OMERS Update to the City of Toronto

June 7, 2022

Joe Pennachetti, Director
OMERS Sponsors Corporation

John Armstrong, Director
OMERS Administration Corporation

Agenda

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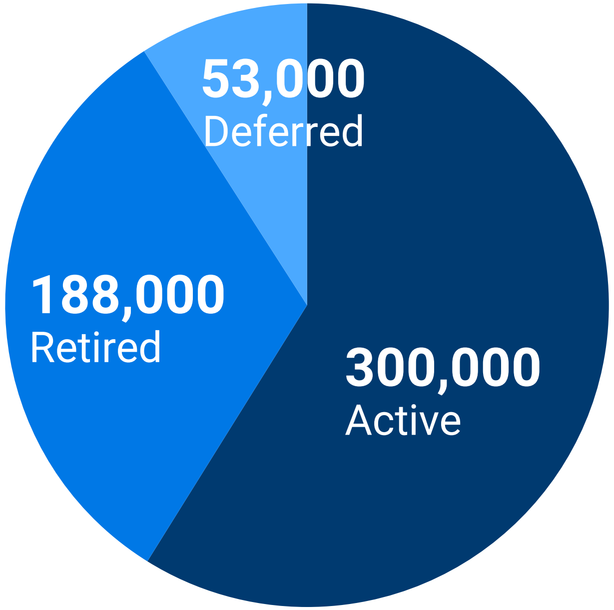
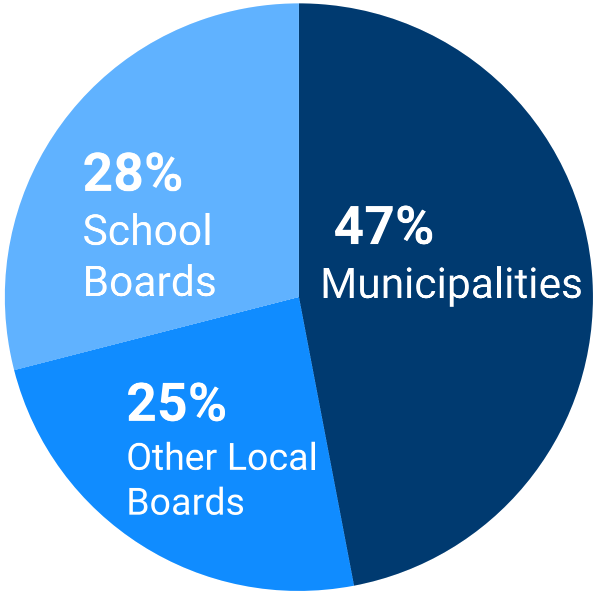
OMERS Demographics

The City of Toronto (25,200) plus its Agencies and Corporations (14,800) represent ~13.6% of OMERS membership totaling 40,000 active members





541,000
Members

1,000+
Employers

50+
Union associations

*Data as of 2021

Composition of OMERS Management and Boards – 2022

	Percentage of Women	
	2019	2022
OMERS Management*	33%	38%
OMERS Executive Team**	14%	40%
OMERS Administration Corporation Board	27%	27%
OMERS Sponsors Corporation Board	29%	31%

*Management as defined in the information above includes employees at the Director level and above, who work for OMERS Administration Corporation, as well as our investment entities, Oxford Properties, OMERS Infrastructure, OMERS Private Equity and OMERS Capital Markets.
**Comparison between OMERS senior executive team in 2019 and OMERS executive leadership team in 2022

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2021 Financial Results

2021 Primary Plan net investment returns significantly exceeded the benchmark

Primary Plan

Net Return

15.7%

2021 Benchmark 6.6%

Primary Plan

Net Investment Income

$16.4B

2021 Benchmark $6.5B

All segments of the portfolio generated above benchmark returns

Net Investment Returns (%)	2021	2021 Benchmark
Public Investments	14.6%	5.8%
Bonds	1.3	
Credit	5.8	
Public Equity	20.7	
Private Equity	25.8	8.0
Infrastructure	10.7	7.9
Real Estate	15.9	6.1
Total Primary Plan	**15.7%**	**6.6%**

