



---

## Overview

Andrew Spence, Managing Director,  
OMERS Capital Markets

August 23, 2013

# Content

OMERS at a Glance

Investment Strategy

Investment Entities

Benchmarking

Risk Management

Conclusion

# OMERS at a Glance



## 50 Years

- 1<sup>st</sup> municipal member enrolled

## 950 Employers

- 400 Municipalities
- 100 School Boards (non teaching)
- 450 Utilities, Local Boards, etc.

## 430,000 Members

- Police, Fire, Transit, Hydro, Municipal
- 75% of municipal workers are OMERS members
- 120,000 retired members

## \$60 Billion Fund

# OMERS at a Glance



## OMERS Act

- Governance structure
  - Composition, roles
- Employer participation rules

## Federal Role

- Regulator for Federal Plans
- Sets tax regime
  - Investment restrictions
  - Tax exempt status

## Provincial Role

- Regulator for Provincial Plans
- Oversight role
  - Minimal standards, funding, benefits, fiduciary obligation

# OMERS at a Glance



OMERS Head Office

## Multi-Employer Multi-Sponsored

- Equal contributions
- Risks / rewards shared

## Multi-Governed

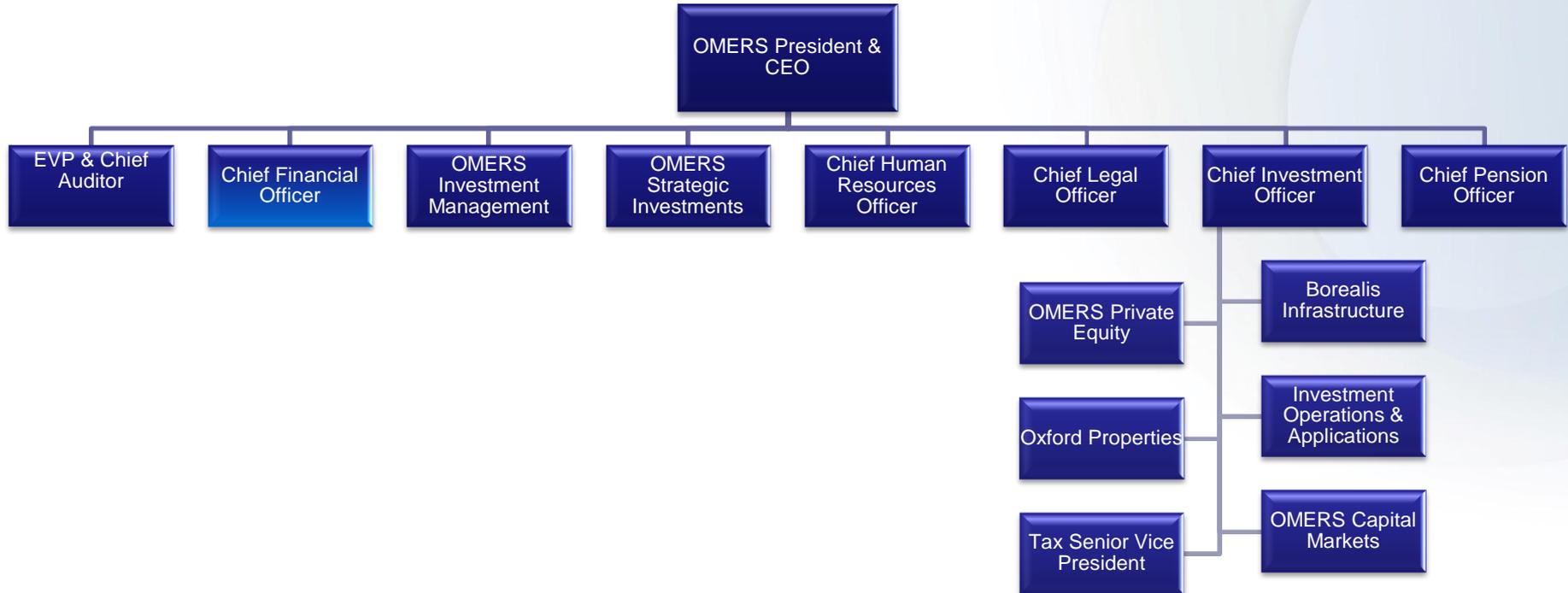
- Equal member/employer Board representatives
- 14 member Board oversees administration & investment
- 14 member Board determines benefits & contribution rates

