



## MESSAGE FROM THE BOARD

Welcome to the Fall 2014 Management Employees Pension Plan (MEPP) Newsletter.

Since our spring newsletter, one of the most important developments for MEPP members was the Government of Alberta's announcement on September 18, 2014, that the Alberta Legislature was prorogued and would return on November 17, 2014.

Prorogation brought to an end all business and legislation on the Order Paper before Legislative Assembly including the *Public Sector Pension Plans Amendment Act (Bill 9)*, which will not be reintroduced under the Prentice government.

We also noted the Mandate letter from the Premier to the new Minister of Finance and President of Treasury Board on September 15 that outlined specific areas of effort and focus for the Minister of Finance which included a requirement to "address the competitiveness of the public sector pension plans and ensure they are sustainable."

In light of these developments, we will seek a meeting with the Minister of Finance to share the Management Employees Pension Board (MEPB or "the Board") work on pension sustainability and governance from 2012 through early 2014.

In order to ensure we continue to properly execute our mandate and responsibilities as the MEPB, we spend time ensuring that we remain current with the latest developments in investments and pension governance. On September 25 and 26, your Board invested two days to meet with Plan advisors and other external experts as part of this duty to stay informed and educated. During this time, your Board also drafted a communication strategy for 2015. Keeping members well-informed about MEPP continues to be a high priority for us.

On behalf of your Board, I would like to thank Mr. Scott Kashuba whose service on the Board ended on June 20, 2014. Scott served on the Board for seven years during which time he held positions as Chair, Investment Committee Chair, and served as the MEPB nominee to the Alberta Pensions Services Corporation (APS) Corporate Board. Scott has left his position with the Alberta Government to pursue another opportunity in his field. We wish him all the best in his future.

The Board welcomes your feedback about MEPP. Please email your comments to the Board at [board@mepp.ca](mailto:board@mepp.ca).

Don Smallwood, Vice-Chair

# CURRENT ACTIVITIES AND LOOKING AHEAD

Your Board continues to fulfill our ongoing mandate, which includes, but is not limited to:

- Arranging for actuarial valuations, as required, and regularly reviewing long-term actuarial assumptions for funding purposes
- Establishing general policy guidelines for the investment and management of the Plan's assets (please refer to the current [Investment Policy](#) on our website)
- Monitoring investment performance
- Setting general policy guidelines on the administration of the Plan
- Reviewing administrative decisions as delegated by the Minister

For more details on our mandate and roles, please refer to the [Mandate and Roles Document](#) on the MEPP website.

Consistent with the MEPB Mandate and Roles, we are actively working on a funding policy, which will be posted to our website once it has been completed.

We authorized a 2014 Asset Liability (AL) Study in conjunction with the Plan's independent investment consultant, API Asset Performance, the Plan's actuary Aon Hewitt, and the Plan's investment manager Alberta Investment Management Corporation (AIMCo). We expect to receive a preliminary report by the end of the year. Once this report is finalized, we will post it on our website.

Looking ahead, your Board has approved a new Business Plan for 2015-2017. Our strategic priorities are:

1. **Sustainability** – Ensure that the Plan is affordable and sustainable for members and employers, the Board will monitor the areas that contribute to a sustainable pension plan, make appropriate recommendations and take action on areas that need attention.
2. **Plan Funding and Investment Management** – Make recommendations on and set general investment policy guidelines; for example, the Investment Policy (IP) and Funding Policy are designed to help ensure the Plan and its assets are managed effectively and efficiently so that promised benefits will be paid.
3. **Fiscal Management** – Make recommendation on and set general administrative policies that the Board might deem necessary. Monitor decisions made in respect of the management of the Plan and its Fund and assess whether these are financially prudent for maintaining the overall financial health of the plan.
4. **Governance** – Ensure governance of the Board and the Plan are consistent with industry best practice standards, governing legislation and related agreements.
5. **Communication** – Take a proactive approach to communication with Stakeholders, including to Plan members on any changes to the Plan and any areas of concern, through regular semi-annual newsletters, ad-hoc newsletters and updates as needed.

A copy of the 2015 - 2017 Business Plan is available on the [MEPP website](#).

# Web links for more information

MEPP Website: <http://www.mepp.ca>

Investment Policy: [http://www.mepp.ca/about/publications/MEPP\\_Investment\\_Policy.pdf](http://www.mepp.ca/about/publications/MEPP_Investment_Policy.pdf)

Board Mandate & Roles: [http://www.mepp.ca/about/publications/MEP\\_Board\\_Mandate\\_and\\_Roles\\_Document.pdf](http://www.mepp.ca/about/publications/MEP_Board_Mandate_and_Roles_Document.pdf)

2015 - 2017 MEP Board Business Plan: [http://www.mepp.ca/about/publications/MEPP\\_Business\\_Plan.pdf](http://www.mepp.ca/about/publications/MEPP_Business_Plan.pdf)

## INVESTMENT UPDATE

The full Q3 2014 investment performance report is expected to be received by the end of November and will be posted to the MEPP website in December. The following sets out the overview of the fund's performance at the end of Q3:

	Q3 2014	Q2 2014	Q1 2014
<b>Beginning Market Value</b>	3,730,424,616.38	3,628,196,689.69	3,460,586,517.36
<b>Net Cash Flow</b>	3,479,848.60	10,280,532.92	4,576,689.67
<b>Investment Income</b>	96,676,728.79	91,947,393.77	163,033,482.66
<b>Ending Market Value</b>	3,830,581,193.77	3,730,424,616.38	3,628,196,689.69



## CONTACT

The Board and APS  
(MEPP's Administrator) can be contacted at:

### Management Employees Pension Plan c/o

Alberta Pensions Services Corporation (APS)  
5103 Windermere Blvd. SW  
Edmonton, AB T6W 0S9

### Members – Member Services Centre

For information and questions about retirement options, calculating pension benefits, annual statements, forms or changing your personal information please contact:

Telephone: 1-877-889-MEPP (6377) (toll-free)

Fax: 780-421-1652

Email: [memberservices@mepp.ca](mailto:memberservices@mepp.ca)

### Pensioners – MEPP Pension Payroll

For information and questions about payment of benefits and to request forms, please contact:

Telephone: 1-877-422-4748 (toll-free)

Fax: 780-415-8792

Email: [pay@mepp.ca](mailto:pay@mepp.ca)

For more information, please visit our website at: [www.mepp.ca](http://www.mepp.ca).

## YOUR 2014 BOARD

**Don Smallwood, Vice-Chair (Government Nominee)**

**Scott Kashuba, Chair (Employee Nominee)**  
- Term ended June 20, 2014

**James Fleming (Government Nominee)**

**Kim Flynn (Public Service Commissioner Nominee)**

**Darlene Halwas (Government Nominee)**

**Sonya Johnston (Employee Nominee)**

**Dave Lawson, (Employee Nominee)**

### GOVERNANCE STATEMENT

The President of Treasury Board and Minister of Finance is the statutory administrator of MEPP and holds all assets of the Plan in trust to provide benefits pursuant to MEPP rules and to meet plan costs.

The *Public Sector Pension Plans Act* sets out the main objectives of the Board with respect to funding, administration, investments and amending the Plan. The Board monitors the management of the Plan and acts in an advisory capacity to the Minister.

### **Board Contact**

To contact the Board or for information regarding the governance of the Plan email: [board@mepp.ca](mailto:board@mepp.ca) or call 780-391-3693.