Four factors contributed to the Plan's outperformance vs the benchmark

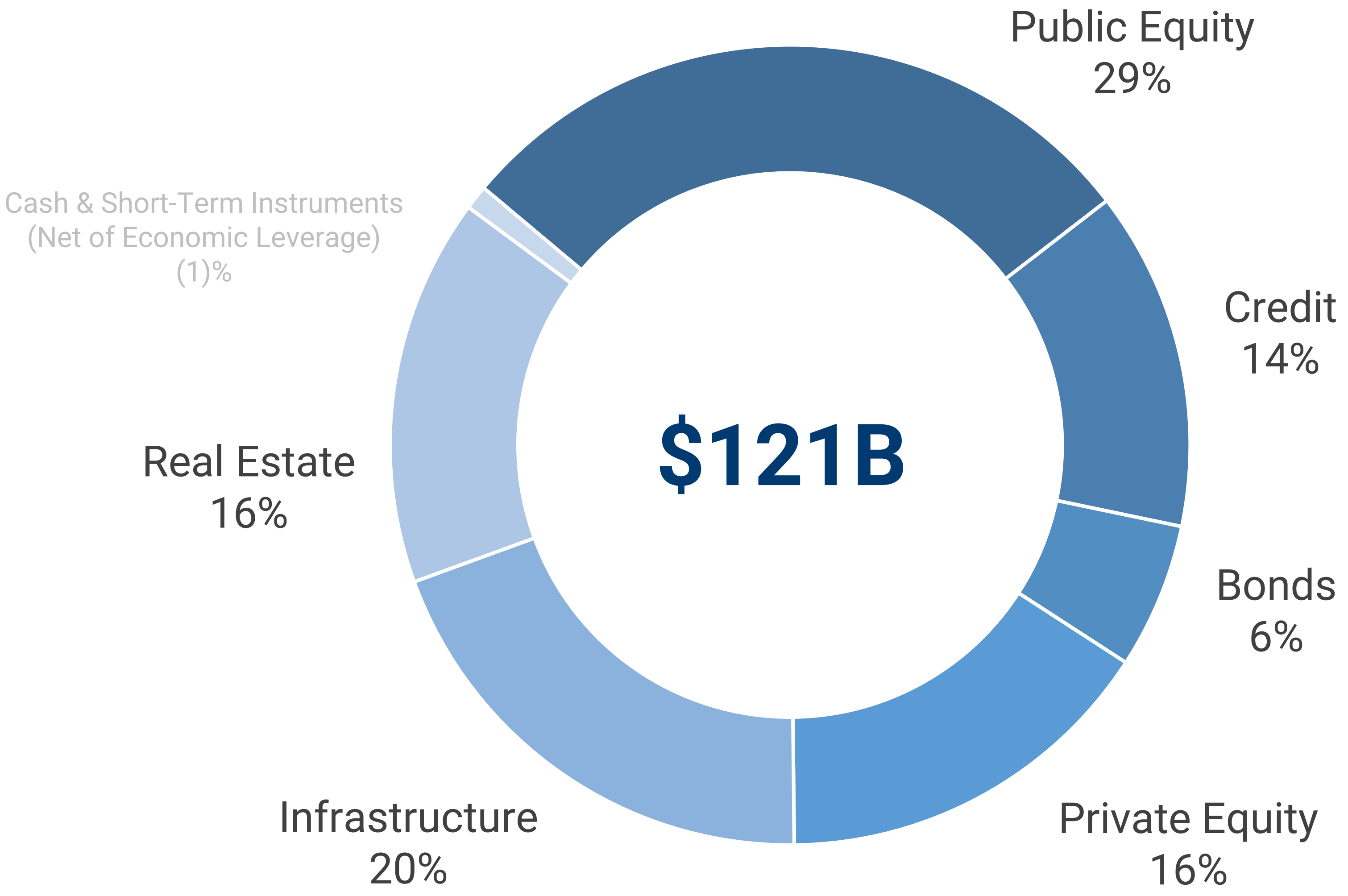
	% of Delta	Commentary
Public Equity	~45%	High-quality global portfolio
Private Equity	~30%	Earnings growth (organically and through acquisitions) and strong investor appetite
Industrial Real Estate	~15%	Growing demand for warehousing and logistics spaces
Infrastructure	~5%	Continued strong, stable returns from essential services

Longer-term returns exceed their benchmarks

Annualized Net Return History

	1 Year	3 Year	5 Year	10 Year
2021	**15.7%**	**8.0%**	**7.5%**	**8.0%**
Absolute Benchmark Return	6.6%	7.0%	7.1%	7.4%

Our return seeking portfolio of quality assets is positioned with low leverage.....



