

Management Employees Pension Board Priorities and Activities

The Management Employees Pension Board (MEPB or the Board) monitors the investment and administration management of the Plan. The Board sets the investment policy and other general policies on the administration of MEPP, holds pension appeal hearings as required, and acts in an advisory capacity to the Minister (the Trustee) on other Plan matters.

MEPB also holds quarterly Board and Investment Committee meetings at regular intervals, and provides information updates to all MEPP stakeholders, including members and employers.

The Board would like to note a few key updates as we head into the new year:

- A new MEPP Investment Policy was established, effective January 2018. See the Investment Committee Meeting section below for more information.
- MEPP launched a brand new member [website](#) on January 21. The Board encourages all members to take a tour of the new look and features, and then complete a short user-experience survey (posted on the website).
- We are pleased to welcome new members to the Board. Information about all current Board members is posted to the website.
Welcome to:
 - Andrew Tambone, WCB, Employee Nominee
 - Deborah Polny, Employer Nominee
 - Shannon Patershuk, Employer Nominee

Please read on for more details about the Board's work in Q4 of 2017.

Investment Committee Meeting

On December 6, the Investment Committee:

- Met with the Board's investment consultant, Ellement Consulting Group, to:
 - Review Quarterly Performance Update and Risk Assessment, with emphasis on enhanced Value at Risk (VaR) information;
 - Discuss the 2017 Asset Liability Study (ALS) and the new 2018 Investment Policy (IP), including a critical look at MEPP investment objectives, risk tolerance, asset class benchmarks and the asset mix.
- **The new MEPP [Investment Policy](#) is now posted to the Plan website.**
- The Investment Committee also met with representatives from AIMCo, the investment manager, to review and discuss:
 - Information on Private Equity Investments;
 - The Quarterly Investment Review and Market Updates for Q3 2017;
 - The current state of Infrastructure and Timber markets.

Board Meeting

At the December 7 meeting, the Board:

- Discussed stakeholder communications priorities for the coming year, including:
 - Progress and launch-date confirmation for the new MEPP website;
 - The 2018 Spring Member newsletter content.
- Discussed finalization of the MEPB Enterprise Risk Management (ERM) framework.
- Met with the Office of the Auditor General (OAG) to review the 2017 Audit Plan.
- Met with representatives from APS to review:
 - Process information related to distribution of the Pension Highlights statements, (formerly Member Annual Statements);
 - A presentation on the APS Strategic Plan, and the 2018-2020 Business Plan and budget.

Membership Trends

The Board continually monitors MEPP membership trends, as these affect the health of the Plan. The following membership data was extracted from the latest version (Q3) of the MEPP QSRs; Q4 information will be made available in the next (Q1 2018) Update.

	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Active Members	5,410	5,418	5,477	5,504
Deferred Members	1,050	1,053	1,056	1,053
Retired Members	5,030	5,104	5,168	5,245

Investments

Market Value

Market values (in millions) are posted here (unaudited) up to Q3 of 2017. Information for Q4 2017 will appear in the next Quarterly Update:

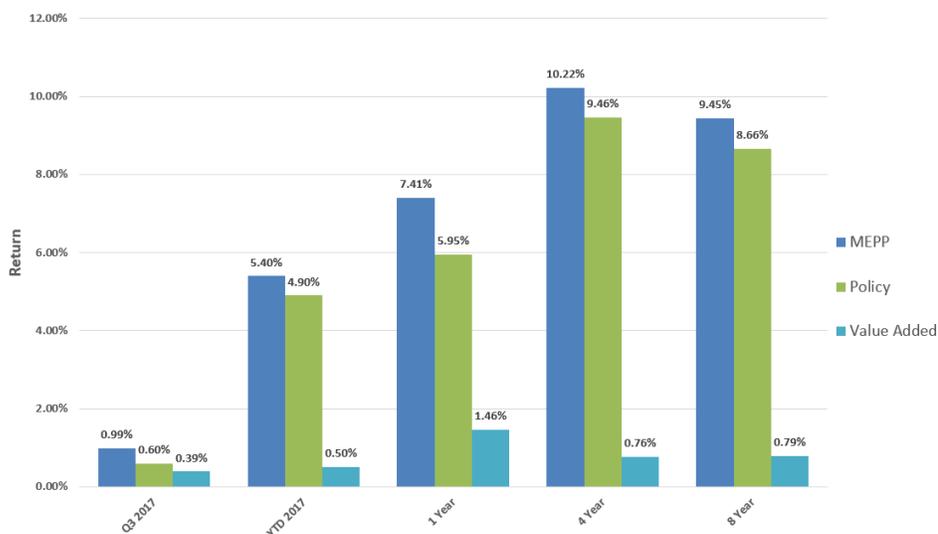
	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Beginning Market Value	\$4,522,613,721	\$4,606,300,242	\$4,755,963,078	\$4,791,496,646
Net Cash Flow	\$(2,806,435)	\$(4,494,892)	\$(11,584,909)*	\$(7,711,055)*
Investment Income	\$86,492,956	\$154,157,728	\$47,118,477	\$47,569,239
Ending Market Value	\$4,606,300,242	\$4,755,963,078	\$4,791,496,646	\$4,831,354,831

* Negative cash flow amounts were due to a pension system upgrade, resulting in a backlog of termination payouts at the pension administration operations level.

Investment Performance

The long-term investment performance return for the MEPP Fund, as of Q3 2017, is as follows:

Long Term Investment Performance



Q4 2017 investment performance information will be made available in the Q1 2018 Update

- MEPP' is the actual investment return for the period
- 'Policy' is the return required by the MEPP 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.