



### Investment Performance Review

The Board of Trustees (Board) reviewed the investment performance of the Fund to December 31, 2015. 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	4.0%	8.8%	12.1%	7.0%
Benchmark	3.9%	7.9%	10.7%	6.4%
Value Added	0.1%	0.9%	1.4%	0.6%

The total one year Fund return of 8.8% reflects strong performance in non-Canadian equity and infrastructure returns, as well as solid real estate returns. The total Fund was up \$515.6 million in the year with \$44.8 million in net contributions supplemented by \$470.8 million in investments gains.

### Trustees' Needs and Self-Assessment

At the end of each year, the Board is required to assess their individual knowledge in 8 areas related to pension administration and pension fund investments. Based on the combined assessments, Trustee education and development are targeted towards the applicable areas.

The Board received and discussed a report on the results of the 2015 assessment.

### Governance and Administration Report

The Board reviewed and discussed a report outlining the governance and administration activities undertaken by the Plan's Administration from January 1, 2016. This report included an update on the scheduled member presentations, an update on the planned Plan communications and an update on membership and pension statistics.

### Investment Presentations

The Board of Trustees received presentations from two of SHEPP's investment managers – Phillips, Hager and North Investment Management (PH&N) and BlackRock Asset Management. PH&N and BlackRock manage a variety of fixed income and US equity mandates for the Plan. At December 31, 2015, the Fund assets managed by PH&N totaled \$833.4 million and the total asset managed by BlackRock was \$1.3 billion.

The two 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.

### Other Items

The Board also:

- Reviewed the fourth quarter 2015 financial report for the Plan;
- Reviewed and updated two Board policies including:
  - the Procurement Policy; and
  - the Communication and Stakeholder Relations Policy;
- Received an updated 2016 Board Work Plan report;
- Received an update on the implementation of the 2014 Asset-Liability Study;
- Reviewed and discussed an infrastructure implementation update; and
- Reviewed and discussed a proposed structure for an investment strategic plan.