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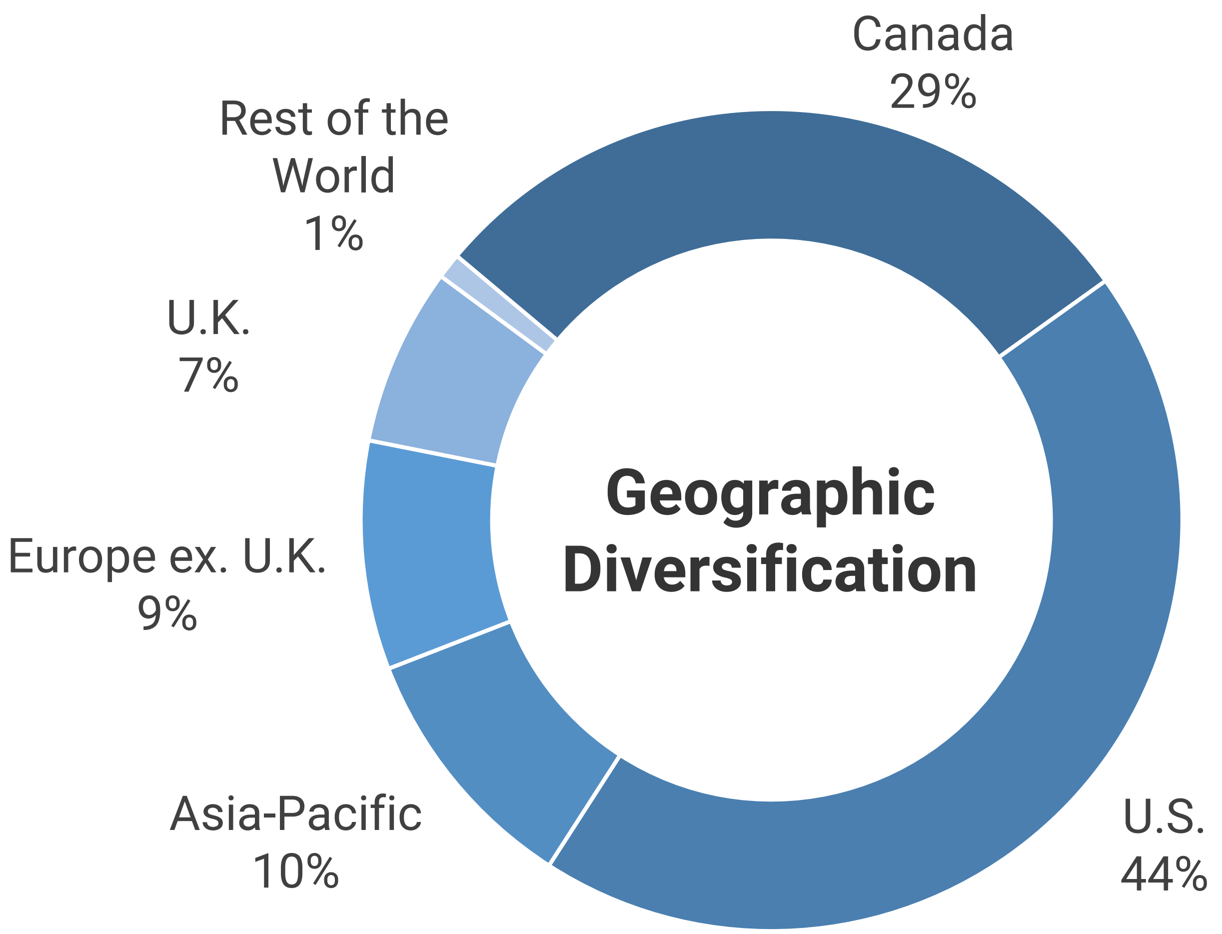
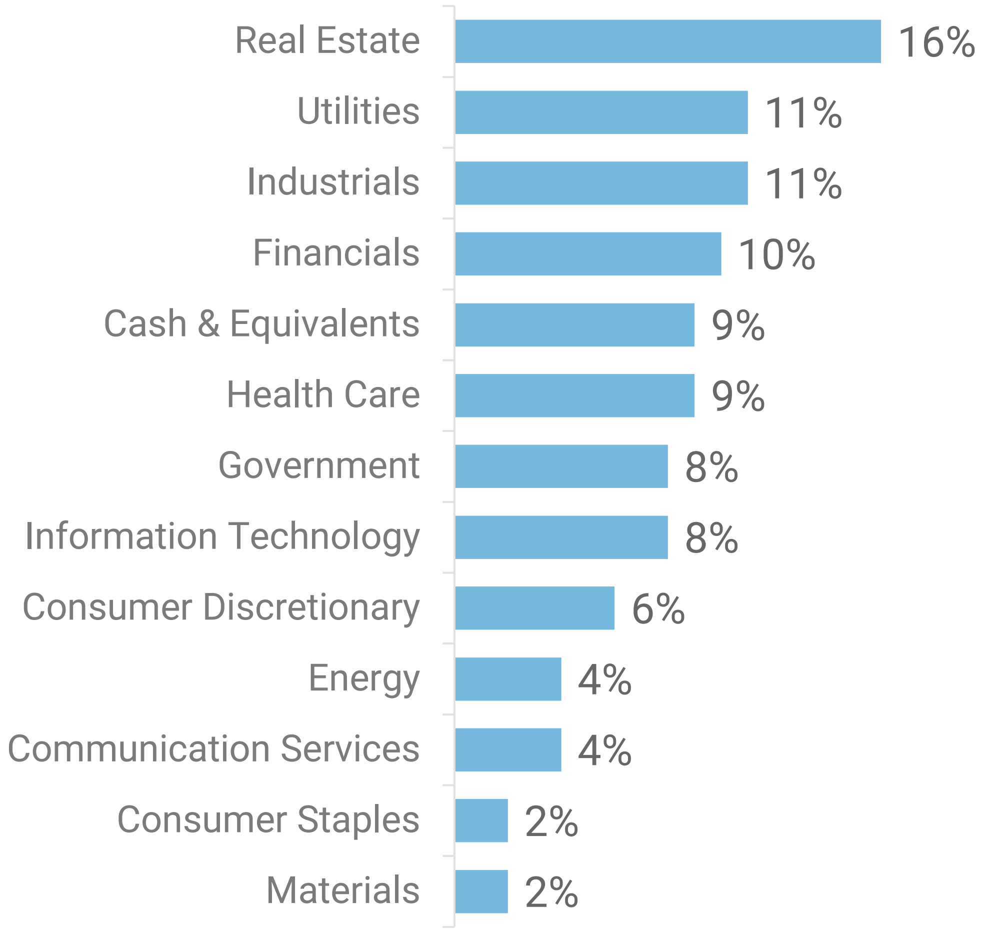
Presentation at April 2022
Data as at December 31, 2021

