

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 meeting that took place in the third quarter (Q3) are described as follows.

Board Meeting

The Board held a meeting on September 20 to:

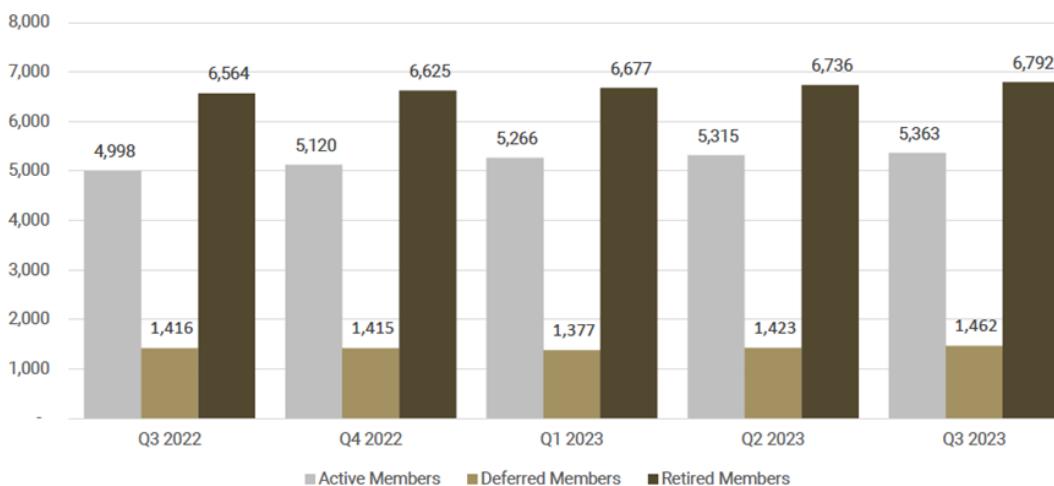
- Affirm the MEPB Vice-Chair election;
- Discuss the Fall/Winter Newsletter topics;
- Approve the Draft Board 2024 Budget;
- Discuss the MEPB governance review; and
- Discuss other Board business for Q3.

The Board also met with representatives from:

- The Board's investment consultant to review MEPP's investment performance, including Q2 2023 results;
- MEPP's investment manager, Alberta Investment Management Corporation (AIMCo), to receive:
 - An overview of the MEPP Quarterly (Q2 2023) Investment Performance;
 - An update on AIMCo's Corporate Strategy and Business Transformation Plan;
 - An overview of AIMCo's Risk Management and Compliance approach; and
- The Plan administrator, Alberta Pensions Services Corporation (APS), to receive an overview of the APS Corporate Update, including review of the Q2 2023 Plan Financial Information and Statement of Pension Plan Transactions.

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 Quarterly Services Reports (QSR). The MEPP membership highlights from the Q3 2023 QSR follow.



The number of active members increased by 0.9% from last quarter and 7.3% year over year. The number of deferred members increased by 2.7% from last quarter and 3.2% year over year. The number of retired members increased by 0.8% from last quarter and 3.5% year over year.

The current ratio of working-to-retired members is 0.79:1, which remained the same as the previous quarter (Q2 2023).

Investments — Market Value

Market values (unaudited) for Q3 2023, as well as the four previous quarters, follow:

	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Beginning Market Value	\$5,967,551,586	\$5,894,612,271	\$6,107,523,127	\$6,283,568,575	\$6,375,325,639
Net Cash Flow*	\$(43,739,550)	\$(31,998,606)	\$(34,000,000)	\$(30,000,000)	\$(29,000,000)
Investment Income	\$(29,199,765)	\$244,909,462	\$210,045,449	\$121,757,065	\$69,744,882
Ending Market Value	\$5,894,612,271	\$6,107,523,127	\$6,283,568,575	\$6,375,325,639	\$6,276,580,757

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

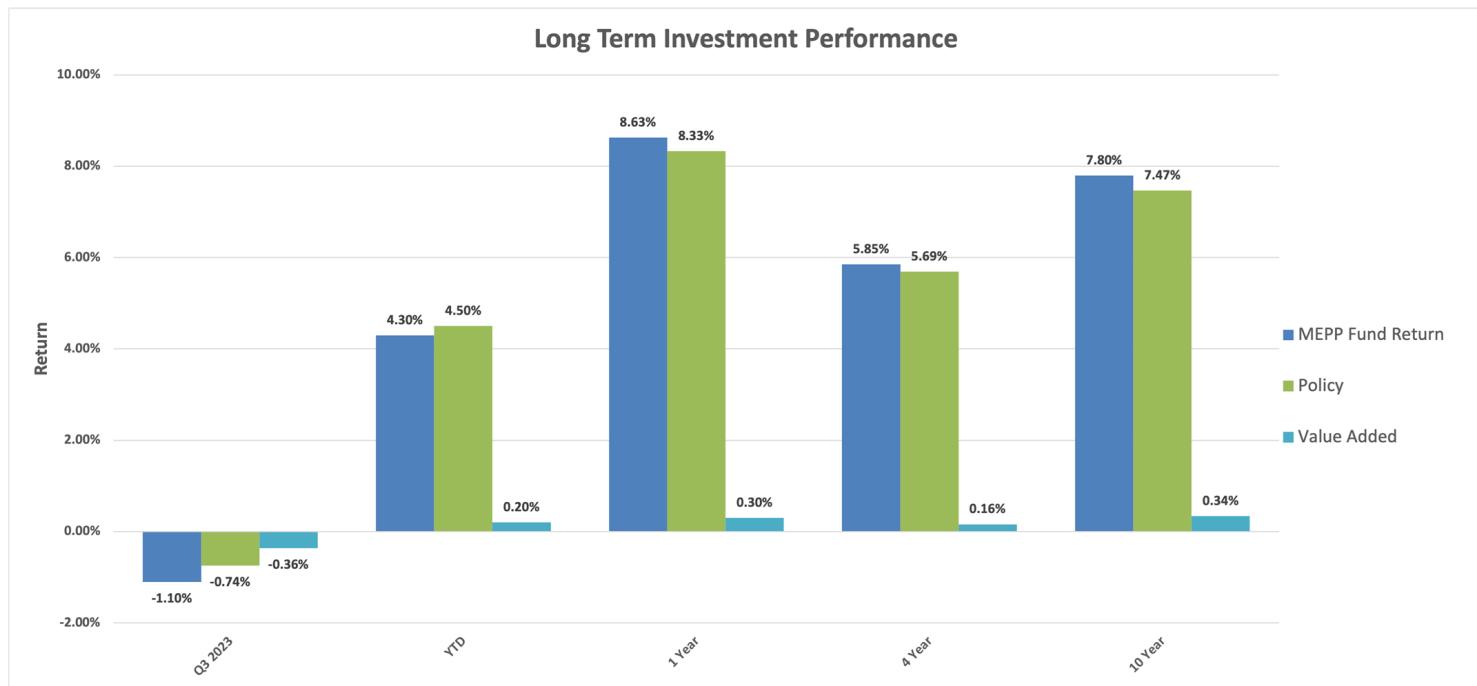
** These values were corrected after the initial publication of this quarterly update.

Investment Performance (Unaudited)

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

In Q3 2023, the actual investment return for the MEPP Fund was -1.10%. Results for this quarter were below expected to meet the Policy requirement of -0.74%, yielding a negative return of -0.36%.

The long-term investment performance return for the MEPP Fund is depicted here:



*Annualized returns for YTD reflect the period ending September 30, 2023.

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.