



# Additional Voluntary Contributions Fact Sheet

(as at December 31, 2023)

## Purpose

This document provides an overview of important financial information for OMERS members who are considering participating in the Additional Voluntary Contribution (AVC) provision of the OMERS Plan. For more information on AVCs, please refer to the [AVC Guide and Terms of Participation](#).

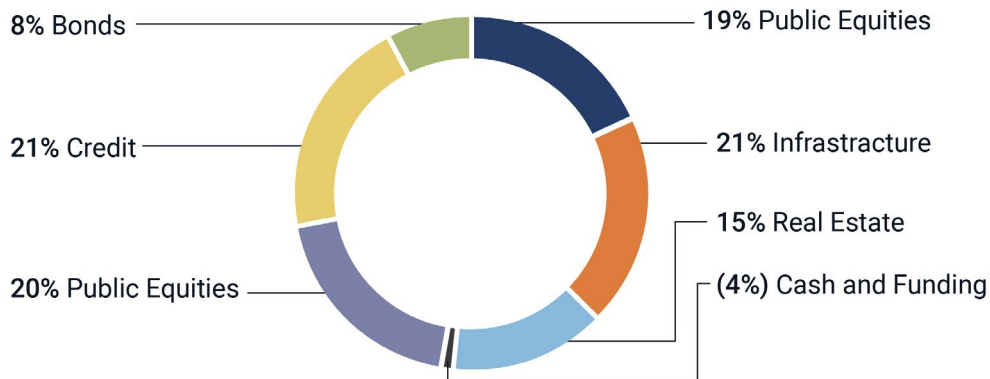
## Investment Approach

Funds that you contribute to an AVC account will be invested in the OMERS Fund and will receive the same net investment return and experience the same variability as the OMERS Fund.

The foundation of our investing philosophy is focused on seeking high-quality investments to meet the pension promise. We maintain a long-term perspective on markets and, to help us better manage through short-term volatility, we seek investments that also generate stable income.

The experienced in-house teams at OMERS directly and actively manage most of the OMERS Plan's investments. This allows us to maximize opportunities across OMERS investment businesses and manage investment costs. We are disciplined in our approach to portfolio management, embedding a culture of prudent risk management at every level of the organization.

## 2023 ASSET MIX At December 31, 2023



### Public investments

Our public investments include public equities, credit investments and bonds that are generally traded in financial markets. Our approach is to focus on high-quality investments that can generate sustainable cash income and capital growth, which we believe results in more consistent returns and lower volatility over a multi-year period.

### Private investments

Our private investments include private equity, infrastructure and real estate, which are held for the longer term. These asset classes, in aggregate, tend to generate high and more stable returns over the long term.

For more about OMERS investments, see the [OMERS 2023 Annual Report](#) or visit [Investing](#) on [omers.com](#).

An AVC account may be attractive to members who do not want to make their own asset allocation decisions and are seeking satisfactory long-term growth with moderate volatility, through diversification of asset classes. Returns on investments will fluctuate with economic conditions in Canada and globally, individual company and industry performance, political and world events, changes in interest rates and other factors. Members should be aware that there are other savings and investment products in the marketplace with different risk-versus-return profiles, e.g., GICs, exchange-traded funds (ETFs) and mutual funds.