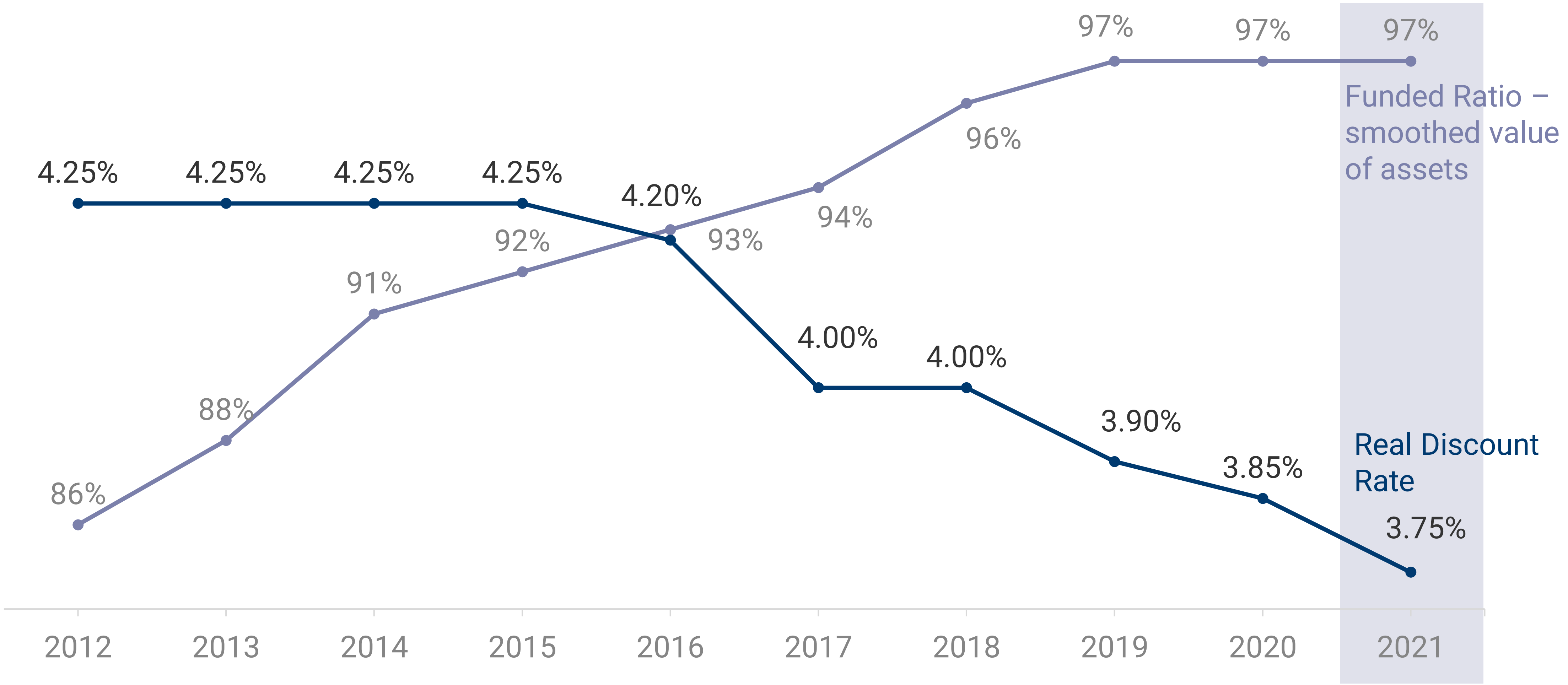
...and is well diversified by geography and industry



Industry Exposure



Funded ratio stable in 2021, with a lower real discount rate



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Sustainable Investing

Sustainable investing approach

It has been our long-held belief that well-run organizations, with sound environmental, social and governance practices will perform better, particularly over the long-term.