# OMERS at a Glance

## OMERS Governance Structure under OMERS Act

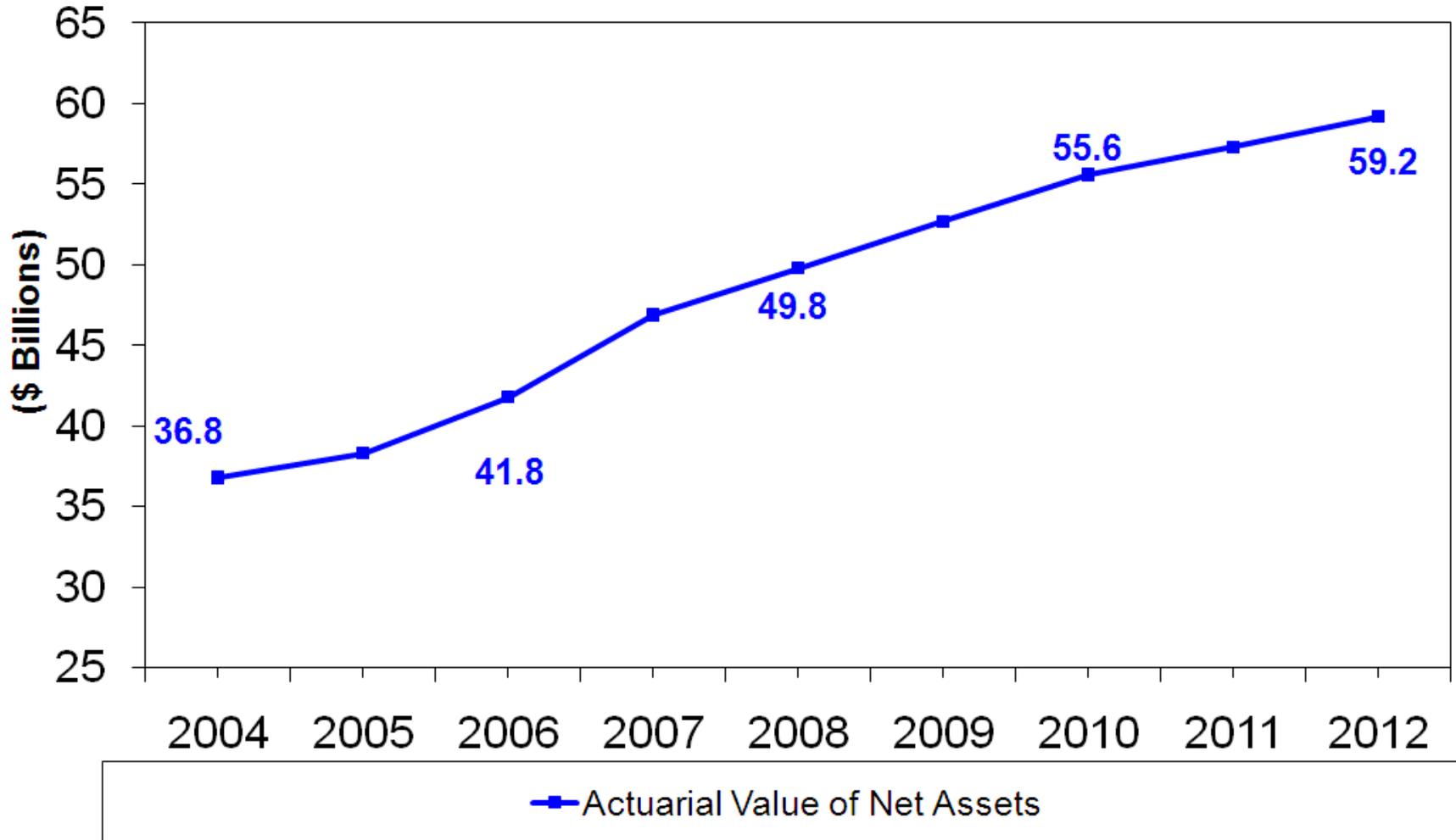


# OMERS at a Glance



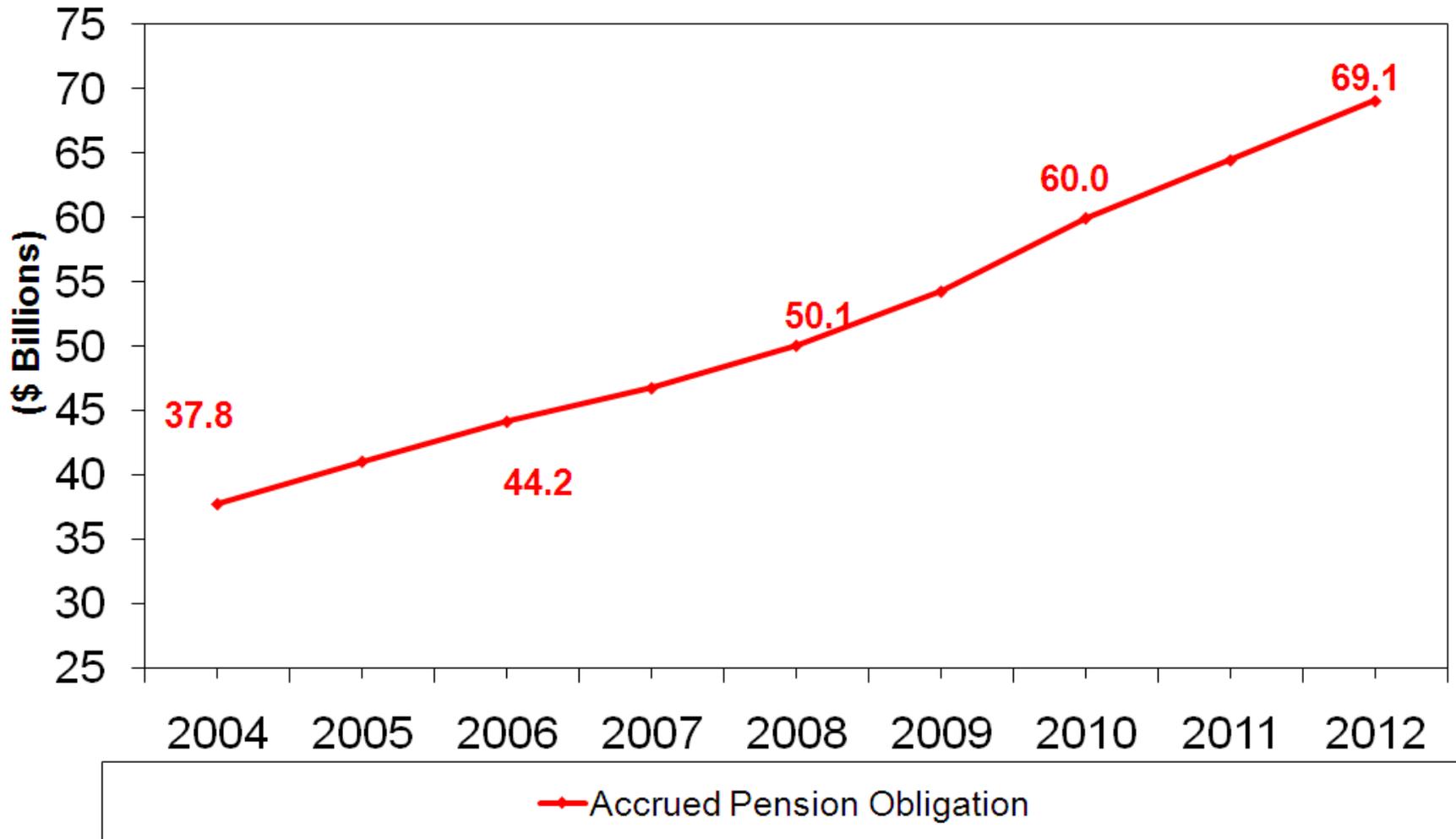