## OMERS Fund Performance

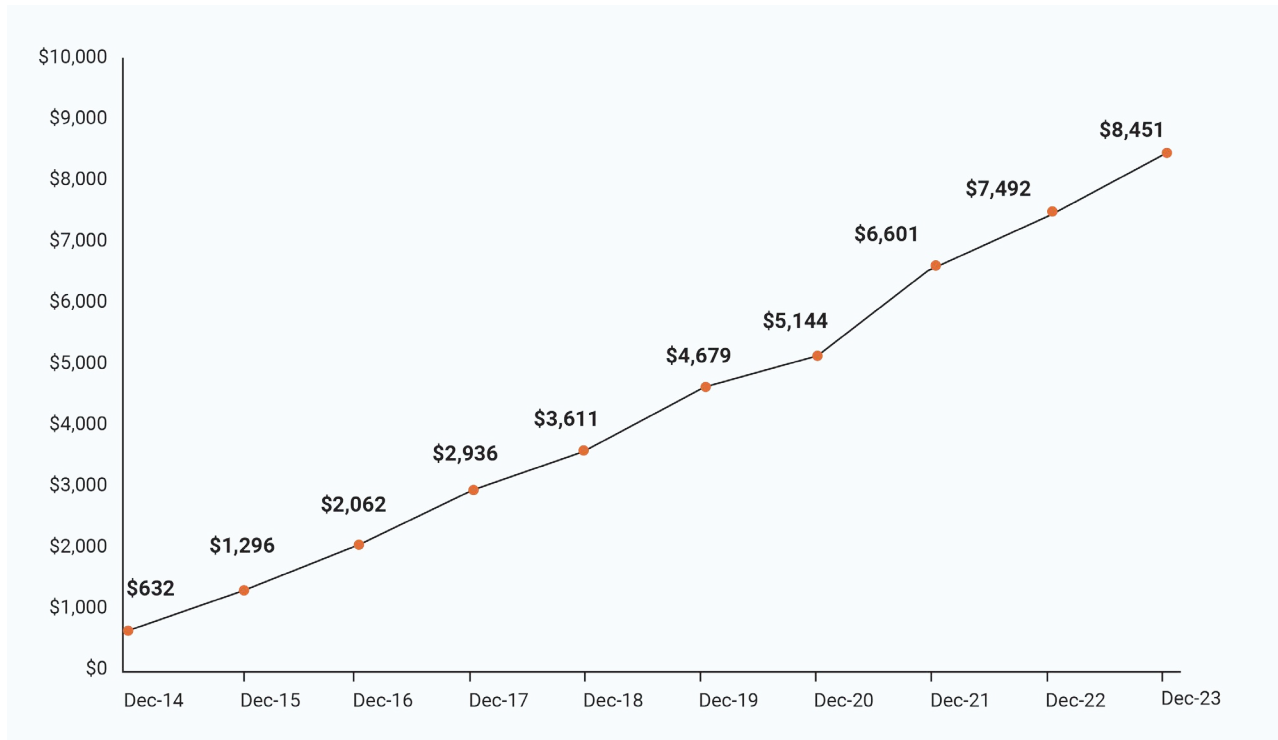
Net return	2023 Annual Return	Annualized Return for the period ended December 31, 2023
	1-Year	10-Year
OMERS Primary Pension Plan	4.6%	7.3%

Although past performance is not an indicator of future results, looking at a 10-year period:

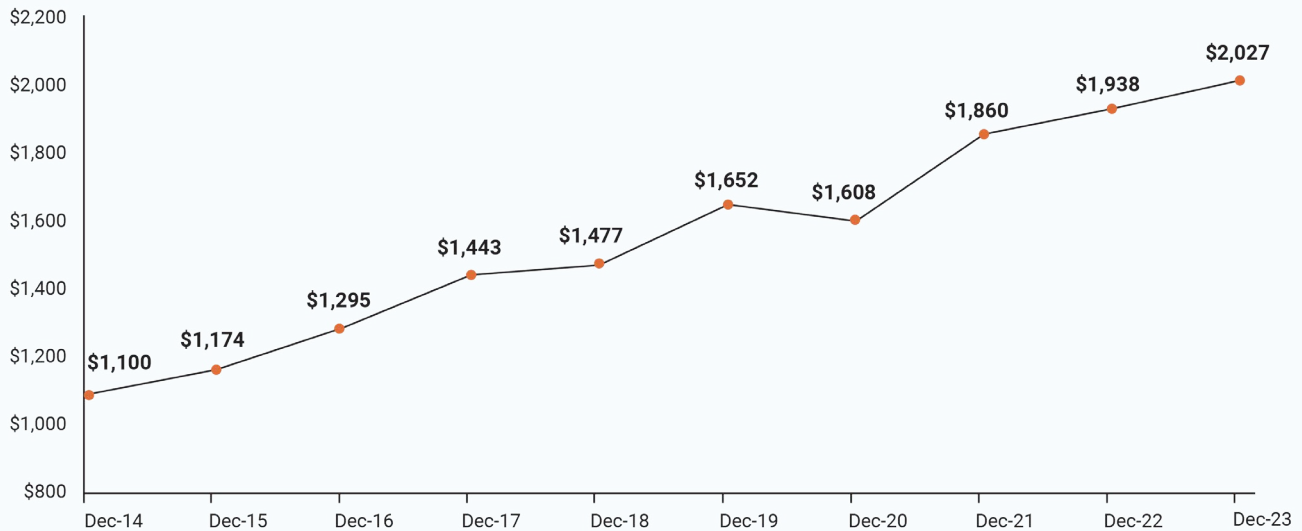
- An investment of \$50 each month (\$600 a year or \$6,000 over a 10-year span) in the OMERS Fund starting on January 1, 2014, would have grown to **\$8,451** in total by December 31, 2023.
- \$1,000 invested in the OMERS Fund on January 1, 2014, would have grown to **\$2,027** by December 31, 2023.