- Sustainable Investing Policy
- Sustainable Investing Committee led by executive leadership

Our approach is grounded in four principles:

Integration of ESG factors into investment decision-making

Engagement with portfolio companies to promote sustainable business practices

Collaboration with like-minded institutions to amplify our voice

Adaptation to a rapidly evolving landscape

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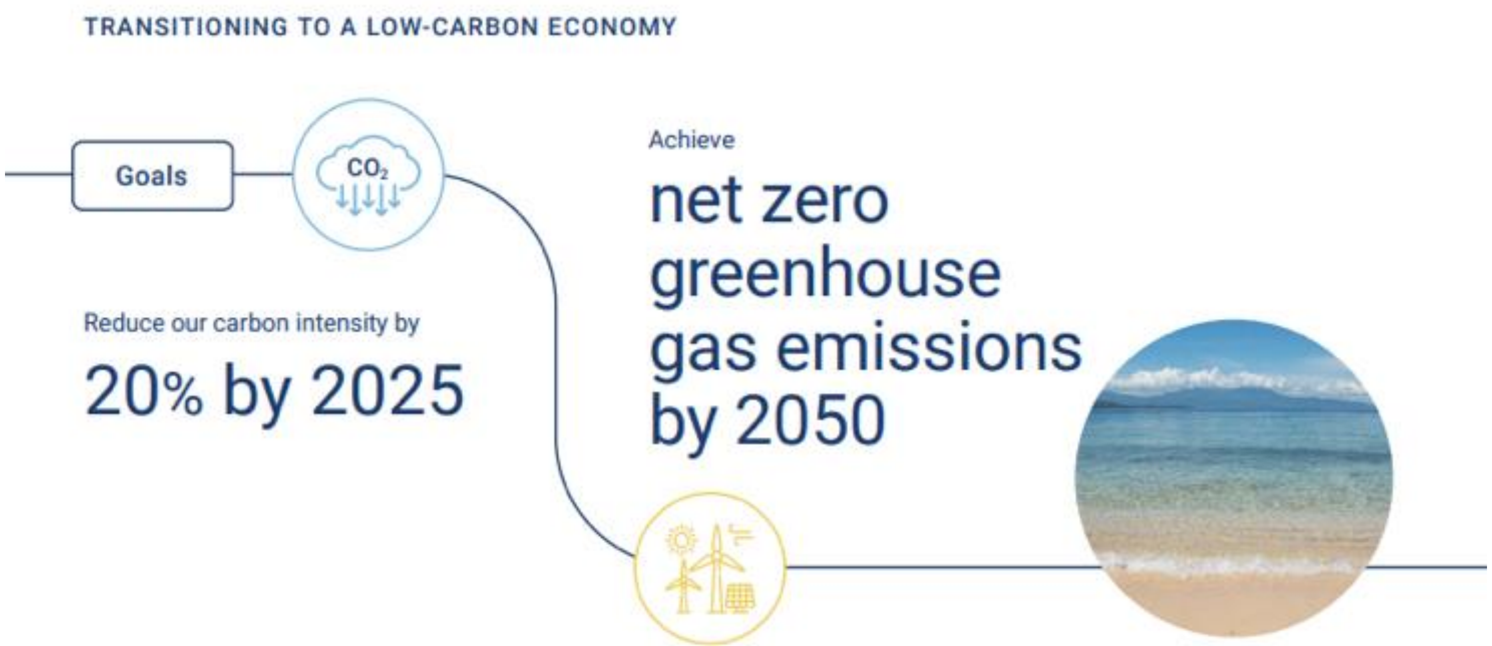
We made significant commitments in 2021 to reduce our footprint

We continue to advance our Sustainable Investing efforts in the following ways:

OMERS has set goals to:

- achieve **net-zero greenhouse gas** emissions across the total portfolio by 2050
- **reduce the carbon intensity** of the portfolio 20% by 2025
- establish **5-year interim targets**



The portfolio today holds more than

$18 Billion

invested in green assets, including green buildings, renewable energy and energy efficiency assets

