RE: OPTrust 2017 Funded Status Report

From: "Liu, Mary (TBS)" <mary.liu@ontario.ca>
To: "Angus, Helen (TBS)" <helen.angus@ontario.ca>
Cc: "Skoberne, Vivienne (TBS)" <vivienne.skoberne@ontario.ca>, "Ue, Allison (TBS)" <allison.ue@ontario.ca>, "Hartog, Erika (TBS)" <erika.hartog@ontario.ca>
Date: Tue, 10 Apr 2018 17:59:35 -0400
Attachments: Info Note- Funded Status 2017 V3.docx (63.22 kB); OPTrust-2017-FSR.PDF (2.56 MB)

Hi Helen,

Attached is the note that CPSLRC put together on the OPTrust Funded Status Report. They've shared information from the past 3 years on the funded status and the investment returns (2017 results copied below).

Plan	2017
OPTrust	**9.50%**
OPB	10.80%
HOOPP	10.88%
OMERS	11.50%
Ontario Teachers Pension Plan	9.7%

Thanks,
Mary

From: Rondeau, Marc (TBS)
Sent: March 9, 2018 2:06 PM
To: Angus, Helen (TBS); Pearson, Reg (TBS)
Cc: Skoberne, Vivienne (TBS); Lin, Kim (TBS); Tsirtsimpis, Katerina (TBS)
Subject: FW: OPTrust 2017 Funded Status Report

FYI. we will put together a note on this. We also have details coming in from OPB. I understand their return is a bit above this.

From: Tim Shortill [mailto:TShortill@optrust.com]
Sent: March 9, 2018 1:08 PM
To: Pichelli, Jason (TBS) <Jason.Pichelli@ontario.ca>; Rondeau, Marc (TBS) <Marc.Rondeau@ontario.ca>; Vannelli, Michael (TBS) <Michael.Vannelli@ontario.ca>
Cc: Hugh O'Reilly <HOReilly@optrust.com>; Darcy McNeill <DMcNeill@optrust.com>; Claire Prashaw <CPrashaw@optrust.com>
Subject: OPTrust 2017 Funded Status Report

Jason, Marc and Michael - yesterday the Board approved our 2017 performance, Funded Status Report and audited financial statements. We will be releasing our Report on Monday.

We originally had time with the Deputy this morning to take her through this, which we completely understand had to be rescheduled for obvious reasons.

Hugh asked that I provide you with the attached presentation, which is what we took OPSEU through this morning.

Key take aways:
- our funding status improved last year, from 110% Funded to 111%, on a market value basis;
- we will be filing a valuation this year, fully funded, with a lower discount rate and strengthened mortality assumptions;
- we lowered our discount rate, from 3.4% real to 3.3%, which is the second lowest discount rate amongst our peer plans, and makes us the only JSPP with guaranteed indexation that is fully-funded;
- a net investment return of 9.5%;
- value add was 2.6%, significantly outperforming our benchmarks;
- costs of 35 bps, when disclosed in a manner consistent with our peers;
- solvency ratio of 100%, which is a good metric for sponsors to compare our funded position against other plans.

Please let me know if you have any questions.

Tim
