

## Summary Board Meeting May 28 & 29, 2013

### Quarterly Performance Review

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

The Fund experienced a strong quarter with an absolute return of 4.4% outperforming the benchmark by 10 basis points.

	Quarter	One Year	Four Year	Ten Year
Benchmark	4.3%	9.7%	12.6%	7.6%
Total Fund	4.4%	10.4%	13.1%	8.1%
Value Added	0.1%	0.7%	0.5%	0.5%

### Investment Presentation

The Board received presentations from three of SHEPP's investment managers –Phillips, Hager & North (PH&N) Investment Management, JPMorgan Asset Management and BlackRock Asset Management. PH&N manages an active custom duration bond mandate. JPMorgan Asset Management manages three mandates for the Plan, a non-North American equity mandate, an emerging markets mandate and an active currency hedge. BlackRock manages four mandates for the Plan, two US equity mandates and two bond mandates. At March 31, 2013, BlackRock had \$948 million under the firm's management, PH&N had \$725 million of SHEPP assets, and JPMorgan had \$504 million.

The managers:

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

JPMorgan discussed the currency hedging strategy during their presentation.

### Audited Financial Statements

The draft audited financial statements for the year ending December 31, 2012 were presented to and approved by the Board. The financial statements contain:

- 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 the firm KPMG presented their Audit Findings report to the Board. The financial statements and auditors' report will be finalized and distributed at the June 18, 2013 SHEPP Annual Meeting.

### Investment Manager Search

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

### Other Items

The Board also:

- Reviewed and approved the draft 2012 Annual Report;
- Received financial statements for the first quarter 2013;
- Received a quarterly investment compliance report which confirmed the investment managers were in compliance; and
- Received an updated report on Board Governance and Administration.