

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 fourth quarter (Q4) are described as follows.

Board Meetings

The Board held meetings on December 6 and 7 to:

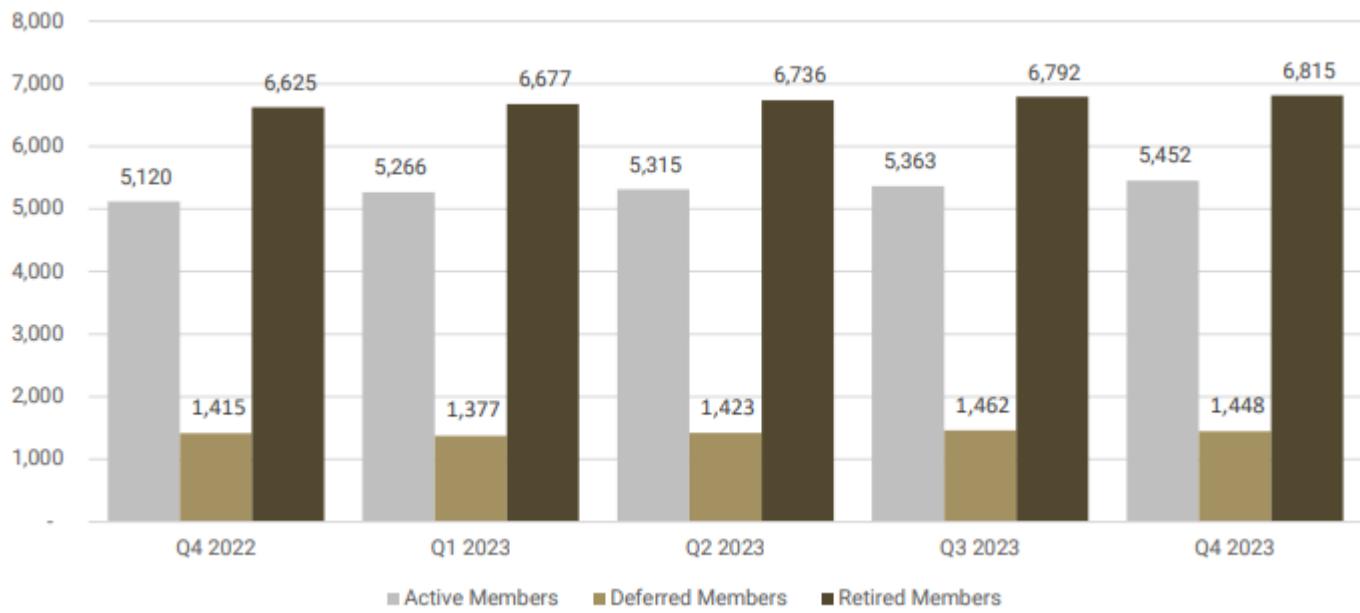
- Review and discuss general updates;
- Approve the final draft of the 2023 Fall/Winter Newsletter;
- Review the 2024 Governance Calendar;
- Discuss results of the Actuarial Services Request for Proposal;
- Receive an overview of the draft 2023 MEPP Audit Plan from the Office of the Auditor General;
- Receive general updates from the Investment Working Group; and
- Receive updates from the MEPB Working Group for the Education Plan, Board Skill Set Matrix, and Board Development and Education Policy.

The Board also met with representatives from:

- The Board's investment consultant to review:
 - The MEPP Q3 2023 investment performance results and risk evaluation overview.
- MEPP's investment manager, Alberta Investment Management Corporation (AIMCo), to receive:
 - An update on Fixed Income Investments;
 - An update on Private Equity;
 - An update from AIMCo's CEO, including a review of the 2023 Corporate Objectives and Q4 Pulse Check; and
 - An update on the Sustainable Investment outlook and strategic priorities.
- The Plan administrator, Alberta Pensions Services Corporation (APS), to receive:
 - A general update from APS's CEO; and
 - An update on Information Services Technology and Cybersecurity.

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 Q4 2023 QSR follow.



The number of active members increased by 1.7% from last quarter and 6.5% year over year. The number of deferred members decreased by 1.0% from last quarter and increased by 2.3% year over year. The number of retired members increased by 0.3% from the last quarter and 2.9% year over year.

The current ratio of working-to-retired members increased to 0.80:1 in Q4 2023, up from 0.79:1 in Q3 2023.