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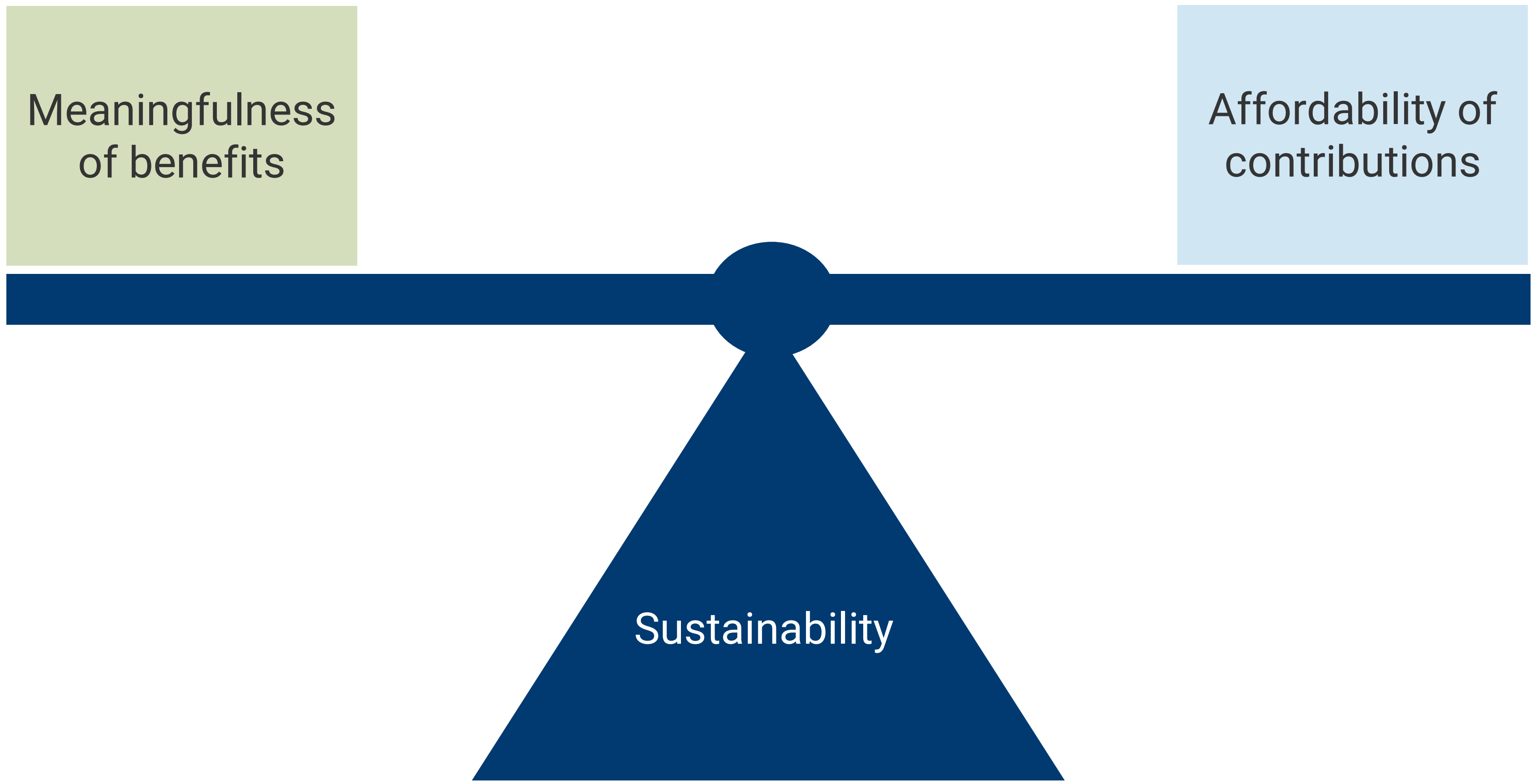
Sponsors Corporation Priorities

OMERS is a partnership between members and employers



Our Objective: **To make OMERS a sustainable, affordable and meaningful defined benefit plan.**

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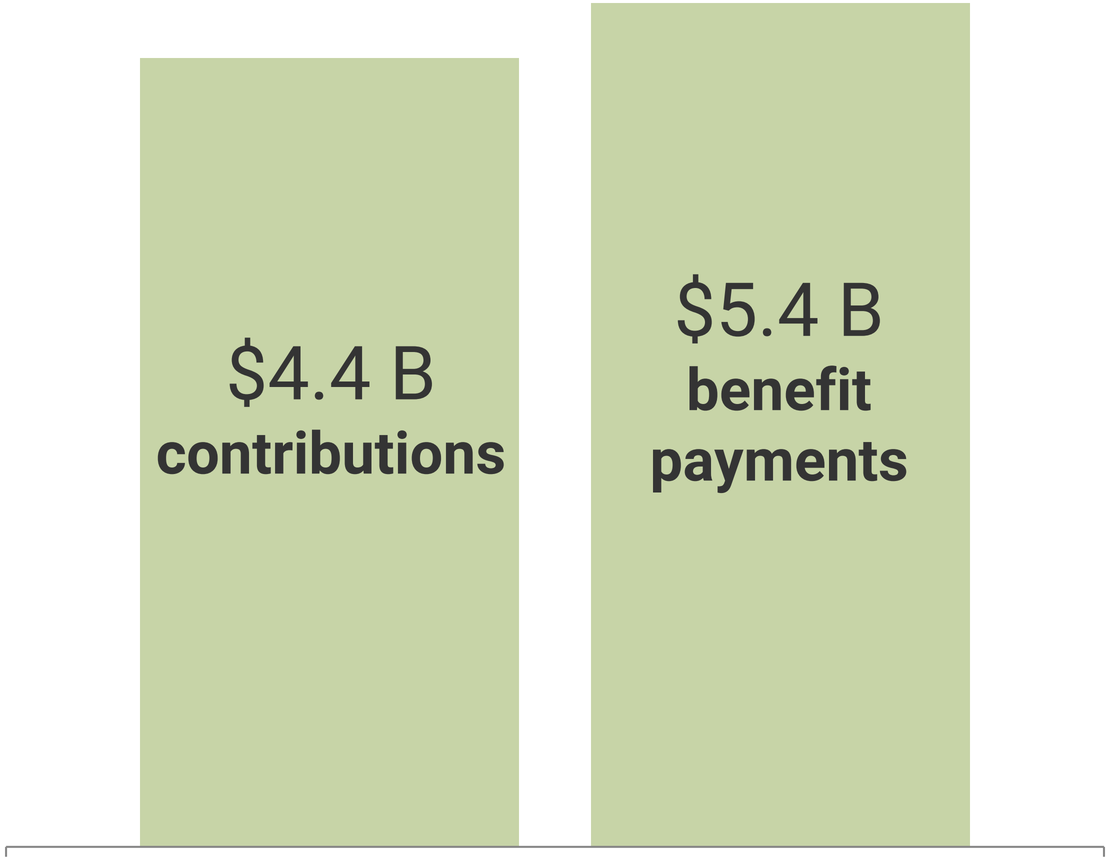
OMERS paid $5.4 billion in benefit payments in 2021, contributing to the economy and generating impactful social value



