



Investment Performance Review

The Board of Trustees (Board) reviewed the investment performance of the Fund to June 30, 2017. The table below summarises the total annualised Fund return over the last one, four and ten-year time periods.

	Quarter	One Year	Four Year	Ten Year
Total Fund	2.1%	12.9%	11.5%	6.8%
Benchmark	1.2%	9.9%	10.2%	6.1%
Value Added	0.9%	3.0%	1.3%	0.7%

The 12.9% one-year return was 3.0% ahead of benchmark, with value added in all major asset classes, except Global low volatility and emerging market equities. Over four years, all major asset classes currently included in the Fund, met or exceeded their benchmark, leaving the Total Fund 1.3% ahead of benchmark.

The total Fund was up \$767 million year-over-year bringing the total value of net assets to \$6.7 billion at June 30, 2017.

Investment Presentations

The Board received presentations from three of SHEPP's investment managers – Meridiam S.A.S. and Global Infrastructure Partners (GIP) who manage infrastructure mandates, and MFS Investment Management Canada who manage a global equity mandate.

The three managers:

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

Responsible Investment Policy

The Board adopted a new policy that articulates its Environmental, Social and Governance (ESG) investment belief and the practices Plan Administration will adopt in applying this belief. Annually, the Administration will provide a report to the Board summarising how the Responsible Investment Policy has been incorporated into its investment activities and practices.

Ninth Trustee Appointment Policy

The Board adopted a new policy that articulates the roles and responsibilities of the Board as it relates to the appointment and monitoring of a Ninth Trustee. The appointment of a Ninth Trustee is the mechanism for resolving conflict, outlined in the Trust Agreement, should the Board ever reach a deadlock on a decision.

Other Items

The Board also:

- Reviewed the Employer Withdrawal Policy and discussed when and how it might apply within the context of healthcare transformation;
- Reviewed the other following policies:
 - Personal Information Policy; and
 - Disclosure of Information Policy;
- Reviewed the Governance and Administration Report;
- Reviewed the second quarter 2017 financial reports for the Plan;
- Received an update on the 2017-2021 Strategic Plan for the second quarter of the year;
- Received the 2018 & 2019 Schedule for Board of Trustee meetings; and
- Received an updated 2017 Board Work Plan.

The next regular meeting of the Board will be held on December 6 & 7, 2017.