

Board Notes

Meeting Summary: March 15 & 16, 2023



Investment Performance Review

The Board of Trustees (Board) reviewed the investment performance of the Fund to December 31, 2022. The table below provides a summary of the total annual Fund return (net of investment manager fees) over the last quarter and one-year period.

| | Q4 Return | 1Y Return |
|--------------|-----------|-----------|
| Total Fund | 4.4% | (3.2%) |
| Benchmark | 3.8% | (6.3%) |
| Value Added* | 0.6% | 3.1% |

*Figures may not total due to rounding.

Overall, the Fund return was modestly negative, but remained well above benchmark.

Governance and Administration Report

The Board received 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 Presentation

The investment managers from AlpInvest Partners joined the meeting to:

- Provide background on their firm and investment team;
- Detail their investment philosophy and process;
- Provide the AlpInvest view of the economy and markets;
- Review recent investment performance; and
- Report on how climate change and ESG factors are integrated into their business.

Strategic Management Update

The Board received an update on the 2022 year-end strategic plan. Administration acknowledged several significant milestones completed over the year, in addition to the regular day-to-day work completed by SHEPP employees.

The Board also participated in a strategic planning exercise to discuss the pension industry environment and identify any external factors that may impact the planning horizon for the next few years.

Other Items

The Board also:

- Welcomed new Trustee, Darren Kurmey, to his first SHEPP Board of Trustees meeting;
- Reviewed the Board's 2023 Annual Work Plan;
- Approved new Land Acknowledgement statements to be introduced for use at SHEPP;
- Approved the implementation plan for the Plan's new long-term asset mix;
- Received the following reports:
 - 2022 Q4 Financials; and
 - Investment Risk Management.
- The Board also participated in an educational cybersecurity interactive case study, led by MNP.

The next regular meeting of the Board of Trustees will be held on **May 17 & 18, 2023.**