



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 the MEPP and to set investment and other general policies, such as the Funding Policy. The Board acts in an advisory capacity to the Minister (the Trustee) on MEPP-related matters.

As part of its work, the Board holds meetings at regular intervals throughout the year. Highlights from the meetings that took place in the second quarter (Q2) of 2024 are described as follows.

Board Meetings

The Board held meetings on June 12 and 13 to:

- Review the actuarial assumptions for the latest MEPP Actuarial Valuation as at December 31, 2023;
- Discuss the Board's budget considerations for the 2025 fiscal year; and
- Complete the Plan administrator performance evaluation for 2023.

The Board also met with representatives from:

- The Board's investment consultant to review:
 - The MEPP investment performance, including Q1 2024 results;
 - Results for the annual Investment Manager Evaluation; and
 - Ongoing discussion points from the Asset Liability Study, including a review of the Public Equity allocation.
- MEPP's investment manager, Alberta Investment Management Corporation (AIMCo), to receive:
 - Sustainable Investing as it relates to AIMCo's Environmental, Social and Governance (ESG) outlook;
 - A presentation on Fixed Income, including 2024 highlights;
 - An overview of Real Estate, including AIMCo's 2023 accomplishments and near- and long-term focus for 2024; and
 - An education session and discussion about Public Equity.
- The Plan administrator, Alberta Pensions Services Corporation (APS), to receive:
 - Results from the Q1 2024 Quarterly Service Report; and
 - An overview of the MEPP Communications Strategy.

Investments — Market Value

Market values (unaudited) for Q2 2024, as well as the four previous quarters, follow:

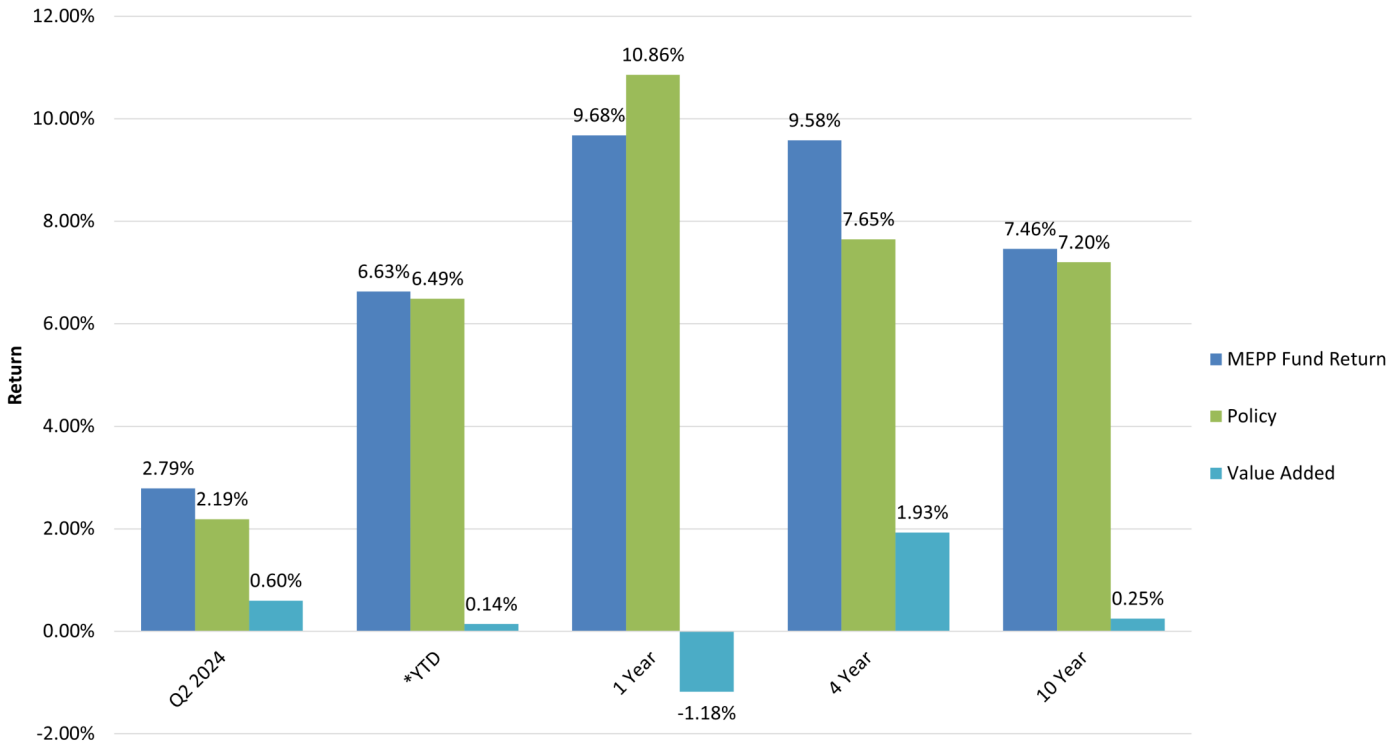
| | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|-------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Beginning Market Value | \$6,283,568,575 | \$6,375,325,639 | \$6,276,580,757 | \$6,497,185,422 | \$6,706,817,932 |
| Net Cash Flow* | \$(30,000,000) | \$(29,000,000) | \$(30,000,000) | \$(33,000,000) | \$(29,000,000) |
| Investment Income | \$121,757,065 | \$(69,744,882) | \$250,604,665 | \$242,632,511 | \$186,247,234 |
| Ending Market Value | \$6,375,325,639 | \$6,276,580,757 | \$6,497,185,422 | \$6,706,817,932 | \$6,864,065,167 |

