

## **Management Employees Pension Board Priorities and Activities**

The Management Employees Pension Board (MEPB or the Board) provides quarterly updates for stakeholders. These updates are a snapshot of current activities related to the governance of the Management Employees Pension Plan (MEPP or the Plan).

The Board's role is to oversee the investment and administration management of MEPP and to set investment and other general policies, such as the Funding Policy. The Board also acts in an advisory capacity to the Minister (the Trustee) on MEPP-related matters.

As part of its work, the Board and its Investment Committee hold meetings at regular intervals throughout the year. The following highlights are from meetings that included Board and Committee review of second quarter (Q2 2022) information as well as post-Q1 2022 updates.

### **Investment Committee Meeting**

At the meeting held June 15, the MEPB Investment Committee met with representatives from:

- The Board's investment consultant to:
  - Discuss the investment performance review, including Q1 2022 results; and
  - Receive an overview of the scope and results for the MEPP Asset Liability Study
- MEPP's investment manager, Alberta Investment Management Corporation (AIMCo), to receive updates and information for:
  - MEPP's Public Equity return for Q1 2022;
  - A review of AIMCo's investment and market review process, as well as its outlook and strategy. The Investment Committee also received information about the Public Equities Platform Restructuring project;
  - AIMCo's investment strategy function, approach to portfolio construction, corporate update and business plan.

The MEPB Investment Working Group (as part of the Investment Committee) also provided its recommendations regarding the Asset Liability Study and proposed asset mix, which informed the MEPP Investment Policy and revisions to the Investment Committee Terms of Reference.

### **Board Meeting**

At the meeting held June 16, the Board:

- Reviewed and discussed priorities and preliminary budget planning for 2023 to inform development of the administrator's Service Delivery Plan for MEPP and the Public Service Management (Closed Membership) Pension Plan (Closed Plan);
- Discussed results and recommendations from the latest Investment Committee meeting;
- Met with representatives of Alberta Treasury Board and Finance to review current outlook and upcoming priorities.

MEPB also met with representatives of the Plan administrator, Alberta Pensions Services Corporation (APS), to receive:

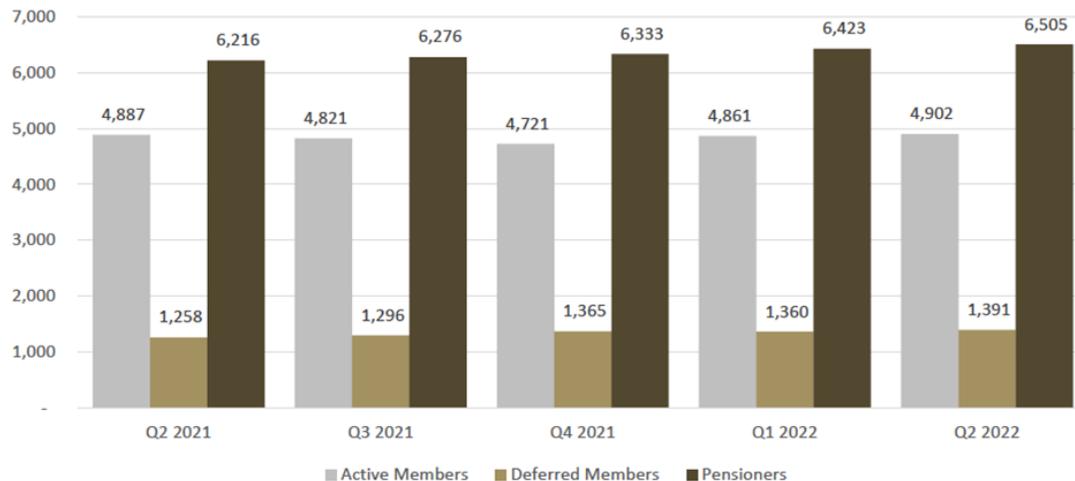
- A summary of Q1 2022 quarterly reporting, including general updates for member services activity and the MEPP Quarterly Services Report (QSR).
- Updates on the Risk Management and Compliance Management Reports.

