

## **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 third quarter (Q3 2021) information as well as post-Q2 updates.

### **Investment Committee Meeting**

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

- The Board's investment consultant to review and discuss:
  - Q2 2021 quarterly investment performance and risk assessment;
  - The Asset Liability Study and Investment Policy review; and
  - A summary review of the MEPP Investment Beliefs Survey results.
- MEPP's investment manager, Alberta Investment Management Corporation (AIMCo), to receive information and updates on:
  - Real Estate-related investments, including an overview of AIMCo's Canadian and Foreign portfolio characteristics;
  - AIMCo's Q2 2021 quarterly performance reporting;
  - Risk management, including AIMCo's risk management structure, governance framework, strategy, risk systems, and outputs;
  - AIMCo's Total Fund performance as presented by the Chief Investment Officer; and
  - An introduction to AIMCo's new Chief Executive Officer, including vision for client strategy and relationship development going forward.

### **Board Meeting**

At the MEPB meetings held September 16, the Board reviewed and discussed:

- Enterprise Risk Management, including Policy and Framework;
- Proposed Board-specific budgets in 2022 for MEPP and Public Service Management (Closed Membership) Pension Plan;
- Results of the latest MEPP Experience Study, for data received up to the end of 2020; and
- Preliminary results of the Actuarial Valuation completed as at December 31, 2021 for monitoring purposes.

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

- An introduction to APS' new General Counsel & Corporate Secretary, and review reporting structure changes;
- A presentation on APS' mid-year and Pensions Services Department update;
- A summary of Q2 2021 quarterly reporting and general updates for member services activity, including the MEPP Quarterly Services Report (QSR); and
- An overview of the 2020 Risk Management and Compliance Management Annual Reports.

## 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 Q3 2021 QSR follow.



The number of active members has decreased by 1.4% from Q2 2021, and 5.0% from Q3 2020. The number of deferred members increased 3.0% from Q2 2021, and 3.0% from Q3 2020. The number of pensioners increased 1.0% from Q2 2021, and 4.4% from Q3 2020.

The current ratio of working-to-retired members moved from 0.79:1 in Q2 to 0.77:1 in Q3 2021.

## Investments — Market Value

Market values (unaudited) for Q3 2021 as well as the four previous quarters follow.

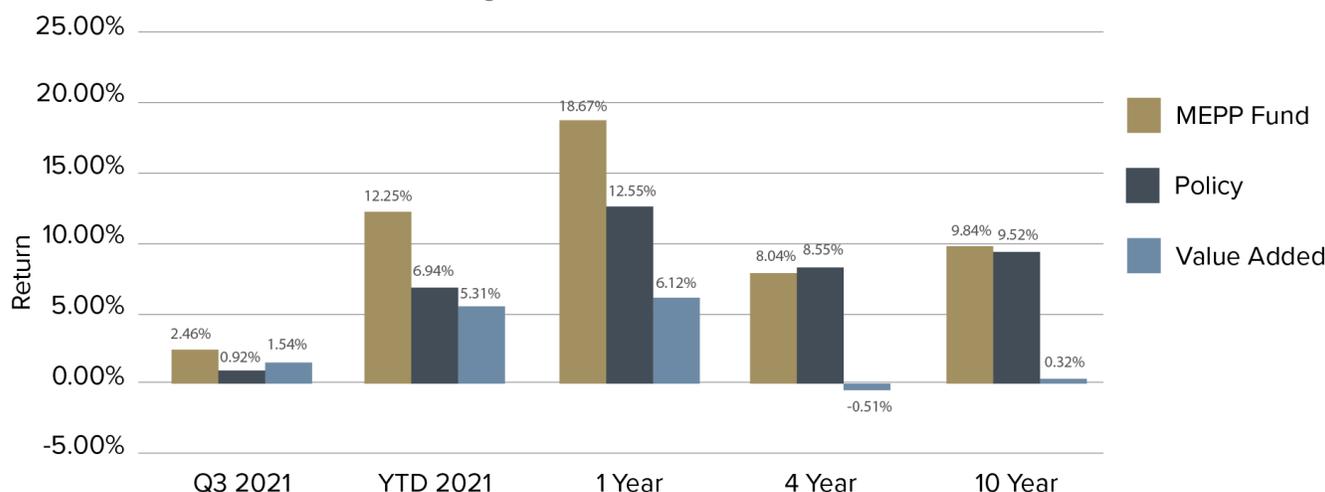
	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
<b>Beginning Market Value</b>	<b>\$5,162,833,777</b>	<b>\$5,341,111,794</b>	<b>\$5,621,868,816</b>	<b>\$5,789,656,861</b>	<b>\$6,091,609,138</b>
Net Cash Flow*	(\$23,900,616)	(\$25,102,033)	\$(27,584,869)	\$(36,053,145)	\$(32,501,649)
Investment Income	\$202,178,631	\$305,859,054	\$195,372,915	\$338,005,390	\$149,758,086
<b>Ending Market Value</b>	<b>\$5,341,111,794</b>	<b>\$5,621,868,816</b>	<b>\$5,789,656,861</b>	<b>\$6,091,609,138</b>	<b>\$6,208,865,575</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 Q3 2021 was 2.46%, which was above the policy requirement of 0.92% for a value add of 1.54%. The long-term investment performance return for the MEPP Fund follows.

### Long Term Investment Performance



• **MEPP Fund Return** 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).