



SHEPPNews

SUMMER 2018

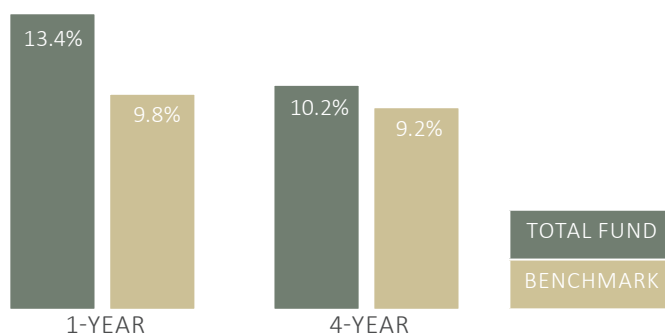
PARTICIPATING EMPLOYER NEWSLETTER

Building a Secure Retirement: What SHEPP's 2017 Results Mean for You and Your Employees

As a senior leader in your organisation, you know how important compensation management is to retaining and motivating employees. At the same time, a substantial part of the compensation package is providing a lifelong pension benefit to employees. That's where SHEPP comes in and we have good news to share.

In 2017, SHEPP's rate of return was 13.4% – exceeding the benchmark by 3.6% and bringing the total value of the Fund to \$7.2 billion at year-end. The strong investment returns have helped SHEPP make steady progress on reducing the unfunded liability resulting from the 2008 financial crisis. As well, the Fund's strong performance has allowed for contribution stability, with rates remaining unchanged since 2014.

HISTORICAL RATE OF RETURN
(ANNUALISED, NET OF INVESTMENT MANAGER FEES)



SHEPP Focuses on Plan Sustainability

While Plan assets have grown significantly since the financial crisis, pension liabilities have also increased, due to lower forward-looking returns and other factors, such as increased life expectancy. And the Plan is maturing – where active members outnumbered retired members four to one just fifteen years ago, the ratio is now closer to two to one. SHEPP continues to address these challenges as we have in the past, managing risk while pursuing investment strategies that can generate the returns necessary to pay members' benefits today and for decades to come.

An Update from SHEPP's CEO

We recently revisited the purpose of our Employer Newsletter and realised there was a gap to be filled – keeping you and your senior leadership team informed about SHEPP.



Our aim is to share content that gives you a high level overview of SHEPP's performance, as well as an overview of our members – your employees. You can expect these updates twice a year.

Today, most Canadians are living longer which means your employees are looking for greater financial security in their retirement years. When employees retire with a SHEPP pension, they can expect a predictable monthly income for life. It's delivering on that pension obligation that is of the utmost importance at SHEPP and why we continually strive to be so member focused.

Alison McKay, CEO

P.S. We'll continue to update your payroll and benefits admin staff whenever the need arises.



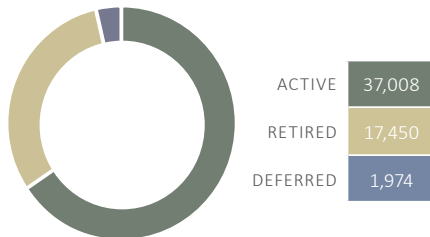
SHEPP
SASKATCHEWAN HEALTHCARE
EMPLOYEES' PENSION PLAN

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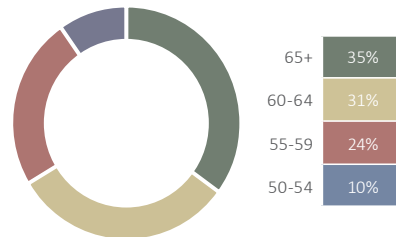
people. pensions. results.

Snapshot of SHEPP's Membership and Fund Performance

PLAN MEMBERSHIP PROFILE
(AS AT DECEMBER 31, 2017)



NEW RETIREMENTS IN 2017
(AGE AT RETIREMENT)



ACTIVE TO RETIRED MEMBER RATIO



44

Years old is the average age of active members



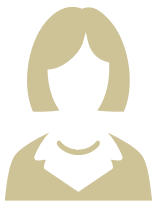
14,175

Members are eligible to retire in the next 10 years



65

Percent of members who retired in 2017, retired early (under the age of 65)



56,432 members collecting or entitled to a pension

2017 AT A GLANCE

