020	2019
Contributions received	$ 4,327	$ 4,204
Interest earned	2,420	4,012
Refunds and administration fees paid	(1,817)	(2,243)
Annuities made	(1,443)	(407)
Change during the year	3,487	5,566
Balance, beginning of year	44,408	38,842
Balance, end of year	$ 47,895	$ 44,408

11. Obligations for Pension Benefits

(a) Basic Benefits Account

In accordance with the Pension Benefits Act of the Province of Manitoba, actuarial valuations are required every three years. The stated purpose of the actuarial valuation is to:

- determine the financial position of the Plan as at the valuation date,
- determine the adequacy of the contributions being received in relation to the portion of the benefits financed by the Fund, and
- provide recommendations as to the future course of action based on the financial position revealed.

Actuarial valuations (going concern basis) for the Fund and Payment Funding Employers' pension obligations were prepared as at December 31, 2019 by Ellement Consulting Group. The actuarial present value of the accrued basic pension benefit obligations, based on service to date, was extrapolated by the actuary to December 31, 2020. The principal components of the changes in pension obligations during the year are presented in Exhibit C.

The payment funding employers' portion of the accrued basic pension benefit obligation is unfunded. These payment funding employers defer contributing their share of employee pension benefits until they are billed for approximately 50% of the benefit payments processed. Payment funding employers are not billed for the cost of the pension formula improvement that was effective from September 1, 2000.

Significant long-term actuarial assumptions used in the December 31, 2019 and 2018 valuations of the present value of the accrued basic pension benefit obligations were:

	2019	2018
Discount rate:		
(i) inflation component	2.00%	2.00%
(ii) real rate of return	3.75%	3.75%
	5.75%	5.75%
Annual salary escalation rates:		
(i) general increases		
a) inflation component	vary by year/2.00%	vary by year/2.00%
b) productivity component	vary by year/0.50%	vary by year/0.50%
	vary by year/2.50%	vary by year/2.50%
(ii) service, merit and promotional increases *		
* the rates used vary by age groupings from a high of 3.0% to a low of 0%		
Mortality rates:		
(i) mortality	CPM 2014 Public	CPM 2014 Public
(ii) mortality improvements	Scale B	Scale B

The extrapolations to December 31, 2020 were based on the assumptions used in the 2019 actuarial valuations.

The next actuarial valuations for Basic Benefits will be prepared as at December 31, 2020 and will be completed by the fall of 2021.

(b) Indexing Benefits Account

Under section 33(6) of the Act, the Board must approve a cost-of-living adjustment before it is in effect. The 2020 financial statements reflect the pension obligations for cost-of-living adjustments up to the change in the Consumer Price Index for 2020.

A 0.49% cost-of-living adjustment for the year ended December 31, 2020 at a cost of $39,012 (Fund - $20,278, Payment Funding Employers - $18,734) was approved March 25, 2021, with payment commencing July 2021.

These pension obligations are reported in the 2020 statement of changes in pension obligations (Exhibit C).

The December 31, 2020 actuarial valuations for the Fund's Indexing Benefits Account and the Payment Funding Employers' liability for indexing benefits were prepared by Ellement Consulting Group. The actuarial assumptions were the same as those used for the December 31, 2019 actuarial valuations for basic benefits, except the discount rate used was 5.25%.

The next actuarial valuations on the Indexing Benefits Account and the Payment Funding Employers' indexing benefits liability will be prepared as at December 31, 2021 and will be completed during 2022.

12. Employer Assets Provided for Pension Obligations

Readers should refer to the latest audited employer financial statements, including the financial statements of the Government of the Province of Manitoba and its participating agencies, to determine how employers fund their pension obligations.

The Fund also manages monies from payment funding employers designed to help offset their share of the unfunded pension obligation and deficit. These monies have not been included in the statement of net assets available for benefits. The breakdown of these total funds under management is as follows:

	2020	2019
Province of Manitoba, Note 6	$ 2,316,602	$ 2,265,796
Manitoba Hydro, Note 20	1,090,648	1,072,184
Total funds managed	$ 3,407,250	$ 3,337,980

The funds from the Province of Manitoba are included in both the assets (investments) and liabilities in the statement of financial position (Exhibit A) and thus have no impact on the net assets available for benefits and deficit. The funds managed for Manitoba Hydro are managed separately and are excluded from the statement of financial position.