# OMERS at a Glance

## Actuarial Value of Net Assets – OMERS Primary Pension Plan



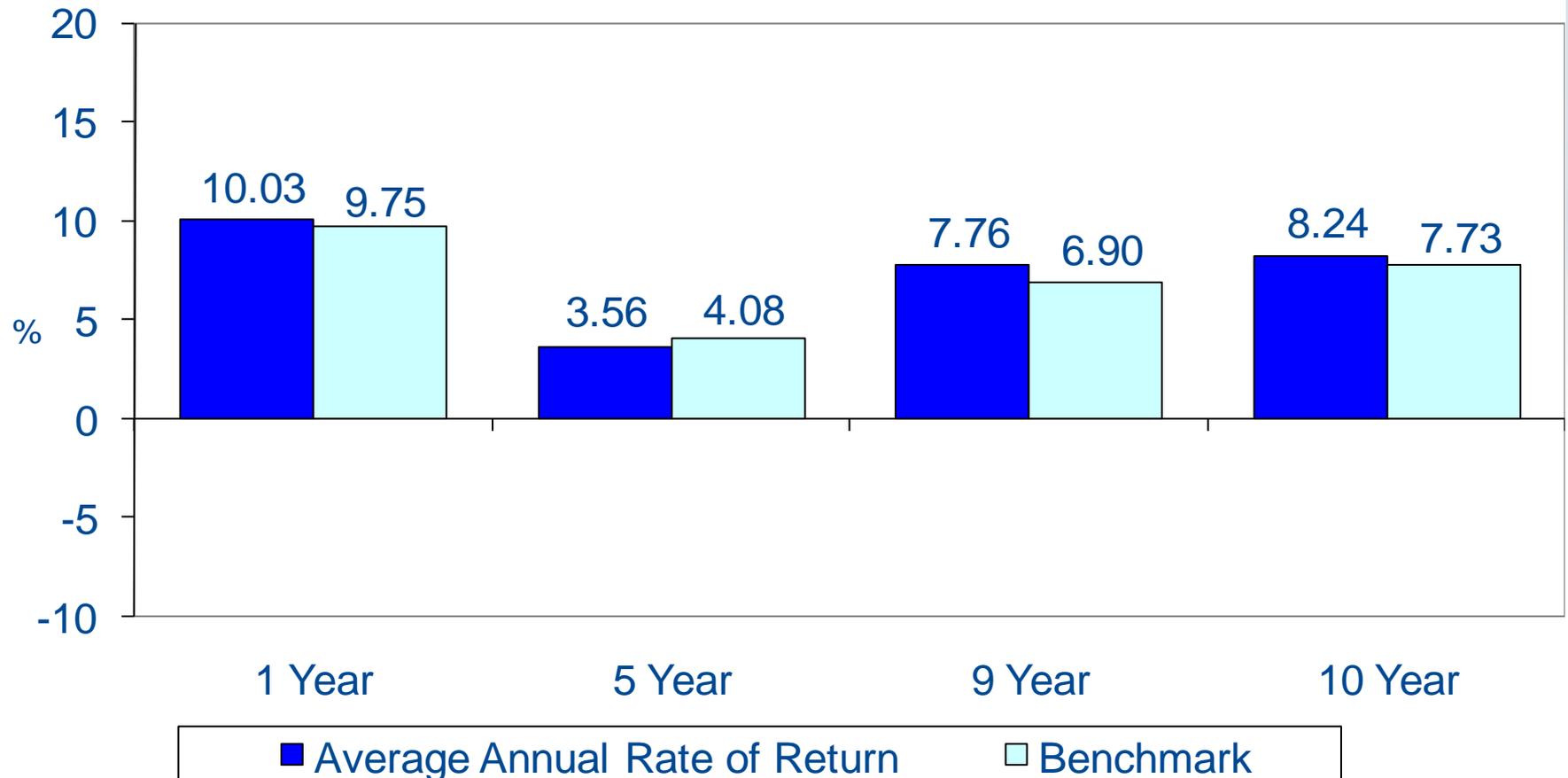
# OMERS at a Glance

## Accrued Pension