

Board Notes

March 2024



The **SHEPP Board of Trustees** (Board) met on March 20 & 21, 2024.

Investment Performance Review

The Board reviewed the investment performance of the Fund to December 31, 2023. The table below is a summary the total annual Fund return (net of investment manager fees) over the last quarter and one-year period.

| Dec 31, 2023 | Quarter | One-Year |
|--------------|---------|----------|
| Total Fund | 5.0% | 8.4% |
| Benchmark | 5.7% | 9.7% |
| Value Added* | (0.6%) | (1.3%) |

*Figures may not total due to rounding.

The SHEPP Portfolio was up for the quarter but underperformed the benchmark.

Underperformance was driven by an overweight to Real Assets as well as weak relative performance from Equities, Liquid Alternatives and Real Assets.

Assets were \$9.96B, up \$452M in Q4.

Strategic Planning

The Board participated in strategic planning activities, including an exercise to assess the current operating environment and factors that may impact SHEPP in the near term.

Board Meeting Highlights

The Board received the following:

- Q4 2023 Balanced Scorecard;
- Q4 2023 Strategic Deliverables dashboard;
- Q4 2023 Financials;
- Funding Risk Management Report; and
- Investment Risk Management Report.

One of SHEPP's private credit asset class investment managers attended the meeting to provide an overview of their firm and their team. The Board also received the investment manager's report on performance and investment strategy, including how ESG is built into considerations throughout the investment process.

Additional updates to the Board included:

- 2024 Board Work Plan progress; and
- upcoming Plan communications.

The next regular meeting of the Board of Trustees will be held on May 22, 2024.