Investments — Market Value

Market values (unaudited) for Q4 2023, as well as the four previous quarters, follow:

	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Beginning Market Value	\$5,894,612,271	\$6,107,523,127	\$6,283,568,575	\$6,375,325,639	\$6,276,580,757
Net Cash Flow*	\$(31,998,606)	\$(34,000,000)	\$(30,000,000)	\$(29,000,000)**	\$(30,000,000)
Investment Income	\$244,909,462	\$210,045,449	\$121,757,065	\$(69,744,882)**	\$250,604,665
Ending Market Value	\$6,107,523,127	\$6,283,568,575	\$6,375,325,639	\$6,276,580,757	\$6,497,185,422

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

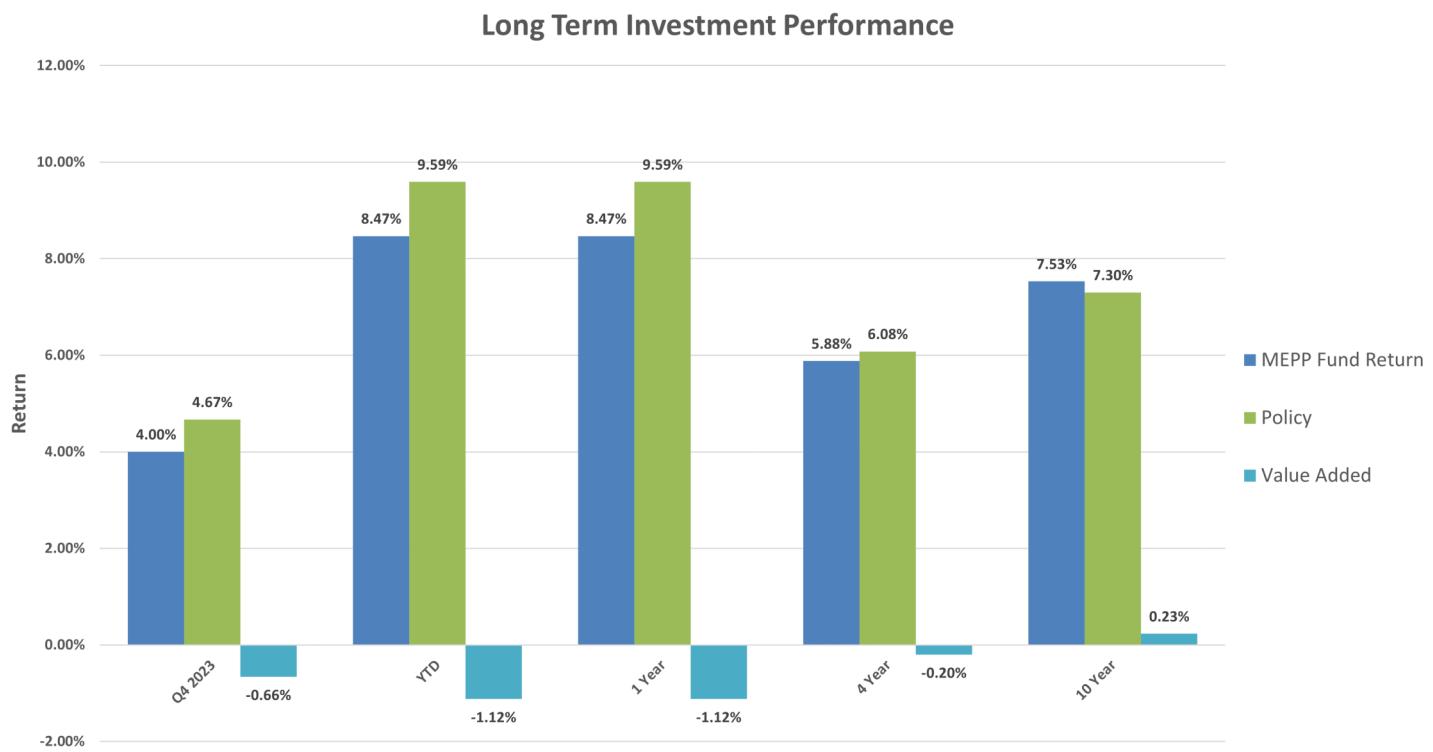
**These values were corrected after the initial publication of this Quarterly Update.

Investment Performance (Unaudited)

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

In Q4 2023, the actual investment return for the MEPP Fund was 4.00%. Results for this quarter were below expected to meet the Policy requirement of 4.67%, yielding a negative return of -0.66%.

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



*Annualized returns for YTD reflect the period ending December 31, 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.