



MARCH 26, 2020

A MESSAGE FROM THE CEO OF SHEPP

Dear SHEPP member,

As the coronavirus (COVID-19) situation continues to unfold, I want to reassure you and our nearly 60,000 SHEPP members that your pension will be here for you when you need it.

SHEPP is a defined benefit plan, meaning your pension benefit is calculated using a formula based on your eligible earnings and service in the Plan. Therefore, the recent decline in the market has no immediate impact on your pension benefit.

If you've already retired and receive a monthly pension payment from SHEPP, nothing will change – you'll continue to be paid on time each month.

While it is much too soon to know the full impact recent market volatility will have, SHEPP is well positioned to withstand turbulent times like the one we are in right now.

- The Fund's investments are well diversified. SHEPP's investment portfolio is comprised of a variety of asset classes including equities, fixed income, real estate and infrastructure. Within each asset class are numerous investments, diversified by region, market and industry. While no one could have predicted a worldwide pandemic, over the past few years, SHEPP has taken steps to reduce the Fund's exposure to equity markets, which will help reduce the impact of a downturn.
- As a defined benefit pension plan, SHEPP has a time horizon that is 50 plus years. As a result, we take a long-term view in investing and funding the Plan. While the Plan assets will decline along with a significant market downturn, we are positioned to maintain our long-term strategy and look for opportunities as the market stabilises and rebounds.
- The fundamental goals of the Board of Trustees' Funding Policy are to secure benefits and stabilise contributions. SHEPP came into this volatile period on solid footing in terms of meeting these objectives and our long-term obligations. Over the past 10 years, we have experienced strong investment returns – over 9% per year and have built a margin to help cushion the Plan in volatile markets.

All of us at SHEPP remain committed to serving you during these uncertain times. While we have closed our office to the public, we continue to operate with many of our employees working remotely from home. Our member services team is available to assist you by phone or email. You can call 306.751.8300 in Regina or 1.866.394.4440 toll-free, Monday to Friday between 8:15 am and 4:30 pm; or, email us

at sheppinfo@shepp.ca. As well, you can visit our website at www.shepp.ca and login into the secure portal, **SHEPPWeb**, to manage your pension information online.

As we continue to navigate through this unprecedented time, we at SHEPP are focused on maintaining the long-term sustainability of the Plan so that you, our members, can remain focused on supporting the health and wellness of the Saskatchewan communities you serve. We are truly grateful for all you're doing right now and ask that you take care and stay safe.

Yours truly,

Alison McKay
Chief Executive Officer