Contributed **$11.9 billion** to Ontario’s 2020 GDP

Supported more than **118,000 jobs**

Members report **higher life satisfaction**

And are more likely to **give back** to their **communities**

Meaningful benefits for individuals and communities

The study leveraged and compared survey responses of more than 4,000 Ontario-based OMERS members and more than 1,000 responses from the general Ontario public.

Responses from OMERS retired members indicated the following:

54%

more likely to report higher satisfaction with life than people who do not participate in a pension plan

90%

attributed higher life satisfaction to being part of a defined benefit pension plan

Financial Security

20% higher feeling of financial security

48% felt they had saved well to meet their retirement needs

Mental and Physical Health

15% higher satisfaction with their health

42% rated their physical health as very good or excellent

Reduce Stress

22% more likely to report lower stress levels

29% less likely to attribute stress to financial concerns

Community Involvement and Leisure

38% more likely for OMERS retired members to volunteer time in their community

94% donated to charities and not-for-profits

Plans are facing significant economic headwinds…

- Ultra-low interest rates
- High asset valuations
- COVID
- Geo-political risks
- Climate change
- Inflation
- + other known and unknown risks which will inevitably emerge over time

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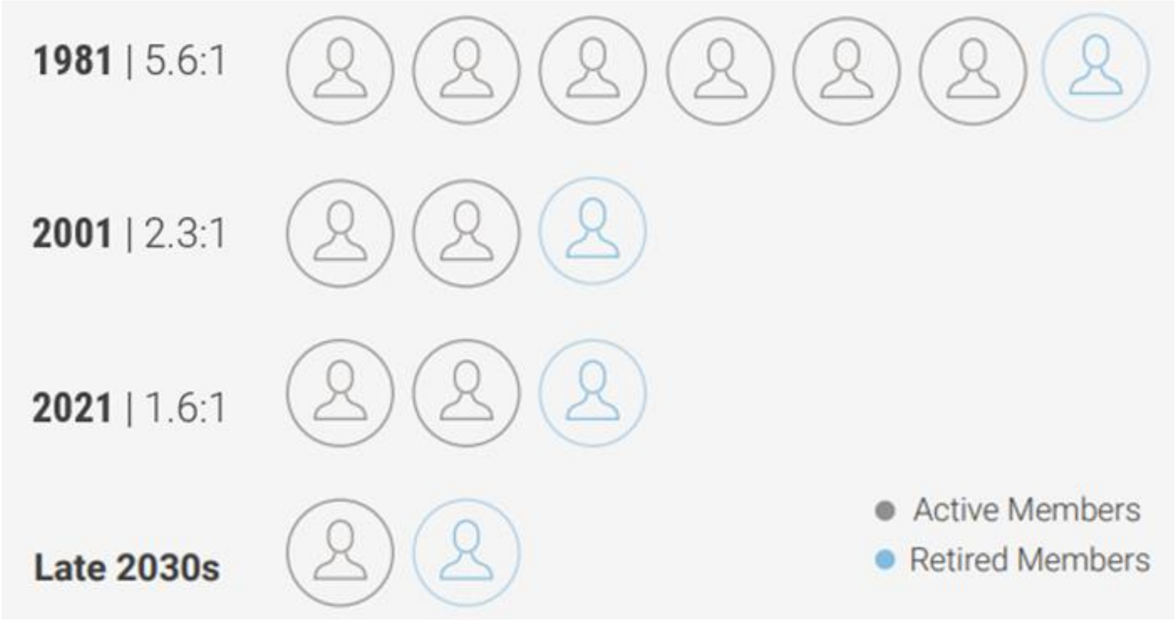
There are growing demographic pressures

