



### Quarterly Performance Review

The investment consultant from Aon Hewitt gave an update on the fund's performance for the second quarter 2013.

The Fund experienced a flat quarter with an absolute return of 0.3%, outperforming the benchmark by 160 basis points. Year-to-date, however the total Fund performance is 12.4%, outperforming the benchmark by 270 basis points.

|             | Quarter | One Year | Four Year | Ten Year |
|-------------|---------|----------|-----------|----------|
| Benchmark   | -1.3%   | 9.7%     | 9.5%      | 6.7%     |
| Total Fund  | 0.3%    | 12.4%    | 10.8%     | 7.2%     |
| Value Added | 1.6%    | 2.7%     | 1.3%      | 0.5%     |

### Investment Presentations

The Board received presentations from two of SHEPP's investment managers – Bentall Kennedy (Canada) LP and Greystone Managed Investments Inc. Bentall Kennedy manages a Canadian core real estate mandate. Greystone Management Investments Inc. manages a real estate pooled fund with an income/growth focus. At June 30 2013, Bentall Kennedy had \$133 million under the firm's management and Greystone had \$227.5 million under management.

The managers:

- reviewed their investment results;
- discussed how conditions in their respective markets affects their investment strategies; and
- outlined their economic and market expectations.

### Investment Manager Search

The Board successfully conducted interviews with a group of short-listed investment managers and is working with the Administration to finalise the appointment of the successful manager.

The investment of the SHEPP Fund is conducted under the Board's Statement of Investment Policies and Procedures and the Board's Investment Manager Selection and Monitoring Policy.

### Pension Investment and Administration Benchmarking

The Board received a presentation from CEM Benchmarking Inc.. CEM is a consulting firm that conducts annual survey of defined benefit pension plans for the purpose of providing relevant plan comparisons on investment performance and costs and administration costs and service levels.

### Other Items

The Board also:

- Received the 2013 second quarter financial report;
- Received the second quarter investment compliance report;
- Received the 2013 Enterprise Risk Management Report from Plan management;
- Received an updated Governance and Administration report from Plan management;
- Approved a corporate record retention policy;
- Approved the appointment of an actuary for the purpose of our December 31, 2013 Actuarial Valuation; and
- Received a 2014-2016 Strategic Plan update.