($) Thousands

13. Contributions

	2020	2019
Employees		
Required contributions	$ 152,711	$ 152,866
Voluntary contributions	107	221
Past service contributions	1,789	1,618
Special contributions	(967)	3,090
	153,640	157,795
Employers		
Required contributions	15,644	17,088
Voluntary contributions	-	2
Special contributions [1]	362,139	302,598
	377,783	319,688
	$ 531,423	$ 477,483

[1] includes payment funding employers' pay-as-you-go portion of benefit payments

14. Current Period Change in Fair Value of Investments

	2020	2019
Net realized gains on the sale of investments	$ 252,255	$ 141,143
Net unrealized market gains	224,652	562,499
	$ 476,907	$ 703,642

15. Benefits Paid

	2020	2019
Pension benefit payments	$ 553,301	$ 528,433
Disability benefit payments	10,810	10,228
	$ 564,111	$ 538,661

16. Refunds and Transfers

	2020	2019
Termination refund payments	$ 236,040	$ 133,770
Death refund payments	13,631	13,028
Relationship separation refund payments	3,121	3,653
Reciprocal transfers out – prefunding employers	384	440
	$ 253,176	$ 150,891

($) Thousands

17. Administrative Expenses, Net

		2020		2019
Actuary fees	$	288	$	251
Audit fees		66		66
Legal fees		14		22
Consulting fees		-		9
Professional fees		368		348
Salaries and fringe benefits		4,452		4,273
Office and administration		1,140		1,242
Gross administrative expenses		5,960		5,863
Less: Recoveries				
From other administrated funds – regular administration		(1,137)		(1,331)
From other administrated fund – special administration		-		(12)
From payment funding employers		(2,013)		(1,862)
Administrative expenses, net	$	2,810	$	2,658

18. Allocations to the Various Trust Accounts and Money Purchase Accounts Plan

The various trust accounts and Money Purchase Plan Account are credited (charged) with interest equivalent or comparable to the Fund's annual rate of return. The breakdown of these allocations is as follows:

		2020		2019
The Province of Manitoba Unfunded Pension Liability Trust Accounts	$	200,079	$	281,006
Manitoba Hydro Enhanced Benefit Trust Account		3,341		4,371
Correctional Officers' Trust Account		1,296		1,705
Employer Trust Accounts		9,901		13,545
Money Purchase Plan Account		2,420		4,012
	$	217,037	$	304,639

($) Thousands

19. Deficit

	Fund	Payment Funding Employers	Total 2020	Total 2019
(Deficit) surplus, beginning of year				
Basic Benefits	$ (711,157)	(4,153,013)	(4,864,170)	$ (5,068,860)
Indexing Benefits	201,331	(364,491)	(163,160)	(143,690)
	(509,826)	(4,517,504)	(5,027,330)	(5,212,550)
Change in net assets available for benefits, Exhibit B				
Basic Benefits	120,908	-	120,908	371,121
Indexing Benefits	30,889	-	30,889	55,030
	151,797	-	151,797	426,151
Change in pension obligations during the year, Exhibit C				
Basic Benefits	(148,024)	(95,104)	(243,128)	(166,431)
Indexing Benefits	1,534	1,418	2,952	(74,500)
	(146,490)	(93,686)	(240,176)	(240,931)
(Deficit) surplus, end of year, Exhibit D				
Basic Benefits	(738,273)	(4,248,117)	(4,986,390)	(4,864,170)
Indexing Benefits	233,754	(363,073)	(129,319)	(163,160)
	$ (504,519)	$ (4,611,190)	$ (5,115,709)	$ (5,027,330)

20. Managed Investment Funds

The Board acts as investment manager for other funds, which are separate and have been excluded from the statement of financial position (Exhibit A).

The fair values of these other funds under administration on a trade date basis at December 31 are:

	2020	2019
The Manitoba Hydro Pension Fund	$ 1,090,648	$ 1,072,184
Joint Board of Trustees of The Municipal Employees Benefits Program	820,532	767,252
The Public Service Group Insurance Fund	277,498	255,817
Centra Gas Manitoba Inc.	140,150	135,413
Manitoba Liquor & Lotteries Corporation	6,796	6,223
Winnipeg Child and Family Services Employee Benefits Retirement Plan	24,646	23,919
University of Winnipeg	17,980	22,584
Legislative Assembly Pension Plan	38,776	35,659
	$ 2,417,026	$ 2,319,051

The Board recovers its administrative costs for this service by charging an investment management fee, which is deducted from investment management expenses in Schedule 3.