Obligation – OMERS Primary Pension Plan



# OMERS at a Glance

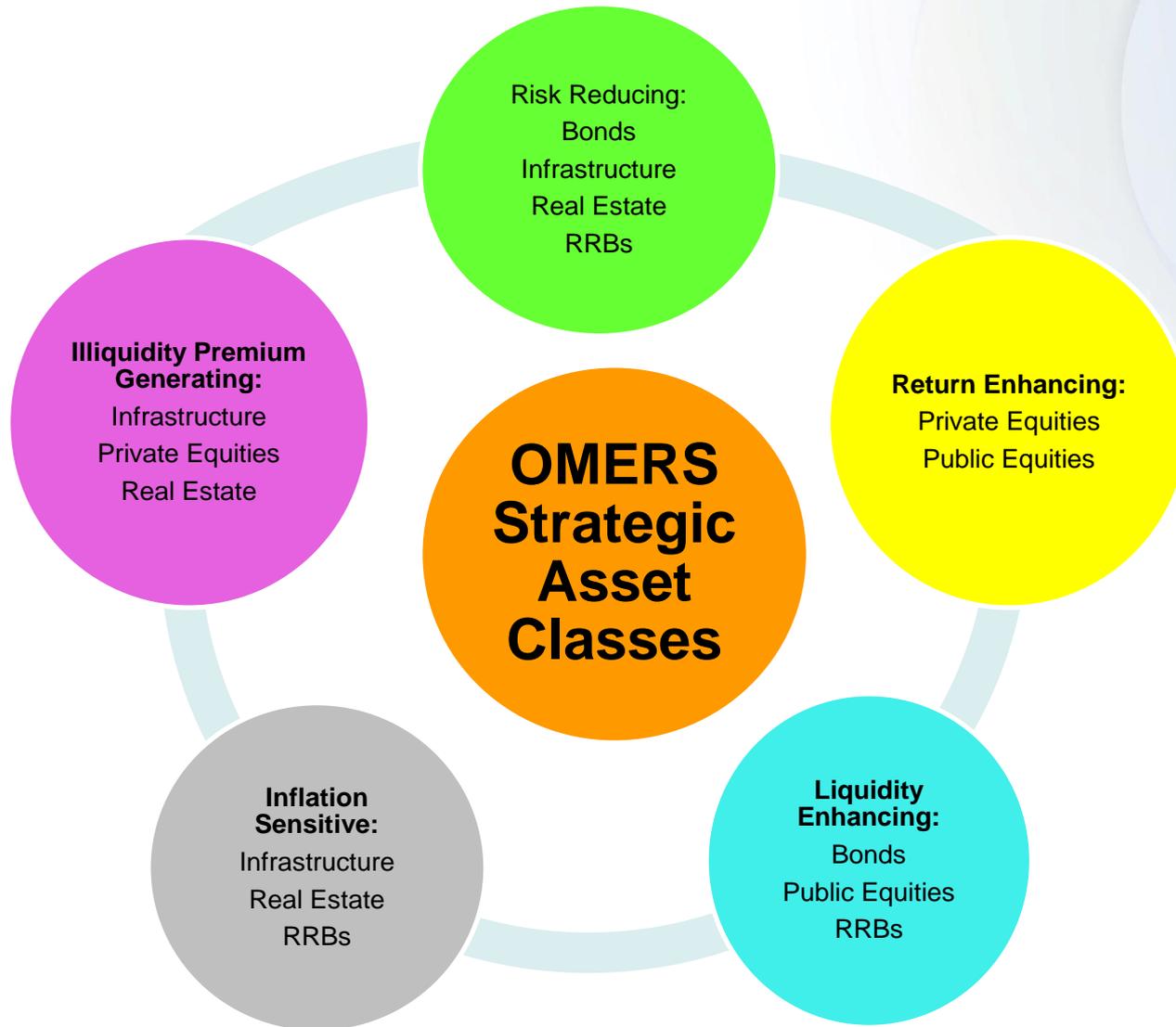
Annualized returns for the period ending December 31, 2012