Increasing longevity

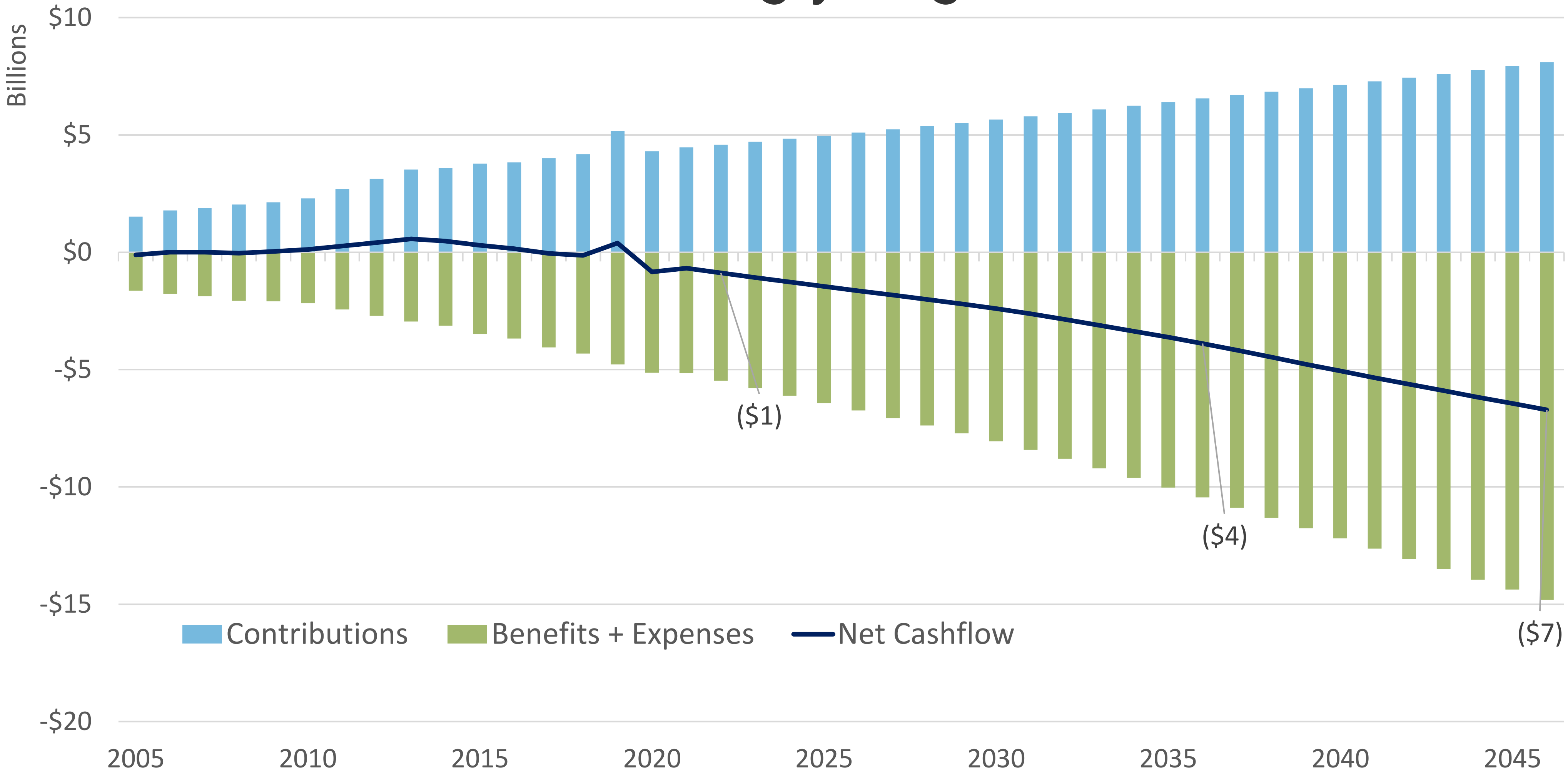
Baby boomers retiring

Changing nature of employment

Increasing Plan Maturity



Due to plan maturity, the plan's net cashflow will become increasingly negative



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We have a multi-pronged strategy to continue building resilience and improving sustainability

Investment strategy

Build buffers

Strategically lower our discount rate

De-risk the plan as it matures

Plan risk assessment

Ongoing responsibility to review the plan design to ensure it is sustainable for our members today, and for generations to come

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We respond to change and challenges in a meaningful way

- Timely plan amendments to address pandemic-related issues
- Non-full-time expansion (NFT) in response to shifting demographics
- Shared risk indexing (SRI) to address long-term risk sharing and manage increasing short-term volatility
- Reductions in valuation discount rate to protect long-term benefit security

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We are adapting to change and building resiliency to handle the challenges we face, now and decades into the future


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Questions/Comments