($) Thousands

21. Future Commitments

The Fund has contractual obligations for future investment transactions, which may be funded over the next several years in accordance with the terms and conditions agreed to. As at December 31, 2020, the Fund's share of the outstanding commitment is $398,214 (2019 - $539,011).

22. Capital Disclosures

Capital is defined as the net assets available for benefits. Externally imposed capital requirements relate to the administration of the Fund in accordance with the terms of the Fund, The Pension Benefits Act of the Province of Manitoba, and the provisions of the Income Tax Act (Canada). The Fund has developed appropriate risk management strategies, as described in Note 3, to preserve the net assets available for benefits. The Fund has complied with externally imposed capital requirements during the year.

23. Comparative Figures

Certain of the 2019 comparative figures have been reclassified to conform with the presentation adopted for 2020.

THE CIVIL SERVICE SUPERANNUATION FUND
Summary of Investments
as at December 31, 2020

($) Thousands		2020		2019
Fixed income				
Short-term	$	125,041	$	83,696
Bonds and debentures		1,535,116		1,547,261
Mortgages		6,837		8,869
		1,666,994		1,639,826
Equities				
Domestic		900,096		947,431
Foreign		3,354,599		3,188,221
		4,254,695		4,135,652
Real estate		1,090,219		1,106,864
Infrastructure		576,674		553,203
Petroleum and natural gas		-		9,077
Private equity		29,514		19,781
Private credit		406,574		333,416
Investments, Exhibit A	**$**	**8,024,670**	**$**	**7,797,819**

The accompanying notes are an integral part of these financial statements.

THE CIVIL SERVICE SUPERANNUATION FUND
Schedule of Contributions
For the year ended December 31, 2020

($) Thousands	Employers	Employees	2020 Total	2019 Total
Payment Funding employers, Note 1 (b)				
Province of Manitoba Civil Service	$ 242,183	$ 71,317	$ 313,500	$ 273,533
Manitoba Hydro-Electric Board	102,636	35,431	138,067	117,812
Manitoba Public Insurance Corporation	15,682	10,918	26,600	25,993
Red River College	151	9,586	9,737	9,347
Addictions Foundation of Manitoba	2,444	1,374	3,818	3,512
Community Colleges				
Assiniboine Community College	26	2,200	2,226	2,063
University College of the North	19	1,858	1,877	1,871
Regional Health Authorities				
Winnipeg	-	619	619	547
Prairie Mountain	56	359	415	457
Southern	-	98	98	111
Interlake - Eastern	-	72	72	84
Northern	-	74	74	80
The Legal Aid Services Society of Manitoba	17	959	976	935
Manitoba Centennial Centre Corporation	455	152	607	865
Shared Health Inc.	75	6	81	187
Teachers' Retirement Allowances Fund Board	522	345	867	630
Communities Economic Development Fund	160	76	236	248
Manitoba Horse Racing Commission	116	10	126	62
Workers Compensation Board	1	-	1	1
Total payment funding employers	**$ 364,543**	**$ 135,454**	**$ 499,997**	**$ 438,338**

The accompanying notes are an integral part of these financial statements.

THE CIVIL SERVICE SUPERANNUATION FUND
Schedule of Contributions
For the year ended December 31, 2020

