



Quarterly Performance Review

The Plan's investment consultant provided an update on the Fund's performance for the second quarter of 2015.

The Fund experienced an absolute return of -1.6%, underperforming the benchmark by 30 basis points. Year-to-date, however the total Fund performance as of the end of the second quarter was 11.4%, outperforming the benchmark by 90 basis points.

	Quarter	One Year	Four Year	Ten Year
Benchmark	-1.6%	11.2%	10.4%	7.0%
Total Fund	-1.9%	11.4%	11.6%	7.5%
Value Added	-0.3%	0.9%	1.2%	0.5%

Investment Presentations

The Board received presentations from two of SHEPP's investment managers – Global Infrastructure Partners (GIP) and MFS Investment Management Canada Ltd. (MFS). GIP manages an infrastructure mandate and MFS manages an active global 130/30 equity mandate for the Plan. At June 30 2015, GIP had \$64.5 million under the firm's management and MFS had \$469.5 million under management.

Both managers:

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

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

Pension Investment and Administration Benchmarking

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

Other Items

The Board also:

- Received the 2015 second quarter financial report;
- Received the 2015 Enterprise Risk Management Report from Plan Administration;
- Received an updated Governance and Administration report from Plan Administration;
- Reviewed and approved two employer withdrawal requests in accordance with the Board's Employer Withdrawal Policy;
- Reviewed and approved the 2016 Board meeting schedule; and
- Discussed and deferred approval of additional ESG wording within the Plan's investment policy.