



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

Dear Mr. Cooke,

We would like to express our concerns regarding the recent media reports of the partnership between OMERS and Goldman Sachs Asset Management (GSAM) to launch a separately managed account co-investment program in private credit transactions across the Asia Pacific region.

It stands to reason that in an era of economic uncertainty, lower returns, growing funding obligations, and complexity, reporting expectations of our pension fund on investment decisions and risks would be rising.

Several aspects of this partnership raise questions and concerns:

OMERS has previously emphasized the talent and expertise of its in-house team in managing private credit investments. Members were assured that OMERS possessed a highly capable internal team successfully handling private credit programs, mirroring its success in managing other asset classes. However, the sudden announcement of a partnership with GSAM to oversee these private credit transactions in Asia has cast doubt on OMERS' confidence in its internal team's ability to expand into this region. Moreover, it's worth noting that while GSAM has posted an announcement about the partnership on its website, there is no corresponding evidence of OMERS doing the same. This discrepancy raises a pertinent question: Why the seemingly discreet yet notable shift in investment strategy?

OMERS likes to state that it has a reputation as a leading disclosure pension plan amongst its Canadian public pension peers. The decision by OMERS to partner with GSAM to manage a separate private credit account in Asia introduces complexities in reporting and disclosure. We think Members might be concerned about how this partnership might impact the transparency and clarity of reporting regarding private credit investments. We seek assurance that OMERS will maintain its commitment to transparency and continue to provide comprehensive and timely information to its members in this situation.

Likewise, private credit investments come with inherent risks, especially when expanding into new geographical regions like Asia. Our members would appreciate seeing an assessment of the risks associated with this shift in strategy and how OMERS plans to mitigate these risks.

Goldman Sachs has faced significant legal and ethical challenges recently, including spending nearly \$3 billion (US) to end a probe of its role in a corruption scandal stemming from its private investment activities in Asia. We would like you to address how OMERS plans to ensure ethical and responsible investment practices are upheld in this partnership.

We believe OMERS should provide members with a clearer understanding of the rationale behind this partnership, its expected benefits, and how it aligns with OMERS' long-term investment strategy and ESG (Environmental, Social, and Governance) goals. Specifically, we are interested in how OMERS' management has integrated the 'G' (Governance) aspect of ESG factors into its decision-making process for this outsourcing arrangement. Additionally, we question whether this external management arrangement signals a more permanent departure from OMERS' traditional direct-drive investment strategy.

In conclusion, we believe our transparency concerns reflect those of the broader membership. While we are optimistically committed to OMERS' success and sustainability, we cannot afford to be naïve. We seek sufficient and reliable responses to ensure prudent practices, including due diligence in the selection, reporting, and monitoring of investments under your board's oversight.

Sincerely,

A handwritten signature in black ink that reads "M. MAJOR". The letters are bold and slightly slanted, with a casual, professional appearance.

Mike Major
Executive Director