

Board Notes

March 2026



The **SHEPP Board of Trustees (Board)** met on March 25 & 26, 2026.

The next regular meeting of the Board of Trustees will be held on May 20, 2026.

Investment Performance Review

The Board reviewed the investment performance of the Fund to December 31, 2025.

The table below is a summary of the total annual Fund return (net of investment manager fees) over the last quarter and one-year period.

December 31, 2025	Quarter	One-Year
Total Fund	1.7%	10.0%
Benchmark	1.3%	10.0%
Value Added*	0.4%	0%

*Figures may not total due to rounding.

Global markets posted strong gains in Q4, supported by resilient growth, moderating inflation, expectations for central bank rate cuts, and the ongoing AI trade.

Equities and real assets led returns, while positive relative performance in fixed income, equities, real assets, and insurance-linked securities offset weakness in liquid alternatives.

Meeting Highlights

The Board reviewed and approved:

- 2026 Board Work Plan and amendments to two policies;
- Code of Conduct and Conflict of Interest Policy & Procedures, and received education on the Code from the Plan solicitor;
- 2025 Actuarial Valuation assumptions;
- Enterprise Risk Management Compliance report;
- Currency Hedging recommendations;
- Real Estate search recommendation;

- 2026 Asset Liability Study asset classes and assumptions; and
- Infrastructure co-investment expansion.

The Board received as information:

- Q4 2025 Financial Statements, Balanced Scorecard, Investment Risk Management and Funding Risk Management reports;
- Senior Leadership Team quarterly reports;
- Trustee Self-Assessment and Board Composition Matrix which serves as a guide for upcoming education and Board succession planning; and
- Liabilities Work Plan proposal.

The Board also held the annual in-camera meeting with the Plan actuary and received education on AI and macroeconomics.

Legislative, Supervisory & Policy Compliance

Canadian Association of Pension Supervisory Authorities (CAPSA) Questionnaires are completed by SHEPP Administration annually following year end, to confirm alignment with the CAPSA guidelines.

Guideline No. 4: Pension Plan Administrator Governance Self- Assessment provides pension plans with a tool to assess internal governance programs and CAPSA Guideline No. 6: Pension Plan Prudent Investment Practices provides a tool for reviewing investment practices.

The Board also received the 2025 Legislative, Supervisory & Policy Compliance report, where Administration confirmed that in 2025, the Plan was compliant with all legislation, applicable CAPSA guidelines, and SHEPP policies and procedures.

More information on Plan governance can be found on our website shepp.ca.