



Investment Performance Review

The Board of Trustees reviewed the investment performance of the Fund to March 31, 2015. The table below summarises the total annualised Fund returns over the last one, four and ten year time periods.

	Quarter	One Year	Four Year	Ten Year
Total Fund	8.3%	17.0%	12.3%	8.0%
Benchmark	8.1%	16.7%	11.0%	7.5%
Value Added	0.2%	0.3%	1.3%	0.5%

The Fund experienced another strong quarter with an absolute return of 8.3%, beating the benchmark by 20 basis points.

Investment Presentation

The Board received presentations from two of SHEPP's investments managers – Invesco Core Real Estate, U.S.A., LP and Brookfield Infrastructure Fund. Invesco manages a U.S. Real Estate Pooled mandate and Brookfield manages a global infrastructure mandate for the Plan. At March 31, 2015, Invesco had \$125.0 million under the firm's management and Brookfield had \$63.6 million.

The managers each:

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

Audited Financial Statements

The draft audited financial statements for the year ending December 31, 2014 were presented to and approved by the Board. The financial statements contain the:

- Auditors' Report;
- Statement of Financial Position;
- Statement of Change in Net Assets Available for Benefits;
- Statement of Changes in Pension Obligation; and
- Notes to the Financial Statements.

Auditors from KPMG also presented the Audit Findings report to the Board. The financial statements and auditor's report will be finalised and distributed at the June 24, 2015 SHEPP Annual Meeting.

Other Items

The Board also:

- Reviewed and approved the draft 2014 Annual Report;
- Received a quarterly update report on Board Governance and Administration;
- Received financial statements for the first quarter of 2015;
- Received a quarterly investment compliance report which confirmed all investment managers were in compliance with the mandates set out in their agreements with SHEPP;
- Conducted an investment manager search;
- Reviewed three Board policies including the: Conduct of Board Meetings; Member Records and Retention; and Governance Roles and Responsibilities; and
- Participated in an investment education session on private equity.