



Investment Performance Review

The Board of Trustees (Board) reviewed the investment performance of the Fund to September 30, 2017. The table below summarises the total annualised Fund return over the last one, four and ten-year time periods.

	Quarter	One Year	Four Year	Ten Year
Total Fund	2.1%	9.8%	11.0%	7.1%
Benchmark	0.8%	6.6%	9.5%	6.2%
Value Added	1.2%	3.2%	1.5%	0.9%

The 2.1% quarterly return was 1.2% above benchmark predominantly due to strong relative results in foreign equities. Over four years, the return was a strong 11.0% and the total Fund met or exceeded market returns in all asset classes currently in the portfolio.

The total Fund was up \$512 million year-over-year bringing the total value of net assets to \$6.9 billion at September 30, 2017.

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 the scheduled member presentations, an update on upcoming Plan communications and an update on membership and pension statistics.

Investment Presentations

The Board received presentations from two of SHEPP's investment managers – JP Morgan who manages three mandates for SHEPP, including an emerging markets equity mandate, and Bentall Kennedy who manage a real estate mandate.

The two managers:

- Reviewed their investment results;
- Discussed how conditions in their respective markets affected their investment strategies;
- Outlined their economic and market expectations; and
- Reported on how ESG factors are integrated into the investment decision making process.

Other Items

The Board also:

- Reviewed and approved the:
 - 2018 operating budget;
 - 2017 audit plan; and
 - 2018-2022 HR Strategy.
- Received:
 - the Funding Policy Compliance Report;
 - the 2017 Enterprise Risk Management Report;
 - an update on the implementation of the 2017-2021 Strategic Plan; and
 - an updated 2017 Board Work Plan report.
- Reviewed and updated the following four policies:
 - Governance Review Policy;
 - Monitoring the Performance of the CEO Policy;
 - Statement of Investment Policies and Procedures; and
 - Investment Manager Selection and Monitoring Policy.
- Completed the tier 1 and tier 2 service provider evaluations; and
- Confirmed the Chair and Vice-Chair for 2018.

The next regular meeting of the Board will be held on February 14, 2018.