*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 is reviewed quarterly against the objectives set by the MEPP [Investment Policy](#).

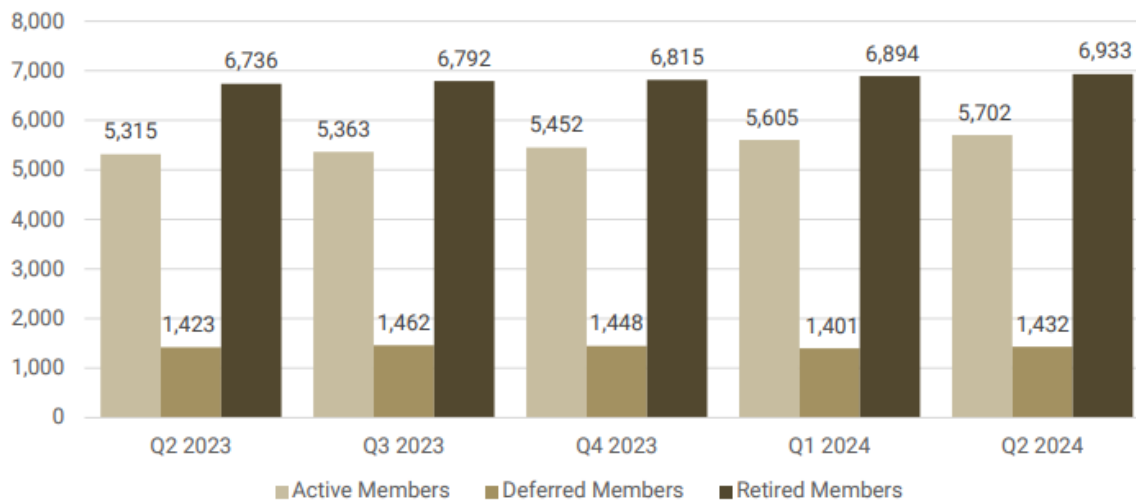
In Q2 2024, the actual investment return for the MEPP Fund was 2.79%. Results for the quarter were above expected to meet the Policy requirement of 2.19%, yielding a value-add return of 0.60%. The long term investment performance is depicted here:



*Annualized returns for YTD reflect the period ending June 30, 2024.

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 in the Quarterly Services Reports (QSR). The MEPP membership highlights from the Q2 2024 QSR follow.



Active members increased by 1.7% from last quarter and 7.3% year over year.

Deferred members increased by 2.2% from last quarter and increased by 0.6% year over year.

Retired members increased by 0.6% from last quarter and 2.9% year over year.

The current ratio of working-to-retired members increased to 0.82:1 in Q2 2024, up from 0.81:1 in Q1 2024.

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.