The Board also considered outcomes of the Audit Exit Meeting held with the Office of the Auditor General (OAG) on April 14.

- At that meeting, the Board received the MEPP Audit Report for the year ending December 31, 2021. The OAG reported a clean result with no significant audit issues.

## Membership Trends

As part of its ongoing work, the Board monitors Plan membership data for trends that may affect the health of MEPP. APS provides this data quarterly. The MEPP membership highlights from the Q2 2022 QSR follow.



The number of active members increased 0.8% from Q1 2022 and 0.3% from Q2 2021. The number of deferred members increased 2.3% from Q1 2022 and 10.6% from Q2 2021. The number of pensioners increased 1.3% from Q1 2022 and 4.6% from Q2 2021.

The current ratio of working-to-retired members decreased to 0.75:1 in Q2 2022, down from 0.76:1 in Q1 2022.

## Investments — Market Value

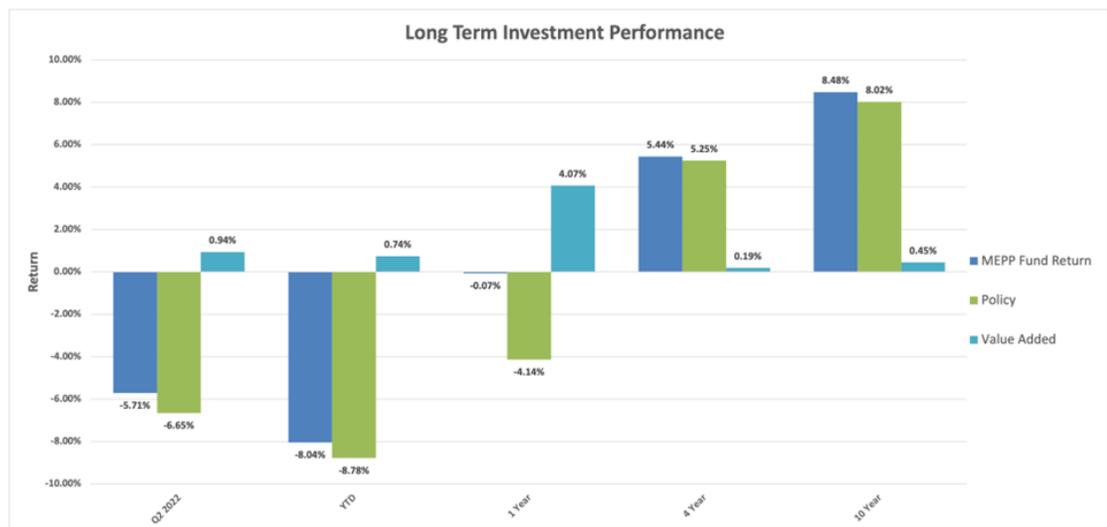
Market values (unaudited) for Q2 2022 as well as the four previous quarters follow.

	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
<b>Beginning Market Value</b>	<b>\$5,789,656,861</b>	<b>\$6,091,609,138</b>	<b>\$6,208,865,575</b>	<b>\$6,563,074,415</b>	<b>\$6,361,979,186</b>
Net Cash Flow*	\$(36,053,145)	\$(32,501,649)	\$(21,730,785)	\$(38,321,876)	\$(32,161,427)
Investment Income	\$338,005,390	\$149,758,086	\$375,939,628	\$(162,773,354)	\$(362,266,173)
<b>Ending Market Value</b>	<b>\$6,091,609,138</b>	<b>\$6,208,865,575</b>	<b>\$6,563,074,415</b>	<b>\$6,361,979,186</b>	<b>\$5,967,551,586</b>

\*Due to backdates and timing of information, the quarterly cashflow values may not always add up to the ending market value.

## Investment Performance (Unaudited)

The investment performance in Q2 2022 was -5.71%, which was above the policy requirement of -6.65% for a value add of 0.94%. The long-term investment performance return for the MEPP Fund follows.



- 'MEPP Fund' 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 feedback about the information contained in these reports, as well as any questions regarding MEPP governance. Please e-mail comments to the Board at [board@mepp.ca](mailto:board@mepp.ca).