

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 fourth quarter (Q4 2021) information as well as post-Q3 updates.

Investment Committee Meeting

At the meetings held October 20 and December 8, the MEPB Investment Committee met with representatives from:

- The Board's investment consultant to review and discuss:
 - Results of an investment-related environmental scan, performed by the consultant, which included a review of asset allocation trends, public equity platform considerations and other notable pension plan environment insights;
 - The Asset Liability Study and Investment Policy review;
 - Q3 2021 investment performance review and risk assessment; and
 - A review of the MEPP Investment Beliefs Survey results.
- MEPP's investment manager, Alberta Investment Management Corporation (AIMCo), to receive information and updates on:
 - Fixed Income assets, including performance, trends, risk management and control environment;
 - Public and Private Equity platforms and their respective portfolio strategies;
 - Responsible Investing, including ESG integration, strategic priorities and upcoming projects; and
 - Risk, including an update on AIMCo's Risk Management Implementation Plan.

Board Meeting

At the meetings held October 21 and December 9, the Board reviewed and discussed:

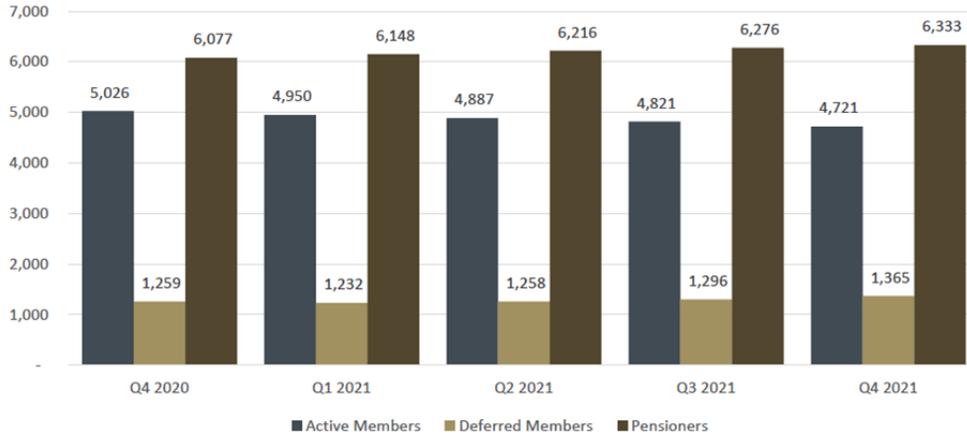
- Highlights from a workshop event held October 19, which was attended by representatives of the MEPB, Alberta Treasury Board and Finance (ATBF) and Alberta Pensions Services (APS) and included a collaborative review of roles and responsibilities with respect to governance of the Crown Trusteed Plans;
- Topics for the *Fall / Winter 2021 MEPB Newsletter*;
- A report on the MEPP Actuarial Valuation performed as at December 31, 2020;
- Results from the Actuarial Valuation for the Public Service Management (Closed Membership) Pension Plan (PSM(CM)PP or Closed Plan), also performed as at December 31, 2020;
- Results of a pensions environmental scan, performed by the Actuary, which focused on the risk profile with respect to funding; and
- An overview of the 2021 MEPP Audit Plan, as presented by the Office for the Auditor General, for the year ending December 31, 2020.

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

- A review of the 2022 Service Delivery Plan and Budgets for MEPP and the Closed Plan;
- An overview of APS' Information Technology, including cybersecurity measures; and
- A summary of Q3 2021 quarterly reporting and general updates for member services activity, including the MEPP Quarterly Services Report (QSR).

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 Q4 2021 QSR follow.



The number of active members decreased 2.1% from Q3 and decreased 6.1% from Q4 2020. The number of deferred members increased 5.3% from Q3 and increased 8.4% from Q4 2020. The number of pensioners increased 0.9% from Q3 and increased 4.2% from Q4 2020. The current ratio of working-to-retired members decreased from 0.77:1 in Q3 to 0.75:1 in Q4 2021.

Investments — Market Value

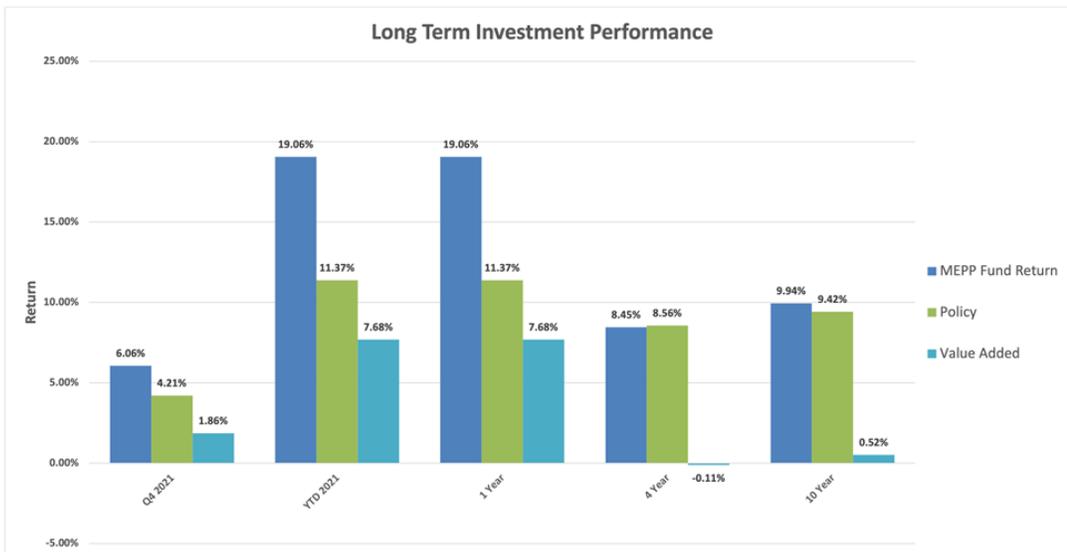
Market values (unaudited) for Q4 2021 as well as the four previous quarters follow.

	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Beginning Market Value	\$5,341,111,794	\$5,621,868,816	\$5,789,656,861	\$6,091,609,138	\$6,208,865,575
Net Cash Flow*	(\$25,102,033)	\$(27,584,869)	\$(36,053,145)	\$(32,501,649)	\$(21,730,785)
Investment Income	\$305,859,054	\$195,372,915	\$338,005,390	\$149,758,086	\$375,939,628
Ending Market Value	\$5,621,868,816	\$5,789,656,861	\$6,091,609,138	\$6,208,865,575	\$6,563,074,415

*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 Q4 2021 was 6.06%, which was above the policy requirement of 4.21% for a value add of 1.86%. The long-term investment performance return for the MEPP Fund follows.



- **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.