

Management Employees Pension Board Priorities and Activities

The Management Employees Pension Board (MEPB or the Board) is committed to providing progress updates to Plan members. Learn more about MEPB priorities in the [2017-2019](#) business plan, available on the MEPP website.

This update provides a snapshot of the Board's work in Q1 of 2017. The Board regularly schedules annual quarterly Board and Investment Committee meetings. Additional meetings and Pension Appeal Hearings are added when required.

This quarter, the Board met on March 9 and April 13, 2017. The Investment Committee meeting was held on April 12. These sessions covered Q4 2016 reports and information. Q1 reports and information will be reviewed at the next meeting, which is scheduled for June 2017.

Board Meeting

At the March 9 and April 13 meetings, the Board:

- Met with representatives of the Plan Administrator, APS, who discussed:
 - Q4 2016 Quarterly Service Reports and Statement of Pension Plan Transactions
 - Cost allocation methodology
 - Progress on the MEPP website re-design project
 - An overview of the APS 5-year Strategic Plan review
 - 2015 CEM Benchmarking Survey results
- Discussed the MEPP ERM, including:
 - Risk Management Policy, Enhanced Risk Register and Heat Map, and completion of Phase 2 of the MEPB ERM Program
 - A presentation by ATBF on ERM for public sector pension plans
- Reviewed a summary of the annual audit results, OAG Audit Report and draft Financial Statements
- Reviewed MEPP and PSM Closed Plan actuarial extrapolation results
- Discussed MEPB appointments and existing vacancies, including contingency for terms expiring at the end of 2017
- Received an update from the March 14 Joint Council of Chairs meeting
- Discussed plans for the upcoming 2017 Stakeholder Governance Meeting on October 27, 2017
- Reviewed various Board policies
- Discussed communications priorities for 2017, including:
 - Content for the Spring Member Newsletter
 - The MEPP website re-design
- Shared information, best practices and key takeaways from education sessions and conferences

Investment Committee Meeting

Items tabled at the April 12 meeting included:

- Discussion with the Plan Investment Consultant, Ellement Consulting Group, who provided:
 - A progress report for the 2016 Annual Investment Manager Review
 - Information about the 2016 Asset Liability Study
 - Quarterly performance updates and risk assessment:
 - Surplus at Risk (SaR) increased by 2.2% from last quarter to 11.5%, still below policy SaR of 11.7%
- Representatives from the Plan's Investment Manager, AIMCo, provided:
 - A quarterly investment review and market update
 - Value-Added: 2017 10-year predicted return forecasts
 - A presentation on Global Alpha Strategy (GLAS) and Public Equities
 - An update on AIMCo's Real Estate, MEPP allocation and Canadian Real Estate Initiatives

Membership Trends

The Board monitors all membership trends: changes in the numbers of active, retired and deferred members, the ratio of active to deferred members, and the aging of members. These demographics affect the financial health of the Plan.

The Board reviews special reports throughout the year, such as an annual Member Trends Analysis, and receives Quarterly Service Reports (QSRs) from APS.

Here is the latest MEPP member information from the 2016 QSRs:

	Q1 2016	Q2 2016	Q3 2016	Q4 2016*
Active Members	5,327	5,311	5,338	5,410
Deferred Members	1,204	1,212	1,031	1,050
Retired Members	4,747	4,801	4,988	5,030

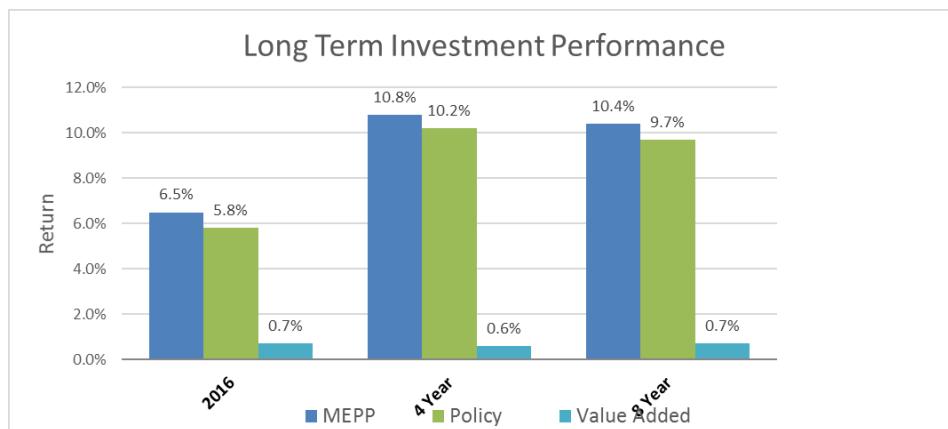
*For comparison, in Q4 of 2015 there were 5,276 active members, 1,198 deferred, and 4,691 retired.

Investments

The 2016 market value amounts (*audited*) for each quarter are:

	Q1 2016	Q2 2016	Q3 2016	Q4 2016
Beginning Market Value	\$4,314,279,676	\$4,249,002,349	\$4,347,484,762	\$4,522,613,721
Net Cash Flow	\$8,591,024	\$4,039,301	\$2,209,435	\$(2,806,435)
Investment Income	\$(73,868,352)	\$94,443,112	\$172,919,524	\$86,492,956
Ending Market Value	\$4,249,002,349	\$4,347,484,762	\$4,522,613,721	\$4,606,300,242

The Board is pleased to report that MEPP performed well over the long run, and the Board's asset allocation decisions contributed positively to the Plan's overall success. The following chart depicts Long Term Investment Returns (as at December 31, 2016).



- MEPP is the actual investment return for the period.
- Policy is the return required by MEPP's Investment Policy.
- Value Added is the investment return over or under policy.

The Board welcomes your feedback about MEPP. Please e-mail your comments to the Board at board@mepp.ca.