($) Thousands	Employers	Employees	2020 Total	2019 Total
Total payment funding employers, continued	**$ 364,543**	**$ 135,454**	**$ 499,997**	**$ 438,338**
Prefunding employers, Note 1 (b)				
Manitoba Liquor & Lotteries Corporation	7,996	8,488	16,484	19,335
Manitoba Housing	1,653	1,794	3,447	3,715
Manitoba Agricultural Services Corporation	1,911	1,096	3,007	2,439
CUPE Support Workers	1,072	1,209	2,281	2,482
All Nations Coordinated Response Family Services	794	846	1,640	1,544
Manitoba Government and General Employees' Union	697	760	1,457	1,598
Liquor, Gaming and Cannabis Authority of Manitoba	452	481	933	928
Civil Service Superannuation Board	482	512	994	933
Teranet Manitoba LP	576	628	1,204	1,290
Manitoba Floodway Authority	15	-	15	15
Food Development Centre	176	191	367	408
Manitoba Hydro Utilities Services	176	199	375	406
Travel Manitoba	200	202	402	394
Industrial Technology Centre	75	80	155	153
Dairy Farmers of Manitoba	132	144	276	253
Hams Marketing Services Co-op Inc.	44	48	92	84
Manitoba Pork Council	80	76	156	146
Manitoba Arts Council	62	69	131	114
Manitoba Film and Sound	63	59	122	117
Manitoba Health Research Council	56	62	118	105
Manitoba Chicken Producers	44	47	91	87
Crown Corporations Council	7	-	7	7
Horizon Lab Ltd.	29	32	61	60
Manitoba Turkey Producers	10	11	21	23
Economic Innovation and Technology Council	5	-	5	5
Efficiency Manitoba	175	182	357	41
Total prefunding employers	**$ 16,982**	**$ 17,216**	**$ 34,198**	**$ 36,682**
Total employers, payment funding and prefunding	**$ 381,525**	**$ 152,670**	**$ 534,195**	**$ 475,020**

The accompanying notes are an integral part of these financial statements.

THE CIVIL SERVICE SUPERANNUATION FUND
Schedule of Contributions
For the year ended December 31, 2020

($) Thousands	Employers	Employees	2020 Total	2019 Total
Total employers, payment funding and prefunding	**$ 381,525**	**$ 152,670**	**$ 534,195**	**$ 475,020**
Other				
Employees on loan	-	-	-	12
Employees on workers compensation	-	(9)	(9)	25
Reciprocal agreement - transfers in	-	1,948	1,948	5,582
Reciprocal agreement - transfers out	(3,742)	(4,357)	(8,099)	(5,394)
Repayment of contributions previously refunded	-	40	40	21
Contributions based on prior non-pensionable employment	-	1,905	1,905	1,810
Transfer from Money Purchase Accounts Plan	-	1,443	1,443	407
Total other	**$ (3,742)**	**$ 970**	**$ (2,772)**	**$ 2,463**
Total contributions, Exhibit B	**$ 377,783**	**$ 153,640**	**$ 531,423**	**$ 477,483**

The accompanying notes are an integral part of these financial statements.

SCHEDULE 3

THE CIVIL SERVICE SUPERANNUATION FUND
Schedule of Investment Income
For the year ended December 31, 2020

($) Thousands		2020		2019
Fixed income				
Short-term	$	563	$	1,520
Bonds and debentures		41,998		44,846
Mortgages		545		726
		43,106		47,092
Equities				
Domestic		26,474		32,515
Foreign		58,299		76,137
		84,773		108,652
Real estate		24,926		42,059
Infrastructure		32,323		23,499
Petroleum and natural gas		21		-
Private equity		501		606
Private credit		9,541		33,552
Security lending revenue		2,372		2,714
Gross investment income		197,563		258,174
Less:				
Investment management expenses, net, Note 20		11,981		11,881
Investment transaction costs		4,825		4,279
Interest allocated to employee future benefits obligations		234		217
		17,040		16,377
Net investment income, Exhibit B	**$**	**180,523**	**$**	**241,797**

The accompanying notes are an integral part of these financial statements.

For more information...

You may make an appointment to view any of the following at The Civil Service Superannuation Board (Board) office, Monday to Friday (except holidays) from 8:00 a.m. to 4:30 p.m.:

- A copy of The Civil Service Superannuation Act (Act) and all amendments
- The Annual Information Return submitted each year to the Pension Commission of Manitoba
- A copy of the latest Actuarial Valuation Report

Upon request, the Board will provide members, spouses or authorized representatives with detailed information and explanations regarding benefits payable in the event of a member's retirement, death, relationship separation, or termination of employment.

For further member information, visit our website www.cssb.mb.ca.

The Civil Service Superannuation Board

1200-444 St. Mary Avenue
Winnipeg MB R3C 3T1

Telephone: 204-946-3200
Fax: 204-945-0237
Canada-Wide Toll-Free Number: 1-800-432-5134

Internet site: www.cssb.mb.ca
E-mail: askus@cssb.mb.ca

The Civil Service Superannuation Board
1200-444 St. Mary Avenue
Winnipeg, Manitoba, Canada R3C 3T1
Phone: 204-946-3200 Fax: 204-945-0237