



November 8, 2022

Mr. George Cooke
Chair, OMERS Administration Corporation Board of Directors (OAC)
100 Adelaide Street West
Toronto, ON
M5H 0E2

Dear Mr. Cooke:

Thank you for getting back to us so quickly regarding our November 4, 2022, letter.

It is unfortunate that you characterize our writing on very real and serious concerns about OMERS governance, investment performance and other matters as a "negative writing campaign" rather than an opportunity to reflect on the issues we raise and take real actions to improve our plan's governance and better management of our plan's resources.

The basis of our unfavourable comment and opinion on the OMERS investment model is based on the OMERS 2021 Annual Report. I draw your attention to pages 37 to 41, *Primary Plan Funded Status* and, beginning on page 39, various statements on investment performance uncertainties presented in the *Challenges Facing the Plan*: "Long-term funding challenges include the expectation of lower future investment returns, increasing plan maturity and potential adverse demographic experience...The Plan remains underfunded and is maturing; it does not yet have sufficient reserves to mitigate the impact of these risks...Should our investment returns underperform our long-term return expectations, the Plan could require increased contributions, decreased benefits or both to fund the resulting incremental deficit."

That the OMERS investment model is having trouble is not an overstatement. For you, as the OAC's "independent" board chair, to say that this is "absolutely not the case" contradicts what the OAC and Sponsors Corporation is presently communicating about the funded status and investment performance of the OMERS plans. We see that while OMERS retirees are precisely getting the benefits they paid for, without extraordinary investment performance, active members face increased contributions, decreased benefits or both. The OMERS 2021 annual report says as much.

We will continue to raise questions and provide comments on matters that impact our pension fund – the most critical source of retirement income for our members and their families. My offer for lunch to discuss OAC matters still stands as it remains my sincere hope that we can have a meaningful dialogue to forge a productive path forward. I will be in touch shortly with some dates.



Sincerely,

M. MAJOR

Mike Major
Executive Director
COTAPSA