# Investment Strategy

- 300 investment professionals
- Directly own and actively manage our own assets
- Specialized teams by asset class
- Pay-for-performance targets
- Collaborative decision making

# Investment Strategy



# Investment Entities Overview

Investment Entity	Summary	Description
	Long-term investor in large-scale regulated assets	<ul style="list-style-type: none"> <li>• assets fundamental to modern industrialized economies</li> <li>• monopolistic or quasi-monopolistic; regulated</li> <li>• predictable cash flows</li> </ul>
	Direct owner of private firms	<ul style="list-style-type: none"> <li>• equity securities in non-public companies</li> <li>• primarily direct investments</li> </ul>
	International real estate owner, operator and developer	<ul style="list-style-type: none"> <li>• direct and indirect investments in real property</li> <li>• office, retail, industrial, residential, leisure</li> <li>• indirect through REITS, funds</li> </ul>
	Invests in public markets to earn absolute returns	<ul style="list-style-type: none"> <li>• Fixed Income</li> <li>• Real Return Bonds</li> <li>• Public Equities</li> </ul>
	Multi-purpose investment platform	<ul style="list-style-type: none"> <li>• strategic asset platforms</li> <li>• global footprint</li> <li>• capital partners</li> <li>• natural resources</li> <li>• Innovation</li> <li>• new markets &amp; sectors</li> </ul>

# Investment Entities

Investment Entity	Asset Class	Description
	Infrastructure	<ul style="list-style-type: none"> <li>• large-scale projects</li> <li>• assets fundamental to modern industrialized economies</li> <li>• monopolistic or quasi-monopolistic, regulated</li> <li>• predictable cash flows</li> </ul>



Ciel Satellite Group



Scotia Gas Network



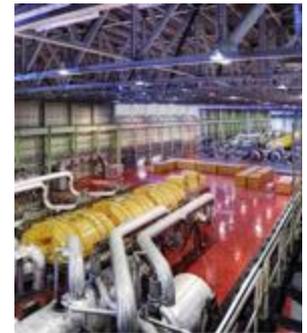
High Speed 1 Limited



Associated British Ports



Lifelabs



Bruce Power

# Investment Entities (cont'd.)

Investment Entity	Asset Class	Description
	Private Equity	<ul style="list-style-type: none"><li>• equity securities in non-public companies</li><li>• primarily direct investments</li></ul>



**Golfsmith International**



**Accelerated Rehabilitation Centers/  
CBI Health**



**Constellation Software Inc.**



**Cookie Jar Group**



**Marketwired**

# Investment Entities (cont'd.)

Investment Entity	Asset Class	Description
	Real Estate	<ul style="list-style-type: none"> <li>• direct investments in real property</li> <li>• office, retail, industrial, residential, leisure</li> <li>• established track record in joint ventures with preferred strategic partners</li> </ul>



Chateau Lake Louise



Yorkdale Shopping Centre



Hudson Yards – New York City



Watermark Place - London



TD Canada Trust Tower



South Centre Shopping Mall

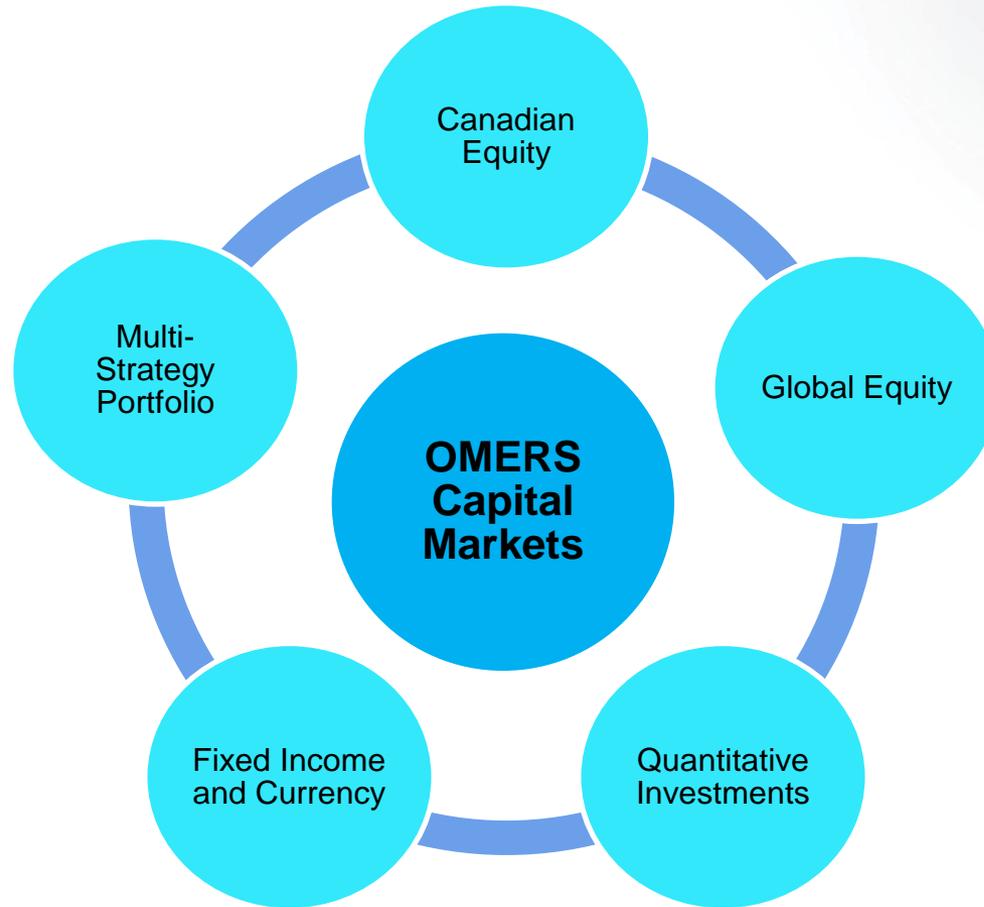
# Investment Entities (cont'd.)

