Ontario Municipal Employees Retirement System

Report to Members 1999

Report to Members

Strong performance

The Ontario Municipal Employees Retirement System (OMERS) earned $4.6 billion in net investment income and enjoyed a 15.2% return in 1999. Over the past four years, the Fund has recorded an average 14.8% annual rate of return. These results have consistently placed us among the top pension funds in Canada.

Susan O'Gorman

Strong performance has brought your pension plan into the new millennium not only fully funded, but with a healthy surplus of $5.6 billion – down slightly from $5.9 billion at the end of 1998. Our surplus is mainly due to strong Canadian stock markets and lower than expected inflation and salary increases.

Surplus management initiatives benefit members

The surplus has enabled the OMERS Board to offer the most extensive and balanced range of temporary and permanent plan benefit improvements in our history, including:

- 100% guaranteed inflation protection
- improved survivor benefits
- temporarily enhanced early retirement provisions
- a temporary contribution holiday for active members and employers.

The value of an OMERS pension grows each year by the rate of inflation. A member who received a $20,000 pension in 1990 would receive almost $25,000 today.

Many of our pensioners expressed concern over the use of the surplus, and we value this input as we review the latest valuation of the OMERS Fund.

Value of jointly managed Board

OMERS is a highly effective organization, jointly managed by a representative Board. Your 13-member Board consists of six employee representatives (including a pensioner representative), six employer representatives and one provincial government appointee.

Dale Richmond

Having employers and employees represented equally on the Board ensures that it remains accountable to you, our 271,000 active and retired members.

The Board is ably supported in its management role by OMERS professional staff. Our staff has extensive expertise and experience in investments, pension administration, technology and client service to ensure that your OMERS pension benefits are safe and secure.

Committment to Service

OMERS is committed to being a customer-focused organization. Last year was a very challenging year for us. Many members wanted to take advantage of early retirement incentives, which led to a dramatic increase in pension quote requests and retirements. In addition, many employers merged with other OMERS or non-OMERS employers, placing additional demands on our systems. This led to a temporary backlog in our ability to respond quickly to our members, but we are now back on track. We are continuing to monitor service demands and are committed to meeting the challenge of these increased demands.

As members of OMERS, we all benefit from being part of one of Canada's leading pension funds. With over $35 billion of assets in our plan, your pension is secure now and in the future.

Susan O'Gorman
Chair

Dale E. Richmond
President and CEO

Our Vision

OMERS will be an autonomous, self-funded pension plan managed by and for its members and employers.

OMERS will provide a choice of pension options for employees engaged in the delivery of local government services.

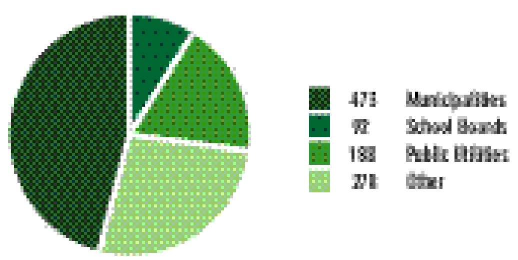
OMERS will keep its "pension promise" through prudent investment and cost effective management.

1999 Highlights

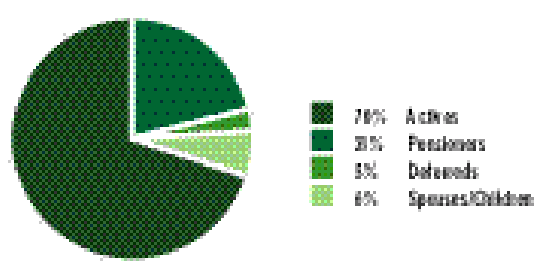
Profile

OMERS serves more than 1,000 employers and 50 unions and associations. Plan membership has grown to 271,000.

Employers



Members



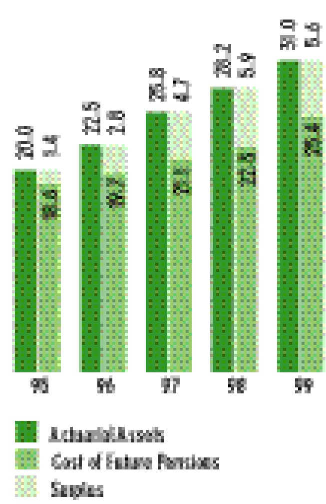
Performance

OMERS has posted another strong return in 1999. Investment assets now total $35.3 billion.

- One-year results 15.2%
- Four-year results 14.8%
- Ten-year results 11.1%

Asset growth versus cost of future pensions

($ billions)



Our Core Values

We provide high quality service to all our clients.

We treat each other with respect, fairness, trust and dignity.

The OMERS Fund:

- holds 2270 securities
- invests in 46 countries
- owns almost 2% market capitalization of the TSE

1999 Holdings greater than $200 million*

	Shares (millions)
Equities	
BCE Inc.	10.0
Nortel Networks Corporation	9.0
Bombardier Inc.	7.4
The Toronto Dominion Bank	7.3
Canadian Pacific Limited	6.5
The Thomson Corporation	6.4
Canadian Imperial Bank of Commerce	5.9
Imasco Limited	5.9
Bank of Montreal	4.8
Royal Bank of Canada	4.7
Alcan Aluminum Limited	3.6
	Dollar value ($ millions)
Bonds/Debentures	
Government of Canada	2,501
Government of Ontario	1,107
International Bank for Reconstruction and Development	440

*As at December 31, 1999

Contact Us

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web	www.omers.com

The 1999 Annual Report is available upon request

Member Services

As the Plan continues to grow, OMERS is committed to providing service and plan improvements.

Some of our improved services to you include:

- Our Membership Services System (MSS), launched in January 2000. This custom-built computer system puts us at the forefront of pension administration in Canada and will provide easier access to your information and faster service.
- A "Service Monitor" on our web site that tracks the time it currently takes us to process your requests.
- A pension "Estimator," also new to our web site. This powerful retirement tool enables members to find out what their future pension will be.
- Two General Meetings in different locations, to give you the chance to meet your Board and see how it's accountable to you.

OMERS Board Members and Senior Officers

Board Members

Employee Reps

Susan O'Gorman
Chair
Ontario Nursing Association

Peter Leiss
First Vice Chair
Canadian Union of
Public Employees

Paul Bailey
Police Association of Ontario

David Carrington
Canadian Union of
Public Employees

Dick McIntosh
Pensioner

Rick Miller
Ontario Professional
Fire Fighters Association

David A.Griffin
(Until April 28/99)
Police Association of Ontario

Employer Reps

Walter Borthwick
Second Vice Chair
Mayor, Town of Wasaga Beach

Roger Richard
Past Chair
Limestone District School Board

Claude Guillemette
Reeve, East Ferris Township

Frederick Biro
Peel Police Services Board

Marianne Love
City of Brampton

Bill Rayburn
County of Middlesex

Wasim Hassan
(Until Dec. 31/99)
Municipal Electric Association

Joanne Fulkerson
(Until Mar. 31/99)
Thunder Bay Hydro

Government of Ontario Rep

Nancy Bardecki

Senior Officers

Dale Richmond
President & CEO

Michael Beswick
Senior Vice President
Pensions

Wayne Gladstone
Senior Vice President
Finance & Administration

Tom Gunn
Senior Vice President
Investments

Gillian Platt
Senior Vice President
Corporate Affairs

Advisors to the Board

Actuary
Watson Wyatt Worldwide

Auditors
KPMG LLP

Legal Advisor
Osler, Hoskin & Harcourt

Master Custodian
State Street Canada Inc.

Medical Advisor
Dr. D. Lewis

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