

Board Notes

Meeting Summary: March 16 & 17, 2022



Investment Performance Review

The Board of Trustees (Board) reviewed the investment performance of the Fund to December 31, 2021. The table below summarises the total annualised Fund return (net of investment manager fees) over the last quarter and one-year period.

	Quarter	One-Year
Total Fund	2.6%	10.1%
Benchmark	3.5%	9.7%
Value Added*	(0.9%)	0.4%

*Figures may not total due to rounding.

The 2.6% fourth quarter return trailed the benchmark by 0.9%. Underperformance was driven by performance in equities (Global low vol, Global Large Cap and Emerging Markets). The market value of Fund assets increased by approximately \$226 million in the fourth quarter of 2021 bringing the total value of the Fund to \$9.7 billion at December 31, 2021.

Governance and Administration Report

The Board reviewed and discussed a report outlining the governance and administration activities undertaken by the Plan's Administration since the last meeting. This report included an update on upcoming Plan communications and an update on membership and pension statistics.

Investment Manager Presentations

The Board received presentations from Brevan Howard, who manage a liquid alternatives mandate, and Kohlberg Kravis Roberts & Co LP (KKR) who manage an infrastructure mandate within the Fund.

The managers:

- Provided background on their firm and team;
- Detailed their investment process;
- Reviewed recent investment performance; and
- Reported on how ESG factors are integrated into the investment process.

2017 – 2021 Strategic Plan

The Board received the 2017-2021 Strategic Plan Monitoring report for the fourth quarter of 2021 and has now completed its five-year plan. The Board successfully achieved its three strategic goals, which include:

- Enhancing the long-term viability of the Plan by executing innovative strategies that protect the interests of the Plan and its members;
- Strengthening the relationship with the Partner Committees by enhancing communications, striving to educate and inform while encouraging effectiveness that benefits all Plan Members; and
- Maintaining and enhancing SHEPP's position as an industry leader by driving a culture of excellence and resilience.

In 2022, the Board and Administration began implementing the new five-year rolling strategic plan with goals focused on people and culture, stakeholder experience and Plan sustainability.

Other Items

The Board also:

- Reviewed the Compensation Policy;
- Received the:
 - Director's Insurance Review;
 - Fourth Quarter 2021 Financial Report;
 - 2022 Board Work Plan Update;
 - Asset-Liability Study Plan.

The next regular meeting of the Board of Trustees will be held May 18 & 19, 2022.