Investment Entity	Asset Class	Description
 <b>OMERS</b> Strategic Investm	“Strategic Assets” across asset class spectrum	<ul style="list-style-type: none"><li>• “first mover” strategic investment platforms</li><li>• capital partnerships</li><li>• natural resources, innovation, new markets and new sectors (products)</li></ul>

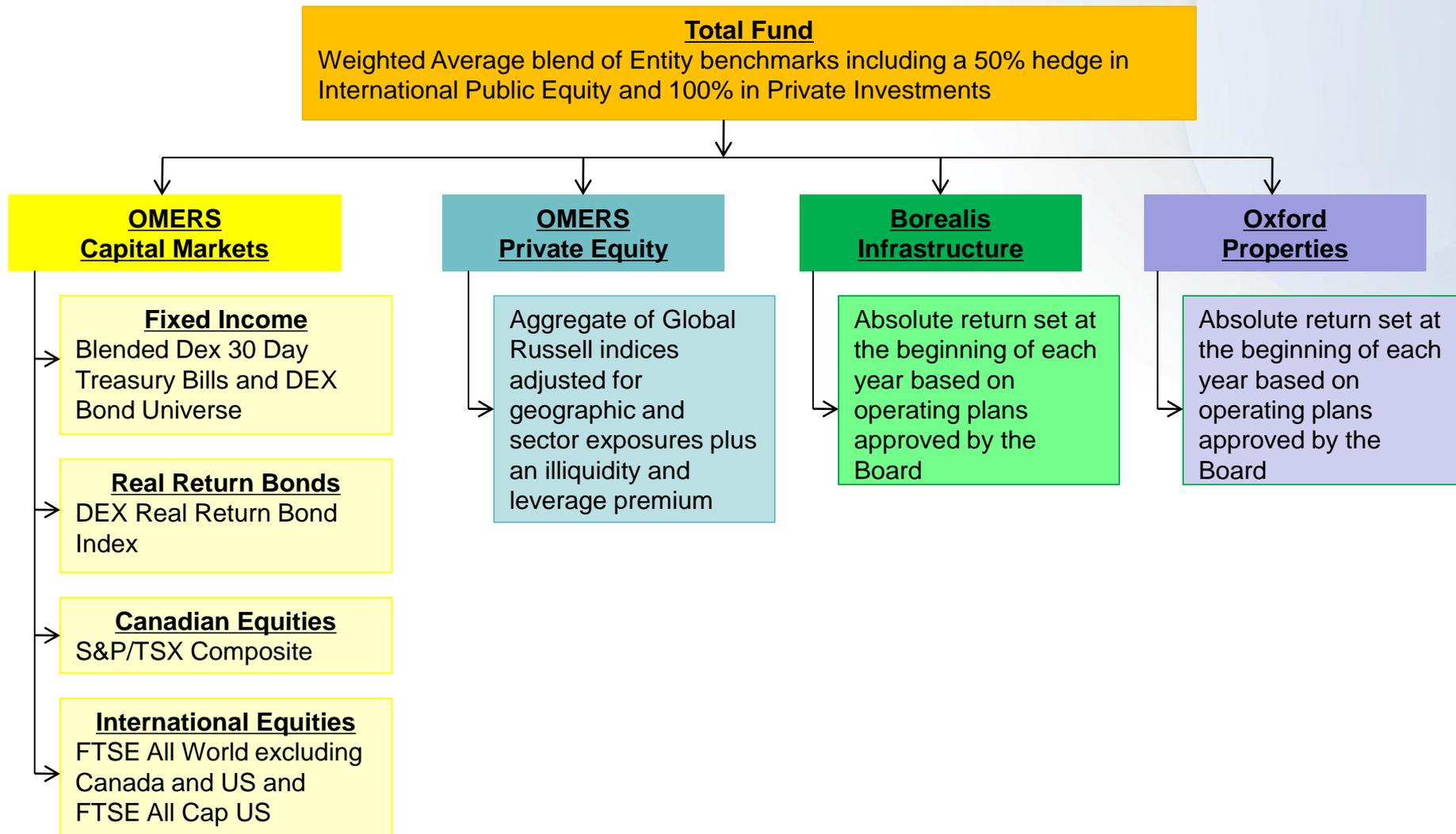


# Investment Entities (cont'd.)

Investment Entity	Asset Class	Description
	Public Markets	<ul style="list-style-type: none"><li>• Fixed Income</li><li>• Real Return Bonds</li><li>• Public Equities</li></ul>



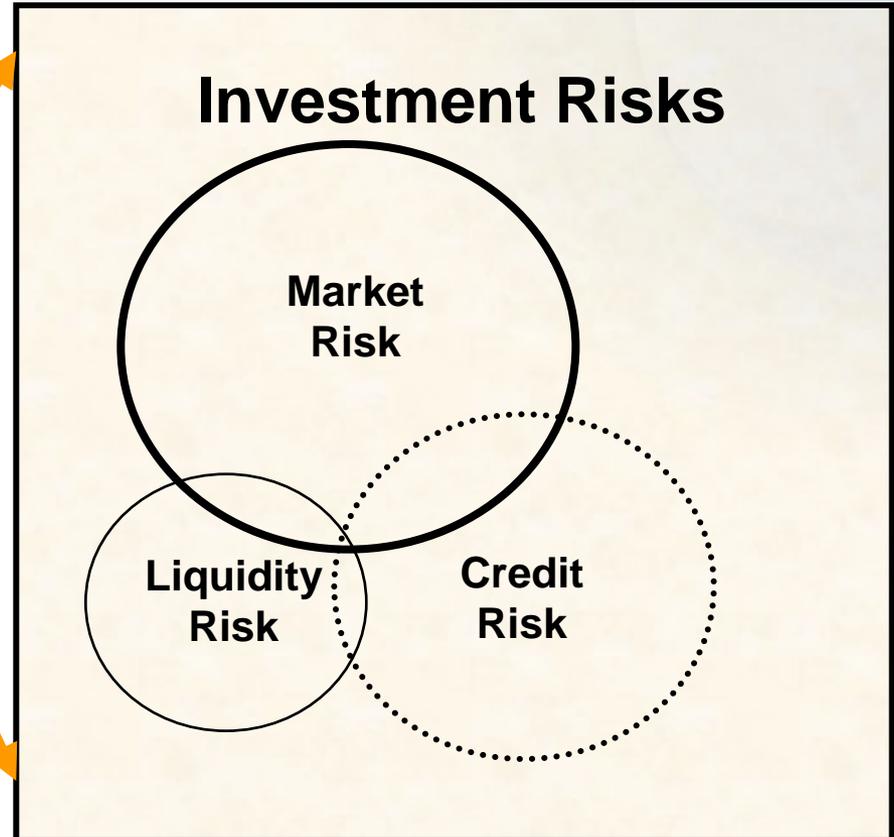
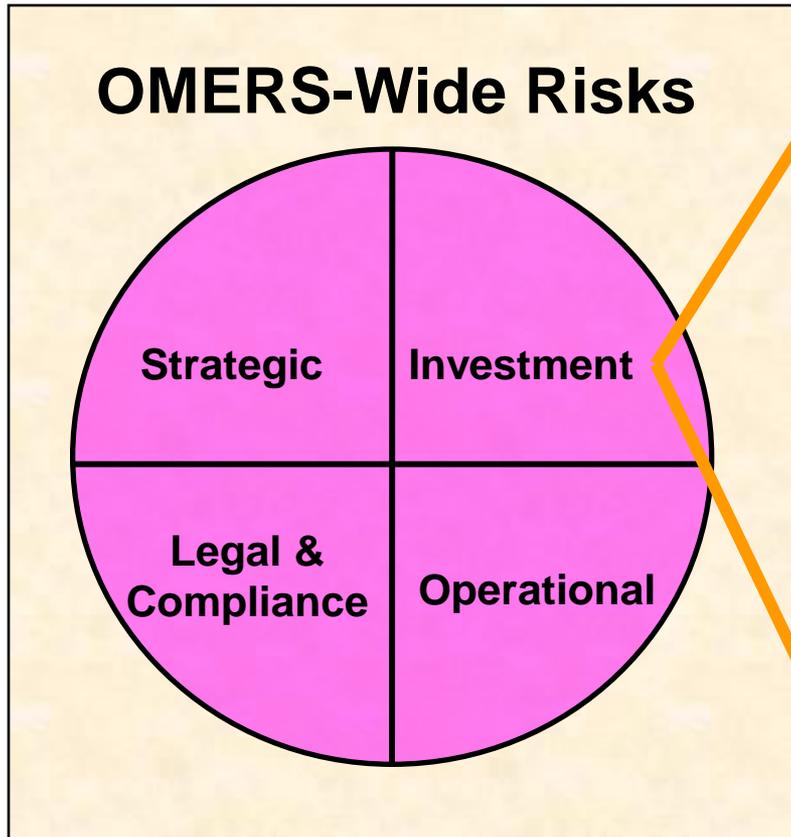
# Benchmarking