The results are based on investment returns after investment management expenses and prior to applying the AVC administration fee.

### The value of a \$50 monthly contribution invested in the OMERS Fund (10-year period, 2014-2023)



## The value of \$1,000 invested in the OMERS Fund (10-year period, 2014-2023)



## AVC Account Fees and Expenses

### Administration fee

OMERS will incur expenses associated with the startup, operation and maintenance of AVC accounts. These expenses are in addition to expenses related to the administration of the defined benefit provision of the OMERS Plan and will be recovered by an annual flat fee. For 2024, the administration fee is \$35. The administration fee is based on cost-recovery and is subject to periodic review. The administration fee may change over time.

### Investment management expenses

Contributions to an AVC account will receive the same net investment returns as the OMERS Fund. Net investment returns for a given year represent investment returns after accounting for the investment management expenses incurred for that same year. Investment management expenses can be expressed in dollar terms, and also as basis points (a basis point is one one-hundredth of a percent, or 0.01%) which are deducted from the gross rate of return, in order to determine a net rate of return.

Internal investment management expenses were \$612 million in 2023. In addition to internal investment management expenses, we incurred expenses for external manager performance and pooled fund fees of \$83 million in 2023. These costs aggregate to a management expense ratio of 54 basis points in 2023.

For more about OMERS investment management expenses, see the [OMERS 2023 Annual Report](#) or visit [Investing](#) on omers.com.

## Risk Tolerance

Prior to registering for AVCs and making a contribution or lump-sum transfer to an AVC account, members should evaluate their financial goals and objectives, and consider the potential risks of investing in the OMERS Fund through an AVC account. Members should also consider discussing risks with an appropriately qualified financial adviser.

### Investment (return variability) risk

Funds that you contribute to or transfer to an AVC account will experience the same variability of returns as the OMERS Fund. OMERS invests in a combination of public and private equities, infrastructure, real estate and a broad range of interest-bearing instruments in various currencies, all of which are subject to market and credit risk.

While OMERS investment strategy diversifies the investment portfolio, the Fund is exposed to various risks that may negatively impact the value of the Fund and your AVC account over time. We carefully identify, assess, manage and monitor risks that could impact our business objectives, including demographic and economic factors. As a result, risk awareness and management are embedded in all of our strategies. For more about OMERS risk management, see page 38 of the [OMERS 2023 Annual Report](#) or visit [Investing](#) at omers.com.

Members should ensure that the variability of returns on AVCs, which would be suitable for those willing to accept a moderate risk level, corresponds with their financial goals and objectives.

### Member-specific considerations

If you choose to make contributions or lump-sum transfers to an AVC account, you should be aware of the limitations on the timing of lump sum transfers and withdrawals as well as the amounts that may be withdrawn from your account. These limitations reduce the liquidity of your investment and should be considered for investment planning purposes.

Fees and expenses are based on cost recovery. The administration fee is reviewed on a periodic basis and may change over time. Investment management expenses may vary from year to year.

This fact sheet provides important information for OMERS members about contributing to the Additional Voluntary Contribution (AVC) provision of the OMERS Primary Pension Plan and should be read carefully before you decide to contribute to an AVC account. The information in this fact sheet is not intended to provide advice on whether AVCs are suitable for any particular member. OMERS members are encouraged to consult a qualified financial adviser prior to making any investment decisions.

In this fact sheet, we refer to the OMERS Primary Pension Plan as the “OMERS Plan,” and we refer to the fund for the OMERS Primary Pension Plan as the “OMERS Fund” or “Fund.”

For more information about OMERS results, investments and more, please refer to the [OMERS 2023 Annual Report](#), which can be found at omers.com.

Note: The AVC option is only available to members who reside in Canada.