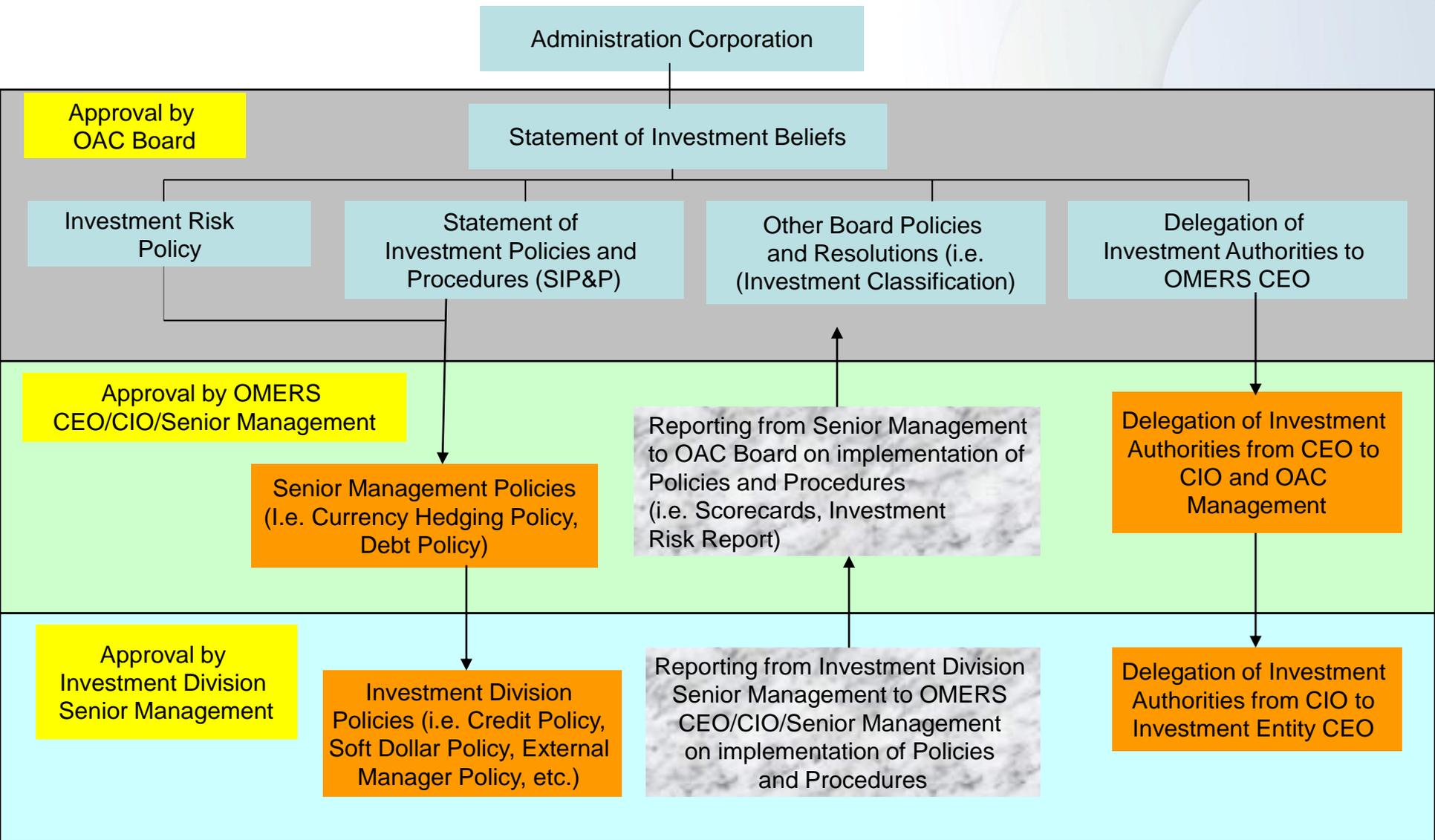
# Risk Management

Enterprise Risk Management

Investment Risk Management



# Risk Management (cont'd.)



# Risk Management (cont'd.)

The Investment Risk Policy:

- establishes a framework for managing OMERS investment risks;

## OMERS Total Fund Risk Management Framework



- helps provide assurance to our strategic partners and third-party investors that OMERS has implemented leading practices in investment risk management; and
- supports leading practices risk governance

# Conclusion

We are committed to providing secure pensions by:

- **INVESTING** to earn superior returns with due regard for risk
- **PARTNERING** with like-minded investment managers
- **PROVIDING** high quality service to our members and employers
- **DELIVERING** value for money
- **BUILDING** a culture of excellence and pride in OMERS